

PROUDLY SOUTH AFRICAN ANNUAL REPORT 2013/14

**PROUDLY**  
**SOUTH AFRICAN**   
**ANNUAL REPORT 2013/14**



# 2nd ANNUAL SA PREMIER BUSINESS AWARDS

2013/14

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PROUDLY  
SOUTH AFRICAN



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**CONTACT NUMBER**

+27 11 327 7778

**EMAIL ADDRESS**

info@proudlysa.co.za

**WEBSITE**

www.proudlysa.co.za

**CONTACT DETAILS**

**PHYSICAL ADDRESS**

23 STURDEE AVENUE  
ROSEBANK, JOHANNESBURG  
SOUTH AFRICA  
2196

**POSTAL ADDRESS**

P O BOX 1062  
SAXONWOLD, JOHANNESBURG  
SOUTH AFRICA  
2132



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# 1. OVERVIEW

## 1.1. ABOUT THE PROUDLY SOUTH AFRICAN CAMPAIGN

South Africa has faced numerous challenges since gaining freedom in the historic 1994 elections. The Proudly South African Buy Local Campaign was born as a result of the 1998 Presidential Jobs Summit, convened by South Africa's first democratically elected President, Nelson Mandela.

There are three key pillars at the heart of the Proudly South African campaign: the "Buy Local" initiative, patriotism and national pride.

Proudly SA seeks to strongly influence procurement in public and private sectors, to increase local production and stimulate job creation. This is in line with the Government's plans to revive South Africa's economy, so that millions of jobs can be created and unemployment can be decreased to 15% over the next 10 years under the National Development Plan.

Part of Proudly SA's mandate also includes promoting national pride, patriotism and social cohesion. Apart from the national "Buy Local" campaign, Proudly SA has also embarked on a national "Ubuntu Schools' Campaign" to educate the youth about issues pertaining to violence, bullying, drug abuse and sexual abuse – and to teach them about living out the principles of Ubuntu as Proud South Africans.

The national "Buy Local" roadshow, which started during the previous financial year, was put on hold due to budgetary constraints. However, it is planned for the roadshow to continue in the new financial year after the increased allocation of funds from **the dti** is received.

## Our Vision

Our vision is to encourage the nation, through buy local, to make personal and organisational contributions to economic growth and prosperity in South Africa - thereby increasing employment opportunities and reinforcing national pride.

## Our Mission

Our mission is to be an economic prosperity and competitiveness driver and a business partner for all South African producers and service providers who are serious about quality and who are committed to creating and sustaining employment and meaningful gain for local industries by joining the organisation.

## Our Values



Local content – at least 50% of the cost of production must be incurred in South Africa and there must be “substantial transformation” of any imported materials.



Quality – the product or service must be of a proven high quality.



Fair labour practice – the company must comply with labour legislation and adhere to fair labour practices.



Environmental standards – the company must be environmentally responsible and adhere to production processes that are environmentally friendly and acceptable.

## Our Mandate

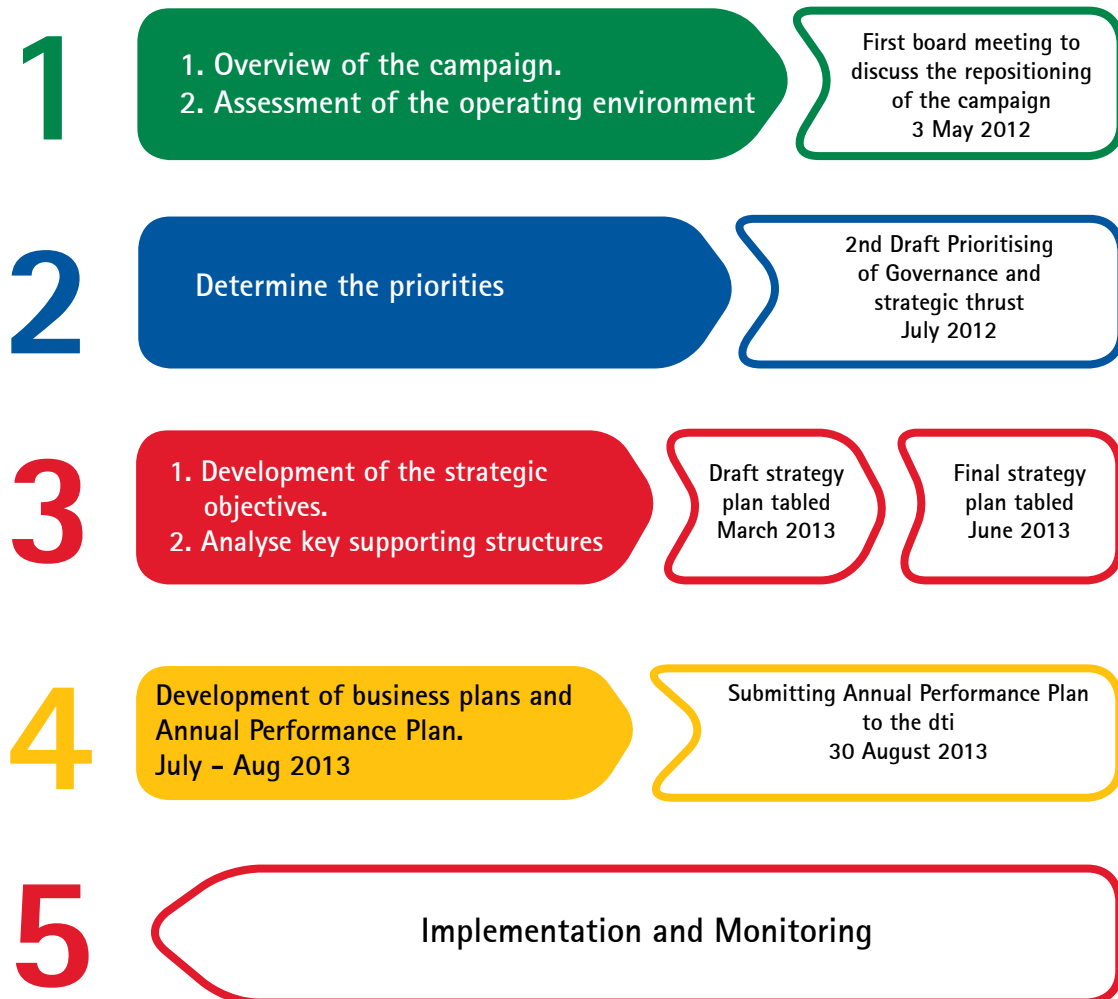
To safeguard jobs and increase job creation through the promotion of locally manufactured products and services.

## Our Objective

To provide a country-of-origin brand that effectively identifies, differentiates and promotes locally produced products and services which meet the organisation’s criteria in respect of local content, quality, fair labour practices and environmental responsibility.

## 1.2. OUR STRATEGIC FOCUS

The repositioning strategy of Proudly SA required the development of a five-year Strategic Plan. The process that was undertaken to finalise the strategy was made up of the following phases:



The key focus areas as per the Strategic Plan are:

- Development of a national supplier database of local products and services;
- Rolling out of a national campaign to educate the public about the importance of labels of origin;
- Embarking on a national education campaign to educate consumers, the private sector and all spheres of the public sector on the economy wide benefits of buying locally manufactured products and services;
- Creation of partnerships with enforcement agencies against illegal imports, counterfeit products and the dumping of unsafe products in SA; and
- The development, launch and implementation of the National Exporter Development Programme (NEDP).





*Photograph courtesy of South African Tourism*





## **2. CHAIRMAN'S REPORT**

**MR. JOSEPH MAQHEKENI  
(INTERIM CHAIRMAN)**

Most of us are familiar with the saying “Think Globally, Act Locally.” For some it may be mildly inspirational. For me, as the Interim Chairman of Proudly South African, the saying “Think Globally, Act Locally” speaks to something called the “local multiplier effect”.

When we learn the significance of what this really means, thinking globally and acting locally becomes more than just mildly inspirational. It becomes a most significant call to action that can turn the tide on poverty and inequality in South Africa – and everyone can become part of this movement.

As consumers, we all have immense power in our pockets - power to help uplift and grow the economy of South Africa, power to create jobs and power to make a tangible difference in the lives of ordinary South Africans.

Whether you are a procurement manager of a large corporation or a housewife shopping for groceries, you can play your part in serious economic development in South Africa – and we’re not asking anybody to do anything that they don’t already do. We are just asking you to change your spending habits and look for local products first.

Buying locally made products and making use of local service providers (also known as local procurement) has the potential to significantly assist government in its drive to create millions of jobs by 2020. The “Buy Local” ethos, simply defined, means the following:

Buying locally manufactured goods - whether it involves purchasing machinery worth millions or even just a t-shirt – begins a cycle in which you re-invest money into the local economy, instead of spending it on an imported product and sending the money outbound.

Spending your money on a Proudly South African product or a product “Made in South Africa” means you also help keep the worker – who made that product – in their job. When you buy local you help create jobs and, in turn, help alleviate poverty. That, simply put, is the multiplier effect of buying local.

So, in essence, when you “think globally and act locally” a t-shirt becomes more than just a t-shirt. Your trip to the grocery shop becomes more than just shopping.

You are making a contribution to bring positive change in our country.

Part of Proudly South African’s mandate is to regularly discuss and stimulate debate around the topic of local procurement or “buying local”.

Buy Local movements around the world continue to gain ground and have illustrated repeatedly that buying close to home is more than a feel-good matter. Research has shown there is a profound and positive economic impact associated with keeping money in town – and the fate of communities around the world are increasingly depending on it.

Our country is no exception. We still face many challenges with unemployment, poverty and inequality being our greatest task to overcome. Buying Local is an internationally tried and tested method to stimulate job creation and alleviate poverty – and every South African can make a difference in this regard.

There have been significant developments over recent years with regard to local procurement in South Africa. We thank the four social partners – government, organized business, organized labour and community constituencies - for their commitment to increasing the uptake of local products and services.

We also wish to recognize government and the Department of Trade and Industry for their ongoing and valuable support – and for their significant work in terms of the designation of sectors and products as well as the Preferential Procurement Policy Framework Act.

As Interim Chairman of Proudly South African, I would like to thank all our loyal member companies for their unwavering support and for their contribution towards job creation and poverty alleviation in South Africa. It is a privilege for all of us to be associated with the Proudly South African brand and its commendable mandate. We remain committed towards the prosperity of South African companies, their products and services in 2014.

I envisage a future in which the Proudly South African “Buy Local” message will continue to capture the hearts of consumers, with a view to stimulating the local economy and contributing towards a better life for all.





### **3. CEO'S REPORT**

**ADV. LESLIE SEDIBE**

The past year brought with it an event which overshadowed any other. In fact, the entire world literally stood still for a moment as South African flags worldwide were lowered to half-mast. Heads bowed, South Africans observed ten official days of mourning following the passing away of our beloved elder statesman, former President Nelson Mandela, at the age of 95 in December 2013.

Some observers regard Madiba's passing as the most poignant event which our nation has witnessed in recent history. It will undoubtedly be etched in the memories of all South Africans – as well as millions of people around the world – for many years to come. Indeed, it was an emotionally painful and moving time for our nation as we bade farewell to the man known as the father of the nation. It was the end of an era.

In as much as change is often difficult to embrace, we find comfort in the fact that Madiba's legacy lives on in many ways. Active citizenship or Ubuntu lies at the heart of what the former President stood for. It is a growing phenomenon in our country which is practiced by many South Africans daily.

The past year also saw the sad and unexpected passing of two great South Africans who lived according to the principles of Ubuntu and who were passionate supporters of the Proudly South African Campaign.

It was with great sadness that we learnt of the tragic and unexpected passing of Gauteng Economic Development MEC, Nkosiphendule Kolisile, and his two bodyguards in July 2013.

Our country lost a disciplined cadre who dedicated his life to serve humanity with humility and selflessness. He was committed to the struggle against poverty and improving the living conditions of the poor and marginalised - and the development of young entrepreneurs in Gauteng.

He was also a proud South African who will always be remembered for his excellent track record in the Gauteng Provincial Legislature. He was always willing to listen to the views of others even if he did not necessarily share the same ideological stance of his opponents. This, in turn, earned him the respect of friends and foes alike.

Four-time boxing world champion, Baby Jake Matlala, passed away only a few days after Madiba. Baby Jake was a friend of Proudly South African and also one of several high profile personalities who served as "role models" for the Proudly SA Ubuntu Schools' Campaign Against Sexual Violence & Bullying.

Small in stature, Baby Jake was indeed a "giant" of a man who had a heart of gold. He embodied humility and kindness and never hesitated to help those less fortunate than himself. We will remember Baby Jake as an authentic and sincere man who was always generous in spirit. He genuinely cared for the youth of South Africa and often made time to visit schools to motivate and inspire youngsters. Baby Jake also always made himself available when called upon to assist and participate in projects aimed at the betterment of South Africa. He was indeed a proud South African who loved his country.

Like so many others, these remarkable South Africans worked hard towards improving our country and doing their part to tackle the challenges we face in our communities.

Our country has faced numerous challenges since gaining freedom in the historic 1994 democratic elections. Apart from inheriting a bankrupt economy, the first democratically elected government also inherited what is known as South Africa's "triple challenges" of poverty, unemployment and inequality. Madiba, as President at the time, convened the Presidential Jobs Summit in 1998 in an effort to tackle and find long-term solutions to these problems.

## **PRIDE**

Proudly South African seeks to strongly influence procurement in public and private sectors to increase local production, influence consumers to buy local and thereby stimulate job creation. This is in line with government's plans to revive South Africa's economy so that millions of jobs can be created and unemployment can be decreased under the National Development Plan.

Proudly South African fits hand-in-glove with the country's broader national developmental agenda, the Local Procurement Accord signed in October 2011 as well as the government's efforts to boost local procurement through the Preferential Policy Procurement Framework Act (PPPPFA) and the

# PROUDLY SOUTH AFRICAN<sup>®</sup>

A young girl with colorful face paint (red cheeks, white and blue markings on her forehead) and a multi-colored striped long-sleeved shirt stands in front of a large, stylized logo. The logo features the South African flag's colors (red, green, white, black, blue, yellow) and a large red sun. The text 'PROUDLY SOUTH AFRICAN' is written in a bold, sans-serif font, with a registered trademark symbol (®) next to 'AFRICAN'. The girl is standing on a red surface.

