

# ANNUAL REPORT

2024-2025 FINANCIAL YEAR

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higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

**FoodBev**  
Manufacturing SETA  
EMPOWER • INNOVATE • ELEVATE



**DR MIMMY GONDWE**  
Deputy Minister  
Department of Higher  
Education & Training



**MR BUTI MANAMELA**  
Minister  
Department of Higher  
Education & Training



**DR NOMUSA DUBE-NCUBE**  
Deputy Minister  
Department of Higher  
Education & Training

## FoodBev SETA's function is:

To promote, facilitate and incentivise skills  
development in the Food and Beverages  
Manufacturing Sector.



higher education  
& training  
Department:  
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REPUBLIC OF SOUTH AFRICA

**FoodBev**  
Manufacturing SETA  
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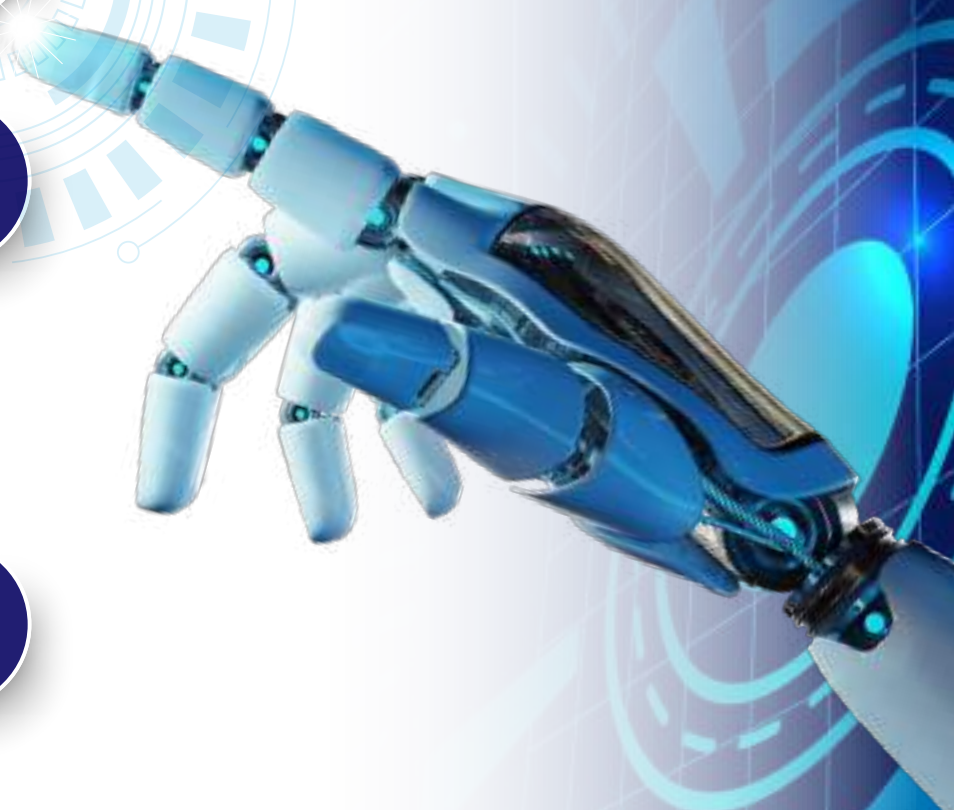
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## 1. GENERAL INFORMATION

|                     |                                                                                                              |
|---------------------|--------------------------------------------------------------------------------------------------------------|
| REGISTERED NAME     | Food and Beverages Manufacturing Sector Education and Training Authority (FoodBev SETA)                      |
| REGISTRATION NUMBER | 09/FOODBEV/1/04/20                                                                                           |
| PHYSICAL ADDRESS    | 7 Wessel Road<br>Rivonia<br>2128                                                                             |
| TELEPHONE NUMBER/S  | 011 253 7300                                                                                                 |
| FAX NUMBER          | 011 253 7333                                                                                                 |
| EMAIL ADDRESS       | info@foodbev.co.za                                                                                           |
| WEBSITE ADDRESS     | www.foodbev.co.za                                                                                            |
| INTERNAL AUDITORS   | Thabi Consulting<br>38 Apiesdoring Drive<br>Heuweloord<br>Centurion                                          |
| EXTERNAL AUDITORS   | Auditor-General South Africa<br>4 Daventry Street<br>Lynwood Bridge Office Park<br>Lynwood Manor<br>Pretoria |
| BANKERS             | First National Bank                                                                                          |







## 2. LIST OF ABBREVIATIONS/ACRONYMS

| TERM         | DESCRIPTION                                                              |
|--------------|--------------------------------------------------------------------------|
| AA           | Accounting Authority                                                     |
| AFS          | Annual Financial Statements                                              |
| AET          | Adult Education and Training                                             |
| AGSA         | Auditor General of South Africa                                          |
| APP          | Annual Performance Plan                                                  |
| AR           | Annual Report                                                            |
| ATR          | Annual Training Report                                                   |
| AQP          | Assessment Quality Partner                                               |
| B-BBEE       | Broad-Based Black Economic Empowerment                                   |
| BRICS        | Brazil, Russia, India, China, South Africa                               |
| CBO          | Community-Based Organisation                                             |
| CDS          | Career Development Services                                              |
| CEO          | Chief Executive Officer                                                  |
| CET          | Community Education and Training                                         |
| CFO          | Chief Financial Officer                                                  |
| COVID-19     | Coronavirus Disease 2019                                                 |
| CRM          | Customer Relations Management                                            |
| DG           | Discretionary Grants                                                     |
| DHET         | Department of Higher Education and Training                              |
| DPME         | Department of Planning, Monitoring and Evaluation                        |
| ECD          | Early Childhood Development                                              |
| EISA         | External Integrated Summative Assessment                                 |
| EPWP         | Expanded Public Works Programme                                          |
| ERRP         | Economic Reconstruction and Recovery Plan                                |
| EXCO         | Executive Committee                                                      |
| FoodBev SETA | Food and Beverages Manufacturing Sector Education and Training Authority |
| FW           | Funding Window                                                           |
| GRAP         | Generally Recognised Accounting Practices                                |
| HEI          | Higher Education Institutions                                            |
| HET          | Higher Education and Training                                            |
| HR           | Human Resources                                                          |
| HTFV         | Hard-to-fill vacancies                                                   |
| ICAS         | Independent Counselling and Advisory Services                            |
| ICT          | Information and Communication Technology                                 |
| IIA          | Institute for Internal Auditors                                          |
| MG           | Mandatory Grants                                                         |
| M&E          | Monitoring and Evaluation                                                |



| TERM                 | DESCRIPTION                                                          |
|----------------------|----------------------------------------------------------------------|
| <b>MOU</b>           | Memorandum of Understanding                                          |
| <b>NEC</b>           | Not Elsewhere Classified                                             |
| <b>NED</b>           | Non-Executive Director                                               |
| <b>NGO</b>           | Non-Governmental Organisation                                        |
| <b>NPO</b>           | Non Profit Organisation                                              |
| <b>NSDS</b>          | National Skills Development Strategy                                 |
| <b>NT</b>            | National Treasury                                                    |
| <b>NQF</b>           | National Qualifications Framework                                    |
| <b>OHS</b>           | Occupational Health and Safety                                       |
| <b>OQSF</b>          | Occupational Qualifications Sub-Framework                            |
| <b>PFMA</b>          | Public Finance Management Act                                        |
| <b>PIVOTAL</b>       | Professional, Vocational, Technical and Academic Learning programmes |
| <b>PWDs</b>          | Persons with Disabilities                                            |
| <b>PSET</b>          | Post School Education and Training                                   |
| <b>QCTO</b>          | Quality Council for Trades and Occupations                           |
| <b>RPL</b>           | Recognition of Prior Learning                                        |
| <b>SAQA</b>          | South African Qualification Authority                                |
| <b>SCM</b>           | Supply Chain Management                                              |
| <b>SETA</b>          | Sector Education and Training Authority                              |
| <b>SETA-FUNDED</b>   | Learning Programme and Projects supported and funded by FoodBev SETA |
| <b>SECTOR-FUNDED</b> | Learning Programme and Projects supported and funded by the industry |
| <b>SETMIS</b>        | Sector Management Information System                                 |
| <b>SIC</b>           | Standard Industrial Classification                                   |
| <b>SLA</b>           | Service Level Agreement                                              |
| <b>SME</b>           | Small and Micro Enterprises                                          |
| <b>SMME</b>          | Small, Medium, and Micro Enterprise                                  |
| <b>SP</b>            | Strategic Plan                                                       |
| <b>SPOIL</b>         | Sectoral Priority Occupations and Interventions List                 |
| <b>SSP</b>           | Sector Skills Plan                                                   |
| <b>TVET</b>          | Technical and Vocational Education Training                          |
| <b>TR</b>            | Treasury Regulations                                                 |
| <b>UIF</b>           | Unemployment Insurance Fund                                          |
| <b>VAT</b>           | Value-Added Tax                                                      |
| <b>WBL</b>           | Workplace-Based Learning                                             |
| <b>WSP</b>           | Workplace Skills Plan                                                |

# Accounting Authority's Foreword

This overview is provided by the Chief Executive Officer in her capacity as the Accounting Authority, designated in terms of Section 49(2)(b) of the Public Finance Management Act (PFMA). This designation was necessary as the term of the previous Board concluded on 31 March 2025, and a new Board has not yet been appointed as of the date of this report's finalisation.



**Ms Nokuthula Selamolela**  
Accounting Authority

## Mandate Delivery and Organisational Renewal

It is an honour to present the Food and Beverages Manufacturing SETA's Annual Report for the year ended 31 March 2025. This year has truly been one of disciplined delivery and deliberate renewal, where we successfully advanced our core mandate and proactively strengthened our governance frameworks. For the second consecutive year, FoodBev SETA met all targets in its Annual Performance Plan, reflecting our consistent and robust focus on skills development, sector transformation, and enhancing employability across the industry.

## Inclusive Impact and Sector Partnerships

Our strategic delivery has yielded significant impact, particularly among priority groups. We deepened the artisan pipeline, provided scaled

learner support, and empowered SMMEs, women, and youth. Female participation in our skills development interventions increased to 62%, while youth representation grew to 82% of funded learners, demonstrating our commitment to inclusive growth. Closer collaboration with industry and learning institutions ensured our discretionary funding was tightly aligned to priority programmes, and sector intelligence developed with academic partners significantly enhanced the relevance of our interventions.

## System Modernisation (QCTO and SAQA Alignment)

We continued to modernise our systems in alignment with the Quality Council for Trades and Occupations (QCTO) framework. This involved the successful development and registration of four new occupational qualifications with the QCTO and the South African Qualifications Authority (SAQA). These qualifications, designed in partnership with



*“62% women and 82% youth participation — inclusive skills investment with real impact.”*

industry stakeholders, directly address industry needs and enhance learner employability, improving occupational competence in high-demand areas. We also saw significant progress in our support for TVET colleges, with the number of colleges offering occupational programmes doubling from two to four, and TVET learner enrolments increasing from 752 to 1 160.

### **Financial Stewardship and Performance**

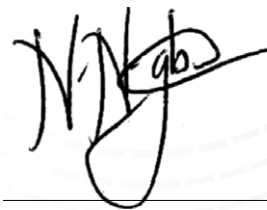
Our financial stewardship remained exceptionally sound throughout the year. We demonstrated increased investment in grants, maintaining healthy liquidity to support our commitments. Cash and cash equivalents stood at R895,4 million against total commitments of R703,2 million, reflecting our robust financial health. We achieved full delivery of our procurement plan and realised productivity gains from document digitisation. Critically, we are proud to report no instances of irregular, fruitless, or wasteful expenditure, and maintained a strong Level 5 B-BBEE standing, underscoring our commitment to compliance and economic transformation. Total revenue for the year increased by over 10% to R651 million, while total grant expenditure increased by 11% to R680 million, showcasing our effective resource deployment in line with our mandate.

While this robust performance was delivered, we did receive a qualified audit opinion. The Board has treated this outcome with the seriousness it deserves and, through its rigorous oversight and strategic stewardship, initiated a structured pathway to strengthen governance, controls, and data integrity across the organisation. This includes tightening organisational policies and standard operating procedures, reinforcing financial controls

and reconciliations, and prioritising investments in capacity, technology, and internal assurance to mitigate risks and improve the reliability of information. The Board's proactive engagement with these findings ensures our accountability and commitment to continuous improvement.

### **Appreciation and Board Transition**

I extend my sincere appreciation to the Ministry and the Department of Higher Education and Training (DHET) for their steadfast leadership and support throughout the year and during this transitional period. The management team remains dedicated to upholding the SETA's mandate and ensuring operational continuity. We await the appointment of the new Board and are confident that the strong foundation and clear priorities detailed in this report will enable a seamless transition and empower the new Board to guide the FoodBev Manufacturing SETA with integrity and purpose.



### **Ms Nokuthula Selamolela**

Accounting Authority  
Chief Executive Officer  
Food and Beverages Manufacturing SETA  
31 July 2025

# Chief Executive Officer's Overview

**Ms Nokuthula Selamolela**

Chief Executive Officer

*“We are not merely adapting to change, we are building a stronger, more resilient FoodBev SETA poised to deliver meaningful impact for the Food and Beverages Manufacturing Sector and for South Africa.”*

The 2024/25 financial year was a defining period for FoodBev SETA, characterised by the successful delivery of our core mandate and a proactive response to governance challenges. For the second consecutive year, we achieved 100% of our planned performance targets, demonstrating our sustained commitment to skills development and sector transformation.



## STRATEGIC DELIVERY AND SECTOR IMPACT

Our unwavering focus on increasing employability, fostering entrepreneurship, and improving industry competitiveness yielded significant, measurable results. We actively implemented our mandate by facilitating training and driving strategic investment in human capital development across various strategic interventions:

### Learner Impact:

We registered and **funded 10 353 learners across diverse programmes**, with 7 544 SETA-funded learners successfully completing their training, a testament to our outcome-based planning. Notably, **youth representation grew from 76% to 82% of funded learners**, and female participation increased from 59% to 62%, underscoring our dedication to inclusive growth.

### Artisan Development:

In support of national skills goals, we **invested approximately R118 million to support 1 004 artisans** — comprising 574 new entrants and 430 completions significantly contributing to addressing critical skills gaps.

### Entrepreneur & SMME Empowerment:

Our dedicated entrepreneur programme funded 112 businesses through various skills development interventions, investing **over R7.5 million to bolster Small and Micro Enterprises (SMMEs)** and promoting youth empowerment, with a specific focus on rural inclusion. A highlight was our **18-month Entrepreneurial Leadership Programme, which equipped 24 high-potential SMMEs** with academic rigour and real-world application, including global immersions to New York and Duke University, and a planned trip to Nairobi in the coming year to broaden perspectives and open markets our dedication to inclusive growth.

### Strategic Collaboration:

We successfully **established 132 new strategic partnerships, valued at R629.3 million, over the past 5 years**, significantly expanding our collaborative network with learning institutions and industry partners. This also included funding **5 rural development projects** through various learning programmes.

### Strategic Grant Allocation:

We directed **96% of our discretionary grants to pivotal programmes**, ensuring strict alignment with grant regulations to address the sector's most critical skills needs.



## STRATEGIC DELIVERY AND SECTOR IMPACT

### Enhanced Sector Intelligence:

Our collaboration with the (WITS Real) research chair delivered a granular, workplace-centred analysis of sector needs through thirteen completed sub-sector studies. **These studies, aligned to SIC codes across key areas from Bakery to Wine and Spirits, provide the foundational data** for the next phase of our research and skills planning tools.

### Operation BASOP – Skills that Save Lives and Restore Trust:

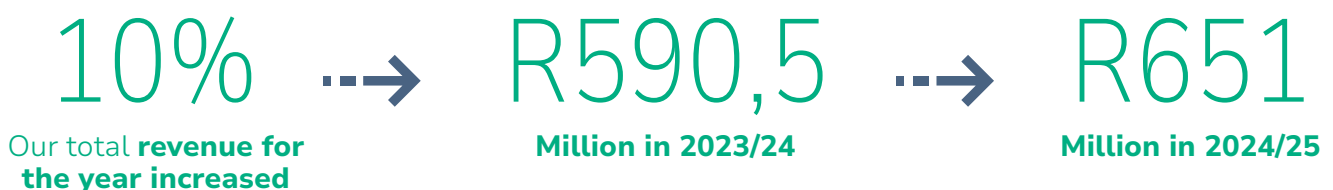
A significant initiative, this community-led drive for everyday food safety and fake food awareness trained 100 unemployed graduates as BASOP Food Safety Ambassadors in a North West Province. This programme reached 50 123 children and adults in just 10 weeks, with 50 ambassadors securing post training roles, demonstrating tangible impact and alignment with our mandate for safe production and handling.

### System Modernisation and curriculum responsiveness:

Our QCTO realignment progressed decisively, resulting in the development and **registration of four new occupational qualifications with the Quality Council for Trades and Occupations (QCTO)** and the South African Qualifications Authority (SAQA). These qualifications, designed in partnership with industry stakeholders, align with industry needs and include specialisations in dairy products, meat and plant-based processing, machine operations for various food and beverage areas, and occupational skills programmes like Basic Food Safety Complier and Assistant Baker.

## FINANCIAL OVERVIEW

Financially, FoodBev SETA demonstrated robust stewardship and an intensified commitment to its mandate.



This growth enabled substantial investment in our core programmes.

Reflecting our dedication to our mandate, total grant and project expenditure increased significantly by 10.93%, from R612,6 million in the prior year to R679,6 million in 2024/25. This includes a notable 41% increase in discretionary grants, rising from R381,5 million to R538 million and a 6.43% increase in mandatory grants, rising from R99,9 million to R106,4 million.

While the Statement of Financial Performance shows a deficit of R118 million for the year, it is crucial to understand this within the context of FoodBev SETA's core mandate. As a SETA, our primary function is to promote, facilitate, and incentivise skills development by driving investment in human capital and disbursing grants. This deficit is a direct result of our increased allocation and payment of mandatory and discretionary grants to stakeholders, demonstrating our dedication to fulfilling our obligations and effectively reducing future commitments. Our liquidity remains robust, with R895,4 million in cash and cash equivalents

against total commitments of R703,2 million, ensuring we can meet our obligations. Furthermore, we maintained strong financial integrity, reporting no irregular, fruitless, or wasteful expenditure for the year, and achieved full implementation of our procurement plan.

We acknowledge receiving a qualified audit opinion for the year ended 31 March 2025. We have treated this outcome with the utmost seriousness, viewing it as a catalyst for profound organisational strengthening. We are actively implementing a comprehensive "Pathway to a Clean Audit" programme. This structured approach focuses on tightening organisational policies and standard operating procedures, reinforcing financial controls and reconciliations, and making strategic investments in capacity and technology to reduce manual risk and improve data integrity. We are confident that these comprehensive steps will support our return to a positive audit outcome in the next financial year.

## BUILDING A FUTURE-READY ORGANISATION

Our commitment to continuous improvement extends beyond compliance, focusing on building a people-centred public entity characterised by institutional integrity, accountability, and transparency. This year, we laid critical foundations for the future through strategic investments in our operating model, our people, and our brand.

### Investing in Our People:

**Our greatest asset is our team.** We advanced talent development and succession planning through targeted skills acceleration initiatives. A new Employee Recognition programme celebrated excellence and innovation, while our deep learning culture was underscored by 27 employees registering for skills-advancement and one employee obtaining a PhD.

### Strengthening Our Strategic Position:

In June 2024, we **launched a new, modern brand identity to confidently represent our evolving organisation.** This was complemented by targeted stakeholder engagements and industry dialogues, reinforcing our vital role in building a skilled and competitive workforce for the sector.

### Evolving Our Operating Model:

We significantly matured **our people-process-technology framework.** We simplified procedures and external guidance for our stakeholders and advanced our digital capabilities, ensuring our services are efficient and accessible.

The dedication of our employees and the strategic leadership of our management and Board have been invaluable in this transformation. We are not merely adapting to change, we are building

a stronger, more resilient FoodBev SETA poised to deliver meaningful impact for the Food and Beverages Manufacturing Sector and for South Africa.

## **NAVIGATING THE FUTURE OF WORK: UPSKILLING FOR A DIGITAL AND AUTOMATED FOODBEV SECTOR**

The global food and beverage manufacturing sector is undergoing unprecedented change, driven by advancements in automation, artificial intelligence, and digitalization. Recognising this critical shift, FoodBev SETA proactively invested in the Atlas of Emerging Jobs research, a comprehensive foresight initiative to identify future skill requirements and emerging professions in the sector. This research underscores the urgent need to prepare our workforce for jobs that may not yet exist, with forecasts suggesting a significant portion of current roles are at risk due to technological displacement.

In direct response to these insights and our commitment to building a resilient future for South Africa's youth, FoodBev SETA is championing digital skills development. We are proud to announce a funding partnership to train 400 unemployed learners in critical digital competencies, including cybersecurity, data analytics, and cloud computing. This targeted investment is crucial for upskilling a new generation of professionals who will drive innovation and maintain the sector's competitiveness in an increasingly automated and interconnected economy. Our programmes aim not only to equip individuals with technical proficiency but also with essential soft skills like critical thinking and problem-solving, ensuring they are well-prepared for the complex demands of tomorrow's workplace.

## **ACKNOWLEDGEMENT**

FoodBev SETA's progress was driven by the remarkable dedication of our people. My sincere thanks to all employees for your professionalism, adaptability, and commitment to excellence. Your resilience ensured we met our ambitious targets while simultaneously strengthening our internal frameworks.

To the management team, thank you for your strategic leadership and steady execution in a complex environment. Your focus on tightening controls, refining processes, and building capability has been instrumental.

Lastly, with sincere appreciation, I thank our Board for five years of steady guidance and rigorous oversight. Your strategic direction, strengthened governance, and championing of key investments have been foundational to our journey and have positioned the organisation to sustain its impact for the people of South Africa.



**Ms Nokuthula Selamolela**

Chief Executive Officer

31 July 2025





## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General. The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury. The Annual Financial Statements **(Part F)** have been prepared in accordance with the in accordance with Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

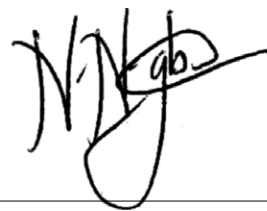
Yours faithfully



**Ms Nokuthula Selamolela**

Chief Executive Officer

31 July 2025



**Ms Nokuthula Selamolela**

Accounting Authority

31 July 2025







## 6. STRATEGIC OVERVIEW



### Vision

**A Skilled and Employable Society.**



### Mission

#### Supporting the drive to:

- Increase employability of workforce entrants,
- Enhance greater entrepreneurship,
- Improve the competitiveness of the industry and
- Maintain relevance of the SETA skills interventions to the sector.

#### By

- Facilitating skills training and
- Driving investment in human capital development.

#### Through

- Innovation and being the best at managing SETA Funds.
- Collaborating with learning and industry partners and
- Increasing visibility of what we do and what we can offer.



### Values

**As FoodBev SETA, we believe in the following values, and we commit to:**

- Service excellence (delivery)
- Integrity
- Commitment
- Transparency
- Accountability

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Legislative and policy mandates

The FoodBev SETA is classified as a Schedule 3A public entity in line with the Public Finance Management Act No.1 of 1999 (as amended). The SETA derives its mandate from the Constitution of the Republic of South Africa, which gives everyone the right to education. The following vital pieces of legislation strengthen the constitutional mandate of the FoodBev SETA:

**Table 1: Legislative and Policy Frameworks**

| Legislative and Policy Mandates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Other Policy Mandates and Frameworks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>a) The Skills Development Act No. 97 of 1998 (as amended)</li> <li>b) The Standard Constitution of SETA Regulations</li> <li>c) The Skills Development Levies Act No. 9 of 1999</li> <li>d) 1999</li> <li>e) The Sector Education and Training Authorities</li> <li>f) SETAs grant regulations regarding monies received by a SETA and related matters (grant regulations)</li> <li>g) The regulations regarding the establishment of Sector Education and Training Authorities</li> <li>h) The National Qualifications Framework Act No. 67 of 2008 (as amended)</li> <li>i) The Public Finance Management Act No. 1 of 1999 (as amended)</li> <li>j) The National Treasury Regulations governing public entities.</li> <li>k) The Promotion of Access to Information Act 2 of 2000</li> <li>l) Occupational Qualifications Sub-Framework Policy, 2021</li> <li>m) Workplace Based Learning Programme Agreement Regulations, 2018</li> </ul> | <ul style="list-style-type: none"> <li>a) National Skills Development Plan</li> <li>b) National Development Plan</li> <li>c) Medium Term Expenditure Framework</li> <li>d) Medium Term Strategic Framework</li> <li>e) Human Resources Development Strategy of South Africa</li> <li>f) National Skills Accord</li> <li>g) Industrial Policy Action Plan</li> <li>h) White Paper for Post-School Education and Training</li> <li>i) Framework for Managing Programme Performance Information (NT)</li> <li>j) Framework for Government-wide Monitoring and Evaluation (DPME)</li> <li>k) Framework for Strategic and Annual Performance Plans (DPME)</li> <li>l) Generic national artisan workplace data, learner grant funding and administration system policy</li> <li>m) National Artisan Moderation Body (NAMB) Guidelines</li> <li>n) National policy for an integrated career development system for South Africa</li> <li>o) Economic Reconstruction and Recovery Plan and Skills Strategy (ERRP SS)</li> <li>p) SETA policies and standard operating procedures</li> </ul> |

7. LEGISLATIVE AND OTHER MANDATES

7.2 Scope of coverage

Table 2: Standard industrial classification codes and description

| Category | SIC Code                                                                                      | Constituency                                                                                            |
|----------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| 301      | <b>Production, processing and preservation of meat, fish, fruit, vegetables, oil and fats</b> |                                                                                                         |
|          | <i>Meat industry</i>                                                                          |                                                                                                         |
|          | 30110                                                                                         | Production, processing and preserving of meat and meat products                                         |
|          | 30112                                                                                         | Manufacture of prepared and preserved meat including sausage                                            |
|          | 30113                                                                                         | Production of Lard and other edible fats                                                                |
|          | <i>Fish industry</i>                                                                          |                                                                                                         |
|          | 30120                                                                                         | Processing and preserving of fish and fish products                                                     |
|          | 30121                                                                                         | Manufacture of canned, preserved, and processed fish                                                    |
|          | <i>Fruits and vegetables industry</i>                                                         |                                                                                                         |
|          | 30130                                                                                         | Processing and preserving of fruits and vegetables                                                      |
|          | 30131                                                                                         | Manufacture of canned, preserved, processed and dehydrated fruits and vegetables and potato flour meals |
|          | <i>Oils and Fats industry</i>                                                                 |                                                                                                         |
|          | 30140                                                                                         | Manufacture of vegetables and animal oil and fats                                                       |
|          | 30141                                                                                         | Manufacture of crude oil and oilseed cake and meal                                                      |
|          | 30142                                                                                         | Manufacture of compound cooking fats, margarine and edible oils                                         |
| 302      | <b>Manufacture of dairy products</b>                                                          |                                                                                                         |
|          | <i>Dairy industry</i>                                                                         |                                                                                                         |
|          | 30201                                                                                         | Processing of fresh milk (pasteurised, homogenous, sterilised and vitamin)                              |
|          | 30202                                                                                         | Manufacture of butter and cheese                                                                        |
|          | 30203                                                                                         | Manufacture of ice cream and other edible ice, whether containing cream or chocolate                    |
| 303      | <b>Manufacture of breakfast products</b>                                                      |                                                                                                         |
|          | <i>Grain mill industry</i>                                                                    |                                                                                                         |
|          | 30312                                                                                         | Manufacture of breakfast products                                                                       |



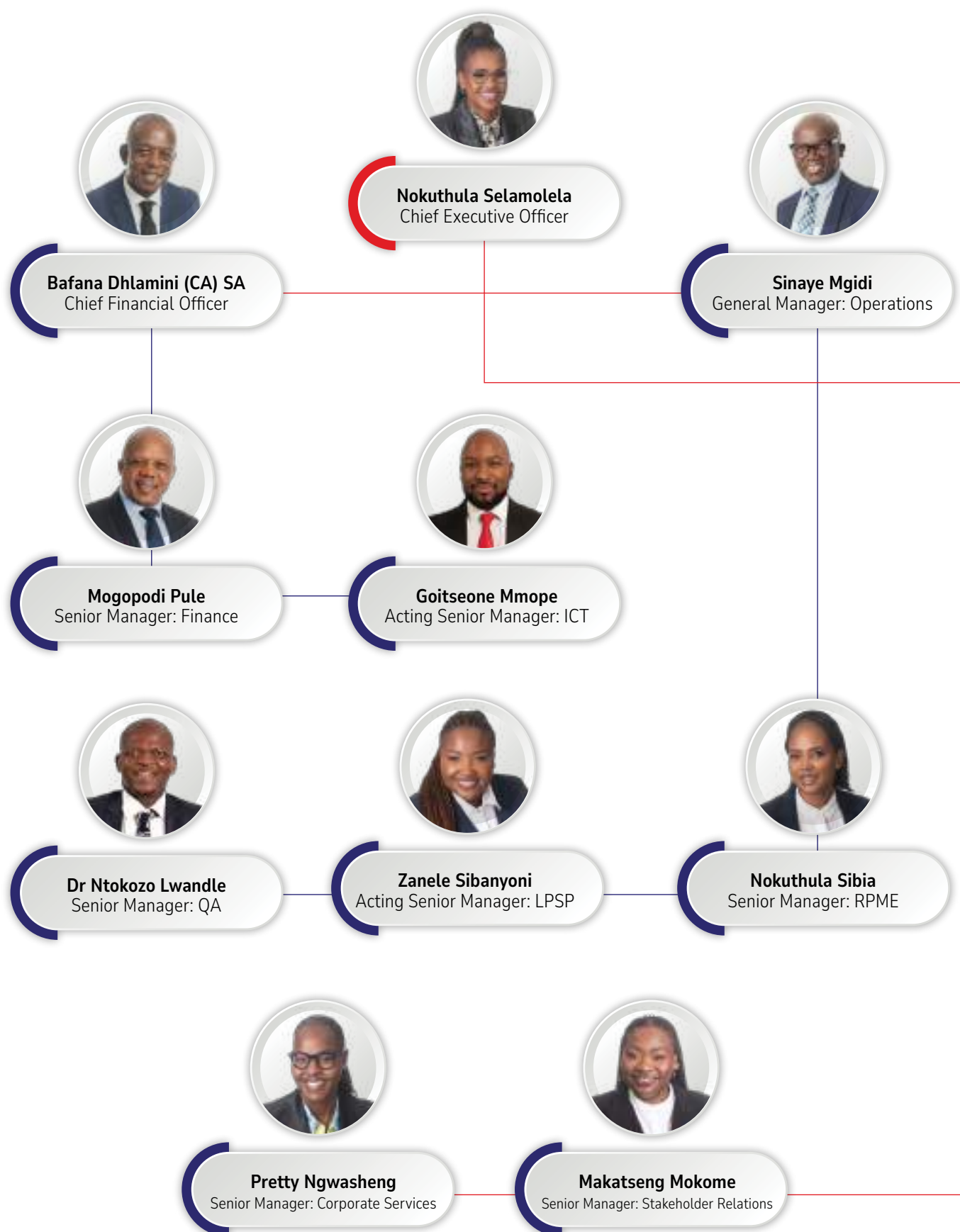


## 7.2 Scope of coverage (continued)

| Category   | SIC Code                                     | Constituency                                                                                                               |
|------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>304</b> | <b>Food preparation products</b>             |                                                                                                                            |
|            | <i><b>Baking industry</b></i>                |                                                                                                                            |
|            | 30401                                        | Manufacture of bakery products                                                                                             |
|            | <i><b>Confectionery industry</b></i>         |                                                                                                                            |
|            | 30430                                        | Manufacture of cocoa, chocolate and sugar confectionery                                                                    |
|            | 30491                                        | Manufacture of coffee, coffee substitutes and tea                                                                          |
|            | <i><b>Snacks industry</b></i>                |                                                                                                                            |
|            | 30492                                        | Manufacture of nut foods                                                                                                   |
|            | <i><b>Other food products industry</b></i>   |                                                                                                                            |
|            | 30440                                        | Manufacture of macaroni, noodles, couscous and similar farinaceous products                                                |
| <b>305</b> | <b>Manufacture of Beverages</b>              |                                                                                                                            |
|            | <i><b>Wine and Spirits industry</b></i>      |                                                                                                                            |
|            | 30510                                        | Distilling, rectifying, blending of spirits, ethyl alcohol production from fermented materials and manufacture of wine     |
|            | <i><b>Beer and Malt industry</b></i>         |                                                                                                                            |
|            | 30520                                        | Manufacture of beer, other malt liquors and malt                                                                           |
|            | 30521                                        | Breweries except for sorghum beer breweries                                                                                |
|            | 30522                                        | Sorghum beer breweries                                                                                                     |
|            | 30523                                        | Manufacture of malt                                                                                                        |
|            | <i><b>Soft drinks and water industry</b></i> |                                                                                                                            |
|            | 30530                                        | Manufacture of soft drinks, juices and juice extracts and production of mineral water (both carbonated and non-carbonated) |



## 8. HIGH-LEVEL ORGANISATIONAL STRUCTURE



## 9. MEMBERS OF THE MANAGEMENT TEAM



### Front row (Left to right)

**Sinaye Mgidi** - General Manager: Operations, **Nokuthula Selamolela** - Chief Executive Officer, **Bafana Dhlamini** - Chief Financial Officer.

### Middle row (Left to right)

**Nkgaugelo Kgasago** - Manager: Research & Skills Planning, **Busisiwe Ngatsane** - Manager: Learning Programmes, **Nosipho Dladla** - Manager: Supply Chain Management, **Nozibongo Socishe** - Manager: Career Development & Outreach, **Nomusa Maphanga** - Manager: Grants, **Goitseona Mmope** - Acting Senior Manager: Information and Communication Technology, **Makatseng Mokome** - Senior Manager: Stakeholder Relations, **Zanele Sibayoni** - Acting Senior Manager: Learning Programme Strategic Planning, **Lerato Phaka** - Manager: Risk and Compliance, **Melody Molale** - Public Relations Consultant.

### Back row (Left to right)

**Mogopodi Pule** - Senior Manager: Finance, **Samuel Manamela** - Manager: Learning Programmes, **Ntsako Mgweni** - Manager: Records Management, **Vuyolwethu Madyaka** - Manager: Monitoring and Evaluation and Reporting, **Llewellyn van Zyl** - Manager: Quality Assurance, **Nokuthula Sibia** - Senior Manager: Research Planning Monitoring Evaluation, **Telavukosi Hlongwane** - Acting Manager: Chambers, **Pretty Ngwasheng** - Senior Manager: Corporate Services, **Phumlani Dladla** - Manager: Finance.





