sanedi

South African National Energy Development Institute.

ANNUAL REPORT

2024|25

CONTENTS

SANEDI AT A GLANCE - 2024/2025

OUR MISSION

To expediently conduct policy-relevant research and implement innovative energy research, development and Energy Efficiency (EE) solutions to catalyse South Africa's socio-economic growth and climate resilience.

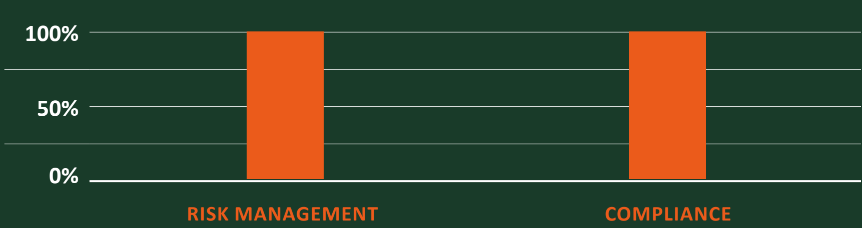
OUR STRATEGIC ACCOMPLISHMENTS IN LINE WITH ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Environment: We have indirectly contributed to 1.26 megatonnes of Greenhouse Gas (GHG) emissions reduction by supporting the private sector through the 12L Tax incentives. Through the Cool Surface Project, we have also reduced GHG emissions by 15,873 tonnes by working with communities.

Social: We have supported youth and graduates in various energy-related, demand-driven competences; we have also created jobs indirectly in the private sector. We also support the wellness of our employees through the Employee Wellness Programme. Occupational Health and Safety is also our priority. We fully support transformation, as we have prioritised Broad-Based Black Economic Empowerment (B-BBEE), youth and women in our procurement value chain. We have awarded 100% of the bids to B-BBEE service providers, of which 74% were from youth and women.

Governance: Through our Board and its committees, we have adhered to good corporate governance and compliance in order to ensure that we operate within legislative and policy prescripts.

OUR KEY GOVERNANCE TARGETS ACHIEVED



OUR SECTOR AND GLOBAL INFLUENCE

Domestic influence: We have contributed to national coordination efforts for stabilising the energy grid and addressing supply-demand dynamics through National Energy Crisis Committee (NECOM). We have also facilitated the Integrated Resource Plan (IRP) public consultation process.

Global influence: We have sustained our participation in international energy dialogues such as Group of Twenty (G20) and Brazil, Russia, India, China, and South Africa (BRICS). SANEDI has been nominated to coordinate the Energy Transitions Working Group (ETWG), a responsibility that requires strategic leadership, technical expertise and strong partnerships.

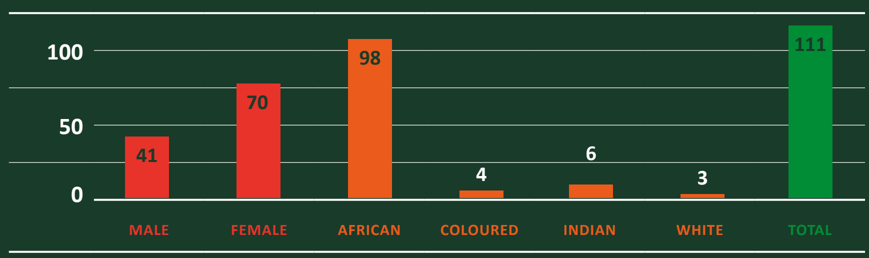
OUR STRATEGIC PARTNERSHIPS

We maintained key strategic partnerships with government and academic institutions on diverse energy-related matters.

OUR FINANCE

We have increased revenue by R25 million from R119 million to R144 million, and strengthened cost-saving measures.

OUR EMPLOYEE HEADCOUNT



* Total headcount during 2024/2025 is 111 compared to 2023/2024 which was 74.

OUR REACH AND IMPACT

We have made a notable impact through job creation, Small, Medium and Micro Enterprises (SMMEs) support, capacity-building research and media engagement.

100%
Performance targets achieved with clean audit as confirmed by Auditor-General of South Africa

646
Jobs created indirectly (12L Tax Incentive Programme, Cool Roof Surface and Energy Secretariat)

34
Internships created internally

12
Public and media engagements

2
Skilled jobs created internally

11
Professional jobs created internally

28
Energy solutions and research reports produced

258
Individuals capacitated with energy related competences

232
SMMEs supported

PART A
GENERAL INFORMATION

1. SANEDI **GENERAL INFORMATION**

REGISTERED NAME	South African National Energy Development Institute
REGISTRATION NUMBER	Not applicable
PHYSICAL ADDRESS	CEF House, Block C, Upper Grayston Office Park, 152 Ann Crescent, Strathavon, Sandton
POSTAL ADDRESS	PO Box 9935, Sandton, 2146
TELEPHONE NUMBER	011 038 4300
E-MAIL ADDRESS	information@sanedi.org.za
WEBSITE	www.sanedi.org.za
EXTERNAL AUDITORS	The Auditor-General of South Africa
BANKERS	ABSA, 1st floor, North Building, Sandton Campus, 15 Alice Lane, Sandton, 2196
COMPANY / BOARD SECRETARY	Mr Solomon Mngomezulu

2. LIST OF **ABBREVIATIONS/ACRONYMS**

AA	Accounting Authority
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
AOP	Annual Operation Plan
AR	Annual Report
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China, and South Africa
CEF	Central Energy Fund Act, 1977 (Act No. 38 of 1977)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFFs	Cleaner Fossil Fuels
CFG	Council for Geoscience
CM	Cleaner Mobility
COGTA	Department of Cooperative Governance and Traditional Affairs
C02	Carbon Dioxide
Coal C02-X	Converting C02 from hard-coal-fired power plants using green ammonia in South Africa
CSEP	Corporate Stakeholder Engagement Plan
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of Southern Africa
DEE	Department of Electricity and Energy
DKM	Data & Knowledge Management
DoE	Department of Energy
DMRE	Department of Mineral Resources and Energy
DFFE	Department of Forestry, Fisheries and the Environment
DoT	Department of Transport
DSTI	Department of Science, Technology and Innovation
DTIC	The Department of Trade, Industry and Competition
EA	Executive Authority
EE	Energy Efficiency
EEDSM	Energy Efficiency and Demand Side Management
EEPBIP	Energy Efficiency in Public Buildings and Infrastructure Programme
EM	Electric Mobility
EPC	Energy Performance Certificate
EMS	Energy Management Systems
Energy (R&D)	Energy Research and Development
ESCo	Energy Services Company
ETWG	Energy Transitions Working Group
Eskom	Electricity Supply Commission
ESG	Enviroment, Social and Governance
ETPSG	European Technology Platform Smart Grid

EV	Electric Vehicle
ExCo	Executive Committee
FFC	Funding and Finance Committee
FGD	Flue Gas Desulphurisation
G20	Group of Twenty
GDP	Gross Domestic Product
GHG	Greenhouse Gas
HRI	Human Resources Information
HySA	Hydrogen South Africa
IEA	International Energy Agency
ICT	Information Communication Technology
IPAP	Industrial Policy Action Plan
IRP	Integrated Resource Plan
IT	Information Technology
JET	Just Energy Transition
MEPS	Minimum Energy Performance Standards
MoU	Memorandum of Understanding
Mt	Megatonne
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NEA	National Energy Act,2008 (Act No. 34 of 2008)
NT	National Treasury
NECOM	National Energy Crisis Committee
PPC	Parliamentary Portfolio Committee
PV	Photovoltaic
RC	Remuneration Committee
R&D	Research and Development
R&I	Research and Innovation
RDI	Research and Development Initiatives
RE	Renewable Energy
RETs	Renewable Energy Technologies
RST	Renewable Sustainable Energy
S&L	Standards & Labelling
SARS	South African Revenue Service
SANEDI	South African National Energy Development Institute
SEP	Stakeholder Engagement Plan
SMME	Small, Medium and Micro Enterprises
SG	Smart Grids
SP	Strategic Plan
TPFC	Technical Projects Finance Committee
TVET	Technical and Vocational Education and Training

3. FOREWORD BY THE CHAIRPERSON OF THE BOARD

The 2024/2025 financial year marked a pivotal point in South Africa's energy journey—a year that tested our tenacity, deepened our partnerships and clarified the role the South African National Energy Development Institute (SANEDI) must continue to play in shaping a resilient, inclusive and sustainable energy future. The Board commends the CEO and Management for achieving 100% of its targets with a clean audit status as endorsed by AGSA.

As the country continued to grapple with the complexities of energy insecurity, climate commitments and economic inequality, SANEDI remained steadfast in delivering high-impact interventions through applied research and energy innovation. Our ability to contribute meaningfully to national energy priorities lies in our commitment to collaborative leadership, scientific excellence and ensuring that no community is left behind in the energy transition.

We navigated this year with a strong sense of purpose, supporting both urgent recovery efforts and long-term systemic change. From advancing flagship research programmes like HySA and CoalCO_2-X, benchmarking South Africa's coal-fired power stations with other countries that still rely on the use of coal to scaling municipal energy resilience projects, our work has demonstrated that clean energy innovation is not only technically feasible but socially and economically essential.

The Just Energy Transition (JET) remains a central component of our strategic outlook. SANEDI continues to advocate for a transition that is not only low-carbon but also just, balancing environmental imperatives with social equity and local empowerment. Our focus has been on ensuring that the benefits of innovation — whether in hydrogen, carbon capture or energy efficiency — reach those communities most in need of infrastructure, jobs and inclusion.

We are proud of the continued support from the Department of Mineral Resources and Energy (DMRE), now the Department of Electricity and Energy (DEE), whose oversight and alignment with SANEDI's mandate enabling us to advance impactful research and development programmes. Our partnerships with the Department of Science, Technology and Innovation (DSTI), the Department of Trade, Industry and Competition (DTIC), and the National Treasury have also remained critical in leveraging scientific research for industrial development.

In October 2022, Dr Titus Mathe was appointed as the CEO, and under his leadership, SANEDI has adopted a future-forward posture—responsive to the Ministry of Electricity and Energy's five key priorities and unrelenting in its pursuit of innovation-led energy transformation. His thought leadership has positioned SANEDI not only as a national implementer but also as a continental knowledge partner in clean energy transitions.

Although the term of the current Board formally ended in December 2024, we welcomed the Minister's decision to extend the tenure of the current Board until the new Board is appointed. This reflects the confidence in our leadership continuity and allows us to consolidate progress and hand over a stable, strategic, and high-performing institution to the next Board.

We extend our appreciation to SANEDI's dedicated staff and executive team, whose commitment remains the cornerstone of our progress. We are equally grateful to all our national and international stakeholders for walking this journey with us.

As we reflect on the year past and look ahead, we remain resolute that today's challenges are the foundation of tomorrow's opportunity. SANEDI will continue to lead from the front, developing integrated energy solutions that power South Africa's growth, sustainability, and shared prosperity.

Mr Sicelo Xulu
Chairperson of the SANEDI Board
Date: 30 August 2025

"We are proud of the continued support from the Department of Mineral Resources and Energy (DMRE), now the Department of Electricity and Energy (DEE), whose oversight and alignment with SANEDI's mandate enabling us to advance impactful research and development programmes."

4. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

We concluded the 2024/2025 financial year having navigated a period marked by immense complexity and pressure across South Africa's energy sector. Despite these headwinds, SANEDI has remained resolute in its commitment to advancing innovation, resource efficiency, and inclusive development in line with our strategic direction and national imperatives.

We are pleased to report that SANEDI achieved 100% of its performance targets for the 2024/25 financial year. We obtained a clean audit status as confirmed by AGSA, a clear reflection of our team's commitment to excellence, accountability, and delivering on our mandate. This performance is underpinned by continuous efforts to optimise internal systems, improve employee productivity and drive alignment with SANEDI's evolving strategic mandate.

For the 2024/25 financial year, SANEDI's work was shaped by an urgent need to respond to national challenges and the Ministry of Electricity and Energy's five key priorities. SANEDI was already advancing work in these critical areas when the priorities were formalised, ensuring continuity and deepening impact.

PERFORMANCE AND IMPACT DELIVERED

Our programmes have resulted in clear and measurable impact across multiple fronts, as indicated below:

CAPACITY BUILDING

A total of 258 individuals were supported through energy efficiency-related training. Among them:

- 21 unemployed students from TVET colleges and universities of technology were trained to improve employability in the energy sector.
- 64 employed technicians and artisans received professional development support.
- 14 unemployed technicians and artisans were upskilled to enhance their access to work opportunities.
- 6 individuals trained through Cool Roof Surface.

SMMES SUPPORTED

In fostering inclusive economic participation in the energy transition, SANEDI supported approximately 232 SMMEs through the ESCO Market Development and Energy Performance Contracting (EPC) training initiatives — enhancing both technical and business acumen.

JOB CREATION

Through the 12L Tax Incentive Programme, SANEDI indirectly facilitated the indirect creation of approximately 646 jobs, while supporting emissions reductions and energy efficiency. Internally, 13 jobs were created for professionals (11) and skilled (2) individuals. About 34 interns were also employed.

RESEARCH OUTPUTS

SANEDI produced 28 energy solutions and research reports across a broad spectrum of focus areas. These included Renewables, Data and Knowledge Management, Standards and Labelling, Smart Grids, Cleaner Mobility, Cleaner Fuels, and the Energy Efficiency sub-programmes.

THOUGHT LEADERSHIP

As an organisation, we continued to assert ourselves as a national thought leader. The SANEDI Annual Energy Conference, attended by over 450 delegates, brought together voices from government, academia and industry. Additionally, SANEDI engaged in 12 public and media engagements, reinforcing our commitment to transparent, **evidence-based** dialogue on energy equity and innovation. SANEDI also supported intergovernmental forums (BRICS and G20 activities).

RESPONDING TO NATIONAL CHALLENGES

Our alignment with South Africa's broader developmental challenges remains a top priority, as indicated below:

CLIMATE CHANGE MITIGATION	The 12L Tax Incentives Project achieved a reduction of 1.26 Mt GHG emissions. We also advanced the green mobility agenda, laying foundational work for electric vehicle (EV) infrastructure. A reduction of 15,873 tonnes in GHG emmisions was achieved through the Cool Roof Surface project.
A JUST ENERGY TRANSITION	SANEDI's Just Energy Transition (JET) Research Programme, partnership with six universities, concluded 12 research projects, with two more nearing completion—underscoring the value of academia in crafting equitable transition strategies.
ENERGY SECURITY & SUPPLY DEMAND	As a partner to NECOM, we contributed to national coordination efforts for stabilising the energy grid and addressing supply-demand dynamics. SANEDI also signed an Memorandum of Understanding (MoU) with China's Electric Power Planning and Engineering Institute to further SANEDI's energy research agenda and ultimately support South Africa's transition from high carbon intensive to low carbon economy.
SERVICE DELIVERY SUPPORT	Our leadership in the National Treasury Smart Metering Project is helping municipalities address debt, strengthen revenue collection and secure sustainable electricity provision.

ADVANCING MINISTERIAL PRIORITIES

SANEDI actively aligned its programmes with the Ministry of Electricity and Energy's five priorities as indicated below:

UNIVERSAL ACCESS, AVAILABILITY, AFFORDABILITY AND QUALITY

We implemented sustainability solutions for municipalities, including a technical assessment of a pilot project in Dr Beyers Naudé Local Municipality, and rolled out smart meters, solar water heaters, electric vehicles, and microgrids.

INDUSTRIALISATION AND INNOVATION

We promoted industrial development through energy efficiency incentives, regulatory innovation, and localisation of green technologies, including hydrogen and sustainable fuels.

SOVEREIGN AND REGIONAL ENERGY SECURITY

We contributed to national planning frameworks such as the IRP and Gas Utilization Master Plan, while advancing a cleaner fossil fuel roadmap and hydrogen initiatives.

DEMOGRAPHIC TRANSFORMATION

Gender mainstreaming and youth empowerment were integrated into all programmes. Bursaries, seminars and enterprise support initiatives advanced the inclusion of women and youth in the energy sector.

GLOBAL AND CONTINENTAL LEADERSHIP

SANEDI provided technical support to the DMRE/MOEE and Ministry at international forums such as BRICS+, G20, G7, Conference of the Parties, and the African Union (AU), while establishing Energy Specialisation Centres to drive research excellence.

TOWARDS A SUSTAINABLE ENERGY FUTURE

SANEDI's role as host of the Energy Secretariat, appointed by the DSTI, places us at the centre of South Africa's innovation-driven energy agenda. As the hydrogen economy gains momentum globally and domestically, SANEDI is expected to support the DSTI and DEE in implementing the Hydrogen Society Roadmap. The Development Bank of Southern Africa (DBSA) assigned SANEDI as the executing agency for the Electric Mobility Project, which aims to electrify transport and scale up clean public mobility solutions.

SANEDI was honoured to serve as the Secretariat of the G20 ETWG and was also appointed by the DBSA as the project manager for the national roll-out of smart meters.

While we have achieved much with a constrained staff complement, the increasing scale of our responsibilities demands urgent attention to organisational capacity.

Our long-term sustainability depends on reinforcing our workforce to ensure we continue delivering at pace and scale.

For the 2024/2025 financial year, SANEDI recorded a deficit of R9 million, compared to R59 million in the 2023/2024 financial year. This is due to the approved use of retained surpluses (R112 million), as sanctioned by the National Treasury, to fund project implementation across three financial years. Of this, R22 million was spent in 2024/25. Importantly, this deficit does not place SANEDI in a precarious position, as it aligns with approved budget mechanisms and cash-flow projections.

We uphold high standards of governance. During the year, an irregular expenditure of R77,000 was recorded, linked to an expired contract. The internal audit confirmed that there was no financial loss and that the value received was satisfactory. Consequence management was undertaken, and a submission for condonation has been made to the National Treasury.

CLOSING REMARKS

SANEDI's performance in the 2024/25 financial year reflects not only compliance, but also a commitment to excellence, relevance, and a keenness to make a meaningful contribution to South Africa's energy future. As we continue to innovate and collaborate across public and private sectors, we remain driven by a singular vision: to power South Africa's development through sustainable, inclusive and resilient energy systems.

I extend my sincere appreciation to SANEDI's staff, whose professionalism and dedication are the backbone of our success. Despite a lean structure, their unwavering focus and passion have enabled us to meet the growing demands placed on the organisation.

To the Executive Management Team, thank you for your strategic insight, agility and continued efforts in driving operational excellence during a particularly challenging year.

I am also profoundly grateful to the Board of Directors for their steady leadership, guidance, and oversight. Their commitment to governance, strategic alignment, and stakeholder engagement has provided SANEDI with a strong foundation on which to grow and thrive.

Together, we look to the future with confidence and shared purpose.

Dr Titus Mathe
SANEDI Chief Executive Officer
Date: 30 August 2025

5. REPORT BY THE

CHIEF FINANCIAL OFFICER

The financial year ending 31 March 2025 presented SANEDI with both opportunities and challenges in our pursuit to fulfil our mandate of driving energy research, innovation, and efficiency in South Africa. SANEDI's budget remains constrained due to its high dependence on the national grant, which has seen a sharp decline over the years as a result of government budget cuts. Moreover, the organisation has remained on its establishment grant since its inception and has not received a mechanism of funding that would result in a consistent and predictable inflow of funds.

Management continues to work together with the Department of Energy and Electricity (DEE) to ensure the financial sustainability of the organisation.

FINANCIAL PERFORMANCE

Year	Revenue (R'000)	Expenditure (R'000)	Deficit (R'000)
2024	119,012	177,750	-58,73
2025	143,939	153,064	-9,12

REVENUE

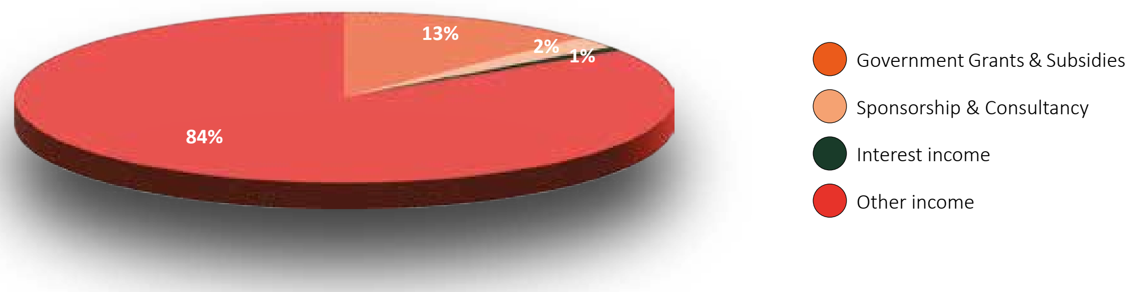
SANEDI recorded total revenue of R144 million for the year, an increase of 20.9% compared to R119 million in 2024. This growth was primarily driven by increased government grants and third-party funding, which together rose by 36.3% to R120 million. SANEDI continued to support the Department of Science Technology and Innovation by hosting the Energy Secretariat. It also concluded agreements with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) for the implementation of two energy efficiency projects in partnership with the DEE, and entered into another arrangement to support the DEE in hosting the G20 ETWG under South Africa's 2025 G20 Presidency.

Revenue from sponsorships and consultancy services also increased by 24%, reflecting the significant strength of SANEDI's strategic partnerships.

Key revenue sources for the year included:

- Grants: R120 million (83% of total revenue)
- Sponsorships and consultancy services: R16 million (11.3%)
- Interest income: R7 million (6.1%), primarily derived from accumulated surpluses held by SANEDI

REVENUE STREAMS



EXPENDITURE

Total expenditure decreased by 13.9% to R153 million (2024: R178 million).

Key contributors to expenditure during the year were:

- Employee Costs: R69 million (45% of total expenditure)
- Research Costs: R50 million (32.6%)
- General Expenses: R26 million (17.1%)
- Depreciation and Amortisation: R7 million (4.4%)

SANEDI continues to make significant investments in building the technical capacity of the organisation and increasing the number of specialists in various fields of energy. Due to the recruitment of these critical positions, as well as internships funded by external funders, and the implementation of the second phase of parity adjustments (to align with market-related remuneration scales), employee costs increased by 24.8%.

Research costs decreased by 23.5%, reflecting delays in the approval of funding and project approvals.

DEFICIT FOR THE YEAR

SANEDI incurred a deficit of R9 million, which was funded from accumulated surpluses. SANEDI applied to the National Treasury to retain accumulated surpluses, which was approved, followed by an application to the Executive Authority to amend the approved budget to accommodate the surplus.

Not all SANEDI activities resulted in a surplus, except for those specifically funded by the National Treasury. A reconciliation of the surplus is provided below.

	MTEF funded (R'000)	Externally funded (R'000)	Accumulated Surplus funded (R'000)	Total (R'000)
REVENUE				
MTEF allocations	87 240	-	-	87 240
Other grants received	-	834	-	834
Deferred income recognised	-	31 433	-	31 433
Interest received	7 346	-	-	7 347
Rendering of services	16 311	-	-	16 311
Other income	702	-	-	702
Gain on foreign exchange	72	-	-	72
	111 672	**32 267**	**-**	**143 939**
EXPENSES				
Employee related costs	-52 221	-16 564	-	-68 785
Directors' remuneration	-1 071	-	-	-1 071
Research costs	-11 619	-16 225	-22 197	-50 040
Depreciation and amortisation	-6 759	-	-	-6 759
Repairs and maintenance	-446	-	-	-446
General expenses	-25 837	-	-	-25 837
Loss on disposal of assets	-45	-	-	-44
Provision for bad debt	-83	-	-	-83
	98 080	**-32 789**	**-22 197**	**-153 066**
	13 593	**-522**	**-22 197**	**-9 126**

Activities funded through the Medium-Term Expenditure Framework (MTEF) achieved a surplus of R14 million, while activities funded from accumulated surpluses recorded a deficit of R22 million, due to the utilisation of cash and cash equivalents accumulated in previous years.

FINANCIAL POSITION	Total Assets (R'000)	Total Liabilities (R'000)	Net Assets (R'000)
2024	316,515	185,594	130,921
2025	344,417	222,621	121,796

TOTAL ASSETS

SANEDI's total assets increased by 8.8% to R344 million (2024: R317 million), driven by increases in non-current assets, particularly property, plant, and equipment, which rose by 84% to R20 million. This increase resulted from investments in IT infrastructure and the construction of a mini-grid solar photovoltaic (PV) system, to be deployed in partnership with the Department of Defence.

TOTAL LIABILITIES

Total liabilities increased by 19.95% to R223 million (2024: R186 million), primarily due to an increase in unspent conditional grants and receipts, which increased by 16.72% to R193 million. These funds are ring-fenced for ongoing projects, including initiatives funded by the Department of Science, Technology, and Innovation, and other donors. SANEDI continues to ensure compliance with grant conditions and the efficient utilisation of these funds.

NET ASSETS

Net assets decreased by 9.3% to R122 million (2024: R131 million), as a result of the deficit incurred during the year. The deficit emanated from the utilisation of accumulated surpluses from prior years, which SANEDI had received approval from the National Treasury to retain. As the related income had already been recognised in previous periods, any expenditure from these surpluses is not matched by current-year income, thereby contributing to the reported deficit.

CASH FLOW

Year	Net Cash Flows from Operating Activities (R'000)	Cash and Cash Equivalents (R'000)
2024	-61,707	282,913
2025	4,674	280,369

SANEDI had positive cash flows from operating activities amounting to R5 million, a significant improvement from the negative cash flow of R62 million in 2024. Cash and cash equivalents remained the most significant asset of SANEDI and were stable at R280 million (2024: R283 million), ensuring SANEDI's liquidity and ability to meet short-term obligations.

UNSPENT CONDITIONAL GRANTS

In terms of section 53(3) of the PFMA, public entities listed in Schedules 3A and 3C of the PFMA may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained. SANEDI annually declares all surpluses or deficits to the relevant Treasury, using its audited annual financial statements as the basis for the calculation of surpluses or deficits.

For the year ended 31 March 2025, SANEDI has reported a deficit of R9 million (Deficit 2024: R59 million).

However, using the National Treasury method for calculating surpluses, the amount to be declared to the National Treasury amounts to R86 million. Of this amount, R14 million is a surplus that relates to the current financial year, and R73 million is accumulated from previous years.

The surplus reconciliation is outlined below:

Year	March 2025 (R'000)	March 2024 (R'000)
Cash and cash equivalents	280 369	282 914
Plus: Receivables	28 687	14 631
Subtotal	**309 056**	**297 545**
Current Liabilities	(222 621)	(185 592)
	86 435	**111 953**

The previous year's accumulated surplus is largely committed; however, SANEDI will be submitting a request for the retention of surpluses to the National Treasury, in line with the National Treasury processes.

KEY INVESTMENTS AND PLANNED INVESTMENTS

SANEDI made significant investments in property, plant, and equipment, including IT infrastructure upgrades and the construction of a mini-grid solar PV system. These investments align with SANEDI's strategic objectives and enhance operational capacity.

In the upcoming year, SANEDI will continue with the construction of the PV mini grid system and bring it into operation. Further capital expenditure will be related to the two newly leased premises that SANEDI will be occupying to accommodate the increased staff numbers. An amount of R4 million has been allocated for preparing these offices for occupation and use.

"SANEDI made significant investments in property, plant, and equipment, including IT infrastructure upgrades and the construction of a mini-grid solar PV system. These investments align with SANEDI's strategic objectives and enhance operational capacity."

CHALLENGES AND OPPORTUNITIES

The deficit incurred during the year highlights SANEDI's effort in continuing to spend the approved surpluses. However, as these surpluses are spent, this reduces the income that will be available to SANEDI from its reserves in the future to fund projects or to leverage for third-party funding. To this end, SANEDI remains committed to diversifying revenue streams and reducing reliance on government funding and its accumulated surpluses. The approval of accumulated surpluses by the National Treasury provides a buffer; however, it is not sustainable.

COMPLIANCE MATTERS

SANEDI incurred irregular expenditure of R77,000 during the financial year, due to expenditure incurred after a contract had expired. This exposed certain gaps within the organisation, and appropriate measures have been taken to address the identified weaknesses which led to this irregular expenditure. SANEDI remains committed to ensuring compliance with all procurement laws and regulations.

CONCLUSION

SANEDI's financial performance for the year reflects its commitment to delivering on its mandate while navigating financial constraints. The organisation remains financially stable, with adequate liquidity to meet its obligations. Moving forward, SANEDI will focus on optimising expenditure, enhancing revenue generation, and ensuring the successful implementation of funded projects.

Mr Nhlanhla Mzila CA(SA)
Acting Chief Financial Officer
South African National Energy Development Institute
Date: 30 August 2025

6. STATEMENT OF **RESPONSIBILITY**

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

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

- All information and amounts disclosed in the Annual Report (AR) are consistent with the Annual Financial Statements (AFS) audited by the Auditor-General of South Africa.
- The AR is complete, accurate and free from any omissions.
- The AR has been prepared in accordance with the guidelines issued by the National Treasury (NT).
- The AFS (Part E of this document) have been prepared in accordance with the standards applicable to the Public Entity.
- The Accounting Authority (AA) is responsible for the preparation of the AFS and the judgements made in this information.
- The AA is responsible for establishing and implementing a system of internal control, that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the Human Resources information and the AFS.
- The external auditors are engaged to express an independent opinion on the AFS.

In our opinion, the AR fairly reflects the operations, performance information, Human Resources information and financial affairs of the Public Entity for the financial year ended 31 March 2025.

Yours faithfully

Dr Titus Mathe
SANEDI Chief Executive Officer
Date: 30 August 2025

Mr Sicelo Xulu
Chairperson of the SANEDI Board
Date: 30 August 2025

7. STRATEGIC **OVERVIEW**

The energy development agenda entrusted to SANEDI is an inseparable part of the energy journey of South Africa. Our portfolio of initiatives can be encapsulated as follows:

a) Contributing to technology advancements in energy.

b) Contributing to declining technology costs.

c) Ensuring continued innovation in the energy sector.

The initiatives are aimed at enabling South Africa to take full advantage of our energy resources and associated infrastructure development.

The strategic term 2020 to 2025 has concluded. During this period, SANEDI implemented the Revised Framework for Strategic Plans as outlined by the National Treasury, placing emphasis on planning for measurable impact and strengthening the links between monitoring and evaluation. This strategic phase marked significant progress in sustainable energy initiatives and innovation. The vision, mission and values of SANEDI are outlined below:

VISION

To be a leading research & innovation organisation for sustainable and inclusive energy development that influences energy policy goals in South Africa and beyond.

MISSION

Expediently conduct policy relevant research and implement innovative energy research, development and Energy Efficiency (EE) solutions to catalyse South Africa's socio-economic growth and climate resilience.