*Photograph courtesy of Gillian deGouveia*

designation of sectors.

The acronym “PRIDE” lies at the heart of Proudly South African and its vision:



**Productivity  
Partnerships and Patriotism;**



**Reindustrialisation**  
(in line with the New Growth Path and the Industrial Policy Action Plan, through which government has committed to creating millions of jobs by 2020.;



**Innovation**  
(Creativity and Competitiveness);



**Domestic Consumption; and**



**Enterprise Development,  
Entrepreneurship,  
Export Capacity,  
Education and  
Employment**

## “BUY LOCAL” (LOCAL PROCUREMENT)

The period under review has been one of the Campaign’s busiest over recent years as the team continues with efforts to ensure the “buy local” message – and the impact local procurement has on economic stimulation - continues to reach government, business, labour, community constituencies and South African consumers on a regular basis.

Notwithstanding efforts by the dti under IPAP, such as new policy on the procurement and designation of products for local procurement such as textiles and footwear, it is sad to note that “...eight months after these products were designated for local procurement, the dti discovered 160 government tenders in breach of the dti rule. The dti also discovered that certain municipalities were still favoring imported products and solutions procured through black-empowered intermediaries over local products, which were being produced by local labour at companies operating within the municipality’s own boundaries”.

All this obviously points to the need for a radical change in the mindset. As Albert Einstein reminds us “We can-

not change problems with the same minds which created them”. It is therefore critical to ensure that some form of intervention and mind renewal takes place within the corridors of power if all these lofty ideas of building a strong industrial base for the country are to be accomplished. World renowned scholar and freedom fighter, Franz Fanon, reminds us that “Each generation must, out of relative obscurity, discover its mission, fulfill it, or betray it.” We have a responsibility to fulfill our historic mission of creating a better life for all South Africans.

The private sector also needs to play its part in committing to increasing its uptake of local products and services through its procurement processes. The task of growing the economy and creating an environment which is conducive for job creation cannot be left to the government alone. We all have a role to play and it begins with buying local.

Iconic South African brands continue to enjoy the support of South African consumers. However, I am of the firm belief that retailers and wholesalers have a responsibility towards manufacturers and consumers – and ultimately our country – to create and commit to more shelf space for locally manufactured goods.

Some 13 years after its birth during the Nelson Mandela presidential years, Proudly South African continues to be a relevant force through the Buy Local Ethos: “Buy Local To Create Jobs”. The organization continues to grow in strength and has re-claimed its rightful place as a “household name” in South Africa.

Buy Local campaigns continue to be internationally recognized as competitiveness drivers as well as a driver for economic growth, job creation, social change and greater overall prosperity.

Proudly South African continues to actively educate South Africans from government level to consumer level (in both towns and rural areas) about the importance of supporting and buying local products and services and the positive spin-offs for the economy of the country.

We have stated before that this movement is at the core of what every South African can do to reduce the unacceptably high levels of poverty in our country and contribute to the socio-economic welfare of our people.





*Photograph courtesy of South African Tourism*

## **PARTNERSHIPS**

Proudly South African again hosted a very successful “Buy Local Summit & Expo” during the period under review. Officially opened by the dti Minister, Dr. Rob Davies, the event brought together government Ministers and officials, business leaders, captains of industry, entrepreneurs and economic experts, among other delegates. Proudly South African member companies were also given the opportunity to showcase their goods and services at this prestigious event.

We continue to promote our member companies’ products and services through our ongoing activities including business forums, SMME forums, networking forums, exhibitions, partnership formations and other activities. We also continue to use our Marketing and Public Relations platforms to promote, support and publicise our member companies and their products and services.

During the period under review, Proudly South African partnered with a wide range of stakeholders and/or partners including the Department of Trade and Industry (the dti) and Brand South Africa.

The “three partners” successfully hosted the second annual SA Premier Business Awards during which a Lifetime Achievement Award was given to respected South African business and community leader and icon, Dr. Sam Motsuenyane. President Jacob Zuma handed over the Award.

Dr. Motsuenyane is well known for his lifetime of service to South Africans in business, politics and socio-economic development. Although he is an elder citizen, he continues to work tirelessly for the benefit of others. We are also proud that several Proudly South African member companies were named as finalists and/or winners in several categories at the Awards.

Other partners and/or stakeholders who worked with Proudly SA during the period under review included the Office of the President and Deputy President; various government departments; various South African media institutions and organisations; organised labour; business; community constituencies; schools and consumers, among others.

## **NATIONAL PRIDE AND PATRIOTISM**

As part of its mandate, Proudly South African also continues to be a major driving force to promote national pride, patriotism, Ubuntu and social cohesion in the country. Various activities were undertaken and several partnerships were formed during the period under review to encourage and promote a love for South Africa and all who live in it.

## **WAY FORWARD**

Proudly South African remains fully committed to promoting and supporting local procurement efforts in line with the government’s goal to create millions of jobs. We continue to inform and educate consumers and procurement decision makers about the benefits of buying local products and services and the impact that their spending power has on levels of unemployment, poverty and inequality in the country.

Again, there is a need to state that we need resources. Despite challenges, Proudly South African has continued to carry out its mandate to strongly influence procurement both in the public and private sectors of our economy (with a view to increase local production and stimulate job creation) and to promote national pride, patriotism and social cohesion.

More resources are needed and government can greatly assist Proudly South African in improving the value proposition for members of the organization. Proudly South African believes implementing tax incentives for members or allocating BEE points to member companies’ scorecards will go a long way to benefiting loyal members. We will continue to lobby for incentives from government for our member companies as we continue in our efforts to build a better value proposition for our members.

## **BE PROUDLY SOUTH AFRICAN - BUY LOCAL TO CREATE JOBS!**



## 4. OUR PEOPLE & OUR RESOURCES





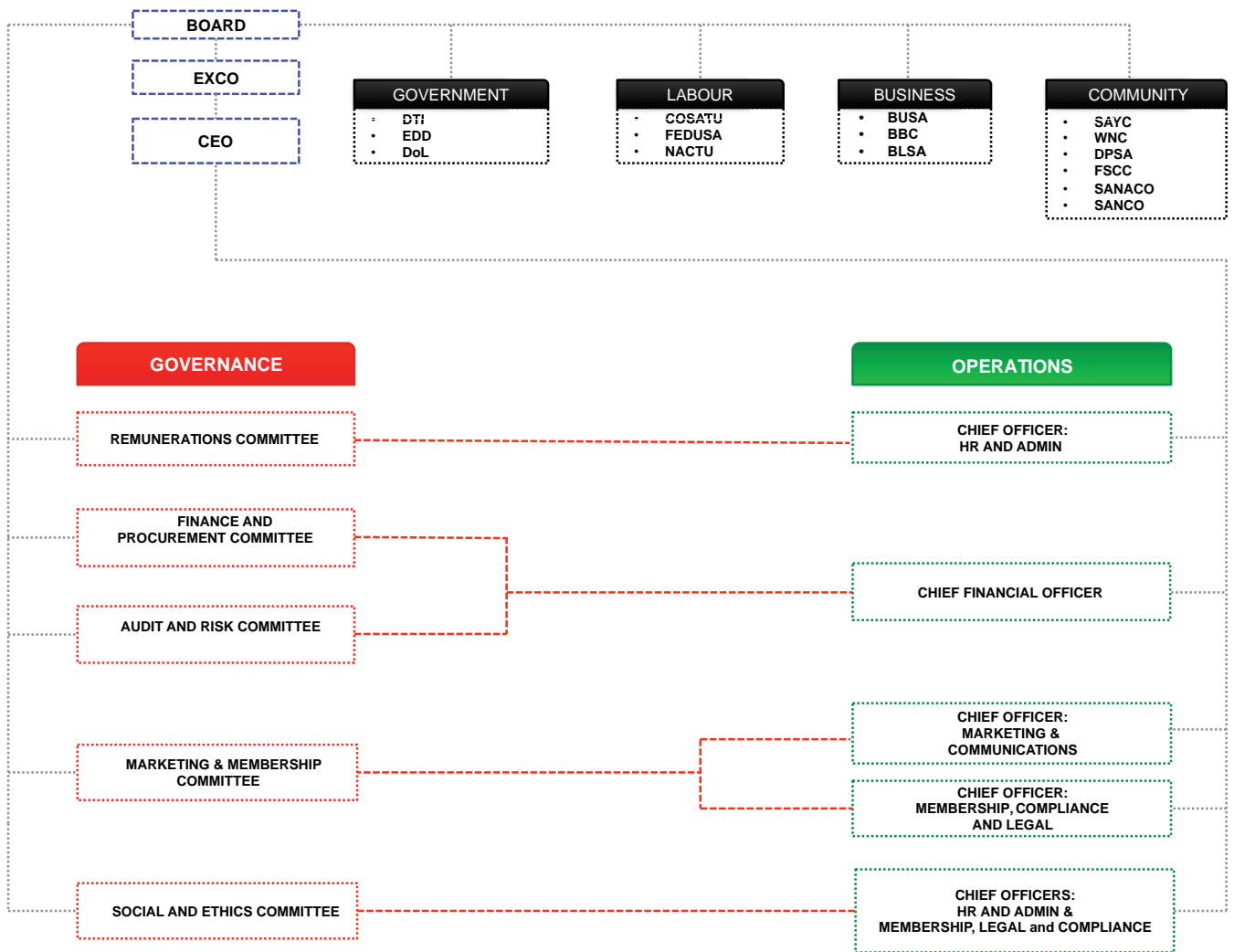
*Photograph courtesy of South African Tourism*





*Photograph courtesy of South African Tourism*

# 4.1 GOVERNANCE STRUCTURE





**Adv. Dali Mpofu**

Proudly South African:

Chairman

(Resigned)

Adv. Mpofu holds a B.Proc LLB from the University of the Witwatersrand. His professional qualifications include a certificate in Finance and Accounting from the Wits Business School.

Adv. Mpofu has served as Director at ABB Powertech, Battery Technologies (Pty) Ltd, Rentech and Powertech. In 2003 he was elected as Chairperson of the ICT BEE Charter Working Group. He served as Group Executive Director for Corporate Affairs at the Altron Group, an information and communications technology company. He held this position until his appointment as GCEO at the SABC in 2005, which ended in 2009.

Appointed to Proudly SA Board: 2006/06/27

Resigned from the Proudly SA Board: 2013/11/28

## 4.2 BOARD OF DIRECTORS



**Mr. Joseph Maqhekeni**

Proudly South African:  
Interim Chairman

Mr. Maqhekeni is currently the President of NACTU, Johannesburg and the President of the South African Chemical Workers Union (SACWU). He started his career as a shop steward for SACWU and was elected as the Secretary for the Union in 1984. He is also a member of the Executive Committee: NEDLAC, Workers Job Creation Trust, National Bargaining Council for Chemical Industry and several others.

He represents the Labour Constituency and is the Interim Chairman of the Audit and Risk Committee. He is also a member of the Membership, Marketing and Communications Committee as well as the Social and Ethics Committee of the Proudly SA Board.

Appointed to Proudly SA Board: 2005/02/25

Appointed as Interim Chairman: 2014/11/28



**Adv. Leslie Sedibe**

Proudly South African:  
Chief Executive Officer

Adv. Sedibe holds a BA (Law and International Relations), LLB and Masters of Law (LLM) (Tax) from the University of the Witwatersrand. Adv. Sedibe was admitted to practise as a lawyer in 1998.

Adv. Sedibe also served as the Legal and Business Affairs Director at EMI Music from September 1998 to February 2007. He resigned from EMI to serve as Head of Legal Services and Ticketing for the 2010 FIFA World Cup Organising Committee South Africa and later became the CEO of the South African Football Association (SAFA). In 2012 Adv. Sedibe was admitted to the High Court of South Africa.

Appointed to Proudly SA Board: 2011/09/01





**Mr. Alistair Smith**  
Proudly South African  
Nedlac Representative

Mr. Smith holds a Masters Degree in Development Studies from the University of Sussex. He has extensive leadership and senior management experience. For eight years he was the CEO of the Metal and Engineering Industries Bargaining Council (MEIBC).

He is an experienced labour mediator and facilitator who has successfully completed CCMA commissioner training. He was an organiser for the National Union of Metal Workers during 1986-1994 and was employed as a research coordinator for the COSATU Research Institute, NALEDI. Mr. Smith is the Executive Director of NEDLAC and represents NEDLAC on the Proudly SA Board. He is also a member of the Finance and Procurement Committee of the Board.

Appointed to Proudly SA Board: 2012/05/03



**Mr. Clement Manoko**

Proudly South African:

Member of the Membership, Marketing and Communications Committee.

Member of the Finance and Procurement Committee

Mr. Manoko represents The Department of Trade and Industry (**the dti**). He holds a BA in Information Science (University of Limpopo), Honours Degree in Information Science and Programme in Strategic Marketing and Marketing Research (UNISA) plus a BTech Degree in Business Communication (TUT).

He is currently the Head of Communication and Marketing at the Department of Trade and Industry (**the dti**). Mr. Manoko has held positions at Trade and Investment South Africa (TISA) and other government entities. He served as Co-Chairperson of the Economic, Investment and Employment Cluster Communicators Forum from 2005 – 2009.

[Appointed to Proudly SA Board: 2012/10/26](#)



**Mr. Garth Strachan**

Proudly South African:

Board Member

Mr. Strachan represents The Department of Trade and Industry (**the dti**). He is currently the Deputy Director General: Industrial Development Division at the Department of Trade and Industry.

He holds a Master of Science Degree in Public Finance from the School of Oriental and African Studies, University of London. He serves on the Board of Directors of Trade and Industrial Policy Studies (TIPS), a not-for-profit research and policy organisation. He worked for the ANC in exile in Angola, Zambia and Zimbabwe between 1976 and 1990. Upon his return he held various positions in the Provincial Parliament and Provincial Government, Western Cape, including MEC for Finance and Economic Development.

[Appointed to Proudly SA Board: 2013/11/09](#)



**Mr. Veli (Bheki) Ntshalintshali**  
Proudly South African:  
Member of the Remunerations Committee.

Mr. Ntshalintshali represents the Labour Constituency on the board. He studied at Ruskin College in Oxford, UK.