## PART B: PERFORMANCE INFORMATION

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## 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 112 - 119 of the Report of the Auditors, published as Part F: Financial Information.

## 2. OVERVIEW OF SETA PERFORMANCE

### 2.1 Service Delivery Environment

The year under review was distinguished not only by target achievement but by tangible impact among priority groups, particularly women, youth and artisans. These outcomes reaffirm FoodBev SETA's commitment to inclusive growth, skills development and sectoral transformation.

#### Performance Overview: 2024/25 Financial Year

FoodBev SETA delivered a strong year of execution against its strategic priorities, sustaining a 100% achievement rate on Annual Performance Plan (APP) targets. Focused delivery in transformation, artisan development and institutional partnerships translated investments into measurable outcomes across the sector.

#### Strengthened Monitoring and Evaluation

The SETA intensified its monitoring and evaluation (M&E) of projects, enabling the early identification of high-performing initiatives and beneficiaries, as well as programmes requiring targeted support. This proactive approach helped keep interventions on track and aligned to agreed deliverables.

#### Gender Transformation

Female participation in skills development interventions increased from 59% in 2023/24 to 62% in 2024/25, reflecting a deliberate and sustained focus on women's empowerment through targeted funding and tailored programmes.

#### Youth Empowerment

Youth representation grew from 76% to 82% of funded learners year-on-year, underscoring the SETA's commitment to widening access to sector-relevant training and supporting pathways into employment for young people.



## Artisan Development

Artisan development remained a core priority. The number of artisans funded increased from 201 in 2023/24 to 574 in 2024/25, reinforcing the SETA's contribution to the national target of producing 30 000 artisans annually and addressing critical skills gaps in the sector.

## Curriculum Responsiveness and Industry Alignment

In 2024/25, we advanced curriculum responsiveness by submitting four new qualifications to the Quality Council for Trades and Occupations (QCTO), ensuring training pathways remain aligned with evolving industry needs and sector innovation.

These new qualifications and programs include:

1. Dairy product specializations (e.g., ice cream, butter, cheese makers)
2. Meat and plant-based meat processing
3. Machine operators for food packaging, confectionery baking, and wine-making
4. Food & Beverages Process Machine Operators
5. Occupational Skills Programmes:
  - Basic Food Safety Complier
  - Red Meat De-boner
  - Abattoir Process Worker
  - Assistant Baker

These were developed in partnership with industry stakeholders and the QCTO, these qualifications and programs are registered with the South African Qualifications Authority (SAQA) and designed to enhance the skills and employability of learners in the food and beverage sector, aligning with production requirements, occupational standards, and learner employment potential.

## TVET Colleges and Lecturer Capacitation

Support for TVET colleges expanded significantly. The number of colleges offering occupational programmes doubled from 2 to 4. TVET learner enrolments in SETA-funded programmes increased from 752 to 1,160, while completions rose from 564 to 634, indicating improved throughput and programme effectiveness. The ongoing TVET lecturer capacitation programme continued to receive positive feedback from colleges. Employers across the sector recognised their pivotal role in strengthening lecturer capability so that training accurately reflects industry requirements. Multiple collaborative initiatives between TVET colleges and local employers were delivered, with further projects underway.

## 2.2 Organisational Environment

The past year delivered strong results. FoodBev SETA operated with a restructured organisation at 93% staffing, implemented 95% of personal development plans, and fully rolled out the YES for Youth Programme, with graduates absorbed into roles. Stakeholder engagement was enhanced through the Stakeholder Relations Policy, CRM-enabled interactions, and survey-led capacity building. Financially, revenue rose 10% to R651m, total grant expenditure increased 11% to R680m, liquidity remained robust (R895m cash and equivalents against R703m commitments), and there was no irregular, fruitless or wasteful expenditure. Operational delivery included full implementation of the procurement plan and productivity gains from digital document management. The year also highlighted areas for improvement in employment equity and Supplier Development.

## Organisational Structure and Staffing Capacity

FoodBev SETA has made significant strides in strengthening its human capital framework and promoting skills development in the food and beverage manufacturing sector. Here are some key highlights

### I. Human Capital Framework

A comprehensive job evaluation and benchmarking exercise was completed to ensure internal equity and alignment with strategic objectives, leading to a revised remuneration and benefits policy. The implementation of the outcome will be done in the year financial year.

### II. Organisational Structure

FoodBev SETA's Organisational structure was revamped in the 2023-24 financial year with a phased implementation plan to boost efficiency and address capacity issues. As of March 31, 2025, they've achieved a 93% staffing occupancy rate, with 68 positions filled, including 31% at management level, and a vacancy rate of 7%.

### III. Employee Development

Human Resources successfully implemented 95% of personal development plans, demonstrating a strong commitment to employee growth and development. The full implementation of the YES for Youth Programme has yielded positive results, with 22% of the graduates being absorbed into permanent roles, showcasing FoodBev SETA's commitment to youth development and employment.

### IV. Employment Equity Targets

FoodBev SETA faced difficulties in achieving its employment equity targets, particularly in gender representation, where males are underrepresented by 6.5%, and limited representation of other groups beyond Africans, who dominate the workforce at 90%. To resolve this Foodbev SETA has developed an Employment Equity Plan to target the under-representation and earmark positions and enhanced recruitment drive that will address the current gaps.

### V. Organisational Culture and Effectiveness: 2024/2025

FoodBev SETA strengthened its organisational culture in the 2024/2025 financial year by focusing on employee wellness, teamwork, and recognition. Initiatives included ICAS support services for employee well-being, participation in sports teams like soccer and netball (with the netball team winning first place at the InterSETA Games), and awards recognising individual excellence, such as the Best Innovative Employee Award. A successful team-building initiative also enhanced collaboration across departments, demonstrating FoodBev SETA's commitment to a motivated and high-performing workforce.

### VI. B-BBEE Compliance

While achieving a Level Five B-BBEE rating in 2024, the Organisation identified Supplier Development as an area requiring significant improvement.

## 2.3 Stakeholders Relations

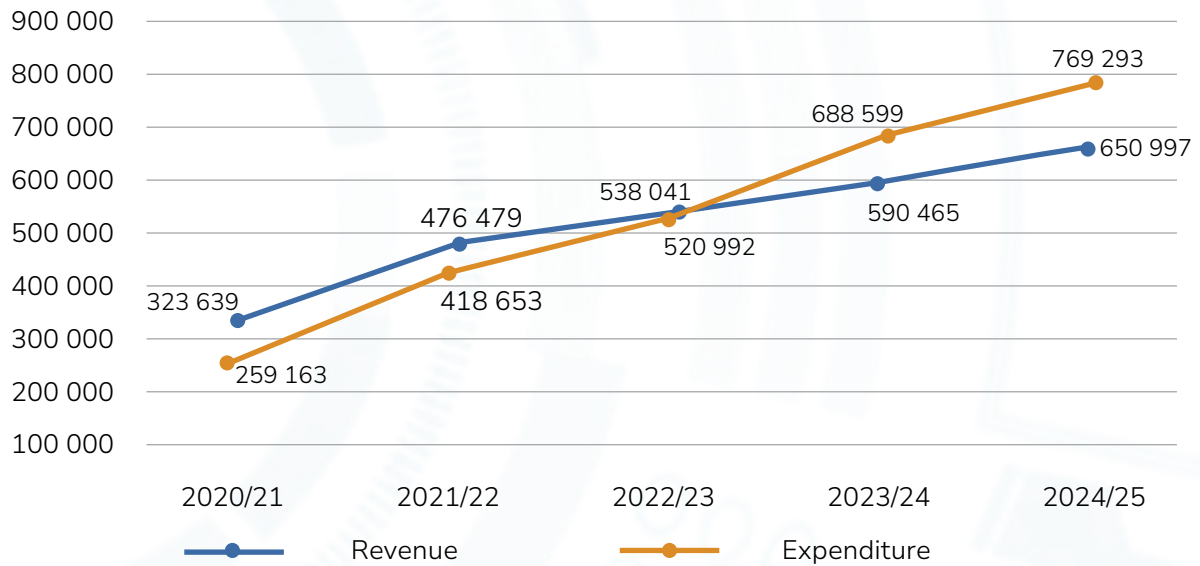
In 2024/2025, FoodBev SETA continued its efforts to improve engagement and communication with stakeholders through the implementation of its Stakeholder Relations Policy and Customer Relationship Management (CRM) system. These efforts were further evidenced by the growing interest in SETA's skills development initiatives. Targeted capacity-building programmes were also conducted, informed by stakeholder feedback gathered through ongoing engagement. The SETA conducted its third stakeholder survey and feedback is utilised to improve our supports efforts to our stakeholders. This ensured that the information and services provided remained relevant and responsive to stakeholder needs.

## 2.4 Finance Performance highlights

- I. Revenue for the year increased by 10% from R590m to R651m
- II. Administration expenditure by 18% from R76m to R90m, this increase was attributable to non-cash items (debt impairment, depreciation and lease smoothing) that were not budgeted for.
- III. Total grant expenditure for the year increased by 11% from restated R613m to R680m.
- IV. The payment for mandatory grant for the year amounted to R106m, with a payout ratio of 79%.
- V. Total commitments at the end of the year was R703m, and this was backed up by cash and cash equivalent of R895m.

## 2.5 5-Year Overview: Revenue & Expenditure

**Figure 1: 5-Year Overview: Revenue & Expenditure (R'000)**



- I. No irregular, fruitless and wasteful expenditure was reported for the year
- II. All items in the procurement plan were successfully implemented,
- III. Implemented digitalisation of central document storage, which improved productivity and reduced printing costs.





## 2.4 Progress towards Achievement of Institutional Impact and Outcomes

Table 3: Achievement of Institutional Impact and Outcomes

| FoodBev SETA Outcomes | Descriptor                                                                                                      | Progress Made by FoodBev SETA in Achieving Strategic Plan Objective                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome 1</b>      | Identified occupations in high demand and Sectorial Priority Occupation List (SPOIL).                           | <ul style="list-style-type: none"> <li>I. The SETA conducted a comprehensive analysis to identify occupations in high demand within the sector. This involved examining Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) from employers, conducting key informant interviews with stakeholders, and reviewing research literature.</li> <li>II. The analysis informed the development of the SPOIL, guiding the SETA's interventions and resource allocation to address critical skills shortages aligned with national development priorities. The SPOIL underwent a rigorous approval process and was approved by the SETA Accounting Authority.</li> <li>III. The approved SPOIL was incorporated into the Sector Skills Plan (SSP) for the past five-year period, facilitating implementation and integration into the SETA's operational framework. This structured approach demonstrates the SETA's commitment to addressing sector-specific skills gaps through evidence-based interventions, contributing to the National Skills Development Plan's broader goals.</li> </ul> |
| <b>Outcome 2</b>      | Relevant Programmes that address hard to fill vacancies (through PSET).                                         | <ul style="list-style-type: none"> <li>I. An extensive analysis was conducted on qualifications referenced in submitted Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) across the sector. The focus was on identifying qualifications linked to hard-to-fill vacancies (HTFVs) and high-demand occupations outlined in national and sector-specific priority lists.</li> <li>II. The analysis aimed to uncover trends, gaps and themes related to workforce development and training needs. Its ultimate goal was to inform strategic decision-making, aligning training interventions with urgent and emerging skills requirements to support workforce readiness, enhance productivity, and drive long-term economic growth.</li> </ul>                                                                                                                                                                                                                                                                                                                                           |
| <b>Outcome 3</b>      | Addressed national imperatives through FoodBev SETA offerings (i.e., support for job creation, ERRP and SMMEs). | <ul style="list-style-type: none"> <li>I. FoodBev SETA supported the ERRP Skills Strategy through the provision of funding for interventions. The following have been listed as ERRP enablers:</li> <li>II. Accessing targeted skills development programmes</li> <li>III. Updating of current technical and vocational education programmes.</li> <li>IV. Availability of work-based experience and</li> <li>V. Responding to a list of identified hard-to-fill vacancies (HTFV).</li> <li>VI. The SETA successfully trained and capacitated 80 SMMEs, 14 NPOs and 18 entrepreneurs through skills programmes, learnerships and short learning programmes, enhancing their capabilities and driving growth within these critical sectors.</li> </ul>                                                                                                                                                                                                                                                                                                                                                 |
| <b>Outcome 5</b>      | Increased awareness of FoodBev SETA offerings.                                                                  | <ul style="list-style-type: none"> <li>I. The FoodBev SETA actively promoted career development through various initiatives and participated in / or hosted 85 career events, exceeding the annual target of 80. This was with a focus on both urban and rural areas (38 urban/township and 47 rural events).</li> <li>II. A total of 15,293 career guides were distributed to high school learners attending these events.</li> <li>III. Additionally, 121 Career Guidance Practitioners were trained surpassing our target of 80, to enhance their skills and support effective career guidance in schools.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| FoodBev SETA Outcomes | Descriptor                                                                                                                                              | Progress Made by FoodBev SETA in Achieving Strategic Plan Objective                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome 6</b>      | Improved research reports.                                                                                                                              | <p>I. FoodBev SETA has produced 44 research reports in the previous 5 years (2020/21 - 2024/25).</p> <p>II. During the review period, FoodBev SETA produced 13 research reports in collaboration with Wits University-REAL Centre (Research Chair). The following are the referred reports (as per the Standard Industrial Classification (SIC) codes in the SSP):</p> <ol style="list-style-type: none"> <li>Meat Industry</li> <li>Fish Industry</li> <li>Fruits and Vegetables</li> <li>Oils and Fats</li> <li>Dairy Industry</li> <li>Snacks industry</li> <li>Grain mill industry</li> <li>Bakery industry</li> <li>Confectionary industry</li> <li>Other Food Products Industry</li> <li>Wine and Spirits industry</li> <li>Beer and Malt industry</li> <li>Soft Drinks and Water industry</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Outcome 7</b>      | Established Partnerships with stakeholders to address national imperatives (e.g. learning institutions, foundations, NGO's, public sector institutions) | <p>I. The SETA entered into 132 new strategic partnerships, valued at R629.3 million over the past 5 years. These partnerships were strategically informed by national priorities, research reports, chamber inputs and stakeholder consultations, guided by senior management and the SETA Board.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Outcome 8</b>      | Supported and transformed sector with a focus on youth, women, people with disability, TVET and community colleges / rural / townships                  | <p>I. The FoodBev Manufacturing Sector has supported 18 TVET College lecturers over the past five years, enhancing curriculum development and student understanding of the food and beverage manufacturing industry. This initiative involved 10 participating TVET colleges, focusing on industry insights, business acumen and technological advancements:</p> <ol style="list-style-type: none"> <li>Vuselela TVET College which was partnered with United National breweries</li> <li>Vhembe TVET College that was partnered with Limpopo Dairies (Pty) Ltd.</li> <li>Gert Sibande TVET College, which was partnered with Unique Dairy Products.</li> <li>Mthashana TVET College, which was partnered with Orange Grove dairy.</li> <li>Tshwane South TVET College which was partnered with Wafer King</li> <li>Ikhala TVET College, which was partnered with Twizza</li> <li>West Coast TVET College, which was partnered with Sea Harvest Group and West Point Processing.</li> <li>Maluti TVET College, which was partnered with Nestle</li> <li>Southwest Gauteng TVET College which was partnered with Wafer King.</li> <li>Tshwane North TVET College, which was partnered with Unique Dairy products.</li> </ol> <p>II. The SETA approved 132 strategic projects, targeting key groups including youth, people with disabilities, women, SMMEs and disadvantaged communities. These projects encompassed a range of programmes such as learnerships, skills programmes, apprenticeships, internships, TVET placements, bursaries, entrepreneurial initiatives and short courses, aimed at enhancing skills development and economic participation.</p> |

| FoodBev SETA Outcomes | Descriptor                                                                                                                                                                                                 | Progress Made by FoodBev SETA in Achieving Strategic Plan Objective                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome 9</b>      | Relevant and focused interventions that responded to the challenges of unemployment which include entrepreneurship skills, learnerships, skills programmes, training on localisation and optimisation etc. | I. The SETA successfully trained 15,500 learners through various skills programmes and learnerships, aiming to alleviate unemployment by equipping individuals with relevant skills to enhance their employability and sustainability in the workforce.                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Outcome 10</b>     | Established and improved Customer Services.                                                                                                                                                                | I. In the 2024 financial year, the SETA implemented its Stakeholder Relations Policy, enhancing engagement and communication efforts. The Customer Relations Management (CRM) system was utilised to measure stakeholder satisfaction across various offerings. Additionally, a total of 15 stakeholder capacity events/sessions were conducted, further strengthening relationships with stakeholders.                                                                                                                                                                                                                                                              |
| <b>Outcome 11</b>     | Performed system support functions and managed budgets and expenditure that are linked to the SETA mandate.                                                                                                | I. The FoodBev SETA has established sound governance and financial management practices through robust internal control systems, comprehensive risk management and effective budgeting.<br>II. 53 organisational policies were successfully implemented. Ethics workshops and surveys were conducted to promote integrity and accountability.<br>III. Additionally, various internal plans were developed and implemented, including those for Monitoring and Evaluation, Stakeholder Management, Human Resources, ICT, Risk Management, Procurement and Chamber Management, ensuring compliance with relevant legislation and driving organisational effectiveness. |





## PERFORMANCE DASHBOARD

## PROGRAMME 1: ADMINISTRATION AND SUPPORT

## INDICATOR

% DG grant budget allocated to high level skill

% DG grant budget allocated to intermediate skills

% DG grant budget allocated to elementary skills

Approved Annual Procurement Plan

Approved Strategic & Fraud Risk Registers

Governance Charter reports to DHET

% Critical positions filled

Annual organisational plans approved

40  
%

Target

124  
%

Achieved



Exceeded  
Status

50  
%

Target

102  
%

Achieved



Exceeded  
Status

10  
%

Target

111  
%

Achieved



Exceeded  
Status

1

Target

1

Achieved



Met  
Status

2

Target

2

Achieved



Met  
Status

4

Target

4

Achieved



Met  
Status

100  
%

Target

100  
%

Achieved



Met  
Status

6

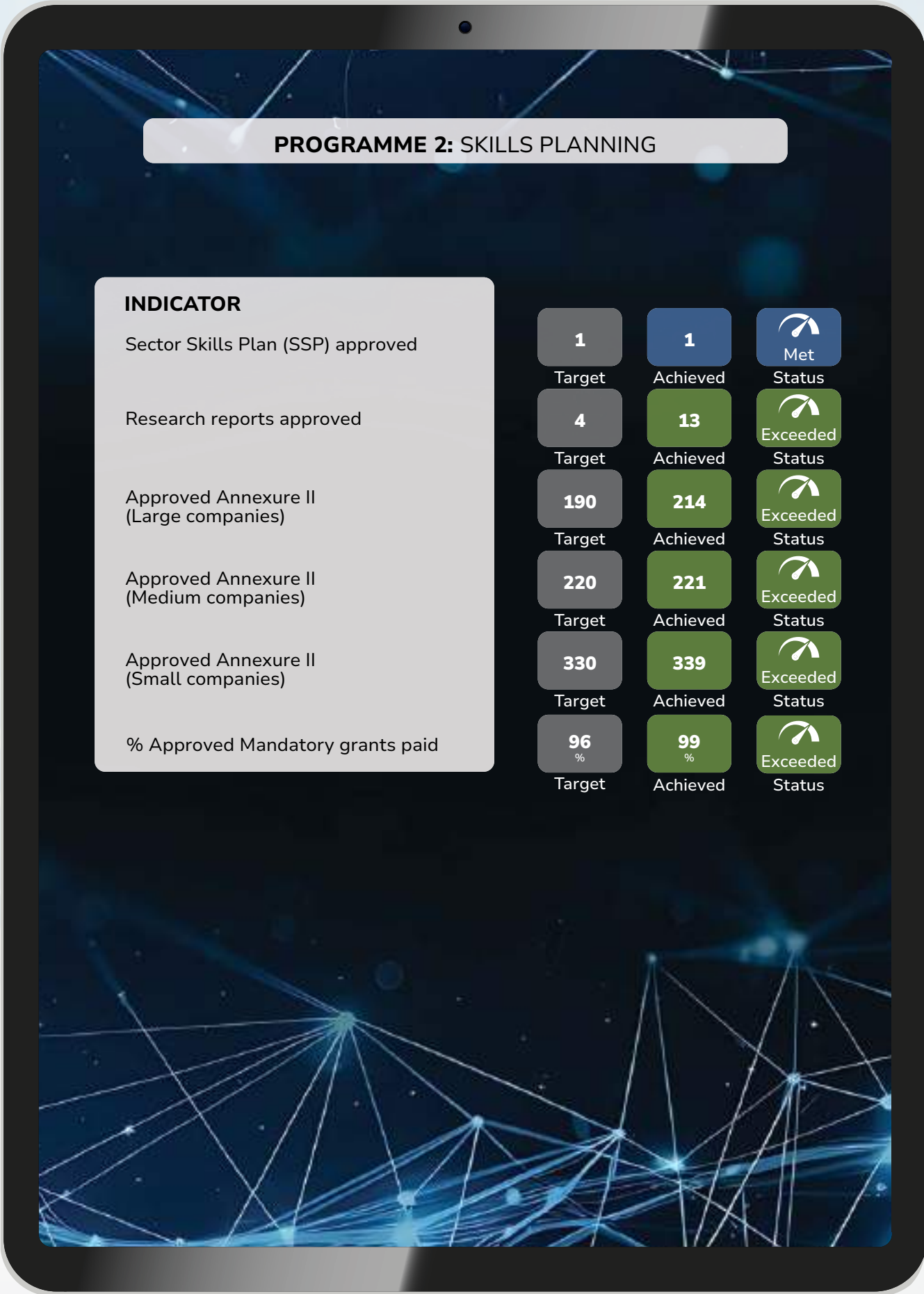
Target

6

Achieved



Met  
Status



## PERFORMANCE DASHBOARD

## PROGRAMME 3: LEARNING PROGRAMMES &amp; PROJECTS

## INDICATOR

Unemployed Learnerships (registered)

1 600

Target

3 048

Achieved


  
Exceeded  
Status

Unemployed Learnerships (completed)

2 000

Target

2 433

Achieved


  
Exceeded  
Status

HEI Internship (registered)

710

Target

729

Achieved


  
Exceeded  
Status

HEI Internship (completed)

236

Target

416

Achieved


  
Exceeded  
Status

HEI graduates placed (WBL)

525

Target

547

Achieved


  
Exceeded  
Status

HEI graduates completed (WBL)

365

Target

371

Achieved


  
Exceeded  
Status

TVET students registered (WBL)

1 080

Target

1 160

Achieved


  
Exceeded  
Status

TVET students completed (WBL)

320

Target

634

Achieved


  
Exceeded  
Status

Employed / unemployed registered on candidacy

5

Target

10

Achieved


  
Exceeded  
Status

Employed Learnerships (registered)

780

Target

1 027

Achieved


  
Exceeded  
Status

Employed Learnerships (completed)

1 100

Target

1 450

Achieved


  
Exceeded  
Status

Unemployed skills programme registered

150

Target

1 050

Achieved


  
Exceeded  
Status

Unemployed skills programme completed

150

Target

231

Achieved


  
Exceeded  
Status



PROGRAMME 3: LEARNING PROGRAMMES & PROJECTS

INDICATOR

Employed Skills Programme registered

800

Target

1 537

Achieved



Employed Skills Programme completed

450

Target

1 028

Achieved



Employed bursaries registered

110

Target

186

Achieved



Employed bursaries completed

85

Target

107

Achieved



AET (registered)

225

Target

286

Achieved



AET (completed)

120

Target

341

Achieved



Unemployed bursary registered

140

Target

158

Achieved



Unemployed bursary completed

70

Target

72

Achieved



Masters/PhD research bursary registered

40

Target

41

Achieved



Masters/PhD research bursary completed

20

Target

31

Achieved



## PERFORMANCE DASHBOARD

## PROGRAMME 3: LEARNING PROGRAMMES &amp; PROJECTS

## INDICATOR

Apprentices/ARPL (registered)

460

Target

574

Achieved

Exceeded  
Status

Apprentices/ARPL (completed)

250

Target

430

Achieved

Exceeded  
Status

Entrepreneurial programme entered

15

Target

18

Achieved

Exceeded  
Status

Small businesses funded

75

Target

80

Achieved

Exceeded  
Status

CBO/NGO/NPO administrators funded

10

Target

14

Achieved

Exceeded  
Status

Rural development projects funded

5

Target

5

Achieved

Met  
Status

SETA-employer partnerships agreement entered

10

Target

15

Achieved

Exceeded  
Status

HEI/TVET/CET partnerships agreements entered

15

Target

17

Achieved

Exceeded  
Status

CET/TVET lecturers entered programmes

8

Target

10

Achieved

Exceeded  
Status

CET/TVET lecturers completed programmes

7

Target

10

Achieved

Exceeded  
Status

Trade-Unions supported with training interventions

3

Target

3

Achieved

Met  
Status

PERFORMANCE DASHBOARD

PROGRAMME 3: LEARNING PROGRAMMES & PROJECTS

INDICATOR

Career events hosted or attended (Rural)

45

Target

47

Achieved

 Exceeded Status

Career events hosted or attended (Township)

35

Target

38

Achieved

 Exceeded Status

Career development practitioners trained

80

Target

121

Achieved

 Exceeded Status

CDS capacity-building workshops initiated

2

Target

3

Achieved

 Exceeded Status

PROGRAMME 4: QUALITY ASSURANCE

INDICATOR

Public CET/TVET colleges assisted for accreditation

4

Target

4

Achieved

 Met Status

Qualifications/parts/skills programmes submitted to QCTO

4

Target

4

Achieved

 Met Status



## BENEFICIARY SPOTLIGHT

# FoodBev SETA's community-led drive for everyday food safety



FoodBev SETA food ambassadors. Part of the 100 TVET graduates trained as BASOP ambassadors.

## Operation BASOP: Skills that Save Lives and Restore Trust

### WHY WE ACTED

FoodBev SETA's mandate to build skills across the food and beverage manufacturing value chain sets our duty to strengthen competence for safe production and handling. Tragic learner deaths linked to suspected food poisoning exposed urgent gaps in food handling, product integrity and informal-market controls. Protecting learners and consumers remains inseparable from our purpose, which is why we moved decisively to introduce a practical, prevention-focused response.

### PROGRAMME PURPOSE

Operation BASOP—drawn from the everyday South African call to “be alert”—translates formal food-safety standards into simple, life-saving practices where risk is highest: in homes, school kitchens, spaza shops and informal markets. Trained ambassadors and partners deliver hands-on guidance on safe sourcing, storage, preparation and serving; how to recognise tampering, mislabelling and “fake food”; and how to report concerns and act on recalls. BASOP complements our accredited training and quality-assurance role by turning policy into daily behaviour change and by reinforcing trust in the sector.

## Pilot Overview — North West Province

To test and refine the model, FoodBev SETA ran a four-month pilot in the North West Province, focusing on the Ventersdorp and Mahikeng districts. The pilot was delivered in partnership with the University of the North West, local TVET colleges, the House of Traditional Leaders and Khoi-San, and implementation partner Prodigy Business Services. This controlled rollout allowed us to validate content, logistics and measurement before scaling.

## Design and Delivery

The pilot combined 14 days of classroom-based theory, five days of on-site coaching at community locations, and three months of structured awareness and behaviour-change activation. An accredited, experienced training provider delivered a bespoke curriculum, while FoodBev SETA monitored quality and captured implementation lessons for future improvement.

## Employment and Deployment

A cohort of 100 BASOP Food Fraud & Safety Ambassadors—recruited from TVET graduates—was onboarded, skilled, mentored and deployed. These ambassadors led community education, coached sites in basic compliance practices and acted as local touchpoints for rapid escalation and referral.

## Targeted Reach

Ambassadors mapped high-risk communities and worked directly with spaza shops, informal traders and tabletop/hawker markets, as well as crèches and ECD centres, schools, clinics, truck stops, churches, youth centres and elderly-care facilities. This targeted approach ensured that guidance reached the most vulnerable and the highest-traffic food environments.

## Curriculum Overview — Accredited Skills Programme (NQF Level 2)

The accredited skills programme, **Basic Food Safety Compliance (NQF Level 2)**, equips spaza and informal traders with practical, compliant food-safety knowledge and the soft skills to champion behaviour change. It integrates four qualification components—basic compliance; elementary food-handling practices; applying soft skills in compliance; and complying with food-safety requirements during production and handling. Cross-cutting content strengthens communication, presentation and food-fraud literacy.

The curriculum progresses through Change Agent Skills (including the Five Elements of change, community onboarding and conflict resolution), Food Fraud & Regulation (roles, reporting, local case work, identifying fake food and understanding packaging terminology), a practical outreach and evidence module (presentation kits, social media for education and recall alerts, and impact evaluation), and Food-Safety Practices & Principles (hygiene, time-temperature control, storage, separation of raw/ready-to-eat foods, and basic SOPs). Assessment is through knowledge checks and practical demonstrations aligned to unit standards, with statements of results issued toward the NQF Level 2 programme.

## Results

The pilot delivered breadth and depth of impact. One hundred TVET graduates completed training and deployment as ambassadors, and 50 123 children and adults were reached in just 10 weeks through site activations and community sessions. Work covered Mahikeng (Unit 8, Tsetse, Lothakane, Ramatlabana, Montshiwa) and Ventersdorp (Gamotlala, Kokskraal, Tshing, Goedgevonden, Dingaka). Of an estimated 1 500 spaza shops in the province, 50 were engaged—each receiving two visits—with positive feedback from on-site staff and consumers; among an estimated 245 tabletop traders and hawkers, 90 were reached through targeted coaching.

## Post-employment impact

Post-employment outcomes were strong: 50 ambassadors secured roles with municipalities, the Department of Health, EPWP and UIF; 10 teamed up to start ECD centres; 10 enrolled in degree programmes; and 30 joined the school nutrition programme. Knowledge and behaviour change were measured through survey tools, checklists and observations; ECD centres, schools and clinics reported fewer food-poisoning incidents, alongside clear improvements in practices such as label checks, stock rotation, temperature logging and safe disposal of expired goods.

## Alignment to FoodBev SETA's Mandate

BASOP is skills development in action: accredited provision where appropriate, quality-assured materials, funded access for those at risk, and external assessment where required. It delivers visible prevention at the last metre of risk and supports employment and enterprise by training local champions and helping SMMEs become safe, reliable suppliers.

## The Path Forward

With a validated pilot, strong community response and measurable behaviour change, BASOP is ready for scale through provincial partners and accredited SDPs. Next steps include expanding ambassador networks, deepening school and ECD coverage, and embedding modules into relevant occupational qualifications—so that fewer families face preventable harm and food safety becomes an everyday habit across South Africa.





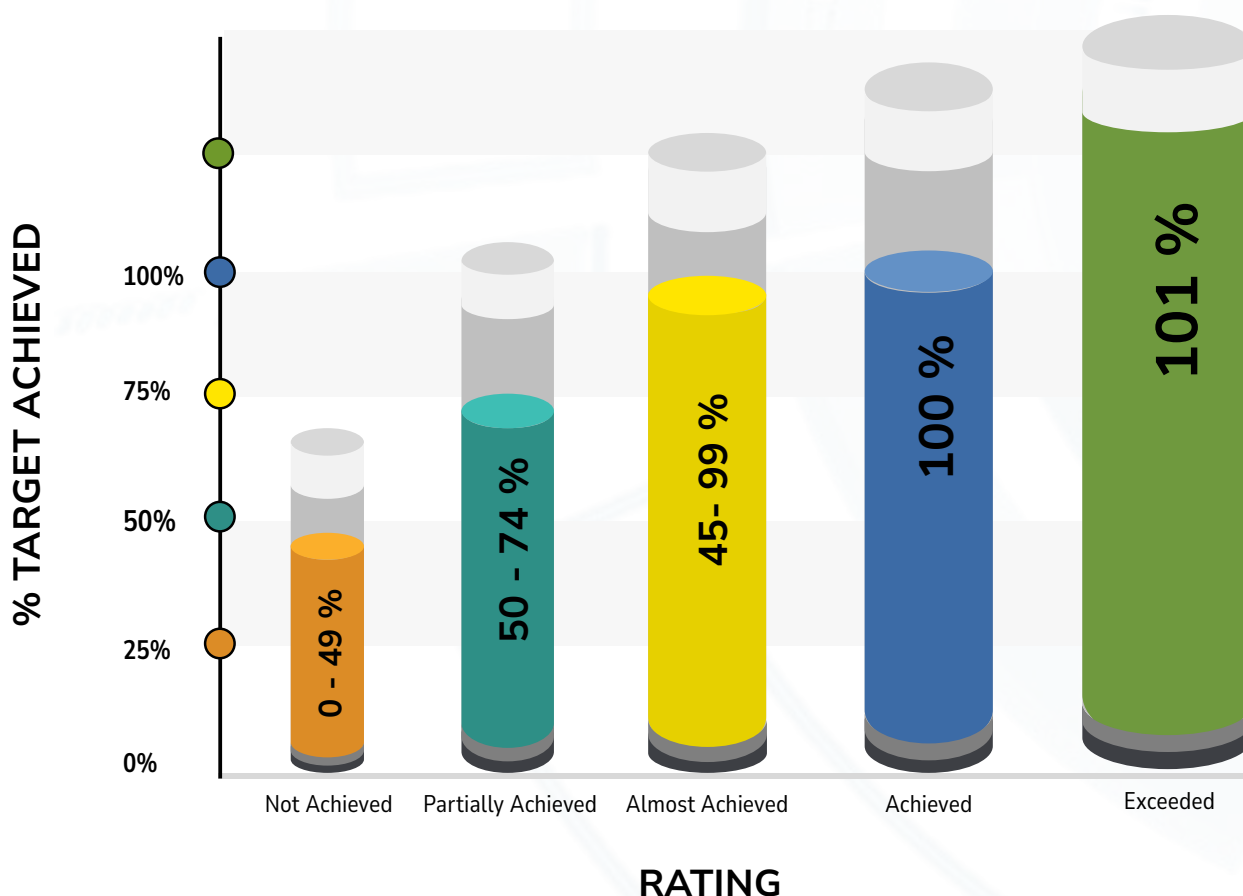
### 3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

FoodBev SETA planned to deliver on four (4) programmes during the year under review, namely:

- 3.1** Administration and Support
- 3.2** Skills Planning
- 3.3** Learning Programme and Projects
- 3.4** Quality Assurance

The assessment of programme performance is done against achievements of the planned annual targets. Achievement is categorised according to the below performance ratings against all indicators for each of the four programmes.