INTEGRITY

- Honesty
- Ethical
- Accountable
- Responsible
- Trustworthy
- Respectful
- Professional

COLLABORATION

- Consultative
- Participative
- Teamwork
- Engaging

SCIENTIFIC EVIDENCE DRIVEN

- Analytical
- Rational
- Objective
- Factual
- Attentive

EFFECTIVE

- Achievement focus
- Precision
- Cost conscious
- Disciplined
- Compliant

INNOVATIVE

- Creative
- Pro-active
- Taking charge
- Initiative
- Adaptive
- Etrepreneurial

RESPONSIVE

- Courteous
- Friendly
- Client-need driven
- Client-focused

EMPOWERMENT

- Educative
- Continuous learning
- Transformative

WE CARE

- Compassionate
- Empathy
- Emotionally intelligent

Figure 2: Mission, Vision and Values

8. LEGISLATIVE AND OTHER MANDATES

8.1 CONSTITUTIONAL MANDATE

SANEDI derives its Mandate from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The SANEDI Strategic Plan, as discussed above, seeks to ensure alignment with the following two critical components of the Constitution:

a) Chapter 2, The Bill of Rights, where: Everyone has the right:
   i. to prevent pollution and ecological degradation,
   ii. to promote conservation, and
   iii. to secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

b) Schedule 4, The Functional Areas of Concurrent National and Provincial Legislative, specifically with respect to municipalities and the issue of Local Government matters relating to electricity and gas reticulation.

8.2 LEGISLATIVE AND POLICY MANDATES

SANEDI is a schedule 3A State-owned Entity (SOE). The authority entrusted to SANEDI is derived from Section 7(2) of the National Energy Act (NEA), 2008 (Act No. 34 of 2008). The powers, functions and responsibilities of SANEDI outlined in this Act, is stated below:

a) Energy Research and Development
   i. Direct, monitor, conduct and implement Energy Research and Technology Development in all fields of energy, other than nuclear energy.
   ii. Promote energy research and technology innovation.
   iii. Provide for:
      - training and development in the field of energy research and technology development,
      - establishment and expansion of industries in the field of energy, and
      - the commercialisation of energy technologies resulting from energy research and development programmes.
   iv. Register patents and intellectual property in its name resulting from its activities.
   v. Issue licences to other persons for the use of its patents and intellectual property.
   vi. Publish information concerning its objects and functions.
   vii. Establish facilities for the collection and dissemination of information in connection with research, development and innovation.
   viii. Undertake any other energy technology development related activity as directed by the Minister, with the concurrence of the Minister of Science and Technology.
   ix. Promote relevant energy research through co-operation with any institution or person equipped with the appropriate skills and expertise within and outside the Republic.
   x. Make grants to educational and scientific institutions in aid of research by their staff, or for the establishment of facilities for such research.
   xi. Promote the training of research workers by granting bursaries or grants-in-aid of research.
   xii. Undertake the investigations or research that the Minister, after consultation with the Minister of Science and Technology, may assign to it.
   xiii. Advise the Minister and the Minister of Science and Technology on research in the field of energy technology.

b) Energy Efficiency
   i. Undertake EE measures as directed by the Minister.
   ii. Increase EE throughout the economy.
   iii. Increase the Gross Domestic Product (GDP) per unit of energy consumed.
   iv. Optimise the utilisation of finite energy resources.

SANEDI further adheres to the following Legislation and Policies:

Table 3: Legislation and Policies

Legislation	Policies
Abolition of the National Energy Council Act, 1991 (Act 95 of 1991)	Carbon Capture and Storage Roadmap
Central Energy Fund (CEF) Act, 1977 (Act No. 38 of 1977), as amended	Climate Change Response to White Paper
Electricity Regulation Act, 2006 (Act No. 4 of 2006), as amended	Department of Science and Technology 10 Year Innovation Plan
Gas Act, 2001 (Act No. 48 of 2001)	Draft White Paper on Science, Technology and Innovation
Gas Regulator Levies Act, 2002 (Act No. 75 of 2002)	Energy Security Master Plan for Liquid Fuels, 2007
National Energy Regulator Act, 2004 (Act No. 40 of 2004)	Energy Security Master Plan, 2007
Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)	Industrial Policy Action Plan (IPAP) 2010/11 – 2012/13, published Feb 2010
Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004)	Integrated Resource Plan for Energy, 2010
Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended	Measurement and Verification Guideline for Energy Efficiency Certificates (DRAFT)
South African Revenue Service Act, 1997 (Act 34 of 1997)	Medium-Term Strategic Framework
The Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)	National Development Plan Vision 2030
The National Environmental Management Act, 1999 (Act No. 107 of 1999)	National Energy Efficiency Strategy of the RSA, 2008
White Paper on Energy Policy, 1998	

9. ORGANISATIONAL **STRUCTURE**

The high-level organisational structure of SANEDI has not changed during the 2024/25 financial year. The organisation continues to operate within the three primary focus areas as outlined in the Strategic Overview section.

9.1 BOARD STRUCTURE

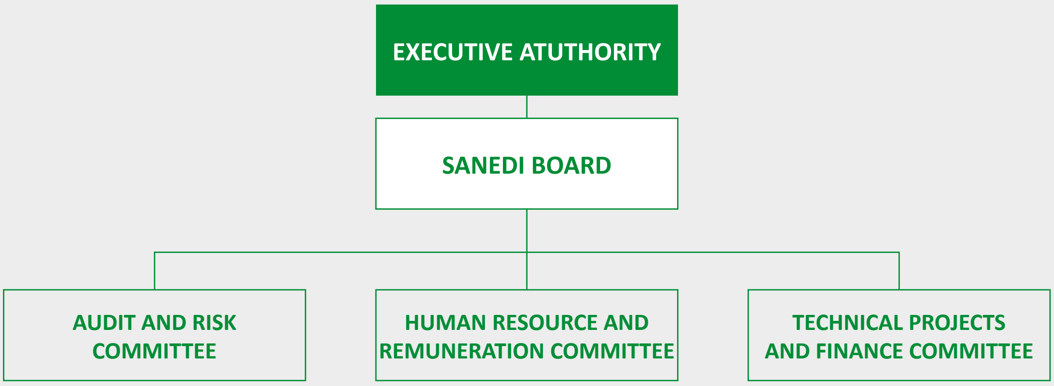


Figure 3: Sanedi Board Structure

9.2 MANAGEMENT ORGANOGRAM

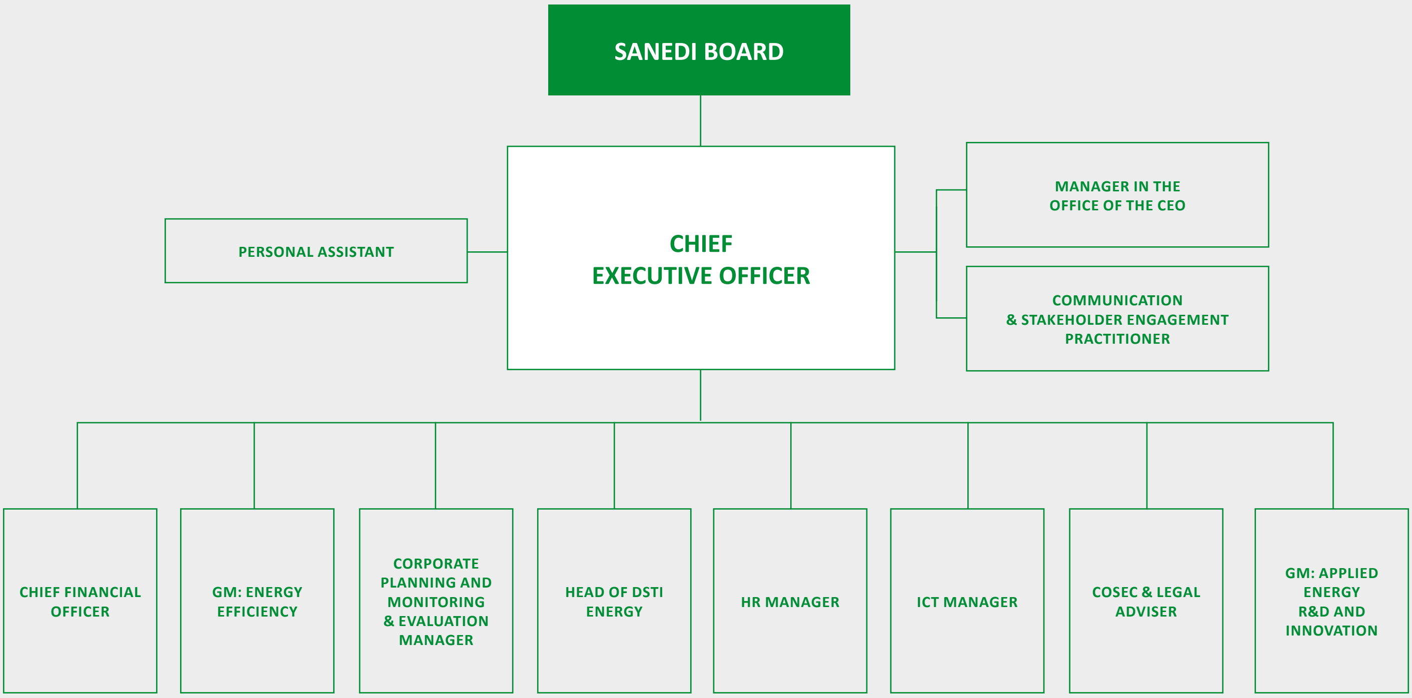


Figure 4: Sanedi Management Organogram

9.3 PROGRAMMES STRUCTURE

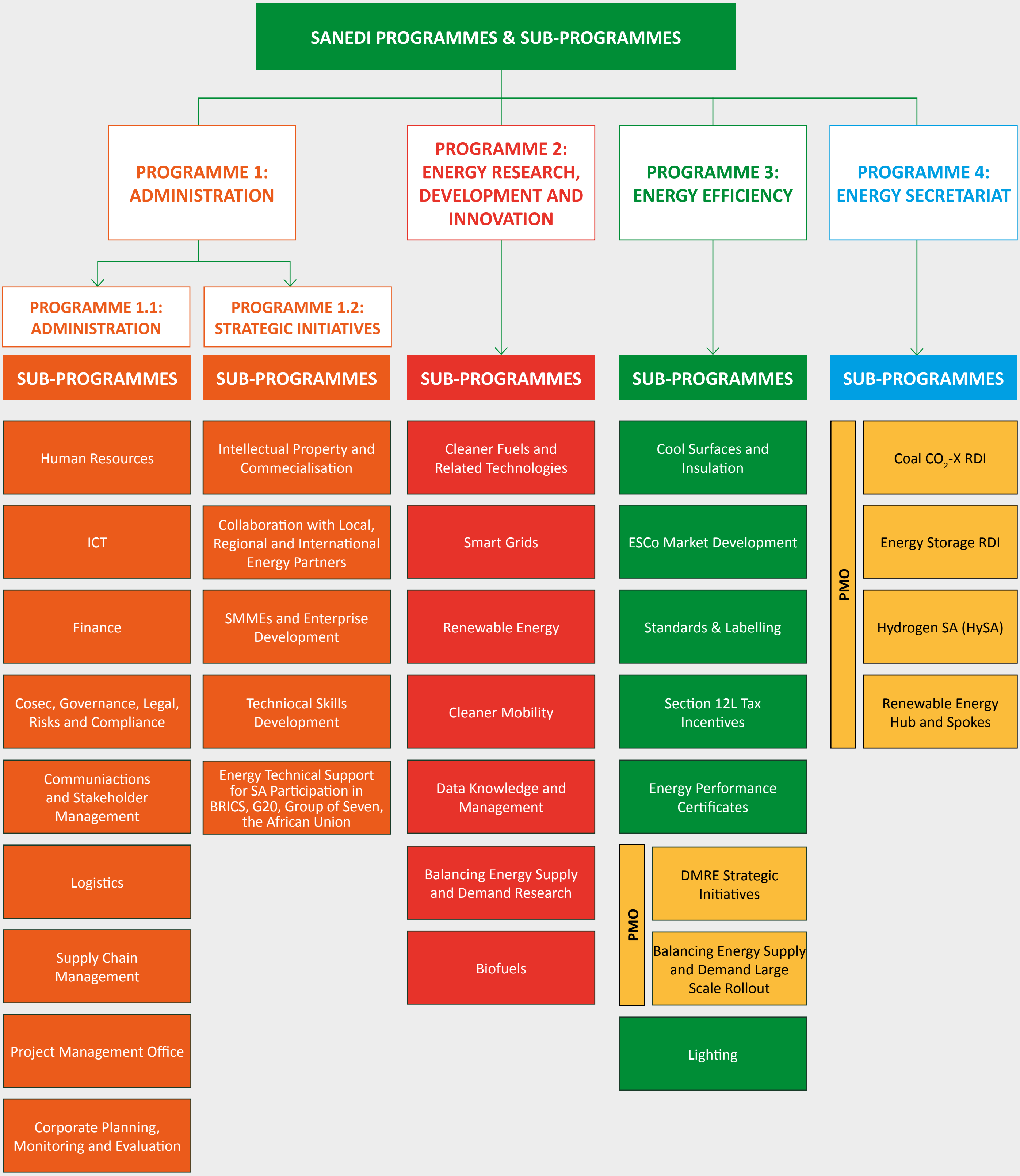


Figure 5: Sanedi Programme Structure

PART B
PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: **PRE-DETERMINED OBJECTIVES**

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with material findings being reported under the "Pre-determined Objectives" heading in the "Report on Other Legal and Regulatory Requirements" section of the Auditor's Report.

2. OVERVIEW OF **PERFORMANCE**

2.1 SERVICE DELIVERY ENVIRONMENT

SANEDI's quest is centred around enhancing lives and means of livelihood through promoting and implementing energy efficiency (EE). The period under review was marked by significant contributions towards achieving sustainable energy for growth in South Africa and Africa at large. Our focus is on addressing the energy security and climate change challenges to allow all South Africans access to modern energy resources. Using applied energy research and resource efficiency in developing comprehensive technological solutions, SANEDI seeks to equip all South Africans with the tools they need to recognise and explore opportunities, and navigate the disruptions that may arise from the switch to clean energy.

SANEDI's programmes support the development of clean, integrated, and resource-efficient energy solutions that aim to expand energy access, promote industrialisation, and stimulate economic growth while reducing South Africa's carbon emissions.

OVERALL PERFORMANCE

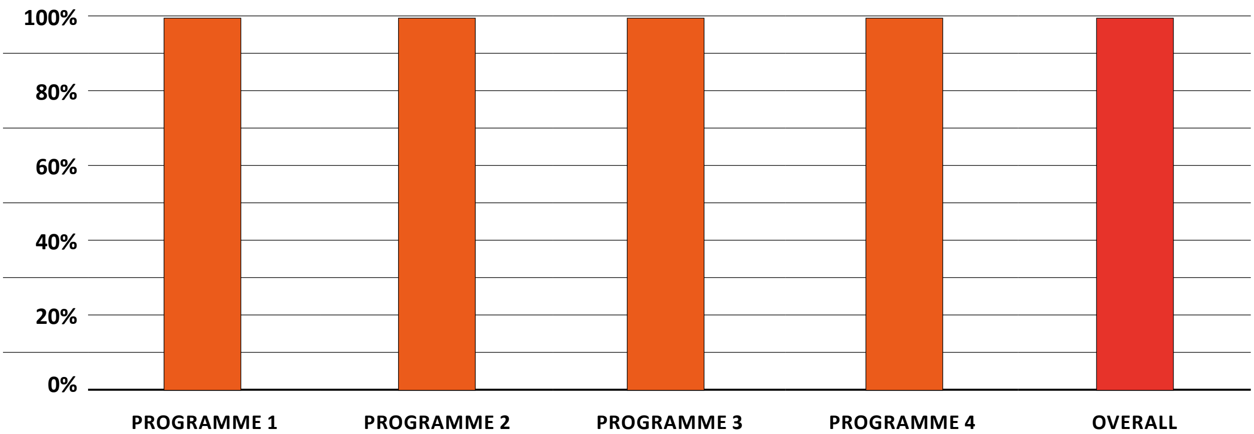


Figure 6: Overall Performance

During the 2024/25 review period, the following highlights are key to mention:

- SANEDI continued to be a thought leader in the energy space with key strategic stakeholder engagements in its Cleaner Fossil and Related technologies sub-programme. Key notes include the collaborative engagement with the Electric Power Planning & Engineering Institute (EPPEI), China's equivalent of SANEDI. The partnership will leverage China's expertise in forecasting energy demand and renewable integration to inform South Africa's Just Energy Transition Fund. Locally, the collaboration between the Department of Transport (DoT) and SANEDI made headway with the completion of the first phase of a monitoring and evaluation (M&E) system for the Green Transport Strategy (GTS). The M&E system aims to track and assess the implementation of green transport initiatives, which will positively impact public transportation. Further, the DoT requested SANEDI's support in developing detailed proposals for key projects, which include mapping the Electric Vehicle (EV) infrastructure across South Africa and assessing effective policies and support instruments for the EV sector.
- Under the Renewable Energy sub-programme, a physical SOLTRAIN audit was successfully conducted, with SANEDI receiving a clean audit outcome. The success is attributed to the diligent efforts of the renewables technical project team. Further, SOLTRAIN training on energy and thermal energy efficiency for industry and commerce was conducted and well attended by participants in the commercial and finance sectors. SANEDI is the official implementation partner for this project in South Africa. Also under the sub-programme, the biofuels business incubator project was concluded with the development of 17 individuals with SMMEs in the biofuel sector.
- The Electric Vehicle (EV) Retrofit Project under the Cleaner Mobility sub-programme achieved a key milestone with the successful conversion and certification of a retrofitted electric minibus. This is a positive advancement towards innovative, sustainable, low-carbon transport solutions. A larger 66-seater bus will undergo similar modifications, safety and roadworthiness assessments.
- A significant highlight under the Cool Surfaces sub-programme was the successful establishment of 'Cool Cape'—a black, female-owned, and staffed SMME, operating in the informal settlements of Blue Downs, Western Cape. This enterprise embodies the sub-programme's dual goal of promoting climate-resilient technologies and enabling inclusive economic participation within disadvantaged communities.
- During the period under review, SANEDI issued 30 tax certificates (12L) on behalf of the National Treasury and the South African Revenue Service (SARS) for successfully reviewed and approved projects under the 12L Tax Incentive sub-programme. 1,354,428 MWh energy savings and a remarkable greenhouse gas emission reduction of 1.26 megatonnes were realised, underscoring SANEDI's effectiveness in supporting South Africa's climate mitigation commitments. The Section 12L Tax Incentive remains a central pillar of SANEDI's impact, driving significant energy and emissions savings across multiple provinces and industry sectors.
- The Energy Performance Certificates (EPCs) sub-programme continued to conduct various workshops and training sessions across municipalities. These sessions were instrumental in fostering municipal alignment, strengthening readiness, and reinforcing compliance with the EPC mandate. During the 2024/25 reporting period, 3,684 buildings were registered and 1,151 EPCs were issued.
- Another notable highlight from the reporting period was SANEDI's appointment as the Secretariat for the ETWG under South Africa's G20 Presidency in 2025. This role highlights SANEDI's influence in the global energy policy dialogue, with an emphasis on inclusive energy transitions, security, and regional cooperation. Additionally, the approval of the PlasWen deviation project, in collaboration with the Nuclear Energy Corporation of South Africa (NECSA), represents progress in advancing innovative and clean energy technologies.

2.2 ORGANISATIONAL ENVIRONMENT

To navigate an evolving global context influenced by climate change, technological advancement, and socio-economic shifts, SANEDI maintained its Triple Mandate approach. The approach themes provide a strategic framework for SANEDI's operations, enabling it to address both national development goals and international energy challenges.

A significant achievement is SANEDI's clean audit from the Auditor General of South Africa (AGSA) in three successful financial years, 2021/2022, 2022/2023, and 2023/2024. This milestone highlights the organisation's commitment to sound governance, transparency, and compliance with financial regulations.

The institute fostered a performance-driven culture supported by structured planning processes, stakeholder engagement, and a commitment to good governance. SANEDI's participation in the Department of Energy and Electricity's Strategic Session in October 2024 demonstrated its alignment with national energy priorities and its contribution to long-term energy policy and strategy. These engagements highlight SANEDI's role as a critical policy implementer within the public energy sector.

3. PROGRESS TOWARDS ACHIEVEMENT OF **INSTITUTIONAL IMPACTS AND OUTCOMES**

3.1 OVERVIEW OF PERFORMANCE AGAINST THE 2020 TO 2025 STRATEGIC PLAN

The 2024/25 financial year marked the end of the five-year strategic goals. Focus remained on the following three key thematic areas as outlined in the Strategic Plan:

a) Climate Change and Decarbonisation,

b) Service Delivery within the Municipal Environment, and

c) Information Knowledge and Technological Convergence.

SANEDI's achievements over the period underline its pivotal role in shaping a sustainable and energy-efficient South Africa. By successfully delivering on all its performance targets, driving community empowerment projects, and facilitating large-scale energy savings and emissions reductions through the 12L incentive, SANEDI continues to lead the country's transition to a greener economy.

Despite constraints related to budget and staffing, SANEDI demonstrated strong institutional resilience and effective planning in delivering on its mandate.

12L TAX INCENTIVE PROGRAMME FOR THE YEAR ENDING 31 MARCH 2025

The 12L Tax incentive, according to the Income Tax Act, 1962 (Act No. 58 of 1962), provides an allowance for businesses to implement Energy Efficiency (EE) savings. For the financial year 2024/25, there were 25 companies for the 30 certified projects; three companies had more than one project each. During the review period, the 12L programme exceeded its annual target. Over 90% of the budget was utilised, and the National Treasury's extension of the incentive to 2030 bolstered investor confidence and ensured policy continuity. Delays in certificate reviews due to panellist bottlenecks remain a concern, but SANEDI has taken steps to onboard additional reviewers. The 12L programme remains a vital tool for private-sector energy efficiency investment and national emissions reduction efforts. The 12L tax incentive offers tax reductions for EE to combat climate change and address South Africa's energy supply security. Profitable organisations can claim a reduction on their year-end taxable income from SARS, based on verified energy savings during a specific tax year. The estimated number of jobs created through this initiative is 600 for the reporting period. These jobs were created at different levels of the 12L project implementation.

ENERGY PERFORMANCE CERTIFICATES

SANEDI continued to advance activities under the National Building Energy Performance Register (NBEPR), a key component of the broader Energy Performance Certificate (EPC) framework. Ongoing tasks included registering buildings, systematic uploading of energy performance certificate data, certified documentation, and the registration of accredited EPC professionals. These efforts ensure a steadily growing and reliable dataset that supports energy performance tracking within South Africa's built environment.

In support of technical infrastructure development, a prepayment was made to the Council for Scientific and Industrial Research (CSIR), marking the commencement of laboratory establishment and application (APP) development activities. These developments are crucial to enhancing the EPC system's scientific rigour and technological capability.

To extend EPC implementation into the residential sector, a Memorandum of Agreement (MOA) is currently being finalised with Standard Bank. The agreement underpins a one-year pilot study to test EPCs' integration in residential properties. SANEDI will play a technical advisory role in this pilot, which could pave the way for broader policy and financial integration of EPCs in residential energy efficiency efforts.

Capacity building and stakeholder engagement also remained a priority. On 4 March, the EPC team facilitated a workshop for municipalities in the Free State province, providing updates on EPC implementation and demonstrating the building registration process. A national workshop followed on 18 March with municipalities represented through SALGA, where the team shared progress on EPC rollouts and further engaged on the building registration platform. These sessions were instrumental in fostering municipal alignment, strengthening institutional readiness, and reinforcing compliance with the EPC mandate.

SMART GRIDS

SANEDI was enlisted by the National Treasury (NT) to implement smart meters across municipalities in South Africa. This initiative aims to increase revenue collection efficiency, alleviate municipal debt, ensure the sustainable provision of electricity, and enhance financial stability in the electricity sector. Eight municipal projects were executed, and an estimated 65,150 smart meters were installed during the financial year.

Further, the Smart Geyser Control Project progressed well, with the Terms of Reference for the Project Advisory Committee finalised. Despite staffing limitations, project timelines remained unaffected. The project aims to support national demand-side management by implementing load shifting at the household level, aligning with broader energy efficiency and grid optimisation strategies. Once operational, it is expected to reduce peak electricity demand significantly and serve as a scalable, replicable model for residential energy control.

DATA AND KNOWLEDGE MANAGEMENT

During the 2024/25 financial year, SANEDI's digitalisation programme made significant progress to enhancing energy data analysis, modelling, and forecasting capabilities in South Africa. A state-of-the-art Digitalisation Laboratory has being established to visualise and analyse energy datasets, providing critical intelligence for industry stakeholders. This initiative aims to improve data accessibility and informed decision-making within the energy sector.

Currently, SANEDI hosts and manages a central energy database, catering to multiple stakeholders who require access to a diverse range of energy-related information. Key infrastructure developments have been implemented to support this. A video wall and desktop have been installed, enabling real-time energy data display, with content updated bi-weekly. The programme is also progressing the installation of servers and laboratory furniture to enhance its operational capacity. The near-future goal of the digitalisation programme is to develop a centralised database for hosting and maintaining national energy data.

ENERGY EFFICIENCY IN PUBLIC BUILDINGS AND INFRASTRUCTURE PROGRAMME (EEPBIP)

EEPBIP held internal project check-ins and an organisational development retreat, enhancing internal coherence and promoting Gender Equality and Social Inclusion (GESI) integration. A municipal workshop focused on financing structures and programme design, while SANEDI conducted a mid-term evaluation for the MAF programme, engaging municipalities. The MES Tool advanced to the SCM evaluation stage, paving the way for broader implementation. These initiatives have strengthened municipal participation and ownership of energy efficiency projects, focusing on institutional readiness and local financing models. EEPBIP continues to drive public-sector transformation, aligning capacity-building with operational energy savings and social inclusion.

DMRE/GIZ EPC SKILLS PROGRAMME

The DMRE/GIZ EPC Skills Programme steadily progressed, advancing capacity-building efforts within the national Energy Performance Certificate (EPC) initiative. The programme focuses on institutional development and sectoral compliance readiness, gaining momentum through structured training and international collaboration. The RFP for EPC training service providers closed in February 2025 and is currently undergoing technical evaluation, with appointments expected by March. SANEDI staff have enhanced internal expertise through participation in technical EPC training and M&E onboarding sessions. However, operational constraints, including staffing shortages and delays from external panellists, are threatening the efficiency of the EPC skills programme, prompting recommendations for urgent recruitment and stricter accountability measures.

RENEWABLE ENERGY

At the community level, two projects were successfully launched through the Renewable and Sustainable Energy (RSE) Hubs & Spokes initiative. The projects in Masia Village and at the Russell Bungeni Science Lab include a 40 kWh battery storage system, a 5 kW hydrogen fuel cell and an electrolyser installation scheduled for completion in August 2024. Training and employment were given to five local TVET graduates, who have formed a Non-Profit Company to manage day-to-day operations. In addition, a 40-seat, solar-powered computer lab constructed from recycled containers, was officially launched at Naledi Primary School, with further media laboratories rolled out in Mpumalanga and North West. These installations have created opportunities for local SMMEs, incorporating locally manufactured solar PV components.

4. INSTITUTIONAL PROGRAMME
PERFORMANCE INFORMATION

4.1 FOCUS AREAS, PURPOSES AND INSTITUTIONAL OUTCOMES

This section presents a narrative summary of the institutional outcomes achieved across SANEDI's main programmes. It captures the progress and impact of various initiatives undertaken during the reporting period. Each programme is introduced with a table that outlines its key focus areas, detailing its intended purpose and summarising the outcomes achieved. The narrative then delves into the sub-projects, offering further insight into their contributions and significance.

4.1.1 PROGRAMME 1: ADMINISTRATION

The Administration Programme aims to create an effective delivery environment for SANEDI that fully complies with all statutory requirements.

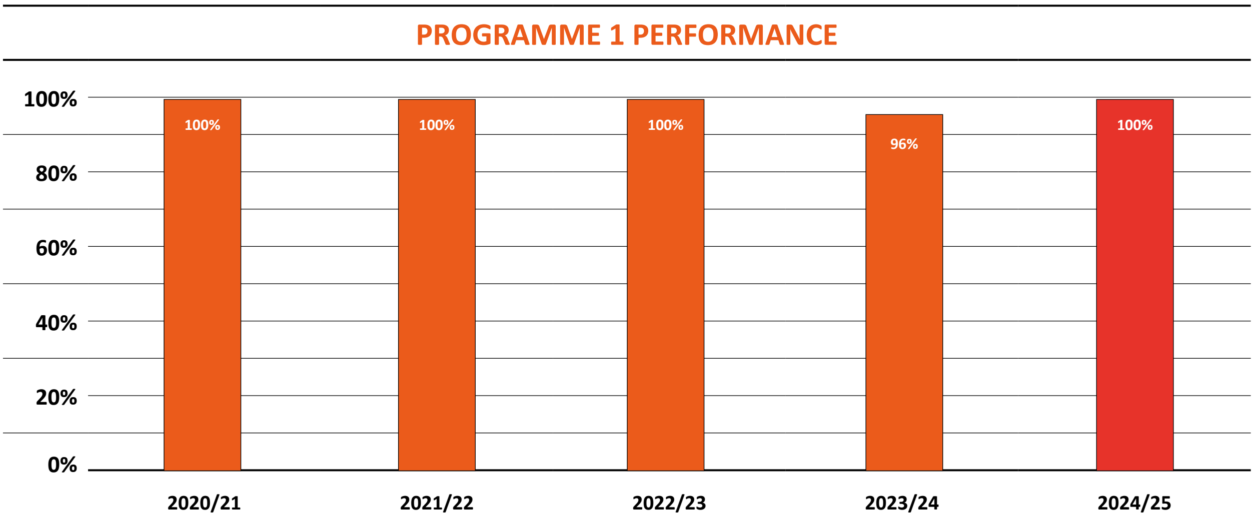


Figure 7: Programme 1 Performance

Table 4: Programme 1 - Impact

Bids awarded to B-BBEE status service providers	**100 %**
Procurement from Youth and Women	**74,19 %**
Risk management, compliance and ICT governance targets achieved	**100 %**
STRATEGIC INITIATIVES	
SMMEs supported through ESCO and EPC	**220**
Trained individuals across energy sector	**21 Unemployed TVET and University Technology Students +64 operating/employed technicians/ artisans supported +14 unemployed technicians/artisans supported = 99**

Below is an outline of the Human Resource (HR), Information and Communications Technology (ICT), Legal, Governance, Risk and Compliance activities, and Communication and Stakeholder Management for 2024/25.