Mr. Ntshalintshali started his career in COSATU as a shop steward. He also served as a Chairperson of Sasol 3 and Deputy Chairperson of the SASOL Plants (SASOL 2 and 3) in the 1980s. In 2000, at the COSATU National Congress, he was elected as COSATU Deputy General Secretary. He still holds this position.

He currently serves on several bodies on behalf of COSATU. These include NEDLAC Management and Executive Committee, Millennium Labour Council, Labour Presidential Working Group, Sustain Labour Board (Spanish based trade union foundation), Social Forum International Council and several others dealing with labour issues.

Appointed to Proudly SA Board: 2005/02/25



**Mr. Dumisani Mthalande**  
Proudly South African:  
Member of the Audit and Risk Committee.  
Member of the Membership, Marketing and Communications Committee.

Mr. Mthalande represents the Community Constituency as the spokesperson for the South African National Civic Organisation (SANCO).

Mr. Mthalande has vast experience in evaluation and knowledge management, monitoring and evaluation as well as capacity building. He is the Overall Convenor of the NEDLAC Community Constituency and the SANCO Coordinator for the NEDLAC Community Constituency. He sits on the Boards of the Local Government Sector Education Training Authority and the African Peer Review Mechanism.

Appointed to Proudly SA Board: 2005/08/05



**Ms. Laura-Joyce Kganyago**

Proudly South African:

Chairperson of the Remunerations Committee.

Member of the Finance Committee.

Ms. Kganyago represents the Community Constituency on the Proudly SA Board. She trained as a nurse at St. Ritas Hospital in Glencowie. She completed Pre-school Management and Project Management at the Build a Better Society Institution. She also holds a qualification in Community Development for NGO Managers from the Pennsylvania University in Philadelphia, USA (IIE) EOC. She also completed NGO Directors, Leadership & Governance Training with the Haifa Management Training Centre in Israel.

Ms. Kganyago is a Board Member with acquired experience in NGO management, co-ordination and community development. She has served as a Director and Deputy Chairperson in various community development organisations.

Appointed to Proudly SA Board: 2005/02/25



**Ms. Thandiwe Moshobane**

Proudly South African

Board Member

Ms. Moshobane represents the Community Constituency on the Proudly SA Board. She attained her B.Juris from the University of Transkei and her LLB from the University of the North. She is an admitted attorney serving in lower courts and high courts in South Africa. She is currently working as a Magistrate and was previously running a law practice under Moshabane Attorneys.

Ms. Moshobane is a member of the Women's Networking Coalition and represents the community constituency at Nedlac.

Appointed to Proudly SA Board: 2013/06/27





**Ms. Eugenia Kula-Ameyaw**

Proudly South African:  
Chairperson of the Finance and Procurement  
Committee

Ms. Kula-Ameyaw represents the Business  
Constituency on the Proudly SA board. She holds a  
MBA in Entrepreneurship and Strategy from Oxford  
Brookes Business School, Oxford, UK and Board  
Leadership Certificate from GIBS.

She is an entrepreneurial, corporate woman who has  
significant experience in strategy, entrepreneurship  
development, Public Private Partnership (PPP) and  
business support. She is the Chairperson of BWOSA,  
a social enterprise with a vision which aims to em-  
power, position and grow black women owned en-  
terprises. She is passionate about transformation and  
development and is a volunteer mentor for the NYDA.  
She Chairs the Transformation Policy Committee of  
BUSA and also coaches and mentors career women  
and entrepreneurs.

Appointed to Proudly SA Board: 2012/06/07



**Mr. Guy Harris**

Proudly South African:  
Chairman of the Membership, Marketing and  
Communications Committee.  
Member of the Audit and Risk Committee.

Mr. Harris represents the Business Constituency on  
the Proudly South African board. He holds a CTA, CA  
(SA), BCom (Hons), AMP – UCT GSB and success-  
fully completed the UK based CEDR's course on  
Commercial Mediation.

He is the Chief Entrepreneurship Officer of the South  
African Institute for Entrepreneurship. He is also an  
advisor to the CEO of Bell Equipment, focusing on  
government, industry relations, strategic, empower-  
ment and stakeholders relations. He is a participant in  
the Manufacturing Circle. He is on the Boards of the  
SA Bureau of Standards and Booyco Engineering. He  
is a member of Productivity SA's Workplace Challenge  
Advisory Committee. He was on the project team of  
the National Advisory Council on Innovation's Task  
Group, strengthening skills in mathematics, science  
and technology.

Appointed to Proudly SA Board: 2011/06/28





*Photograph courtesy of Gillian deGouveia*





## 4.3 EXECUTIVE MANAGERS



**Mr. Eustace Mashimbye**  
Chief Financial Officer

Mr. Mashimbye is a qualified Financial Accountant, who studied at the Technikon Northern Gauteng (now known as University of Technology) and the Technikon South Africa (now UNISA). He majored in Financial Accounting and Corporate Law and is currently in the process of completing his MBA studies.

He has over 15 years' experience in Accounting and Financial Management in both the private and the public sector, having worked for Telkom, Edcon, the Department of Trade and Industry and Proudly South African. During his time at Proudly SA, he has also undertaken the role of Executive Manager: Corporate Services where he looked after all the support functions of the organisation. He also fulfilled the role of Acting COO for Proudly SA for a two year period.

He has served on the Board of The Business Place and is currently a Director on the Board of the South African Savings Institute, where he is also the Chairman of the Audit and Risk Committee.



**Mr. Mpho Thothela**  
Executive Manager of Membership, Legal & Compliance

Mr. Thothela is an admitted Attorney of the High Court of South Africa and he holds the following qualifications: BProc, a Post graduate Diploma in Corporate Law, a Post graduate Diploma in Forensic Auditing, a Higher Diploma in Cyber Law from the University of Johannesburg, a Certificate in Crime Intelligence from the Tshwane University of Technology and a Certificate in Project Management from the Wits University Business School.

He serves on the following committees: The Proudly SA Board Sub-Committee on Membership, Marketing and Communications, SABS SATS 1286 on Local Content, SABS TC 133 on Sizing and the Inter-governmental Enforcement Committee on Counterfeit Good and Illicit Trading. He previously served on the National Rights Protection Committee of the 2010 FIFA World Cup and has extensive experience in Legal and Forensic Consulting, Turnaround Management, Business Processes Re-engineering, Project Management, legal drafting, strategy development and translation.







**Ms. Dalene Du Preez**

Executive Manager: Marketing & Communication

Ms. du Preez holds a BA Degree with major subjects in Business Science and Human Movement Science as well as an Honours Degree in Human Movement Science. She has 25 years' experience in marketing, events & brand management, public & media relations as well as stakeholder management through her positions at the following organisations: Aventura Resorts, SA Swimming Union, The Finals, her own companies, **the dti** and at Proudly SA for the past 7 years.

As acting Director: Brand Management and Special Projects at the Department of Trade and Industry's Marketing Department, she developed **the dti** Brand Architecture and CI, which was used as the model for the development of the Government CI by the Government Communications Department (GCIS). She also played an integral management role in the development/design of the new dti campus and the relocation of the entire dti family to its current head office in Pretoria.

She has also served on the following committees: SABS SATS 1286 on Local Content and SAQI Board – Vice Chair. She currently serves on the Inter-governmental Enforcement Committee on Counterfeit Good and Illicit Trading, the National Arts & Crafts Steering Committee, the National Intergovernmental Co-operatives Committee and **the dti** COTII Marketing & Communications Forum.



**Mr. Vusi Sithole**

Executive Manager of HR & Administration

Mr. Sithole holds a B Admin Degree from the University of the North and a B Admin Honours Degree in Industrial Psychology from the University of the Free State. He also studied Business Management with Fachhochschule Altmark in Germany in 1999.

He is an experienced professional and strategist in organisational leadership and development. He has a strong background in the academic environment, both as an academic and corporate manager. He has been involved in key leadership roles in developing governance and operational structures for Gauteng FET Colleges after the promulgation of the FET Act of 2006.

As part of the Proudly South African senior management team, he is closely involved in the driving of the Repositioning Strategy aimed at increasing the uptake of locally produced goods and services by consumers, organised business, organised labour and government.

He has recently been involved in the DTI/SABS/SANAS Working Committee that wrote the Technical Specification on Local Content which is central in the implementation of the revised Preferential Procurement Regulation and Local Procurement Accord.



## 4.4 HUMAN RESOURCE MANAGEMENT REPORT

### 4.4.1. EXECUTIVE SUMMARY

The Human Resources Plan for the 2013/14 financial year was structured in line with Proudly SA business requirements as outlined in the organisational strategy and Corporate Business Plan. This report sets out high-level strategic objectives and programs of the organisation to achieve such objectives.

### 4.4.2. STAFF PROFILE

The overall Staff Complement per Occupational Level for period April 2013 to March 2014 was as follows:

- 01 African Male Chief Executive;
- 03 African Male and 01 White Female Executive Managers;
- 01 White Female and 01 Colored Female

Middle Managers;

- Technically & Academically qualified personnel: 08 African Males; 13 African Females; 01 Coloured Female and 02 Indian Females; and
- 01 Unskilled African Female.

### 4.4.3. EMPLOYMENT EQUITY: 2013/14

Numerical Targets

The table below indicates the numerical targets for staff, per occupational level. This is projected as the ideal Staff Profile for 2014/15, including people with disabilities.

*Note: A=Africans, C=Coloureds, I=Indians and W=Whites*

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	01										01
Senior Management	03				01			01			05
Professionally qualified and experienced Mid-Management	01					01	01	01			04
Technically and Academically qualified personnel	05			01	11	01	01				19
Semi-skilled and discretionary decision making	02	01			03						06
Unskilled and defined decision making					01						01
<b>TOTAL</b>	<b>12</b>	<b>01</b>		<b>01</b>	<b>16</b>	<b>02</b>	<b>02</b>	<b>02</b>			<b>36</b>



### Disciplinary Action

(Report on formal outcomes only)

Only 01 African Female employee was dismissed after a disciplinary process.

### Awareness of Employment Equity

Activity	Yes	No	No. of Employees
Formal written communication	1.		30
Policy statement includes reference to employment equity	2.		30
Summary of the Act displayed	3.		30
Employment Equity training	4.		30
Diversity management programmes	5.		07
Discrimination awareness programmes	6.		30

### Consultation

The table below indicates the stakeholders that were involved in the consultation process when developing and implementing the employment equity plan and preparing this Employment Equity Report:

Activity	Yes	No
Consultative body or employment equity forum	1.	
Registered trade union (s)		2.
Employees	3.	

### 4.4.4. TRAINING AND DEVELOPMENT

Training remains key to the campaign's HR strategy. During the period under review, staff underwent training in Project Management, Health and Safety, Whistle-blowing, Influential Business Communication and Payroll Tax.

#### 4.4.5. QUALITY MANAGEMENT SYSTEM

The organisation is compliant and certified against ISO 9001 by SABS.

The following compliance audits were conducted during the 2013/14 financial year:

- Internal QMS Audit on 16 July 2013. The whole system functionality was audited together with QMS Policy, Quality Manual and Standard Operating Policies and Procedures for all departments;
- Management Review on 30 July 2013 during which the entire QMS functionality, effectiveness and relevance was fully reviewed in conjunction with Audit Findings raised during Internal QMS Audit; and
- A QMS Surveillance Audit by SABS on 01 August 2013. No findings or observations were raised. The overall QMS was confirmed and certified to still meet the requirements as specified and prescribed by ISO 9001: 2008 SABS Standard.

#### 4.4.6. OCCUPATIONAL HEALTH AND SAFETY

The company policies on Health and Safety of personnel and stakeholders, within company premises and other designated work stations, are continually reviewed and aligned to relevant legislative prescripts and codes of good practice.

In compliance with revised organisational policy on Occupational Health and Safety, a committee was established on 30 January 2014, comprising the following designated officials:

- Chief Health and Safety Officer: Vusi Sithole;
- Assistant to Chief Health and Safety Officer: Kelebogile Masuku;
- Evacuation Officer: Cindy Msomi;
- Evacuation Officer: Joseph Mashiane;
- First Aid Officer: Leisle Timol;
- First Aid Officer: Bulelwa Ndiweni; and
- Fire Extinguishing Officer: Given Khumalo.

#### 4.4.7. STAFF WELLNESS

During the period under review, the following Staff Wellness Activities were undertaken:

##### 4.4.7.1 World AIDS Day

The Proudly SA World AIDS Day and General Wellness Day were combined and held in conjunction with the 2013 year-end function.

The key deliverables for this day were to:

- Create improved awareness and education around HIV/AIDS Prevention, Contraction and Management, among staff and teenage guests from the local community;
- In partnership with specialised suppliers, provide wellness activities on physical fitness, personal finances, psychological and spiritual empowerment as well as general motivational speeches; and
- Conduct a year-end function to appreciate and recognise work delivered by staff during the 2013 calendar year.





#### 4.4.7.2 TB Awareness Day

South Africa has one of the highest Tuberculosis (TB) prevalence levels in Africa. This needs serious education and awareness as an effective preventative measure.

The main deliverable of this staff activity was to provide basic education and awareness on TB prevention, infection and cure. This deliverable flows from the employer's obligation and commitment to provide a healthy and safe working environment for all employees in line with the company's Health and Safety Policy.



A professional expert on TB, from the South African National Tuberculosis Association, was invited to deliver a comprehensive presentation to staff, which included a question-and-answer session.

#### 4.4.7.3 Financial Literacy Day - Nedbank @ Work

The objective of this event was to educate Proudly SA staff about financial wellness and was hosted in partnership with Nedbank, through their Nedbank @ Work Programme. The focus of the programme included:

- Savings;
- Investments; and
- Home ownership.

Nedbank provided experts to speak to staff about these topics. The group session was followed by one-on-one consultations with staff.

#### 4.4.8. INTERNSHIP

Proudly SA has an internship programme aimed at helping graduates obtain invaluable on-the-job training and experience in the fields they have studied.