**Figure 2: Performance ratings**



### 3.1 PROGRAMME 1: ADMINISTRATION

**Purpose:** To provide strategic leadership, management and support services to the SETA

#### 3.1.1 Sub-programme: Finance, Supply Chain Management and Assets

**Purpose:** To provide strategic leadership, management and support services to the SETA

**Table 5: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement**

| Programme 1: Administration / Sub-programme: Finance, Supply Chain Management and Assets            |                                                                                                                                                                                                                                       |                                                                                                 |                            |               |                       |                    |                                                     |                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------------|---------------|-----------------------|--------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome                                                                                             | Outputs                                                                                                                                                                                                                               | Output Indicators                                                                               | Audited Actual Performance |               | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                   |
|                                                                                                     |                                                                                                                                                                                                                                       |                                                                                                 | 2022/23                    | 2023/24       |                       |                    |                                                     |                                                                                                                                                          |
| Performing system support functions and managed budgets and expenditure linked to the SETA mandate. | An established sound and effective financial management of the affairs of the organisation through application of good internal control systems that include risk, budget, financial, supply chain management and business processes. | 1. Percentage of the Discretionary Grant budget allocated to develop high level skills.         | New Indicator              | New Indicator | 40%                   | 124%               | 84%                                                 | <b>Annual target achieved and exceeded.</b> This is due to increased demand from employers and learners seeking to upskill on high-level skills.         |
|                                                                                                     |                                                                                                                                                                                                                                       | 2. Percentage of the Discretionary Grant budget allocated to develop intermediate level skills. | New Indicator              | New Indicator | 50%                   | 102%               | 52%                                                 | <b>Annual target achieved and exceeded.</b> This is due to increased demand from employers and learners seeking to upskill on intermediate level skills. |
|                                                                                                     |                                                                                                                                                                                                                                       | 3. Percentage of the Discretionary Grant budget allocated to develop elementary level skills.   | New Indicator              | New Indicator | 10%                   | 111%               | 101%                                                | <b>Annual target achieved and exceeded.</b> This is due to increased demand from employers and learners seeking to upskill on elementary level skills.   |
|                                                                                                     |                                                                                                                                                                                                                                       | 4. Approved Annual Procurement Plan.                                                            | 1                          | 1             | 1                     | 1                  | 0                                                   | <b>Annual target achieved.</b>                                                                                                                           |

3.1.2 Sub-programme: Governance (Audit and Risk)

**Purpose:** To provide strategic leadership, management and support services to the SETA

Table 6: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

| Programme 1: Administration / Sub-programme: Governance (Audit and Risk)                                     |                                                                                                                                                                                                             |                                                        |                            |                            |                       |                    |                                                     |                         |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|-------------------------|
| Outcome                                                                                                      | Outputs                                                                                                                                                                                                     | Output Indicators                                      | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations  |
|                                                                                                              |                                                                                                                                                                                                             |                                                        | 2022/23                    | 2023/24                    | 2024/25               | 2024/25            | 2024/25                                             |                         |
| Performing system support functions and managed budgets and expenditure that are linked to the SETA mandate. | An established sound and effective governance and financial management of the affairs of the organisation through application of good internal control systems include risk, budget and business processes. | 5. Approved Annual Strategic and Fraud Risk Registers. | 1                          | 2                          | 2                     | 2                  | 0                                                   | Annual target achieved. |
|                                                                                                              |                                                                                                                                                                                                             | 6. Governance Charter reports submitted to DHET.       | 4                          | 4                          | 4                     | 4                  | 0                                                   | Annual target achieved. |



### 3.1.3 Sub-programme: Human Resources

**Purpose:** To provide strategic leadership, management and support services to the SETA

**Table 7: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement**

| Programme 1: Administration / Sub-programme: Human Resources                                                 |                                                 |                                                                                                                                                         |                            |                            |                       |                    |                                                     |                         |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|-------------------------|
| Outcome                                                                                                      | Outputs                                         | Output Indicators                                                                                                                                       | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations  |
|                                                                                                              |                                                 |                                                                                                                                                         | 2022/23                    | 2023/24                    | 2024/25               | 2024/25            | 2024/25                                             |                         |
| Performing system support functions and managed budgets and expenditure that are linked to the SETA mandate. | An effective human resources management system. | 7. Percentage of critical positions filled against the approved structure and budget.                                                                   | New indicator              | New indicator              | 100%                  | 100%               | 0                                                   | Annual target achieved. |
|                                                                                                              |                                                 | 8. Approved annual organisational plans (Monitoring and Evaluation, Chamber, Human Resource, Stakeholder Relations Management, Quality Assurance, ICT). | 6                          | 6                          | 6                     | 6                  | 0                                                   | Annual target achieved. |

## 3.2 PROGRAMME 2: SKILLS PLANNING

### 3.2.1 Sub-programme: Sector Skills Plan and Research

**Purpose:** To conduct compelling research that demands credible institutional mechanisms for skills planning

**Table 8: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement**

| Programme 2: Skills Planning / Sub-programme: Sector Skills Plan and Research |                                                                                                                                                 |                                                 |                            |                            |                       |                    |                                                     |                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome                                                                       | Outputs                                                                                                                                         | Output Indicators                               | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                                 |
|                                                                               |                                                                                                                                                 |                                                 | 2022/23                    | 2023/24                    |                       |                    |                                                     |                                                                                                                                                                                                        |
| Identified and increased production of occupations in high demand.            | Developed Sector Skills Plan (SSP) through labour market research to inform sectoral priority occupations and intervention needs in the sector. | 9. Number of Approved Sector Skills Plan (SSP). | 1                          | 1                          | 1                     | 1                  | 0                                                   | Annual target achieved.                                                                                                                                                                                |
|                                                                               | Evidence-based research to inform sector planning (SSP, SP and business planning).                                                              | 10.Number of research reports approved.         | 4                          | 7                          | 4                     | 13                 | 9                                                   | Annual target achieved and exceeded. This is due to the successful production of additional reports in partnership with the Research Chair, further enhancing our research output and sector insights. |

### 3.2.2 Sub-programme: Workplace Skills Plans and Annual Training Reports

**Purpose:** To provide reliable information on supply and demand for skills in the Food and Beverages Manufacturing Sector.

**Table 9: APP Outcomes, Outputs, Output Indicators, Targets and Actual Achievement before adjustment**

| Programme 1: Administration / Sub-programme: Workplace Skills Plans and Annual Training Reports |                                                    |                                                                       |                            |                                                                     |                       |                    |                                                     |         |                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------|----------------------------|---------------------------------------------------------------------|-----------------------|--------------------|-----------------------------------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome                                                                                         | Outputs                                            | Output Indicators                                                     | Audited Actual Performance |                                                                     | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement |         | Reasons for Deviations                                                                                                                                                     |
|                                                                                                 |                                                    |                                                                       | 2022/23                    | 2023/24                                                             |                       |                    | 2024/25                                             | 2024/25 |                                                                                                                                                                            |
| Identified and increased production of occupations in high demand.                              | Employers participating in the workplace training. | 11. Number of approved Annexure II applications for large companies.  | 90% of large companies     | 219 Large companies                                                 | 190 Large comp-anies  | 214                | 24                                                  |         | <b>Annual target achieved and exceeded.</b> This is due to capacity building workshops provided to stakeholders on the requirements of the WSP/ATR submission.             |
|                                                                                                 |                                                    | 12. Number of approved Annexure II applications for medium companies. | 85% of medium companies    | 241 Medium companies                                                | 220 Medium comp-anies | 221                | 1                                                   |         | <b>Annual target achieved and exceeded.</b> This is due to capacity building workshops provided to stakeholders on the requirements of the WSP/ATR submission.             |
|                                                                                                 |                                                    | 13. Number of approved Annexure II applications for small companies.  | 80% Small companies        | 337 Small companies                                                 | 330 Small comp-anies  | 339                | 9                                                   |         | <b>Annual target achieved and exceeded.</b> This is due to capacity building workshops provided to stakeholders on the requirements of the WSP/ATR submission.             |
|                                                                                                 |                                                    | 14. Percentage of approved employers who are paid mandatory grants.   | New Indicator              | 160 Large companies<br>175 Medium companies<br>256 Small companies. | 96%                   | 99%                | 3%                                                  |         | <b>Annual target achieved and exceeded.</b> This is due to continuous follow-ups with employers to submit correct banking details which enabled more companies to be paid. |



### 3.3 PROGRAMME 3: LEARNING PROGRAMME AND PROJECTS

#### 3.3.1 Sub-programme: Implementation of Learning Programmes

**Purpose:** To disburse grants through regular (PIVOTAL and NON-PIVOTAL) and special projects that are addressing the sector's needs.

**Table 10: APP Outcomes, Output Indicators, Targets and Actual Achievement before adjustment**

| Programme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmes |                                                                                                  |                                                                              |                            |         |                       |                    |                                                     |                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------|---------|-----------------------|--------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome                                                                                              | Outputs                                                                                          | Output Indicators                                                            | Audited Actual Performance |         | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                                                                                                              |
|                                                                                                      |                                                                                                  |                                                                              | 2022/23                    | 2023/24 |                       |                    |                                                     |                                                                                                                                                                                                                                                                                     |
| Linked education and the workplace.                                                                  | Middle and high-level skills need addressed in the sector to address scarce and critical skills. | 15. Number of unemployed learners registered on a Learnership programme.     | 1 800 SETA Funded          | 2 484   | 1 600                 | 3 048              | 1 448                                               | <b>Annual target achieved and exceeded.</b> This outcome is due to the June 30 2024 registration deadline for legacy qualifications. Additionally, timely approval of allocations by FoodBev SETA for DG 2024-25 and partnerships, facilitated the prompt registration of learners. |
|                                                                                                      |                                                                                                  | 16. Number of unemployed learners who have completed a Learnership programme | 1 400 SETA Funded          | 1 975   | 2 000                 | 2 433              | 433                                                 | <b>Annual target achieved and exceeded.</b> This is due to the significant number of learners registered for the financial year, resulting in a greater pool of learners eligible for endorsement and certification.                                                                |

### Programme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmes

| Outcome                                            | Outputs | Output Indicators                                                                                                 | Audited Actual Performance |         | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                                     |
|----------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------|----------------------------|---------|-----------------------|--------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    |         |                                                                                                                   | 2022/23                    | 2023/24 |                       |                    | 2024/25                                             |                                                                                                                                                                                                            |
| Students obtain qualifications and work experience |         | 17. Number of students from the Higher Education Institutions registered on Internship programmes.                | 450                        | 480     | 710                   | 729                | 19                                                  | <b>Annual target achieved and exceeded.</b> This is due to close monitoring of learner registrations and actively engaging with stakeholders to ensure the submission of compliant registration documents. |
|                                                    |         | 18. Number of students from the Higher Education Institutions who have completed an Internship programme.         | 100                        | 238     | 236                   | 416                | 180                                                 | <b>Annual target achieved and exceeded.</b> This is due to proactive engagement and follow-ups with stakeholders to ensure the timely submission of completion documents.                                  |
|                                                    |         | 19. Number of Higher Education Institution graduates placed in companies for workplace-based learning programmes. | 450                        | 508     | 525                   | 547                | 22                                                  | <b>Annual target achieved and exceeded.</b> This is due to close monitoring of learner registrations and actively engaging with stakeholders to ensure the submission of compliant registration documents. |
|                                                    |         | 20. Number of Higher Education Institutions graduates who have completed a Workplace Based Learning programme.    | 250                        | 350     | 365                   | 371                | 6                                                   | <b>Annual target achieved and exceeded.</b> This is due to direct engagement and follow-ups with stakeholders to ensure submission of completion documents.                                                |

### Programme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmes

| Outcome                                                         | Outputs                                                                                          | Output Indicators                                                                                                                       | Audited Actual Performance |         | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------|-----------------------|--------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                 |                                                                                                  |                                                                                                                                         | 2022/23                    | 2023/24 |                       |                    | 2024/25                                             |                                                                                                                                                                                                                                                                             |
| Improved skills level of skills in the South African workforce. | Middle and high-level skills need addressed in the sector to address scarce and critical skills. | 21. Number of students from TVET Colleges registered on a Workplace Based Learning programme                                            | 600                        | 752     | 1 080                 | 1 160              | 80                                                  | <b>Annual target achieved and exceeded.</b> This is due to ongoing follow-ups with stakeholders to ensure the timely submission of enrolment documents for registration.                                                                                                    |
|                                                                 |                                                                                                  | 22. Number of students from TVET colleges who have completed a Workplace-Based Learning programme.                                      | 150                        | 564     | 320                   | 634                | 314                                                 | <b>Annual target achieved and exceeded.</b> This is due to direct engagement and follow-ups with stakeholders to secure the timely submission of completion documents.                                                                                                      |
|                                                                 |                                                                                                  | 23. Number of employed and/or unemployed candidates supported to register on a Candidacy programme with a registered professional body. | 3                          | 5       | 5                     | 10                 | 5                                                   | <b>Annual target achieved and exceeded.</b> This is due to the early allocation of DG 2024-25 in the first quarter, which prompted stakeholders to submit enrolment documents for registration.                                                                             |
|                                                                 |                                                                                                  | 24. Number of employed learners registered on a learnership programme.                                                                  | 1 500 SETA funded          | 1 724   | 780                   | 1 027              | 247                                                 | <b>Annual target achieved and exceeded.</b> This is due to the June 30 2024, registration deadline for legacy qualifications. Additionally, timely approval of allocations by FoodBev SETA for DG 2024-25 and partnerships facilitated the prompt registration of learners. |

### Programme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmes

| Outcome | Outputs | Output Indicators                                                          | Audited Actual Performance |         | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                                                                                                                        |
|---------|---------|----------------------------------------------------------------------------|----------------------------|---------|-----------------------|--------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |         |                                                                            | 2022/23                    | 2023/24 |                       |                    |                                                     |                                                                                                                                                                                                                                                                                               |
|         |         | 25.Number of employed learners who have completed a learnership programme. | 800 SETA funded            | 1 040   | 1 100                 | 1 450              | 350                                                 | <b>Annual target achieved and exceeded.</b> This is due to the high number of learners registered in the previous financial year, which has resulted in an increased pool of learners eligible for endorsement and certification.                                                             |
|         |         | 26.Number of unemployed learners registered on a skills programme.         | 250                        | 355     | 150                   | 1 050              | 900                                                 | <b>Annual target achieved and exceeded.</b> This is due to the registration deadline of June 30, 2024, for legacy qualifications, which prompted FoodBev SETA to approve allocations for DG 2024-25 and establish partnerships in a timely manner, facilitating the registration of learners. |
|         |         | 27.Number of unemployed learners who have completed a skills programme.    | 125                        | 243     | 150                   | 231                | 81                                                  | <b>Annual target achieved and exceeded.</b> This is due to a substantial rise in learner registrations for the financial year, which led to more learners qualifying for endorsement / certification.                                                                                         |



### Programme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmes

| Outcome | Outputs                                                                                                              | Output Indicators                                                                                                               | Audited Actual Performance |         | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                                                                                                                        |
|---------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------|-----------------------|--------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                                                      |                                                                                                                                 | 2022/23                    | 2023/24 |                       |                    |                                                     |                                                                                                                                                                                                                                                                                               |
|         |                                                                                                                      | 28. Number of employed learners registered on a skills programme.                                                               | 1 000 SETA funded          | 1 453   | 800                   | 1 537              | 737                                                 | <b>Annual target achieved and exceeded.</b> This is due to the registration deadline of June 30, 2024, for legacy qualifications, which prompted FoodBev SETA to approve allocations for DG 2024-25 and establish partnerships in a timely manner, facilitating the registration of learners. |
|         |                                                                                                                      | 29. Number of employed learners who have completed a skills programme.                                                          | 500 SETA funded            | 698     | 450                   | 1 028              | 578                                                 | <b>Annual target achieved and exceeded.</b> This is due to the high number of learners registered in the current and previous financial year, which has resulted in an increased pool of learners eligible for endorsement and certification                                                  |
|         | Employed and unemployed learners supported through provision of bursaries to address the scarce and critical skills. | 30. Number of employed students registered on bursaries in higher education institutions and Management Development Programmes. | 100                        | 131     | 110                   | 186                | 76                                                  | <b>Annual target achieved and exceeded.</b> This is due to the early allocation of DG 2024-25 in the first quarter, which enabled stakeholders to submit enrolment documents for registration.                                                                                                |

## PProgramme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmess

| Outcome                                              | Outputs                                                                                                              | Output Indicators                                                                                                                                | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                         |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                                                                                                                      |                                                                                                                                                  | 2022/23                    | 2023/24                    | 2024/25               | 2024/25            | 2024/25                                             |                                                                                                                                                                |
| Improved skills level in the South African workforce | Employed and unemployed learners supported through provision of bursaries to address the scarce and critical skills. | 31. Number of employed students who have completed their bursary studies in higher education institutions and Management Development Programmes. | 75                         | 89                         | 85                    | 107                | 22                                                  | Annual target achieved and exceeded. This is due to direct follow-ups with stakeholders to submit completion evidence, ensuring the target was met.            |
|                                                      |                                                                                                                      | 32. Number of learners registered on AET programmes                                                                                              | 225                        | 392                        | 225                   | 286                | 61                                                  | Annual target achieved and exceeded. This is due to continuous follow-ups with stakeholders to ensure submission of enrolment documents for registration.      |
|                                                      |                                                                                                                      | 33. Number of learners who have completed AET programmes.                                                                                        | 110                        | 154                        | 120                   | 341                | 221                                                 | Annual target achieved and exceeded. This is due to direct engagement and follow-up with stakeholders to ensure the timely submission of completion documents. |
|                                                      |                                                                                                                      | 34. Number of unemployed students registered on the bursary programme.                                                                           | 120                        | 128                        | 140                   | 158                | 18                                                  | Annual target achieved and exceeded. This is due to continuous follow up with stakeholders to ensure submission of enrolment documents for registration.       |

## Programme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmes

| Outcome                                                 | Outputs                                                                                      | Output Indicators                                                                                                   | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                                                           |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         |                                                                                              |                                                                                                                     | 2022/23                    | 2023/24                    | 2024/25               | 2024/25            | 2024/25                                             |                                                                                                                                                                                                                                  |
| Increased access to occupationally directed programmes. | Enhanced research and development in human capital for a growing body of knowledge economy . | 35.Number of unemployed students who have completed their studies on the bursary programme.                         | 60                         | 112                        | 70                    | 72                 | 2                                                   | <b>Annual target achieved and exceeded.</b> This is due to direct engagement and follow-up with stakeholders to ensure the timely submission of completion documents                                                             |
|                                                         |                                                                                              | 36.Number of Masters and/or PhD students registered on the research bursary programme.                              | 30                         | 39                         | 40                    | 41                 | 1                                                   | <b>Annual target achieved and exceeded.</b> This is due to continuous follow up with stakeholders to ensure submission of enrolment documents for registration.                                                                  |
|                                                         |                                                                                              | 37.Number of Masters and/or PhD students who have completed their studies through the research bursary programme.   | 10                         | 17                         | 20                    | 31                 | 11                                                  | <b>Annual target achieved and exceeded.</b> This is due to proactive engagement and follow-ups with stakeholders that ensured the timely submission of completion documents.                                                     |
|                                                         |                                                                                              | 38.Number of Apprentices registered on an apprenticeship programme or Artisan Recognition of Prior Learning (ARPL). | New indicator              | 435                        | 460                   | 574                | 114                                                 | <b>Annual target achieved and exceeded.</b> This is due to continuous follow-up with stakeholders to ensure the submission of enrolment documents, as well as partnerships that facilitated the timely registration of learners. |

## PProgramme 3: Learning Programmes and Projects / Sub-programme: Implementation of Learning Programmess

| Outcome                                                                                  | Outputs                                                                                                                  | Output Indicators                                                                                                         | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                             |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                          |                                                                                                                          |                                                                                                                           | 2022/23                    | 2023/24                    | 2024/25               | 2024/25            | 2024/25                                             |                                                                                                                                                                    |
| Entrepreneurs and cooperatives supported with skills development needed for their growth | Small enterprises, NGOs, cooperatives and CBOs supported through the provision of accredited skills training programmes. | 39. Number of Apprentices who have completed an apprenticeship programme or Artisan Recognition of Prior Learning (ARPL). | 200                        | 201                        | 250                   | 430                | 180                                                 | Annual target achieved and exceeded. This is due to proactive engagement and follow-ups with stakeholders to ensure the timely submission of completion documents. |
|                                                                                          |                                                                                                                          | 40. Number of learners entered entrepreneurial programmes.                                                                | New indicator              | New indicator              | 15                    | 18                 | 3                                                   | Annual target achieved and exceeded. This is due to a partnership aimed at training more SMEs than the specified target.                                           |
|                                                                                          |                                                                                                                          | 41. Number of small businesses funded in various learning programmes.                                                     | 70                         | 91                         | 75                    | 80                 | 5                                                   | Annual target achieved and exceeded. This is due to the early allocation of DG 2024-2025 which resulted in the early conclusion of contracts.                      |
|                                                                                          |                                                                                                                          | 42. Number of CBOs or NGOs or NPOs administrators funded on various skills development programmes .                       | 10                         | 13                         | 10                    | 14                 | 4                                                   | Annual target achieved and exceeded. This is due to the DG capacitation workshops conducted which enabled more NPOs/NGOs/CBOs to be eligible for DG funding.       |
|                                                                                          |                                                                                                                          | 43. Number of Rural Development Projects funded through various learning programmes .                                     | New indicator              | New indicator              | 5                     | 5                  | 0                                                   | Annual target achieved.                                                                                                                                            |



### 3.3.2 Sub-programme: Special Projects and Partnerships

**Purpose:** To align TVET curriculum with industry needs and ensure the lectures and learners are equipped with the current industry trend and technology.

**Table 11: APP Outcomes, Outputs, Output Indicators, Targets and Actual Achievement before adjustment**

| Programme 3: Learning Programmes and Projects / Sub-programme: Special Projects and Partnerships |                                                                                                     |                                                                                                                           |                            |               |                       |                    |                                                     |                                                                                                                                                       |  |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------|-----------------------|--------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Outcome                                                                                          | Outputs                                                                                             | Output Indicators                                                                                                         | Audited Actual Performance |               | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                |  |
|                                                                                                  |                                                                                                     |                                                                                                                           | 2022/23                    | 2023/24       |                       |                    |                                                     |                                                                                                                                                       |  |
| The growth of the public college system supported.                                               | Partnerships entered with Higher Education institutions, Colleges, Public and Private institutions. | 44. Number of public/private sector (SETA-employer) partnerships agreements entered into.                                 | New Indicator              | 22            | 10                    | 15                 | 5                                                   | <b>Annual target achieved and exceeded.</b> This is due to the early allocation of DG 2024-25 which resulted in the early conclusion of the contracts |  |
|                                                                                                  |                                                                                                     |                                                                                                                           | New Indicator              | New Indicator | 15                    | 17                 | 2                                                   |                                                                                                                                                       |  |
|                                                                                                  |                                                                                                     |                                                                                                                           | 5                          | 6             | 8                     | 10                 | 2                                                   |                                                                                                                                                       |  |
| Linked education and the workplace.                                                              |                                                                                                     | 45. Number of HEI and/or TVET and/or CETs partnership agreements entered into.                                            | New Indicator              | New Indicator | 15                    | 17                 | 2                                                   | <b>Annual target achieved and exceeded.</b> This is due to the early allocation of DG 2024-25 which resulted in the early conclusion of contracts.    |  |
| Increased access to occupationally directed programmes.                                          |                                                                                                     | 46. Number of CET/ TVET lecturers who have entered the workplace exposure programme and/or skills development programmes. | 5                          | 6             | 8                     | 10                 | 2                                                   | <b>Annual target achieved and exceeded.</b> This is due to the high level of interest and applications received.                                      |  |

### Programme 3: Learning Programmes and Projects / Sub-programme: Special Projects and Partnerships

| Outcome                                             | Outputs                                                                     | Output Indicators                                                                                                       | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                    |
|-----------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|                                                     |                                                                             |                                                                                                                         | 2022/23                    | 2023/24                    | 2024/25               | 2024/25            | 2024/25                                             |                                                                                                           |
| Encouraged and supported worker-initiated training. |                                                                             | 47. Number of CET/ TVET lecturers who have completed workplace exposure programme and/or skills development programmes. | 4                          | 5                          | 7                     | 10                 | 3                                                   | Annual target achieved and exceeded. This is due to the high level of interest and applications received. |
|                                                     | Trade unions supported through the provision of skills training programmes. | 48. Number of Trade- Unions supported with training interventions.                                                      | 3                          | 3                          | 3                     | 3                  | 0                                                   | Annual target achieved.                                                                                   |

### 3.3.3 Sub- programme: Career Guidance

**Purpose:** To promote access to the food and beverage manufacturing sector by sharing essential knowledge, skills, and information for greater awareness and transformation.

**Table 12: APP Outcomes, Outputs, Output Indicators, Targets and Actual Achievement before adjustment**

| Programme 3: Learning Programmes and Projects / Sub-programme: Career Guidance |                                   |                                                                                                                |                            |                            |                         |                         |                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome                                                                        | Outputs                           | Output Indicators                                                                                              | Audited Actual Performance | Audited Actual Performance | Planned Annual Target   | Actual Achievement      | Deviation from planned target to Actual Achievement                                                                                                                                                                                                                                                                                                           |
|                                                                                |                                   |                                                                                                                | 2022/23                    | 2023/24                    | 2024/25                 | 2024/25                 | 2024/25                                                                                                                                                                                                                                                                                                                                                       |
| Supported career development services.                                         | Career development interventions. | 49, Number of career development events hosted in Rural and/or Township areas and/or attended by FoodBev SETA. | 30 Urban<br>35 Rural       | 33 Urban<br>44 Rural       | 45 Rural<br>35 Township | 47 Rural<br>38 Township | +2 Rural<br>+3 Township                                                                                                                                                                                                                                                                                                                                       |
|                                                                                |                                   |                                                                                                                |                            |                            |                         |                         | <b>Annual target achieved and exceeded.</b> This is due to increased demand from schools and communities. Strong partnerships with education institutions and industry players led to more invitations and opportunities while also growing awareness of our career guidance services. Positive impact of past events drove higher attendance and engagement. |

### 3.3.3 Sub- programme: Career Guidance

**Purpose:** To promote access to the food and beverage manufacturing sector by sharing essential knowledge, skills, and information for greater awareness and transformation.

**Table 12: APP Outcomes, Outputs, Output Indicators, Targets and Actual Achievement before adjustment**

| Programme 3: Learning Programmes and Projects / Sub-programme: Career Guidance |                                   |                                                         |                            |                            |                       |                    |                                                     |                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome                                                                        | Outputs                           | Output Indicators                                       | Audited Actual Performance | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations                                                                                                                                                                               |
|                                                                                |                                   |                                                         | 2022/23                    | 2023/24                    | 2024/25               | 2024/25            | 2024/25                                             |                                                                                                                                                                                                      |
| Supported career development services.                                         | Career development interventions. | 50. Number of career development practitioners trained. | 60                         | 94                         | 80                    | 121                | 41                                                  | <b>Annual target achieved and exceeded.</b> This is due to high demand, leveraging online platforms to accommodate more attendees while efficiently utilising the budget.                            |
|                                                                                |                                   |                                                         | New indicator              | New indicator              | 2                     | 3                  | 1                                                   | <b>Annual target achieved and exceeded.</b> This is due to high demand and collaboration with education stakeholders which enabled participation in additional workshops within the approved budget. |



3.4 PROGRAMME 4: QUALITY ASSURANCE

3.4.1 Sub-programme: Provider accreditation

**Purpose:** Increase availability of accredited public skills development providers

Table 13: APP Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

| Programme 4: Quality Assurance / Sub-programme: Sub-programme: Provider accreditation |                                                                    |                                                                                                                                                                                                      |                            |         |                            |                       |                    |                                                     |                         |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------|----------------------------|-----------------------|--------------------|-----------------------------------------------------|-------------------------|
| Outcome                                                                               | Outputs                                                            | Output Indicators                                                                                                                                                                                    | Audited Actual Performance |         | Audited Actual Performance | Planned Annual Target | Actual Achievement | Deviation from planned target to Actual Achievement | Reasons for Deviations  |
|                                                                                       |                                                                    |                                                                                                                                                                                                      | 2022/23                    | 2023/24 |                            |                       |                    |                                                     |                         |
| Supported growth of the public college System.                                        | Public TVET Colleges capacitated to offer occupational programmes. | 52.Number of Public CET/TVET Colleges assisted to apply for accreditation against occupational qualifications or part qualifications or skills programme accreditation under the FoodBev SETA scope. | 3                          | 2       | 2                          | 4                     | 4                  | 0                                                   | Annual target achieved. |
|                                                                                       |                                                                    | 53.Number of qualifications or part qualifications or skills programme submitted to the QCTO for registration.                                                                                       | 4                          | 2       | 2                          | 4                     | 4                  | 0                                                   | Annual target achieved. |

## BENEFICIARY SPOTLIGHT

# GROWING LOCAL SMMES FOR GLOBAL OPPORTUNITY

*In 2024/25, FoodBev SETA's 18-month Entrepreneurial Leadership Programme (May 2024–September 2025) equipped 24 high-potential SMMEs in the food and beverage sector to scale with confidence, blending academic rigour with real-world application.*

*The journey combined five Rhodes University modules (60 credits toward a PGDip in Enterprise Management), ten on-demand digital modules covering finance, marketing, legal/IP and scaling, four coach-led Business Clinics that turned learning into action, and two global immersions -New York & Duke University in August 2024 and Nairobi in August 2025 -to broaden perspective and open markets.*

*In 2025, the programme will culminate in a “Shark Tank”-style pitch event in Johannesburg, where delegates present investment-ready growth plans to industry investors and graduate into the Alumni Network.*

When FoodBev SETA launched the Entrepreneurial Leadership Programme, our ambition was clear: Help promising SMMEs in South Africa's food and beverage sector turn potential into performance. The journey—spanning May 2024 to September 2025—brought together twenty-four founders who carried the responsibility of their teams, customers and communities, and who were ready to scale with discipline and purpose.

From the outset we built learning around the real pace of business. Accredited modules from Rhodes University provided academic depth while short, digitally delivered lessons translated directly to the shop floor and boardroom. Delegates logged off a finance session and opened their own models; they left an operations class and streamlined a production run; they refined a brand story in the morning and tested it with customers by week's end. In a sector where margins are earned one decision at a time, this “learn today, apply tonight” rhythm mattered.

The Business Clinics became the programme's proving ground. With coaches at their side, delegates pressure-tested business models, tightened marketing and social strategies, explored where exponential technologies could genuinely unlock value, and rehearsed investor conversations that moved beyond slogans into numbers, risks and terms. Each clinic ended with a practical action list, and we followed through—because change only counts when it shows up in the enterprise.



DUKE  
FUQUA  
SCHOOL OF BUSINESS

**In August 2024, the first global immersion placed the cohort inside a different horizon.** New York's innovation hubs and supplier conversations, followed by academic sessions at Duke University's Fuqua School of Business, offered a candid view of standards, systems and scale. As part of the programme's learning outcomes, we intentionally

incorporated exposure to global markets to give delegates a clear international business perspective. FoodBev Manufacturing SETA officials attended key components of the immersion and clinics, ensuring that—as funder—we gained firsthand insight into strategies that better support SMMEs and an opportunity to monitor programme progress. Attending is important because it provides direct visibility into on-the-ground outcomes, supports rigorous performance monitoring, and ensures funds are used as intended. It also facilitates alignment with strategic priorities, informs policy refinements, fosters stakeholder accountability, and accelerates learning and replication of best practices across cohorts.

The delegation's learnings will inform the co-creation and design of future SMME programmes that are responsive to national imperatives.



*Launch day for the FoodBev Manufacturing SETA International Entrepreneurship Development Programme Cohort ahead of their US-bound trip the following day.*

### **Why Kenya for the 2025 immersion**

Kenya was selected as the next immersion destination because it offers a rich blend of entrepreneurial activity, strong agribusiness ecosystems and diverse food and beverage innovations. The country is home to a growing number of SMEs and cooperatives pioneering solutions in value addition, nutrition, export readiness and sustainable agriculture. Nairobi serves as a regional hub for logistics, manufacturing and policy innovation—making it a powerful learning destination for entrepreneurs aiming to grow within and beyond Southern Africa.

### **Targeted learning outcomes (Kenya):**

- Understand key drivers of Kenya's food and beverage sector growth.
- Gain insight into cooperative and SME-led models of production.
- Learn how to improve product quality, branding and market positioning.
- Build regional networks and identify cross-border trade opportunities.
- Apply global best practices to local enterprise development.



We held ourselves to the same standard of continuous improvement. When a financial simulation tool created friction, we added orientation and simple job aids so the learning could land. When clinic content overlapped with core modules, we refined curricula to deepen sector-specific problem-solving. Throughout, our governance teams observed key sessions, capturing insights to strengthen future delivery. The message was consistent: keep what works, fix what doesn't, move forward with pace.



*Mophat Kebaya, Manufacturing Manager CCBK - Embakasi plant describes the manufacturing process to the SMME cohort*



*Left: Interactive training session in progress.*



## 4. LINKING PERFORMANCE WITH BUDGETS

**Table 14: Linking Performance with Budgets**

| Programme/<br>activity/<br>objective            | 2023/2024 |                       |                                 | 2024/2025 |                       |                                 |
|-------------------------------------------------|-----------|-----------------------|---------------------------------|-----------|-----------------------|---------------------------------|
|                                                 | Budget    | Actual<br>expenditure | (Over)/<br>Under<br>expenditure | Budget    | Actual<br>expenditure | (Over)/<br>Under<br>expenditure |
|                                                 | R'000     | R'000                 | R'000                           | R'000     | R'000                 | R'000                           |
| <b>Administration<br/>and Support</b>           | 83 953    | 75 973                | 7 980                           | 82 566    | 89 679                | (7 113)                         |
| <b>Employer<br/>Grants &amp;<br/>Research</b>   | 106 050   | 99 933                | 6 117                           | 106 789   | 106 359               | 430                             |
| <b>Learning<br/>Programmes<br/>and Projects</b> | 1 285 978 | 483 208               | 802 770                         | 1 332 967 | 537 967               | 79 500                          |
| <b>Project<br/>Administration</b>               | 30 422    | 29 485                | 937                             | 31 049    | 35 288                | (4 239)                         |
| <b>TOTAL</b>                                    | 1 506 404 | 688 599               | 817 805                         | 1 553 371 | 769 293               | 784 078                         |

## 5. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

No areas of under-performance were identified. The SETA achieved a 100% performance targets.