Please refer to sections C – Governance; D – Human Resource Management and E – Financial Information, for a detailed description of the accomplishments of these departments.

1. HUMAN RESOURCES

During the 2024/25 financial year, SANEDI's Human Resources (HR) department made substantial progress in strengthening workforce capacity, focusing on performance management, equitable remuneration and career development. The organisation achieved 100% compliance in performance agreements and reviews, reflecting high accountability. Key strategic initiatives included the ongoing salary parity adjustment programme and a pay progression plan to improve fairness and staff retention. SANEDI also supported skills development by onboarding 40 interns through EWSETA and 20 via the G20 programme, extending 17 contracts, and successfully transitioning several interns into permanent and/or project-based roles.

While progress was evident, HR operations were constrained by reduced budget allocations from the National Treasury, limiting the ability to convert fixed-term contracts, fill critical vacancies and implement development initiatives such as a culture survey. Administrative delays further impacted operational efficiency, payroll service provider challenges, and understaffing in key HR areas such as talent management and skills development. Staff turnover, including 10 resignations, added further pressure, although two audits were successfully concluded.

Despite these challenges, SANEDI remained committed to employee well-being and workforce development. A 5.4% annual CPI adjustment approved by the Board supported staff welfare, and continued efforts in the second year of the salary parity initiative have advanced internal equity. HR initiatives remained aligned with SANEDI's broader objective of building a capable, inclusive, and future-ready organisation, with sustainable funding and strategic workforce planning identified as priorities for long-term resilience.

2. INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

SANEDI's ICT department successfully completed the upgrade to the latest version of Microsoft Dynamics, ensuring that the organisation remains up-to-date with the newest features and improvements. In addition, the introduction of the Mimecast email gateway significantly enhanced security measures against email attacks. The department also rolled out new multifunctional devices across the organisation and installed new Dell switches in the server room, further strengthening the IT infrastructure.

3. LEGAL, GOVERNANCE, RISK AND COMPLIANCE

During the 2024/25 financial year, SANEDI made meaningful strides in strengthening its legal, governance, risk and compliance functions, despite ongoing financial and capacity constraints. A key highlight was the advancement of SANEDI's risk management framework, supported by the appointment of ARMS Audit and Risk Management to assess risk maturity and align internal practices with international standards. The introduction of a Combined Assurance Model and a revised Fraud Prevention Policy—benchmarked by the Institute of Risk Management of South Africa—demonstrated SANEDI's commitment to robust oversight and ethical conduct. Risk mitigation efforts showed solid progress, with most actions either completed or underway, supported by recommendations for a Governance, Risk and Compliance (GRC) system to further improve organisational resilience.

SANEDI also ensured full compliance with governance requirements, including the timely submission of financial disclosures and Board evaluations to the Shareholder Ministry. Board members actively engaged in strategic events and oversight activities, further embedding good governance. Ethics and compliance were prioritised through continuous compliance monitoring and mapping legislation to internal policies.

However, the programme was not without challenges. Reduced budget allocations impacted the rollout of key compliance services, delayed training for directors and executives, and hindered SANEDI's ability to fill critical legal and compliance roles. These constraints affected contract turnaround times, advisory services, and the broader execution of the ethics and compliance mandate. Additional pressures arose from ICT-related risks, unplanned Board travel, under-resourced payroll, and legal systems, prompting formal requests for supplementary funding.

Despite these hurdles, SANEDI demonstrated sound governance practices, a proactive stance on risk, and continued alignment with legislative and regulatory requirements. The programme's progress has laid a strong foundation for further improvements in transparency, ethical leadership and institutional accountability.

4. COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

During the 2024/25 financial year, SANEDI adopted a strategic and impactful approach to communications and stakeholder engagement, significantly enhancing its national and international visibility. Extensive media campaigns yielded over R13 million in Advertising Value Equivalents (AVE), with broad coverage across prominent platforms such as SABC News, eNCA, Engineering News and Daily Maverick. These efforts amplified SANEDI's presence on critical issues, including sustainable energy transitions, innovations in science and technology, and policy developments like the Integrated Resource Plan (IRP).

On the stakeholder engagement front, SANEDI actively participated in major events such as the Annual Energy Conference, Enlit Africa, WINDABA 2024, and Power Africa, facilitating dialogue on renewable integration, energy efficiency and inclusive transition strategies. Internationally, SANEDI solidified its role in global energy policy by contributing to the G20 Energy Transition Working Group, the Berlin Energy Transition Dialogue, and engaging with partners like China's State Grid Corporation and the South Africa–Germany Energy Partnership.

Domestically, SANEDI deepened collaborations with key stakeholders, including the Department of Mineral Resources and Energy (DMRE), Eskom, NECSA and various municipalities. It played a pivotal role in supporting municipal sustainability projects such as smart metering, and provided technical input during oversight visits to clean technology demonstration sites. Outreach efforts were further strengthened by youth and gender-focused initiatives, capacity-building programmes, and targeted engagement with TVET students and interns, reinforcing SANEDI's credibility as a leader in South Africa's energy transformation.

4.1.2 PROGRAMME 2: APPLIED ENERGY RESEARCH, DEVELOPMENT AND INNOVATION

The purpose of Programme 2 is to facilitate knowledge creation that can support energy-related planning and decision-making and accelerate the transformation of the energy sector and landscape in the country. Additionally, this programme plays a vital role in demonstrating and piloting technologies to provide knowledge and decision-making data to inform primarily policy, as well as various stakeholders in both the private and public sectors.

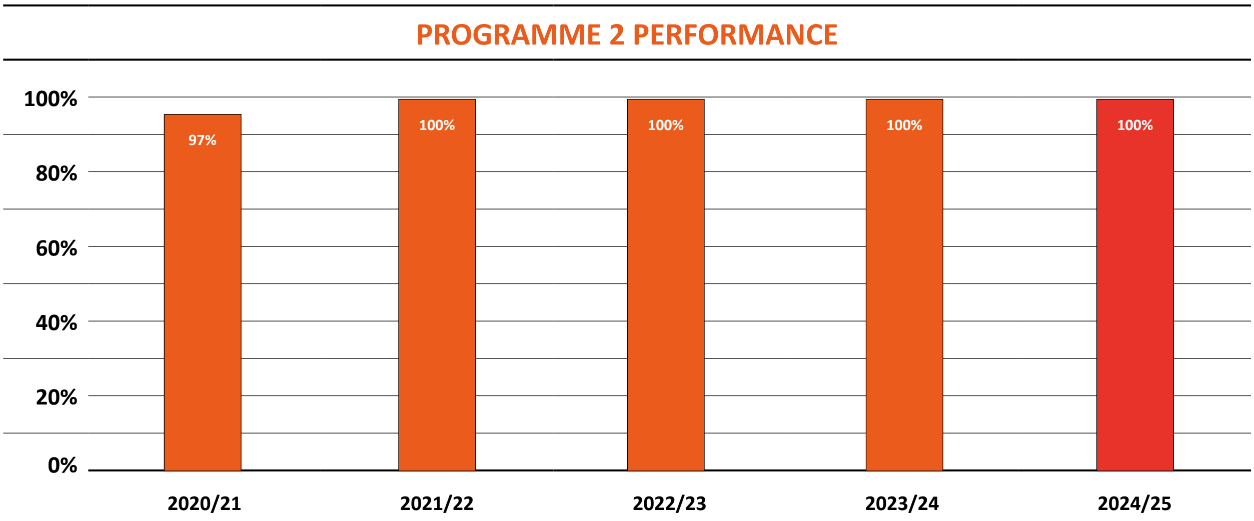


Figure 9: Programme 2 Performance

Table 5: Programme 2 - Impact

SMMEs supported through cool surface	2
Jobs created indirectly through cool surface	16
GHG emissions through Cool Roof project	15,873 tonnes
Trained individuals under Cool Roof	6
Energy solutions and research reports produced	15

The following sub-sections provide details on each of the seven sub-programmes.

1. CLEANER FUELS AND RELATED TECHNOLOGIES SUB-PROGRAMME

The Cleaner Fuels and Related Technologies sub-programme has demonstrated consistent progress in strengthening South Africa's transition towards a balanced and cleaner energy system. Efforts focused on advancing gas and coal research, fostering international cooperation, and supporting local capacity development through universities and partnerships.

A major highlight was the strategic alignment work between the Integrated Resource Plan (IRP) 2023 and the Gas Master Plan, supported by the Wits Gas Project. This work examined infrastructure co-optimisation, gas diversification, and greenhouse gas emissions within the regional energy context. Research findings contributed to a clearer understanding of natural gas's evolving role in South Africa's energy mix.

International engagement was notably strengthened through the finalisation of a Memorandum of Understanding with China's Electric Power Planning & Engineering Institute (EPPEI), enabling bilateral collaboration on energy demand forecasting and renewable integration. Additional study tours and global conference participation further underscored SANEDI's commitment to knowledge exchange and innovation.

Universities' Grant Funding initiatives progressed well, with task orders issued for critical areas such as carbon capture technologies and gas-coal hybrid applications. Administrative barriers were successfully resolved, including adjustments to contract terms around audit requirements, enabling stronger university partnerships. However, limited funding restricted the completion of some planned projects and delayed the signing of contracts with institutions such as the University of Johannesburg.

In terms of research intelligence, the programme produced strategic briefs on gas utilisation, LNG infrastructure, and comparative coal quality studies, supporting data-driven policymaking. An internal information session and cross-programme intern placement enhanced the depth of research insights and knowledge sharing.

Policy and stakeholder engagement featured prominently, with contributions to the Presidential Climate Commission, the South African Renewable Energy Masterplan (SAREM), and several high-profile conferences. SANEDI hosted roundtable discussions on topics such as coal mine methane mitigation, while also participating in the Gauteng Environmental Research

Symposium and the Solar & Storage Live Africa Conference. These platforms reinforced SANEDI's leadership in cleaner fossil fuel research and its role in bridging policy and practice.

Despite achievements, financial constraints remain a core challenge. Uncertainty around surplus funds, delays in budget allocations and pressures from donor reporting obligations, particularly from the Department of Defence, affected operational continuity and the timely delivery of outputs. These issues also put strain on achieving the Annual Performance Plan (APP) target.

Nevertheless, the sub-programme made strategic headway in reinforcing the relevance of gas and coal within South Africa's evolving energy landscape, ensuring that efforts remain aligned with national energy policy, environmental commitments and the broader Just Energy Transition framework.

The Cleaner Fossil Fuels and Related Technologies sub-programme advanced strategic research into the evolving role of gas and coal in South Africa's energy transition. Key activities included the Wits Gas Project, which explored alignment between the Draft IRP 2023 and the Gas Master Plan, focusing on infrastructure and non-electricity gas applications. SANEDI formalised international collaboration through an MoU with China's EPPEI, fostering exchange on energy forecasting and renewables. Intelligence briefs on LNG use and coal characteristics are being finalised, and internal knowledge-sharing sessions were held. Engagements such as the coal mine methane roundtable and the Solar & Storage Live Africa Conference highlighted SANEDI's role in clean fossil fuel innovation.

2. RENEWABLE ENERGY SUB-PROGRAMME

The Renewable Energy sub-programme made substantial progress in advancing South Africa's clean energy agenda through technology innovation, strategic partnerships, capacity-building and sectoral engagement. Activities during the year highlighted SANEDI's commitment to implementation excellence and thought leadership across key renewable energy domains.

The programme delivered significant achievements in pilot and demonstration projects, including the Cool Surface Project in Limpopo, which tested reflective coatings to enhance solar PV efficiency in harsh environmental conditions. Similarly, the Hoedspruit Water Treatment Works Project demonstrated integrated solutions for clean water and energy supply, with both projects achieving major milestones despite funding delays.

Through initiatives such as the Mini-Grid Project, SANEDI continued to promote solar PV with battery storage to bolster energy security in mining-impacted areas. Meanwhile, the biofuels incubator supported the growth of small businesses in the bioenergy sector, equipping 17 individuals with training, mentorship, and certification to launch their own enterprises.

SANEDI also actively participated in shaping the policy and research landscape, contributing to a green hydrogen study in collaboration with GIZ and initiating a Renewable Energy Technology Database to map and engage with industry stakeholders. Furthermore, SANEDI resumed participation in the IEA PVPS Executive Committee and contributed to the international solar energy knowledge base.

In the training and knowledge-sharing domain, SANEDI hosted and participated in several impactful platforms, such as the SOLTRAIN Train-the-Trainer Programme, the IEA Bioenergy ExCo, and major national events, including the SANEDI Annual Conference, Windaba, and the International Solar and Storage Conference. These events helped to promote best practices, highlight emerging technologies, and expand international collaborations, such as engagement with German renewable energy associations and strategic dialogues with the Department of Defence.

The sub-programme also led strategic work on gender mainstreaming within the renewables sector and advanced research through projects under the Leap-Re and Viability and Validation of Innovation for Service Delivery (VVISD) programmes. Notably, Leap-ReCall 2 progressed with four approved projects successfully contracted, reinforcing the research pipeline.

Despite these successes, the programme faced persistent financial and administrative challenges, particularly regarding the availability and visibility of surplus funding, delays in budget approvals, and difficulties in aligning procurement with project timelines. These issues impacted the execution of specific deliverables and created strain in donor relations, especially with the Department of Defence, which expressed frustration over delays in fund reconciliations.

Nevertheless, SANEDI's Renewable Energy Programme continues to play a pivotal role in driving innovation, fostering partnerships, and supporting South Africa's just energy transition. With a strong portfolio of projects, growing industry engagement, and a strategic focus on both local relevance and international collaboration, the programme remains central to the country's efforts to build a sustainable, secure, and inclusive energy future.

The Renewable Energy sub-programme achieved solid progress, meeting all project targets despite financial and administrative hurdles. Major initiatives, including the Leap-Re Programme and VVISD, moved forward, while the Limpopo Cool Surface Project (Phase II) and Hoedspruit Water Treatment Works Project reached key contracting and funding stages. However, delays in funding disbursement and National Treasury approvals impacted timelines and APP outcomes, placing the Mini-Grid Project on hold. Four Leap-ReCall 2 projects were contracted, and four VVISD projects are procurement-ready for energy technologies. Although the ProComm-approved PlasWen deviation marks a milestone, ongoing budget uncertainties and donor reconciliation issues remain a concern. SANEDI continues to prioritise renewable energy innovation, reinforcing its commitment to a just and sustainable energy future.

3. SMART GRIDS SUB-PROGRAMME

The Smart Grids sub-programme made significant progress during the financial year in promoting digital transformation, infrastructure optimisation, and research aligned with South Africa's Just Energy Transition (JET). Central to its achievements was the Asset Management Study, conducted in partnership with the University of Pretoria and four municipalities, including Nelson Mandela Bay and Winnie Madikizela Mandela. These engagements provided capacity-building and detailed assessments of municipal infrastructure, with draft reports now under review to inform strategic improvements in asset governance.

SANEDI also played a key role in the National Treasury Smart Metering Project, establishing a Project Management Office to oversee the rollout of over 65,000 smart meters across eight municipalities. This initiative is designed to improve municipal revenue collection, reduce debt to Eskom, and support a reliable electricity supply. Additional municipalities are being onboarded, extending the project's reach and impact. SANEDI's governance team continues to ensure alignment and oversight of smart metering implementation nationwide.

The programme further advanced research through the Just Energy Transition Research Programme, launched in collaboration with six South African universities. Fourteen (14) research projects were initiated, with three already completed, and the upcoming JET Energy Stakeholder Conference in February 2025 is set to strengthen collaboration across academia, industry and government. SANEDI also reinforced international partnerships by participating in the 28th Executive Committee meeting of the International Smart Grid Action Network (ISGAN) in South Korea.

SANEDI resolved earlier contracting delays with academic partners, securing surplus funds and enabling ongoing research. No material challenges were reported in the latter half of the year; the Smart Grids sub-programme demonstrated steady delivery, strong governance, and growing national impact—positioning SANEDI as a key driver of innovation and resilience in South Africa's municipal energy systems.

4. DATA AND KNOWLEDGE MANAGEMENT SUB-PROGRAMME

During the 2024/25 financial year, SANEDI's Data and Knowledge Management & Energy Modelling programme made substantial progress in supporting data-driven decision-making within South Africa's energy sector. Central to this advancement was the establishment of a Digitalisation Laboratory, which now hosts advanced infrastructure, including a videowall and operational workstations. This lab serves as a hub for real-time data visualisation, forecasting, and high-level energy analysis, significantly enhancing SANEDI's ability to interpret and communicate sector insights.

A key development was the approval and upcoming rollout of the SANEDI Energy Database, a centralised platform designed to consolidate energy-related datasets across the organisation. Backed by this programme and the Executive Committees, this two-year initiative is set to launch in March 2025 and is being prototyped in collaboration with universities involved in the Just Energy Transition (JET) programme. Additionally, SANEDI finalised a five-year Digitalisation Strategy that outlines sector-specific goals for data integration across the nuclear, oil and gas, solar, and wind sectors. However, implementation may require revised budget allocations.

The programme also contributed to national priorities, including supporting the Universal Access Study for the Department of Energy and Environment (DEE), which seeks to develop a roadmap towards 97% household electrification. Further partnerships included work with Zero-Carbon Charge to manage data for electric vehicle charging stations and contributions to the NECOM on aggregator modelling. After early logistical challenges in setting up the videowall, operations stabilised, and no further issues were reported, reflecting improved planning and execution.

Overall, the programme has laid the groundwork for a more integrated, informed, and collaborative energy planning environment. With its expanding digital infrastructure, modelling tools and research partnerships, SANEDI is increasingly positioned as a leader in energy data and knowledge management, supporting a resilient and sustainable national energy transition.

5. CLEANER MOBILITY SUB-PROGRAMME

During the 2024/25 financial year, SANEDI advanced its Cleaner Mobility sub-programme, reinforcing South Africa's transition to a low-carbon transport system. A significant initiative was the Electric Bus Demonstration Project, launched in collaboration with the Department of Transport (DoT). By October 2024, SANEDI finalised the procurement of a Technical Advisor, marking a strategic step toward decarbonising metropolitan public transport.

The Electric Vehicle (EV) Retrofit Project achieved a key milestone by successfully converting and certifying a retrofitted electric minibus. A larger 66-seater bus will undergo similar modifications, and safety and roadworthiness assessments. These demonstration projects are crucial for validating local EV retrofit technologies, enabling broader adoption and localisation within the transport sector.

SANEDI also supported national efforts to develop EV infrastructure mapping and policy frameworks, in partnership with the University of Johannesburg. A draft report has been submitted, with final outputs expected by March 2025. In addition, SANEDI co-developed a Monitoring and Evaluation (M&E) system for the Green Transport Strategy, which was implemented in July 2024. These initiatives reflect SANEDI's growing role in shaping sustainable transport policy and technology development.

6. BIOFUELS SUB-PROGRAMME

SANEDI made strategic progress in laying the foundation for a revitalised and sustainable biofuels industry in South Africa. The organisation initiated a comprehensive sector study to assess domestic biofuel resources, technology availability and maturity, localisation potential, and regulatory frameworks, including blending mandates. This study is designed to support policy alignment and industry scaling.

Alongside this, a five-year roadmap is being developed to define the economic viability, technological readiness, social impact and funding opportunities for biofuels development. The technical specifications for the study have been finalised an the bidding process is currently open. These steps are pivotal in ensuring that biofuels play a meaningful role in South Africa's broader energy transition strategy. These initiatives demonstrate SANEDI's growing influence and effectiveness in enabling South Africa's clean energy and mobility transition. Through strong intergovernmental collaboration, industry partnerships, and research-based planning, the organisation continues to champion innovation in transport, energy demand management, and alternative fuels.

The Biofuels programme has made significant progress in revitalising the sector. A study is being launched to assess the status of biofuels both in South Africa and globally, focusing on resource availability, technology maturity, and localisation. The findings will contribute to a five-year strategic roadmap addressing technology readiness, economic viability, social impact, and funding mechanisms. The bid process for the study is open, with technical specifications approved. These initiatives aim to build a solid foundation for the sector's growth and policy alignment.

4.1.3 PROGRAMME 3: ENERGY EFFICIENCY

The purpose of the Energy Efficiency programme is to accelerate a shift towards a resource-efficient, and particularly an EE society.

PROGRAMME 3 PERFORMANCE

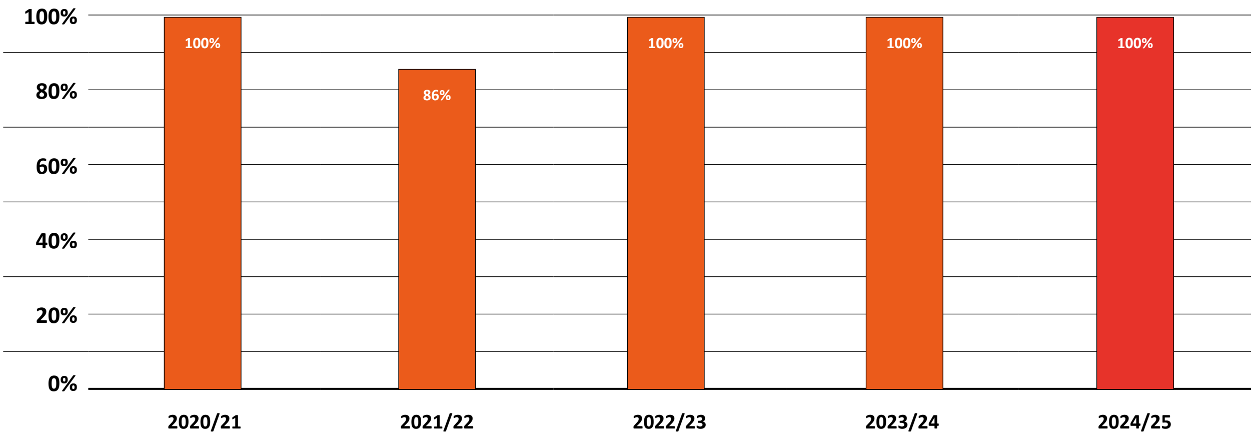


Figure 10: Programme 3 Performance

Table 6: Programme 3 - Impact

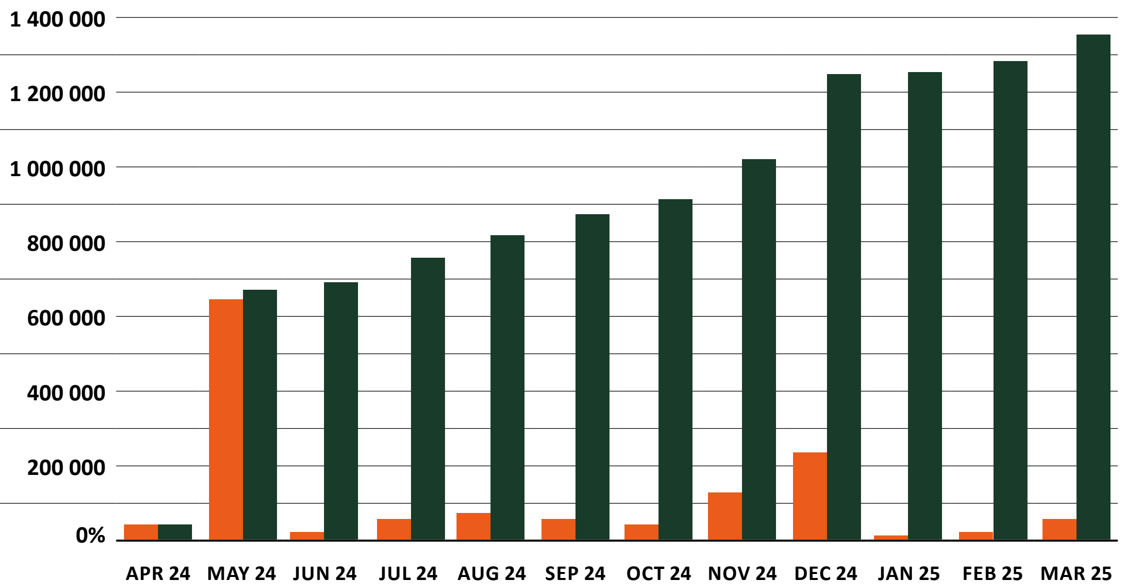
12 L certificates issued	**30**
Jobs created indirectly through 12 L	**600**
GHG emissions reduced through 12L	**1,26 Mega tonnes**
Trained individuals	**153**
Energy solutions and research reports produced	**13**

Details on focus areas and programme performance are depicted below:

1. 12L TAX INCENTIVE PROGRAMME

During the 2024/25 financial year, the 12L Tax Incentive continued to drive meaningful energy efficiency improvements across South Africa, with 30 certificates issued across seven provinces, covering twenty-five Standard Industrial Classifications (SICs). These certificates were awarded for projects utilising a range of energy carriers, including grid electricity, coal, diesel, jet fuel, and a mix of non-renewable energy sources. The dominant source of energy impact throughout the year was consistently the mix of non-renewable energy carriers, accounting for approximately 80–88% of certified savings. Grid electricity followed at 9–11%, while coal and diesel made the lowest contributions, typically ranging between 2–4%. In total, the incentive enabled a combined tax claim value of R5.18 billion, which supported energy savings of 5,451,755 MWh and resulted in the avoidance of approximately 4.57 million tonnes of greenhouse gas (GHG) emissions over a five-year cycle. These outcomes reflect both environmental benefits and significant economic gains, as participating businesses continue to realise long-term cost savings and improved energy productivity. The broad uptake of the programme across sectors and regions underscores its ongoing value as a key driver of South Africa's transition to a more energy-efficient and sustainable economy.

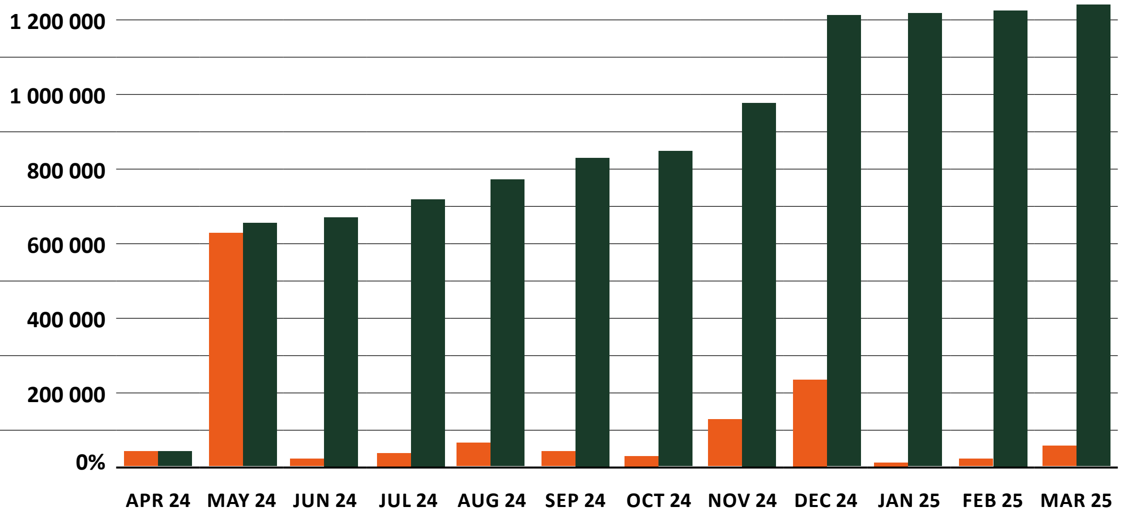
CUMULATIVE ENERGY IMPACTS



	APR 24	MAY 24	JUN 24	JUL 24	AUG 24	SEP 24	OCT 24	NOV 24	DEC 24	JAN 25	FEB 25	MAR 25
Energy/MWh	33 114	637 289	22 907	51 910	70 510	57 091	35 964	134 710	230 435	1 229	19 269	60 001
Cumulative Energy/MWh	33 114	670 403	693 310	745 219	815 729	872 821	908 785	1 043 495	1 273 930	1 275 159	1 294 428	1 354 428

Figure 11: Cumulative Energy Impacts

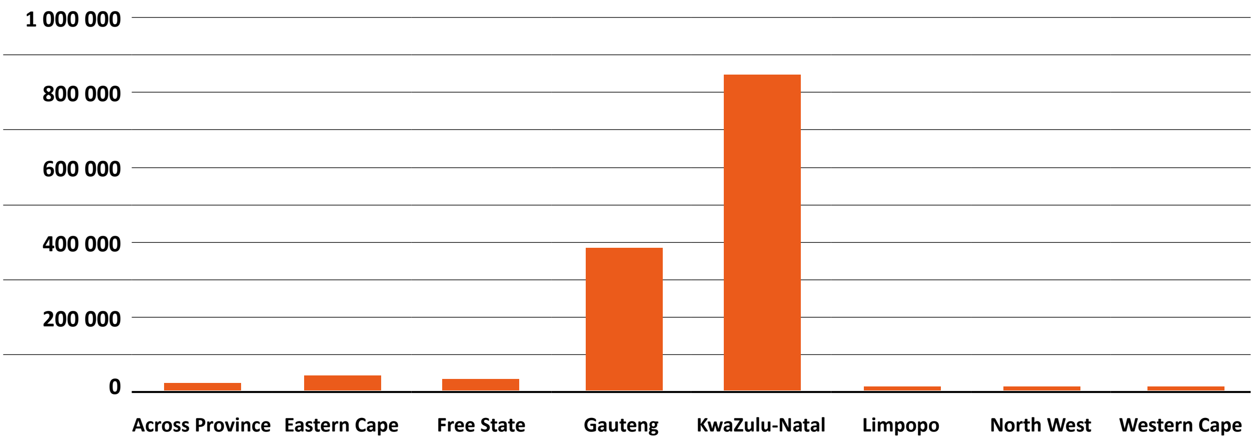
CUMULATIVE AVOIDED GHG EMISSIONS



	APR 24	MAY 24	JUN 24	JUL 24	AUG 24	SEP 24	OCT 24	NOV 24	DEC 24	JAN 25	FEB 25	MAR 25
Emissions/Tonnes	32 783	625 174	22 678	35 564	70 510	33 369	21 186	134 710	230 074	1 217	19 269	36 146
Cumulative Emissions/Tonnes	32 783	657 957	680 634	716 198	786 708	820 077	841 263	975 973	1 206 048	1 207 265	1 226 533	1 262 679

Figure 12: Cumulative Avoided GHG Emissions

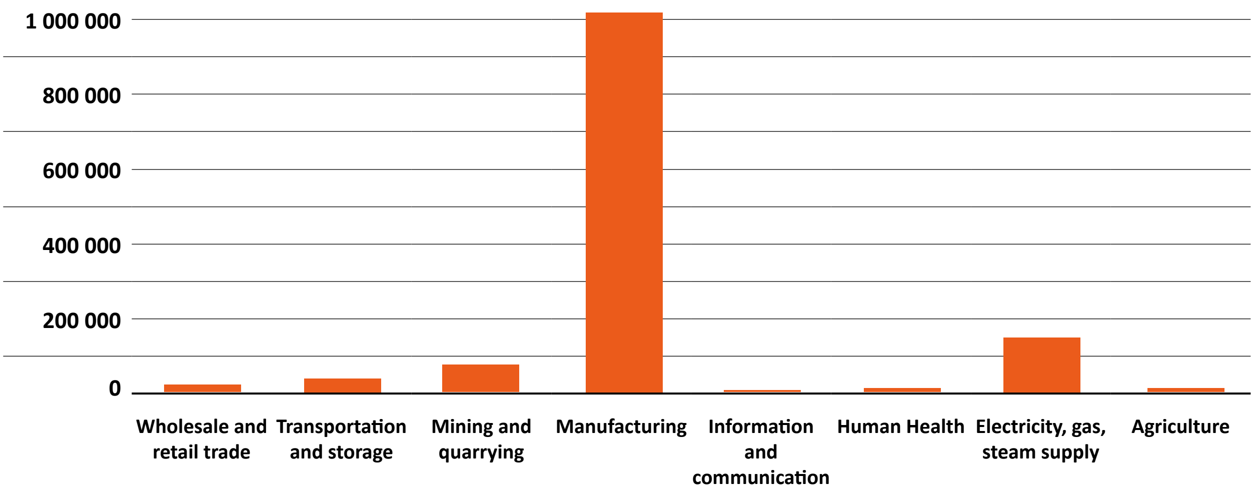
12L TAX INCENTIVE PERFORMANCE PER PROVINCE APRIL 2024 - MARCH 2025



	Across Province	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	North West	Western Cape
Energy/MWh	11 118	46 086	29 928	396 422	857 274	5 439	2 268	5 894

Figure 13: 12l Tax Incentive Performance per Province April 2024 - March 2025

12L TAX INCENTIVE PERFORMANCE PER SECTOR APRIL 2024 -MARCH 2025



	Wholesale and retail trade	Transportation and storage	Mining and quarrying	Manufacturing	Information and communication	Human Health	Electricity, gas, steam supply	Agriculture
Energy/MWh	24 660	53 966	74 830	1 030 542	1 229	4 525	159 237	5 439

Figure 14: 12l Tax Incentive Performance per Sector April 2024 - March 2025

ENERGY IMPACT PER CARRIER

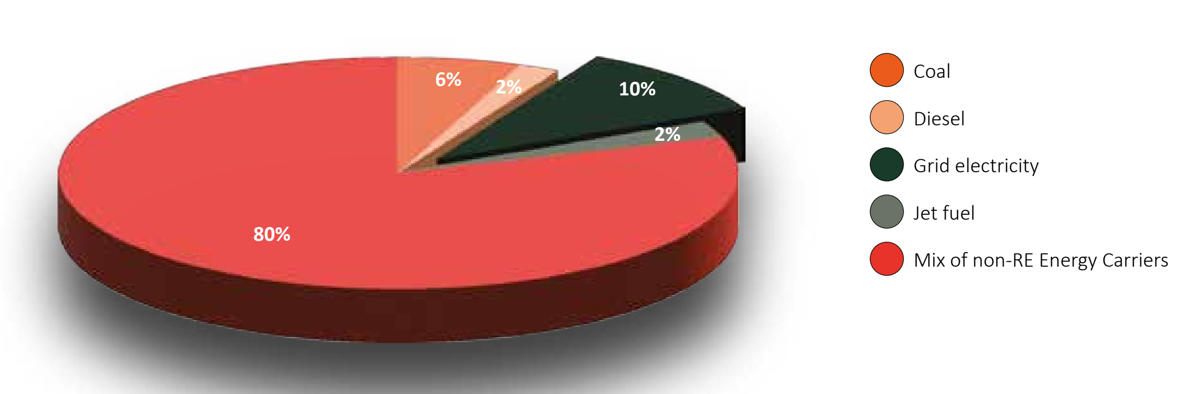


Figure 15: Energy Imapct per Carrier

2. ENERGY PERFORMANCE CERTIFICATES (EPC)

Significant progress was achieved with the launch of the National Building Energy Performance Register (NBEPR) and a new registration portal for EPC professionals. A pilot project with Standard Bank to extend EPCs to the residential sector is underway. SANEDI also initiated the development of an EPC application tool in collaboration with CSIR, and conducted municipal workshops to support compliance with the 1 August deadline.