The following is a list of Interns during the 2013/14 financial year:

1. Tumisho Manaka (Black Male) – Senior HR Intern for 12 months;
2. Deborah Seoketsa (Black Female) – Receptionist Intern for 12 months;
3. Kutlwano Mosholi – Senior Marketing Intern for 12 months; and
4. Letlhogonolo More - Senior Marketing Intern for 6 months.















*Photograph courtesy of South African Tourism*









## 5. OUR MEMBERS

# BUY BACK SA

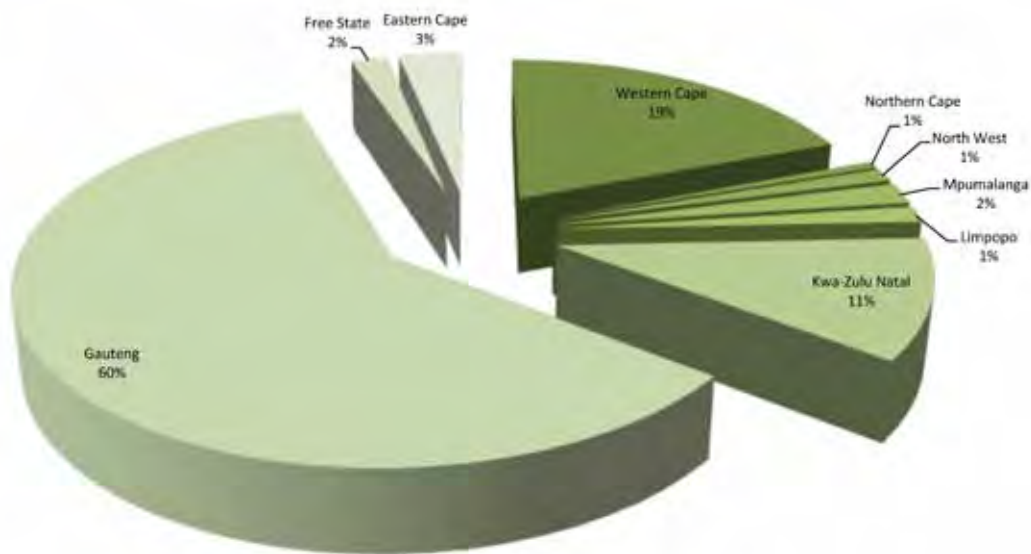
A white shopping cart icon with a South African flag design on its side, positioned to the right of the word 'BUY' in the main title.

Create Jobs.  
Secure our  
Future.

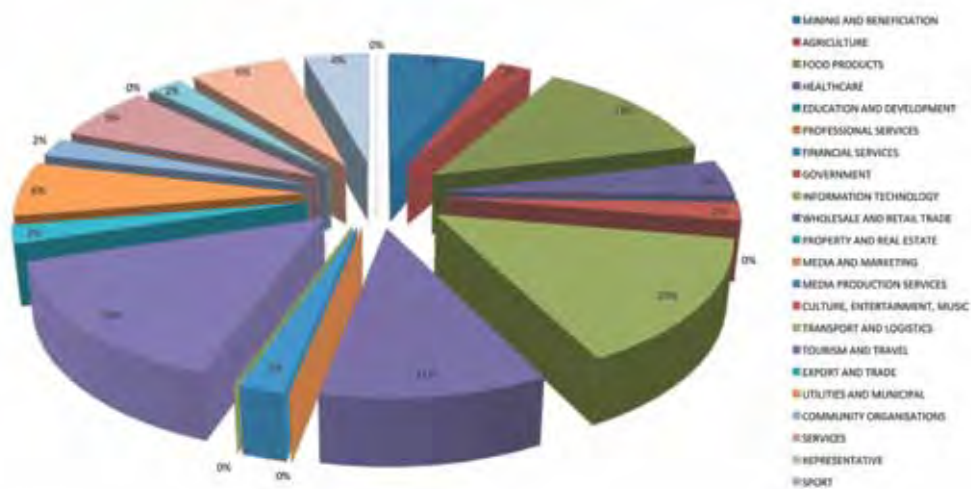
## 5. OVERVIEW

During the year under review, the campaign continued to have representation in at least 24 different sectors, and has managed to have members in each of the 9 provinces. Below are graphical representations of Proudly SA's membership per province and sectors per province.

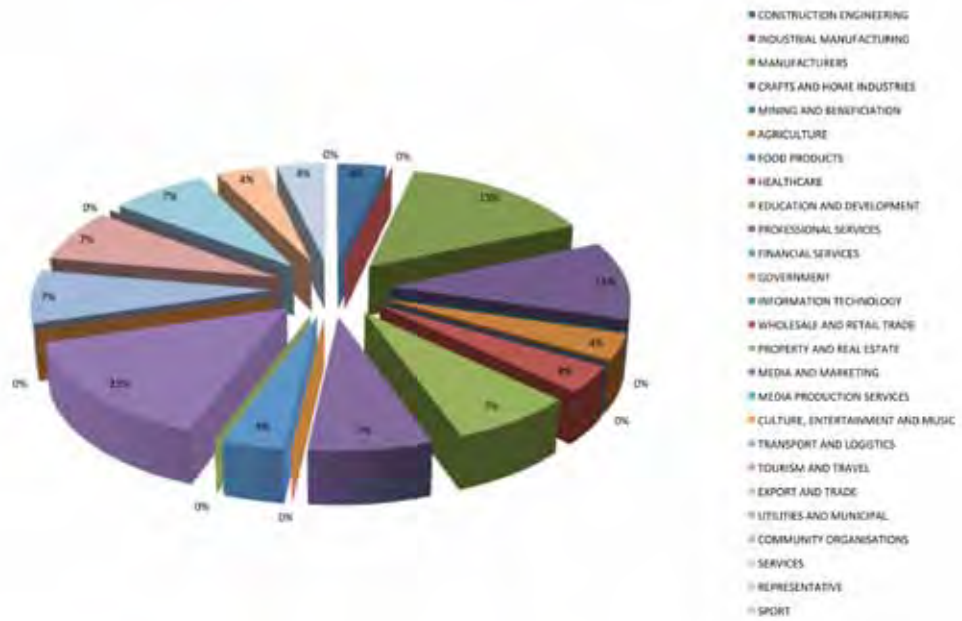
**MEMBERSHIP PER PROVINCE TOTAL NUMBER**