## 6. REVENUE COLLECTION

Table 15: Sources of revenue and collections

| Sources of revenue                    | 2023/2024 |                         |                           | 2024/2025 |                         |                           |
|---------------------------------------|-----------|-------------------------|---------------------------|-----------|-------------------------|---------------------------|
|                                       | Estimate  | Actual amount collected | (Over)/ Under expenditure | Estimate  | Actual amount collected | (Over)/ Under expenditure |
|                                       | R'000     | R'000                   | R'000                     | R'000     | R'000                   | R'000                     |
| <b>Fines and penalties</b>            | 2 000     | 3 801                   | 1 801                     | 8 000     | 8 088                   | 88                        |
| <b>Skills Development Levy</b>        | 501 358   | 502 058                 | 700                       | 533 946   | 539 119                 | 5 173                     |
| <b>Interest received – investment</b> | 78 460    | 79 798                  | 1 338                     | 78 460    | 74 890                  | (3 570)                   |
| <b>Other income</b>                   | 1 000     | 4 808                   | 3 808                     | 6 000     | 28 900                  | 22 900                    |
| <b>Total revenue</b>                  | 582 818   | 590 465                 | 2 353                     | 626 406   | 650 997                 | 24 590                    |
| <b>Approved retained funds</b>        | 923 586   | -                       | -                         | 926 965   | -                       | 785 146                   |

## 7. CAPITAL INVESTMENT

No infrastructure projects were undertaken in the year under review. The capital investment consisted of the following:

- 7.1 Fixed assets acquired for the administration of FoodBev SETA and
- 7.2 All excess funds not immediately required for operations were transferred to the CPD (Corporation for Public Deposits) account held with the Reserve Bank. The acquisition, implementation and management of the above was achieved through sound policies and procedures of the FoodBev SETA. When fixed assets do not result in an inflow of economic benefits to the FoodBev SETA, they are assessed for impairment. After assessment, they are then disposed of and donated to different entities or auctioned to staff, subject to approval by the Accounting Authority/Board.

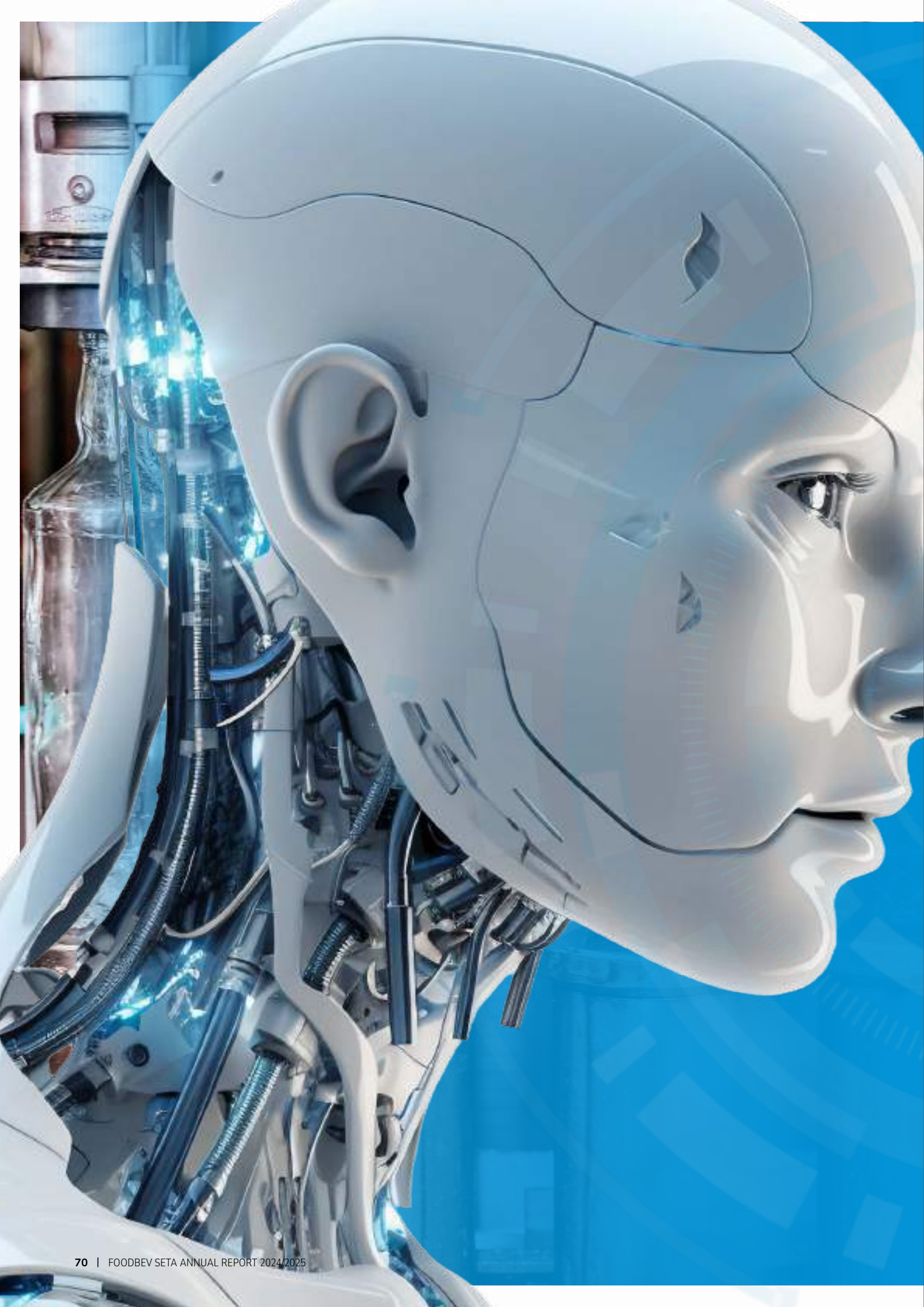
In addition, we regularly review and update the asset register and dispose of and write off stolen assets. The SETA acquired fixed assets worth R1 109 000 and intangible assets worth R2 097 000 in the year under review. Most of the assets acquired were laptops, docking stations and licences.











## PART C: GOVERNANCE

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## 1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held accountable. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance regarding public entities is applied through the precepts of the Public Finance Management Act (PFMA) in tandem with the principles contained in the King Report on Corporate Governance. Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

## 2. PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education, Science and Technology exercises oversight over all SETAs and may occasionally require any SETA to appear before the Committee to account for performance. The FoodBev SETA was not requested to meet with the Portfolio Committee in the 2024/25 financial year.

## 3. EXECUTIVE AUTHORITY

In the SETA environment, the Minister of Higher Education, Science and Technology is the Executive Authority and is accountable to Parliament for skills development. It is the responsibility of the Executive Authority to ensure that the objectives and functions of the SETA are carried out in accordance with the Act and the applicable policies. The Executive Authority must apply its power in executing its responsibility and accountability with regards to the Act, PFMA the SETA Constitution and other relevant legislation.

The members of the Accounting Authority (Board) are appointed by the Minister, who determines their remuneration as per the tariffs set out by National Treasury. The FoodBev SETA made timeous submissions of all compliance documents required by the Executive Authority, including the sector skills plan, strategic and annual performance plans and quarterly reports. The Executive Authority occasionally meets with SETA Chairpersons and CEOs to discuss various matters, including strategies, policies and performance targets to advance the mandate of the SETA.

## 4. THE ACCOUNTING AUTHORITY / BOARD

### 4.5 Introduction

The Board is the highest decision-making body of the SETA. It assumes a vital role in leading and exercising the fundamental principles of good corporate governance. The Board is responsible for directing and administering the affairs of the SETA in a transparent, fair, and responsible manner and is fully accountable for the performance of the SETA. The Board has established four committees with delegated duties to support it in carrying out the oversight role of ensuring that the organisation's activities are managed in a manner that is consistent with the ethical leadership and the values of the SETA. The roles and responsibilities of each Sub-Committee of the Board are set out in the charters / terms of reference for each Committee, and these are aligned to the Constitution and Delegation of Authority Policy of the SETA.



## 4.6 The Role of the Board

The Board is governed by the SETA Constitution which outlines its roles and responsibilities as stated below:

- a. Govern and manage the SETA in accordance with the PFMA, the Act and any other applicable legislation;
- b. Ensure the SETA achieves the objectives stated in section 5 of the Constitution and performs the functions in section 6 of the Constitution;
- c. Provide effective leadership and ensure that the SETA implements the goals of the NSDS and the Performance Agreement with the Minister;
- d. Provide strategic direction for the SETA;
- e. Liaise with stakeholders;
- f. Ensure that the SETA complies with the relevant statutory and constitutional requirements;
- g. Manage institutional risk and;
- h. Monitor the performance of the SETA.

## 4.7 Board Charter

The FoodBev SETA Board Charter was developed in line with the SETA's Constitution and governance best practice as recommended by the King IV report. It forms the basis of the Board's modus operandi and addresses the composition, roles, responsibilities, and power of the Board as well as the delegation of functions. The Board has a Board Member Handbook which is an orientation guide for members of the Board to provide a guide on basic board governance information and other resources.

The FoodBev SETA Board has a remuneration policy that is aligned to the National Treasury regulations for cost containment. The Delegation of Authority policy is in place to ensure efficiency of the Board in executing its functions and in holding management accountable for the management of the organisation. The members of the Board understand that they stand in a fiduciary relationship to the SETA and have committed to perform their duties ethically, conscientiously and in the best interest of the SETA. The Board has complied to the Charter and applicable policies of the SETA.

## 4.8 Composition of the Board

Board members were appointed on 01 April 2020 to serve for five years until 31 March 2025. Each member has a single vote on any matter serving before a meeting for its decision, and the Chairperson has no voting rights, but in the case of an equality of votes, the Chairperson has a casting vote.

The Board consists of 14 members, including the Chairperson, and was constituted as follows

- a. Independent Chairperson – one appointed by the Minister;
- b. Levy Paying Employers/Organised Employer – six representatives;
- c. Representative Trade Union/Organised Labour – six representatives and
- d. Small Business or Community Organisations – two representatives.

There was a vacancy on the Board during the full five-year term, due to one trade union not submitting a nomination according to the criteria set by the Minister when the Board was appointed in 2020. A nomination from Federal Council for Retail and Allied Workers (FEDCRAW) was received and submitted to the Executive Authority for a final decision during the 2021/22 financial year. The Ministers decision was still pending at the end of 2024/25.



Table 16: Board Composition

| Name of members                                                                                        | Designation       | Date appointed | Date resigned | Highest qualifications                                                                                                                                                                 | Area of expertise                                                                                                                                              | Board directorships                                                                                                                                                                                                                                                                                            | Other committees or task teams                                                                    | Board meetings attended (*14) |
|--------------------------------------------------------------------------------------------------------|-------------------|----------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------|
| Alan Campbell<br>   | Board Chairperson | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Executive Development Programme.</li> <li>Bachelor of Arts.</li> <li>Diploma in Education Management.</li> </ul>                                | <ul style="list-style-type: none"> <li>Corporate Governance.</li> <li>Strategic Leadership.</li> <li>Organisational Design &amp; Development.</li> </ul>       | <ul style="list-style-type: none"> <li>Bread Baking Association of SA.</li> <li>Cape Malting House.</li> <li>Homegrown Investment Holdings.</li> <li>Yfm.</li> <li>eTV.</li> <li>Veritech Communications.</li> <li>Shisaka Development Management.</li> <li>iVote Solutions.</li> <li>FABCOS Trust.</li> </ul> | <ul style="list-style-type: none"> <li>FoodBev SETA EXCO.</li> </ul>                              | 14                            |
| Anna Pholoana<br>   | Board member      | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>National Senior Certificate / Matric.</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>Labour Relations.</li> <li>Customer Relationship Management.</li> </ul>                                                 | <ul style="list-style-type: none"> <li>AgriSETA.</li> </ul>                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>FoodBev SETA EXCO.</li> </ul>                              | 14                            |
| Atwell Nazo<br>   | Board member      | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>National Certificate: Public Service Management.</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>Labour Relations.</li> <li>Skills Development Mediation.</li> </ul>                                                     | <ul style="list-style-type: none"> <li>Transvaal Region of FAWU (Food and Allied Workers Union).</li> <li>Tiger Brands Workers.</li> <li>Provident Fund and National Trustee of Tiger Brands</li> <li>National Educational Fund.</li> <li>AgriSETA.</li> </ul>                                                 | <ul style="list-style-type: none"> <li>FoodBev SETA EXCO.</li> </ul>                              | 14                            |
| Ezra Ndwandwe<br> | Board member      | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Master of Business Leadership.</li> <li>Management Development Programmes.</li> <li>Bachelor of Science: Chemistry and Microbiology.</li> </ul> | <ul style="list-style-type: none"> <li>Change Management.</li> <li>Strategic Business Turnaround.</li> <li>Organisational Design &amp; Development.</li> </ul> | <ul style="list-style-type: none"> <li>The Downtown Music Hub (DTMH).</li> <li>The DaVinci Business School.</li> <li>South African Retailers Association.</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>FoodBev SETA Governance and Strategy Committee.</li> </ul> | 14                            |

Table 16: Board Composition

| Name of members                                                                                                | Designation  | Date appointed | Date resigned | Highest qualifications                                                                                                                                                                                                                                                                                                           | Area of expertise                                                                                                                                                                | Board directorships                                                                                                                                                                                                                                                                                                              | Other committees or task teams                                                                                                                                                                                                                                                                | Board meetings attended (*14) |
|----------------------------------------------------------------------------------------------------------------|--------------|----------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>Funeka Khumalo</b><br>   | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Master of Business Administration.</li> <li>International Executive Development Program.</li> <li>Bachelor of Technology: Analytical Chemistry.</li> <li>Batchelor of Science: Chemistry.</li> <li>Certified Director (IoDSA).</li> <li>Project Management Professional (PMI).</li> </ul> | <ul style="list-style-type: none"> <li>Operations Management.</li> <li>Project Management.</li> <li>Corporate Governance.</li> </ul>                                             | <ul style="list-style-type: none"> <li>National Advisory Council on Innovation.</li> <li>Kevali Chemical Group.</li> <li>Historic Schools Restoration Project.</li> <li>Yenzani Children's Home.</li> </ul>                                                                                                                      | <ul style="list-style-type: none"> <li>FoodBev SETA Governance and Strategy Committee.</li> </ul>                                                                                                                                                                                             | 13                            |
| <b>Gugulethu Xaba</b><br>  | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Master of Management.</li> <li>Bachelor of Technology: Quality.</li> <li>National Diploma: Electrical Engineering.</li> <li>Diploma: Project Management.</li> </ul>                                                                                                                       | <ul style="list-style-type: none"> <li>Entrepreneurship and New Venture Creation.</li> <li>Strategic Business Turnaround.</li> <li>Social Development and Investment.</li> </ul> | <ul style="list-style-type: none"> <li>Corwil Ltd (JSE).</li> <li>Adamo Holdings (Pty) Ltd.</li> <li>Adamopix (Pty) Ltd.</li> <li>Lighthouse Economic Development Institution.</li> <li>Global Business Confederation.</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>FoodBev SETA EXCO.</li> </ul>                                                                                                                                                                                                                          | 14                            |
| <b>Mapule Ncanywa</b><br> | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Bachelor of Arts.</li> </ul>                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Corporate Affairs Management.</li> <li>Operations Management.</li> <li>Business Analysis.</li> </ul>                                      | <ul style="list-style-type: none"> <li>SEDA Technology Transfer Assistance – Advisory Panel.</li> <li>Tshwane University of Technology Institute for Future of Work – Adjudication Panel.</li> <li>International Council of Beverages Associations.</li> <li>BRICS Business Council Skills Development Working Group.</li> </ul> | <ul style="list-style-type: none"> <li>FoodBev SETA Governance and Strategy Committee.</li> <li>FoodBev SETA EXCO.</li> <li>FoodBev SETA Finance and Remuneration Committee.</li> <li>SARS Beverage Industry Committee</li> <li>BEVSA EXCO transformation and Technical Committee.</li> </ul> | 14                            |

Table 16: Board Composition

| Name of members                                                                                                  | Designation  | Date appointed | Date resigned | Highest qualifications                                                                                                                                                                                                                                                                                       | Area of expertise                                                                                                                                                                                                                        | Board directorships                                                                                                                                                                                                                     | Other committees or task teams                                                                                                                                                                                                                                               | Board meetings attended (*14) |
|------------------------------------------------------------------------------------------------------------------|--------------|----------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>Mark Oliver</b><br>        | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Diploma: Warehouse Management.</li> </ul>                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Labour Relations.</li> <li>Employment Equity.</li> <li>Occupational Health and Safety.</li> </ul>                                                                                                 | <ul style="list-style-type: none"> <li>None</li> </ul>                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>FoodBev SETA Governance and Strategy Committee.</li> <li>FoodBev SETA Audit and Risk Committee.</li> </ul>                                                                                                                            | 8                             |
| <b>Richard Hutton</b><br>     | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Bachelor of Commerce Honours: Labour Relations and Human Resource.</li> <li>Bachelor of Technology: Human Resource Management.</li> <li>National Diploma: Human Resources Management.</li> </ul>                                                                      | <ul style="list-style-type: none"> <li>Human Resources and Development.</li> <li>FMCg Skills Development.</li> <li>Corporate Governance.</li> </ul>                                                                                      | <ul style="list-style-type: none"> <li>None</li> </ul>                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>FoodBev SETA Finance and Remuneration Committee.</li> <li>Milk South Africa Advisory Committee - Skills and Knowledge Development.</li> <li>Milk South Africa Sub-Committee: Skills Development Secondary Industry Sector.</li> </ul> | 11                            |
| <b>Nqobile Tshabangu</b><br> | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Master of Arts: Industrial Sociology.</li> <li>Advanced Labour Law Programme.</li> <li>Diploma: Human Resources Management.</li> </ul>                                                                                                                                | <ul style="list-style-type: none"> <li>Labour Relations.</li> <li>Mediation.</li> <li>Skills Development.</li> </ul>                                                                                                                     | <ul style="list-style-type: none"> <li>None</li> </ul>                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>FoodBev SETA Governance and Strategy.</li> <li>FoodBev SETA Finance and Remuneration Committee.</li> </ul>                                                                                                                            | 5                             |
| <b>Nthabe Zondo</b><br>     | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Master of Science: International Marketing Management.</li> <li>Bachelor of Business Administration: International Tourism &amp; Hospitality Management and International Relations &amp; Diplomacy.</li> <li>International Leadership Development (ILDA).</li> </ul> | <ul style="list-style-type: none"> <li>International Marketing &amp; Communication.</li> <li>Brand Development &amp; Management.</li> <li>Corporate &amp; Country Strategy.</li> <li>International Relations &amp; Diplomacy.</li> </ul> | <ul style="list-style-type: none"> <li>Bumbles Babies (Pty) Ltd: Director.</li> <li>Msebe Foods (Pty) Ltd: Director.</li> <li>Nthabe Maqache Holdings: Director.</li> <li>Power Process Systems Ltd: Non-Executive Director.</li> </ul> | <ul style="list-style-type: none"> <li>FoodBev SETA Audit and Risk Committee.</li> <li>FoodBev SETA Finance and Remuneration Committee.</li> </ul>                                                                                                                           | 9                             |

Table 16: Board Composition

| Name of members                                                                                                        | Designation  | Date appointed | Date resigned | Highest qualifications                                                                                                                                                   | Area of expertise                                                                                                                                   | Board directorships                                                                                                                                                                                                                                                                                      | Other committees or task teams                                                                                                                       | Board meetings attended (*14) |
|------------------------------------------------------------------------------------------------------------------------|--------------|----------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>Sthembile Mzizi</b><br>          | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>National Senior Certificate/Matric.</li> </ul>                                                                                    | <ul style="list-style-type: none"> <li>Labour Relations.</li> <li>Mediation.</li> </ul>                                                             | <ul style="list-style-type: none"> <li>None.</li> </ul>                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>FoodBev SETA Finance and Remuneration Committee</li> </ul>                                                    | 13                            |
| <b>Thulisile Niapa Mashanda</b><br> | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Chartered Accountant (SA).</li> <li>Bachelor of Arts Honours: Accounting Studies.</li> <li>Certified Director (IoDSA).</li> </ul> | <ul style="list-style-type: none"> <li>Turnaround Strategy Implementation.</li> <li>Financial reporting.</li> <li>Forensic accounting.</li> </ul>   | <ul style="list-style-type: none"> <li>Land Bank.</li> <li>National Energy Regulator of South Africa (NERSA).</li> <li>Ithuba.</li> <li>South African Council for Natural Scientific Professions (SACNASP).</li> <li>Metal Industries Benefit Funds Administrators (MIBFA.)</li> <li>MerSETA.</li> </ul> | <ul style="list-style-type: none"> <li>FoodBev SETA Audit and Risk Committee.</li> <li>Audit Committee</li> <li>Member of the Presidency.</li> </ul> | 11                            |
| <b>Trevor Van Wyk</b><br>         | Board member | 01.04.2020     | n/a           | <ul style="list-style-type: none"> <li>Bachelor of Commerce Honours Business Management.</li> <li>Bachelor of Commerce.</li> </ul>                                       | <ul style="list-style-type: none"> <li>Human Resources and Development.</li> <li>FMCG Skills Development.</li> <li>Corporate Governance.</li> </ul> | <ul style="list-style-type: none"> <li>IPM Board.</li> </ul>                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>FoodBev SETA Governance and Strategy Committee</li> </ul>                                                     | 11                            |



There were no resignations from the Board as the 14 Board Members. All members completed their full 5-year term which expired on 31 March 2025.

**The Board convened 14 meetings coonsisting of:**

- a. Four (4) Quarterly meetings
- b. Two (2) focused meetings
- c. One (1) special meeting
- d. Five (5) board strategic session
- e. One (1) Annual General Meeting
- f. One (1) annual risk assessment workshop

## 4.9 Board Sub-Committees

**Table 17: Board Sub-Committees**

| Committee                                        | Members | Meetings held | Meetings attended | Name of members   |
|--------------------------------------------------|---------|---------------|-------------------|-------------------|
| <b>Executive Committee (EXCO).</b>               | 5       | 9             | 9                 | Alan Campbell*    |
|                                                  |         |               | 9                 | Anna Pholoana     |
|                                                  |         |               | 9                 | Atwell Nazo       |
|                                                  |         |               | 9                 | Gugulethu Xaba    |
|                                                  |         |               | 8                 | Mapule Ncanywa    |
| <b>Governance and Strategy Committee (GSC).</b>  | 5       | 6             | 6                 | Trevor Van Wyk*   |
|                                                  |         |               | 6                 | Ezra Ndwandwe     |
|                                                  |         |               | 6                 | Funeka Khumalo    |
|                                                  |         |               | 5                 | Mark Oliver       |
|                                                  |         |               | 3                 | Nqobile Tshabangu |
| <b>Finance and Remuneration Committee (FRC).</b> | 4       | 9             | 9                 | Richard Hutton*   |
|                                                  |         |               | 3                 | Nqobile Tshabangu |
|                                                  |         |               | 9                 | Nthabe Zondo      |
|                                                  |         |               | 9                 | Sthembile Mzizi   |
|                                                  |         |               | n/a               | Vacant            |

\* Chairpersons

### 4.10 Board Training

The FoodBev SETA Constitution stipulates that it is vital for members to receive training on an ongoing basis to enhance their understanding of the operations of the Accounting Authority and matters relevant thereto. The Board accessed various professional development training through the Institute of Directors of South Africa (IoDSA) under the organisational corporate membership.

## 4.11 Board Performance Evaluation

In line with the FoodBev SETA's Board Charter and as recommended by the King IV report, the Board schedules an opportunity for consideration, reflection, and discussion of its performance every alternate year. It is appropriate for the board to evaluate the extent to which it exercises oversight, retains effective and full control of the organisation, and ensures management accountability.

The last biennial performance evaluation of the Board was carried out by an independent service provider, during 2023/24. The evaluation summarily concluded that the FoodBev SETA Board and its committees are operating effectively. The next biennial performance evaluation is due to be conducted during the 2025/26 financial year.

## 4.12 Remuneration of Board members

Board members are remunerated based on the National Treasury directive, where the fees are reviewed annually. No increases were granted during the year under review due to cost containment measures by the Minister of Finance. The current value-added tax (VAT) law requires non-executive directors (NEDs) of companies to register for and charge VAT in respect of any director's fees earned for services rendered as a NED. The value of the payments must, however, exceed the compulsory VAT registration threshold of R1m in any consecutive 12-month period. All fees to NEDs were below the threshold.

**Table 18: Board Members' remuneration in (R'000)**

| No           | Name of members      | Remuneration (includes allowances and re-imbursements) | Total               |
|--------------|----------------------|--------------------------------------------------------|---------------------|
| 1            | Alan Campbell        | 761 267.00                                             | 761 267.00          |
| 2            | Anna Pholoana        | 187 848.00                                             | 187 848.00          |
| 3            | Atwell Nazo          | 230 192.00                                             | 230 192.00          |
| 4            | Ezra Ndwandwe        | 205 074.00                                             | 205 074.00          |
| 5            | Gugulethu Xaba       | 205 632.00                                             | 205 632.00          |
| 6            | Funeka Khumalo       | 194 514.00                                             | 194 514.00          |
| 7            | Sthembile Mzizi      | 158 442.00                                             | 158 442.00          |
| 8            | Thuli Njapa Mashanda | 151 722.00                                             | 151 722.00          |
| 9            | Mark Oliver          | 136 161.00                                             | 136 161.00          |
| 10           | Mapule Ncanywa       | 204 828.00                                             | 204 828.00          |
| 11           | Nqobile Tshabangu    | 148 912.00                                             | 148 912.00          |
| 12           | Nthabe Zondo         | 186 180.00                                             | 186 180.00          |
| 13           | Richard Hutton       | 191 461.80                                             | 191 461.80          |
| 14           | Trevor Van Wyk       | 205 903.40                                             | 205 903.40          |
| <b>Total</b> |                      | <b>3 168 137.20</b>                                    | <b>3 168 137.20</b> |

**Table 19: ARC Members' remuneration in (R'000)**

| No                 | Name of members   | Remuneration (includes allowances and re-imbursements) | Total               |
|--------------------|-------------------|--------------------------------------------------------|---------------------|
| 1                  | Phuti Semenya     | 172 868.50                                             | 172 868.50          |
| 2                  | Mzikayise Dondolo | 65 346.00                                              | 65 346.00           |
| 3                  | Lwazi Khubeka     | 79 551.00                                              | 79 551.00           |
| <b>Total</b>       |                   | <b>317 765.50</b>                                      | <b>317 765.50</b>   |
| <b>Grand total</b> |                   | <b>3 485 902.70</b>                                    | <b>3 485 902.70</b> |

## 5. RISK MANAGEMENT

### 5.1 Risk Management Approach

The FoodBev SETA has established a Risk Management Strategy, Policy, Framework, as well as a Risk Appetite and Tolerance Statement. The Risk Management Strategy outlines a high-level plan for implementing the organisation's overall risk management process. The Policy sets out FoodBev SETA's risk management philosophy and confirms the adoption of a comprehensive and integrated approach to managing organisational risks. The Framework supports this philosophy by detailing the practices and structures that underpin risk management at FoodBev SETA.

The Risk Appetite and Tolerance Statement plays a critical role in guiding appropriate responses to identified risks. It supports decision-making on whether to accept certain risks at their currently assessed levels and whether these fall within acceptable tolerance thresholds. FoodBev SETA operates within a generally low risk range. The areas with the lowest risk appetite include performance information reporting, regulatory compliance, finance, supply chain management (SCM), and information and communication technology (ICT). This reflects the organisation's prioritisation of reducing risks related to legislative and policy compliance, procedural adherence, and legal obligations to the lowest reasonably practicable levels, above other operational objectives.

### 5.2 Risk Registers

The FoodBev SETA conducts an annual risk assessment to determine the material risks to which the SETA may be exposed and to evaluate the effectiveness of the strategy for managing those risks. This strategy informs audit priorities and resource allocation, as well as the skills required to address these risks.

FoodBev SETA developed its 2024/25 Strategic Risk Register, which identified seven strategic risks that are linked to the organisational strategic plan. The seven risks had a total of 49 Control Improvement Plans (CIP) which were due for reporting by the end of the financial year. As of 31 March 2025, 46 CIPs (94%) had been implemented, while three CIPs (6%) remained partially implemented. Risk mitigation measures for the outstanding CIPs are at an advanced stage of execution and will be monitored through the operational risk registers in the coming year.

**Table 20: SETA strategic risks identified in 2024/25**

| Strategic Risk No. | Risk Description (High level definition)                                                        | Inherent Risk |        | Residual Risk |        | Risk Tolerance |
|--------------------|-------------------------------------------------------------------------------------------------|---------------|--------|---------------|--------|----------------|
|                    |                                                                                                 | Rating        | Level  | Rating        | Level  |                |
| <b>SR1</b>         | Inability to provide adequate support functions to FoodBev SETA's core mandate                  | 15            | High   | 5             | Low    | 6              |
| <b>SR2</b>         | FoodBev SETA not meeting sector skills requirements                                             | 13            | High   | 5             | Low    | 3              |
| <b>SR3</b>         | Failure to achieve APP targets resulting in large cash reserves surplus to requirements         | 16            | High   | 6             | Medium | 3              |
| <b>SR4</b>         | Inability to grow public college system & TVET Colleges not delivering occupational programmes  | 15            | High   | 8             | Medium | 3              |
| <b>SR5</b>         | Inability of the SETA to support and contribute to the growth of entrepreneurs and cooperatives | 16            | High   | 7             | Medium | 3              |
| <b>SR6</b>         | Insufficient Worker initiated training                                                          | 12            | High   | 6             | Medium | 3              |
| <b>SR7</b>         | Limited access to the target market                                                             | 9             | Medium | 2             | Low    | 3              |

### 5.3 Business Continuity Management

FoodBev SETA has implemented a comprehensive Business Continuity Management (BCM) policy that governs the development, implementation, and maintenance of strategies, plans, resources, and actions to ensure the continued achievement of critical objectives during significant crisis events. Both the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) are regularly reviewed and tested annually against defined criteria to ensure their ongoing relevance, effectiveness, and alignment with organisational capabilities.

Due to the increased staff compliment, the SETA has implemented capabilities to support the increase of remote work, e-commerce, cybersecurity, and cloud computing. These enhancements have been implemented alongside the continued enforcement of Occupational Health and Safety measures and employee succession planning. Given the organisation's heavy reliance on technology for daily operations, exposure to cyber threats and other risks has increased. As a result, FoodBev SETA has strengthened its cybersecurity infrastructure, risk mitigation strategies, and control measures to ensure effective response and recovery in the event of a disaster or cyber-attack.



## 5.4 Fraud Prevention, Risk and Compliance Management Committee

The Fraud Prevention, Risk and Compliance Management Committee of FoodBev SETA comprises members of Senior Management, with the Internal Audit function serving as a standing invitee to its meetings. In addition to overseeing overall risk management, the Committee reports to the Audit and Risk Committee on the progress of control improvement plans aimed at mitigating identified risks.

The Committee meets quarterly and is responsible for assessing the organisation's strategic, fraud-related, operational, and compliance risks. It also identifies and closely monitors emerging risks. Furthermore, the Committee evaluates the effectiveness of the implementation of the organisation's risk management strategy and policy.

## 6. INTERNAL CONTROL UNIT

Internal controls were reviewed and managed through strong preventative and detective measures. The combined assurance model was functional and effective through the assistance of the internal auditors, as well as the oversight role of the Board through the audit and risk committee.

## 7. INTERNAL AUDIT AND AUDIT COMMITTEES

### 7.1 Internal Audit

FoodBev SETA outsourced its internal audit function to Thabi Consulting, which began its three-year contract with the SETA in July 2024. Thabi Consulting conducted an internal audit for the year ending 31 March 2025, following the Internal Audit Plan for 2024/25, as approved by the FoodBev SETA's Audit and Risk Committee. This plan was developed after a thorough assessment of the SETA's key strategic risks, as identified by both management and the Board.

Internal audit is responsible for conducting its work by the International Standards for the Professional Practice of Internal Auditing (Standards/ISPPA) established by the Institute for Internal Auditors (IIA). The IIA's Practice Advisories, Practice Guides, and Position Papers are adhered to in guiding operations.

Internal audit undertakes a continuous function in measuring, evaluating, and reporting on the effectiveness of systems and processes, their economy of application and efficiency in meeting the organisation's objectives. The internal auditors will perform their duties with strict and absolute accountability for the safekeeping and confidentiality of the FoodBev SETA's information.

Internal audit is responsible for assessing whether FoodBev SETA's risk management, control, and governance processes, as designed and represented by management, are adequate and functioning to ensure:

- a. Risks are appropriately identified and managed.
- b. Significant financial, managerial, and operating information is accurate, reliable and timely.
- c. Employees' actions comply with policies, standards, procedures and applicable laws and regulations.
- d. Resources are acquired economically, used efficiently and are adequately protected.
- e. Programmes, plans and objectives are achieved.
- f. Quality and continuous improvement are fostered in FoodBev SETA's control processes.
- g. Significant legislative and regulatory issues impacting FoodBev SETA are recognised and addressed appropriately.

### 7.1.1 The Objectives of Internal Control are to Ensure:

- a. Reliability and integrity of information.
- b. Compliance with policies, plans, procedures, laws and regulations.
- c. Safeguarding of assets.
- d. Economic and efficient use of resources and to
- e. Establish objectives and goals for operations or programmes.

## 7.2 Key Activities and Objectives of the Audit and Risk Committee

The Audit and Risk Committee assists the Board in assuming the following fundamental responsibilities:

- a. Foster and improve open communication and contact with relevant stakeholders in FoodBev SETA (monitor management process).
- b. Ensure all stakeholder interests are considered in the management of the operations.
- c. Ensure adequate processes to assess FoodBev SETA's risks and control environment.
- d. Ensure management has implemented policies and procedures to identify and appropriately manage these risks through an effective internal control system.
- e. Ensure oversight of the financial reporting process.
- f. Review financial statements and appropriateness of accounting policies and significant transactions/ estimates.
- g. Ensure the evaluation of the internal and external audit process.
- h. Ensure the internal and external audit is appropriate, risk-based and coordinated to prevent duplication of audit efforts and that the assurance provided to the Audit and Risk Committee is maximised.
- i. Ensure the review of the quarterly performance SETA.