EPC activities made significant progress with the continued development of the National Building Energy Performance Register (NBEPR) and related compliance mechanisms. Prepayment to CSIR initiated the setup of lab- and app-based infrastructure for EPC monitoring and verification. A residential pilot project in partnership with Standard Bank is nearing completion, opening new pathways for household-level implementation. Municipal workshops in the Free State and through SALGA have strengthened local government readiness, expanding national energy data coverage. The programme is central to benchmarking energy use in the built environment, supporting regulatory compliance, capacity-building, and informed policymaking across government tiers.

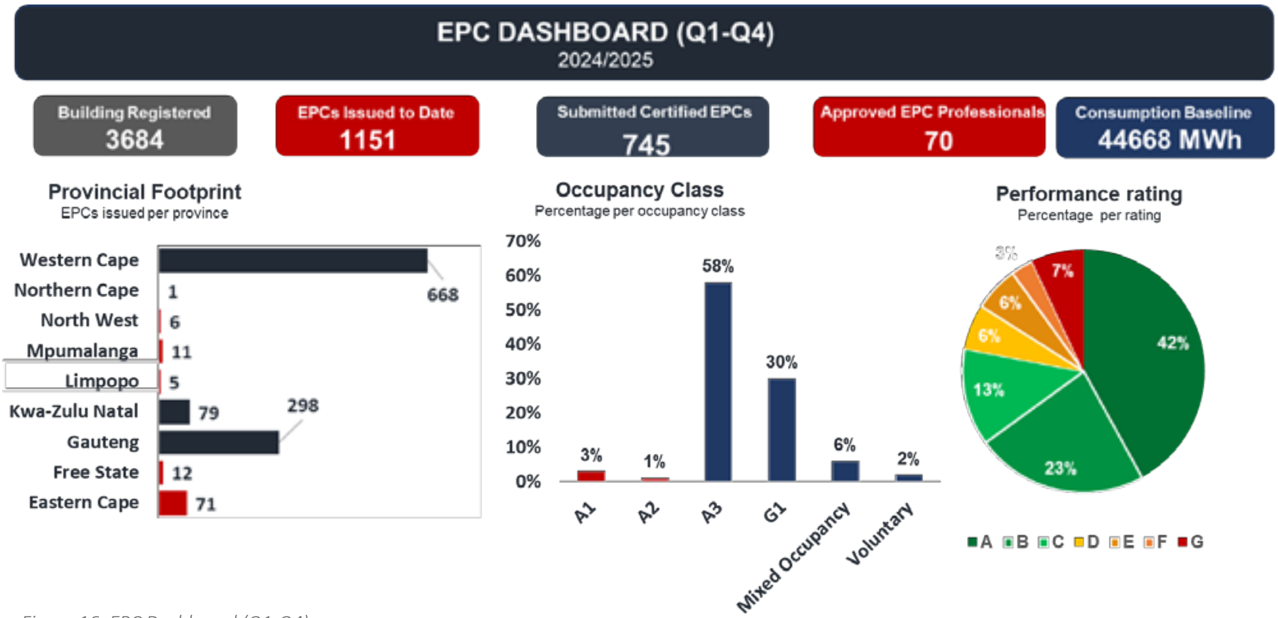


Figure 16: EPC Dashboard (Q1-Q4)

3. STANDARDS AND LABELLING (S&L) PROGRAMME

The Standards and Labelling (S&L) sub-programme made notable progress in strengthening SANEDI's internal capacity and advancing appliance efficiency standards. Staff received targeted training in procurement, emotional intelligence, and presentation skills, enabling more effective participation in bid evaluations and adjudication processes. These efforts supported broader institutional development and operational efficiency.

International collaboration remained a key focus, with ongoing engagement with CLASP and the implementation of the WELS and Appliance South Africa MoU. These partnerships contributed to the harmonisation of appliance efficiency standards and informed national policy development. SANEDI also played an active role in shaping air-conditioning standards and participating in the SAEEC Conference, reflecting its leadership in the field.

Overall, the programme supported national energy performance objectives and consumer awareness while contributing to the development of the Net-Zero strategy. It continues to position SANEDI as a key player in promoting appliance efficiency and ensuring South Africa remains aligned with global best practices.

4. BALANCING ENERGY SUPPLY AND DEMAND SUB-PROGRAMME

During the 2024/25 financial year, SANEDI made significant strides in strengthening energy planning and demand-side management. A key development was the proposal for a Centre of Excellence (CoE) in energy planning and modelling to enhance national capacity in this area. In parallel, SANEDI prepared a formalised energy planning strategy, which is being refined following stakeholder engagement.

The Demand Response Aggregator Model (DRAM) project, implemented with the CSIR, resumed after earlier delays and was extended to the end of 2024. Its findings contribute directly to national policy discussions, particularly through SANEDI's involvement in NECOM's Workstream 5, which focuses on technical aggregators and will inform a key position paper by April 2025.

SANEDI played a prominent role in public-private dialogue by moderating sessions at the Demand-Side Management Indaba in the Eastern Cape. These engagements supported knowledge exchange on energy optimisation and highlighted SANEDI's leadership in promoting balanced, efficient energy use. These initiatives are laying the groundwork for more resilient and data-informed energy planning across South Africa.

5. COOL SURFACES AND EMISSIONS IMPACT

While the Cool Surfaces Laboratory initiative was formally concluded due to relocation constraints, SANEDI finalised three strategic proposals for the South African Bureau of Standards (SABS) to assume long-term laboratory operations. A standout success was the establishment of Cool Cape—a black, female-owned SMME operating in Blue Downs—demonstrating inclusive economic participation through green technology. A GHG Emissions Impact Study for SMME satellite shops is nearing implementation. SANEDI has strengthened its laboratory infrastructure and developed three proposals to transfer long-term management to the SABS, supporting institutional sustainability. A public study release in March 2025 will improve sectoral transparency. The launch of Cool Cape, a black women-led SMME in Blue Downs, marked a key achievement in community engagement and inclusive entrepreneurship. Collaboration with CSIR's NCPC has led to the creation of an SMME support hub, vital for fostering grassroots economic development and sectoral resilience. The Cool Surfaces programme is positioned to contribute to national product standardisation, aligning with energy efficiency and job creation goals while enhancing SANEDI's reputation for advancing local innovation.

6. ESCO MARKET DEVELOPMENT

The ESCo Register was reopened in September 2024 with platform enhancements and renewed market engagement. A total of 160 ESCos have been onboarded and classified into Tier 1 (62), Tier 2 (70) and Tier 3 (28). The portal was upgraded to improve automation, reporting and user experience, strengthening SANEDI's oversight capacity.

In partnership with NCPC-SA, SANEDI conducted a two-day Energy Management Systems training workshop for 12 ESCos, focusing on skills development and market formalisation. Certification outcomes are pending. Strategic partnerships were further reinforced through Memoranda of Agreement with the IDC, training support from UNIDO, and endorsement from the World Bank.

The updated ESCo database provides strategic visibility into sector capabilities and gaps, enabling targeted interventions and tier-based support for emerging ESCos. The programme aligns with national objectives to broaden private-sector participation in energy efficiency services, contributing to developing a mature, decentralised and market-driven energy services ecosystem

7. SMART GEYSER CONTROL

A Project Advisory Committee was established to govern the rollout of smart geyser control devices aimed at peak demand reduction. The procurement process progressed, with the RFP having closed in March 2025. SANEDI also initiated formal engagement with Eskom for utility collaboration.

4.1.4 PROGRAMME 4: ENERGY SECRETARIAT

The purpose of the Energy Secretariat is to commercialise and upscale knowledge outputs from the RDI portfolio. The programme consists of six focus areas.

During the 2024/25 financial year, the Energy Secretariat recorded notable progress in supporting South Africa's clean energy innovation agenda, with over 90% of allocated funding either expended or committed. Collaborative efforts with the Department of Science, Technology and Innovation (DSTI) remain ongoing to finalise outstanding calls for proposals. Discussions are underway regarding a R40 million operational budget to cover new office space, furniture and associated running costs. Organisational growth was also advanced through successfully recruiting key administrative personnel, including a personal assistant and a receptionist. Furthermore, the revised organisational structure received formal approval from both EXCO and DSTI, while recruitment for additional technical staff—Senior Project Officers and Project Officers—is currently in progress. Importantly, no budgetary shortfalls are anticipated, with DSTI working towards the early release of funds for the 2025/26 financial year.

Institutional engagement and partnership-building were central to the Secretariat's activities. An intern was deployed to the University of Limpopo to support capacity-building initiatives, and a (MoU was signed with the University of Venda to strengthen academic collaboration. Additional signing ceremonies are planned with other universities.

The DSTI Energy Secretariat achieved significant results, driving innovation, skills development, and clean energy demonstrations that aligned with SANEDI and DSTI mandates. Key staffing developments included the appointment of former interns as Project Officers, postgraduate training for staff, and youth internships in urban and rural areas like Masia Village.

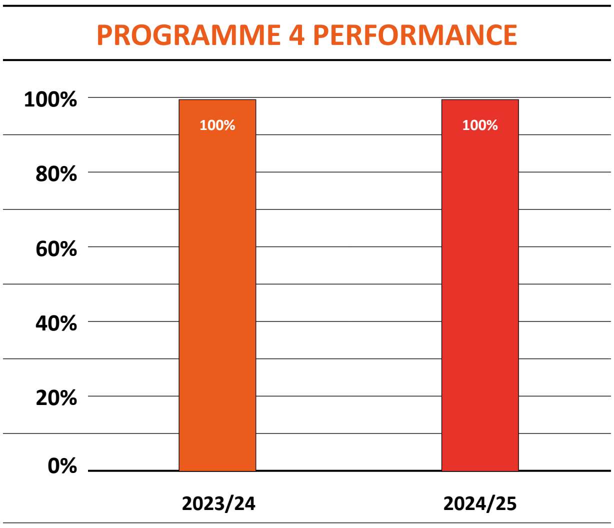


Figure 17: Programme 4 Performance

Table 7: Programme 4 - Impact

Jobs created indirectly	30
SMMEs supported	10

Programme performance exceeded expectations, with all DSTI H&E APP targets met, including a R37.9 million clean energy call and support for 47 graduates, 10 SMMEs and 14 intellectual property filings. Notable demonstrations included HySA NWU's mobile hydrogen refuelling system and CSIR's turquoise hydrogen reactor, alongside the integration of a wind turbine into Eskom's microgrid. Despite challenges such as staffing vacancies and delivery delays, the programme's financial management remained strong, with 79% of the budget spent and no overspending risks. However, recommendations for improved hiring and procurement were noted to sustain momentum.

1. RENEWABLE ENERGY HUB AND SPOKES

The Secretariat prioritised implementation at the community level through the Renewable and Sustainable Energy (RSE) Hubs & Spokes initiative. Projects were successfully launched in Masia Village and at the Russell Bungeni Science Lab, incorporating a 40 kWh battery storage system, a 5 kW hydrogen fuel cell, and an electrolyser installation scheduled for completion in August 2024. These efforts included the training and employment of five local TVET graduates, who have formed a Non-Profit Company to manage the day-to-day operations. In addition, a 40-seat, solar-powered computer lab, constructed from recycled containers was officially launched at Naledi Primary School, with further media laboratories, rolled out in Mpumalanga and North West. These installations created opportunities for local SMMEs, incorporating locally manufactured solar PV components.

2. COAL CO_2– X

Technology demonstration activities continued through the Coal CO_2-x EPCM pilot, launched on 20 March 2024 at Kelvin Power Station. This project showcased the application of Carbon Capture and Utilisation (CCU) technology in coal-fired power generation, with engagements underway to expand the model to an Eskom power station. At the University of Cape Town, the Coal CO_2-x team gained international recognition through participation in the Natural Gas Conversion Symposium in China, and hosted a commercialisation workshop to prepare stakeholders for market entry.

3. ENERGY STORAGE

In the area of energy storage, the University of Limpopo completed a project focusing on the production of battery-grade manganese sulphate, including comprehensive leaching experiments and analytical testing. The CSIR signed a Memorandum of Understanding to support further collaboration on battery anode development. Students from the University of the Western Cape also participated in the Enlit Africa 2024 conference, enhancing technical training and exposure for emerging professionals.

4. HYDROGEN SA (HYSA)

The three Hydrogen South Africa (HySA) platforms—Catalysis, Infrastructure, and Systems—remained active contributors to the programme. HySA Catalysis hosted several exhibitions and began formalising a trade identity for its fuel cell and electrolyser catalyst products. HySA Infrastructure participated in a bilateral workshop on green ammonia and hydrogen, held in collaboration with NWU and Japanese stakeholders, contributing to the implementation of the National Hydrogen Roadmap. Meanwhile, HySA Systems continued its long-standing partnership with Impala Platinum, overseeing the maintenance of a hydrogen fuel cell forklift and refuelling station. The Horizon-2020 HYDRIDE4MOBILITY project was successfully concluded and international collaboration was further strengthened through a new Non-Disclosure Agreement signed with the University of Missouri. Also, on the international stage, SANEDI's role in global energy discourse was reinforced through its participation in the Hydrogen Panel hosted in Madrid, Spain from 25–28 June 2024.

Notwithstanding these achievements, the Secretariat faced a number of operational challenges. Outstanding tax clearance certificates delayed EWSETA tranche payments to the University of the Western Cape, necessitating SANEDI to provide bridging funds while awaiting resolution. The appointment of 24 EWSETA interns was similarly delayed due to contractual complications. Additionally, delayed instructions from DSTI created procurement pressures, particularly in instances where transactions exceeding R1 million had to be expedited, raising potential audit risks. Persistent capacity constraints within the Energy Secretariat led to delays in implementation and increased workloads for existing staff. To mitigate these issues, SANEDI has initiated the recruitment of additional personnel, and continues to engage closely with DSTI to enhance organisational capacity.

4.2 OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

4.2.1 PROGRAMME 1: ADMINISTRATION

Table 8: Programme 1 - Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

ADMINISTRATION 100% targets achieved during 2024/2025								
*OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO3. A capacitated, effective and efficient operational environment (within which SANEDI will discharge its mandate). **SO4. Inform and increase awareness of sustainable energy and provide thought leadership.**	Talent Management.	Percentage of training undertaken as per EXCO approved Annual Training Plan.	104%	97%	100%	130.76%	30.76%	This is overachieved due to other training needs and opportunities that emerged.
	Recruitment.	Vacancy rate of funded positions.	2.08%	0%	<5%	0%		
	Employment Equity.	Percentage of employment deviation from employment equity targets.	4.26%	1.35%	≥1%	1.49%		
	Implementation of corporate ICT plan in relation to the IT strategy.	ICT vulnerability assessment and penetration test.	New Output Indicator	2	2	2		
		ICT governance maturity assessment.		72%	100%	100%		
	Financial Management.	External Audit outcome.	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit		
		% spent of the Vote allocation.	N/A	N/A	≥90%	108%		
	Critical business risk factors identified, managed as per the risk management plan.	Quarterly review of strategic and operational risks	100%	4	4	4		
	Governance, Risk and Compliance.	Compliance universe report.	N/A	4	4	4		
	Developing and Implementing Communications Strategy.	Communications and stakeholder engagement strategy and plan reviewed and approved.	N/A	1	1	1		
		External and/or Internal (within SANEDI Newsletters.	N/A	N/A	4	4		
		Number of media engagements (media releases).	N/A	21	12	12		

Table 8: Programme 1 - Outcomes, Outputs, Output Indicators, Targets and Actual Achievements (continued)

ADMINISTRATION (CONTINUED)
100 % targets achieved during 2024/2025

*OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO3. A capacitated, effective and efficient operational environment (within which SANEDI will discharge its mandate). **SO4. Inform and increase awareness of sustainable energy and provide thought leadership.**	Developing and Implementing Communications Strategy. (continued)	Report detailing number of Key Stakeholder Engagements (linked to Strategy).	N/A	N/A	4	4		
	Procurement of Goods and Services.	Procurement as per the Procurement Plan.	N/A	82%	≥100%	100%		
		% Bids awarded to BBBEE status service providers.	N/A		≥90%	100%		
		% Procurement from Youth and Women.	N/A		≥5%	74,19%		
	Managing Management Oversight.	Report detailing progress and budget spent on the projects.	N/A		4	4		
	Strategic planning, and monitoring of Annual Operational Plan.	Quarterly reports approved by the board and submitted to the Shareholder.	N/A		4	4		

* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes are contained on pages 41 and 42 of the 2024/2025 APP.

* During 2022/2023 and 2023/2024, the output indicator was phrased as "Percentage deviation from employment equity targets", and during 2024/2025, it was rephrased as "Percentage of employment deviation from employment equity targets". The rephrasing did not change the intended output.

4.2.2 PROGRAMME 1.2: STRATEGIC INITIATIVES

Table 9: Programme 1 - Strategic Initiatives

STRATEGIC INITIATIVES
100% targets achieved during 2024/2025

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO3: A capacitated, effective, and efficient operational environment (within which SANEDI will discharge its mandate).** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	We aim to translate groundbreaking concepts into tangible products and services.	No. of Intellectual Property Rights (IPRs) filed within the energy sector.	N/A		2	2		
		No. of business cases linked to intellectual property application in the energy sector.			2	2		
	This initiative embodies our commitment to fostering relationships, sharing expertise, and creating a global impact in the energy sector.	No. of new energy partners.			4	4		

Table 9: Programme 1 - Strategic Initiatives (continued)

STRATEGIC INITIATIVES (CONTINUED) 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO3: A capacitated, effective, and efficient operational environment (within which SANEDI will discharge its mandate).** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	By empowering local businesses, we contribute to economic growth, job creation, and sustainable development in the communities we serve.	No. of SMMEs supported and/ or assisted with business development and commercialisation in the energy sector.	N/A		2	220	218	ESCO markets, EPC training forums attracted more requests for technical assistance and support, resulting in more interventions rather than the planned.
	Through training, education, and mentorship programs, we equip individuals with the technical know-how essential for success in the energy industry.	No. of unemployed TVET and University Technology Students trained in the energy sector.			3	21	18	There was a higher than anticipated number of participants.
		No. of operating/ employed technicians/ artisans supported.			3	64	61	
		No. of unemployed technicians/artisans supported.			3	14	11	
	By providing technical expertise and shaping energy policies at the global level, we reinforce our commitment to sustainable energy practices.	No. of intergovernmental forums where SANEDI provides support (i.e., documentation, presentations, attendance, etc.).			4	4		
* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.								

4.2.3 PROGRAMME 2: APPLIED RESEARCH, DEVELOPMENT AND INNOVATION

4.2.3.1 SUB-PROGRAMME: CLEANER FUELS AND RELATED TECHNOLOGIES

Table 10: Programme 2 - Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

CLEANER FUELS AND RELATED TECHNOLOGIES 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	Cleaner fuels and Related Technologies assessed/ Evaluated.	Number of energy solutions assessed either advisory notes or feasibility reports or study reports or case studies or technology roadmaps and demonstration projects/facilities.	1	1	1	2	1	SANEDI was invited by the Thabo Mbeki Foundation to Russia for coal fired power plants study tour which added a great contribution to this target.
	Energy solutions assessed evidenced by reports.	Number of approved Annual Energy Industry status reports.	N/A	N/A	1	1		

* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes are contained on pages 41 and 42 of the 2024/2025 APP.

* During Number of energy solutions assessed either advisory notes or feasibility reports or study reports or case studies or technology roadmaps and demonstration projects/facilities was phrased as "Roadmap and Business case for Cleaner Fuels and Related Technologies approved".

* Table 14 on page 67 of the APP for 2024-2025 reflects two (2) output indicators planned annually as showing in this annual performance table, however on table 25 (page 80) of the APP there is a design and layout error and as a result output indicator **"Number of approved Annual Energy Industry status reports"** on quarterly breakdown is missing. This does not implicates the performance as both output indicator targets have been achieved as planned annually.

4.2.3.2 SUB-PROGRAMME: RENEWABLE ENERGY

Table 11: Sub-Programme - Renewable Energy

CLEAN ENERGY (RENEWABLE ENERGY) 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions.	Smart public facilities Pilots and studies (Renewable Energy SANEDI driven initiative contributing towards GHG reduction).	Number of energy solutions assessed either advisory notes or feasibility reports or study reports or case studies or technology roadmaps and demonstration projects/facilities.	7	4	2	2		

Table 11: Sub-Programme - Renewable Energy (continued)

CLEAN ENERGY (RENEWABLE ENERGY) (CONTINUED) 100% targets achieved during 2024/2025								
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2022/2023**	**AUDITED ACTUAL PERFORMANCE 2023/2024**	**PLANNED ANNUAL TARGET 2024/2025**	**ACTUAL ACHIEVEMENT 2024/2025**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025**	**REASONS FOR DEVIATIONS**
SO2: Building energy expertise and competence. **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	Accessible and high-quality data: maintain energy-related datasets.	Minimum number of energy-related datasets maintained per annum.	2	2	2	3	1	The additional dataset was demand driven at no extra cost.
	Reports from Energy related knowledge sharing events / platforms.	Number of energy-related Knowledge sharing events / platforms engaged in either hosted by SANEDI or attended by SANEDI staff or knowledge presented by SANEDI staff.	24	27	2	18	16	Opportunities for additional events emerged at no extra cost.
* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.								

4.2.3.3 SUB-PROGRAMME: DATA & KNOWLEDGE MANAGEMENT

Table 12: Sub-Programme - Data & Knowledge Management

CENTRE FOR ENERGY SYSTEMS ANALYSIS AND RESEARCH (DATA AND KNOWLEDGE MANAGEMENT AND ENERGY MODELLING) 100% targets achieved during 2024/2025								
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2022/2023**	**AUDITED ACTUAL PERFORMANCE 2023/2024**	**PLANNED ANNUAL TARGET 2024/2025**	**ACTUAL ACHIEVEMENT 2024/2025**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025**	**REASONS FOR DEVIATIONS**
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership**	New energy solutions.	Number of new energy solutions assessed by either advisory notes or feasibility reports or study reports or case studies, or technology roadmaps and demonstration projects/facilities.	N/A		1	1		
	Research publications reflecting clean energy insights.	Number of approved Annual Energy industry status reports.	1	1	1	1		
* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.								

4.2.3.4 SUB-PROGRAMME: CLEANER MOBILITY

Table 13: Sub-Programme - Cleaner Mobility

CLEANER MOBILITY 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	Cleaner mobility: greening municipal fleet and cleaner transport massification plans.	Number of energy solutions assessed by either advisory notes or feasibility reports or study reports or case studies, or technology roadmaps and demonstration projects/ facilities.	1	1	1	1		
		Annual energy industry insights (trends) publications reflecting insights from extensive international and National collaboration, interfacing and forums.	1	1	1	1		
		Number of energy-related knowledge sharing events/platforms engaged in either hosted by SANEDI or attended by SANEDI staff or knowledge presented by SANEDI staff.	2	1	1	1		

* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.

4.2.3.5 SUB-PROGRAMME: BALANCING ENERGY SUPPLY AND DEMAND

Table 14: Sub-Programme - Balancing Energy Supply and Demand

BALANCING ENERGY SUPPLY AND DEMAND 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	A proposal for an aggregator model focused on geyser loads for balancing energy supply and demand.	Number of energy solutions assessed by either advisory notes or feasibility reports or study reports or case studies, or technology roadmaps and demonstration projects/ facilities.	N/A		1	1		

* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.

4.2.3.6 SUB-PROGRAMME: BIOFUELS

Table 15: Sub-Programme - Biofuels

BIOFUELS 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	Desktop study looking at international best practices and lessons learned thereof.	Number of energy solutions assessed by either advisory notes or feasibility reports or study reports or case studies, or technology roadmaps and demonstration projects/ facilities.	N/A		1	1		

* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.

4.2.3.7 SUB-PROGRAMME: SMART GRIDS

Table 16: Sub-Programme - Smart Grids

SMART GRIDS 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	Pilot and demonstration of rollout of an Asset Management Framework in a municipal environment.	Number of energy solutions assessed by either advisory notes or feasibility reports or study reports or case studies, or technology roadmaps and demonstration projects / facilities.	2	2	2	2		
	Research publications reflecting smart grid insights.	Number of approved Annual Energy Industry status reports.	1	1	1	1		
* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.								

4.2.4 PROGRAMME 3: ENERGY EFFICIENCY

Table 17: Programme 3 - Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

ENERGY EFFICIENCY
100% targets achieved during 2024/2025

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership.**	Processed 12L applications.	12L EE tax certificates issued.	38	30	20	30	10	SANEDI is mandated to administer all Tax incentive submission. Demand surged resulting in SANEDI receiving 32 Performance Assessment Reports and was able to approved 30 certificates.
		GHG emissions reduced (Mega tonnes CO2).	0.90 Mega tonnes	0.59 Mega tonnes	0.5 Mega tonnes	1.26 Mega tonnes	0.76 Mega tonnes	As the number of certified projects increased, we were able to achieve 1.26 mega tonnes. This was made worse by a headline project that achieved a singularity of 0.61 mega tonnes.
	EE datasets and information used for policy decision making.	Number of EE energy-related datasets (12L) maintained per annum.	N/A	3	1	1		
	Smart public facilities (and any other SANEDI driven initiative contributing towards GHG reduction).	A report detailing a number of new EE solutions (EPCs) assessed.	N/A		2	2		
	EE datasets and information used for policy decision making	A report detailing number of EE energy-related datasets (EPCs) maintained per annum	N/A		2	2		
	EE datasets and information used for policy decision making	A report detailing number of EE energy-related datasets (ESCo) maintained per annum			2	2		
	EE Capacity created through training.	Number of recipients of energy-related training facilitated (excluding SANEDI staff).	26	124	20	153*	133	The programmes offered more trainings than expected. Additionally, opportunity was available for more than targeted people, with a total of 86 people being trained in Q3 and 13 additional people in Q4.

* Output indicators "a report detailing the number of EE energy-related datasets (EPCs) maintained per annum" and "a report detailing the number of EE energy-related datasets (ESCo) maintained per annum" measured datasets, and these datasets were maintained (2 for EPCs and 2 for ESCo). The source of data and method of calculation are datasets for these 2 output indicators. The title mismatch in the TID is an oversight; we are not measuring reports, we are measuring datasets, although these reports are also available.