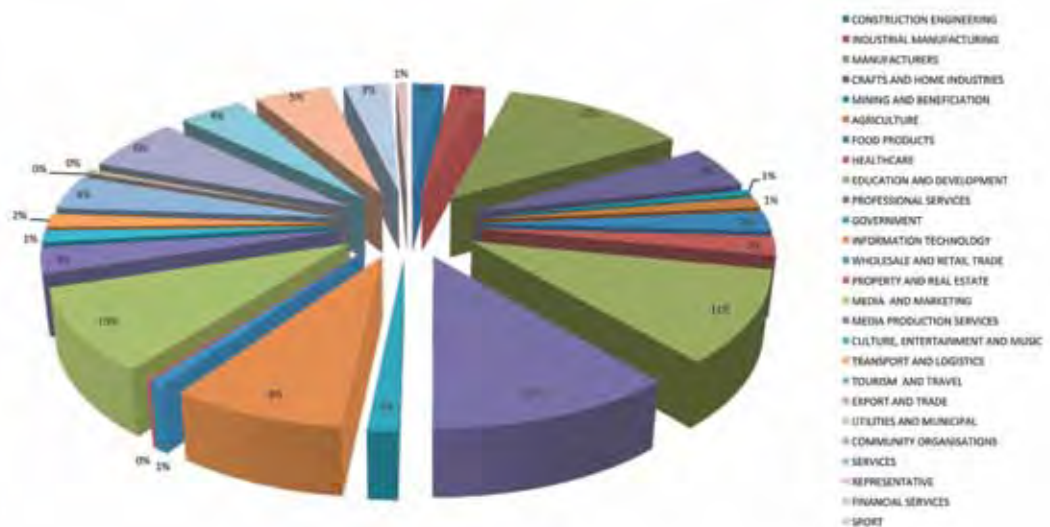
**EASTERN CAPE PER SECTOR**



## FREE STATE PER SECTOR

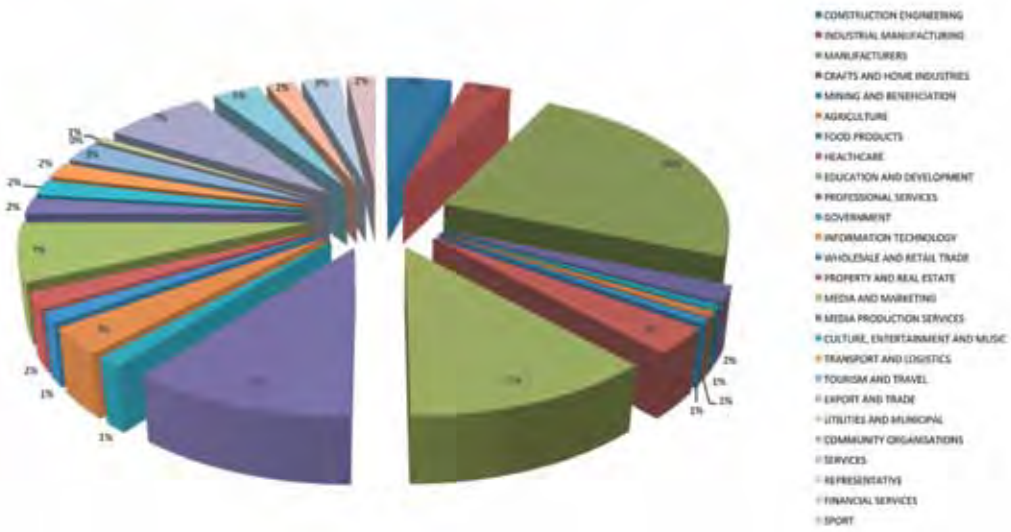


## GAUTENG PER SECTOR

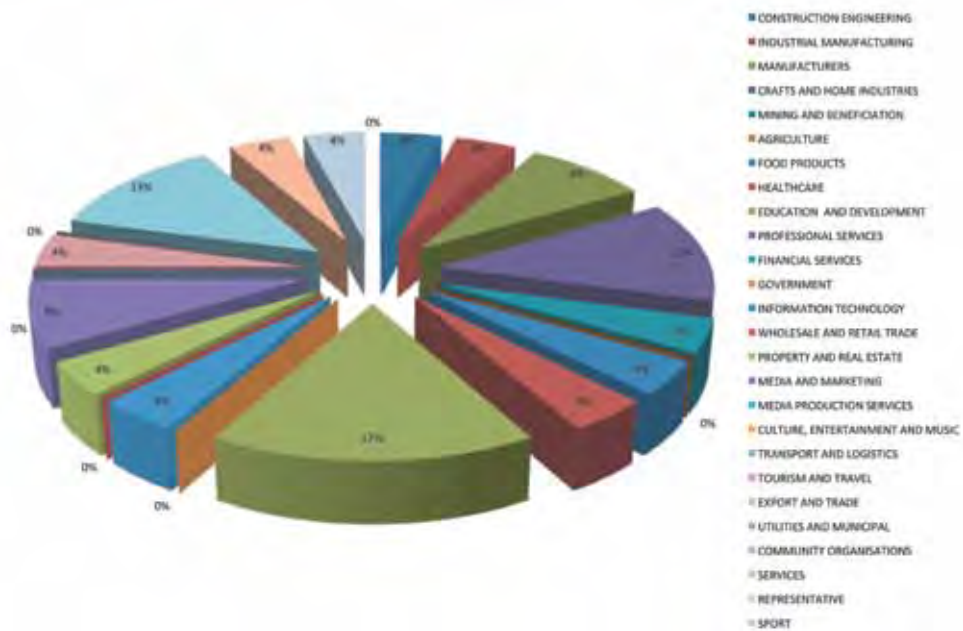




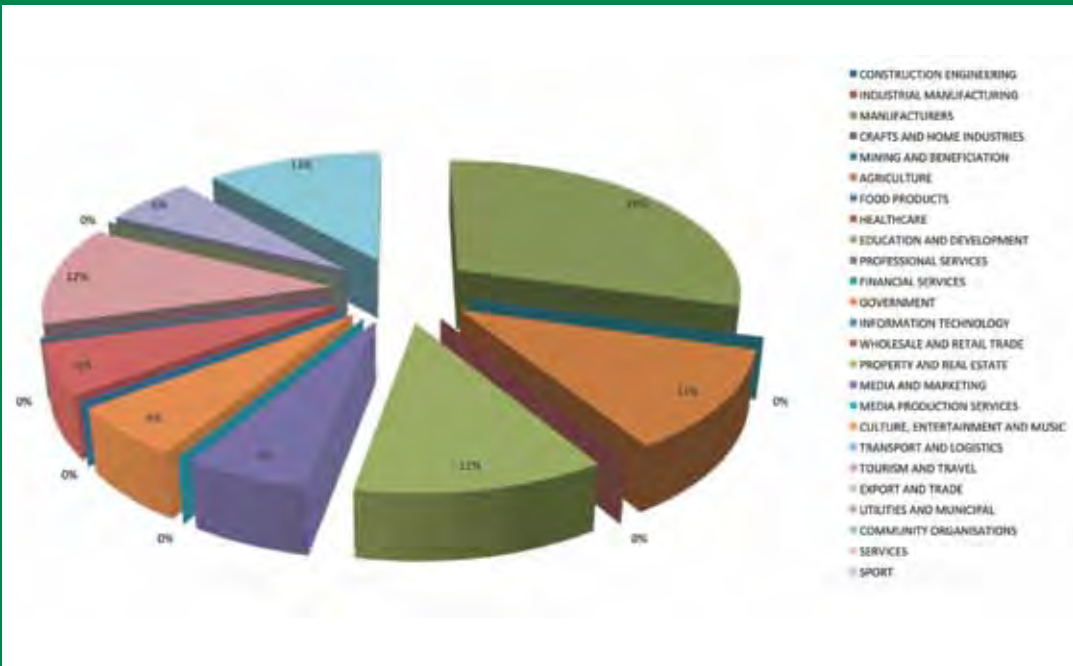
## KWAZULU NATAL PER SECTOR



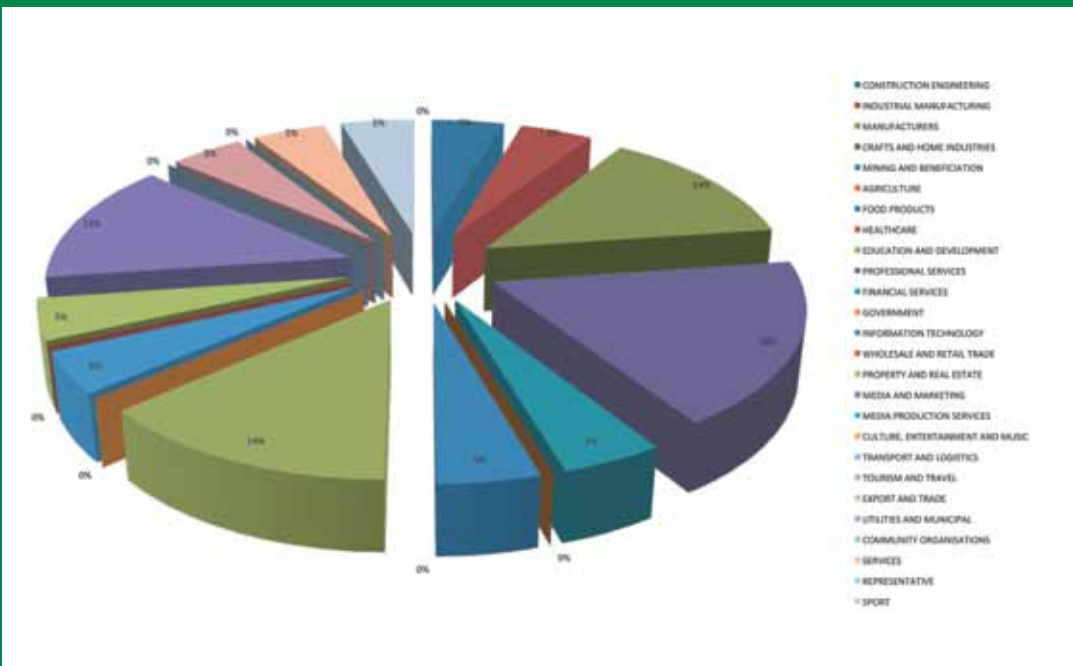
## LIMPOPO PER SECTOR



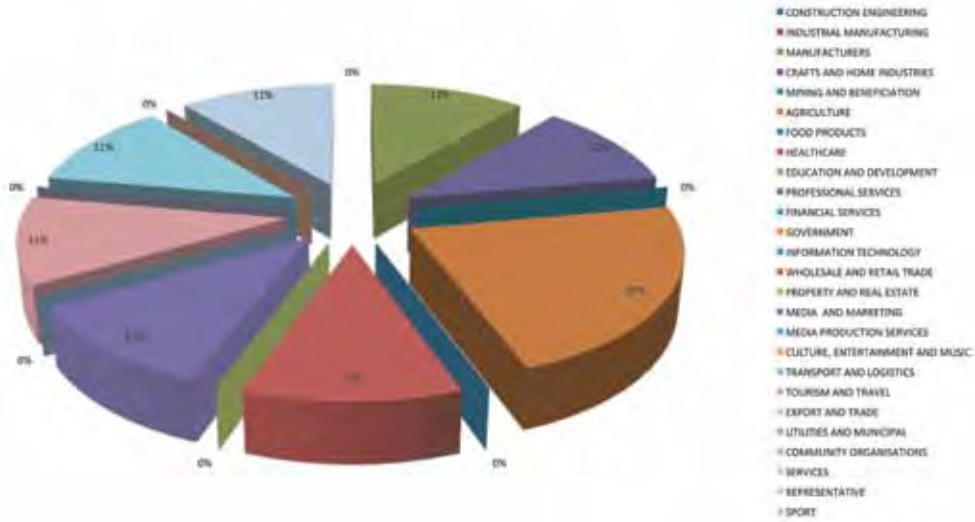
### NORTH WEST PROVINCE PER SECTOR



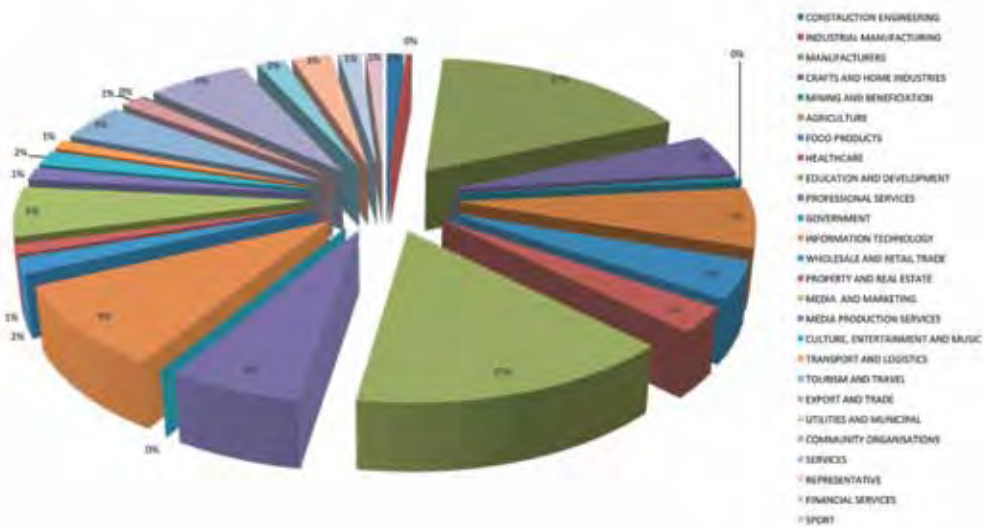
### MPUMALANGA PER SECTOR



## NORTHERN CAPE PER SECTOR



## WESTERN CAPE PER SECTOR







*Photograph courtesy of Gillian deGouveia*





*Photograph courtesy of South African Tourism*





# Proud

## 6. ACTIVITY REPORT





# PROUDLY SOUTH AFRICAN







### 6.1.1. SMME and Co-Operatives Forums

Proudly South African, as a strategic partner of the dti, aligns itself with the dti's mission to broaden participation in the economy. This is done to strengthen economic development and support the dti's purpose of promoting cooperatives and SMEs as well as identifying initiatives to address the needs of the so-called 'second economy'.

The forums also assist and empower Co-operatives and SMEs to access government information and opportunities on Enterprise Development.

The objective is to enable them to have meaningful participation in the economic activities of the country, thereby assisting with the achievement of the government's objective of creating millions of jobs by 2020.

These forums aim to:

- Provide access to information required by businesses to further their entrepreneurial and innovation objectives;
- Promote transformation towards a dynamic, industrial and globally competitive economy;
- Provide a predictable, competitive, equitable and socially responsible environment which is conducive to investment, trade and enterprise development;
- Broaden participation in the economy to strengthen economic development;
- Identify companies which can enter the global market (i.e. export development and training);
- Improve access to government information and business support opportunities for economic citizens; and
- Form partnerships with various stakeholders for referral purposes.

The forums take the form of interactive workshops, through which business owners or entrepreneurs are provided with information and on-site assistance on various business and enterprise development offerings as well as services of the identified stakeholders i.e. CIPC, SEDA, SEFA, NEE, SARS, SABS, etc.

The central focus of the forums is on SMEs, Co-operatives and other small enterprises in South Africa. This is part of the value proposition developed for Proudly SA member companies. However, non-member companies are invited with a view to recruiting them as potential members of the campaign as well as educating them on the economic benefits of this initiative.

Proudly SA has formed partnerships with the Economic Development Department (EDD) at both municipal and provincial levels. This enables easy access to the target audience and business enterprises which are located in and around the identified areas where the forums are held. The EDD's database at municipal and provincial level contains the contact details of various businesses and enterprises which require government support in order to participate meaningfully in the economy of this country. These strategic relationships provide us with a platform to access these businesses.

The first forum for the financial year took place during May 2013, at the Nirvana Hall in Polokwane, Limpopo. A total of 237 entrepreneurs attended the forum. The delegates included representatives from Proudly SA member companies as well as potential member companies. The agencies that supported and offered real-time services to SMMEs attending on the day included SARS, CIPC, SEFA, NEE, SEDA, LIMDEV, LEDET and LIBSA.

**Reach: 237 Small Businesses and Co-operatives attended the event.**





### 6.1.2. Proudly SA Buy Local Summit and Expo

Proudly South African hosted its third Annual Proudly SA Buy Local Summit and Expo at Emperors Palace on 10 February 2014, in Ekurhuleni, Gauteng.

The objectives of the annual Buy Local Summit and Expo are:

- To discuss local procurement achievements within the three tiers of government, state owned enterprises, government agencies as well as the private sector since the signing of the Local Procurement Accord in Oct 2011;
- To identify local procurement opportunities within Government and the private sector in South Africa;
- To focus on the designation of products/ sectors, achievements, challenges and local content verification; and
- To establish a National Procurement Forum that will monitor the successes of local procurement in South Africa.

The Buy Local Summit, which also had an Expo running concurrently in the venue's Centre Court, showcased and promoted the products and services of Proudly SA member companies.

This event forms part of Proudly SA's commitment to promote sustainable economic growth through job creation and to contribute to the socio-economic welfare of South Africa.

Target Audience:

The target audience included procurement managers, CFO's, CEO's, MD's, Captains of Industry and government officials.

This year the event was supported by the dti and Absa, with Kaya FM, Seating and Questback as strategic partners.

**Reach:** some 303 delegates attended the Summit and Expo as well as additional representatives from 87 companies exhibiting in the Expo area. These numbers exclude members of the public who attended the Expo during the course of the day.

eTV Sunrise and Kaya FM interviewed the Minister of the dti, Dr. Rob Davies; Proudly SA CEO, Adv. Leslie Sedibe; Head of Business Bank SA for ABSA, Ms. Happy Ralinala as well as various exhibitors.

The expo area was officially opened by the Minister of Trade and Industry, Dr. Rob Davies, and the official welcome for the Summit was delivered by the Interim Chairperson of Proudly SA, Mr. Joseph Maqhekeni.

Other speakers at the event included:

- Minister of Public Enterprises, Mr. Malusi Gigaba;
- Chief Procurement Officer for National Treasury, Mr. Kenneth Brown;
- Director of the Manufacturing Circle, Mr. Coenraad Bezuidenhout;
- Head of Business Bank SA for ABSA, Ms. Happy Ralinala;
- Corporate Communications Executive: Nestlé – Mr. Ravi Pillay; and
- CEO of Consumer Goods Council of South Africa – Mr. Gwarega Mangozhe.







*Photograph courtesy of GCIS*





### 6.1.3. SA Premier Business Awards

The 2nd Annual SA Premier Business Awards - hosted by Proudly South African in partnership with Brand SA and the dti - was held at the Sandton Convention Centre on 19 March 2014. The Awards are aimed at recognizing business excellence in South Africa.

Entries were open to all eligible companies and the following were the categories of the Awards given on the night:

- Exporter Award;
- Green Award;
- Investor Award;
- Manufacturer Award;
- Media Award;
- Most Empowered Enterprise Award;
- Proudly South African Enterprise Award;
- Quality Award;
- Rural Development Award;
- SMME Award;
- Technology Award;
- Women-Owned Enterprise Award;
- Young Enterprise Award; and
- Lifetime Achievement Award.

The Awards were supported by Absa who sponsored the event, as well as Gibbs who sponsored prizes for the winners.

**Audience and Reach:** the target audience included top business leaders, captains of industry and government ministers and officials. President Jacob Zuma delivered the keynote speech at the Awards' gala dinner and a total of 640 guests attended the event.

The event also received national media coverage in broadcast, print and online media platforms.



#### 6.1.4. Buy Back SA campaign

Together with the dti and the Manufacturing Circle, Proudly SA launched a Buy Local advertising campaign titled “Buy Back SA”. The Buy Back SA advertising campaign aims to raise awareness around the impact of imported goods on the local economy and manufacturers – and it encourages change in consumer and business purchase behaviour in favour of local products. In addition, the campaign aims to:

- Actively encourage the widest national participation across all public and private sectors and
- Motivate and reward purchase behavioural change by publicly acknowledging companies that are supporting local procurement and buying local.

The launch of the Campaign took place in November 2013 at the IDC offices in Sandton and the keynote speaker on the day was the Minister of Trade and Industry, Dr. Rob Davies.

The campaign carries a simple, positive message and a clear call to action. It aims to motivate and rally South Africans to actively support and buy local goods; to educate them about the impact of buying local i.e. that their purchasing decisions can contribute towards the socio-economic welfare of our country; and to help them understand that the future of our country is in their hands.

#### 6.1.5. Proudly SA Business forums

In total three Proudly SA Business Forums took place during the period under review in Gauteng and the Western Cape.

As part of the Proudly South African marketing/outreach campaigns in provinces, Proudly SA endeavors to maximize the value of Proudly SA membership through the facilitation and joint exploration of local economic development opportunities.

The hosting of Proudly SA Business Forums and Sector Specific Workshops nationally, allows for B2B (business-to-business) networking which, in turn, contributes to the stimulation of inter-member trade opportunities.

The Proudly SA Business Forums target between 80–100 CEO’s from Proudly SA member companies as well as non-member companies in a ratio of 60/40 per event, within all the different economic sectors. This includes manufacturing, financial intermediation, manufacturing, tourism & hospitality, business, trade, etc.

The Proudly SA CEO Forums act as a vehicle to:

- a) Introduce non-members to the campaign i.e. recruitment drive;
- b) Allow for networking between CEO’s from member and non-member companies;
- c) Promote the offerings of the company/institution hosting the forum; and
- d) Allow current Proudly SA members to testify about the value of local procurement and Proudly SA membership.

A Business Forum was hosted in partnership with the EBI in Middelburg at Olifants River Lodge in September 2013.

Approximately 138 delegates from as far as Johannesburg and Pretoria attended the event. Proudly SA hosted another Business Forum in partnership with the Ekurhuleni Artisans Skills Training Centre in October 2013. A member of Proudly SA, they hosted this event at their training centre. Partnering with member companies offers them the opportunity to showcase their offerings and speak about their products as the host and venue sponsor.