**Table 21: Audit and Risk Committee members**

| Member name              | Highest qualifications                                                                                  | Internal or external | If the internal, position in the public entity | Date appointed | Date resigned | No. of meetings attended (*7) |
|--------------------------|---------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------|----------------|---------------|-------------------------------|
| Phuti Semenya            | Chartered Accountant (SA).<br>Master of Commerce – International Accounting.                            | External             | n/a                                            | 13.09.2022     | n/a           | 7                             |
| Lwazi Kubheka            | Post Graduate Diploma in Business Administration.<br>National Diploma in Financial Information Systems. | External             | n/a                                            | 13.09.2022     | n/a           | 4                             |
| Mzikayise Dondolo        | Master of Business Administration: General<br>Internal Auditor, GIA (SA).                               | External             | n/a                                            | 13.09.2022     | n/a           | 7                             |
| Mark Oliver              | Diploma: Warehouse Management.                                                                          | Board Member         | n/a                                            | 01.04.2020     | n/a           | 7                             |
| Thulisile Njapa Mashanda | Chartered Accountant (SA).<br>Certified Director.<br>Bachelor of Arts Honour: Accounting Studies.       | Board Member         | n/a                                            | 01.04.2020     | n/a           | 7                             |

Phuti Semenya is the ARC Chairperson

- I. The ARC held four quarterly meetings, and three combined meetings with the FRC .
- II. The ARC Chairperson was invited to present at some Board meetings and to attend other applicable Board meetings.
- III. Independent ARC members all attended the Annual General Meeting (AGM).
- IV. The ARC ICT expert Chairs the internal management ICT Steering Committee.

## 8. COMPLIANCE WITH LAWS AND REGULATIONS

Decision-making processes at the FoodBev SETA are guided by compliance with applicable laws and governance prescripts, ensuring compliance remains central to the governance process. To facilitate effective Regulatory Compliance Management, FoodBev SETA has developed a consolidated compliance universe which provides a clear and comprehensive overview of the organisation's compliance landscape. Additionally, a regularly monitored compliance register is maintained to ensure the SETA consistently meets its obligations and timely submissions to the relevant regulatory bodies.

## 9. FRAUD AND CORRUPTION

The FoodBev SETA maintains a zero-tolerance policy towards fraud, corruption, facilitation payments, and any related activities, reinforcing its commitment to good governance and a culture rooted in honesty and integrity.

The FoodBev SETA Fraud and Corruption Prevention Strategy is designed to promote ethical conduct while addressing fraud, corruption, theft, maladministration, and other misconduct. The Fraud and Corruption Prevention policy outlines the SETA's approach to the prevention and detection of fraud and corruption, establishing clear procedures and guidelines for the testing and investigation of suspected fraudulent activities.

In line with the strategy, FoodBev SETA developed and implemented an annual Fraud and Corruption Prevention Plan for the 2024/25 period. The 2024/25 Fraud and Corruption Prevention Plan includes 10 key objectives and 26 sub-activities, all of which were successfully implemented by 31 March 2025.

During the year under review, the SETA engaged The Ethics Institute (TEI) to conduct an ethics opportunity and risk assessment, aiming to assess the current ethics profile of FoodBev SETA. The findings from this assessment informed the development of an ethics management strategy and plan, set to be implemented in the coming financial years to foster a more mature and sustainable ethical culture within the organisation.

In line with its commitment to integrity and ethical behaviour, FoodBev SETA provides annual policy refresher training to all employees on corruption, fraud prevention, whistleblowing and ethics.

FoodBev SETA maintains a dedicated tip-off hotline platform that is managed by Deloitte Tip-Offs Anonymous as outsourced. Both internal and external stakeholders can use this hotline to report suspected fraud, corruption, or other impropriety. Reports of misconduct are investigated, escalated to the Audit and Risk Committee and the Accounting Authority, and resolutions are implemented. In addition to the hotline, the Whistleblowing Policy outlines how FoodBev SETA can be contacted for disclosures or other incidents.

FoodBev SETA also has a Loss Control Function, mandated to analyse the root cause of transactions that give rise to non-compliance and address issues relating to financial misconduct and mismanagement. The Board, Committees and Management, continue to subscribe to good governance in leading ethically and honestly and setting a tone for an ethical organisational culture.

## 10. MINIMISING CONFLICT OF INTEREST

FoodBev SETA requires all Board members, Audit and Risk Committee members and employees to declare their interests at the start of each financial year by completing the declaration of interest forms. Newly appointed members and employees must declare their interests at the beginning of their service. The Code of Conduct policy provides guidance on managing gifts received from third parties. The Human Resources (HR) department maintains a Gift Register, where employees are required to disclose gifts from stakeholders and service providers. FoodBev SETA continuously monitors compliance with the Code of Conduct policy and tracks trends regarding declared gifts.

Additionally, members of the Supply Chain Management Bid Committees (evaluation, adjudication and award) and Grants Committees (compliance, evaluation, adjudication and award) must complete and sign a declaration of interest form before the commencement of meetings. Recruitment and Selection Panel members adhere to the same principle and fill out declaration of interest forms for each interview candidate prior to the commencement of the interview process. When a conflict of interest is declared, the affected member is required to recuse themselves when the relevant matter is discussed. As of 31 March 2025, 100% of all declaration of interest forms have been submitted.

FoodBev SETA also conducts risk-based probity checks for all officials who serve on Bid Committees and Grant Committees, as well as verification of declaration of interests of employees on a risk-based sample.



## 11. CODE OF CONDUCT

FoodBev SETA's Code of Conduct policy and procedure requires the Board, Audit and Risk Committee members and employees to comply with its provisions. The Code of Conduct reflects FoodBev SETA's zero-tolerance policy towards fraud and corruption. According to the Code, all members and employees must declare their interests annually to promote accountability and transparency. The Human Resources department ensures that new employees are informed about and well acquainted with the Code of Conduct during the induction programme. Training and awareness of the Code are also continuously promoted among existing employees. During the year, FoodBev SETA employees completed the Employee Conduct Pledge, committing to serve the organisation and its stakeholders with respect, dignity and ethics. The Pledge reinforces FoodBev SETA's commitment to good governance and highlights the organisation's core values, including integrity and accountability. Employees sign the pledge annually, and new employees are informed about it during their induction.



## 12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

FoodBev SETA recognises that the well-being of its employees is essential to the organisation's overall performance and success. The primary purpose of the Occupational Health and Safety Act, 1993 (Act 85, 1993) is to protect the health and safety of employees in the workplace. This includes key functions such as employee training, the dissemination of safety protocols, maintaining a secure work environment, developing a comprehensive health and safety policy, and conducting thorough risk assessments. In alignment to the act, the SETA has an Occupational Health and Safety Policy in place, which aims to establish a safe and healthy workplace by minimising risks, providing relevant information, training, and supervision on health and safety matters.

The SETA has further developed an Occupational Health and Safety (OHS) Implementation Plan in response to a thorough risk assessment of its offices. This plan is currently being implemented and is subject to ongoing monitoring. The OHS Implementation Plan aims to create a secure and healthy work environment, addressing the specific safety needs of the employees and visitors. The Plan outlines the roles and responsibilities necessary to protect employees from workplace risks, including accidents, injuries, and health hazards. It focuses on fostering a culture where all individuals, whether employees or visitors, are safe and well-informed. Emergency procedures, such as first aid and fire response protocols, are well-documented and regularly practiced through drills. Hazard identification and risk management are integral parts of the process, with a systematic approach to assessing, controlling, and eliminating risks. The Plan also stresses the importance of clear communication, regular training, and employee participation to ensure the safety and well-being of all individuals at FoodBev SETA.

## 13. SOCIAL RESPONSIBILITY

The FoodBev SETA's corporate social responsibility initiatives in August 2024 focused on inclusive development and social upliftment. We partnered with Mason Lincoln Special School to equip their vocational training facility with bakery equipment, empowering learners with disabilities through practical skills development and enhancing their employability. This initiative promotes dignity and independence, aligning with our core values of empowerment and care.

Additionally, we supported St Mary's Children's Home in Gauteng by donating school bags and providing a voucher for school shoes.

This contribution aimed to restore confidence and readiness in children facing difficult life circumstances, supporting their educational and developmental needs. Both initiatives demonstrate our commitment to nurturing human potential, promoting inclusivity, and contributing to the well-being of vulnerable communities.

## 14. AUDIT AND RISK COMMITTEE REPORT

On behalf of the Audit and Risk Committee, I am pleased to present the report for the financial year ended 31 March 2025.

### Audit and Risk Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Committee adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein.

### Effectiveness of Internal Control systems

The Committee reviewed the effectiveness of internal control and provided oversight over risk management, compliance, and ethics. Oversight activities included:

- Approval of the Internal Audit Charter and Annual Audit Plan.
- Quarterly review of internal audit reports and management responses.
- Assessment of the adequacy, reliability, and accuracy of financial information.
- Oversight of compliance with legal and regulatory provisions.
- Review of risk management processes and ethics management.
- Evaluation of the Annual Financial Statements and underlying accounting policies.
- Review of the organisation's finance function's expertise, resources, and experience.

The Committee confirms that internal controls were effective in most material respects, and that adequate and effective controls were in place to safeguard assets to- ensure compliance, and maintain accountability

### Quality of In-Year Management and Monthly/Quarterly Reports

The Committee reviewed and was satisfied with the quality of quarterly financial management and performance reports submitted to National Treasury. Reporting was consistent with PFMA requirements, though further enhancements in timeliness, integration of non-financial indicators, and IT automation are encouraged.

### Internal Audit

The Internal Audit function operated independently, with sufficient resources and authority to discharge its duties. Assurance was provided across: Performance Information, Financial Control, Supply Chain Management, ICT and Annual Financial Statement

The Committee was satisfied with Internal Audit's objectivity and independence. However, opportunities exist to further integrate IT governance audits, cybersecurity risk assessments, and project management reviews into the audit universe.

## Risk Management

The Committee oversaw the entity's risk management framework, with strategic and operational risk assessments conducted quarterly. It is satisfied that the current processes are effective. To enhance maturity and execution, the Committee identified three priorities (1) Stronger alignment between the risk register and the Annual Performance Plan (APP); (2) Sharper focus on emerging risks, including IT security and data governance; and (3) Deeper integration of risk management with project management, reporting and monitoring tools. The Committee will monitor the implementation of these improvements.

## Evaluation of Annual Financial Statements

The Committee reviewed the annual financial statements included in the Annual Report together with the Auditor-General of South Africa (AGSA) and the Accounting Authority. It considered the AGSA's Management Report and management's responses, assessed changes in accounting policies and practices, and evaluated the entity's compliance with applicable legal and regulatory provisions.

## Auditor-General South Africa (External Auditors)

The Committee engaged with the AGSA, reviewed its management report, and monitored implementation of corrective actions. The ARC is satisfied with AGSA's independence, objectivity, and the entity's progress in addressing prior year audit findings.

## Combined Assurance

The Committee ensured application of a combined assurance model to provide a coordinated approach to assurance across all three lines of defence. This model will be continuously refined to close assurance gaps and avoid duplication of work.

### Combined Assurance Matrix

| Risk Area                    | Management (1st Line)        | Internal Audit (2nd Line)          | External Audit/AGSA (3rd Line) | Other Assurance Providers            |
|------------------------------|------------------------------|------------------------------------|--------------------------------|--------------------------------------|
| Financial reporting accuracy | Controls, reconciliations    | Quarterly audit reviews            | External audit opinion         | National Treasury                    |
| Supply Chain Management      | SCM controls, bid committees | Process audits                     | Compliance testing             | Auditor-General SIU where applicable |
| IT Governance & Security     | IT controls, system logs     | ITGC audits, cybersecurity reviews | -                              | -                                    |
| Risk & Compliance            | Risk registers, policies     | Risk maturity assessments          | Compliance testing             | DHET, Treasury                       |
| Performance Reporting (APP)  | Monitoring & reporting       | Performance audits                 | Reliability of PDO audit       | DHET                                 |
| Ethics & Fraud               | Ethics policy, hotline       | Forensic reviews (as needed)       | -                              | Whistle-blower hotline provider      |



## Conclusion on Governance and Control Environment

Based on information provided by management and internal and external audit, the Committee concludes that the system of internal control was effective in all material respects. Risk management processes were adequate, with further enhancements required. Financial statements complied with the PFMA and Treasury Regulations, and a combined assurance model is in place although greater integration across IT, project management and governance systems is needed to strengthen assurance coverage.

## Forward-Looking Focus Areas (2025/26)

The Committee has identified the following 9 (nine) priorities for the coming year:

1. Modernise IT to integrate governance, risk, performance and projects.
2. Strengthen cyber resilience: IT general controls, penetration testing, disaster recovery.
3. Broaden combined assurance to include regulators, forensics and IT security specialists.
4. Deploy real-time assurance dashboards for key risks.
5. Tighten governance–APP alignment to drive accountability.
6. Elevate non-financial reporting: transformation, inclusivity and ESG.
7. Prioritise emerging risks: digital transformation, climate/ESG and supply-chain disruptions.
8. Enforce robust project governance with dashboard oversight.
9. Verify project outcomes against cost, timelines and benefits realisation.

## Recommendation of the annual financial statements

The Committee has evaluated the annual financial statements of Food and Beverages SETA for the year ended 31 March 2025 and considers that, except for the areas highlighted by external auditors, they comply in all material respects with the requirements of the PFMA and Treasury Regulations. The Committee therefore recommends their adoption by the Accounting Authority.



**Mr Phuti Semanya, CA (SA)**

Chairperson of the Audit and Risk Committee  
31 July 2025



## 15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

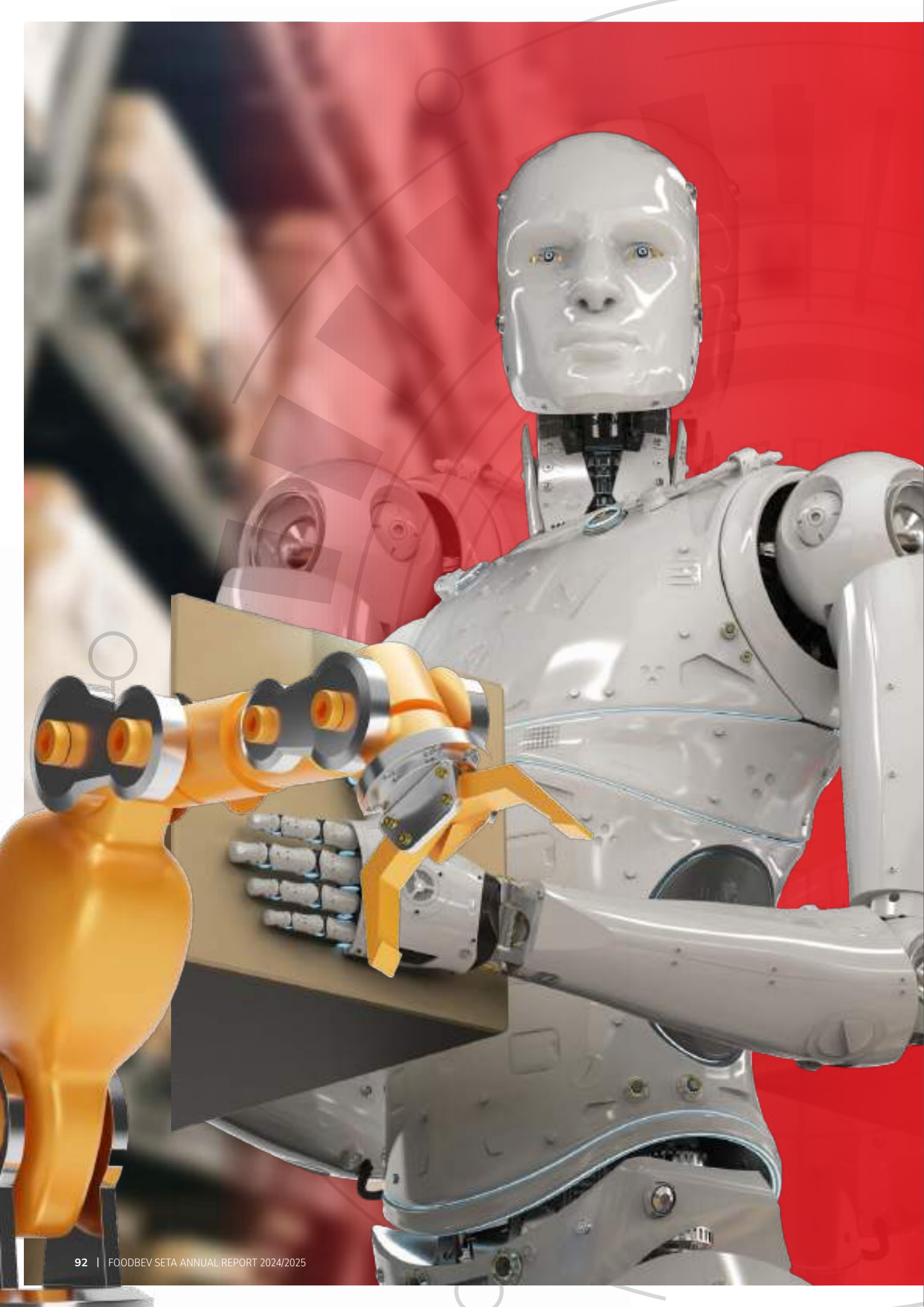
This table was completed following compliance with the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

**Table 22: Audit and Risk Committee**

| Has the SETA applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) regarding the following?                            |                 |                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Criteria                                                                                                                                      | Response Yes/No | What measures have been taken to comply?                                                                                                                                                                |
| Determining qualification criteria for issuing licences, concessions or other authorisations concerning economic activity in terms of any law | No              | n/a                                                                                                                                                                                                     |
| Developing and implementing a preferential procurement policy                                                                                 | Yes             | FoodBev SETA has a Preferential Procurement Policy that guides the preferencing requirements applied in procurement activities                                                                          |
| Determining qualification criteria for the sale of state-owned enterprises                                                                    | No              | n/a                                                                                                                                                                                                     |
| Developing criteria for entering partnerships with the private sector                                                                         | Yes             | All partnerships and special projects involving public or private sector entities are subject to the provisions of the Grant Funding Policy, which governs their initiation, management, and oversight. |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE.                                      | Yes             | The criteria for the awarding of funding in support of B-BBEE to the Grant Funding Policy.                                                                                                              |

The FoodBev SETA has demonstrated consistent progress in enhancing its B-BBEE compliance. In 2024, the organisation achieved a Level Five B-BBEE rating—an advancement from the Level Six rating recorded in 2023. This improvement reflects FoodBev SETA's ongoing commitment to South Africa's transformation, inclusivity, and the empowerment agenda.

As a Schedule 3A public entity, the SETA is assessed using the specialised generic scorecard, which excludes the ownership element. This scorecard measures four key elements: Management Control, Skills Development, Enterprise and Supplier Development, and Socio-Economic Development. The SETA has identified the Supplier Development element as an area requiring significant improvement in alignment with specific B-BBEE requirements and will continue to intensify its efforts in this regard.



## PART D: HUMAN RESOURCE MANAGEMENT

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# 1. HUMAN RESOURCE MANAGEMENT

## 1.1 Human Resource Priorities and the impact

The FoodBev SETA's Human Resources Department (HR) remains committed to supporting the organisation's strategic objectives by fostering a dynamic and inclusive work environment. By enabling employees to deliver outstanding service, HR plays a critical role in driving organisational performance and success.

During the reporting period, the HR Department implemented a range of initiatives aligned with our comprehensive HR Plan. This strategic framework focuses on attracting, developing, and empowering talent through innovative policies, systems, and methodologies. The plan adopts a transformative approach to managing the employee value chain, driving organisational success through targeted interventions. Key initiatives include those detailed below:

| Pillars                                    | Objective                                                                                                                                                                                                                                                                                                                                                                               | Status and Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>One: Talent Sourcing and Retention)</b> | This initiative focused on building a pipeline of skilled, high-performing individuals to fill current and future vacancies, particularly in roles requiring scarce, critical, and high-risk skills, including key leadership positions. The objective was to ensure organisational continuity and sustained performance through proactive talent acquisition and retention strategies. | <p><b>Organisational Structure Enhancement</b></p> <ol style="list-style-type: none"> <li>A new organisational structure was approved for the 2023-24 financial year, with a two-year phased implementation plan aimed at addressing internal capacity issues, enhancing efficiency, ensuring accountability, and driving organisational effectiveness.</li> <li>The addition of five new positions introduced unforeseen costs, potentially straining the budget despite a staggered recruitment approach. As a result, the implementation plan was extended due to budgetary constraints, with completion now expected in the 2025-26 financial year.</li> </ol> <p><b>Talent Management</b></p> <ol style="list-style-type: none"> <li>Implementation of the Talent, Succession Management, and Employee Retention policy.</li> <li>Identification of a talent pool for development to meet critical position requirements.</li> </ol> <p><b>Remuneration Review</b></p> <ol style="list-style-type: none"> <li>A comprehensive salary benchmarking exercise was conducted to assess FoodBev SETA's market positioning. The findings and recommendations were approved by the Board and implementation is underway to ensure competitive, equitable remuneration structures.</li> </ol> <p><b>Recruitment and Selection</b></p> <ol style="list-style-type: none"> <li>As at 31 March 2025, the SETA's staffing level stands at 93% occupancy, with 68 positions filled and a vacancy rate of 7%, representing 6 unfilled positions. In response to financial constraints facing the SETA, management approved a revised recruitment plan in January 2025, adopting a staggered hiring approach</li> </ol> |

| Pillars                            | Objective                                                                                                                                                                                                                                                                                                                                                                              | Status and Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Two: Staff capacity</b>         | This initiative focused on developing and retaining talent by offering competitive compensation, recognising and rewarding employees' contributions, and providing opportunities for career growth and development. This multifaceted approach fosters a motivating work environment, encouraging employees to reach their full potential and driving long-term organisational success | <p><b>Training Interventions</b></p> <ul style="list-style-type: none"> <li>a. 95% of staff attended at least 11 training sessions to address identified skills gaps.</li> <li>b. 16 new bursaries were approved for staff to pursue formal qualifications, in addition to 12 existing bursary holders.</li> </ul> <p><b>Performance Management</b></p> <ul style="list-style-type: none"> <li>a. 100% of staff had performance plans and mid-term reviews conducted, ensuring alignment with organisational objectives and individual development.</li> </ul> <p><b>Employee Recognition</b></p> <ul style="list-style-type: none"> <li>a. Introduction of a non-financial and personal recognition system to promote a positive organisational culture and boost staff morale.</li> </ul>                                                                                                                                                                                                                               |
| <b>Three: Enabling environment</b> | This initiative focused on prioritising and creating a healthy working environment that enables employees to perform at their best. This included fostering a positive organisational culture, promoting work-life balance, and providing resources to support employee well-being, ultimately driving productivity and job satisfaction.                                              | <p><b>Employee Wellness Programme</b></p> <p>FoodBev SETA prioritises employee well-being through its comprehensive Employee Wellness Programme (EWP), partnering with ICAS to provide holistic support. Key highlights include:</p> <p><b>Wellness Services</b></p> <ul style="list-style-type: none"> <li>a. Provided financial assistance support to employees through one-on-one and group sessions.</li> <li>b. Hosted Mental health and awareness support and Lifestyle management counselling</li> <li>c. Provision of a 24-hour, 365 days access to wellness-related information</li> </ul> <p><b>Internal Wellness Initiatives</b></p> <p>The SETA also rolled out various internal initiatives, including:</p> <ul style="list-style-type: none"> <li>a. Motivational Monday initiatives</li> <li>b. Youth Day celebrations</li> <li>c. Women's Day celebrations</li> <li>d. Heritage Day events</li> <li>e. Sports Day initiative</li> <li>f. Staff Team Building Session and employees recognition</li> </ul> |

## 1.2 Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

- a) FoodBev SETA strengthened its human capital framework through key initiatives focused on workforce planning, job evaluation, and employee recognition. A comprehensive job evaluation and benchmarking exercise was finalised to ensure internal equity and alignment with strategic objectives, informing a revised remuneration and benefits policy.
- b) The SETA established a robust workforce planning framework and strengthened recruitment strategies to address ongoing talent needs, focusing on critical roles and enhanced sourcing methods. The updated remuneration policy reviews salary scales, benefits, incentives and recognition schemes to better meet employee expectations and organisational requirements.
- c) A non-financial and personal recognition programme was implemented to foster a culture of appreciation and engagement, enhancing morale and promoting positive behaviour. These initiatives demonstrate FoodBev SETA's commitment to building a capable, motivated, and strategically aligned workforce to support the achievement of its mandate.

## 1.3 Policy development

- a) Disciplinary Code and Grievance Procedure Policy
- b) Employee Benefits Policy
- c) Training and Development Policy
- d) Recruitment and Selection Policy
- e) Acting Policy
- f) Remuneration and Reward Policy
- g) Workplace Harassment Policy
- h) Bursary for Employees' Dependents Policy

## 1.4 Highlight achievements

The following achievements were recorded against the planned targets in the reporting period:

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recruitment and selection</b>            | <ol style="list-style-type: none"> <li>a) As of 31 March 2025, the SETA's staffing level stands at 93% occupancy, with 68 positions filled, and a vacancy rate of 7%, representing 6 unfilled positions. In response to financial constraints facing the SETA, management approved a revised recruitment plan in January 2025, adopting a staggered hiring approval in the new financial year.</li> </ol>                                                                                                                                                        |
| <b>Implementation of the training plans</b> | <ol style="list-style-type: none"> <li>a) Human Resources successfully implemented 95% of personal development plans, demonstrating a strong commitment to employee growth and development. This high implementation rate reflects effective support for staff skills enhancement and career advancement.</li> <li>b) The full implementation of the YES for Youth Programme has yielded positive results, with some graduates being absorbed into roles. This initiative demonstrates FoodBev SETA's commitment to youth development and employment.</li> </ol> |

|                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Implementation of employee recognition incentives and rewards</b> | <ul style="list-style-type: none"> <li>a) The successful rollout of a fully automated electronic performance management system enabled the completion of Performance Management Plans and bi-annual performance reviews for all employees within designated timelines, streamlining performance management and ensuring efficiency and accountability.</li> <li>b) Implementation of various employee recognition initiatives such as:               <ul style="list-style-type: none"> <li>i) Long Service Awards</li> <li>ii) Employee birthday celebrations</li> <li>iii) Character Awards</li> <li>iv) Innovation Award for outstanding contributions</li> </ul> </li> </ul> <p>The implemented recognition initiatives mark a significant milestone in acknowledging employee achievements.</p> |
| <b>Successful implementation of the Employee Wellness Programme</b>  | <p>The implemented recognition initiatives mark a significant milestone in acknowledging employee achievements.</p> <ul style="list-style-type: none"> <li>a) Development and implementation of Employee Wellness Plan featuring organised sports activities and social events.</li> <li>b) Hosting of strategic sessions focused on team cohesion and setting.</li> <li>c) Alignment of staff engagement programmes with national observances.</li> <li>d) Increased engagement rate for wellness services to 24.3% and resulted in effective resolution of 26 identified issues</li> <li>e) FoodBev SETA successfully hosted the inaugural InterSETA Employee Wellness Day, promoting a positive workplace culture.</li> </ul>                                                                     |

## 1.5 Challenges faced by the public entity

The following financial and recruitment challenges were encountered:

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recruitment Challenges</b> | <p>Mismatch between approved positions and budget allocations due to unforeseen expenses from new positions threatening financial sustainability. Potential need for drastic measures, such as a moratorium on filling positions</p>                                                                                                                                                                                                                                                                         |
| <b>Employment Equity</b>      | <p>FoodBev SETA faced challenges in achieving its employment equity targets, particularly in gender representation, where males are underrepresented by 6.5%, falling short of the 50/50 target. While Africans dominate the workforce at 90%, there's limited representation of other groups. Despite progress, such as the appointment of a white female manager boosting white representation from 1.5% to 3.5%, the SETA continues to strive for improvement in meeting its employment equity goals.</p> |

## 1.6 Future HR plans / goals

To address the existing challenges, the Human Resources department has pinpointed strategic priorities to fulfil the objectives of the HR Plan. Key focus areas include the following:

- a) Implementation of the Human Resources Plan.
- b) Implementation of the Talent, Succession Management and Employee Retention policy by identifying a talent pool comprising of high performing employees who will be developed to meet the skill and competency requirements of critical and strategic positions in the organisation.
- c) Implementation of the employee recognition incentives and rewards and the introduction of a non-financial and personal recognition reward system.
- d) Upscaling of learning and development programmes that include career development plans, leadership and management development programmes, executive coaching, etc.



- e) Creation of a positive experience and support of employee work-life balance through engagement and wellness. HR will continue to innovate and continuously improve employee engagement platforms.

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

### 2.1 Personnel cost by salary band

Table 23: Salary Bands and Expenditure

| Occupational level | No. of employees | Personnel expenditure in (R'000) | % of total personnel cost | Average cost per employee (R'000) |
|--------------------|------------------|----------------------------------|---------------------------|-----------------------------------|
| Top Management     | 3                | 5 599                            | 10%                       | 1 866                             |
| Senior Management  | 6                | 11 715                           | 20%                       | 1 952                             |
| Middle Management  | 15               | 16 231                           | 28%                       | 1 082                             |
| Skilled Technical  | 22               | 13 646                           | 23%                       | 620                               |
| Semi-skilled       | 26               | 9 401                            | 16%                       | 362                               |
| Unskilled          | 3                | 679                              | 1%                        | 226                               |
| <b>Total</b>       | <b>75*</b>       | <b>57 270</b>                    | <b>97%</b>                | <b>21 333</b>                     |
| Graduate Interns   | 18               | 1 500                            | 3%                        | 83                                |
| <b>Grand total</b> | <b>93</b>        | <b>58 771</b>                    | <b>100%</b>               | <b>632</b>                        |

\*Includes employees who left the organisation within the financial year as they received salaries during the reporting period.

### 2.2 Performance rewards

Table 24: Performance per Occupational Level

| Occupational level | No. of employees | Personnel expenditure in (R'000) | % of total personnel cost | Average cost per employee (R'000) |
|--------------------|------------------|----------------------------------|---------------------------|-----------------------------------|
| Top Management     | 2                | 556 530,99                       | 11%                       | 278 265,50                        |
| Senior Management  | 7                | 1 124 152,71                     | 22%                       | 160 593,24                        |
| Middle Management  | 12               | 1 245 366,88                     | 25%                       | 103 780,57                        |
| Skilled Technical  | 19               | 1 318 231,96                     | 26%                       | 69 380,63                         |
| Semi-skilled       | 21               | 778 549,34                       | 15%                       | 38 927,47                         |
| Unskilled          | 3                | 53 735,14                        | 1%                        | 17 911,71                         |
| <b>Total</b>       | <b>64</b>        | <b>5 076 567,02</b>              | <b>100%</b>               | <b>668 859,12</b>                 |

## 2.3 Training costs

Table 25: Training Costs per Occupational Level

| Occupational level     | Personnel expenditure (R'000) | Training expenditure (R'000) | Training expenditure as a % of personnel cost | No. of employees trained | Average training cost per employee (R'000) |
|------------------------|-------------------------------|------------------------------|-----------------------------------------------|--------------------------|--------------------------------------------|
| Top Management         | 5 599                         | 76                           | 4%                                            | 2                        | 37                                         |
| Senior Management      | 11 715                        | 227                          | 14%                                           | 6                        | 37                                         |
| Professional qualified | 16 231                        | 439                          | 26%                                           | 14                       | 31                                         |
| Skilled                | 13 646                        | 418                          | 25%                                           | 17                       | 24                                         |
| Semi-skilled           | 9 401                         | 410                          | 25%                                           | 24                       | 17                                         |
| Unskilled              | 679                           | 53                           | 3%                                            | 3                        | 17                                         |
| Graduate Interns       | 1 500                         | 50                           | 3%                                            | 18                       | 2                                          |
| <b>Total</b>           | <b>58 771</b>                 | <b>1 673</b>                 | <b>100%</b>                                   | <b>84</b>                | <b>165</b>                                 |

## 2.4 Employment and vacancies

Table 26: Employees, Posts and Vacancies per Occupational Level

| Occupational level       | No. of Employees as at 31 March 2024 | Approved posts as at 1 April 2024 | No. of Employees as at 31 March 2025 | No. of Vacancies as at 31 March 2025 | No. of Vacancies as at 31 March 2025 |
|--------------------------|--------------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Top Management           | 2                                    | 3                                 | 3                                    | 0                                    | 0%                                   |
| Senior Management        | 7                                    | 7                                 | 5*                                   | 2                                    | 2,8%                                 |
| Professional qualified   | 14                                   | 16                                | 14                                   | 2                                    | 2,8%                                 |
| Skilled                  | 18                                   | 19                                | 18                                   | 1                                    | 1,4%                                 |
| Semi-skilled             | 23                                   | 24                                | 24                                   | 0                                    | 0%                                   |
| Unskilled                | 3                                    | 3                                 | 3                                    | 0                                    | 0%                                   |
| <b>Total</b>             | <b>67</b>                            | <b>72</b>                         | <b>67</b>                            | <b>5</b>                             | <b>7%</b>                            |
| <b>Fixed term / Temp</b> | <b>1</b>                             | <b>0</b>                          | <b>1</b>                             | <b>0</b>                             | <b>0%</b>                            |
| <b>Grand total*</b>      | <b>68</b>                            | <b>72</b>                         | <b>68</b>                            | <b>5</b>                             | <b>7%</b>                            |

\* Excludes Graduate Interns as employees



## 2.5 Employment changes

Table 27: Changes in Employment

| Salary band            | Employment as at 31 March 2024 | External appointments | Internal appointments | Terminations / End of contract | Employment as at 31 March 2025 |
|------------------------|--------------------------------|-----------------------|-----------------------|--------------------------------|--------------------------------|
|                        |                                | (+)                   | (+)                   | (-)                            |                                |
| Top Management         | 2                              | 1                     | 1                     | 1                              | 3                              |
| Senior Management      | 7                              | 0                     | 0                     | 2                              | 5                              |
| Professional qualified | 14                             | 1                     | 0                     | 1                              | 14                             |
| Skilled                | 18                             | 1                     | 0                     | 1                              | 18                             |
| Semi-skilled           | 23                             | 0                     | 3                     | 2                              | 24                             |
| Unskilled              | 3                              | 0                     | 0                     | 0                              | 3                              |
| <b>Total</b>           | <b>67</b>                      | <b>3</b>              | <b>4</b>              | <b>7</b>                       | <b>67</b>                      |
| Fixed term contract    | 1                              | 1                     | 0                     | 0                              | 1                              |
| <b>Grand Total</b>     | <b>68</b>                      | <b>4</b>              | <b>4</b>              | <b>7</b>                       | <b>68</b>                      |

## 2.6 Reasons for staff leaving

Table 28: Staff Leaving and Reasons

| Reason             | Number   | % of total no. of staff leaving |
|--------------------|----------|---------------------------------|
| Death              | 0        | 0%                              |
| Resignation        | 6        | 86%                             |
| Dismissal          | 1        | 14%                             |
| Retirement         | 0        | 0%                              |
| Ill health         | 0        | 0%                              |
| Expiry of contract | 0        | 0%                              |
| Other              | 0        | 0%                              |
| <b>Total</b>       | <b>7</b> | <b>100%</b>                     |

## 2.7 Labour Relations: Misconduct and disciplinary action

Table 29: Incidence of Disciplinary Action

| Nature of disciplinary action | Number   |
|-------------------------------|----------|
| Verbal recorded warning       | 1        |
| Written warning               | 2        |
| Final written warning         | 2        |
| Dismissal                     | 1        |
| Grievances                    | 0        |
| <b>Total</b>                  | <b>6</b> |

## 2.8 Equity target and Employment Equity status

Table 30: Employment Equity Profile

| Occupational Level                          | Male      |          |          |          | Female    |          |          |          | Foreign National |          | Grand Total |
|---------------------------------------------|-----------|----------|----------|----------|-----------|----------|----------|----------|------------------|----------|-------------|
|                                             | A         | C        | I        | W        | A         | C        | I        | W        | M                | F        |             |
| Top Management                              | 2         | 0        | 0        | 0        | 1         | 0        | 0        | 0        | 0                | 0        | 3           |
| Senior Management                           | 2         | 0        | 0        | 0        | 3         | 0        | 0        | 0        | 0                | 0        | 5           |
| Professionally Qualified                    | 4         | 1        | 0        | 1        | 7         | 0        | 0        | 1        | 0                | 0        | 14          |
| Skilled Technically                         | 10        | 0        | 0        | 0        | 7         | 0        | 0        | 0        | 0                | 1        | 18          |
| Semi-Skilled                                | 8         | 0        | 0        | 0        | 15        | 1        | 0        | 0        | 0                | 0        | 24          |
| Unskilled                                   | 0         | 0        | 0        | 0        | 2         | 0        | 0        | 0        | 0                | 1        | 3           |
| <b>Total</b>                                | <b>26</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>35</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>0</b>         | <b>2</b> | <b>67</b>   |
| Yes4Youth                                   | 8         | 0        | 0        | 0        | 10        | 0        | 0        | 0        | 0                | 0        | 18          |
| Fixed term contract/<br>Temporary Employees | 1         | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 0                | 0        | 1           |
| <b>Grand Total</b>                          | <b>35</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>45</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>0</b>         | <b>2</b> | <b>86</b>   |

## 2.9 Persons with Disability

Table 31: Profile of Persons with Disability

| Occupational level       | Male     |          |          |          | Female   |          |          |          | Foreign national |          | Grand total |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|------------------|----------|-------------|
|                          | A        | C        | I        | W        | A        | C        | I        | W        | M                | F        |             |
| Top Management           | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0                | 0        | 0           |
| Senior Management        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0                | 0        | 0           |
| Professionally Qualified | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0                | 0        | 0           |
| Skilled Technically      | 0        | 0        | 0        | 0        | 1        | 0        | 0        | 0        | 1                | 0        | 1           |
| Semi-skilled             | 1        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0                | 0        | 1           |
| Unskilled                | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0                | 0        | 0           |
| <b>Total</b>             | <b>1</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1</b>         | <b>0</b> | <b>2</b>    |







## PART E: PFMA COMPLIANCE REPORT



## 1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

### 1.1 Irregular expenditure

#### a) Reconciliation of irregular expenditure

| Description                                               | 2023/2024  | 2024/2025  |
|-----------------------------------------------------------|------------|------------|
|                                                           | R'000      | R'000      |
| Opening balance                                           | 825        | 825        |
| Adjustment to opening balance                             | -          | -          |
| Opening balance as restated                               | -          | -          |
| Add: Irregular expenditure confirmed                      | -          | -          |
| Less: Irregular expenditure condoned                      | -          | -          |
| Less: Irregular expenditure not condoned and removed      | -          | -          |
| Less: Irregular expenditure recoverable                   | -          | -          |
| Less: Irregular expenditure not recovered and written off | -          | -          |
| <b>Closing balance</b>                                    | <b>825</b> | <b>825</b> |

\* Following a due process as outlined in the Irregular Expenditure Framework, the SETA applied to National Treasury for condonation of R825 000. To date no response has been received.