Table 17: Programme 3 - Outcomes, Outputs, Output Indicators, Targets and Actual Achievements (continued)

ENERGY EFFICIENCY (CONTINUED)
100% targets achieved during 2024/2025

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions. **SO2: Building energy expertise and competence.** **SO4: Inform and increase awareness of sustainable energy and provide thought leadership.** **SO5: Provide thought leadership**	Minimum energy Performance Standards, regulations and related impact assessments developed.	A report detailing number of new EE solutions (standards and labelling) Implemented.	N/A	4	4	4		
	Standards and Labelling, skills programme, energy efficiency and public buildings infrastructure programme.	Approved report detailing number of DMRE Strategic Initiative Implementation.	N/A		1	1		
	Rollout with municipality systems for controlling load management.	Approved report detailing number of Large-Scale Rollout of Balancing Energy Supply & Demand.			1	1		
	High efficiency lighting rollout in public metros and municipalities.	Report detailing Implementation of highly efficient lighting rollout within metros and/or municipalities.			1	1		

* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.

* In the Q4 report of 2024/2025, the cumulative year-to-date actual performance under Number of recipients of energy-related training facilitated (excluding SANEDI staff) is 153, not 179 as erroneously captured. The target remains overachieved with 133, and the overall achievement of the organisation has not been compromised, as it remains 100%. The output "EE capacity created through training" was accomplished and surpassed.

* 12L EE tax certificates issued during 2022/2023 was achieved at 38 (audited) not 11 as incorrectly reflected on the APP.

* Number of EE energy-related datasets was broadened in prior years and from 2024-2025 it was specified to measure 12L, EPCs and ESCos.

* There is an oversight on the 2023/2024 annual performance report, the planned target for **"A report detailing number of new EE solutions (standards and labelling) implemented"** is 4 not 38 (as per 2023/2024 APP), this does not affect the actual achievement of the planned target as the target was reported as achieved.

4.2.5 PROGRAMME 4: ENERGY SECRETARIAT

Table 18: Programme 4 - Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

THE ENERGY SECRETARIAT 100% targets achieved during 2024/2025								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
SO1: Contribute to sustainable energy solutions.	Approved Q1 Report to the DSTI.	Approved report detailing number of University of Technology/TVET graduates offered experiential learning opportunities in the energy sector.	New Output Indicator.	4	1	1		
SO2: Building energy expertise and competence.	Approved Q2 Report to the DSTI.	Approved report detailing number of intellectual property rights(IPRs) filed based on energy RDI.		1	1	1		
SO4: Inform and increase awareness of sustainable energy and provide thought leadership.	Approved Q3 Report to the DTSI.	Approved report detailing number of stationary fuel cells/clean energy technologies deployed in partnership with Municipalities/District Municipalities.		4	1	1		
SO5: Provide thought leadership.	Approved Q4 Report to the DSTI.	Approved report detailing number of SMMEs assisted/supported with business development and commercialisation.		2	1	1		

* Outcomes in the 2024/2025 APP performance tables are referenced as numbers, and the detailed phrasing of these outcomes is contained on pages 41 and 42 of the 2024/2025 APP.

PART C
GOVERNANCE

1. INTRODUCTION

SANEDI is a juristic person established by section 7(a) of the National Energy Act (NEA), Act 34 of 2008, and is managed and controlled by a Board. The Board, in terms of section 8(a) of the NEA, is responsible for determining policies and procedures and for overseeing the performance of SANEDI. The Board must also exercise control over the performance of SANEDI's functions and has the same powers and authority as those conferred upon the South African National Energy Development Institute in terms of the Act 34 of 2008.

2. PORTFOLIO COMMITTEES

The Parliamentary Portfolio Committee (PPC) on Energy has oversight of the South African National Energy Development Institute (SANEDI). During the 2024/25 financial year, SANEDI presented its Strategic Plan (SP) and Annual Performance Plan (APP) for 2024/25 to the Portfolio Committee (PPC) for review, both of which were subsequently adopted by the PPC.

3. EXECUTIVE AUTHORITY

The Executive Authority (EA) of SANEDI is the Minister of Mineral Resources and Energy (formerly DoE). As per the compliance requirements, SANEDI submitted the following reports to the EA on the dates indicated below:

Table 19: Report Submission Dates

REPORT	DATE OF SUBMISSION
First Quarter performance report for the period 1 April 2024 to 30 June 2024	29 July 2024
Annual Report (AR) for 2023/24	30 August 2024
First draft Annual Performance Plan (APP) for 2024/25	31 January 2024
Second Quarter Performance Report for the period 1 July to 30 September 2024	31 October 2024
Third Quarter Performance Report for the period 1 October to 31 December 2024	31 January 2025
Fourth Quarter Performance Report for the period 1 January to 31 March 2025	30 April 2025

4. THE ACCOUNTING AUTHORITY / BOARD

4.1 THE ROLE OF THE BOARD

- Formulating, approving and monitoring the strategy, goals, business plans and annual budgets, and approving any subsequent material changes in strategic direction or material deviations from business plans.
- Approving the Annual Financial Statements, ensuring that they fairly present the financial and non-financial position, contain proper disclosures and conform to the law.
- Ensuring that an adequate and effective process of Corporate Governance is established and maintained, that King IV principles are applied, or where these are not, indicating the reason and outlining other processes implemented by the Institute to address aspects of the requirement.

4.2 BOARD CHARTER

The Board operates in accordance with its adopted Charter. The Charter was reviewed against the backdrop of the recommended practices on Board Charters issued and published by the Institute of Directors Southern Africa. The Charter confirms, as recommended by the King IV Report on Corporate Governance and stipulated in the Energy Act, *inter alia*, that the Board's duty is:

a) To steer and set strategic direction with regard to both the organisation's strategy and how specific areas are to be approached, addressed, and conducted,

b) To approve policies and planning that give effect to the strategy,

c) To oversee and monitor the implementation and execution of policies by management, and

d) To ensure accountability through reporting and disclosures.

4.3 COMPOSITION OF THE BOARD

The Board is appointed by the Minister of Mineral Resources and Energy (formerly the Department of Energy) in consultation with the Minister of Science, Technology, and Innovation (formerly the Department of Science and Technology). Section 8(2) of the NEA requires the following Board composition:

- Chairperson,
- Deputy Chairperson,
- Representatives from the following Government Departments:
  - Mineral Resources and Energy (formerly DoE)
  - Trade and Industry
  - Science and Innovation (formerly Science & Technology)
  - Forestry, Fisheries and the Environment (previously Environmental Affairs), and
  - Transport
- Two other suitably qualified persons.

The Board was appointed on 11 January 2022, with the term ending on 10 January 2025. The members' terms were extended for six months, ending on 30 June 2025, and the Board consisted of the following members:

Table 20: Composition of the Board, Management and ARC

NAME & SURNAME	DESIGNATION	BOARD	COMMITTEE MEMBERSHIP	NO. OF BOARD MEETINGS HELD
BOARD MEMBERS				
Mr Sicelo Xulu	Chairperson	Board	TPFC	8
Ms Lungile Mtiya	Deputy Chairperson	Board	HR&REMCO	8
Ms Abegail Boikhutso	Non-Executive Director	Board	HR&REMCO & ARC	8
Dr Rebecca Maserumule[1]	Department of Science, Technology and Innovation (DSTI)	Board	TPFC	8
Ms Ilze Baron[2]	Department of Trade Industry and Competition (the DTIC)	Board	HR&REMCO	8
Mr Gerard Fourie (alternate member for Ms Ilze Baron)	Department of Trade Industry and Competition (the DTIC)	Board	HR&REMCO	N/A
Mr Jongikhaya Witi	Department of Forestry, Fisheries, and Environment (DFFE)	Board	TPFC	8
Mr Mthokozisi Mpofu	Department of Mineral and Resources and Energy (DMRE)	Board	TPFC	8
Ms Noma Qase (alternate member for Mr Mthokozisi Mpofu)	Department of Mineral and Resources and Energy (DMRE)	Board	TPFC	N/A
MANAGEMENT				
Dr Titus Mathe	Chief Executive Officer	Management		
Ms Lethabo Manamela	Chief Financial Officer	Management		
Mr Solomon Mngomezulu	Company Secretary/Legal Advisor	Management		
AUDIT & RISK COMMITTEE (INDEPENDENT MEMBERS)				
Ms Masaccha Khulekelwe Mbonambi	Chairperson of the ARC	ARC	ARC	11
Mr Mahlatsi Movundlela	Member	ARC	ARC	11
Ms Gugulethu Danisa	Member	ARC	ARC	11

1 Resigned from the Board on 31 January 2025.

2 The Board members' term ended on 10 January 2025 and was not renewed.

Table 21: Board Members' Qualifications and Committee Membership

NAME	DESIGNATION	DATE APPOINTED	QUALIFICATIONS	OTHER COMMITTEES OR TASK TEAMS
Mr Sicelo Xulu	Chairperson	11 January 2022	• Master of Philosophy (MPhil) • Electrical & Electronics Engineering (Cum Laude) • BSc (Hons) Applied Sciences: Electrotechnics	TPFC
Ms Lungile Mtiya	Deputy Chairperson	11 January 2022	• MPhil-Labour Law & Employment Relations • B Comm. Hons-Employment Relations & Labour Law • B-Tech Degree Human Resources • Diploma in Human Resources	HR&REMCO
Ms Abegail Boikhutso	Non-Executive Director	11 January 2022	• Chartered Financial Analyst (CFA) Candidate • B.Com Accounting • MBA	HR&REMCO & ARC
Dr Rebecca Maserumule	Department of Science, Technology and Innovation (DSTI)	11 January 2022	• PhD in Mathematics • M.Sc in Applied Mathematics • B.Sc in Applied Mathematics	TPFC
Ms Ilze Baron	Department of Trade Industry and Competition (the dtic)	11 January 2022	• BCom Economics	HR&REMCO
Mr Gerard Fourie (alternate member for Ms Ilze Baron)	Department of Trade Industry and Competition (the dtic)	11 January 2022	• BCom Economics • MBA	HR&REMCO
Mr Jongikhaya Witi	Department of Forestry, Fisheries, and Environment (DFFE)	11 January 2022	• MTech Degree in Chemical Engineering • BTech Degree in Chemical Engineering • MSc in Mechanical Engineering (Energy Studies)	TPFC
Mr Mthokozisi Mpofu	Department of Mineral and Resources and Energy (DMRE)	11 January 2022	• Master of Philosophy • Energy Studies • Bachelor of Social Science (Honours)	TPFC
Ms Noma Qase (alternate member for Mr Mthokozisi Mpofu)	Department of Mineral and Resources and Energy (DMRE)	11 January 2022	• Master of Philosophy • Energy Studies • Bachelor of Social Science (Honours)	TPFC

4.4 BOARD VACANCIES

- Representative of the Department of Transport (DoT)
- Representative of the Department of Science, Technology and Innovation (DSTI)
- Representative of the Department of Trade, Industry and Competition (the DTIC)

4.5 BOARD COMMITTEES

The Act permits the Board to establish sub-committees and to appoint any of its members to serve on one or more of these sub-committees, which must perform such functions of the Board as the Board may determine. The following Board Committees assisted the Board in discharging its mandate during the period under review:

- Audit and Risk Committee - (ARC),
- Human Resources and Remuneration Committee, and
- The Technical Projects Finance Committee is an external committee.

4.6 AUDIT AND RISK COMMITTEE

The term of the ARC was extended, ending on 31 December 2025. The members are appointed to ensure the necessary skills and independence to fulfil their responsibilities. The ARC assisted the Board in overseeing:

- The quality and integrity of the financial statements and the related disclosures.
- The scope and effectiveness of the internal audit function.
- The effectiveness of the organisation's system of internal control.

Members of the Committee:

- Ms Masaccha Khulekelwe Mbonambi
- Mr Mahlatsi Movundlela
- Ms Gugulethu Danisa
- Ms Abegail Boikhutso

Table 22: Members of the ARC

NAME	QUALIFICATIONS	INDEPENDENT OR BOARD MEMBER	DATE APPOINTED
Ms Masaccha Khulekelwe Mbonambi (Chairperson)	• Chartered Accountant (SA) • B. Com Honors (Accounting) • Bachelor of Accounting • Certificate in Executive Development Program (WBS) • Chartered Director (SA)	Independent	January 2022
Mr Mahlatsi Movundlela	• BCom Accounting • Post Graduate Diploma in Accounting (PGDA) • Chartered Accountant • Advanced Diploma in Auditing • Regulatory Examination (RE) 1, 3 and 5	Independent	January 2022
Ms Gugulethu Danisa	• BCom (Information Systems) • BCom Honours (CTA) • Chartered Accountant	Independent	1 April 2023
Ms Abegail Boikhutso	• Chartered Financial Analyst (CFA) Candidate • B.Com Accounting • MBA	Board Member	April 2023

Table 23: ARC Members' Meeting Attendance

NAME OF MEMBERS	INTERNAL OR EXTERNAL	DATE APPOINTED	NO. OF MEETINGS HELD	NO. OF SPECIAL MEETINGS HELD	NO. OF MEETINGS ATTENDED
Ms Masaccha Khulekelwe Mbonambi (Chairperson)	External	January 2022	11	7	10
Mr Mahlatsi Movundlela	External	January 2022	11	7	11
Ms Abegail Boikhutso	Internal	April 2023	11	7	11
Ms Gugulethu Danisa	External	April 2023	11	7	9

4.7 HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee was composed of four members. The members of the committee are as follows:

- Ms Lungile Mtiya
- Ms Abegail Boikhutso
- Ms Ilze Baron

Table 24: Members of the Human Resources and Remuneration Committee

NAME OF MEMBERS	INTERNAL OR EXTERNAL	DATE APPOINTED	NO. OF MEETINGS HELD	NO. OF SPECIAL MEETINGS HELD	NO. OF MEETINGS ATTENDED
Ms Lungile Mtiya	Internal	January 2022	8	5	8
Ms Abegail Boikhutso	Internal	January 2022	8	5	8
Ms Ilze Baron	Internal	January 2022	8	5	8

4.8 THE TECHNICAL PROJECTS FINANCE COMMITTEE

The Technical Projects Finance Committee is composed of four members. The members of the committee are as follows:

- Mr Sicelo Xulu
- Dr Rebecca Maserumule
- Mr Jongikhaya Witi
- Mr Mthokozisi Mpofu

Table 25: Members of the Technical Projects Finance Committee

NAME OF MEMBERS	INTERNAL OR EXTERNAL	DATE APPOINTED	NO. OF MEETINGS HELD	NO. OF SPECIAL MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr Sicelo Xulu	Internal	January 2022	3	0	3
Dr Rebecca Maserumule	Internal	January 2022	3	0	2
Mr Jongikhaya Witi	Internal	January 2022	3	0	3
Mr Mthokozisi Mpofu	Internal	January 2022	3	0	2

4.9 REMUNERATION OF BOARD MEMBERS

The independent Board members and members of its sub-committee are remunerated per meeting attended, using rates as approved annually by the Minister of Energy. Members currently in the employ of the State and representatives of various Ministries on the SANEDI Board are not remunerated. Board members and members of its sub-committees are reimbursed for expenses incurred in carrying out their duties and responsibilities, in line with SANEDI policies for expenses such as travel. No other allowances are paid to the Board members.

4.10 BOARD REMUNERATION

Table 26: Board Remuneration

NAME	REMUNERATION (RANDS)	OTHER ALLOWANCE (RANDS)	OTHER RE-IMBURSEMENTS (RANDS)	TOTAL (RANDS)
Mr Sicelo Xulu	320 799.00	3 043.04		**323 842.04**
Ms Lungile Mtiya	162 924.34	2 070.98		**164 995.32**
Ms Abegail Boikhutso	220 215.00	1 275.74		**221 490.74**
Ms Ilze Baron**	*Employees of the state. Not remunerated.*			
Dr Rebecca Maserumule**				
Mr Jongikhaya Witi**				
Mr Mthokozisi Mpofu**				
Ms Noma Qase (alternate for Mr Mpofu)**				
Mr Gerhard Fourie (alternate for Ms Baron)**				
Total	**703 938.34**	**6 389.76**	**0**	**710 328.10**

***Employee of the State. Not remunerated.*

4.11 AUDIT AND RISK COMMITTEE REMUNERATION

Table 27: ARC Remuneration

NAME	REMUNERATION (RANDS)	OTHER ALLOWANCE (RANDS)	OTHER RE-IMBURSEMENTS (RANDS)	TOTAL (RANDS)
Ms Masaccha Khulekelwe Mbonambi (Chairperson)	163 381.00	125.40	835.00	164 341.40
Mr Mahlatsi Movundlela	104 105.00	392.92	0	104 497.92
Ms. Gugulethu Danisa	92 100.00	209.00	0	92 309.00
Total	**359 586.00**	**727.32**	**835.00**	**361 148.32**

5. RISK MANAGEMENT

Risk Management is a strategic imperative rather than an option for high-performing organisations. SANEDI is a schedule 3A public entity under the Public Finance Management Act (PFMA), Act 1 of 1999, and should have sound governance structures that adhere to the requirements of the PFMA. SANEDI is committed to a process of Enterprise Risk Management that aligns with the principles of good Corporate Governance, as outlined in the King IV report, and supported by the PFMA. SANEDI has in place, a Risk Management Policy, Strategy, and Plan, which are reviewed annually by the Board. These policies inform the organisation's Strategic Risk Register.

A risk management structure, the Audit Risk Committee (ARC), is in place. The Board assigned ARC the oversight responsibility of the risk management function to the Risk Committee. Risk management is also imposed through Annual Operational Plans. Project risk registers form part of the AOP whereby the risks on project activities are identified and assessed. During the financial year, a service provider, ARMS Audit and Risk Management, conducted a risk maturity assessment, and SANEDI achieved a rating of 2.3 out of 4, which equates to “Developing” stage. We are satisfied that significant risks have been managed to an acceptable level.

6. ASSURANCE PROVIDERS

6.1 THE EFFECTIVENESS OF INTERNAL CONTROL

During the period under review, various reports from the Internal Auditor, as well as the External Auditor’s report on the AFS and management letter of the AGSA, indicated that the entity’s system of internal control had shortcomings. The committee has noted these issues, and based on the outcome of such reviews and the information provided by management, the committee is of the opinion that the entity's internal controls were effective throughout the year under review, despite the identified control weaknesses. The Committee reviewed the activities of the Internal Audit function and has concluded the following:

- The Internal Audit function is effective, with no unjustified restrictions or limitations, and
- The Internal Audit reports were reviewed at quarterly meetings, including the annual work programme, coordination with the External Auditors, reports of significant investigations, and Management's responses to issues raised therein.

Our review of the Internal Audit findings, based on risk assessments conducted within the public entity, revealed specific weaknesses that were subsequently raised with the public entity. The following Internal Audit work was completed during the year under review:

- IT Security.
- Supply Chain Management (SCM).
- Follow-up Reports.
- Performance Information Quarter 1-3, 2023/24.
- Management accounts review quarter 1-3, 2023/2024.
- Review of the APP.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

7.1 INTERNAL AUDIT

Internal Audit is an independent provider of assurance and advisory service. PKM Audit and Risk Management, an outsourced firm responsible for SANEDI’s Internal Audit function, provides an independent appraisal function that is designed to examine and evaluate SANEDI’s internal controls. The main objective of the entity is to assist the Board and Executive Committee with the effective discharge of their responsibilities by evaluating the adequacy and effectiveness of risk management, the control environment and governance processes. In executing its Board-assigned mandate, the Internal Audit follows a risk-based audit methodology in compliance with the Institute of Internal Auditors (IIIA) and the International Standards for the Professional Practice of Internal Auditing. Any major weaknesses detected are brought to the attention of the Audit and Risk Committee (ARC), the external auditors and members of management for their consideration and remedial action.

7.2 AUDIT COMMITTEES

The Audit Committee is constituted as a Board sub-committee with responsibilities as delegated by the Board in terms of Section 51 (1) (ii) of the PFMA and Treasury Regulations 27.1.1. The Audit Committee has an independent role, with accountability to both the Board and the shareholder. The role of the Audit Committee is to provide independent assurance and assistance to the Board on matters of control, governance, and risk management.

The Audit Committee does not replace established management responsibilities and delegations. The key activities of SANEDI's ARC, in correspondence with National Treasury (NT) Regulations, are:

- To review the adequacy of policies, procedures, and the internal control systems, including information technology security and control, and financial controls.
- To review performance management systems and information for compliance and alignment with the company’s purpose, objectives, and commitments.
- To review and approve the scope of activities of the Internal Audit function, ensuring that it covers the key risks and that there is alignment with the external auditor (Auditor-General of South Africa (AGSA), and to assess the effectiveness of the Internal Audit function.
- To review the AGSA’s audit scope, approach, and performance, and review findings and implementation of recommendations by management.
- To review legal and regulatory compliance, and the effectiveness of systems for monitoring such.
- To report to relevant stakeholders, including the Board, regarding the Committee's activities, issues, and related recommendations, and
- To report concerns to the Executive Authority, where relevant.

8. COMPLIANCE WITH LAWS AND REGULATIONS

SANEDI reports on compliance with the PFMA and Treasury Regulations in its quarterly reports submitted to the DMRE and National Treasury. Through the Chief Financial Officer (CFO) Forum, NT provides a support structure to CFOs of public entities. This interface allows regular engagement with NT facilitates information sharing, provides training workshops for finance personnel and CFOs, and provides updates on recent developments within NT, the Accounting Standards Board (ASB) and financial legislation and regulations.

All policies and procedures approved by the SANEDI Board are maintained in a register of policies and procedures and are adhered to. The Secretariat assists with compliance matters and ensures that the company's affairs, as well as the Board's proceedings, are properly carried out in accordance with the relevant laws and standards. The Department of Mineral Resources and Energy (DMRE) furthermore issues an annual compliance calendar to which SANEDI adheres.

9. FRAUD AND CORRUPTION

SANEDI is committed to eradicating fraud, corruption, misconduct, and irregularities and takes a zero-tolerance stance towards fraud. A Board-approved Fraud Detection and Prevention Strategy, Policy, and Plan have been adopted, with measures to address Fraud Risk Management from both proactive and reactive perspectives.

SANEDI has contracted the services of an independent hotline service provider for the confidential reporting of fraud, corruption, misuse of public resources, and other inappropriate behaviour. No incidents of unethical, corrupt, or fraudulent conduct were reported to the Fraud Hotline during the 2024/25 financial year.

10. MINIMISING CONFLICT OF INTEREST

In accordance with the provisions of the Companies Act and the PFMA, all Board members and members of the Executive team are required to declare their financial interests annually, and these declarations are submitted to the DMRE. Further interests are declared at each meeting of the Board or its committees, and the declaration of interest is implemented in line with the PFMA requirements.

An annual declaration of interest is signed by all staff members, including those working in Supply Chain Management (SCM). A record of these declarations is maintained by the Human Resources (HR) Department. Every staff member employed in SCM has also signed the NT code of conduct for supply chain practitioners. All individuals involved in the bidding process (including those related to supply chain, evaluation, and adjudication meetings) must declare their interests prior to proceeding with the process, as required by the PFMA. Any individual who is a member of the Bid Evaluation Committee (BEC) is not allowed to adjudicate on the same bid if they happen to be a member of the Bid Adjudication Committee (BAC).

11. CODE OF CONDUCT

SANEDI adopted a Code of Conduct in July 2015, which was revised and approved by the Board in October 2024. The code was reviewed by HR and endorsed by employees. The code is universally applicable to all employees and contractors of the organisation and requires a commitment by every employee to adhere to the code. Each employee receives a copy of the Code of Conduct during the onboarding process to familiarise themselves with the content. Thereafter, a signed copy is submitted to the HR department for record-keeping and assurance that all employees have had the opportunity to read the code. There are bi-annual information sessions held to remind the employees of the Code of Conduct. The Code of Conduct serves as a guide to assist the Board, Executive Management, Staff, and Contractors of the organisation in making ethical decisions, engaging appropriately, and acting in a lawful manner. In the event of a breach of the Code of Conduct, a disciplinary process will be initiated. No such breach was reported during the year.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

SANEDI is mandated to prioritise the health and safety of its employees and their work environment, including all other persons conducting business on its premises, to the extent reasonably possible. To this end, SANEDI is committed to fulfilling the requirements stipulated in the Occupational Health and Safety Act (OHSA), 1993 (Act No. 85 of 1993). SANEDI has established a Health and Safety Committee, a statutory structure that seeks to ensure a safe and healthy work environment for all who utilise the SANEDI premises.

13. COMPANY SECRETARY

The Board is assisted by a Company Secretary, who is responsible for the secretariat functions, as well as providing Legal Advisory, Governance, Risk, Ethics, and Compliance Management services. The Board and members of the Executive Committee have access to the Company Secretary for guidance on how to perform their duties and responsibilities. The Company Secretary is responsible for the ongoing training of Board members, and the scheduling, preparation, and administration of Board and Committee meetings.

14. AUDIT AND RISK COMMITTEE REPORT

The Committee is pleased to present the report of the Audit and Risk Committee for the financial year ended 31 March 2025.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee (the Committee) is a formally constituted sub-committee of the Board. The Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act (as amended) and regulation 27.1 of the Treasury Regulations. Additionally, the Committee reports that it has adopted the formal terms of reference as its Charter, which was approved by the Board. The Committee has regulated its affairs in compliance with this Charter and discharged all its responsibilities during the current financial year in compliance with the Charter.

AUDIT AND RISK COMMITTEE COMPOSITION

The Committee comprises four (4) members, of which three (3) are independent members who are not Board members. The Committee, as a collective, comprises persons with a blend of skills, knowledge, and experience necessary to fully discharge its responsibilities. As at 31 March 2025, the Committee comprised the following members:

1. Ms. Khulekelwe Mbonambi (Chairperson)
2. Mr. Mahlatsi Movundlela
3. Ms. Gugulethu Danisa
4. Ms. Abegail Boikhutso (Board Member)

The Chief Executive Officer, Chief Financial Officer, the Head of Internal Audit, and the Auditor-General South Africa (AGSA) attend the Committee's meetings by invitation.

INTERNAL AUDIT

The Internal Audit function is outsourced and performed by PKM Audit and Risk Management Inc. The Committee is responsible for overseeing the Internal Audit function and is satisfied with its competence and independence. The Committee approved the three-year rolling Internal Audit plan and was satisfied that the coverage and execution by Internal Auditors during the current financial year were in line with the approved plan.

The following are some of the internal audit projects completed during the year under review:

- Quarterly Performance Information Reviews
- Financial Control review
- Supply Chain Management review
- Human Resource Management review
- Data Migration review
- Review of the 2024/25 Annual Financial Statements
- Review of the 2024/25 Annual Performance Report

The Committee commended Management for implementing remedial measures in a timely manner for most internal control deficiencies identified by internal audit. Furthermore, the Committee commends the Executive Management, the AGSA, and the Internal Audit Function for cooperation, which achieved effective combined assurance at SANEDI.

EFFECTIVENESS OF INTERNAL CONTROL

Based on the results of the audits performed and the follow-up reviews conducted, the overall opinion on the internal control design was adequate and effective in ensuring that SANEDI's objectives were achieved. However, Management still needs to improve in terms of addressing some of the recommendations made by the internal audit.

IN-YEAR MANAGEMENT AND MONTHLY/ QUARTERLY REPORT

The Committee noted the content and quality of the financial and non-financial quarterly reports prepared and submitted by the Chief Executive Officer during the year under review, and confirms that certain reports had minor errors, for which Management proposed and corrected improvements.

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The Committee has:

- Reviewed and discussed the unaudited Annual Financial Statements and Annual Performance Report of the Entity prior to submission to the AGSA for audit purposes;
- Reviewed the changes relating to the Annual Financial Statements and Annual Performance Report;
- Reviewed and discussed the audited Annual Financial Statements and Annual Performance Report included in the Annual Report, with the AGSA and Management.
- Reviewed SANEDI's compliance with legal and regulatory provisions;
- Reviewed the Audit Report of the Auditor-General South Africa
- Reviewed the Management Report of the Auditor-General South Africa and management's response thereto.

AUDITOR-GENERAL SOUTH AFRICA

The FY2024/25 regulatory audit was conducted by the AGSA. The Committee agreed to the engagement letter, the audit plan, and audit fees for the audit in consultation with Management and the Board. The Committee is satisfied with the independence and objectivity of the AGSA and has met with the AGSA to ensure that there were no unresolved issues. The Committee also met with the Management to discuss the actions to be taken to address the internal control deficiencies identified during the audit process.

The Committee concurs with and accepts the conclusions of the Auditor-General South Africa on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General South Africa.

On behalf of the Audit and Risk Committee

Ms: Masaccha Khulekelwe Mbonambi
Chairperson of the Audit and Risk Committee

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Table 28: B-BBEE Compliance Performance Information

CRITERIA	RESPONSE YES / NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	**N/A**	SANEDI does not issue any licenses to the companies. However, SANEDI played a role in assisting companies to obtain tax certificates and receive tax relief from SARS.
Developing and implementing a preferential procurement policy?	**YES**	There is a procurement policy in place that takes into consideration B-BBEE compliance.
Determining qualification criteria for the sale of State-owned Enterprises (SoEs)?	**N/A**	SANEDI does not have any subsidiaries.
Developing criteria for entering into partnerships with the private sector?	**YES**	Through procurement contracts and collaboration agreements, Treasury Regulations are complied with when goods or services are procured through Public-Private Partnerships or as part of Public Private Partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment(B-BBEE)?	**N/A**	SANEDI does not give incentives, grants and investment schemes in support of B-BBEE.

PART D

HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

1.1 OVERVIEW OF HUMAN RESOURCES

The SANEDI core business receives strategic assistance from the Human Resources (HR) team, which helps line management achieve operational excellence and maximise the potential of human capital. The HR department's primary goal is to partner with the different business units to create an atmosphere that encourages excellent performance. Organisational design and redesign, recruitment and selection, compensation and benefits, talent management, employee wellness and performance management are some of the dimensions used to accomplish this. Throughout this fiscal year, all of these aspects were improved, with the regrading of the newly approved structure, salary benchmarking and addressing salary disparities process serving as the main drivers for supporting the new SANEDI mandate. This included increasing the necessary capacity to implement the SANEDI mandate and strategy, and enabling its execution through an appropriate and efficient structure.

A Human Resource Strategy session was held to align HR strategy with overall business objectives. Information sessions were also conducted during the year under review to inform and train staff members on policies and procedures, such as the Code of Conduct and Performance Management, aimed at empowering employees to make informed decisions in the execution of their duties.