Our strategic partners, NCPC and Productivity SA (who are also part of the dti initiatives) were guest speakers at the Proudly SA Business Forum.

**Reach: 88 delegates.**

Proudly SA also formed a partnership with the Western Cape Province, to host a business forum where Proudly SA made a presentation to the Western Cape Suppliers Forum on 8 November 2013.

This was used as an opportunity to educate and create awareness around the Proudly SA campaign and the importance of buying local. The partnership also served as an opportunity to recruit Western Cape suppliers to become members of Proudly SA. A partnership agreement between Proudly SA and the Western Cape Government will be finalised as a result.

**Reach: 120 suppliers.**

## 6.2. Proudly SA's participation at key events and exhibitions

### 6.2.1. the dti Roadshows

Proudly South African partnered with **the dti** on various roadshows during the 2013/14 financial year. Proudly SA is working with **the dti** and supporting their mission to broaden participation in the economy and strengthen economic development. Through its activities and partnership with **the dti**, Proudly SA also supports **the dti's** purpose of promoting its offerings to small enterprises and young entrepreneurs throughout South Africa, with a special focus on the rural areas in order to address the needs of the so-called 'second economy'.

These roadshows are also used as a one-stop-shop workshop to communicate the incentives and grants of **the dti** as well as the offerings of **the dti** family to small enterprises. The workshops also allow face-to-face interaction with business advisors from each of **the dti** family businesses. The objective is to enable people on grassroots level to have meaningful participation in the economic activities of the country. These activations also address sustainable job creation opportunities.

These roadshows aim to:

- Provide access to information required by SMME's and entrepreneurs to further their entrepreneurial and innovation objectives;
- Promote transformation towards a dynamic, industrial and globally competitive economy;
- Provide a predictable, competitive, equitable and socially responsible environment which is conducive to investment, trade and enterprise development;
- Broaden participation in the economy to strengthen economic development;
- Identify companies which can enter the global market (i.e. export development and training);
- Improve access to government information and business support opportunities for economic citizens; and
- Form partnerships with various stakeholders for referral purposes.

In total, Proudly SA participated in five (5) roadshows held in the following areas:

- Bushbuckridge in Mpumalanga;
- Madadeni in KwaZulu-Natal;
- Heilbron in the Free State;
- Rustenburg in the North West; and
- Hamaanskraal in Gauteng.

**Reach: a total of 7 250 delegates attended the five roadshows.**

### 6.2.2. The Eat Well, Eat Safe, Eat Local Campaign in partnership with the dti

Proudly SA partnered with the Department of Trade and Industry (**the dti**) on a nutritional campaign which saw the introduction of new and local products into the agro-processing market.

The "Eat Well, Eat Safe, Eat Local" campaign was developed to promote healthy eating and the consumption of local produce to protect and create jobs in South Africa's agro-processing sector.





The campaign was launched by the Minister of Trade and Industry, Dr. Rob Davies, at the Maponya Mall in Soweto in April 2013. The launch took place in partnership with the Fruits and Vegetables Canning Association and the Department of Health.

Various enterprises exhibited their product ranges, including Boland Pulp. Food demonstrations were also conducted for the general public and school children were invited to the launch in an effort to educate them about healthy eating.

Proudly SA encouraged consumers to “Buy Local” and they were informed about the benefits of buying local produce, products and services. Buying Local means consumers help to:

1. Stimulate and strengthen the local economy;
2. Invest in the local economy;
3. Encourage local prosperity;
4. Create jobs;
5. Keep people in their jobs;
6. Reduce poverty;
7. Support community groups and local farmers, producers and manufacturers;
8. Increase South Africa’s manufacturing capability;
9. Support business people who have invested in South Africa’s future;
10. Diminish the threat to local food production;
11. Encourage the country to become more self-sufficient;
12. Get better follow up service from local producers and manufacturers;
13. Support enterprises which can supply individually designed and custom made local products;
14. Support local businesses which form an integral part of SA’s distinctive character. The tourism industry also benefits from this;
15. Reduce climate change impacts;
16. Reduce imports which helps reduce SA’s trade deficit;
17. Boost efforts to prevent South Africa from becoming a dumping ground for cheap, low quality imports;
18. Boost efforts to prevent South Africa from

- becoming a warehouse for imported goods; and
19. Support efforts by local enterprises to produce quality products and deliver quality services.

**Reach: 18 000 Consumers.**

### 6.2.3. The dti’s Cosmetic Council Workshops, Gauteng

Proudly SA partnered with the dti on its Cosmetic Council Workshops which took place in May 2013, at Newtown in Johannesburg. Running concurrently to the workshops was an exhibition that showcased local companies’ products within the Cosmetics Sector.

**Reach: 221 companies.**

### 6.2.4. The dti Open Day – dti Campus in Pretoria

This event has been developed to strengthen economic development and support the dti’s purpose of promoting its offerings to small, medium and large enterprises as well as young entrepreneurs. This is achieved through creating a one-stop-shop at the dti for the day.

The Open Day was also used to showcase the incentives and grants offered by the the dti as well as the dti family organisations. The event also served as an opportunity for the dti family to work together and understand each entity’s mandate and deliverables. It also provided for face-to-face interaction with business advisors from each of the dti family businesses.

**Reach: about 250 people attended the event.**

### 6.2.5. Proudly SA Local Procurement Conference (Western Cape):

Proudly South African and COSATU Western Cape, which represents the Labour Constituency, hosted the 6th Annual (Western Cape) Local Procurement Conference in September 2013.

This project focuses on extending the reach of the Buy Local message. It specifically promotes local procurement within government entities and businesses in the Western Cape region.

The initiative also enhances Cosatu's capacity to work pro-actively with enterprises (business) and sustain good working relations which benefit local businesses, communities and workers in the region. The annual event also serves as a good example of how Proudly SA and its constituencies and/or members can work together to promote the uptake of local products and services, which is essential for sustainable economic growth, job creation and the safeguarding of existing jobs.

It also supports the Local Procurement Accord signed in 2011 by the government, organised labour, business and community constituencies. The four social partners committed to supporting local procurement and, in particular, products designated for local content by the dti.

The event was supported by the Cape Town Metro, Cape Town Business Chamber, the Department of Economic Development, the dti and Old Mutual.

**Reach: about 800 delegates attended the event.**

#### **6.2.6. The National Department of Tourism's "Youth in Tourism Business Breakfast" in Partnership with Proudly SA**

The National Department of Tourism (NDT), in partnership with Proudly SA, hosted a "Youth in Tourism" business breakfast in support of the Youth Day celebrations of 16 June 2013. The "Youth in Tourism" business breakfast offered young entrepreneurs within the tourism sector a platform to network with prominent tourism stakeholders. The Deputy Minister of Tourism, Ms. Tokozile Xasa, addressed delegates about the importance of synergies between government and the private sector to stimulate employment for the youth in this sector.

Graduates from the NDT's Social Responsibility Implementation Programme, which involves Youth Skills Development Training programmes,

showcased their acquired skills at the event.

Trainees from the NDT's Chef and Sommelier Training programme prepared the food for delegates attending the event. These programmes form part of the broader perspective of the National Tourism Sector Strategy (NTSS), which speaks to employment creation and growth of the economy as outlined in the New Growth Path.

Several Proudly SA member companies also showcased their products and services on the day.

**Reach: 121 Businesses.**

#### **6.2.7. Tourism Indaba**

Proudly SA partnered with the Department of Trade & Industry on the Tourism Indaba Expo which took place in Durban in May 2013. Proudly SA's focus was to recruit and educate companies about the campaign - and to educate businesses and consumers about the importance of supporting and buying locally produced products and services.

**Reach: 10 000 Businesses and Consumers.**

#### **6.2.8. Freedom Fridays**

Proudly South African partnered with the Arts and Culture Department, the GCIS, Brand SA and Lead SA on the launch of "Freedom Fridays" - and at several subsequent events to promote the campaign. The campaign, which formed part of the 20 Years of Freedom and Democracy Celebrations, aimed to promote social cohesion and a national identity that represents our country's rich and diverse cultures.

Freedom Fridays started on 20 September 2013 and continued till Freedom Day on 27 April 2014. To galvanize collective ownership of our country's 20 years of democracy and freedom in April 2014, "Freedom Fridays" encouraged citizens to celebrate South Africa's milestones over the past 20 years - and encouraged the nation to wear any clothing that expressed why they are proudly South African.



**Reach:** about 1000 delegates attended the various events. Tens of thousands of South Africans were also reached through the media coverage which the campaign enjoyed.

### 6.2.9. African Career Expo/Education Week

Proudly SA partnered on this initiative, exhibited at the Expo and interacted with students during a Proudly SA Workshop. The Proudly SA Ubuntu Schools' Campaign was showcased to the students on the day and there was a strong focus on anti-bullying and issues around sexual violence, among other challenges faced by the youth today.

**Reach:** 4000 youths.



### 6.2.10. Limpopo Youth in Business Open Day

Proudly SA was invited by the Limpopo Provincial Government, the Department of Tourism and the Economic Development Department to participate and exhibit at their Youth in Business Open Day in Polokwane, in June 2013.

**Reach:** 50 Youth Owned Businesses.



### 6.2.11. Youth Month Campaign

Proudly SA was invited to partner with the dti on their "Taking the dti to the People" roadshows with specific focus on the youth market in Tzaneen during June 2013.

**Reach:** 120 Youth owned businesses.

### 6.2.12. Gauteng Sports Awards

Proudly SA was invited to partner with the Gauteng Provincial Government in hosting the Gauteng Sports Awards. Proudly SA provided branding and locally produced products for the winners in the different categories.

**Reach:** 1000 attendees at the Awards.



### 6.2.13. World Intellectual Property (IP) Day – “World IP Day celebrates creativity, not piracy”

Proudly SA partnered with the **dti**, CIPC, SA-FACT, Microsoft, Airco, Risa, the SAPS and the US Embassy on a campaign called “Be Your Own, Buy Your Own” which aimed to create awareness around piracy (theft of intellectual property).

This crime scourge deprives honest workers in the creative industry of jobs and a sustainable income, perpetuates poverty and robs South Africa of billions of rands annually.

Piracy is a problem common to developing countries around the world. A recent survey found that 25 percent of respondents, in 51 emerging markets, admitted to having bought fake products. In South Africa, it is not difficult for consumers to get their hands on fake goods. Pirated music, movies, arts and games can be picked up - for a bargain - at most busy intersections, flea markets and taxi ranks across the country.

Pirated goods deprive honest businesses, up-and-coming artists, entrepreneurs and their families of an honest daily income.

If software piracy in South Africa was decreased by ten percentage points over four years, about 1 650 high-tech jobs and R9 million in new economic activity could be created. This is according to the 2011 Global Software Piracy Study (by the Business Software Alliance) which was used to compile the World Economic Forum’s 2013 Global Information Technology Report.

The 2011 report further argued that there would be R967 million in new taxes by 2013 and 68% of those benefits would remain in the local economy. The economic impact of eradicating software piracy alone would be massive.

In a developing economy such as South Africa’s - where unemployment, poverty and inequality remain key challenges - innovation and creativity need to be protected at all costs. Artists and innovators, as well as consumers who enjoy their work, need to be educated around the importance of protecting their intellectual property rights.

Bridging the Intellectual Property (IP) knowledge gap was identified as the core focus of World Intellectual Property Day, celebrated globally on Friday 26 April 2013.

The day aimed to promote discussions around the role of intellectual property, encourage innovation and creativity and remind consumers about the significance of the creative industry in relation to the country’s economy.

Consumers have been urged to support local industries by buying genuine products. They are therefore being educated around these issues and urged to buy original and genuine items from legal and reputable retailers and shops. It is everyone’s moral and civic duty to adhere to the laws of the land - and to report crime and wrongdoing.

The partners celebrated World Intellectual Property Day at the Universities of Pretoria and Stellenbosch. These activations took the form of face-to-face interactions with students at both campuses, to educate them about the impact of piracy on both the local economy and job creation.

Proudly SA also showcased local products and services at exhibitions at both campuses. Local movies were also shown as part of the event.

Overall, trade in pirated goods translates into millions of rands in lost revenue for the country every year. Some of the products heavily counterfeited and smuggled across international borders include software, aircraft spares, pharmaceuticals, clothes, bags, cosmetics, music, films and vehicle parts. The exact impact of counterfeiting is hard to quantify, but this trend has been increasing over recent years. We have an urgent challenge in South Africa to stem this tide because the presence of high-quality fakes in the market makes it difficult for consumers to distinguish between pirated goods and genuine goods.

Microsoft’s Anti-piracy Lead Department confirmed that pirated computer software is currently costing legal resellers and the local computer industry millions of rands a month through lost revenue. This is leaving thousands of unsuspecting computer owners without support.





A recent survey shows that nearly 40% of employees are allegedly downloading software onto their computers at work. This in turn costs many businesses precious time and money to fix problems relating to pirated software – time and money which could have been spent on growing the business, recruiting new employees and adding to the economy.

All South Africans can contribute towards creating a greater demand for locally made, genuine products and services to help prevent job losses and stimulate job creation to fuel South Africa's economic growth.

**Reach: 18 000 students.**

#### **6.2.14. Anti-Piracy Campaign Activation**

On 6 December 2013, Proudly SA in partnership with the dti, CIPC, SAFACT and SAPS executed an anti-piracy activation at one of the most notorious piracy hotspots on the East Rand.

The particular intersection where the activation was held is believed to be one of the busiest areas in the country where counterfeit products are sold.

This was a call to action for the public to boycott pirated goods - and forms part of efforts to re-ignite awareness around this crime scourge which costs the economy billions. This campaign also served to educate the public around the economy-wide benefits of buying local and original products. Marketing material and promotional items carrying the buy local and anti-piracy message were distributed to motorists during the peak morning traffic period for maximum impact.

**Reach: about 10 000 people reached through the campaign.**

#### **6.2.15. Skills Development Summit and Expo**

Proudly SA partnered with BHP Billiton on the Skills Development Summit and Expo which took place in Pretoria at the CSIR in August 2013.

Proudly SA's focus was to recruit and educate companies about the campaign - and to educate businesses and consumers about the importance of supporting and buying locally produced products and services.