#### b) Reconciling notes to the AFS

| Description                                                                             | 2023/2024 | 2024/2025 |
|-----------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                         | R'000     | R'000     |
| Irregular expenditure that was under assessment                                         | -         | -         |
| Irregular expenditure that relates to the prior year and identified in the current year | -         | -         |
| Irregular expenditure for the current year                                              | -         | -         |
| <b>Total</b>                                                                            | <b>-</b>  | <b>-</b>  |

#### c) Details of current and previously irregular expenditure (under assessment, determination and investigation)

| Description <sup>1</sup>                  | 2023/2024 | 2024/2025 |
|-------------------------------------------|-----------|-----------|
|                                           | R'000     | R'000     |
| Irregular expenditure under assessment    | -         | -         |
| Irregular expenditure under determination | -         | -         |
| Irregular expenditure under investigation | -         | -         |
| <b>Total<sup>2</sup></b>                  | <b>-</b>  | <b>-</b>  |

<sup>1</sup> Group similar items

<sup>2</sup> Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)



**d) Details of current and previous year irregular expenditure condoned**

| Description                    | 2023/2024 | 2024/2025 |
|--------------------------------|-----------|-----------|
|                                | R'000     | R'000     |
| Irregular expenditure condoned | -         | -         |
| <b>Total</b>                   | -         | -         |

**e) Details of current and previous year irregular expenditure removed - (not condoned)**

| Description                                    | 2023/2024 | 2024/2025 |
|------------------------------------------------|-----------|-----------|
|                                                | R'000     | R'000     |
| Irregular expenditure NOT condoned and removed | -         | -         |
| <b>Total</b>                                   | -         | -         |

**f) Details of current and previous year irregular expenditure recovered**

| Description                     | 2023/2024 | 2024/2025 |
|---------------------------------|-----------|-----------|
|                                 | R'000     | R'000     |
| Irregular expenditure recovered | -         | -         |
| <b>Total</b>                    | -         | -         |

**g) Details of current and previous year irregular expenditure written off (irrecoverable)**

| Description                       | 2023/2024 | 2024/2025 |
|-----------------------------------|-----------|-----------|
|                                   | R'000     | R'000     |
| Irregular expenditure written off | -         | -         |
| <b>Total</b>                      | -         | -         |

Additional disclosure relating to Inter-Institutional Arrangements

**h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is NOT responsible for the non-compliance).**

| Description  | 2023/2024 | 2024/2025 |
|--------------|-----------|-----------|
|              | R'000     | R'000     |
| None         | -         | -         |
| <b>Total</b> | -         | -         |



- i) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution IS responsible for the non-compliance).

| Description  |  |  |
|--------------|--|--|
| None         |  |  |
| <b>Total</b> |  |  |

- j) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure.

| Disciplinary steps taken | 2023/2024 | 2024/2025 |
|--------------------------|-----------|-----------|
|                          | R'000     | R'000     |
| None                     | -         | -         |
| <b>Total</b>             | -         | -         |

## 1.2. Fruitless and wasteful expenditure

- a) Reconciliation of fruitless and wasteful expenditure

| Description                                                              | 2023/2024 | 2024/2025 |
|--------------------------------------------------------------------------|-----------|-----------|
|                                                                          | R'000     | R'000     |
| Opening balance                                                          | -         | -         |
| Adjustment to opening balance                                            | -         | -         |
| Opening balance as restated                                              | -         | -         |
| Add: Fruitless and wasteful expenditure confirmed                        | -         | -         |
| Less: Fruitless and wasteful expenditure recoverable                     | -         | -         |
| Less: Fruitless and wasteful expenditure not recoverable and written off | -         | -         |
| <b>Closing balance</b>                                                   | -         | -         |

- b) Reconciliation notes

| Description                                                                                          | 2023/2024 | 2024/2025 |
|------------------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                                      | R'000     | R'000     |
| Fruitless and wasteful expenditure that was under assessment                                         | -         | -         |
| Fruitless and wasteful expenditure that relates to the prior year and identified in the current year | -         | -         |
| Fruitless and wasteful expenditure for the current year                                              | -         | -         |
| <b>Total</b>                                                                                         | -         | -         |

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

| Description <sup>3</sup>                               | 2023/2024 | 2024/2025 |
|--------------------------------------------------------|-----------|-----------|
|                                                        | R'000     | R'000     |
| Fruitless and wasteful expenditure under assessment    | -         | -         |
| Fruitless and wasteful expenditure under determination | -         | -         |
| Fruitless and wasteful expenditure under investigation | -         | -         |
| <b>Total<sup>4</sup></b>                               | -         | -         |

<sup>4</sup> Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

d) Details of current and previous year irregular expenditure recovered

| Description                                  | 2023/2024 | 2024/2025 |
|----------------------------------------------|-----------|-----------|
|                                              | R'000     | R'000     |
| Fruitless and wasteful expenditure recovered |           |           |
| <b>Total</b>                                 |           |           |

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

| Description                                    | 2023/2024 | 2024/2025 |
|------------------------------------------------|-----------|-----------|
|                                                | R'000     | R'000     |
| Fruitless and wasteful expenditure written off |           |           |
| <b>Total</b>                                   |           |           |

f) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

| Disciplinary steps taken | 2023/2024 | 2024/2025 |
|--------------------------|-----------|-----------|
|                          | R'000     | R'000     |
| None                     |           |           |
| <b>Total</b>             |           |           |



### 1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) & (iii).

#### a) Details of current and previous year material losses through criminal conduct

| Material losses through criminal conduct | 2023/2024 | 2024/2025 |
|------------------------------------------|-----------|-----------|
|                                          | R'000     | R'000     |
| Theft                                    | -         | -         |
| Other material losses                    | -         | -         |
| Less: Recovered                          | -         | -         |
| Less: Not recovered and written off      | -         | -         |
| <b>Total</b>                             | -         | -         |

#### b) Details of other material losses

| Nature of other material losses                   | 2023/2024 | 2024/2025 |
|---------------------------------------------------|-----------|-----------|
|                                                   | R'000     | R'000     |
| (Group major categories, but list material items) | -         | -         |
| <b>Total</b>                                      | -         | -         |

#### c) Other material losses recoverable

| Nature of losses                                  | 2023/2024 | 2024/2025 |
|---------------------------------------------------|-----------|-----------|
|                                                   | R'000     | R'000     |
| (Group major categories, but list material items) | -         | -         |
| <b>Total</b>                                      | -         | -         |

#### d) Other material losses not recoverable and written off

| Nature of losses                                  | 2023/2024 | 2024/2025 |
|---------------------------------------------------|-----------|-----------|
|                                                   | R'000     | R'000     |
| (Group major categories, but list material items) | -         | -         |
| <b>Total</b>                                      | -         | -         |



## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

| Description                                                                 | Number of invoices | Consolidated Value |
|-----------------------------------------------------------------------------|--------------------|--------------------|
|                                                                             |                    | <b>R'000</b>       |
| Valid invoices received                                                     | 1 854              | 75 993             |
| Invoices paid within 30 days or agreed period                               | 1 854              | 75 993             |
| Invoices paid after 30 days or agreed period                                |                    |                    |
| Invoices older than 30 days or agreed period (unpaid and without dispute)   | -                  | -                  |
| <b>Invoices older than 30 days or agreed period (unpaid and in dispute)</b> | <b>-</b>           | <b>-</b>           |

## 3. SUPPLY CHAIN MANAGEMENT

### 3.1. Procurement by other means

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---------------------|------------------|------------------------------------|-----------------|-------------------------|
| -                   | -                | -                                  | -               | -                       |
| <b>Total</b>        | <b>-</b>         | <b>-</b>                           | <b>-</b>        | <b>-</b>                |

### 3.2. Contract variations and expansions

| Project description                   | Name of supplier           | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|---------------------------------------|----------------------------|-----------------------------------------------------|-----------------|-------------------------|-----------------------------------------------------------------------|--------------------------------------------------|
|                                       |                            |                                                     |                 | <b>R'000</b>            | <b>R'000</b>                                                          | <b>R'000</b>                                     |
| Panel of External moderation services | 26 Various suppliers       | Variation                                           | n/a             | n/a                     | n/a                                                                   | n/a                                              |
| Panel of workplace apprenticeship     | 7 various suppliers        | Variation                                           | n/a             | n/a                     | n/a                                                                   | n/a                                              |
| Mandatory grants evaluation           | Duja Synergetic consulting | Variation                                           | n/a             | 11 739                  | n/a                                                                   | 1 769                                            |
| <b>Total</b>                          |                            |                                                     |                 | <b>11 739</b>           |                                                                       | <b>1 769</b>                                     |





## PART F: FINANCIAL INFORMATION

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## AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Qualified opinion

1. I have audited the financial statements of the Food and Beverages Manufacturing Sector Education and Training Authority set out on pages 122 - 168 which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the 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, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Food and Beverages Manufacturing Sector Education and Training Authority as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

#### Basis for qualified opinion

##### Payables from non-exchange transactions

3. The public entity did not properly account for payables from non-exchange transactions, as required by GRAP 1, Presentation of Financial Statements, as prior year's accruals were not recognised in the corresponding amount. Consequently, the corresponding amount for payables from non-exchange transactions disclosed in note 7 to the financial statements was understated by R44 963 893.

##### Grant and project expenses

4. The project administration expenditure was not properly accounted for in accordance with GRAP 1, Presentation of Financial Statements. Administration expenditure relating to special projects was incorrectly classified as project costs. Consequently, the project administration expenditure disclosed in note 16 to the financial statements was understated and the discretionary grants were overstated by R7 195 337.
5. Additionally, the entity did not properly account for discretionary grants as prior year accruals were recognised as current year's expenditure. Consequently, discretionary grants disclosed in note 16 were overstated by R44 963 893.

##### Contingent liabilities

6. Contingent liabilities were not properly accounted for in accordance with GRAP 19, Provisions, contingent liabilities and contingent asset, due to the balance including expired contracts that did not meet the definition of contingent liabilities. Consequently, the contingent liabilities disclosed in note 20.4 was overstated by R43 804 983.

##### Grant Commitments

7. Grant commitments were not properly accounted for in accordance with GRAP 1, Presentation of Financial Statements. This was due to invalid adjustments and incorrect accounting for discretionary expenditure. Consequently, the grant commitments disclosed in note 22 was understated by R19 924 373.

**Statement of comparison of budget and actual amounts**

8. The public entity did not properly present the statement of comparison of budget and actual amounts, as required by GRAP 24, Presentation of budget information in financial statements. Explanations for material variances between the budget and actual amounts for administration expenses and grant and project expenses were inaccurately disclosed. Consequently, the explanations for material variances disclosed in note 31 were misstated.

**Context for opinion**

9. 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.
10. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

**Emphasis of matter**

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

**Restatement of corresponding figures**

13. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

**Responsibilities of the accounting authority for the financial statements**

14. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and the SDA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

16. 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.



17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 117, forms part of my auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
19. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected a programme that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

| Programme                                            | Page number | Purpose                                                                                                                   |
|------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>Programme 3: Learning programmes and projects</b> | 50 - 61     | To disburse grants through regular (pivotal and non-pivotal) and special projects that are addressing the sector's needs. |

20. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
21. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
  - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets / measures taken to improve performance.
22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

23. The material findings on the reported performance information for the selected programme are as follows:

**Programme 3: Learning programmes and projects**

Number of employed learners who have completed a skills programme

24. An achievement of 1 028 was reported against a target of 450. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was still achieved.

**Other matter**

25. I draw attention to the matter below.

**Material misstatements**

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 3: Learning programmes and projects. Management did not correct all of the misstatements, and I reported material findings in this regard.

---

## REPORT ON COMPLIANCE WITH LEGISLATION

---

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

**Annual financial statements**

31. The annual financial statements submitted for audit were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA.
32. Material misstatements of related parties and operating lease liability roll forward disclosure notes identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

## OTHER INFORMATION IN THE ANNUAL REPORT

33. The accounting authority is responsible for the other information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
34. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.
35. 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 programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended

## INTERNAL CONTROL DEFICIENCIES

37. 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.
38. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
39. Preventative controls were not implemented to ensure reliable financial and performance reporting as well as compliance with applicable laws and regulations.

Auditor General

Pretoria

31 July 2025



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 programmes and on the public'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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance

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



## Compliance with legislation - selected requirements

The selected legislative requirements are as follows:

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

| Legislation                                                    | Sections or regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Finance Management Act 1 of 1999                        | Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4);<br>Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b);<br>Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)                                                                                                                                                                                                                                                                                                                                                                                                   |
| Treasury regulations, 2005                                     | Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation<br>16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a);<br>16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e);<br>16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3;<br>16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4;<br>16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e);<br>16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1;<br>30.1.3(a);<br>Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1;<br>Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b);<br>Regulation 32.1.1(c); 33.1.1; 33.1.3 |
| SETAs Grant Regulations of 2012                                | Section 2(1), (2), (3); 3(3) & (4); 4(3), (8); 6(9)(iii)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Construction Industry Development Board Act 38 of 2000         | Section 18(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Construction Industry Development Board Regulations, 2004      | Regulation 17; 25(7A)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Second amendment National Treasury Instruction No. 5 of 202/21 | Paragraph 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Erratum National Treasury Instruction No. 5 of 202/21          | Paragraph 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| National Treasury instruction No 5 of 2020/21                  | Paragraph 4.8; 4.9; 5.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| National Instruction No. 1 of 2021/22                          | Paragraph 4.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| National Instruction No. 4 of 2015/16                          | Paragraph 3.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| National Treasury SCM Instruction No. 4A of 2016/17            | Paragraph 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| National Treasury SCM Instruction No. 03 of 92021/22           | Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2;<br>Paragraph 7.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| National Treasury SCM Instruction No. 11 of 2020/21            | Paragraph 3.4(a); 3.4(b); 3.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## Compliance with legislation - selected requirements

The selected legislative requirements are as follows:

| Legislation                                                   | Sections or regulations                                                                                                                                               |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National Treasury SCM Instruction No. 2 of 2021/22            | Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1                                                                                                                               |
| Practice Note 11 of 2008/9                                    | Paragraph 2.1; 3.1 (b)                                                                                                                                                |
| Practice Note 5 of 2009/10                                    | Paragraph 3.3                                                                                                                                                         |
| Practice Note 7 of 2009/10                                    | Paragraph 4.1.2                                                                                                                                                       |
| Preferential Procurement Policy Framework Act 5 of 2000       | Section 1; 2.1(a); 2.1(f)                                                                                                                                             |
| Preferential Procurement Regulations, 2022                    | Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4                                                                                                                     |
| Preferential Procurement Regulations, 2017                    | Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section 34(1)                                                                                                                                                         |

## ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Accounting Authority (Board) is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is 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 Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of FoodBev SETA 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 annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the SETA and places considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, it 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 SETA and all employees are required to maintain the highest ethical standards in ensuring the SETA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the SETA is on identifying, assessing, managing and monitoring all known forms of risk across the SETA. While operating risk cannot be fully eliminated, FoodBev SETA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Accounting Authority has reviewed the SETA's cash flow forecast for the year to 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the SETA has or has access to adequate resources to continue in operational existence for the foreseeable future.

The SETA is wholly dependent on the skills development levies income for continued funding of operations. The annual financial statements are prepared on the basis that the SETA is a going concern and that the SETA has neither the intention nor the need to liquidate or curtail materially the scale of the SETA.

The external auditors are responsible for independently reviewing and reporting on the SETA's annual financial statements.

The annual financial statements set out on page 122 to 168, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2025 and were signed on its behalf by:



**Ms N Selamolela**  
Accounting Authority



**Ms N Selamolela**  
Chief Executive Officer





## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

|                                                            | Note(s) | 2024/25<br>R'000 | Restated<br>2023/24<br>R'000 |
|------------------------------------------------------------|---------|------------------|------------------------------|
| <b>Assets</b>                                              |         |                  |                              |
| <b>Current Assets</b>                                      |         |                  |                              |
| Inventory                                                  | 2       | 79               | 111                          |
| Trade and other receivables from non-exchange transactions | 3       | 2 597            | 3 162                        |
| Cash and cash equivalents                                  | 4       | 895 432          | 995 299                      |
|                                                            |         | <b>898 108</b>   | <b>998 572</b>               |
| <b>Non-Current Assets</b>                                  |         |                  |                              |
| Property, plant and equipment                              | 5       | 7 977            | 4 203                        |
| Intangible assets                                          | 6       | 1 380            | 1 245                        |
|                                                            |         | <b>9 357</b>     | <b>5 448</b>                 |
| <b>Total Assets</b>                                        |         | <b>907 465</b>   | <b>1 004 020</b>             |
| <b>Liabilities</b>                                         |         |                  |                              |
| <b>Current Liabilities</b>                                 |         |                  |                              |
| Trade and other payables from non-exchange transactions    | 7       | 173 115          | 150 411                      |
| Trade and other payables from exchange transactions        | 8       | 8 774            | 9 926                        |
| Provisions                                                 | 9       | 12 820           | 12 856                       |
| Finance lease obligation                                   | 10      | 160              | -                            |
|                                                            |         | <b>194 869</b>   | <b>173 193</b>               |
| <b>Non-Current Liabilities</b>                             |         |                  |                              |
| Finance lease obligation                                   | 10      | 66               | -                            |
| <b>Total Liabilities</b>                                   |         | <b>194 936</b>   | <b>173 193</b>               |
| <b>Net Assets</b>                                          |         | <b>712 529</b>   | <b>830 827</b>               |
| <b>Reserves</b>                                            |         |                  |                              |
| Administration reserve                                     |         | 9 436            | 5 559                        |
| Discretionary grant reserve                                |         | 702 889          | 825 205                      |
| Mandatory grant reserve                                    |         | 204              | 63                           |
| <b>Total Net Assets</b>                                    |         | <b>712 529</b>   | <b>830 827</b>               |

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2025

|                                                     | Note(s) | 2024/25<br>R'000 | Restated<br>2023/24<br>R'000 |
|-----------------------------------------------------|---------|------------------|------------------------------|
| <b>Revenue</b>                                      |         |                  |                              |
| <b>Non-Exchange Revenue</b>                         |         |                  |                              |
| Skills Development Levy: Income                     | 12      | 539 119          | 502 058                      |
| Skills Development Levy: Interest and penalties     | 13      | 8 088            | 3 801                        |
| Other income                                        | 15      | 28 575           | 4 663                        |
| <b>Total revenue from non-exchange transactions</b> |         | <b>575 782</b>   | <b>510 522</b>               |
| <b>Exchange Revenue</b>                             |         |                  |                              |
| Other income                                        | 15      | 325              | 145                          |
| Interest received-investment                        | 14      | 74 890           | 79 798                       |
| <b>Total revenue from exchange transactions</b>     |         | <b>75 215</b>    | <b>79 943</b>                |
| <b>Total revenue</b>                                |         | <b>650 997</b>   | <b>590 465</b>               |
| <b>Expenditure</b>                                  |         |                  |                              |
| Administrative employee related costs               | 17      | (35 570)         | (33 896)                     |
| Depreciation and amortisation                       | 5&6     | (4 292)          | (2 938)                      |
| Lease rentals on operating lease                    | 18      | (4 889)          | (4 961)                      |
| Debt Impairment                                     | 3       | (1 637)          | (1)                          |
| Grant and project expenses                          | 16      | (679 614)        | (612 627)                    |
| Other administration expenses                       | 17      | (43 292)         | (34 176)                     |
| <b>Total expenditure</b>                            |         | <b>(769 293)</b> | <b>(688 599)</b>             |
| <b>Deficit for the year</b>                         |         | <b>(118 297)</b> | <b>(98 135)</b>              |

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2025

|                                                          | Administration<br>reserve | Discretionary<br>grant reserve | Mandatory<br>grant<br>reserve | Accumulated<br>surplus | Total net<br>assets |
|----------------------------------------------------------|---------------------------|--------------------------------|-------------------------------|------------------------|---------------------|
|                                                          | R'000                     | R'000                          | R'000W                        | R'000                  | R'000               |
| Opening balance as previously reported                   | 5 375                     | 923 581                        | 5                             | -                      | 928 961             |
| Adjustments                                              |                           |                                |                               |                        |                     |
| Prior year adjustments (Note 30)                         | -                         | -                              | -                             | (9 313)                | (9 313)             |
| Allocation of unappropriated deficit                     | -                         | (9 313)                        | -                             | 9 313                  | -                   |
| <b>Restated opening balance at 01 April 2023</b>         | <b>5 375</b>              | <b>914 268</b>                 | <b>5</b>                      | <b>-</b>               | <b>919 648</b>      |
| Surplus for the year previously reported                 | -                         | -                              | -                             | 3 562                  | 3 562               |
| Prior year adjustment [Note 30]                          | -                         | -                              | -                             | (92 348)               | (92 348)            |
| Allocation of unappropriated surplus                     | (9 871)                   | (104 252)                      | 25 301                        | 88 822                 | -                   |
| Excess reserves transferred to Discretionary reserve     | 10 055                    | 15 188                         | (25 243)                      | -                      | -                   |
| <b>Restated Opening Balance at 1 April 2024</b>          | <b>5 559</b>              | <b>825 204</b>                 | <b>63</b>                     | <b>-</b>               | <b>830 826</b>      |
| Surplus/(Deficit) for the year                           | -                         | -                              | -                             | (118 297)              | (118 297)           |
| Allocation of unappropriated surplus/(deficit) [note 11] | (18 594)                  | (128 126)                      | 28 423                        | 118 297                | -                   |
| Excess reserves transferred to Discretionary reserve     | 22 471                    | 5 810                          | (28 281)                      | -                      | -                   |
| <b>Balance at 31 March 2025</b>                          | <b>9 436</b>              | <b>702 889</b>                 | <b>204</b>                    | <b>-</b>               | <b>712 529</b>      |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

|                                                             | Note(s) | 2024/25<br>R'000 | Restated<br>2023/24<br>R'000 |
|-------------------------------------------------------------|---------|------------------|------------------------------|
| <b>Cash flows from operating activities</b>                 |         |                  |                              |
| <b>Receipts</b>                                             |         |                  |                              |
| Levies, interest and penalties received                     |         | 574 710          | 511 773                      |
| Interest income                                             |         | 74 890           | 79 798                       |
| Other receipts                                              |         | 325              | 145                          |
|                                                             |         | <b>649 925</b>   | <b>591 716</b>               |
| <b>Cash paid to stakeholders, suppliers and employees</b>   |         |                  |                              |
| Grants and project payments                                 |         | (633 906)        | (457 109)                    |
| Compensation of employees                                   |         | (58 263)         | (52 658)                     |
| Payments to suppliers and other                             |         | (49 423)         | (36 553)                     |
|                                                             |         | <b>(741 592)</b> | <b>(546 320)</b>             |
| <b>Net cash flows from operating activities</b>             | 19      | <b>(91 667)</b>  | <b>45 396</b>                |
| <b>Cash flows from investing activities</b>                 |         |                  |                              |
| Purchase of property, plant and equipment                   | 5       | (5 976)          | (1 109)                      |
| Proceeds from sale of property, plant and equipment         | 5       | 238              | -                            |
| Purchase of other intangible assets                         | 6       | (2 463)          | (2 097)                      |
| <b>Net cash flows from investing activities</b>             |         | <b>(8 201)</b>   | <b>(3 206)</b>               |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |         | <b>(99 868)</b>  | <b>42 189</b>                |
| Cash and cash equivalents at the beginning of the year      |         | 995 299          | 953 110                      |
| <b>Cash and cash equivalents at the end of the year</b>     | 4       | <b>895 432</b>   | <b>995 299</b>               |



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

| Approved budget<br>R'000 | Midterm budget adjustments<br>(Note 31.8)<br>R'000 | Final Budget<br>R'000 | Actual amounts on comparable basis<br>R'000 | Difference between final budget and actual<br>Reference<br>R'000 | Reference |
|--------------------------|----------------------------------------------------|-----------------------|---------------------------------------------|------------------------------------------------------------------|-----------|
|--------------------------|----------------------------------------------------|-----------------------|---------------------------------------------|------------------------------------------------------------------|-----------|

### Statement of Financial Performance - 2024/25

|                                               |                  |                  |                    |                  |                  |
|-----------------------------------------------|------------------|------------------|--------------------|------------------|------------------|
| <b>Revenue</b>                                |                  |                  |                    |                  |                  |
| Other income                                  | -                | -                | -                  | 325              | 325              |
| Grant recoveries and other income             | -                | 6 000            | 6 000              | 28 575           | 22 575 31.1      |
| Fines and penalties                           | -                | 8 000            | 8 000              | 8 088            | 88 31.2          |
| Skills development levies - income            | 533 946          | -                | 533 946            | 539 119          | 5 173 31.3       |
| Interest received - investment                | 61 248           | 17 212           | 78 460             | 74 890           | (3 570) 31.4     |
| Retained funds                                | -                | 926 965          | 926 965            | -                | (926 965) 31.7   |
| <b>Total revenue including retained funds</b> | <b>595 194</b>   | <b>958 177</b>   | <b>1 553 371</b>   | <b>650 997</b>   | <b>(902 374)</b> |
| <b>Expenses</b>                               |                  |                  |                    |                  |                  |
| Administration expenses                       | (70 080)         | (12 486)         | (82 566)           | (89 679)         | (7 113) 31.5     |
| Grant and project expenses                    | (525 114)        | (945 691)        | (1 470 805)        | (679 614)        | 791 191 31.6     |
| <b>Total expenditure</b>                      | <b>(595 194)</b> | <b>(958 177)</b> | <b>(1 553 371)</b> | <b>(769 293)</b> | <b>784 078</b>   |
| <b>Deficit for the year</b>                   | <b>-</b>         | <b>-</b>         | <b>-</b>           | <b>(118 297)</b> | <b>(118 297)</b> |

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

| Approved budget | Midterm budget adjustments (Note 30.8) | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual Reference |
|-----------------|----------------------------------------|--------------|------------------------------------|------------------------------------------------------|
| R'000           | R'000                                  | R'000        | R'000                              | R'000                                                |

### Statement of Financial Performance - 2023/24 - Restated

|                                         |           |           |             |           |           |
|-----------------------------------------|-----------|-----------|-------------|-----------|-----------|
| Revenue                                 |           |           |             |           |           |
| Other income                            | -         | -         | -           | 145       | 145       |
| Grant recoveries and other income       | -         | 1 000     | 1 000       | 4 663     | 3 663     |
| Fines and penalties                     | -         | 2 000     | 2 000       | 3 801     | 1 801     |
| Skills development levies - income      | 501 358   | -         | 501 358     | 502 058   | 700       |
| Interest received - investment          | 57 510    | 20 950    | 78 460      | 79 798    | 1 338     |
| Retained funds                          | -         | 923 586   | 923 586     | -         | (923 586) |
| Total revenue including re-tained funds | 558 868   | 947 536   | 1 506 404   | 590 465   | (915 939) |
| Expenses                                |           |           |             |           |           |
| Administration expenses                 | (65 803)  | (18 150)  | (83 953)    | (75 973)  | 7 980     |
| Grant and project expenses              | (493 065) | (929 386) | (1 422 451) | (612 627) | 809 824   |
| Total expenditure                       | (558 868) | (947 536) | (1 506 404) | (688 600) | 817 804   |
| Deficit for the year                    | -         | -         | -           | (98 135)  | (98 135)  |

## SIGNIFICANT ACCOUNTING POLICIES

### 1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

#### 1.1 Basis of preparation

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 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

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

A summary of material accounting policies applied in the preparation and presentation of the financial statements are set out below. These policies were consistently applied for the years presented, unless otherwise stated.

#### 1.2 Functional and presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. All figures are rounded to the nearest thousand Rand.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, management is required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or if the period of revision and future periods of the revision affects both the current and future periods.

#### Key sources estimation uncertainty

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the amount of assets and liabilities within the next financial period.

#### Estimation of useful lives and residual value

Management considers the impact of technology, the condition of the asset if there are any approved plans by the board to dispose of the asset.

The estimation of residual values of assets is based on management's judgement whether the asset will be sold or will be used to the end of their useful lives and at what condition the assets will be at the time. Management are of the opinion that all other assets of the SETA that will not be disposed, have a useful life that is equal to the economic life of the assets. Management therefore considers the residual value to not be materially significant.

### **Impairment of assets**

Management makes estimates and judgements with regards to the impairment of non-cash generating assets. Management considers the subsequent measurement criteria and indicators of potential impairment as indicated in the GRAP statements. If an indication exists, then management determines the recoverable amount.

### **Provisions**

Provisions are raised based on management estimates based on the information available. Additional disclosure of the estimates of provisions are included in note 9 - Provisions.

### **Segment report**

FoodBev SETA does not have an activity or unit that meets the definition of a 'segment' as defined, as FoodBev SETA administrative units and functional department do not undertake activities that generate economic benefits or services potential separately from the SETA as a whole. Management have assessed that FoodBev SETA operates as one segment both from a service and geographical point of view. Management have not divided the financial information into different segments as required by GRAP 18. We draw the reader's attention to Note 3,8 and 11 where trade and other receivables, a trade and other payables and revenue and expenses are allocated into administration, mandatory and discretionary grant activities.

## **1.4 Commitments**

### **Operating commitments**

Commitments arise when the SETA has entered into non-cancellable agreements that will result in future cash outflows and are not covered under the annual operational budget.

### **Disclosure requirements**

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

- a. Contracts should be non-cancellable or only cancellable at significant cost and
- b. The commitment is material to the financial statements.

Routine employment contracts and recurring operational expenditures are excluded unless they are of such significance that their omission would affect fair presentation.



### Discretionary grant commitments

Commitments represent contractual obligations that will result in future cash outflows. The SETA adheres to the definition of commitments as per Notice No. 35940 of 2012 (Grant Regulations), which states:

*"A commitment is a contractual obligation (a written agreement between the SETA and a third party) where the third party undertakes to perform a discretionary project, and the SETA is obligated to make a payment against the grant."*

Commitments are recorded when a contract exists, or a grant award letter has been signed by both the FoodBev SETA and the recipient. These arise from approved grants where the SETA has a contractual obligation to disburse funds upon fulfilment of conditions.

Recognised when a signed contract or approval letter is issued. Derecognised when:

- a. The programme is formally terminated via a termination letter.
- b. The grant claim is submitted with all required supporting documents, and payment is processed.