The sole union recognised by SANEDI is the National Education, Health and Allied Workers Union (NEHAWU), which currently holds 4% membership, rendering the union inactive. The Employment Equity Plan (EEP) was accurately compiled and submitted timeously to the Department of Employment and Labour (DoEL) for the period under review. SANEDI plans to increase the representation of White, Indian, and Coloured employees, as well as to appoint at least one employee who is living with a disability

1.2 HR PRIORITIES FOR 2024/25

The governance of human resources improved significantly in carrying out duties aligned with the new SANEDI Mandate. A key priority for HR was to cultivate a culture that enhances SANEDI's effectiveness in addressing South Africa's energy challenges by attracting the right talent for specific roles and facilitating the transfer of expertise.

The priority was to align the employees' salaries with market standards; as such, both internal and external benchmarking were conducted, resulting in the implementation of pay progression across the organisation. Policies and procedures affecting remuneration—such as the Remuneration Policy, Pay Progression and Incentive Policies—were reviewed to ensure alignment with SANEDI's compensation philosophy.

A culture of continuous education was promoted, with information sessions held before the start of the financial year to familiarise employees with the Code of Conduct and Performance Management policies, which are central to driving a high-performance culture. Employee turnover was significantly reduced through deliberate interventions aimed at attracting, developing and retaining critical and scarce skills.

1.3 WORKFORCE PLANNING FRAMEWORK

With the revised focus and strategy, there has been the introduction of appointments for Engineering Interns (comprising 63,79% engineers and 36,21% support staff). The internship project is in collaboration with, and is funded by, EWSETA some of the positions are placed at EWSETA and the Centre of Competence (particularly in the Energy Secretariat Division). Due to the change in strategic direction, job titles have been renamed to align with the revised strategy. However, due to financial restraints, SANEDI is unable to expand its structure unless the positions are funded by external funders. SANEDI's headcount has increased to 132, including 58 interns, of whom 4 are funded through the MTEF.

1.4 EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The Workplace Skills Plan (WSP) for the 2024/25 financial year was submitted to the Energy and Water Sector Education and Training Authority (EWSETA). SANEDI continually seeks innovative ideas for staff training and development, including non-pivotal yet mandatory training, such as PFMA and PFMA updates, OHS, and risk management, among others. In the financial year under review, training was planned at 100%, and a total of 130.77% was achieved to date. This percentage includes both local and international development and training, as well as webinars.

1.5 EMPLOYEE WELLNESS PROGRAMME

Strengthening the employer-employee relationship is an important goal for the HR Department. The EWP plays a vital role in the organisation by promoting healthier lifestyles among employees, encouraging activities such as regular exercise, healthy eating, and preventive care. This can lead to reduced rates of chronic diseases, lower healthcare costs, and fewer sick days. Weekly informational newsletters covering various health topics are distributed to all employees. Several employees have utilised the service provider's offerings, and positive feedback has been provided to the employer. The service provider holds quarterly virtual induction information sessions with employees to familiarise them with different health challenges and how to overcome them. SANEDI participated in the 702 Walk the Talk event, held on 28 July 2024, as part of its wellness awareness initiatives.

1.6 POLICY DEVELOPMENT

In the 2024/25 financial year, all HR policy and procedure approval dates were reviewed to ensure alignment with policy requirements. All policies related to SANEDI's remuneration and benefits were reviewed and presented to the Board for approval. The Remuneration Policy, Incentive Policy, Pay Progression Policy, Pay Progression Procedure and Matrix, Hybrid Work Policy and Private Work Policy were approved. Employees were also educated on how applying policies and procedures during decision-making ensures that SANEDI is consistent in its decisions. An information session was held to reiterate the importance of employee conduct in the workplace and to highlight how to assist management in managing their own performance and that of SANEDI.

1.7 ACHIEVEMENTS

The appointment of key personnel has influenced the organisational culture of SANEDI in a positive way. Employees are now gaining a better understanding of SANEDI's strategic role in the energy ecosystem, recognising the important contribution SANEDI can make in addressing South Africa's energy challenges, and how they can utilise current and updated Human Resources policies and procedures to achieve set goals. Improvements in Human Resources governance, changes to SANEDI's pay structures, and the realignment of job descriptions have contributed to fostering a positive organisational culture within SANEDI. This will enable the organisation to be more relevant in addressing South Africa's energy challenges and transferring skills that support this goal.

During the year under review, a total of 52 interns were appointed.

1.8 CHALLENGES FACED BY SANEDI

The SANEDI Board approved 22 positions on the organogram to be filled; however, only 13 of these could be appointed, as the National Treasury had reduced SANEDI's budget allocation, meaning that SANEDI was only able to permanently appoint certain critical positions. Recruitment is also a challenge due to the high volume of applications received, which has led to delays in completing other important tasks.

The HR team faced significant challenges when tasked with recruiting for newly introduced projects such as the G20, EEPBIP, National Treasury Smart Metering Grants within tight, one-month timelines for each project, due to a lack of internal human capacity. With limited personnel and already overstretched resources, the team struggled to manage the sudden influx of recruitment activities, including advertising roles, screening applications, conducting interviews, and handling onboarding logistics. The compressed timeline left little room for thorough candidate evaluation, increasing the risk of unsuitable placements. Additionally, the absence of a streamlined onboarding process further strained the team, as they had to simultaneously coordinate with various departments to secure workspaces, assign mentors, and ensure all compliance requirements were met. This high-pressure situation tested the team's organisational agility and highlighted gaps in workforce planning and resource allocation.

1.9 FUTURE HR PLANS AND GOALS

The following high-level HR priorities will be pursued to create a platform for SANEDI to achieve its strategic objectives:

- Reviewing the HR Strategy to ensure alignment with the organisation's strategic objectives,
- Finalising the Succession Plan, which has been populated to indicate employees' current skills and the future skills required to fill higher-level positions; Exco has approved the plan,
- Implementing career ladders and enhancing the succession plan,
- Developing and rolling out talent management programmes to identify key gaps between existing talent and the talent required to drive organisational success,
- Developing and implementing programmes to ensure a performance management culture is fully embedded within the organisation, and
- Developing a highly skilled workforce.

2 HUMAN RESOURCES OVERSIGHT STATISTICS

2.1 PERSONNEL COST BY PROGRAMME

Table 29: Personnel Cost by Programme

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP. (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Programme 1: Administration	78,824	32,003	21%	65	485
Programme 2: Applied Energy Research, Development and Innovation	35,033	13,390	9%	18	744
Programme 3: Energy Efficiency	22,000	13,883	9%	24	578
Programme 4: DSTI Energy Secretariat	17,208	9,509	6%	18	528
TOTAL	**153,065**	**68,785**	**45%**	**125**	**2,336**

2.2 PERSONNEL COST BY SALARY BAND

Table 30: Personnel Cost by Salary Band

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	6,334	9,2%	2	3,167
Senior Management	15,193	22,1%	7	2,170
Professional qualified	21,124	30,7%	18	1,173
Skilled and Unskilled	26,072	38%	98	266,04
TOTAL	**68,723**	**100%**	**125**	**549,78**

There was a four-month period during which staff were acting in the roles of CFO, Finance Manager and the General Manager: EEDSM.

2.3 PERFORMANCE REWARDS

Table 31: Performance Rewards

PROGRAMME	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	952	6,334	15%
Senior Management	2,095	15,193	14%
Professional qualified	2,571	21,124	12%
Skilled and Unskilled	2,361	26,072	9%
TOTAL	**7,979**	**68,723**	**12%**

2.4 TRAINING COSTS

Table 32: Training Costs

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST.	* NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Programme 1: Administration	32,003	309	1%	65	4,75
Programme 2: Applied Energy Research, Development and Innovation	13,390	-	0%	18	-
Programme 3: Energy Efficiency	13,883	421	3%	24	17,55
Programme 4: DSTI Energy Secretariat	9,509	21	0%	18	1,16
TOTAL	**68,785**	**751**	**1%**	**125**	**6,01**

2.5 EMPLOYMENT AND VACANCIES

Table 33: Employment and Vacancies

PROGRAMME	2022/23 NO. OF EMPLOYEES	2023/24 APPROVED POSTS	2023/2024 NO. OF EMPLOYEES	2023/2024 VACANCIES	% OF VACANCIES
Programme 1: Administration	38	65	65	22	33,8%
Programme 2: Applied Energy Research, Development and Innovation	12	18	18	3	16,6%%
Programme 3: Energy Efficiency	15	24	24	8	33,3%
Programme 4: DSTI Energy Secretariat	9	18	18	13	72,22%
TOTAL	**74**	**125**	**125**	**46**	**36,8%**

**The approved vacancies include the interns and externally funded projects*.*

2.6 EMPLOYMENT CHANGES

Turnover rates indicate trends in the employment profile of the public entity. There are currently five vacancies, and there were only four terminations during the period under review.

Table 34: Employment Changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	2	-	-	2
Senior Management	7	-	-	7
Professional qualified	24	8	3	24
Skilled and semi-skilled	92	38	12	92
Total	**125**	**46**	**15**	**125**

2.7 REASONS FOR STAFF LEAVING

Table 35: Reasons for Staff Leaving

POSITION	TERMINATION REASON	OFFICIAL LAST DAY	HIGHLIGHT OF THE EXIT INTERVIEW
Intern	Resignation	7/01/2025	Better offer
Employee	Resignation	10/01/2025	Better offer
Intern	Resignation	23/01/2025	Better offer
Intern	Resignation	29/01/2025	Better offer
Intern	Resignation	31/01/2025	Internship not aligned to career path and career growth
Intern	Resignation	31/01/2025	Better offer
Employee	Resignation	28/02/2025	Better offer,Career development & growth
Intern	Resignation	31/03/2025	Better offer
Intern	Resignation	31/03/2025	Better offer
Intern	Resignation	31/03/2025	Better offer
Employee	Resignation	30/05/2024	Contract Ended

Employee	Resignation	23/01/2024	Better offer
Employee	Resignation	30/09/2024	Better offer
Intern	Resignation	13/12/2024	Better offer
Intern	Resignation	13/12/2024	Better offer

2.8 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Table 36: Labour Relations - Misconduct and Disciplinary Action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0
CCMA	0
Labour Court	0

2.9 EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Table 37: Equity Target and Employment Equity Status

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	3	0	0	2	0	0	0
Professional qualified	9	9	2	2	0	0	0	0
Skilled	24	24	0	0	0	0	0	0
Semi-skilled	1	1	0	0	0	0	0	0
TOTAL	**38**	**38**	**2**	**2**	**2**	**0**	**0**	**0**

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	1	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	0	0
Professional qualified	9	9	0	0	0	0	1	1
Skilled	57	57	1	1	3	3	0	0
Semi-skilled	2	2	0	0	0	0	0	0
TOTAL	**71**	**71**	**1**	**1**	**3**	**3**	**1**	**1**

PART E
PFMA COMPLIANCE REPORT

1. PFMA COMPLIANCE REPORT

1.1 RECONCILIATION OF IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE AND RECONCILING NOTES

For the year under review, SANEDI has not incurred any fruitless and wasteful expenditure. An amount of R77 thousand in Irregular expenditure was incurred in the current financial year ane relates to continue to use of the supplier for stationery and grocery after the contract had expired. A determination test was conducted by Internal Audit function and revealed that no loss was suffered by the entity and that value for money was received. Disciplinary action has been taken against the affected employees in accordance with SANEDI disciplinary policies.

Table 38: Reconciliation of Irregular Expenditure

RECONCILIATION OF IRREGULAR EXPENDITURE	**MARCH 2025 R'000**	**MARCH 2024 R'000**
Opening balance	2 359	2 359
Irregular expenditure– relating to current year	77	-
Less: Amounts condoned by Board	(938)	-
Irregular expenditure awaiting condonation	**1 498**	**2 359**

CONDONATION OF IRREGULAR EXPENDITURE

R938 000 relate to prior year irregular expenditure that was written off by the Board during the current financial year.

Table 39: Reconciliation of fruitless and wasteful expenditure

RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE	**MARCH 2025 R'000**	**MARCH 2024 R'000**
Opening balance	53	7
Fruitless and wasteful expenditure – relating to current year	(6)	46
Fruitless and wasteful expenditure	**46**	**53**

1.2 CURRENT AND PREVIOUS YEAR UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

For the year under review, there is no fruitless and wasteful expenditure reported.

1.3 CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED, NOT CONDONED AND REMOVED

Total irregular expenditure not condoned by National Treasury amounted to R1 498 000. This amount would need to be assessed in by the Accounting Authority (AA) for removal from the register.

1.3.1 FRUITLESS AND WASTEFUL EXPENDITURE RECOVERABLE OR WRITTEN OFF

A total of R5 930.00 reported as fruitless and wasteful was recovered.

1.4 CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Where applicable, disciplinary actions were taken against employees who were deemed to have been responsible for the irregular expenditure incurred.

1.5 ADDITIONAL REQUIREMENT FOR THE ANNUAL REPORT (AR) (APPENDICES D AND E)

1.5.1 INFORMATION ON LATE AND / OR NON-PAYMENT OF SUPPLIERS

Table 40: Information on Late and / or Non-Payment of Suppliers

	NO OF INVOICES	VALUE R'000
Valid invoices received	1 860	197 341
Invoices paid within 30 days or agreed period	1 801	188 979
Invoices paid after 30 days or agreed period	59	8 362
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

1.6 INFORMATION ON SUPPLY CHAIN MANAGEMENT

1.6.1 PROCUREMENT THROUGH OTHER MEANS

Table 41: Procurement through other means

PROJECT DESCRIPTION	NAME OF SUPPLIER	DEPARTMENT	TYPE OF PROCUREMENT BY OTHER MEANS	ORIGINAL CONTRACT VALUE/ CONTRACT VALUE
Provision of services to support research activities and technical article writing at South African National Energy Development Institute	BloombergNEF (BNEF)”	Sole source	N/A	1 491 138,00
Contract variation for Supply, Delivery and Installation of a Videowall	Rediyakamoka Projects (Pty) Ltd	Sole source	N/A	196 408,31
Employee Wellness Programme	ICAS	Single source	N/A	2 235,54
Connecting Green Hydrogen Europe 2024 (CGHE2024), HYDROGEN SUMMIT	Leader associates Inc	Sole source	N/A	6000 Euro (117 767,03)
Enlit Africa 2024 Delagate Pass	Spintelligent T/A VUKA Group	Sole source	N/A	28 520,00
Single Source Motivation for CSIR SANEDI Demand Response Aggregator Model	CSIR	Sole source	N/A	110 000,00
S@ccess Conference 2024: 5th international Conference on Solar Technologies and Hybrid Mini-Grids to improve energy access	Fundacio Universitat-Empresa De Les Illes Balears MP	Sole source	N/A	250 EUROS
Contract Drafting: Multi-mini grid project	ECS Associates (PTY)Ltd	Single source	N/A	2150 per hour
1 Delegate Pass for Enlit Africa	Vuka Group	Sole source	N/A	8 556,00
CV Internal Audit	Nexia SAB &T	Single source	N/A	305 493,10
Africa Energy Forum 2024 – Barcelona Spain	Africa Energy Forum	Sole source	N/A	$4 717,79.
UCT Online Short Course – Energy Efficiency and Sustainability	UCT	Sole source	N/A	37 700,00
Sponsorship for SAIChe's Global Congres Of Chemical Engineering	Global Congress of Chemical Engineering (GCCE2024)	Sole source	N/A	100 000,00
African National Energy Association (SANEA) membership for 3 years	SANEA	Sole source	N/A	15 000 000,00

Table 41: Procurement through other means (continued)

PROJECT DESCRIPTION	NAME OF SUPPLIER	DEPARTMENT	TYPE OF PROCUREMENT BY OTHER MEANS	ORIGINAL CONTRACT VALUE/ CONTRACT VALUE
Energy Efficiency Appliance Standards and Labelling Programmer to exhibit at Decorex Joburg	DECOREX JOHANNESBURG	Sole source	N/A	128 675,80
Enhancement of the Asset Management tool for South African Municipalities	University of Pretoria	Sole source	N/A	1 300 000,00
Certified Energy Manager (CEM)- IEPA	IEPA	Single source	N/A	26 450,00
Request for SANEDI to participate and support the 20232024 NSTF-SOUTH32 Awards Gala Dinners	NSTF-SOUTH32	Sole source	N/A	24 000,00
Phase 2: Project Extension to improve robustness of mobile unit, demonstrate technology and train operators at municipalities, and undertake a desktop study to investigate potential to produce hydrogen.	NECSA	Sole source	N/A	1 300 000,00
Director training and development procurement	Institute of Directors South Africa	Single source	N/A	476 625,55
702 Walk the Talk	MTN	Single source	N/A	50 000,00
A legal services to conduct due diligenece - PPM Attorneys	PPM Attorneys	Single source	N/A	1 725 000,00
Certified Energy Manager (CEM)	IEPA	Sole source	N/A	26 450,00
Payroll Services	LAR & Associates (PTY) Ltd	Sole source	N/A	1 252 350,00
ONLINE MENTORING PLATFORM	EWSETA	Single source	N/A	400 000,00
Data Analysis Online Short Course	UCT	Sole source	N/A	31 800,00
Subscription renewal for the Parliamentary Monitoring Group	Parliamentary Monitoring Group (PMG),	Sole source	N/A	7 820,00
Facilitator for AERI Strategic Session	AIA	Single source	N/A	149 730,00
Microsoft Dynamics Compulsory Upgrade 2 of 2	Decision Inc	Sole source	N/A	123 063,56
Research Journal Publication	SCIENCE SET	Single source	N/A	10 805,17
CaseWare Annual License and cloud service renewal	CASEWARE	Sole source	N/A	500 000,00
SANEDI booklet reprint	BLUESTORM (PTY) LTD/ TA PRODUCTION X	Single source	N/A	31 590,50
Attendance of the WINDABA Conference 2024	South African Wind Energy Association (SAWEA)	Single source	N/A	31 625,00
Enrolling for Change Management with University of Cape through				
GetSmarter	University of Cape	Single source	N/A	13 900,00

Table 41: Procurement through other means (continued)

PROJECT DESCRIPTION	NAME OF SUPPLIER	DEPARTMENT	TYPE OF PROCUREMENT BY OTHER MEANS	ORIGINAL CONTRACT VALUE/ CONTRACT VALUE
ESCO Market Development Programme & Energy Efficiency Appliance Standards and Labelling Programme to coordinate a pre/ post Conference training at the 2024 SAEEC Annual Conference and have 20 EEDSM SANEDI professionals in attendance.	SOUTHERN AFRICAN ENERGY EFFICIENCY CONFEDERATION (SAEEC)	Sole source	N/A	80 500,00
Exec Support	University of Cape Town/ GetSmater	Single source	N/A	13 900,00
PPE Procurement for 5 New EEDSM Employees – Upcoming Site Visit	Upando Projects	Single source	N/A	7 954,00
Board strategy session Furniture Hire	Takalani (Pty) Ltd	Single source	N/A	16 764,84
Violinist	DAVID DELANEY	Single source	N/A	9 200,00
SANEDI Annual Energy Conference venue Programme Director	FLORENCE MASEBE	Single source	N/A	70 000,00
Rental of Office Furniture	Mantomphi (Pty) Ltd	Single source	N/A	38 336,00
Service Level Agreement with Phala Dikelello under Single Source Procurement	PHALA DIKELELLO (PTY) LTD	Single source	N/A	235 750,00
South African Wind Energy Association conference 03 October 2024	South African Wind Energy Association (SAWEA)	Sole source	N/A	14 231,25
Groceries and Stationer Supply	Stadex	Single source	N/A	600 000,00
Outsanding Payment for Supply of Office Groceries	Stadex	Single source	N/A	12 258,46
SASEC CONFERENCE 2024	Southern African Sustainable Energy Conference (SASEC)	Sole source	N/A	8 100,00
OFFSHORE WIND DEMONSTRATION	CSIR	Sole source	N/A	960 480,00
UCT Online short course	UCT GET SMARTER	Single source	N/A	54 060,00
Sole source with Nelson Mandela University for co-hosting and sponsorship of the eMobility Summit (UYilo, DSTI, DMRE, DTIC, DEE and SANEDI) Africa	eMobility Summit	Sole source	N/A	100 000,00
SANEDI Annual Energy Conference PA system with Hybrid live streaming	Innovar Legacy Media (Pty) Ltd	Single source	N/A	259 030,26
Facilitation Services for the Department of Electricity and Energy's Strategic	PURPLE GROWTH	Single source	N/A	138 068,00
Procurement of Branded Blazers for SANEDI's 2nd Annual Conference	UPANDO PROJECTS (PTY) LTD	Single source	N/A	36 754,00
African Energy Week Delegate passes	AFRICA ENERGY WEEK (PTY) LTD	Sole source	N/A	4 061,01
Deviation form for Japan	Leader Associates Limited Inc	Sole source	N/A	USD12 040,00
Material for the Second SANEDI Annual Energy Conference 2024-women in hydrogen	Lorani Projects (Pty) Ltd	Single source	N/A	7 040,00

Table 41: Procurement through other means (continued)

PROJECT DESCRIPTION	NAME OF SUPPLIER	DEPARTMENT	TYPE OF PROCUREMENT BY OTHER MEANS	ORIGINAL CONTRACT VALUE/ CONTRACT VALUE
8th Annual Leadership Development for Women in Government & SOE's Conference	Robert Edwin Conferences	Sole source	N/A	14 948,85
SANEDI Annual Energy Conference gala dinner: Programme Director	Nwahajji (Pty) Ltd (Florence Masebe)	Single source	N/A	35 000,00
Speaker Gift Pack for the Second SANEDI Annual Energy Conference 2024	OFFICE HAVEN TRADING	Single source	N/A	51 443,20
GBCSA Convention 2024 Exhibition	Green Building Council of South Africa	Single source	N/A	50 097,97
Minibus EV Retrofit	SUMMERS TOWING	Single source	N/A	47 437,50
SASEC Conference 2024	SASEC	Sole source	N/A	10 400,00
SANEDI Annual Energy Conference venue: Eskom Academy of Learning.	Eskom	Single source	N/A	840 146,76
Trophies and Certificates for the SANEDI Energy Conference Awards.	Safequard Supplies	Single source	N/A	57 750,00
Artwork for Exhibition Stand	Green Building Council of South Africa	Sole source	N/A	2 875,00
Employee Verifications	Afroteq	Single source	N/A	593 687,50
Support services from Symplexity	Symplexity	Single source	N/A	20 000,00
Certified Carbon Auditing Professional Training	Institute of Energy Professionals Africa	Sole source	N/A	17 250,00
Employee Verifications	Kamo placement	Single source	N/A	100 000,00
Catering services for the NT Smart Meter Project engagements with services providers at Vodacom Offices in Vodaworld	EMPACTGROUP SA (PTY) LTD	Single source	N/A	10 752,75
Caseware Training	Caseware	Sole source	N/A	16 613,18
Sole source with GIBS (Sandton branch) to attend a course (Finance for non-financial managers)	GIBS	Sole source	N/A	23 500,00
Board training	The Institute of Internal Auditors South Africa (IIASA)	Single source	N/A	42 270,55
Energy Management System Implementation Training for ESCos	The National Cleaner Production Centre South Africa (NCPC)	Single source	N/A	48 300,00
Provision of funds to support the Southern African Energy Efficiency Confederation (SAEEC) initiative of promoting energy efficiency throughout the country within the Energy Performance Certificates Sub-programme.	(SAEEC)	Single source	N/A	92 000,00
Sole Source Deviation_SANEDI Co-host of 2025 Water Efficiency Technical Conference	SAEEC	Sole source	N/A	150 000,00
Block B Office Space Smart Meter for 3 years	National Treasury	Single source	N/A	3 500 000,00

Table 41: Procurement through other means (continued)

PROJECT DESCRIPTION	NAME OF SUPPLIER	DEPARTMENT	TYPE OF PROCUREMENT BY OTHER MEANS	ORIGINAL CONTRACT VALUE/ CONTRACT VALUE
SNG Grant Thornton was appointed as a service provider to provide the LGRC department with transcription services, the effective contract date is 7 March 2024 and the end date is 31 December 2024. The service provider submitted their invoice late in December, and due to the office closure over the holiday period, we were unable to process the payment	SNG Grant Thornton	Single source	N/A	165 600,00
NEC ECS Training	ECS Training	Sole source	N/A	35 350,00
University of Cape Town Advanced Project Management Online Course	Get SMART ER	Single source	N/A	39 420,00
Exhibition and technical workshop at the annual Africa Energy Indaba Conference on 4-6 March 2025	The Africa Energy Indaba Conference	Sole source	N/A	486 358,00
Single Source: Specialist Civil Engineer for Clean Energy in Water Infrastructure Installations/Units in Limpopo Province	ACV	Single source	N/A	454 488,00
e-Mobility and Electric Vehicle Infrastructure Technology”	UYILO E-MOBILITY	Sole source	N/A	6 072,00
African Energy Week 2025 (Early bird pricing to secure 2025 rate offered	African Energy Week 2025	Sole source	N/A	1 725 000,00
Chartered Institute of procurement and Supply	CIPS	Sole Source	N/A	25 224,10

1.6.2 VARIATIONS AND CONTRACT EXPANSIONS

Table 42: Variations and contract 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	VALUE OF THE CURRENT CONTRACT EXPANSION OR VARIATIONS
Contract Variation for the Appointment of a Service Provider to Render Catering Service for DPWI/SANEDI Workshop Being Held on the 16th of May 2024	Empilweni Food Specialists/	Contract Variation	SOL2405	R22 936,75	N/A	R11 040,00
Contract Variation for Legal Services for the period of 2 months	PPM Attorneys	Contract Variation	SOL2408	R300 000,00	N/A	R1 000 000,00
Connecting Green Hydrogen Europe 2024 (CGHE2024), HYDROGEN SUMMIT	Leader associates Inc	Contract Variation	SOL2410	6000 Euros = (117 767,03)	N/A	1500 Euros
Contract variation: Specialist Civil Engineer for Clean Energy in Water Infrastructure Installations/Units in Limpopo Province	ACV for engineering consulting	Contract Variation	SOL2419	R1 616 900,00	N/A	No financial Implications

Table 42: Variations and contract expansions (continued)

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	VALUE OF THE CURRENT CONTRACT EXPANSION OR VARIATIONS
Contract variation for Strategic Facilitation under Corporate Service support – Letsema	Lestema Consulting	Contract Variation	SOL2421	R690 000,00	N/A	Scope Variation with no financial implications
Contract variation for Supply, Delivery and Installation of a Videowall	Rediyakamoka Projects (Pty) Ltd	Contract Variation	SOL2425	R196 408,31	N/A	R37 680,00
Contract Variation with SNG Grant Thornton	SNG Grant Thornton	Contract Variation	SOL2426	R110 400,00	N/A	R55 200,00
Contract variation for Printetc as an Appliance Label redesign service provider to conduct market research on behalf of the S&L programme.	Printetc	Contract Variation	SOL2427	R380 567,88	N/A	R76 113,58
Psychometric Assessment of SANEDI employees	TT Endeavor Training	Contract Variation	SOL2432	R500 000,00	N/A	No financial Implications
Media Monitoring Services	Ornico Group	Contract Variation	SOL2435	R386 400,00	N/A	R1 600,00
Contract variation for the extension of services for Editing, Proofreading, Graphic Design, Lay outing.	45TH MEDIA (PTY)LTD	Contract Variation	SOL2441	R700 775,50	N/A	No financial Implications
Stage set up sound set up	Innovar Legacy Media (Pty) Ltd	Contract Variation	SOL2477	R259 030,26	N/A	R26 688,34
Media Monitoring Service Contract	Novus Group (Pty) Ltd	Contract Variation	SOL2478	R227 424,00	N/A	R67 620,00
International Partnership for Hydrogen and Fuel Cells in the Economy	Online Mentoring Platform	Contract Variation	SOL2499	USD 22,500	N/A	R400 000,00
Onboarding of EEDSM Subprograms onto 12L Stakeholder Strategy and Implementation Plan Contract with Khwezi Renewable	Khwezi Renewables	Contract Variation	SOL2506	R3 499 565,00	N/A	No financial Implications
Grant funding of energy research with universities in the areas of renewables, smart grids, digitalization, new energy vehicles, and hydrogen programme	University of Pretoria	Contract Variation	SOL2513	R3 635 243,65	N/A	R9 042 348,00

PART F
FINANCIAL INFORMATION

GENERAL **INFORMATION**

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To direct, monitor and conduct energy research and development, promote energy research and technology innovation as well as undertake measures to promote energy efficiency throughout the economy.
REGISTERED OFFICE	152 Ann Crescent Upper Grayston Office Park CEF House Block C Sandton 2146
REPRESENTATIVE SHAREHOLDER	Department of Energy and Electricity
BANKERS	ABSA
AUDITORS	Auditor-General South Africa Registered Auditors
SECRETARY	Mr Solomon Mngomezulu

ACCOUNTING AUTHORITY'S
RESPONSIBILITIES AND APPROVAL

The Accounting Authority members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the Annual Financial Statements fairly present the state of affairs of SANEDI as at the end of the financial year and the results of its operations and cash flows for the period ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and was 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 judgments and estimates.

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

The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal controls 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.

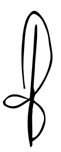
The Accounting Authority members have reviewed SANEDI’s cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that SANEDI has or has access to adequate resources to continue in operational existence for the foreseeable future.

SANEDI is wholly dependent on the shareholder for continued funding of operations. The Annual Financial Statements are prepared on the basis that SANEDI is a going concern and that it has neither the intention nor the need to liquidate or curtail materially the scale of SANEDI.

Although the Accounting Authority members are primarily responsible for the financial affairs of SANEDI, they are supported by SANEDI's external auditors, Auditor-General of South Africa.

The external auditors are responsible for independently reviewing and reporting on SANEDI's Annual Financial Statements. The Annual Financial Statements have been examined by SANEDI's external auditors and their report is presented on page 85.

The Annual Financial Statements set out on page 90, which have been prepared on the going concern basis, were approved by the Board on 28 July 2025.



Sicelo Xulu
SANEDI Board Chairperson
Date: 30 August 2025

REPORT OF THE **AUDITOR-GENERAL**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the South African Energy Development Institute set out on pages 90 to 127, 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 information with actual information for the year then ended, as well as notes to the financial statements, including material accounting policy information

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Energy Development Institute as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR OPINION

CONTEXT FOR OPINION

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

4. I am independent of the 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.

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

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

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

7. 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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 5 and 6, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

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

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

PROGRAMME	PAGE NUMBERS	PURPOSE
Programme 2 – Applied Energy Research, Development and Innovation	**48-52**	To facilitate knowledge creation that can support energy related planning and decision-making, and accelerating the transformation of the energy market and landscape in the country.
Programme 3 – Energy Efficiency	**53-54**	The purpose of the Energy Efficiency programme is to accelerate a shift towards a resource-efficient, and particularly an EE society.

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

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the 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.

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

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

REPORT ON COMPLIANCE WITH LEGISLATION

16. 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.

17. 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.

18. 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.