**Reach: about 300 delegates.**

#### **6.2.16. AFRICA Infrastructure Conference and Expo**

Proudly SA partnered with Siyenza Marketing on the Africa Infrastructure Conference & Expo which took place at the Sandton Convention Centre in July 2013. Proudly SA's focus was to recruit new members and educate businesses and consumers about the importance of supporting and buying locally produced products and services.

**Reach: about 350 delegates.**

#### **6.2.17. CrimeLine Gala Dinner**

Proudly SA partnered with CrimeLine, to assist in promoting the reporting of crime that impacts negatively on our economy. CrimeLine celebrated its birthday on 22 August 2013. Strategic partners present at the event included the South African Police Service, Lead SA, Proudly SA, SAFACT, CIPC as well as big business, artists and other enforcement agencies.

**Reach: about 300 delegates.**

#### **6.2.18. Special premier screening of the movie: The Internship**

SAFACT is one of Proudly SA's partners in the fight against copyright theft, piracy, illegal dumping and counterfeit goods. Proudly SA was invited by SAFACT to attend the Premier of this movie. The evening offered the campaign an opportunity to engage and network with other clients/partners of SAFACT in order to build strategic partnerships and create brand awareness for Proudly SA.

**Reach: about 120 delegates.**

### 6.2.19. EBI – Ambassador’s Day

Proudly South African’s CEO, Adv. Leslie Sedibe, shared words of inspiration and hope for the country and the continent, at a Business Forum attended by members of the Diplomatic Corps.

Ambassadors and representatives from various Embassies – as well as business executives – attended the EBI Ambassadors Forum, held at Emperor’s Palace, Ekurhuleni, on 9 September 2013. The audience represented countries including South Africa, Namibia, Zimbabwe, Sri Lanka, Democratic Republic of Congo, Tunisia, Iraq and Azerbaijan.

As guest speaker, Adv. Sedibe shared various inspirational quotes by Nelson Mandela and assured the diplomatic representatives that they were welcome in South Africa. He also emphasized the importance of national pride and patriotism and spoke about the ethos of Proudly South African.

He also acknowledged the significant role played by Namibia, Zimbabwe, Botswana, Swaziland and other neighboring countries in South Africa’s attainment of freedom and democracy.

**Reach: about 148 delegates attended, including 8 Ambassadors.**

### 6.2.20. 19th Annual Vukani Fashion Awards

Proudly SA partnered with SAFDA, one of its members, on the 19th Annual Vukani Fashion Awards. The event took place in August at Emperors Palace and Proudly SA assisted the member in obtaining venue sponsorship from Emperors Palace.

The Awards focus on identifying young designers with talent (especially those from disadvantaged backgrounds), providing them with a platform to showcase their designs, providing them with training and introducing them into the mainstream local fashion industry. Proudly SA also made presentations at the Vukani Workshop, attended by small enterprises,

co-operatives and young up-and-coming designers.

**Reach: about 48 delegates attended.**

Proudly SA will partner with SAFDA again next year and will endeavor to sign a three-year partnership agreement with Emperors Palace and the Ekurhuleni Department of Arts and Culture in relation to the annual event.

Proudly SA also managed to obtain sponsorship from another member for the trophies for the Awards. Extensive media coverage – worth approximately R2million in PR Value - was achieved through this event.

**Reach: about 300 delegates.**

### 6.2.21. Business Fair Expo - Elias Motswaledi Municipal Chamber

Proudly SA was invited by the Local Economic Development Department in Limpopo to partner on a Small Business Development drive in Groblersdal, Mpumalanga. The event was sponsored by the MTN Foundation. Other delegates from the dti, SEDA and SEFA also attended the event.

An exhibition was also held alongside the event, showcasing products made by enterprises in attendance.

These small enterprises indicated at the event that they face major challenges with regard to access to funding and access to markets.

**Reach: about 250 small enterprises attended the event while 150 delegates attended the workshop.**

### 6.2.22. Kaya FM Business Forum

Proudly SA partnered with Kaya FM during September to host a business forum at their premises. The objective of the day was to introduce



Proudly SA members to Kaya FM (one of the most popular radio stations in Gauteng) as a Proudly SA member company. This forum also offered Kaya FM an opportunity to promote their advertising offerings to the delegates.

**Reach: about 39 delegates.**

#### **6.2.23. TUT Innovation Day for Industrial Design students**

Proudly SA has participated with TUT for three consecutive years on their Industrial Design Innovation Day. Proudly SA uses this opportunity to promote entrepreneurship as well as the Buy Local message among the TUT students. The Industrial Designs are improving annually in terms of innovation and Proudly SA is currently in the process of identifying partners that can take these products into production and into the market.

**Reach: about 80 students participated in this event and 250 students attended the awards event.**

#### **6.2.24. Smart Procurement Conference**

Proudly SA partnered with Absa and other partners on the Smart Procurement Conference, which took place at Gallagher Estate in August 2013. An expo was also held as part of the conference and various companies had an opportunity to exhibit their products.

The event also provided an opportunity to educate Procurement Managers and Officers about the importance of buying local to stimulate the local economy.

Proudly SA's focus was also to recruit and educate companies about the campaign - and to educate businesses and consumers about the importance of supporting and buying locally produced products and services.

**Reach: about 350 delegates.**

#### **6.2.25. Vaal Hospitality Workshop (FEDHASA)**

Proudly SA partnered with FEDHASA, a Proudly SA member company, at their Vaal Hospitality Workshop which focused on companies within the hospitality sector. The Buy Local message, the impact of purchasing behavior and the importance of stimulating local procurement were strongly promoted at this event. Proudly SA's focus was to recruit and educate companies about the campaign - and to educate businesses and consumers about the importance of supporting and buying locally produced products and services.

**Reach: about 120 delegates.**

#### **6.2.26. The Soweto Festival**

Proudly SA partnered with Adele Lucas, among other partners, on the Soweto Festival which forms part of the national heritage celebrations. The festival focuses on showcasing local talent and homegrown products and services. This event is always well attended by consumers, especially over the weekend.

Proudly SA used the opportunity to communicate the Buy Local message and to educate consumers and businesses about the importance of buying local to stimulate the local economy and create jobs. Central to Proudly SA's messaging was that consumers and business should always choose local first.

**Reach: about 30 000 delegates.**

#### **6.2.27. Glass Escapes Exhibition**

Glass Escapes, a Proudly SA member company, was invited by the Morningside Shopping Centre to take part in their mall exhibitions. The Buy Local message was strongly communicated. The Mall exhibitions generated great interest from consumers.

**Reach: about 3 000 delegates.**

### 6.2.28. Good Food & Wine Show

Proudly SA partnered with The Good Food and Wine Show and other strategic partners, which formed part of heritage celebrations during September. Local and international food products were showcased and the event was well attended by consumers, especially on the public holiday. Proudly SA utilized its presence to communicate the Buy Local message and to educate consumers and businesses about the importance of local procurement.

**Reach: about 33 000 people attended the event.**

### 6.2.29. Water Research Symposium

Proudly SA was invited to partner with the Water Research Commission on their Symposium which took place in September, at the CSIR in Pretoria. The Department of Environmental and Water Affairs, Department of Science and Technology and the CSIR were key partners at this event.

The symposium focused on showcasing local talent and homegrown products and services. It was well attended by delegates within this sector. Proudly SA exhibited at the event and used the opportunity to speak about the importance of local procurement.

**Reach: about 300 delegates.**

### 6.2.30. Consumer Goods Council Annual Conference and Expo '13

Proudly SA participated in this conference and expo, which is a platform where delegates are provided with clear responses to questions relating to the economy, business, tools for success, opportunities and bottom-line growth. The event was held from 15-16 October 2013 and Proudly SA had the opportunity to spread its messaging among delegates. Proudly SA also showcased member products and services and recruited several new members.

**Reach: 3 000 attendees.**

### 6.2.31. Sports and Events Tourism Exchange 2013 – Expo and conference

The Sports and Events Tourism Exchange 2013 was held from 22–24 October 2013. It is an annual platform used to:

- Pursue the bidding and hosting of major international events;
- Promote Africa as a training destination for northern hemisphere athletes in winter months;
- Promote social participation in sport, while promoting our golf courses, beaches, stadiums and hiking trails;
- Increase tourist volumes, spend and length of stay; and
- Promote transformation, local federations, associations, events and offerings of different provinces.

The outcome for Proudly SA was consumer education and awareness about the importance of buying local and supporting local service providers. This event also provided an opportunity for Proudly SA to form partnerships with various sporting bodies and to encourage them to procure their sports products and kits locally.

**Reach: 3 700 attendees (including sporting associations).**

### 6.2.32. ABSA Maxum Showcase

This annual event, held on 28 November 2013, provided some 20 entrepreneurs an opportunity to exhibit at the Maxum Business Incubator. Absa and partners selected five of these exhibitors to pitch to an expert panel. The finalist won a trip to Silicon Valley.

Proudly SA participated in this event to introduce the Buy Local ethos to these young entrepreneurs and to emphasise the importance of local procurement and its impact on the local economy.

**Reach: 100 attendees.**

### 6.2.33. FEDHASA Golf Day

FEDHASA Golf Day is a networking session held at the Kyalami Golf Course. It was held on 11 October 2013 and offered members of FEDHASA the opportunity to network while playing a round of golf. Proudly SA partnered with one of its members and sponsored a hole.

This partnership offered an opportunity to engage with the golfing guests as they came through to the Proudly SA sponsored golf hole. Proudly SA was able to create awareness around the brand and educate the golfers/businessmen about the importance of buying local.

**Reach: 80 targeted businessmen.**

### 6.2.34. Body Beautiful Contest and Expo

This Expo was aimed at inspiring and assisting individuals to make necessary changes in their lives with a view to enhancing and improving their quality of life and health.

Attendees received personalized service and step-by-step advice that would assist and guide them on their journey to good health and life improvement. The Body Beautiful Pageant challenged and inspired entrants to embark on a life-changing journey and encouraged them to make their dreams a reality.

The event was held at Carnival City on 8 November 2013. Athletes from around the world competed for the Mr. and Mrs. Body Beautiful title in various categories, including a category for teenagers and over 35's.

Proudly SA's aim was to use the platform to create awareness around Buy Local, to showcase Proudly SA member products and services and to recruit new members.

**Reach: 500 attendees.**

### 6.2.35. Gauteng Carnival

The Gauteng Carnival is an expressive way of telling the South African story, thus the name "Pale Ya Rona" Carnival was developed. This event involved the training of artisans and artists in Carnival Camps.

The highlight of the event was the street procession or parade that showcased months of preparation and training. The Gauteng Carnival procession was officially launched in 2005 as part of the Heritage Month festivities and was again held on 7-8 December 2013.

**Reach: 21 000 attendees.**

### 6.2.36. Aerotropolis Automotive and Outdoor Expo:

This expo was held at Emperors Palace @the Park from 2-3 December 2013. More than 150 exhibitors took part, including car dealerships and crafters who showcased their products and services. Proudly SA exhibited member products in the automotive sector such as GUD filters, Self-Sealing Tire Technology and Hoblot Oils.

The Expo also included live bands and artists as well as a demonstration by the Ekurhuleni Metro Police Dog Unit. The event served as a platform for education and awareness around local procurement, an opportunity to showcase Proudly SA member products and services and an opportunity to recruit new members.

**Reach: 3 000 attendees.**



### 6.2.37. Other platforms that the campaign used through presentations by the CEO included the following:

- NEDP Launch
- EBI – Launch of the Mechanical and Civil Engineering Business College
- Eat well, Eat safe, Eat local launch.
- Interview with Life24/7
- NIASA Convention in Port Elizabeth
- EBI Business Forum
- EBI Ambassadors Event Ekurhuleni West Collage – Annual Diploma Ceremony
- EOH Breakfast
- Lead SA Freedom Fridays launch
- DOT Business Forum
- Ekurhuleni Artisans and Skills Training Centre
- ABSA : Intra-Africa Trade Connection Event
- Ekurhuleni Engineering Forum Event with ESKOM
- ABSA Global Entrepreneurship week
- Botswana Investment and Trade Centre Event
- EBI Captains of Industry
- Kwela Fleet Management Year End Function Programme
- Department of Environmental Affairs Event
- Credcon Conference
- SAYNPS Nuclear Youth Summit
- CEO's Forum on Agro Processing
- Geographic Indications workshop
- SA Competitiveness Forum Task Team at Brand SA
- IEC's Briefing to the Business Sector
- Tomorrow's Leaders Convention 2014
- South African Principals Association National Conference
- Launch of Centre of Entrepreneurship
- Presentation to State Owned Enterprises Forum

### 6.2.38. Proudly CSI Activities

#### Mandela Day

For the 2013 celebrations of Mandela Day, Proudly SA partnered with DJ Sbu's foundation, SLEF. The aim of the partnership on the day was to give back to the community and offer assistance where needed. The SLEF Foundation identified a school in Tembisa which required painting and the installation of doors at the boys' and girls' ablution facilities.

Proudly SA staff, partners and volunteers painted walls, installed doors and cleaned up the school premises. Proudly SA promotional material was also distributed to all students.

The final part of the day involved the handing over of 21 bicycles, sponsored by CIPC, to the principal of the school. The event was hailed a major success and Proudly SA was also very well received by the Tembisa community.

The event, in partnership with DJ Sbu and his team, also received good publicity and the messaging for the day centred on Madiba's own approach in "Long Walk to Freedom":

*"A journey starts with a single step - and small steps in the right direction can create amazing results if we work together." - Nelson Mandela.*



# 10

## REASONS TO BUY LOCAL

Shop with conviction and pride and remember to check for the Proudly South African mark of quality and "Label of Origin" to ensure your first choice is local.

- 1 JOB CREATION
- 2 JOB RETENTION
- 3 PROTECTS THE REVENUE BASE FOR SARS
- 4 POVERTY REDUCTION
- 5 LOCAL INVESTMENT
- 6 IT HELPS ESTABLISH AN INDUSTRIAL BASE
- 7 ENCOURAGES SELF-RELIANCE
- 8 ENCOURAGES ENTREPRENEURSHIP AND CREATIVITY
- 9 ADDRESS THE TRADE DEFICIT ACCOUNT
- 10 CONTRIBUTES TO NATIONAL PRIDE AND PATRIOTISM



**Be Proudly South African. Buy local to create jobs.**



Proudly South African is an internationally recognized organisation and is South Africa's national 'buy local' campaign. In South Africa, Proudly SA is the proprietor of the following trademarks:

- a) The Proudly South African circular logo



- b) The Proudly South African horizontal logo



- c) The phrase, 'Proudly South African.'