To achieve a fair presentation the SETA also discloses grant commitments that are out of contract as the SETA usually receives claims for these programmes after year end due to delays in the submission of completion reports and grant claim forms.

### Expired discretionary grants commitments

The SETA considers discretionary grant contracts that are over three years (five years in case of Artisans) to have expired unless written approval for contract extension was issued by the SETA.

Expired grants are derecognised unless the employer provides proof that the learning programme was completed within the agreed timeframes, in which case the SETA reinstates the commitment.

## 1.5 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. Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue is recognised when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. The following represent the classes of revenue from non-exchange transactions:

### Skills Development Levy Income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies (employers) of the FoodBev SETA pay a skills development levy (SDL) of 1% of the total payroll cost to the South African Revenue Services (SARS).

Companies with an annual payroll of less than R500 000 are exempted in accordance with section 4(b) of the Skills Development Levy Act (1999) as amended, effective 1 August 2005.

Skills development levies transfers are recognised when it is probable that the future economic benefits will flow to the FoodBev SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training (DHET) makes the payment to FoodBev SETA.

### Inter-SETA transfers

Revenue is adjusted for inter-SETA transfers due to employers changing SETA's. Such adjustments are separately disclosed as Inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the Standard Operating Procedure issued by DHET.

When a new employer is transferred to the FoodBev SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

Levy exempt income is monies received from employers who are exempt from paying SDL levies, as per the Skills Development Circular 09/2013. FoodBev SETA recognises a payable in respect of SDL levy refunds due to levy exempt employers. This payable is a provision based on the levies received from possible levy exempt entities. FoodBev SETA transfers all monies received from levy exempt employers to discretionary grant income after the expiry date of five years from date of receipt of the funds, if not refunded to the respective employer through the SARS system.

Eighty percent (80%) of skills development levies are paid over to the FoodBev SETA (net of the 20% contribution to the National Skills Fund).

Employer's levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act for the purpose of:

|                                  | 2024/25 | 2023/24 |
|----------------------------------|---------|---------|
| Administration costs of the SETA | 10,50%  | 10,50%  |
| Mandatory grant fund levy*       | 20,00%  | 20,00%  |
| Discretionary grant and projects | 49,50%  | 49,50%  |
|                                  | 80,00%  | 80,00%  |

\*FoodBev SETA acknowledges that the above regulations were set aside by the Labour Appeal Court (LAC) during October 2019, however in the absence of DHET gazetting new regulations, the SETA has used the current regulations for reporting purposes in the current year. We draw attention to note 20.3 for further details.

### Skills Development Levy (SDL) interest and penalties

SDL interest and penalties are recognised when it is probable that the future economic benefits will flow to the FoodBev SETA and these benefits can be measured reliably. This occurs when DHET either makes an allocation or a payment, whichever comes first to FoodBev SETA. SDL interest and penalties received from SARS as well as the interest received on investments are utilised for discretionary grants and projects.

### **Other non-exchange income, government grants and other donor funding**

Funds transferred by the government and other donor funding are accounted for in the financial statements of the FoodBev SETA as a liability until the related eligible expenses are incurred and the relevant conditions of the grant are met, when the liability is utilised the revenue is recognised as other income in the statement of financial performance.

Conditional government grants and other conditional donor funds received are recorded as deferred income when they are receivable and then recognised as income when the conditions attached to the grant are met. Unconditional grants are recognised as other income when the amounts have been received.

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

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

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

FoodBev SETA recovers grants from employers who failed to implement learning programmes after tranche payments were made. These recoveries are recognised as revenue in FoodBev SETA financial statements.

## **1.6 Revenues exchange transactions**

Revenue from exchange transactions is the revenue in which one entity receives an inflow of benefits or has liabilities extinguished after giving approximately equal value of goods, services or use of assets to another entity in exchange.

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

### **Investment income**

Investment income is accrued on a time proportion basis, taking into account the principal outstanding, the effective interest rate over the period to maturity, comprises of interest income on funds invested and is accrued using the effective interest method. Interest from investments is recognised when the bank has credited the investment with interest due in line with the maturity date of the investment.

## **1.7 Grants and project expenditure**

### **Mandatory grants**

Mandatory grants expenditure is recognised when levy-paying employers meet the eligibility criteria under SETA Grant Regulations and submit valid documentation (e.g, workplace skills plans). The related payable is recorded simultaneously.

### Discretionary grants and strategic project expenditure

Discretionary grant is recognised upon execution of a binding agreement and fulfilment of grant conditions (e.g., learner registrations, milestone achievements).

### Project expenditure

All costs related to the implementation of learning programmes are expensed in the period they are incurred, measured at actual cost.

## 1.8 Irregular, fruitless and wasteful expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation including the PFMA Act.

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

### Recognition

Irregular, fruitless and wasteful expenditure is recognized in the financial statements in the year that the expenditure was incurred when:

- a. A transaction is confirmed (via investigation) to violate legislation (irregular) or lack reasonable care (fruitless/wasteful); and the amount is quantifiable.

Potential cases under investigation are disclosed as contingent liabilities if material (per GRAP 19).

### Measurement

Recorded at the full transaction amount (including irrecoverable VAT, if applicable).

### Derecognition

Expenditure is removed from the financial statements only when:

- b. Recovered from the responsible party; or
- a. Formally condoned or written off by National Treasury/Accounting Authority per:
  - Treasury Instruction Note No. 3 of 2019/20 (Fruitless & Wasteful Expenditure);
  - Treasury Instruction Note No. 2 of 2019/20 (Irregular Expenditure).

### Disclosure

All confirmed cases are disclosed in the notes, classified by:

- b. Irregular expenditure (legislative non-compliance);
- c. Fruitless/wasteful expenditure (avoidable losses).
- d. Pending investigations are disclosed if material.



## 1.9 Property, plant and equipment

Property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Property, plant and equipment are subsequently measured at cost less any subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line method of each item for property, plant and equipment, to allocate the cost of each item of asset to estimated residual value over the estimated useful lives.

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

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

- a. it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- b. 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 bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The estimated useful lives for the current and comparative periods are as follows:

| Item                          | Depreciation method | Average useful life |
|-------------------------------|---------------------|---------------------|
| Office Furniture and fixtures | Straight line       | 10-11 years         |
| Office equipment              | Straight line       | 5-11 years          |
| Computer equipment            | Straight line       | 3-9 years           |
| Leasehold improvements        | Straight line       | Over the lease term |

The useful lives and residual values of items of property, plant and equipment are reviewed annually and adjusted prospectively at the end of each reporting period. The depreciation charge is recognised in the surplus or deficit. FoodBev SETA also performs physical verification of assets at least once per annum.

### Derecognition

FoodBev derecognises its item of property, plant equipment and/or significant part of an asset upon disposal or when no future economic benefits or service potential can be derived from the asset.

## 1.10 Intangible assets

An intangible asset is recognised when:

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

Intangible assets that are separately acquired are initially measured at cost and subsequently carried at cost less any accumulated amortisation and impairment losses. Amortisation is recognised in surplus or deficit on a straight-line method over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life for the current and comparative periods is as follows:

| Item              | Depreciation method | Average useful life |
|-------------------|---------------------|---------------------|
| Licenses          | Straight line       | 12 months           |
| Computer software | Straight line       | 5-12 years          |

The amortisation method and the useful life of intangible assets are reviewed annually. The carrying amount of the intangible asset is reviewed regularly to assess whether there is an indication that the carrying amount exceeds the recoverable amount.

Gains and losses on disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in surplus or deficit.

## 1.11 Leases

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

### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the future minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

The indicators of the transfer of risk and rewards are as follows:

- a. The lease transfers ownership of the asset to the lessee by the end of the lease term
- b. The lease term is for the major part of the economic life of the asset even if title is not transferred.
- c. At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset, and
- d. If the lessee can cancel the lease, the lessor's losses associated with the cancelation are borne by the lessee.

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

### Operating leases - lessee

Operating lease is a lease other than a finance lease. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the FoodBev SETA substantially.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the lease term. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

## 1.12 Provisions and contingencies

Provisions are recognised when the FoodBev SETA has a present legal or constructive obligation as a result of a past event; and it is probable that an outflow of economic benefits or service potential will be required or can be made to settle the obligation.

Provisions are measured as management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the amount of the provision is material.

Contingent liabilities are possible obligations whose existence will be confirmed by the occurrence or non-occurrence of an uncertain future event not wholly within the control of FoodBev SETA. Contingent liabilities are not recognised but are disclosed in the notes to the annual financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating (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 contingent liabilities are not recognised. Contingencies are disclosed in note 20.

## 1.13 Employee benefits

### Identification

#### Employee benefits

The cost of employee benefits is recognised as an expense during the period in which the employee renders the related service. If the benefit is unpaid, a liability is recognised.

#### Leave

FoodBev SETA recognises a liability and an expense for accumulating leave as and when employees render services that entitle them to leave days. The amount of the liability and expense is determined as the additional amount payable as a result of unused leave days owing to employees at the end of the period.



### Medical benefits

FoodBev SETA provides medical benefits as part of the cost to company package given to its employees. Payments are charged as a salary expense as they fall due.

### Provident fund benefits

FoodBev SETA provides for a Provident Fund for all its employees through a defined contribution plan. Payments to the fund are charged as part of the salary expense as they fall due.

### Performance bonus

The performance bonus is recognised when the entity has a constructive obligation to pay bonuses and when a reliable estimate can be made. FoodBev SETA provides for upcoming year's bonus payments, which is amortised in the following year for usage and write off residual balance.

## 1.14 Financial instruments

### Initial recognition

Financial instruments are contractual arrangements that give rise to a financial asset in one entity and a financial liability or residual interest of another.

FoodBev SETA recognises the financial instruments using trade date accounting when FoodBev SETA becomes a party to the contractual provision of the instrument.

### Initial Measurement

Financial assets and financial liabilities are measured at fair value plus, in case of a financial asset or financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of financial instrument.

### Subsequent measurement

FoodBev SETA measures all financial assets and financial liabilities after initial recognition using the following categories:

- a. Financial instruments at fair value,
- b. Financial instruments at amortised cost,
- c. Financial instruments at cost.

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

### Financial Assets

The FoodBev SETA's principal financial assets are trade receivables and other receivables, and cash and cash equivalents.

### Trade and other receivables

Trade and other receivables are measured at amortised costs using the effective interest method less provision of impairment. A provision for impairment of receivables is recognised when there is objective evidence that FoodBev SETA will not be able to collect all amounts due according to the original terms. The amount of the provision is a difference between the receivable carrying amount and the present value of future cash flows discounted at the effective interest rate. Movement in the provision is recognised in the statement of financial performance.

### Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, investments and deposits held by FoodBev SETA at South African Reserve Bank, Corporation for Public Deposits (CPD) and domestic banks. Cash and cash equivalents are measured at amortised costs. Cash includes cash on hand and cash with banks. Cash equivalents are short term, highly liquid investments that are held with registered banking institutions with a period maturity of three months or less and that are subject to insignificant risk of change.

### Derecognition of financial assets

The SETA derecognises financial assets using trade date accounting, only when:

- a. the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- b. the SETA transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- c. the SETA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the SETA derecognises the asset, and recognise separately any rights and obligations created or retained in the transfer.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds received shall be recognised in surplus or deficit.

### Financial liabilities

The FoodBev SETA's principal financial liabilities are trade and other payables. All financial liabilities are subsequently measured at amortised cost, using effective rate method comprising original debts less principal payments and amortisations.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability and the amount paid is included in the surplus or deficit

### Fair value considerations

The fair values at which financial instruments are carried at the reporting date have been determined using available market values. Where market values are not available, fair values will be calculated by discounting expected future cash flows at prevailing interest rates. The fair values will be estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the FoodBev SETA could realise in the normal course of business. The carrying amounts of financial assets and financial liabilities with a maturity of less than one year are based on cost at fair value due to the short-term trading cycle of these items.

### Offsetting financial instruments

Financial assets and financial liabilities are offset if there is any intention to either settle on a net basis, or realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

## 1.15 Reserves (net assets)

FoodBev SETA sub-classifies reserves into various categories based on the restrictions on the usage of skills development funds received in accordance with the Skills Development Act, 1998 (Act No. 97 of 1998). FoodBev SETA measures reserves using accrual basis accounting, and thus reserves are not an indication of cash used or available at the end of the year.

### Administration reserve

This reserve represents the carrying amount of the non-current assets and inventory of FoodBev SETA.

### Mandatory grant reserve

This reserve represents funds maintained for paying back to employers a percentage of the contributed levies (mandatory grants). The residual balance of this reserve is transferred to the discretionary grant reserve in line with the grant regulations.

### Discretionary grant reserve

This reserve represents discretionary grant funds set aside to fund learning programmes of the SETA in order to address the scarce and critical skills needed in the food and manufacturing sector. The reserve is supported by retained surplus for the year, net current assets, and commitments disclosed in the notes to the Annual Financial Statements.

### Accumulated surplus / deficit

This reserve represents surplus or deficit for the year which is reallocated to respective reserves at year end. The amount of the transfer payment received and not used (that is the retained surplus for the year), is recognised as a contingent liability. An application is made in the new financial year to retain the unused amount. When consent is obtained to use the funds, it is derecognised as a contingent liability and utilised to fund special projects and discretionary grants.

### 1.16 Inventories

Inventory consists of consumables on hand at reporting date. Inventories are initially measured at cost, and subsequently measured at the lower of cost and net replacement value. Cost is determined on a first-in first-out basis. 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.

Current replacement cost is the cost that the entity would incur to acquire the asset at reporting date.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- a. (distribution at no charge or for a nominal charge; or
- b. consumption in the production process of goods to be distributed at no charge or for a nominal charge.

### 1.17 Accounting by principals and agents

#### Identification

FoodBev SETA assesses whether it acts as a principal or agent in transactions based on control over the goods/services provided to third parties, risks and benefits (principal bears credit risk, agent does not) and discretion in pricing or terms (principal set terms, agent follows instructions).

#### Recognition

FoodBev SETA, as a principal, recognises full revenue/expenses from the transactions (GRAP 109) and records related assets/liabilities (e.g., grants payable, receivables).

FoodBev SETA, as an agent, recognises only fees/commissions for services rendered. However, it excludes third party amounts from revenue/expenses.

#### Measurements

Revenue/expenses are measured at fair value of consideration received/paid. Assets and liabilities follow GRAP 1 (Presentation) and GRAP 19 (Provisions).

#### Disclosure

Principal-agent relationships are disclosed if material, including nature of arrangements (e.g., "SETA administers DHET grant agent") and if amounts are recognised as principal vs. agent.

### 1.18 Related party transactions

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).

A 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 are those persons responsible for planning, directing and controlling the activities of the FoodBev SETA, including those charged with the governance of the SETA in accordance with legislation, in instances where they are required to perform such functions.

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

The FoodBev SETA 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 SETA 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 SETA 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.

### 1.19 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:

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

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

FoodBev SETA 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

### 1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.21 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. Comparative information is not required.

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the FoodBev. As a result of the adoption of accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the AFS, first, the reasons for overall growth or decline in the budget are stated, followed by the details of overspending or underspending on line items.

The approved budget covers the fiscal period from 1 April 2024 to 31 March 2025.

### 1.22 Inter-SETA transfers - Receivables/Payables

Inter-SETA transactions arise due to employer(s) requesting transfer from one SETA to another SETA. The recognition criteria for Inter-SETA transfers are aligned to the Standard Operating Procedure issued by the Department of Higher Education and Training.

#### Inter-SETA receivables

Inter-SETA receivables arise due to employer(s) requesting transfer from another SETA to FoodBev SETA. A receivable is recognised together with an increase in revenue when the following criteria has been met:

- a. SARS has made the transfer and DHET portal confirming the transfer;
- b. FoodBev SETA submitting a claim to the previous SETA (requesting transfer of current year levies);
- c. The previous SETA has not yet made payment but confirms their obligation to transfer to FoodBev SETA; and
- d. The previous SETA has approved a WSP for past scheme year and sent confirmation to FoodBev SETA.

In instances where any one of the criteria above is not met, the amount will be disclosed as a contingent asset as the transaction meets the definition.

A contingent asset is a possible asset that arises from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the entity.

#### Inter-SETA payables

Inter-SETA payables arise due to employer(s) requesting transfer from FoodBev SETA to another SETA. A payable is recognised against a reduction in revenue when the following criteria has been met:

- a. SARS has effected the transfer and DHET portal confirming the transfer;
- b. Submission of claim to FoodBev SETA by the new SETA;
- c. FoodBev SETA has not yet made a payment but confirms their obligation to transfer to new SETA; and
- d. FoodBev SETA has approved a WSP in relation for 2024/25 and sent confirmation to the new SETA.

In the instance when any one of the above criteria is not met then the amount will be disclosed as a contingent liability as it would meet the definition of a contingent liability.

### 1.23 Materiality

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 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.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

FoodBev SETA's materiality rate is 0.5% of the budgeted revenue.

### 1.24 Prior Period Errors

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

Where accounting errors have been identified in the current financial year the correction is made retrospectively as far as it is practical, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is practical, and the prior year comparatives are restated accordingly.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

| 2024/25 | Restated<br>2023/24 |
|---------|---------------------|
| R'000   | R'000               |

### 2. INVENTORIES

#### Consumable stores

|    |     |
|----|-----|
| 79 | 111 |
|----|-----|

Inventory relates to office supplies and stationery that are used in the operations of the SETA.

### 3. TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

#### Other receivables

Mandatory Grant receivables (levies)

|    |    |
|----|----|
| 12 | 20 |
|----|----|

Project related staff debtors

|     |   |
|-----|---|
| 175 | - |
|-----|---|

Other receivables

|     |   |
|-----|---|
| 138 | - |
|-----|---|

#### Contractual receivables

Discretionary Grant recoveries - gross

|       |       |
|-------|-------|
| 3 909 | 3 142 |
|-------|-------|

Less Debt impairment

|         |   |
|---------|---|
| (1 637) | - |
|---------|---|

|       |       |
|-------|-------|
| 2 597 | 3 162 |
|-------|-------|

#### Debt impairment reconciliation

Opening balance

|   |     |
|---|-----|
| - | 309 |
|---|-----|

Debt impairment addition\*

|       |   |
|-------|---|
| 1 637 | - |
|-------|---|

Bad debt written off

|   |       |
|---|-------|
| - | (309) |
|---|-------|

|       |   |
|-------|---|
| 1 637 | - |
|-------|---|

\* The debt impairment came as a result of long outstanding grant recoveries from employers who failed to implement learning programs. These have been sent for debt collection. Trade and other receivables from non-exchange transactions which are less than six months are not considered to be impaired. However, management reviews each debt on the merits and strengths of recoverability of debt.



2024/25  
R'000

Restated  
2023/24  
R'000

#### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

|                     |                |                |
|---------------------|----------------|----------------|
| Cash on hand        | 2              | 4              |
| Short-term deposits | 2 059          | 3 273          |
| Investments         | 893 370        | 992 022        |
| <b>Total</b>        | <b>895 432</b> | <b>995 299</b> |

#### 5. PROPERTY, PLANT AND EQUIPMENT

|                               | 2024/25             |                                                                 |                   | 2023/24             |                                                                 |                   |
|-------------------------------|---------------------|-----------------------------------------------------------------|-------------------|---------------------|-----------------------------------------------------------------|-------------------|
|                               | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying<br>value | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying<br>value |
| Office furniture and fixtures | 3 861               | (1 640)                                                         | 2 221             | 3 391               | (1 368)                                                         | 2 023             |
| Office equipment              | 2 201               | (1 118)                                                         | 1 082             | 1 634               | (821)                                                           | 812               |
| Computer equipment            | 3 822               | (2 559)                                                         | 1 263             | 3 154               | (1 936)                                                         | 1 218             |
| Leasehold improvements        | 3 796               | (385)                                                           | 3 411             | 203                 | (52)                                                            | 150               |
| <b>Total</b>                  | <b>13 680</b>       | <b>(5 703)</b>                                                  | <b>7 977</b>      | <b>8 381</b>        | <b>(4 178)</b>                                                  | <b>4 203</b>      |

The current useful lives and residual values of the SETA assets have not changed from previous period. The SETA management believes that the current useful lives and residual values are still appropriate. No FoodBevSETA assets were pledged as security. No borrowing costs were capitalised in the year under review.

##### Reconciliation of property, plant and equipment 31 March 2025 (R'000)

|                               | Opening bal-<br>ance | Additions    | Disposals    | Depreciation   | Total        |
|-------------------------------|----------------------|--------------|--------------|----------------|--------------|
| Office furniture and fixtures | 2 023                | 710          | (123)        | (388)          | 2 221        |
| Office equipment              | 812                  | 629          | -            | (359)          | 1 082        |
| Computer equipment            | 1 218                | 898          | (11)         | (841)          | 1 263        |
| Leasehold improvements        | 150                  | 3 740        | (104)        | (375)          | 3 411        |
| <b>Total</b>                  | <b>4 203</b>         | <b>5 976</b> | <b>(238)</b> | <b>(1 964)</b> | <b>7 977</b> |

Assets acquired relate to office renovations, furniture and fittings as well as replacement laptops for employees.

## Reconciliation of property, plant and equipment 31 March 2024 - R'000

|                               | Opening balance | Additions    | Disposals   | Depreciation   | Total        |
|-------------------------------|-----------------|--------------|-------------|----------------|--------------|
| Office furniture and fixtures | 2 361           | -            | -           | (338)          | 2 023        |
| Office equipment              | 828             | 267          | -           | (282)          | 812          |
| Computer equipment            | 1 149           | 842          | (13)        | (761)          | 1 218        |
| Leasehold improvements        | 171             | -            | -           | (21)           | 150          |
| <b>Total</b>                  | <b>4 510</b>    | <b>1 109</b> | <b>(13)</b> | <b>(1 402)</b> | <b>4 203</b> |

PPE additions relate to acquisition of tools of trade for new employees and to replace old laptops whose useful lives have come to an end.

## Assets subject to finance lease (Net carrying amount)

|                              |   |   |   |     |   |
|------------------------------|---|---|---|-----|---|
| Computer equipment [note 10] | - | - | - | 226 | - |
|------------------------------|---|---|---|-----|---|

## 6. INTANGIBLE ASSETS

|                   | 2024/25          |                                                     |                | 2023/24          |                                                     |                |
|-------------------|------------------|-----------------------------------------------------|----------------|------------------|-----------------------------------------------------|----------------|
|                   | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Licenses          | 6 464            | (5 084)                                             | 1 380          | 4 001            | (2 756)                                             | 1 245          |
| Computer software | -                | -                                                   | -              | 14               | (14)                                                | -              |
| <b>Total</b>      | <b>6 464</b>     | <b>(5 084)</b>                                      | <b>1 380</b>   | <b>4 015</b>     | <b>(2 770)</b>                                      | <b>1 245</b>   |

## Reconciliation of intangible assets - 31 March 2025

|              | Opening balance | Additions    | Amortisation   | Total        |
|--------------|-----------------|--------------|----------------|--------------|
| Licenses     | 1 245           | 2 463        | (2 328)        | 1 380        |
| <b>Total</b> | <b>1 245</b>    | <b>2 463</b> | <b>(2 328)</b> | <b>1 380</b> |

## Reconciliation of intangible assets - 31 March 2024

|              | Opening balance | Additions    | Amortisation   | Total        |
|--------------|-----------------|--------------|----------------|--------------|
| Licenses     | 684             | 2 097        | (1 536)        | 1 245        |
| <b>Total</b> | <b>684</b>      | <b>2 097</b> | <b>(1 536)</b> | <b>1 245</b> |

| 2024/25 | Restated<br>2023/24 |
|---------|---------------------|
| R'000   | R'000               |

## 7. TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS

|                                                             |                |                |
|-------------------------------------------------------------|----------------|----------------|
| Skills Development Grants: Discretionary Accruals [Note 30] | 125 198        | 101 697        |
| Skills Development Grants: Mandatory payable                | 11 219         | 21             |
| Skills Development Grants: Mandatory accruals               | 8 472          | 8 223          |
| Skills Development Grants: Discretionary payable            | 28 226         | 40 470         |
| <b>Total</b>                                                | <b>173 115</b> | <b>150 411</b> |

## 8. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

|                           |              |              |
|---------------------------|--------------|--------------|
| Leave pay                 | 2 016        | 1 670        |
| External Moderators       | 262          | 60           |
| Operating Lease [note 23] | 3 585        | 3 011        |
| Trade Creditors Accruals  | 509          | 1 159        |
| Board PAYE                | 139          | 144          |
| Board Fees                | 87           | 121          |
| Trade Creditors           | 2 170        | 3 757        |
| Staff claims              | 6            | 4            |
|                           | <b>8 774</b> | <b>9 926</b> |

## 9. PROVISIONS

|                     |               |               |
|---------------------|---------------|---------------|
| Bonus provision     | 6 166         | 6 363         |
| External Moderators | 6 654         | 6 493         |
|                     | <b>12 820</b> | <b>12 856</b> |

### Exempt Employers Provision

The amount of R6m (2023/24: R6m) relates to levies contributed by employers who are exempt from contributing skills development levies. The determination is done annually. Therefore, the exempt employers' provision is adjusted at year end.

In line with the skills development circular no 09/2013, FoodBev SETA must keep the levies received from exempted levy payers for a period of five years. After five years have lapsed, the unclaimed levies will be transferred to discretionary grant income to be utilised for discretionary grants.

**Bonus Provision**

The bonus provision relates to the performance bonus that the entity is expected to pay to qualifying employees. Employees sign performance contracts as part of their conditions of service at the beginning of each financial year. Employees are assessed bi-annually and the bonus is paid in December. The amount is dependent on the outcome of individual performance evaluation.

**Reconciliation of provisions - 2025**

|                            | Opening balance | Additions    | Utilised during the year | Reversed during the year | Total         |
|----------------------------|-----------------|--------------|--------------------------|--------------------------|---------------|
| Exempt employers Provision | 6 363           | 1 079        | -                        | (1 276)                  | 6 166         |
| Bonus provision            | 6 493           | 6 654        | (5 077)                  | (1 416)                  | 6 654         |
| <b>Total</b>               | <b>12 856</b>   | <b>7 733</b> | <b>(5 077)</b>           | <b>(2 692)</b>           | <b>12 820</b> |

**Reconciliation of provisions - 2024**

|                            | Opening balance | Additions    | Utilised during the year | Reversed during the year | Total         |
|----------------------------|-----------------|--------------|--------------------------|--------------------------|---------------|
| Exempt employers Provision | 6 549           | 1 214        | -                        | (1 400)                  | 6 363         |
| Bonus provision            | 5 807           | 6 493        | (4 605)                  | (1 202)                  | 6 493         |
| <b>Total</b>               | <b>12 356</b>   | <b>7 707</b> | <b>(4 605)</b>           | <b>(2 602)</b>           | <b>12 856</b> |

|  | 2024/25 | Restated 2023/24 |
|--|---------|------------------|
|  | R'000   | R'000            |

**10. FINANCE LEASE OBLIGATION****Minimum lease payments due**

- within one year
- in second to fifth year inclusive

**Present value of minimum lease payment**

Non-current liabilities

Current liabilities

**Total**

|            |          |
|------------|----------|
| 160        | -        |
| 66         | -        |
| <b>226</b> | <b>-</b> |
| 66         | -        |
| 166        | -        |
| <b>226</b> | <b>-</b> |

The finance lease obligation relates to electronic devices (iPads) leased from Vodacom. The lease term is two years and on expiry of the lease term FoodBev obtains ownership of the devices. The lease has fixed instalments and no escalation clause. No arrangements have been entered into for contingent rent.

The interest rate implicit in the lease is the discount rate that, at the inception of the lease causes the aggregate present value of the minimum lease payment, i.e. the interest rate the lessee will have to pay on similar lease.



## 11. ALLOCATION OF SURPLUS FOR THE YEAR TO RESERVES

|                                                                                           | Total per<br>Statement of<br>Financial Per-<br>formance | Administration<br>reserve | Mandatory<br>grants reserve | Discretionary<br>grants reserve<br>Total discre-<br>tionary |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------|-----------------------------|-------------------------------------------------------------|
| <b>2024/25</b>                                                                            |                                                         |                           |                             |                                                             |
| <b>Skills development levy: Income</b>                                                    |                                                         |                           |                             |                                                             |
| - Admin levy income (10,5%)                                                               | 70 760                                                  | 70 760                    | -                           | -                                                           |
| - Grant levy income (69,5%)                                                               | 468 358                                                 | -                         | 134 782                     | 333 576                                                     |
| Skills development levy: penal-<br>ties and interest                                      | 8 088                                                   | -                         | -                           | 8 088                                                       |
| Investment income                                                                         | 74 890                                                  | -                         | -                           | 74 890                                                      |
| Other income                                                                              | 28 900                                                  | 325                       | -                           | 28 575                                                      |
| <b>Total revenue</b>                                                                      | <b>650 996</b>                                          | <b>71 085</b>             | <b>134 782</b>              | <b>445 129</b>                                              |
| Administration expenses                                                                   | (89 679)                                                | (89 679)                  | -                           | -                                                           |
| Grants and project expenses                                                               | (679 613)                                               | -                         | (106 359)                   | (573 254)                                                   |
| <b>Total expenses</b>                                                                     | <b>(769 292)</b>                                        | <b>(89 679)</b>           | <b>(106 359)</b>            | <b>(573 254)</b>                                            |
| <b>Net surplus/(deficit) per<br/>Statement of Financial Perfor-<br/>mance (allocated)</b> | <b>(118 296)</b>                                        | <b>(18 594)</b>           | <b>28 423</b>               | <b>(128 125)</b>                                            |
| <b>2023/24 - Restated</b>                                                                 |                                                         |                           |                             |                                                             |
| <b>Skills development levy: income</b>                                                    |                                                         |                           |                             |                                                             |
| - Admin levy income (10,5%)                                                               | 65 956                                                  | 65 956                    | -                           | -                                                           |
| - Grant levy income (69,5%)                                                               | 436 102                                                 | -                         | 125 235                     | 310 867                                                     |
| Skills development levy:<br>penalties and interest                                        | 3 801                                                   | -                         | -                           | 3 801                                                       |
| Investment income                                                                         | 79 798                                                  | -                         | -                           | 79 798                                                      |
| Other income                                                                              | 4 808                                                   | 145                       | -                           | 4 663                                                       |
| <b>Total revenue</b>                                                                      | <b>590 465</b>                                          | <b>66 102</b>             | <b>125 235</b>              | <b>399 129</b>                                              |
| Administration expenses                                                                   | 75 973)                                                 | (75 973)                  | -                           | -                                                           |
| Grants and project expenses                                                               | (612 627)                                               | -                         | (99 933)                    | (512 694)                                                   |
| <b>Total expenses</b>                                                                     | <b>(688 600)</b>                                        | <b>(75 973)</b>           | <b>(99 933)</b>             | <b>(512 694)</b>                                            |
| <b>Net surplus/(deficit) per<br/>Statement of Financial<br/>Performance (allocated)</b>   | <b>(98 135)</b>                                         | <b>(9 872)</b>            | <b>25 302</b>               | <b>(113 565)</b>                                            |

## 12. SKILLS DEVELOPMENT LEVY INCOME

|                                                             | Total per<br>Statement of<br>Financial Per-<br>formance | Administration<br>reserve | Mandatory<br>grants reserve | Discretionary<br>reserve |
|-------------------------------------------------------------|---------------------------------------------------------|---------------------------|-----------------------------|--------------------------|
|                                                             |                                                         |                           |                             | Total discre-<br>tionary |
| <b>Levy income: Administration</b>                          |                                                         |                           |                             |                          |
| Levies received                                             |                                                         |                           | 70 761                      | 65 956                   |
| <b>Levy income transfer: Manda-<br/>tory grants</b>         |                                                         |                           |                             |                          |
| Levies received                                             |                                                         |                           | 134 782                     | 125 235                  |
| <b>Levy income transfer: Discre-<br/>tionary grants</b>     |                                                         |                           |                             |                          |
| Levies received                                             |                                                         |                           | 333 773                     | 311 053                  |
| Exempt employer: Transfer to/<br>(from) discretionary       |                                                         |                           | (197)                       | (186)                    |
| <b>Total Levy income transfer:<br/>Discretionary grants</b> |                                                         |                           | <b>333 576</b>              | <b>310 867</b>           |
|                                                             |                                                         |                           | <b>539 119</b>              | <b>502 058</b>           |

2024/25

Restated  
2023/24

R'000

R'000

## 13. SKILLS DEVELOPMENT LEVY: INTEREST AND PENALTIES

|              |              |              |
|--------------|--------------|--------------|
| Interest     | 6 483        | 1 623        |
| Penalties    | 1 605        | 2 178        |
| <b>Total</b> | <b>8 088</b> | <b>3 801</b> |

## 14. INTEREST RECEIVED - INVESTMENT

|                                |        |        |
|--------------------------------|--------|--------|
| <b>Interest revenue</b>        |        |        |
| Interest received - investment | 74 890 | 79 798 |

|  | 2024/25 | Restated<br>2023/24 |
|--|---------|---------------------|
|  | R'000   | R'000               |

## 15. OTHER INCOME

### Other Income - Non-exchange

Discretionary grant recoveries

Other income - non-exchange\*

#### Total

### Other Income - Exchange

Other income\*\*

Profit on sale of fixed assets

#### Total

|               |              |
|---------------|--------------|
| 5 438         | 4 663        |
| 23 137        | -            |
| <b>28 575</b> | <b>4 663</b> |
| 269           | 141          |
| 56            | 4            |
| <b>325</b>    | <b>145</b>   |

\* Other income from non-exchange transactions relates to funds received from FASSET relating to a partnership entered into to deliver Digital Literacy Skills project.