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

OTHER INFORMATION IN THE ANNUAL REPORT

20. The accounting authority is responsible for the other information included in the annual report which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

21. 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.

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

INTERNAL CONTROL DEFICIENCIES

23. 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 conclusion on it.

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

Auditor General

Johannesburg South Africa
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 entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	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); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
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. 1 of 2021/22	Paragraph 4.1
National Treasury 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 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury 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; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENT OF **FINANCIAL POSITION**

AS AT 31 MARCH 2025

	NOTE(S)	2025 R'000	2024 Restated R'000
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	5.1	10 716	7 000
Receivables from non-exchange transactions	5.2	17 971	1 672
Cash and cash equivalents	6	280 369	282 913
		309 056	**291 585**
NON-CURRENT ASSETS			
Property, plant and equipment	3	20 429	11 103
Intangible assets	4	14 932	13 827
		35 361	**24 930**
Total Assets		**344 417**	**316 515**
LIABILITIES			
CURRENT LIABILITIES			
Payables from exchange transactions	7	17 406	9 233
Unspent conditional grants and receipts	8	192 470	164 897
Employee benefit provisions	9	12 745	11 464
		222 621	**185 594**
Total Liabilities		**222 621**	**185 594**
Net Assets		**121 796**	**130 921**
Accumulated surplus		121 796	130 921
Total Net Assets		**121 796**	**130 921**

* See Note 25

STATEMENT OF **FINANCIAL PERFORMANCE**

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025 R'000	2024 Restated R'000
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Services rendered: sponsorship & consultancy	10	16 311	13 425
Other income	10	702	116
Interest received- investment	10	7 346	17 730
Gain on foreign exchange		72	-
Total revenue from exchange transactions		**24 431**	**31 271**
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Government grants & subsidies	10	119 507	87 741
Total revenue	10	**143 938**	**119 012**
EXPENDITURE			
Employee related costs	11	(68 784)	(55 085)
Directors Remuneration	19	(1 071)	(998)
Depreciation and amortisation	3&4	(6 759)	(6 561)
Penalty Paid		-	(46)
Provision of doubtful debts	5	(83)	(150)
Repairs and maintenance		(446)	(318)
Research costs	12	(50 040)	(65 390)
Loss on disposal of assets	3	(45)	(64)
Loss on foreign exchange		-	(56)
Settlement costs		-	(22 000)
Surrender of surpluses		-	(1 300)
General Expenses	13	(25 836)	(25 782)
Total expenditure		**(153 064)**	**(177 750)**
(Deficit) surplus for the year		**(9 126)**	**(58 738)**

* See Note 25

STATEMENT OF **CHANGES IN NET ASSETS**

FOR THE YEAR ENDED 31 MARCH 2025

	Accumulated surplus / deficit R'000
Balance at 01 April 2023	**189 659**
Changes in net assets	
Deficit for the year	(58 738)
Opening balance as previously reported	130 705
Correction of errors note 25	220
Restated* Balance at 01 April 2024	**130 919**
Changes in net assets	
Deficit for the period	(9 126)
Balance at 31 March 2025	**121 796**

CASH FLOW **STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025 R'000	2024 Restated R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Grants		337 442	342 100
Interest income		20 570	27 481
Other receipts		1 904	2 184
		359 916	**371 765**
PAYMENTS			
Employee costs		(68 430)	(52 627)
Suppliers		(97 803)	(95 654)
Penalty Paid		-	(46)
Transfer payments		(189 009)	(285 145)
		(355 242)	**(433 472)**
Net cash flows from operating activities	14	**4 674**	**(61 707)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(2 852)	(6 841)
Proceeds from sale of property, plant and equipment	3	1	16
Purchase of other intangible assets	4	(4 367)	(11 197)
Net cash flows from investing activities		**(7 218)**	**(18 022)**
Net increase/(decrease) in cash and cash equivalents		**(2 544)**	**(79 729)**
Cash and cash equivalents at the beginning of the year		282 913	362 642
Cash and cash equivalents at the end of the year	6	**280 369**	**282 913**

The accounting policies on pages 97 to 108 and the notes on pages 109 to 127 form an integral part of the annual financial statements.

* See Note 25

STATEMENT OF COMPARISON OF
BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000	Ref
STATEMENT OF FINANCIAL PERFORMANCE						
Services Rendered : Sponsorship & Consultancy	9 000		9 000	16 311	7 311	(a)
Other income	-	-	-	702	702	(b)
Interest received - investment	4 584	-	4 584	7 346	2 762	(c)
Total revenue	**13 584**	**-**	**13 584**	**24 359**	**10 775**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
TRANSFER REVENUE						
Grants	77 240	-	77 240	119 507	42 267	(d)
Total revenue	**90 824**	**-**	**90 824**	**143 866**	**53 042**	
EXPENDITURE						
Employee related costs	(56 067)	-	(56 067)	(68 784)	(12 717)	(e)
Directors remuneration	(650)	-	(650)	(1 071)	(421)	(f)
Depreciation and amortisation	(500)	-	(500)	(6 759)	(6 259)	(g)
Debt Impairment	-	-	-	(83)	(83)	
Repairs and maintenance	(162)	-	(162)	(446)	(284)	(h)
Research costs	(11 931)	(91 071)	(103 002)	(50 040)	52 962	(i)
General expenses	(21 514)	-	(21 514)	(25 836)	(4 322)	(j)
Total expenditure	**(90 824)**	**(91 071)**	**(181 895)**	**(153 019)**	**28 876**	
Operating deficit	**-**	**(91 071)**	**(91 071)**	**(9 153)**	**81 918**	
Loss on disposal of assets and liabilities	-	-	-	(45)	(45)	
Gain on foreign exchange	-	-	-	72	72	
Deficit for the year	**-**	**(91 071)**	**(91 071)**	**(9 126)**	**81 945**	

General Note: *SANEDI's annual budget cycle for any given financial year (current being 2024/25) commences in June of the preceding financial year (Year 2023/24), culminates with final approval by the Accounting Authority in the January of that financial year(Year 2023/24). This inherent lead time necessitates significant judgment and reliance on information available at the time of budget finalisation. As a result, a substantial portion is often not confirmed or contracted at the point of budget approval. This invariably contributes to variances, particularly on the revenue side, as actual external funding realisation often post-dates initial estimates.*

REFERENCE

(a) Management Fees, EPC Professional Fees, and Sponsorship Income: Significant favourable revenue variance was attributed to several unforeseen income streams not incorporated into the initial budget.

Management Fees from Externally Funded Projects: Additional management fees were earned from externally funded projects. The budget only accounted for income from the Energy Secretariat, which was budgeted for using a lower base. The actual amount received, however, was significantly higher due to a revised award for the year. This represented an unbudgeted revenue stream and a favourable rate variance on the Energy Secretariat funding. Additional revenue was also received from other secured third-party funds.

EPC Professional Registration and Annual Fees represent an entirely new income stream for SANEDI, arising from the organisation's responsibility for registering EPC professionals under the Energy Act. As this initiative commenced post-budget approval, these registration and annual fees were not included in the original estimates, contributing to the favourable variance.

- Sponsorship Income: The annual SANEDI conference secured unbudgeted sponsorship income totalling R1.65 million (R1 million from DSTI, R500,000 from UNIDO, and R150,000 from GIZ), which further contributed to the overall favourable revenue variance.

  SANEDI is, in terms of the Energy Act, responsible for registration of EPC professionals. This is in exchange for a registration fee and an annual fee. This is a new income stream for the organisation which was not included in the initial budget estimates.

  SANEDI also received sponsorship income for the annual SANEDI conference from DSTI for R1 million, R500 000 from UNIDO and R150 000 from GIZ. These were not budgeted for.

(b) Other Income Variances: There was a favourable variance in 'Other Income', driven by unpredictable receipts and thus cannot be reliably estimated during the budgeting process. These include:

- Insurance payouts for lost assets (two laptops).
- Mandatory skills grants received from the Energy and Water SETA (EWSETA).
- SARS VAT refunds relating to previously donor-funded projects.

(c) Interest Income Variances: A favourable variance in Interest Income of R2.8 million (R7.3 million actual vs. R4.5 million budget) is primarily attributable to the continued accumulation of surpluses in SANEDI's bank account. These surpluses were retained after receiving approval from the Department of National Treasury and were not factored into the initial budget.

(d) Government Grants Variances: The Government Grants showed a favourable variance, primarily due to deferred income recognition.

- The MTEF allocation from the shareholder of R77.2 million was received as budgeted. An additional R10 million was received from MTEF allocation from the shareholder to alleviate cost pressures that the entity was experiencing.
- The year-to-date favourable variance of R31.4 million arose from the realisation of deferred income relating to previously ring-fenced funded projects. This is a timing variance, as the income was recognised when the associated expenditure for those projects was incurred.
- An additional R834,000 was received from other grants for skills development from the Energy and Water SETA, representing an unbudgeted favourable grant receipt.

Expenditure Variances:

General Note: The Department of National Treasury approved SANEDI's application to retain accumulated surpluses, which resulted in the Executive Authority approving an adjustment to the budget by R91 million.

(e) Employee-Related Costs Variances: Overall, there is an increase in employee costs during the period due to several factors:

- An increase in costs by R14.8 million due to externally funded projects, and an additional R1.7 million attributed to internships. These costs, while unfavourable against the total employee-related budget, are offset by corresponding external revenue (as seen in (a) and (d)), indicating that they are largely self-funding.
- Fiscus-funded employee-related costs are R3.1 million under budget. This is primarily due to a strategic decision to put specific vacancies on hold owing to cost pressures. Management prioritised and filled two critical positions (Systems Management Practitioner and Supply Chain Manager) in Q3 and Q4, respectively.

(f) Directors' Remuneration Variances: A variance of R420,000 (R1.07 million actual vs. R650,000 budget) is noted in Directors' Remuneration. This was due to an initial understatement in the budget.

(g) Depreciation and Amortisation Variances: A significant variance in Depreciation and Amortisation due to significant underestimation of these balances, which did not take into account new investments in Assets:

- Substantial investments in new IT assets, including servers and additional backup power supply (to mitigate load shedding impacts), and additional laptops (due to staff increase from 74 in FY2023/24 to over 125 as of 31 March 2025), have led to increased depreciation(refer to note 4 for additions made to PPE).
- Investment in upgrading computer software in the prior year, funded from surplus funds, also contributed to higher amortisation in the current period(refer to note 5 for additions to Intangible Assets). These were incorrectly expensed in the previous financial year. However, this error has been corrected in the current financial year.
- A review of useful lives during the year resulted in a change in accounting estimate for depreciation and amortisation, impacting the current period's charge.
- Additional assets bought in the previous financial year were capitalised, further increasing the depreciable asset base.

(h) Repairs and Maintenance Costs Variances: Repairs and Maintenance costs are above budget:

- The initial budget estimates were conservative, implying an underestimation of anticipated maintenance requirements.
- The increase in staff numbers (as noted in (g)) has likely contributed to increased wear and tear on facilities and equipment.
- Costs associated with a newly leased building also contributed to the higher than expected expenditure.

(i) Research Costs Variances: Year-to-date Research Costs are less than the budget, as a result of :

- Underspending of Accumulated Surpluses, as approval to spend accumulated surpluses is only received towards the end of the financial year, not leaving sufficient time to implement approved projects. This results in underspending and rollover of funds into the following financial year.

(j) General Expenses Variances were driven by several key sub-categories, with these being the most significant:

- Computer Expenses (ICT Licenses): These were higher than budgeted due to:
  - Recruitment of new employees necessitated additional ICT licenses. (Staff numbers increased from 74 to 125)
  - Upgrades to Microsoft Dynamics 365 and Sage payroll systems.
  - Investments in enhanced data security.
- Consulting and Professional Fees: This category, accounting for 15% of operating expenses, is above budget due to both recurring and ad hoc services:
  - Recurring: HR policy reviews, risk facilitations, monthly payroll administration, and public relations expenses.
  - Ad Hoc: Unplanned but necessary services such as review of the risk policy, risk management maturity level assessment, and review of IP and other HR policies.
- Travel Costs: Exceeded budget due to increased local and international travel for staff attending international engagements (BRICS, COP29, G20) in support of departmental and energy-related forums.
- Audit Fees: They were higher than the previous year, with R447,157 spent on previous internal auditors completing their plan early in the new financial year. Total external audit fees amounted to R1.3 million, and internal audit fees amounted to R1.3 million. This suggests a higher overall spend on audit services, potentially due to expanded scope or increased scrutiny.
- New Lease: A new lease entered towards the end of the previous financial year contributed to unbudgeted expenses. This lease is externally funded, indicating a corresponding revenue stream that is not in the initial budget.

DEFICIT FOR THE YEAR

The reported deficit for the year is a direct consequence of SANEDI incurring expenditures funded by previous years' accumulated surpluses. These surpluses are not recognised as income in the current budget, as they have already been accounted for in previous financial periods. Expenditure against these surpluses is only incurred once National Treasury approval is secured.

The table below summarises the financial performance funding sources:

FINANCIAL PERFORMANCE BREAKDOWN PER FUNDING SOURCE	MTEF funded R'000	Externally funded R'000	Surplus funded R'000	Total R'000
Total income	111 672	32 267	-	143 939
Total expenses	(98 079)	(32 789)	(22 197)	(153 065)
Net surplus/(deficit)	**13 593**	**(522)**	**(22 197)**	**(9 126)**

ACCOUNTING **POLICIES**

1. SIGNIFICANT ACCOUNT POLICIES

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

1.1 BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance and in compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Accounting Authority 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. They are presented in South African Rand.

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis, and that the South African National Energy Development Institute (SANEDI) will continue to operate and meet its obligations for at least the next 12 months. 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.

At the end of the period ended 31 March 2025, assets of the organisation exceeded their liabilities by R121,7 million (2024: R 131 million). Although the for the year ended 31 March 2025, the entity incurred a deficit of R9,1 million (2024: Deficit of R58 million), the deficit is primarily due to spending of previous years accumulated surpluses. Based on the entity's funding structure, the entity realised a surplus from the current year MTEF funding source. SANEDI has not significant debt coming due within the next 12 months.

Lastly, based on the Estimates of National Expenditure published for 2024/2025, and over the MTEF period, there is evidence that SANEDI will be a going concern as long as this funding is made available by the Department of Energy and Electricity and there is no intention to cease funding SANEDI's operations.

1.4 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.

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

LEAVE ACCRUAL

The leave accrual represents the present obligation that the entity has as a result of employees' services provided up to the reporting date. The accrual is calculated using remuneration rates effective at the reporting date based on the actual leave days. In arriving at the estimate, management assumes that no leave will be forfeited.

PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 9 - Provisions are in relation to bonus incentives. Management Assumes that provisions of the incentives policy will be complied with that will enable the incentives to be paid out to employees and that funding to fund the expenditure will be available as per the approved budget.

ALLOWANCE FOR DOUBTFUL DEBTS

On a case-by-case basis, management assesses the recoverability of receivables and take the merits of each case into considerations. Management does not only rely on the ageing of the receivables only as an indicator of impairment or recoverability but will consider all other facts surrounding the balance to reach a conclusion on impairment of balances.

USEFUL LIVES AND RESIDUAL OF ASSETS

Management determines the useful lives of assets by considering the purpose for which the asset has been acquired, the period over which it intends to derive economic benefits from the use of the asset. other internal and external factors such as technological advancements, fixed assets investment plan in arriving at a decision about the residual values and useful lives of assets.

GOING CONCERN

The Accounting Authority, has at the time of preparation of the financial statements, a reasonable expectation that the entity will have adequate resources to continue operating and settle its debts as and when they become due for the foreseeable future, at least, but not limited to, 12 months from the end of the reporting date. Based on the Estimates of National Expenditure published for 2024/2025 funding is secured over a three-year cycle in terms of the Medium-term Expenditure Framework (MTEF). As a result, these annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern.

Other significant judgments, sources of estimation uncertainty and/or relating information have been disclosed in the relating notes.

IMPAIRMENT TESTING

SANEDI tests for impairment on all cash-generating units on an annual basis at the end of the reporting period or earlier when in indicators of impairment are present.

ACCOUNTING BY PRINCIPALS AND AGENT

In identifying transitions as agent or principal transactions, SANEDI applies judgments in assessing the terms and conditions associated with the relationship duly established by a binding agreement. Consideration is given as whether the conditions are such that we undertake transactions on their behalf, and for the benefit of, that third party entity (the principal) that exists within an arrangement that has been entered into and to which party so that arrangements are correctly classified.

Additional information is disclosed in note 26.

1.6 PROPERTY, PLANT AND EQUIPMENT

RECOGNITION

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

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

INITIAL MEASUREMENT

Property, plant and equipment is initially measured at cost.

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

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

SUBSEQUENT MEASUREMENT

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

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	2-15 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	5 years
Computer equipment	Straight-line	3-5 years
Leasehold improvements	Straight-line	over the lease period
Communication equipment	Straight-line	2-15 years
Equipment	Straight-line	10 years

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

SANEDI assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the statement of financial performance.

The SANEDI separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The SANEDI discloses relevant information relating to plant work in progress, in the notes to the financial statements (see note 3).

PLANT WORK IN PROGRESS

Plant work in progress are tangible assets that are being constructed for use in the entity's operations or for administrative purposes.

1.7 INTANGIBLE ASSETS

RECOGNITION

An intangible asset is recognised when:

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

INITIAL MEASUREMENT

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

SUBSEQUENT MEASUREMENT

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

When intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, and it is determined that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset will be tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	2- 5 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4). Assets under development are not amortised and are only amortised once they are brought into use and reclassified to the correct asset class.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the intangible asset. Such a difference is recognised in surplus or deficit when the intangible asset is derecognised.

1.8 FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

- derivatives.
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value.
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

CLASSIFICATION

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

Class	Category
Investments	Financial asset measured at amortised cost

Receivables from exchange transactions Financial asset measured at amortised cost Receivables from non-exchange transactions Financial asset measured at amortised cost Cash and cash equivalents Financial asset measured at amortised cost

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

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

Unspent conditional grants and receipts Financial liability measured at amortised cost Other receivables include receivables related to lease rental deposit. These receivables are stated at cost

1.9 STATUTORY RECEIVABLES RECOGNITION

The entity recognises statutory receivables as follows:

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

INITIAL MEASUREMENT

The entity initially measures statutory receivables at their transaction amount.

SUBSEQUENT MEASUREMENT

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

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

1.10 TAXATION

TAX EXPENSES

SANEDI is exempted from Income Tax in terms of Section S10(1)(a) of the Income Tax Act as an entity within the national sphere of government and in terms of Value-Added Tax Act 89 of 1991 (VAT Act). SANEDI is a Statutory bodies (government institutions) and is regarded as a public authority under the VAT Act as such is not registered for VAT and does not file VAT 201 returns.

1.11 LEASES

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. When a lease includes both land and building elements, the entity assesses the classification of each element separately.

FINANCE LEASES - LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the 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 on the remaining balance of the liability.

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

OPERATING LEASES - LESSEE

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

1.12 IMPAIRMENT OF CASH-GENERATING ASSETS

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

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

The impairment loss is measured as the difference between the asset's carrying amount and its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Value in use is the present value of the estimated future cash flows expected from the asset.

1.13 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions.
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service.
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.14 CONTINGENCIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 16.

1.15 COMMITMENTS

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

Disclosures are required in respect of unrecognised contractual commitments for the following:

- Property, plant and equipment,
- Intangible assets and
- Lease expenditure.

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

- Contracts should be non-cancellable or only cancellable at significant cost.

1.16 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions comprises of the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

MEASUREMENT

Revenue is measured at the fair value of the consideration/ asset received or accrues in exchange.

RENDERING OF SERVICES

Revenue from the rendering of services is recognised when the inflows resulting in an increase in net assets can be estimated reliably and is recognised by reference to the stage of completion of the transaction at the reporting date. The entity deems a transaction to be estimated reliably only when the following criteria is met:

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

INTEREST, ROYALTIES AND DIVIDENDS

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

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

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.17 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions comprises of the increases in economic benefits, relating to a Vote allocation received from National Treasury through the Department of Mineral Resources and Energy. The revenue also comprises inflows of resources from other government and non-government donors to enable the entity to execute its mandate.

RECOGNITION

Revenue from non-exchange is recognised when value is received from another entity without the entity directly giving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

MEASUREMENT

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

Revenue from non-exchange is measured at the amount of the fair value asset received, as at the date of acquisition, unless it is also required to recognise a liability.

Any liability recognised, pertaining to non-exchange transactions will be measured at best estimate of the amount required to settle the present obligation at the reporting date.

GIFTS AND DONATIONS, INCLUDING GOODS IN-KIND

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

SERVICES IN-KIND

SANEDI recognises services received in-kind in the statement of financial performance at the fair value of these services, when they are significant to SANEDI's operations, and to the extent that a fair value can be determined reliably. Where the services are not significant, and/or the fair value cannot be determined reliably, the nature and type of services received are disclosed. Services received in-kind by the SANEDI are not significant to the SANEDI's activities and are therefore not recognised. These services include the time provided by Accounting Authority members employed in the public sector.

1.18 ACCOUNTING BY PRINCIPALS AND AGENTS

IDENTIFICATION

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

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

BINDING ARRANGEMENT

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

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

ASSESSING WHICH ENTITY BENEFITS FROM THE TRANSACTIONS WITH THIRD PARTIES

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

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

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

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

RECOGNITION

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

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

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

1.19 TRANSLATION OF FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS

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

At each reporting date:

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

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

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

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

1.20 COMPARATIVE FIGURES

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

1.21 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and wasteful expenditure incurred. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written off as irrecoverable. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. The information is presented in accordance with National Treasury Instruction Note 4 of 2022/2023.

1.22 IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons are provided in the notes. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written off as irrecoverable. The information is presented in accordance with National Treasury Instruction Note 4 of 2022/2023.

1.23 SEGMENT INFORMATION RECOGNITION

SANEDI has organised its activities in such a manner that the information provided, where possible is disaggregated, both for financial and non-financial information about its segments. SANEDI will only report segment information provided that the activity meets the following criteria: an activity of an entity:

(a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

(b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

(c) for which separate financial information is available.

Where possible, and where fair presentation will be better achieved, SANEDI will aggregate two or more segments where the aggregation criteria is met.

MEASUREMENT

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.24 BUDGET INFORMATION

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

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.25 RELATED PARTIES

All related party transactions are accounted for in accordance with the relevant accounting policy governing the transaction in accordance with its nature. Once the transactions have been processed, Management will then disclose the related party transactions that have taken place with related parties and are considered to have not occurred within normal supplier and/or client/recipient relationships on terms and conditions are more favorable than ordinarily those transactions would be under normal business conditions.

SANEDI will exclude from disclosure requirements in relation to related party transactions that occur 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 SANEDI 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 SANEDI' is exempt from the disclosures in accordance with the above, SANEDI 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.

1.26 EVENTS AFTER REPORTING DATE

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

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

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

SANEDI will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

NOTES TO THE
ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected 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	01 April 2025	The impact of this standard has been assessed and there is no impact in the current financial year as SANEDI has not opted to early adopt the standard. Based on our preliminary assessment, SANEDI does expect that the manner in which it recognises,classifies and measures certain of its financial assets may change. There may be an impact on the classification of some financial assets based on the business model for managing financial assets that the entity adopts, as well as the characteristics of the cash flows of the financial instruments. Financial instruments that were previously measured at amortised costs, could after the assessment of the impact of the standard, be classified as Fair value. The business Model is yet to be determined by management. There may be a need to restate opening balances to account for changes as a result of adopting the changes in this GRAP standard. SANEDI will need to incorporate a forward-looking approach when it comes to assessing impairment allowances when applying the expected credit loss model as opposed to the incurred credit loss Model. SANEDI also anticipates that disclosures around financial instruments will be much more extensive than in the past. Assessments are still on going and management expects to fully comply with the requirement of the new standard when it becomes effective.

3. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying R'000
Furniture and fixtures	1 191	(927)	264	1 140	(877)	263
Motor vehicles	429	(274)	155	429	(188)	241
Office equipment	266	(59)	207	41	(23)	18
IT equipment	23 744	(14 909)	8 835	21 230	(11 674)	9 556
Leasehold improvements	6	(6)	-	6	(6)	-
Equipment	946	(81)	865	946	(39)	907
Plant Work-in progress	10 016	-	10 016	-	-	-
Communication equipment	191	(104)	87	191	(73)	118
Total	**36 789**	**(16 360)**	**20 429**	**23 983**	**(12 880)**	**11 103**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - MARCH 2025	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Furniture and fixtures	263	51	-	(50)	264
Motor vehicles	241	-	-	(86)	155
Office equipment	18	229	(2)	(38)	207
IT equipment	9 556	2 572	(42)	(3 251)	8 835
Equipment	907	-	-	(42)	865
Plant Work-in progress	-	10 016	-	-	10 016
Communication equipment	118	-	-	(31)	87
	11 103	**12 868**	**(44)**	**(3 498)**	**20 429**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - MARCH 2024	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Furniture and fixtures	53	265	-	(55)	263
Motor vehicles	327	-	-	(86)	241
Office equipment	25	-	-	(7)	18
IT equipment	7 968	6 282	(40)	(4 654)	9 556
Equipment	706	238	-	(37)	907
Communication equipment	133	56	(33)	(38)	118
	9 212	**6 841**	**(73)**	**(4 877)**	**11 103**

PLANT WORK IN PROGRESS

The entity is in the process of constructing a mini-grid solar PV system. At the end of the financial year, engineering designs as well as components for the mini grid system have been procured.

ASSET WRITE OFF

During the financial year assets with a total book value of R44 036 (2024: R35 334) were written off. The acquisition cost of these assets was R61 604 (2024: R269 000).

USEFUL LIVES

Useful life of assets was reviewed and computer equipment useful life was subsequently revised. Refer to Note 27, Change in Accounting estimates.

PLEDGED AS SECURITY

There are no assets that are pledged as security. There are no restrictions on the title of Property, plant and equipment.

RECONCILIATION OF WORK-IN-PROGRESS 2025	Included within PPE R'000	Total R'000
Additions/capital expenditure	10 016	10 016

EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT		
Repairs and maintenance	349	245

4. INTANGIBLE ASSETS

	2025			2024		
	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying R'000	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying R'000
Computer software	19 907	(4 975)	14 932	15 540	(1 713)	13 827

RECONCILIATION OF INTANGIBLE ASSETS - MARCH 2025	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Computer software	13 827	4 367	(3 262)	14 932

RECONCILIATION OF INTANGIBLE ASSETS - MARCH 2024	Opening balance R'000	Additions R'000	Transfers R'000	Amortisation R'000	Total R'000
Computer software	1 312	11 248	2 953	(1 686)	13 827
Intangible assets under development	2 953	-	(2 953)	-	-
	4 265	**11 248**	**-**	**(1 686)**	**13 827**

PLEDGED AS SECURITY

There are no assets that are pledged as security.

Useful life of computer software was reviewed and subsequently revised. Refer to Note 27, Change in Accounting estimates.

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
Trade debtors	-	45
Prepayments	8 635	4 686
Employee study loans	-	64
Other receivables	261	265
Interest receivable	1 767	1 940
Accrued income	53	-
	10 716	**7 000**

TRADE DEBTORS

Trade debtors consist of SANEDI conference sponsorship receivable including statutory receivables. Disclosure on statutory receivables is indicated below:

OTHER RECEIVABLES

Other receivables consist of office rental deposits.

PREPAYMENTS

Prepayments represent payments made pursuant to contractual arrangements that required SANEDI to pay in advance for the services. These include insurance, IT software licenses and membership fees to international energy associations.

5.1.1 STATUTORY RECEIVABLES TRANSACTION(S) ARISING FROM STATUTE

SANEDI's statutory receivables arises from billing of the Energy Performance Certificates (EPCs) registration fees as provided for in the following legislation:

- Section 19(1)(b) of the National Energy Act, 2008 (Act No 34 of 2008)- notice 1937 of 2023.

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2025 R'000	2024 R'000

DETERMINATION OF TRANSACTION AMOUNT

Statutory receivables are carried at cost which normally approximates their value due to their short-term maturity. The transaction amount is made up of actual costs invoiced for registration.

BASIS USED TO ASSESS AND TEST WHETHER A STATUTORY RECEIVABLE IS IMPAIRED

Management has conducted an assessment of all overdue invoices for EPC practitioner applicants and has provided for all long overdue invoices where it seems probable that applicants have abandoned their registration efforts.

RECONCILIATION OF PROVISION FOR IMPAIRMENT - STATUTORY RECEIVABLES

	2025 R'000	2024 R'000
Provision for impairment	43	-

As of 31 March 2025, statutory receivables of R42 500 (2024: R0) were impaired and provided for. The amount of the provision was R42 500 as of 31 March 2025 (2024: R0).

The ageing of these statutory receivables were as follows:

	2025 R'000	2024 R'000
3 to 6 months	43	-

5.1.2 TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED - NON-STATUTORY RECEIVABLES

Trade and other receivables are not pledged as security. The entity does not hold any collateral as security. Trade and other receivables which are less than 3 months past due are not considered to be impaired. On 31 March 2025, R0 (2024: R0) were past due but not impaired as they are considered recoverable.

TRADE AND OTHER RECEIVABLES IMPAIRED

The amount of the provision and impairment was R446 121 as of 31 March 2025 and R406 121 as of (31 March 2024).

The ageing of these trade receivables was as follows:

	2025 R'000	2024 R'000
3 to 6 months	40	-
Over 6 months	406	406

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

	2025 R'000	2024 R'000
Opening balance	406	256
Provision for impairment	40	150
Closing balance	**446**	**406**

The maximum exposure to credit risk at the reporting date is the fair value of the trade and other receivables mentioned above.

5.2 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
Grant funding receivables	5 801	1 672
Grants awarded	12 170	-
	17 971	**1 672**

GRANT FUNDING RECEIVABLES

Grant funding receivables comprises of grant received for SANEDI internship programme. SANEDI and Energy and Water SETA entered into a funding agreement for the purpose of providing a Work Integrated Learning Programme (WIL) for unemployed learners and Internship Programme for unemployed participants.

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2025 R'000	2024 R'000

GRANTS AWARDED

Grants awarded are for balances of grants awarded to universities not spent by the end of the reporting period. In terms of the agreement, any unspent funds by the universities are to be refunded to the organisation with interest. These funds are used for funding various research areas, including Smarts Grids, Digitization, Hydrogen and E-mobility. less than 3 months. The aging of these grants is less than 3 months.

GRANT FUNDING RECEIVABLES AND GRANTS AWARDED PAST DUE BUT NOT IMPAIRED

	2025 R'000	2024 R'000
The ageing of these grants was as follows:		
3-6 months	3 495	-
Over 6 months	2 306	-

Grant funding receivables and grants awarded are not pledged as security. The entity does not hold any collateral as security. Grants awarded which are less than 3 months past due are not considered to be impaired. Grant funding receivables are assessed annually for impairment. As of 31 March 2025, R5,8 million (2024: R0) were past due but not impaired as they are considered recoverable.

GRANT FUNDING RECEIVABLES AND GRANTS AWARDED IMPAIRED

The amount of the provision was R0 as of 31 March 2025 and R0 as of (31 March 2024).

In deciding whether or not to provide for impairment for the outstanding balances, SANEDI has considered past payment history of the debtor as well as the fact that there is currently no dispute between the parties but rather that the delay in payments was influenced by administrative requirements that needed to be fulfilled by both parties which took some time to resolve.

6. CASH AND CASH EQUIVALENTS

	2025 R'000	2024 R'000
Cash and cash equivalents consist of:		
Cash on hand	11	21
Bank balances	280 358	282 892
	280 369	**282 913**

Cash and cash equivalent consists of cash on hand and balances with financial institutions and investments in money market instruments.

7. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
Trade payables	10 255	1 669
Accrued expense	4 475	3 549
Workman's Compensations Act	98	78
Union fees	6	6
Unallocated deposits	2 572	2 631
Surrender of unapproved surplus	-	1 300
	17 406	**9 233**

7. PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2025 R'000	2024 R'000

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Included in Trade payables is an amount of R10 million relating to Plant work in progress.

Unallocated deposits comprise of unknown deposits received mainly from international companies into SANEDI's bank account.

Accrued expense are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers whose invoices were received after the year end system cut off.

RECONCILIATION

NON-STATUTORY PAYABLES

Trade payables	10 254	1 669
Accrued expense	4 475	3 549
Unallocated deposits	2 572	2 631
	17 301	**7 849**

STATUTORY PAYABLES

Workman's Compensations Act	98	78
Union fees	6	6
Surrender of unapproved surplus	-	1 300
	104	**1 384**

8. UNSPENT CONDITIONAL GRANTS

Unspent conditional grants are attributed to ring-fenced projects from various donors that are in progress at the end of the financial year. These amounts are invested in money market accounts and interest accrues to the money invested. Revenue is recognised under each agreement when conditions for vesting of the income contained within the agreement are met.

UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISES OF:

Unspent grants	192 470	164 897

MOVEMENT DURING THE YEAR

Balance at the beginning of the year	164 897	175 372
Additional receipts during the year	253 496	259 837
Interest earned	13 052	9 384
Deferred income recognised	(31 432)	(4 684)
Grant Repayments/Transfers/Other	(207 543)	(275 012)
	192 470	**164 897**

8. UNSPENT CONDITIONAL GRANTS (CONTINUED)

DEFERRED INCOME RECONCILIATION *MARCH 2025*	Opening balance R'000	Additional Receipts R'000	Deferred Income Recognised R'000	Grant Repayments/ Transfers/ Other R'000	Interest Earned R'000	Closing Balance R'000
European Union Project	339	-	-	-	28	367
SA Coal Roadmap	889	-	-	-	73	962
WASA Support	1 117	-	-	-	46	1 163
SolarTech	1 714	-	-	-	140	1 854
Soltrain	1 771	2 279	645	61	315	3 659
Austin Offshore	389	-	-	-	32	421
WASA 3	32	-	33	-	1	-
EWSETA Internships	-	6 446	1 714	74	-	4 658
1M Cool Roofs Challenge	691	-	229	-	51	513
EE Industrial Comp	87	-	-	-	2	89
Department of Science, Technology and Innovation Energy Secretariat	127 265	210 565	21 174	196 343	10 725	131 038
EU Public Buildings	4 437	-	-	-	348	4 785
EU WWWTPS	3	-	-	-	-	3
Gauteng Department of Infrastructure Development (GDID)	575	-	599	-	24	-
GIZ	11	-	-	-	1	12
Technology Innovation Agency (TIA)	836	-	269	-	60	627
GIZ H2SA	58	-	32	-	5	31
Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)	10 150	-	-	9 317	800	1 633
Development Bank of Southern Africa (DBSA)	14 533	-	1 676	367	1	12 491
GIZ EEPIBP	-	6 499	4 002	655	135	1 977
National Treasury Smart Metering	-	22 398	961	369	125	21 193
GIZ EPC Skills Development	-	5 309	98	357	140	4 994
	164 897	**253 496**	**31 432**	**207 543**	**13 052**	**192 470**

MARCH 2024						
European Union Project	313	-	-	-	26	339
SA Coal Roadmap	820	-	-	-	69	889
WASA Support	1 030	-	-	-	87	1 117
SolarTech	1 656	-	-	-	58	1 714
Soltrain	1 896	-	220	64	159	1 771
Austin Offshore	359	-	-	-	30	389
WASA 3	30	-	-	-	2	32
1M Cool Roofs Challenge	899	-	272	-	64	691
EE Industrial Comp	87	-	-	-	-	87
Department of Science, Technology and Innovation Energy Secretariat	161 502	234 545	2 485	274 353	8 056	127 265
EU Public Buildings	4 091	-	-	-	346	4 437
EU WWTPS	3	-	-	-	-	3
Gauteng Department of Infrastructure Development (GDID)	530	-	-	-	45	575
GIZ	10	-	-	-	1	11
Technology Innovation Agency (TIA)	1 082	-	82	288	124	836
GIZ H2SA	1 064	-	993	96	83	58
Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)	-	10 000	-	85	235	10 150
Development Bank of Southern Africa (DBSA)	-	15 292	632	127	-	14 533
	175 372	**259 837**	**4 684**	**275 013**	**9 385**	**164 897**

Included in Grant repayments/transfers/Other is the portion that relates to management fees that have become due to the entity in line with the accounting policy.

9. EMPLOYEE BENEFIT PROVISIONS

RECONCILIATION OF EMPLOYEE BENEFIT PROVISIONS - 2025	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Bonus incentives	8 248	10 008	(8 248)	10 008
Leave	3 216	5 165	(5 644)	2 737
	11 464	**15 173**	**(13 892)**	**12 745**

RECONCILIATION OF EMPLOYEE BENEFIT PROVISIONS - 2024				
Bonus incentives	4 761	8 954	(5 467)	8 248
Leave	1 942	4 283	(3 009)	3 216
	6 703	**13 237**	**(8 476)**	**11 464**

BONUS INCENTIVES PROVISION

The Organisation has a performance-based incentive scheme in place that remunerates employees for achieving the predetermined performance targets of the organisation, considering also the individual's own performance as well as performance at departmental/programme level. The payment of the incentive bonuses is purely at the discretion of the Board and is considered once the organisation's performance has been audited subject to the achievement of pre-determined objectives. It has been the practice of the Organisation to pay incentives to staff based on the achievement of organisational targets. The provision in the current year has been made on the same basis as in the previous financial years. The amount utilised during the year represents the amount that was paid to staff during the year. These incentives were approved during the year based on the performance of the organisation during the 2023/24 financial year as reported

LEAVE PROVISION

The leave provision represents management's best estimate of the leave payable as at 31 March 2025. The accrual is calculated using remuneration rates effective at the reporting date based on the actual annual leave days payable. The amount utilised during the year relates to leave taken during the current financial year or for employees who have left the organisation, the leave paid us during the year upon termination of service.

10. REVENUE

	2025 R'000	2024 R'000
Services rendered: sponsorship & consultancy	16 311	13 425
Other income	702	116
Interest received- investment	7 346	17 730
Government grants and subsidies	119 507	87 741
	143 866	**119 012**

THE AMOUNT INCLUDED IN REVENUE ARISING FROM EXCHANGES OF GOODS OR SERVICES ARE AS FOLLOWS:

Services rendered: sponsorship & consultancy	16 311	13 425
Other income	702	116
Interest received- investment	7 346	17 730
	24 359	**31 271**

THE AMOUNT INCLUDED IN REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:

TRANSFER REVENUE		
Government grants and subsidies	119 507	87 741

10. REVENUE (CONTINUED)

NATURE OF GRANTS RECOGNISED ARE AS FOLLOWS:

GOVERNMENT GRANTS AND SUBSIDIES

	2025 R'000	2024 R'000
MTEF allocations	87 240	81 383
Deferred income recognised	31 433	4 685
Other grant funding recognised	834	1 673
	119 507	**87 741**

11. EMPLOYEE RELATED COSTS

	2025 R'000	2024 R'000
Basic	55 726	42 290
Recruitment and relocation costs	134	-
Bonus	9 741	8 954
Medical aid- company contributions	502	324
Unemployment Insurance Fund	168	118
Workman's Compensations Act	86	78
Skills Development Levy	625	470
Leave accrual	(478)	1 274
Provident and pension contributions	2 280	1 577
	68 784	**55 085**

SANEDI increased its staff completement from 74 in the previous financial year to 125 in the current year. This as a result of filling of vacant positions, new positions from new projects that were secured during the year as well as SANEDI's internship program with the EWSETA. SANEDI is also in its second year of salary parity adjustments to align salary scales to the market.

12. RESEARCH COSTS

Project costs relate to costs directly associated with the entity's mandate (Applied Energy Research, Development & Innovation (Programme 2), Energy Efficiency and Demand Side Management (Programme 3) and Energy Secretariat (Programme 4) which range from applied research expenditure, demonstration project expenditure as well as capacity building projects.

	2025 R'000	2024 R'000
Research consulting fees	40 939	57 513
Travel	6 837	6 828
Overheads	2 264	1 049
	50 040	**65 390**

13. GENERAL EXPENSES

	2025 R'000	2024 R'000
Administration fees	555	666
Advertising	50	177
Auditors remuneration	2 706	2 017
Bank charges	72	61
Computer expenses	7 645	6 647
Consulting and professional fees*	4 792	5 821
Lease rentals	2 779	1 877
Insurance	753	506
Conferences and seminars	1 187	2 734
Printing and stationery	36	163
Marketing and promotional expenditure	-	677
Catering and entertainment	166	268
Subscriptions and membership fees	12	23
Telecommunications cost	1 594	1 333
Travel expenses	2 228	1 034
Employee welfare and training	519	1 077
Office running expenses	742	701
	25 836	**25 782**

SANEDI recognises and has taken measure to ensure that there is cost containment throughout the organisation thus costs have remained more or less in line with previous year. There are notable increases for travel and lease rental expenses. The travel mainly relates to international travel for BRICS, Conference of the Parties 29 and G20. As well as other Ministry related travel and travels relating to IEA engagements. SANEDI entered into a lease towards the end of the 2023/24 financial year for office space to house the Energy Secretariat and another new lease at the end of the current financial year to house staff relating to the Smart Metering project. These two leases are fully funded from external sources and not the MTEF budget allocation.

For explanation of variances refer to Statement of Comparison of budget and Actual amounts.

14. CASH GENERATED FROM (USED IN) OPERATIONS

	2025 R'000	2024 R'000
Deficit	(9 126)	(58 738)
Adjustments for:		
Depreciation and amortisation	6 759	6 561
Gain/(loss) on sale of assets	45	64
Provision for doubtful debts reversal	83	150
Movements in provisions	1 281	4 761
Foreign exchange gain (loss)	-	(56)
Changes in working capital:		
Receivables from exchange transactions	(3 716)	(523)
Provision for doubtful debts	(83)	(150)
Receivables from non-exchange transactions	(16 298)	(1 673)
Payables from exchange transactions	(1 843)	(1 628)
Unspent conditional grants and receipts	27 572	(10 475)
	4 674	**(61 707)**

15. COMMITMENTS

	2025 R'000	2024 R'000
AUTHORISED CAPITAL EXPENDITURE		
CONTRACTUAL CAPITAL COMMITMENTS		
• Approved and contracted for : Property, plant and equipment	4 741	-

SANEDI has contracted for the design, construction and commissioning of a PV micro grid system to be deployed at an appointed site in partnership with the Department of Defence. The microgrid system is expected to be brought into use by the end of the 2025/26 financial year.

OPERATING LEASES (OFFICES) - AS LESSEE (EXPENSE)

	2025 R'000	2024 R'000
MINIMUM LEASE PAYMENTS DUE		
• within one year	3 479	2 366
• in second to fifth year inclusive	5 542	2 380
	9 021	**4 746**

CEF (SOC) LTD

The operating lease relates to unit 1 on the first floor of Block C, Upper Grayston Office Park, located at Erf 20, Strathavon, Sandton, that SANEDI has leased from CEF (SOC) Ltd.

The original lease term was for four years and commenced on 1 May 2021 and terminates on 30 April 2025. SANEDI has exercised the option to renew the lease for another four years from 1 May 2025 to 30 April 2029. The entity does not have an option to purchase the leased asset at the expiry of the lease period. The escalation clause was not specified and quantified in the agreement, as a result no straight-line adjustment was processed. No contingent rent is payable.

TOWER PROPERTY FUND (PTY) LTD

SANEDI has leased an office under operating lease classification that relates to Office 19 of Block B, Upper Grayston Office Park, located at Erf 20 Strathavon, Sandton, from Tower Property Fund Pty Ltd. The lease term is for three years and commenced on 1 October 2023 and terminates on 30 November 2026. SANEDI has the option to renew the lease. SANEDI does not have an option to purchase the leased asset at the expiry of the lease period. No contingent rent is payable.

SANEDI has leased an additional office space under operating lease, Office 16 Block B, Upper Grayston Office Park, located at Erf 20 Strathavon, Sandton with effect from 01 March 2025 to 30 November 2026.

OPERATING LESSEE (EQUIPMENT) - AS LESSEE (EXPENSE)

	2025 R'000	2024 R'000
MINIMUM LEASE PAYMENTS		
• within one year	175	175
• in second to fifth year inclusive	175	350
	350	**525**

Operating lease relates to the lease of network printers for a three-year period from Sky Metro Equipment (Pty) Ltd. The lease period is from 1 April 2024 to 31 March 2027. The entity does not have an option to purchase the leased assets at the expiry of the lease period. The lease period is not considered to be for the major period of the useful life of the asset.

16. CONTINGENCIES

CONTINGENT LIABILITIES

ACCUMULATED SURPLUSES

In terms of Section 53(3) of the PFMA, a public Organisation may not accumulate surplus funds without approval from the National Treasury. A request to retain surpluses amounting to R86,4 million (2024: R111 million) will be submitted to the National Treasury once the Financial Statements have been audited and approved by the Accounting Authority. The surplus was calculated using the National Treasury method.

In the last 5 years, the National Treasury has allowed the retention of surplus funds with the exception of an amount of R1.3 million which was disallowed in 2022/23. National Treasury was of the view that the expenditure that was earmarked to be covered by the surpluses should be covered through the normal appropriation process and not from the surplus funds.

The deficit for the year, per the Statement of Financial Performance amounted to R9,1 million (2024: R58,7 million).

17. EXECUTIVE REMUNERATION

EXECUTIVE: 2025	Emoluments R'000	Allowances R'000	Bonus R'000	Total R'000
Dr ZT Mathe- Chief Executive Officer	3 387	-	572	3 959
Ms L Manamela- Chief Financial Officer**	1 985	-	381	2 366
Mr S Mngomezulu	1 642	-	296	1 938
Prof S Mamphweli	2 134	-	385	2 519
Mr S Ndlovu - Acting General Manager: EEDSM (28 October 2024 - 28 February 2025)*	538	-	-	538
Mr N Mzila - Acting Chief Financial Officer (1 January 2025 - 31 March 2025)*	380		-	380
Prof P Moodley	1 863	60	377	2 300
Ms F Mkhacwa**	1 774	-	149	1 923
	13 703	**60**	**2 160**	**15 923**

* *Relates to remuneration disbursed during the acting period served.*

** *Both employees took leave in terms of the organisation's approved policies which resulted in acting appointments being made during the year during the period of their absence*

EXECUTIVE: 2024				
Dr ZT Mathe- Chief Executive Officer	2 958		268	3 226
Ms L Manamela- Chief Financial Officer	1 841		362	2 203
Mr S Mngomezulu	1 533		97	1 630
Prof S Mamphweli	1 992		89	2 081
Mr T Yusuf- Acting General Manager* (1 June 2022- 30 January 2024)*	870	28	261	1 159
Mr B Bredenkamp^	-	-	155	155
Prof P Moodley	1 722	60	85	1 867
Ms F Mkhacwa- Appointed 7 November 2023*	695		-	695
Mr V Lutchman- Acting Chief Financial Officer	-		83	83
	11 611	**88**	**1 400**	**13 099**

Members of executive management and senior management receive performance incentives in line with the incentive scheme of the organisation which is calculated on the same basis as with all other employees of the organisation.

18. EVENTS AFTER THE REPORTING DATE

There are no subsequent events between the reporting date and the date financial statements were authorised for issue, that require adjustments or disclosure in the financial statements.

19. RELATED PARTIES

Board Members	Refer to note 19 below
Ultimate controlling Minister	Department of Energy and Electricity (DEE), previously DMRE
Entities within sphere of government	Department of Science, Technology and Innovation
	Technology Innovation Agency CEF (SOC) Limited
	Council for GeoScience Eskom Holdings SOC Ltd
	The Development Bank of Southern Africa (DBSA) Energy & Water Sector Education Training Authority (EWSETA)
	South African Revenue Service (SARS) Department of National Treasury
	Council for Scientific and Industrial Research Mintek
Members of key management	Refer to note 17

SANEDI is controlled by the national executive and therefore all other entities within the national government are related parties to the organisation.

RELATED PARTY TRANSACTIONS AT ARM'S LENGTH

SANEDI transacted with several institutions during the year procuring goods and services, awarding grants / receiving grants as well as tax refunds. These amounts are included on the statement of financial performance and statement of financial position but are not disclosed separately.

DISCLOSABLE RELATED PARTY TRANSACTIONS AND BALANCES

Disclosable related party transactions and balances are as follows:

RELATED PARTY BALANCES	2025	2024
AMOUNTS INCLUDED IN PAYABLES FROM EXCHANGE TRANSACTIONS	**R'000**	**R'000**
CEF (SOC) Limited	207	379
COMMITMENTS WITH RELATED PARTIES		
CEF (SOC) Limited#	7 631	1 860
* Refer to note 15 # Includes water, electricity and other costs		
DEFERRED REVENUE		
Department of Science, Technology and Innovation	1 188	12 550
RELATED PARTY TRANSACTIONS		
REVENUE RECEIVED FROM RELATED PARTIES		
Department of Energy and Electricity (DEE), previously DMRE	(87 240)	(81 383)
EXPENSES INCURRED FROM RELATED PARTIES		
CEF (SOC) Limited	1 717	1 631
Council for GeoScience	-	22 000
Eskom Holdings SOC Ltd	840	-

19. RELATED PARTIES (CONTINUED)

MANAGEMENT FEES PAID TO (RECEIVED FROM) RELATED PARTIES

CEF (SOC) Limited	318	(158)
Department of Science, Technology and Innovation	(11 878)	(10 946)
Technology Innovation Agency	-	(288)

RECOVERIES

CEF (SOC) Limited	37	84

Refer to Note 8 for other balances with entities within the national government.

BOARD REMUNERATION

MEMBERS OF THE BOARD: 2025	Board Remuneration R'000
Mr Sicelo Xulu (Board Chairperson)	324
Ms Lungile Mtiya (Deputy Chairperson)	165
Ms Abigail Boikhutso	221
Ms Ilze Baron^	-
Dr Rebecca Maserumule^	-
Mr Jongikhaya Witi^	-
Mr Mthokozisi Mpofu^	-
Ms Noma Qase (alternate for Mr Mthokozisi Mpofu)^	-
Mr Gerhard Fourie (alternate for Ms Ilze Baron)^	-
	710

MEMBERS OF THE BOARD: 2024	Board Remuneration R'000	Other benefits received R'000
Mr Sicelo Xulu (Board Chairperson)	258	16
Ms Lungile Mtiya (Deputy Chairperson)	153	11
Ms Abigail Boikhutso	196	-
Ms Tumelo Mashabela	162	-
Ms Ilze Baron^	-	-
Dr Rebecca Maserumule^	-	-
Mr Jongikhaya Witi^	-	-
Mr Mthokozisi Mpofu^	-	-
Ms Noma Qase (alternate for Mr Mthokozisi Mpofu)^	-	-
Mr Gerhard Fourie (alternate for Ms Ilze Baron)^	-	-
	769	**27**

Board Members are remunerated on basis of approved rates issued by the Minister of then Mineral Resources and Energy. New rates are yet to be issued for the financial year 2024/25 at the time of reporting.

^No emoluments were paid to these individuals members holding a prescribed office within the national government during the financial year.

Other benefits received relate to per diem for local and international travel allowances.

Ms Tumelo Mashabela resigned on 22 February 2024.

19. RELATED PARTIES (CONTINUED)

INDEPENDANT MEMBERS OF AUDIT AND RISK COMMITTEE

MARCH 2025	Remuneration R'000	Total R'000
Ms Masaccha Mbonambi (Chairperson of the Audit & Risk Committee)	164	164
Mr Mahlatsi Movundela	104	104
Ms Gugulethu Danisa	92	92
	360	**360**

MARCH 2024		
Ms Masaccha Mbonambi (Chairperson of the Audit & Risk Committee)	124	124
Mr Mahlatsi Movundela	69	69
Ms Gugulethu Danisa	36	36
	229	**229**

20. FRUITLESS AND WASTEFUL EXPENDITURE

	2025 R'000	2024 R'000
Fruitless and wasteful expenditure for the current year	-	46

21. IRREGULAR EXPENDITURE

Irregular expenditure relating to current year	77	-

Irregular expenditure was incurred because goods and services were procured from a service provider after their approved term of service had expired. This extension of services was not duly authorised and resulted in non-compliance with National Treasury Instruction Note number 3 of 2021/22.

22. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

SANEDI's activities expose it to a variety of financial risks: such as interest rate risk, credit risk and liquidity risk.

LIQUIDITY RISK

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments. Trade and other payables and Unspent conditional grants and receipts are due within 12 months and equal their carrying balances as the impact of discounting is not significant.

SANEDI's primary source of income is government grants and contractual income, funds receivable is estimated when preparing the MTEF. Budgets are prepared for each contract and spend is monitored on an ongoing basis to ensure the liquidity of the entity.

AS AT 31 MARCH 2025	Less than 1 year R'000
Payables from exchange transactions	17 406
Unspent conditional grants and receipts	192 470
	209 876

AS AT 31 MARCH 20254	
Payables from exchange transactions	9 233
Unspent conditional grants and receipts	164 897
	174 130

22. RISK MANAGEMENT (CONTINUED)

CREDIT RISK

Credit risk consists mainly of cash deposits, cash equivalents, investments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

SANEDI operates transactional bank accounts and money market investment accounts with Major Banks with a high-quality credit rating. Only an amount that is required to cover the operational requirements of the entity on a day to day is maintained within the transactional bank account. Funds are invested not to exceed a period of 12 months.

SANEDI considers its receivables exposure to credit risk to be low.

SANEDI's receivables comprise trade debtors from fees earned and from individual EPC practitioners as well as grants receivable. The credit risk exposure emanating from trade receivables is not considered significant as trade is largely conducted with reputable institutions.

In assessing for impairment SANEDI considers the payment history of the debtor as well as current financial position where information is publicly available and other factors.

AS AT 31 MARCH 2025	**Less than 1 year R'000**
Cash and cash equivalents	280 369
Receivables from exchange transactions	2 082
Receivables from non-exchange transactions	5 801
	288 252

AS AT 31 MARCH 2024	
Cash and cash equivalents	282 913
Receivables from exchange transactions *	2 314
Receivables from non-exchange transactions	1 672
	286 899

** In previous year an amount of R7 million was disclosed which incorrectly included receivables of R4,68 million. This has been restated to reflect only financial instruments that meet the definition of a financial asset. Refer to note 25.*

INTEREST RATE RISK

The entity has interest- bearing assets that are affected by interest rates fluctuations, these include bank and cash and cash equivalents. Interest-bearing investments are held with reputable banks to minimise exposure. No significant risks has been identified with regards to interest rates.

Investments accounts held with CEF SOC Ltd. Most surplus funds are deposited here to maximise interest earned. The interest rates on this account fluctuate in line with movements in current money market rates. Rates earned on funds deposited investment accounts are higher than those earned on funds in the transactional bank accounts.

23. BBBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

24. SEGMENT INFORMATION GENERAL INFORMATION IDENTIFICATION OF SEGMENTS

SANEDI's activities have been arranged into one reportable segment based on the overall mandate of the organisation of applied energy research, innovation and energy efficiency. Activities that are undertaken are interrelated and form part of one reportable segment.

SANEDI's activities are spread throughout South Africa. There is participation and collaboration internally however the research activities are undertaken locally.

It is not possible to report financial information per geographical area as this information is not available.

25. PRIOR PERIOD ERROR

	2025 R'000	2024 R'000

1. PROPERTY, PLANT AND EQUIPMENT

The entity corrected its Financial statements to comply with the requirements of GRAP 17 Property, Plant, and Equipment, which required capitalising costs that meet the asset recognition criteria. It was discovered, during the financial year, that Lab equipment for 1 Million Cool roof project was incorrectly expensed in the prior year. The asset was incorrectly regarded as the asset of the project host at acquisition which was not consistent with the project funding conditions which indicated that the tittle shall vest with SANEDI.

An adjustment has been processed to properly account for the equipment as assets. The effect of the adjustment is the increase in property, plant and equipment by R237 479 and a decrease in research costs by the same amount. This also resulted in an increase in the depreciation and accumulated depreciation by R9 906.

2. INTANGIBLE ASSETS

The entity corrected its Financial statements to comply with the requirements of GRAP 31 Intangible assets, which required capitalising costs that meet the criteria for recognition as intangible assets of the entity. Computer software transactions were incorrectly recorded as an asset, under receivables from exchange transactions (prepayments) as part of IT licenses. This was due to an incorrect assessment that these licenses were for only 12 months as opposed to software that owned by SANEDI and hosted on SANEDI's own servers.

These were reviewed following clarification from the IT department and reclassified as intangible assets, computer software. The impact of this is the increase in computer software and decrease in receivables from exchange transactions under prepayments by R5,9 million.

The impact of the revisions is summarised below:

STATEMENT OF FINANCIAL POSITION

	2025	2024
Increase in Property, plant and equipment	-	228
Increase in Intangible assets	-	5 950
Decrease in Receivables from exchange transactions	-	(5 958)

STATEMENT OF FINANCIAL PERFORMANCE

	2025	2024
Increase in Depreciation and amortisation expense	-	10
Decrease in Research costs	-	(238)
Increase in Accumulated surplus	-	220

STATEMENT OF CASH FLOWS

	2025	2024
Decrease in Net cash flows from operating activities	-	(6 196)
Increase in Net cash flows from investing activities	-	6 196

3. RISK MANAGEMENT

CREDIT RISK

In the previous year an amount of R7 million was disclosed as receivables from exchange transactions which incorrectly included prepayments of R4,68 million. This has been restated to reflect only financial instruments that met the definition of a financial asset.

	2025	2024
Receivables from exchange transactions- previously reported	-	7 000
Receivables from exchange transactions- restated	-	2 314
Difference	-	(4 686)

25. PRIOR PERIOD ERROR (CONTINUED)	2025 R'000	2024 R'000

4. LEASE RENTALS

The entity corrected its financial statements to comply with the requirements of GRAP 13 Leases, which requires separate disclosure of minimum lease payments excluding operating costs. In reporting lease expenses and in the associated disclosure notes on lease commitments, operational costs relating to the lease were incorrectly included in the minimum lease amounts disclosed in the general expenses note breakdown as well as in the notes on commitments. This was error was corrected in the current financial year and comparative figures were adjusted as follows:

GENERAL EXPENSES

Decrease in Lease Rentals	-	(596)
Increase Office Running expenses	-	596

COMMITMENTS

Decrease in minimum lease payments:		
• Within 1 year	-	(637)
• Inclusive of 2 to 5 years	-	(125)

26. ACCOUNTING BY PRINCIPALS AND AGENTS	2025 R'000	2024 R'000

The entity is a party to a principal-agent arrangement(s).

Details of the arrangement is as follows:

SANEDI has entered into an agreement(s) with the Department of Science, Technology and Innovation (DSTI), to manage the DSTI's energy secretariat. Under the agreement, SANEDI is responsible for project managing and coordinating the activities of the secretariat, disbursement of funds on behalf to implementing agencies as directed by the DSTI for the their energy Flagship programmes. In return SANEDI receives a management fee calculated on the basis of the total funds being managed by SANEDI to cover reasonable costs of the programme.

RISK MANAGEMENT

Risk of third-party exposure is managed as part of the terms and conditions of contractual arrangements entered into with third parties. Funds are disbursed in line with funding agreements, which impose a requirement for the funds to be ring fenced, maintained separate accounting records which are audited annually. Deliverables are verified by the energy secretariat.

SANEDI received R210,5 million (2024: R234,5 million) from the principal and paid over R196,3 million (2024: R263,1 million) in grants to third parties for research costs during the financial year. A total of R0.00 (2023: R0.00) was received on behalf of the principal.

ENTITY AS AGENT

REVENUE RECOGNISED

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R11,8 million (2024:R 10 million).

ADDITIONAL INFORMATION

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

26. ACCOUNTING BY PRINCIPALS AND AGENTS (CONTINUED)

RECONCILIATION OF THE CARRYING AMOUNT OF RECEIVABLES

UNALLOCATED DEPOSITS

	2025 R'000	2024 R'000
Opening balance	853	853

Included in unallocated deposits is R853 thousand (2024: R853 thousand) held on behalf of the Department of Science, Technology and Innovation for the Energy Secretariat.

RECONCILIATION OF THE CARRYING AMOUNT OF PAYABLES

DEFERRED INCOME

	2025 R'000	2024 R'000
Opening balance	127 265	161 502
Cash received from the principal	210 565	234 545
Cash paid on behalf of the principal	(196 343)	(274 353)
Deferred income recognised	(21 173)	(2 485)
Interest earned	10 725	8 056
	131 039	**127 265**

27. CHANGES IN ACCOUNTING ESTIMATES

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The residual values estimated useful lives and depreciation methods were reviewed on 31 March 2025. The estimated useful lives for computer equipment and computer software's were extended to align to the replacement plan for IT assets. This resulted in a revision of computer equipment- mainframe/ server from 3 years to 5 years and computer software from 2 years to 5 years.

The effect of this revision is a decrease in the depreciation charges for the current period by: R1,3 million (2024: R0) and a decrease in the amortisation charges by: R 5,4 million, (2024: R0).

	2025 R'000	2024 R'000
Depreciation and Amortisation before Adjustment	13 621	-
Depreciation and Amortisation after Adjustment	(6 759)	-
Net changes	**6 862**	**-**

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