\*\* Other income from exchange transactions relate to skills development funds received from ETDP SETA for the training interventions made by the SETA as well study fees recovered from employees who were funded for their studies but they subsequently left the organisation

## 16. GRANT AND PROJECT EXPENSES

Mandatory grants

Discretionary grants

Prior year adjustment [note 30]

Project administration expenditure

|                |                |
|----------------|----------------|
| 106 359        | 99 933         |
| 537 967        | 381 512        |
| -              | 101 697        |
| 35 288         | 29 485         |
| <b>679 614</b> | <b>612 627</b> |

### Project administration expenditure consists of:

Direct salaries and wages

#### Direct project administration expenses:

SSP research

Scarce skills guide

Advertising, promotions & publicity material

Catering & event hosting

External moderation

Travel & accommodation

Legal fees

Courier and postage

Assessments & EISA developments

Project related AA fees

Printing

Stakeholders activities

Chambers

Ministerial Initiatives

#### Total

|               |               |
|---------------|---------------|
| 23 201        | 19 406        |
| 176           | 450           |
| 670           | 1 771         |
| 944           | 142           |
| 41            | 44            |
| 4 330         | 4 118         |
| 4 475         | 2 716         |
| 138           | 103           |
| 5             | 4             |
| 257           | 72            |
| 529           | 330           |
| 3             | 42            |
| 84            | 9             |
| 335           | 278           |
| <b>100</b>    | <b>-</b>      |
| <b>35 288</b> | <b>29 485</b> |

| 2024/25 | Restated<br>2023/24 |
|---------|---------------------|
| R'000   | R'000               |

## 17. OTHER ADMINISTRATION EXPENSES

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Assessment rates & municipal charges | 776           | 546           |
| External audit fees                  | 3 976         | 3 386         |
| Bank charges                         | 164           | 87            |
| Cleaning                             | 199           | 263           |
| Legal fees                           | 1 729         | 182           |
| Consulting fees                      | 604           | 441           |
| Consumables                          | 603           | 326           |
| Insurance                            | 185           | 184           |
| Conferences and seminars             | 3 256         | 1 667         |
| IT expenses                          | 7 220         | 5 968         |
| Marketing                            | 257           | 3             |
| Postage and courier                  | 3             | 1             |
| Printing and stationery              | 152           | 349           |
| Repairs and maintenance              | 106           | 12            |
| Security                             | 835           | 602           |
| Staff welfare                        | 297           | 349           |
| Telephone and fax                    | 1             | -             |
| Training                             | 1 898         | 1 321         |
| Travel - local                       | 343           | 151           |
| Electricity and Water                | 1 218         | 960           |
| Audit and Risk committee fees        | 318           | 295           |
| Uniforms                             | 1             | 10            |
| Board SDL                            | 38            | 33            |
| Licenses                             | 3             | 1             |
| Board fees                           | 2 548         | 2 286         |
| Internal Audit fees                  | 2 463         | 1 363         |
| Catering and Refreshments            | 346           | 195           |
| QCTO                                 | 3 555         | 3 238         |
| Special Project Admin expenses       | 9 153         | 9 531         |
| Loss on disposal of fixed assets     | 238           | 13            |
| Other payroll related costs          | 52            | 147           |
| Recruitment costs                    | 707           | 227           |
| Whistleblowing                       | 48            | 39            |
| <b>Total</b>                         | <b>43 292</b> | <b>34 176</b> |



|                                                                        | 2024/25<br>R'000 | Restated<br>2023/24<br>R'000 |
|------------------------------------------------------------------------|------------------|------------------------------|
| <b>Cost of employment</b>                                              |                  |                              |
| Basic salaries                                                         | 55 284           | 49 854                       |
| Pension contributions: defined contribution plans                      | 3 487            | 3 448                        |
| <b>Total</b>                                                           | <b>58 771</b>    | <b>53 302</b>                |
| <b>Allocation of cost of employment</b>                                |                  |                              |
| Administrative salaries                                                | 35 570           | 33 896                       |
| Project admin salaries                                                 | 23 201           | 19 406                       |
| <b>Total</b>                                                           | <b>58 771</b>    | <b>53 302</b>                |
| Average number of employees (the number includes YES program in-terns) | <b>82</b>        | <b>85</b>                    |

## 18. LEASE RENTALS ON OPERATING LEASE

### Leases

|                             |              |              |
|-----------------------------|--------------|--------------|
| Operating lease - building  | 4 671        | 4 671        |
| Operating lease - equipment | 218          | 290          |
| <b>Total</b>                | <b>4 889</b> | <b>4 961</b> |

## 19. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS

|                                                                                   |                 |               |
|-----------------------------------------------------------------------------------|-----------------|---------------|
| Surplus/(Deficit)                                                                 | (118 297)       | (98 135)      |
| Adjustment for:                                                                   |                 |               |
| Depreciation                                                                      | 1 964           | 1 402         |
| Amortisation                                                                      | 2 328           | 1 536         |
| Profit/loss on disposal of assets and debt impairment                             | 1 637           | 13            |
| Movement in provisions                                                            | (36)            | 501           |
| Changes in working capital:                                                       |                 |               |
| Decrease/ (Increase) in inventories                                               | 31              | 72            |
| Decrease/(Increase) in trade and other receivables from non-exchange transactions | (1 072)         | 1 251         |
| (Decrease)/Increase in payables from exchange transactions                        | (926)           | 2 458         |
| (Decrease)/Increase in payables from non-exchange transactions                    | 22 704          | 136 298       |
| <b>Total</b>                                                                      | <b>(91 667)</b> | <b>45 396</b> |

## 20. CONTINGENT ASSETS AND LIABILITIES

### Contingent

### liabilities

#### 20.1 First time levy paying employers

In terms of SETA Grant Regulations, SETAs must allocate mandatory grants to a levy paying employer who has registered for the first time in terms of section 5 of the Skills Development Levies Act, who has submitted an application for a mandatory grant within six months of registration. Due to this requirement FoodBev SETA has a contingent liability to set aside funds for all employers that registered as from 1 October 2024 to 31 March 2025. Consequently, the total potential mandatory grant pay-out is R204 139 (2023/24: R62 772).

#### 20.2 Retention of surplus funds for the period ended 31 March 2025

The SETA has a surplus of R703m as at 31 March 2025 calculated as cash and cash equivalents, plus receivables less current liabilities at the end of the financial year. In accordance with PFMA section 53(3) and DHET circular 15/2017, the SETA is required to obtain National Treasury approval to retain surplus funds. A formal request was submitted by 31 July 2025. While approval has been granted in prior years, the decision remains outside the SETA's control. If retention is not approved, the SETA may be required to return the funds, hence this is disclosed as a contingent liability. The surplus includes funds committed to discretionary grants which continue to be paid in the ordinary course of business during the year.

As of 31 March 2025, the calculated surplus funds as per National Treasury Instruction No. 12 of 2020/21 is as follows:

|                                                 | 2024/25<br>R'000 | Restated<br>2023/24<br>R'000 |
|-------------------------------------------------|------------------|------------------------------|
| <b>Calculated surplus</b>                       | <b>2024/25</b>   | <b>2023/24</b>               |
| Cash and cash equivalents                       | 895 432          | 995 299                      |
| Add: Receivables                                | 2 597            | 3 162                        |
| Less: Total liabilities                         | (194 936)        | (173 194)                    |
| <b>Calculated surplus funds for this period</b> | <b>703 093</b>   | <b>825 267</b>               |

Notwithstanding the accumulated surplus funds calculated above, the SETA has at year end approved and contracted commitments as disclosed in note 22, the below reflects the accumulated surplus funds after considering the impact of these commitments.

|                                                         | 2024/25      | 2023/24        |
|---------------------------------------------------------|--------------|----------------|
| <b>Surplus/ (Deficit) after considering commitments</b> |              |                |
| Calculated retained surplus as above                    | 703 093      | 825 267        |
| Approved and contracted - project commitments           | (702 661)    | (817 195)      |
| Approved and contracted - admin commitments             | (559)        | (12 486)       |
| <b>Calculated surplus funds for this period</b>         | <b>(127)</b> | <b>(4 414)</b> |

### 20.3 Mandatory grant rate allocation (BUSA case)

In December 2012, the Minister promulgated Regulation 4(4) of the 2012 Grant Regulations which reduced the mandatory grant payable to employers from 50% to 20%. This led to BUSA challenging the reduction of grants (amongst other things) at the Labour Court.

The litigation between the parties begun in 2015 and was finally settled by the Labour Appeal Court (LAC) during October 2019 which held that Regulation 4(4) was "irrational and lacking in any legal justification" and was consequently set aside. Despite the said regulation being set aside, the LAC ruling is silent on the percentage quantum that must be paid back to employers, which creates uncertainty as to what percentage of mandatory grants should be paid or accrued by the SETA during the reported year. DHET is currently negotiating with BUSA on the percentage increase that will be implemented for mandatory grants. The discussions are still underway and not finalised. At this stage, no agreement has been reached by the parties.

The minister has issued a draft SETA Grant Regulations for comments, where mandatory grant was maintained at 20%. To date no further communication has been received regarding gazetting of these regulations. DHET continues to allocated the mandatory grant levy income portion at 20% in the levy download information. Consequently, the SETA continued to pay and accrue mandatory grants at 20% in the 2024/25 financial year which is aligned to the approved annual performance plan. The mandatory grant expenditure in note 7 as well as the mandatory grant liability in note 16 were calculated at a rate of 20%.

Considering the outcome of the judgement, there is a possible liability due to additional grant payments over and above those that have been paid in the current year based on a payment rate of 20%, however, due to this uncertainty on whether the SETA should start paying additional mandatory grants at the rate not yet determined, the amount of the possible liability cannot be reliably estimated.

### 20.4 Expired discretionary grants commitments

Included in the terminations in note 22 are the discretionary grants that were approved but are out of contract as of 31 March 2025 amounting to R56m (2023/24: R69m). The SETA honours payment requests post expiry dates provided learners have completed their learning programmes. Some of the training for these contracts may have been completed and still awaiting outstanding required documents from employers and higher education institutions. Timing of these payment requests and amounts to be paid is uncertain, therefore, no amount can be reliably estimated and disclosed:

## 21. EVENTS AFTER THE REPORTING DATE

The CEO was appointed to assume the duties of the Accounting Authority for the entity effective from 22 May 2025 for a period of three (3) months or until the Accounting Authority is appointed, whichever comes first. This follows a request to the National Treasury dated 28 March 2025 seeking approval to appoint SETA Chief Executive Officers in terms of section 49 (1), (2) (a) & (b) and (3) of the Public Finance Management Act ("PFMA").

## 22. COMMITMENTS

Grant Commitments 2024/25- R'000

|                                     | Opening balance 2023/24 | Prior period error | Restated opening balance | Terminations/ Cancellations and Adjustments | Approved by Accounting Authority and contracted 2024/5 | Utilised prior years | Utilised current year | Closing balance 2024/25 |
|-------------------------------------|-------------------------|--------------------|--------------------------|---------------------------------------------|--------------------------------------------------------|----------------------|-----------------------|-------------------------|
| Unemployed Learnerships             | 199 567                 | (42 639)           | 156 928                  | (21 994)                                    | 146 916                                                | (58 600)             | (76 502)              | 146 747                 |
| Employed Learnerships               | 60 939                  | (9 525)            | 51 414                   | (7 518)                                     | 24 172                                                 | (16 294)             | (13 161)              | 38 612                  |
| Recognition of Prior Learning (RPL) | -                       | -                  | -                        | 15                                          | -                                                      | -                    | (15)                  | -                       |
| Skills Programme                    | 16 890                  | (2 128)            | 14 762                   | (4 726)                                     | 8 139                                                  | (2 829)              | (4 754)               | 10 592                  |
| Internship                          | 47 082                  | (3 204)            | 43 878                   | (16 056)                                    | 53 400                                                 | (10 800)             | (19 458)              | 50 964                  |
| Work Experience                     | 64 554                  | (5 220)            | 59 334                   | (8 184)                                     | 42 240                                                 | (6 678)              | (19 398)              | 67 314                  |
| Candidacy Programme                 | 2 250                   | (403)              | 1 847                    | -                                           | 2 520                                                  | (1 091)              | (2 016)               | 1 260                   |
| Unemployed Bursaries                | 12 630                  | (6 820)            | 5 810                    | (480)                                       | 8 520                                                  | (410)                | (4 709)               | 8 732                   |
| Research & Development              | 6 082                   | (626)              | 5 456                    | (2 033)                                     | 4 740                                                  | (1 400)              | (3 835)               | 2 986                   |
| Employed & MDP Bursaries            | 11 196                  | (2 914)            | 8 282                    | (3 232)                                     | 7 600                                                  | (601)                | (1 728)               | 10 321                  |
| Adult Education Training            | 3 658                   | (316)              | 3 342                    | (1 796)                                     | 1 655                                                  | (521)                | (876)                 | 1 805                   |
| Artisans                            | 150 060                 | (15 785)           | 134 275                  | (9 578)                                     | 92 142                                                 | (17 480)             | (35 220)              | 164 138                 |
| TVET Placements                     | 51 579                  | (8 270)            | 43 309                   | (6 725)                                     | 77 070                                                 | (19 415)             | (30 382)              | 63 857                  |
| TVET Bursary                        | 935                     | (232)              | 704                      | (160)                                       | 3 560                                                  | -                    | (1 685)               | 2 419                   |
| Sponsorship                         | -                       | -                  | -                        | (1)                                         | 400                                                    | -                    | (399)                 | -                       |
| TVET Lecture Capacity               | 339                     | (48)               | 291                      | (63)                                        | 315                                                    | (30)                 | (315)                 | 198                     |
| Career Development Practitioners    | -                       | -                  | -                        | -                                           | 960                                                    | -                    | (960)                 | -                       |
| Strategic Projects and Partnerships | 291 131                 | (3 568)            | 287 563                  | (38 536)                                    | 70 152                                                 | (166 405)            | (20 001)              | 132 773                 |
| <b>TOTAL</b>                        | <b>918 892</b>          | <b>(101 698)</b>   | <b>817 195</b>           | <b>(121 066)</b>                            | <b>544 500</b>                                         | <b>(302 554)</b>     | <b>(235 413)</b>      | <b>702 661</b>          |

|                                                    | 2024/25<br>R'000 | Restated<br>2023/24<br>R'000 |
|----------------------------------------------------|------------------|------------------------------|
| Total discretionary grants approved and contracted | 702 661          | 817 195                      |
| <b>Operating commitments</b>                       |                  |                              |
| Approved and contracted                            | 559              | 12 486                       |
| <b>Total commitments</b>                           | <b>703 220</b>   | <b>829 681</b>               |
| <b>Percentage of reserves</b>                      | <b>100%</b>      | <b>99%</b>                   |

FoodBev SETA have committed 100% (2023/24: 99%) of the available discretionary funds R703m, (2023/24 :R825m as restated). FoodBev SETA terminated prior year programmes to the value of R113m (2023/24: R180m) due to programmes not commencing or learners not completing the contracted programmes

## 23. OPERATING LEASE LIABILITY

|                                                                 |                |                |
|-----------------------------------------------------------------|----------------|----------------|
| Opening balance                                                 | (3 011)        | (2 168)        |
| Actual rent expense                                             | (4 671)        | (4 671)        |
| Amortised rental over lease period                              | 4 096          | 3 828          |
| <b>Total</b>                                                    | <b>(3 586)</b> | <b>(3 011)</b> |
| <b>23.1 Total future minimum rental payments due (building)</b> |                |                |
| Not later than one year                                         | 4 383          | 4 096          |
| Later than one year and not later than five years               | 20 823         | 19 460         |
| Later than five years                                           | 7 183          | 12 929         |
| <b>Total</b>                                                    | <b>32 389</b>  | <b>36 485</b>  |

This operating lease is in respect of the office building that FoodBev SETA is leasing. The lease is for a period of ten (10) years and it commenced on the 1st of June 2021. The rental escalates annually by 7%.



## 24. BOARD AND MANAGEMENT REMUNERATION

### Executive and Management - 31 March 2025

|                    | Basic         | Travel allowance | Acting Allowance | Pension fund | Bonus        | Total         |
|--------------------|---------------|------------------|------------------|--------------|--------------|---------------|
| N Selamolela - CEO | 2 543         | -                | -                | 304          | 321          | 3 168         |
| M Maphiwa - CFO*   | 581           | 138              | -                | 51           | 236          | 1 006         |
| B Dhlamini - CFO** | 1 318         | -                | -                | -            | -            | 1 318         |
| M Pule             | 1 281         | 192              | -                | 177          | 186          | 1 836         |
| P Ngwasheng        | 1 316         | 128              | -                | 174          | 182          | 1 800         |
| S Mgidi            | 1 336         | -                | 314              | 106          | 176          | 1 932         |
| S Dyosiba***       | 1 051         | -                | -                | 77           | 159          | 1 287         |
| N Lwandle          | 1 243         | -                | -                | 82           | 136          | 1 461         |
| T Sibia            | 1 348         | -                | -                | 101          | 149          | 1 598         |
| M Mokome           | 1 228         | -                | -                | 97           | 136          | 1 461         |
| G Mmope****        | 125           | -                | 50               | 15           | -            | 190           |
| <b>Subtotal</b>    | <b>13 370</b> | <b>458</b>       | <b>364</b>       | <b>1 184</b> | <b>1 681</b> | <b>17 057</b> |
| <b>Total</b>       | <b>13 370</b> | <b>458</b>       | <b>364</b>       | <b>1 184</b> | <b>1 681</b> | <b>17 057</b> |

\* M Maphiwa - Resigned 31 July 2024

\*\* B Dhlamini - Appointed 01 August 2024

\*\*\* S Dyosiba - Resigned 03 January 2025

\*\*\*\*G Mmope - Appointed as Acting SM:ICT from 03 January 2025

### Executive and Management - 31 March 2024

|                    | Basic         | Travel allowance | Acting Allowance | Pension fund | Bonus        | Total         |
|--------------------|---------------|------------------|------------------|--------------|--------------|---------------|
| N Selamolela - CEO | 2 408         | -                | -                | 292          | 274          | 2 974         |
| M Maphiwa - CFO    | 1 432         | 413              | 64               | 150          | 202          | 2 260         |
| M Pule             | 1 260         | 192              | 24               | 170          | 159          | 1 804         |
| P Ngwasheng        | 1 240         | 128              | -                | 166          | 156          | 1 690         |
| S Mgidi            | 1 268         | -                | 32               | 102          | 164          | 1 566         |
| S Dyosiba          | 1 247         | -                | -                | 100          | 136          | 1 483         |
| N Lwandle          | 1 179         | -                | -                | 79           | 139          | 1 396         |
| T Sibia            | 1 281         | -                | -                | 97           | 139          | 1 516         |
| M Mokome           | 1 165         | -                | -                | 93           | 127          | 1 385         |
| <b>Total</b>       | <b>12 480</b> | <b>733</b>       | <b>120</b>       | <b>1 249</b> | <b>1 496</b> | <b>16 075</b> |

|  | 2024/25 | Restated<br>2023/24 |
|--|---------|---------------------|
|  | R'000   | R'000               |

**Non-executive - 31 March 2025**

Figures in Rand thousand

A Campbell - Chairperson

A Pholoana

A Nazo

E Ndwandwe

G Xaba

F Khumalo

S Mzizi

T Mashanda

M Oliver

M Ncanywa

N Tshabangu

N Zondo

R Hutton

T van Wyk

**Total**

| Accounting<br>Authority fees | Total        |
|------------------------------|--------------|
| 761                          | 761          |
| 188                          | 188          |
| 230                          | 230          |
| 205                          | 205          |
| 206                          | 206          |
| 195                          | 195          |
| 158                          | 158          |
| 152                          | 152          |
| 136                          | 136          |
| 205                          | 205          |
| 149                          | 149          |
| 186                          | 186          |
| 191                          | 191          |
| 206                          | 206          |
| <b>3 168</b>                 | <b>3 168</b> |

**Audit and Risk Committee - Independent members only**

P Semanya (Chairperson)

M Dondolo

L Kubheka

**Total**

| Members' fees | Total      |
|---------------|------------|
| 173           | 173        |
| 65            | 65         |
| 80            | 80         |
| <b>318</b>    | <b>318</b> |

**Non-executive - 31 March 2024**

A Campbell - Chairperson  
A Pholoana  
A Nazo  
E Ndwandwe  
G Xaba  
F Khumalo  
S Mzizi  
T Mashanda  
M Oliver  
M Ncanywa  
N Tshabangu  
N Zondo  
R Hutton  
T Van Wyk

**Total**

| Accounting<br>Authority fees | Total        |
|------------------------------|--------------|
| 548                          | 548          |
| 157                          | 157          |
| 218                          | 218          |
| 131                          | 131          |
| 186                          | 186          |
| 148                          | 148          |
| 150                          | 150          |
| 170                          | 170          |
| 175                          | 175          |
| 154                          | 154          |
| 199                          | 199          |
| 128                          | 128          |
| 198                          | 198          |
| 207                          | 207          |
| <b>2 769</b>                 | <b>2 769</b> |

**Audit and Risk Committee - Independent members only**

P Semanya (Chairperson)  
M Dondolo  
L Kubheka

**Total**

| Members' fees | Total      |
|---------------|------------|
| 126           | 126        |
| 64            | 64         |
| 105           | 105        |
| <b>295</b>    | <b>295</b> |

**25. GOING CONCERN**

We draw attention to the fact that at 31 March 2025, FoodBev SETA had an accumulated (deficit) of R118 297 and that the SETA's total assets exceed its liabilities by R 712 529.

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.

## 26. NEW STANDARDS AND INTERPRETATIONS

### 26.1 Standards and interpretations issued, but not yet effective

The FoodBev SETA manages its interest risk by effectively investing surplus funds in short term deposits. The FoodBev SETA has not applied the following standards and interpretations, which have been published and are mandatory for the FoodBev SETA's accounting periods beginning on or after 01 April 2025 or later periods:

| Standard/ Interpretation                                                 | Effective date:<br>Years beginning on or after | Expected impact                          |
|--------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|
| GRAP 107 Mergers                                                         | To be determined                               | Unlikely there will be a material impact |
| GRAP 107 Mergers                                                         | To be determined                               | Unlikely there will be a material impact |
| GRAP 106 Transfer of Functions Between Entities Not Under Common Control | To be determined                               | Unlikely there will be a material impact |
| GRAP 105 Transfer of Functions Between Entities Under Common Control     | To be determined                               | Unlikely there will be a material impact |
| GRAP 2023 Improvements to the Standards of GRAP 2023                     | To be determined                               | Unlikely there will be a material impact |
| GRAP 1 (amended): Presentation of Financial Statements (Going Concern)   | To be determined                               | Unlikely there will be a material impact |
| GRAP 103 (as revised): Heritage Assets                                   | To be determined                               | Unlikely there will be a material impact |
| iGRAP 22 Foreign Currency Transactions and Advance Consideration         | 1 April 2025                                   | Unlikely there will be a material impact |
| GRAP 104 (as revised): Financial Instruments                             | 1 April 2025                                   | Unlikely there will be a material impact |

## 27. FINANCIAL INSTRUMENTS DISCLOSURE

### Cash flow interest rate risk - R'000 - Restated

FoodBev SETA operations are exposed to interest rate, credit and liquidity risk. The risk management process relating to each of these risks is discussed under the heading below. Financial instruments were not discounted as they will be settled or recovered within a short period of time. The effect of discounting was not considered material.

### Interest rate risk

The FoodBev SETA manages its interest risk by effectively investing surplus funds in short term deposits and call account with different accredited financial instruments according to the FoodBev SETA investment policy. Any movement in the interest rate will affect interest income. Interest income is utilised for additional discretionary grants and therefore will not effect the operations of the FoodBev SETA adversely. The FoodBev SETA exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date are as follows:

| Cash flow interest rate risk        | Floating rate Fixed rate |                         | Non-interest bearing |                                          |                                                              | Non-interest bearing |                                                 |
|-------------------------------------|--------------------------|-------------------------|----------------------|------------------------------------------|--------------------------------------------------------------|----------------------|-------------------------------------------------|
|                                     | Amount                   | Effective interest rate | Amount               | Weighted average effective interest rate | Weighted average period for which the rate is fixed in years | Amount               | Weighted average period until maturity in years |
| <b>2024/25</b>                      |                          |                         |                      |                                          |                                                              |                      |                                                 |
| Cash - FNB Current                  | 2 062                    | 6                       | -                    | -                                        | -                                                            | -                    | -                                               |
| Cash - FNB Call                     | 48 654                   | 7                       | -                    | -                                        | -                                                            | -                    | -                                               |
| Cash - SARB CPD Call                | 844 716                  | 8                       | -                    | -                                        | -                                                            | -                    | -                                               |
| Loans and accounts receivable       | -                        | -                       | -                    | -                                        | -                                                            | 2 597                | -                                               |
| <b>Total financial assets</b>       | <b>895 432</b>           | -                       | -                    | -                                        | -                                                            | <b>2 597</b>         | -                                               |
| <b>Liabilities</b>                  | -                        | -                       | -                    | -                                        | -                                                            | -                    | -                                               |
| Borrowings                          | -                        | -                       | -                    | -                                        | -                                                            | -                    | -                                               |
| Loans and accounts payable          | -                        | -                       | -                    | -                                        | -                                                            | (182 115)            | -                                               |
| <b>Total financial liabilities</b>  | -                        | -                       | -                    | -                                        | -                                                            | <b>(182 115)</b>     | -                                               |
| <b>2023/24</b>                      |                          |                         |                      |                                          |                                                              |                      |                                                 |
| <b>Total financial assets</b>       |                          |                         | 995 299              |                                          | 8                                                            | 3 142                |                                                 |
| <b>Total financial liabilities*</b> |                          |                         |                      |                                          |                                                              | (110 042)            |                                                 |
| <b>Total</b>                        |                          |                         | <b>995 299</b>       |                                          |                                                              | <b>(106 900)</b>     |                                                 |

\*Total financial liabilities were restated.

### Credit Risk

Financial assets which would potentially subject FoodBev SETA to the risk of non-performance consist mainly of cash and cash equivalent and accounts receivables.



## The ageing of Trade and Other Receivables

### Trade and other receivables

Past due >120 days

| 2024/25 |            | 2023/24 |            |
|---------|------------|---------|------------|
| Gross   | Impairment | Gross   | Impairment |
| 4 234   | (1 637)    | 3 142   | -          |

### Cash and Cash equivalents

Not past due

| 2024/25 |            | 2023/24 |            |
|---------|------------|---------|------------|
| Gross   | Impairment | Gross   | Impairment |
| 895 432 | -          | 995 299 | -          |

## Liquidity risk

The FoodBev SETA manages liquidity risk through proper management of working capital and capital expenditure. Adequate reserves and liquid resources are maintained.

### 2024/25

|                          | Carrying amount | Contractual Cash Flows | 6 months or less | 6-12 months | 1 - 2 years | More than 2 years |
|--------------------------|-----------------|------------------------|------------------|-------------|-------------|-------------------|
| Trade and other payables | 181 889         | 181 889                | 181 889          | -           | 226         | -                 |
| <b>Subtotal</b>          | 181 889         | 181 889                | 181 889          | -           | 226         | -                 |

### 2023/24 - Restated

|                          | Carrying amount | Contractual cash flows | 6 months or less | 6-12 months | 1 - 2 years | More than 2 years |
|--------------------------|-----------------|------------------------|------------------|-------------|-------------|-------------------|
| Trade and other payables | 110 042         | 110 042                | 110 042          | -           | -           | -                 |
| <b>Subtotal</b>          | 110 042         | 110 042                | 110 042          | -           | -           | -                 |

## Market risk

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, however the SETA is only affected by interest rate risk. Financial instruments affected by market risk include cash deposits, below is the sensitivity analysis to how surplus or deficit would have been affected by changes in interest rate risk variables:

### Sensitivity analysis on interest rate risk

Increase  
Decrease

| Increase/ (decrease) in interest rates | Effect on surplus or (deficit) |
|----------------------------------------|--------------------------------|
| 2%                                     | 7 489                          |
| (2)%                                   | (7 489)                        |

## 28. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

|                                    | 2024/25<br>R'000 | Restated<br>2023/24<br>R'000 |
|------------------------------------|------------------|------------------------------|
| Unauthorised expenditure           | -                | -                            |
| Irregular expenditure              | -                | -                            |
| Fruitless and wasteful expenditure | -                | -                            |
| <b>Closing balance</b>             | -                | -                            |

There were no unauthorised, irregular and fruitless and wasteful expenditure identified in the reporting period.

## 29. RELATED PARTIES

### Related party transactions and balances

FoodBev SETA as a schedule 3A public entity is related to all entities in national government spheres. However as per GRAP 20 we only disclose transactions and balances undertaken not at arm's length.

Related parties of FoodBev SETA are:

1. Accounting Authority (refer to note 24 for disclosure)
2. Audit and Risk Committee (refer to note 24 for disclosure)
3. Executive and senior managers (refer to note 24 for disclosure)
4. Relatives of the above (no transactions)
5. Employers of Accounting Authority members
6. Entities under common control are entities operating under the auspices of Department of Higher Education and Training (DHET), which are QCTO, NSFAS, NSA, TVET's, CET's, Universities and other SETAs.

The related party transactions with various universities, TVET's, CET's and NSFAS relate to FoodBev SETA funded learning programmes which are consistent with normal grant funding processes (terms and conditions) as directed by the Grant Funding policy. This will include any transaction that may occur during the period under review recognised in the statement of financial performance, any balance outstanding at the reporting period recorded, the statement of financial position as well as any committed balance for learning programmes which are not completed at the end of the reporting period. Transactions with these related parties include revenue amounting to R23m (2023/24: R0), trade and other payables totalling R9m (2023/24: R14m), commitments totalling R304m (2023/24: R306m), and payments totalling R181m (2023/24: R135m).

### Transactions with employers of the members of the board as at 31 March 2025

The transactions below arise due to the nature of the Board members' employment and the fact that the employers contribute Skills Development Levy to the FoodBev SETA. The transactions listed below are for the payment of mandatory and discretionary grants. These transactions are done at fair market value/arm's length.

**Employer: 2024/25 - R'000**

|                                                                  | <b>Board Member</b> | <b>Mandatory Grants</b> | <b>Discretionary Grant</b> | <b>Total</b>  | <b>Levies Received</b> |
|------------------------------------------------------------------|---------------------|-------------------------|----------------------------|---------------|------------------------|
| Woodlands Dairy                                                  | R Hutton            | 746                     | 3 857                      | 4 603         | 3 457                  |
| Pioneer Foods & Simba                                            | T van Wyk           | 8 500                   | 5 939                      | 14 439        | 33 987                 |
| National Union of Food Beverages Wine Spirits and Allied Workers | N Tshabangu         | -                       | 500                        | 500           | -                      |
| <b>Total</b>                                                     |                     | <b>9 246</b>            | <b>10 296</b>              | <b>19 542</b> | <b>37 444</b>          |

**Employer: 2023/24 - R'000**

|                                                                  | <b>Board Member</b> | <b>Mandatory Grants</b> | <b>Discretionary Grant</b> | <b>Total</b>  | <b>Levies Received</b> |
|------------------------------------------------------------------|---------------------|-------------------------|----------------------------|---------------|------------------------|
| Woodlands Dairy                                                  | R Hutton            | 804                     | 4 701                      | 5 506         | 3 241                  |
| Pioneer Foods & Simba                                            | T van Wyk           | 7 966                   | 4 907                      | 12 873        | 31 811                 |
| National Union of Food Beverages Wine Spirits and Allied Workers | N Tshabangu         | -                       | 123                        | 123           | -                      |
| <b>Total</b>                                                     |                     | <b>8 770</b>            | <b>9 731</b>               | <b>18 502</b> | <b>35 052</b>          |

Excluded from above are payments to Federal Council of Retail and Allied Workers Union (FEDCRAW) of R744 000 (2023/24: R900 000) who have not allocated a board member.

**Transactions with other national public entities**

|                                                   | <b>2024/25</b> | <b>Restated 2023/24</b> |
|---------------------------------------------------|----------------|-------------------------|
|                                                   | <b>R'000</b>   | <b>R'000</b>            |
| Quality Council for Trades and Occupations (QCTO) | 3 555          | 3 238                   |

**30. PRIOR-YEAR ADJUSTMENTS****Discretionary Grant -Accruals**

The entity's previous practice was to raise accruals/accounts payables for discretionary grants based on signed grant claim form. The practice did not consider financial year of the registration and completion date as reported in the performance information.

This resulted in a misstatement of discretionary grants accruals and expenditure in the 2023/24 financial year by R92 384 000 (2022/23: R9 313 000).

The accruals or accounts payables has been adjusted retrospectively in the prior periods and comparative amounts restated.

The effect of the correct errors on the individual items are as follows:

#### Statement of financial position

|                                                         | As previously reported | Correction of error | Restated       |
|---------------------------------------------------------|------------------------|---------------------|----------------|
| <b>2023</b>                                             |                        |                     |                |
| Trade and other payables from non-exchange transactions | -                      | 9 313               | 9 313          |
| Discretionary Grant Reserve                             | 923 581                | (9 313)             | 914 268        |
| <b>Total</b>                                            | <b>923 581</b>         | <b>-</b>            | <b>923 581</b> |
| <b>2024</b>                                             |                        |                     |                |
| Trade and other payables from non-exchange transactions | -                      | 101 697             | 101 697        |
| Discretionary Grant Reserve                             | 926 902                | (101 697)           | 825 205        |
| <b>Total</b>                                            | <b>926 902</b>         | <b>-</b>            | <b>926 902</b> |

#### Statement of financial performance

|                                | As previously reported | Correction of error | Restated       |
|--------------------------------|------------------------|---------------------|----------------|
| <b>2024</b>                    |                        |                     |                |
| Grants and Project expenditure | 510 930                | 92 384              | 603 314        |
| Surplus (deficit) for the year | 3 562                  | (101 697)           | (98 135)       |
| <b>Total</b>                   | <b>514 492</b>         | <b>(9 313)</b>      | <b>505 179</b> |

The correction of the above amounts has resulted in prior year amounts being restated

## 31. BUDGET DIFFERENCES

### Material differences between budget and actual amounts

#### 31.1 Other income

Other income from exchange transactions relate to study fees recovered from employees who were previously funded for their studies but they subsequently left FoodBev SETA

Other income from non-exchange transactions relate to grants recovered from employers who failed to implement learning programmes and had to pay back the tranches already paid to them. In addition, there were funds received to implement the Digital Literacy project for 400 learners.

#### 31.2 Fines and penalties

There were more fines and penalties charges to employers by SARS. The budget provided for fines and penalties was also conservative.

#### 31.3 Skills Development levy Income

The variance for skills development levy income againsts the budget is immaterial as it is below 10%.

#### 31.4 Interest received - investments

The interest received was less than the budget. The repo rate was reduced three times by the South African Reserve bank in the year under review

#### 31.5 Administration expenses

The variance in administration expenses relate to the special projects administration expenditure which were budgeted for under surplus funds. In addition, the application to exceed the 10.5% threshold was submitted and approved.

#### 31.6 Grants and project expenses

DG's and Project accruals were raised at year end for all learning programmes registrations and completions.

#### 31.7 Retention of surplus funds

The amount consists of Board approved special projects and commitments (due to the exclusion of commitments in the calculation retention of surplus funds by the National Treasury as per National Treasury Instruction No 12 of 2020/2021).

#### 31.8 Budget adjustment

The SETA is required by DHET to submit the updated budget after the request for retention of surplus is approved. Midterm review is prepared in order to accommodate approved surplus funds.





**FoodBev**  
Manufacturing SETA  
EMPOWER • INNOVATE • ELEVATE

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