As the proprietor of the above trademark registrations, Proudly South African is protected, in terms of the Trade Marks Act 194 of 1993, against any third party from using the mark in the course of trade, without Proudly South African's authority, that is identical or confusingly similar to the Proudly South African logo.

These trademarks are also legally protected in accordance with the Merchandise Marks Act, Counterfeit Goods Act and Common Law. Only registered members of the Proudly South African Campaign and those given special permission are authorised to use the trademarks.

### 6.3.1. Correct use of Trademarks

Proudly South African members, upon approval of membership, are given access to the Members' Portal. Here they are able to download the Proudly South African corporate identity (CI) and logos for use on packaging, marketing and branding materials.

Members are also given the option to forward their designs to Proudly South African to ensure that the logo is applied correctly.



### 6.3.2. Trademark Permissions

To ensure that the buy local message reaches the youth, Proudly South African often grants publishers permission to use the trademarks in various educational materials.

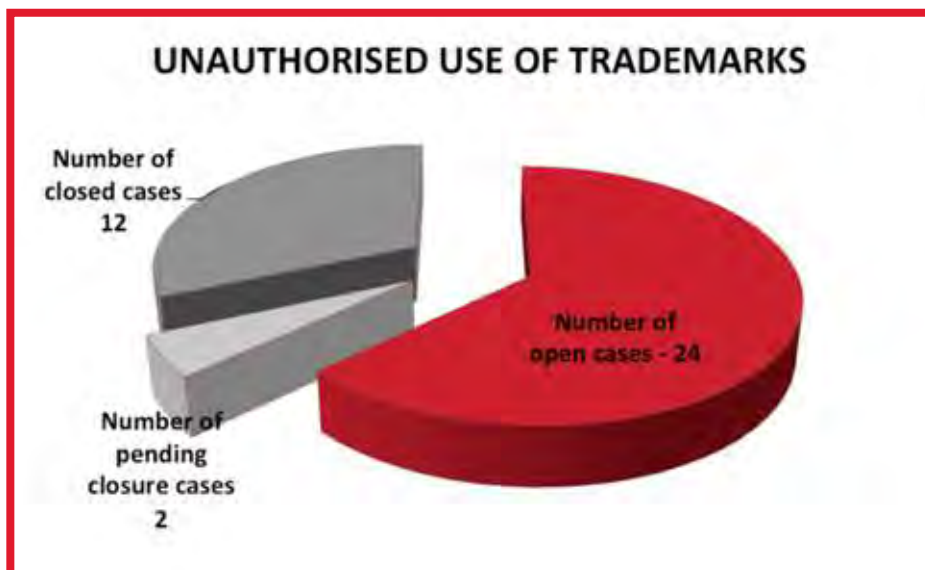
During the period under review, the following publications were granted permission to use the trademarks:

Name of Textbook	Publisher
Via Afrika English FAL	Via Afrika
Tourism Grade 12 Learner Book	Pearson Education SA
Solutions for Tourism Grade 11	Macmillan SA
Fresh Perspectives: Commercial Law	Pearson Education SA
Oxford Successful Consumer Studies Grade 10 Learners Book – eBook	Oxford Publishers
Oxford Successful Economics Grade 10 Learner's Book	Oxford Publishers
Focus on Consumer Studies Grade 10	Pearson Holdings SA

### 6.3.3. Unauthorised use of Trademarks

The use of the trademarks is monitored both internally and through Proudly South African's intellectual property lawyers, Adams and Adams.

For the period under review, 38 cases were investigated. Two cases are pending closure and are being monitored closely. 12 cases were closed and 24 are still open.



## 6.4 ADVERTISING

All ads are designed in-house. Below is a list of the ads placed in print media during this financial period as well as work done for digital platforms.



- PSA520 - Traders Friend (Trade Exchange)
- PSA523 - RFP for Sponsorship Management
- PSA524 - Tip Offs Anonymous
- PSA525 - Freedom Day
- PSA527 - Relocation message
- PSA530 - National Department of Tourism – Youth business breakfast invitation
- PSA532 - Gauteng Sports Awards Certificate
- PSA534 - Skill Development Summit advertisement
- PSA535 - Woman of Destiny online competition
- PSA537 - Woman of Destiny invitation
- PSA538 - BHP Billiton Skills Development Summit 2013 event advertisement
- PSA547 - Small Business Connect September issue
- PSA548 - SAVF National Essay competition
- PSA553 - Ceramic Factory online competition
- PSA554 - AHI National Congress advertisement
- PSA555 - Small Business Connect October issue
- PSA562 - Fight against Piracy invitation
- PSA563 - Buy local Summit 2014
- PSA564 - Leadership Awards event advertisement
- PSA565 - Media Group
- PSA566 - South African Premier Business Awards
- PSA570 - Jumpstart advertisement and advertorial (Trade Exchange)
- PSA571 - Valentines Day 2014 invitation
- PSA572 - Traders Friend January issue (Trade Exchange)
- PSA577 - Tender for external auditor services
- PSA578 - Small Business Connect February issue
- PSA579 - Traders Friend February issue (Trade Exchange)
- PSA580 - Various ads taken on the Facebook social media platform to publicise activities and events



# Xenophobia undermines the good story SA has to tell

LESLIE SEDIBE

THE STORY of the new South Africa is one without a precedent – that a people with such a violent and divided history can come together and forge a future under vibrant democratic circumstance is worth celebrating.

South Africa boasts one of the most progressive constitutions in the world. The blueprint for life in it was born out of years of struggle, persecution and hardship for many – and with the help of the international community, especially people of Africa.

The vision of a better life for all in a non-racial, democratic and united South Africa was developed in 1955, when 3 000 people of all races and colours gathered in Kliptown to adopt the Freedom Charter. It was the most representative gathering in our history.

The charter conceptualised a South Africa in which “all national groups shall be protected by law against insults to their race and national pride; the preaching and practice of national, race or colour discrimination and contempt shall be a punishable crime... Peace and friendship among all our people shall be secured by upholding equal rights, opportunities and status of all...”

The hopes and aspirations for a South Africa that “belongs to all who live in it” were realised in 1994 and our self-declared rainbow nation made headlines around the world for all the right reasons.

As we celebrate 20 years of freedom and democracy, the success stories are many and the achievements laudable.

However, recent headlines have thrust South Africa into the world spotlight for the wrong reasons – a serious indictment on our nation and its efforts to cultivate social cohesion.

According to last year’s publication by the Southern African Migration Programme (Samp), South Africans “remain among the most anti-foreign and xenophobic nations in the world”.

Really?

The same people of Nelson Mandela?

The publication, *Soft Targets: Xenophobia, Public Violence and Changing Attitudes to Migrants in South Africa after May 2008*, states that “across a

wide range of variables, South Africans still display high levels of ignorance, intolerance and hostility”.

Xenophobic attacks were highly publicised when they broke out across the country in 2008.

Reports show this form of hatred – based on the politics of exclusion – is still a cause for concern.

Foreigners are supposed to be protected from xenophobia in terms of our constitution.

It declares that all people shall be equal under the law and there shall be no discrimination because of race, gender, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.

The constitution guarantees respect for human life and dignity irrespective of a person’s nationality, but sadly, foreigners have experienced some of the worst atrocities at the hands of our people.

Is it a case of “hurting people hurt” or pure ignorance coupled with the levels of desperation among our people?

There has been much research and debate on the root causes of xenophobic attacks.

Whether these are linked to the divide between rich and poor; limited job opportunities, service delivery, opportunistic crime or mere hatred for foreigners, the socio-economic fallout cannot be disputed.

Xenophobia affects how foreigners are integrated into society.

We are always reminded, however, that we were once slaves.

According to the humanitarian news and analysis service from the UN Office for the Co-ordination of Humanitarian Affairs, Irin, “stereotyping for foreign nationals as criminals and competitors for scarce jobs is obscuring the positive impact immigrants are making”.

According to a 2001 Samp survey, “while foreigners are said to be involved in crime, statistics demonstrate that over 98 percent of arrests were South African citizens, with the percentage of foreigners rarely exceeding one in any crime category.”

Xenophobia hurts our ability to attract scarce and critical skills and negatively affects our brand, reputation, geopolitical interests and moral stand-



An injured foreigner receiving medical attention after a xenophobic attack in Kaya Sands informal settlement in 2010.

ing in the international community.

The attacks carry a direct cost to taxpayers and harm our tourism industry, which is a cornerstone of the economy.

Tourism plays a crucial role in our economic development.

Xenophobia undermines the good story that we are otherwise able to tell, especially on reconciliation and racial tolerance.

Acts of xenophobia go against the grain of what so many of us fought for during the struggle.

This form of hatred spits at our own rights which are enshrined in the constitution and speaks of a nation without humanity.

This cannot be.

Loss of life, destruction of property, psychological trauma to survivors and displacement of people can never be justified – especially by a nation that fought so hard and sacrificed so much for “a better life for all”.

Xenophobia erodes social cohesion, peaceful co-existence and the protection of human rights.

It is true that South Africa is not the only country grappling with xenophobia.

However, for a country that dubs itself a “rainbow nation” the rights of migrants must be protected in the statute books and in practice – lest we turn into the oppressors we fought so hard against.

Nkosi Sikelel’ iAfrika!

● Sedibe is Proudly South African CEO

This material has been copied under a DALRO licence and is not for resale or retransmission.

PEOPLE'S POST (Constantia/Wynberg)  
14 Nov 2013, p.6

## Let's support our local economy

Companies continue to import products that could be made locally. South Africa has become an import economy while raw materials remain a key export.

Even food production that was once an economic pillar is being imported. This must change if we want to create work.

Since commerce is driven by profit, it operates where profits exist, thus job creation is a result of business and not necessarily its agenda. It is therefore important that locals support commerce that has a long-term benefit for our society.

Imported products support job creation outside of South Africa and contribute to local job loss.

That local political and business leaders are obsessed with foreign status symbols reflect a lack of commitment to the “Proudly South African” campaign.

While locals buy affordable products, many societal leaders eagerly showcase their imported lifestyle.

Furthermore, building a durable economy with millions of economic migrants within our borders is a challenge. The use of local labour is undermined by desperate foreigners seeking cheaper employment. So, when unskilled, cheap migrant labour remains within our borders, it so burdens the limited supply of water, electricity, municipal and hospital services available to locals.

The burden on the ratepayer in the form of an economic refugee makes an impact on the progress of infrastructure.

Those who live in comfort must be the less fortunate trapped in poverty, creating local jobs. I suggest locals must be able to support businesses which have shared long-term interests at heart.

Paying more for a local product may seem patriotic right now.

However, we have to start some

**COUNCILLOR YAGYAH**  
Cape Muslim

This material has been copied under

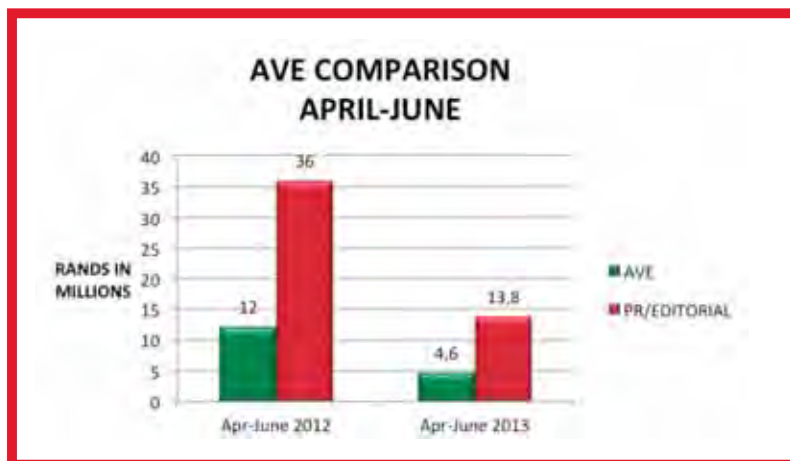
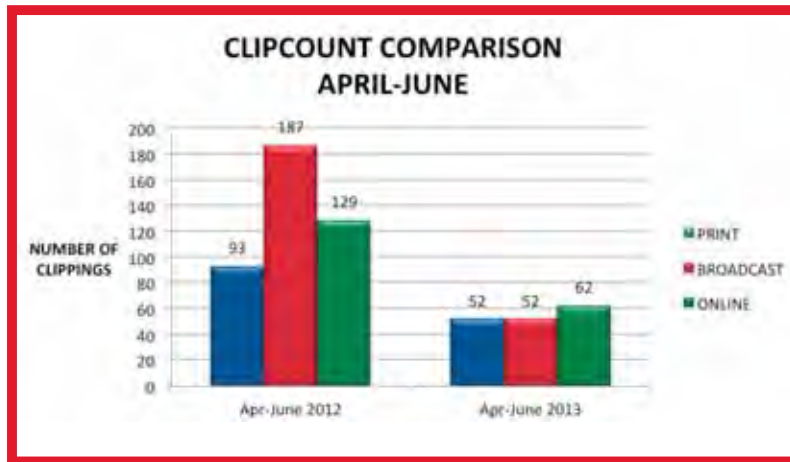
This report contains information relating to the PR/media coverage for the Proudly South African campaign for the period 1 April 2013 to 31 March 2014. This includes quarterly comparisons.

- Clip-count analysis**  
 This section compares print, broadcast and online news clippings for each quarter during the period under review. There is also a year-on-year comparison for each quarter.
- AVE analysis**  
 The Advertising Value Equivalency (AVE) is what your editorial coverage would cost if it were advertising space (or time). PR/editorial value is derived (as per industry norms) by multiplying the AVE by three. This section gives a quarterly year-on-year comparison for AVE and PR/Editorial values and a monthly breakdown of the values (also compared to the previous year).
- PARTNERSHIPS - PR**  
 A summary of some of Proudly SA's partnerships in which PR/media plays a significant role.





### 6.5.1. April to June Comparison

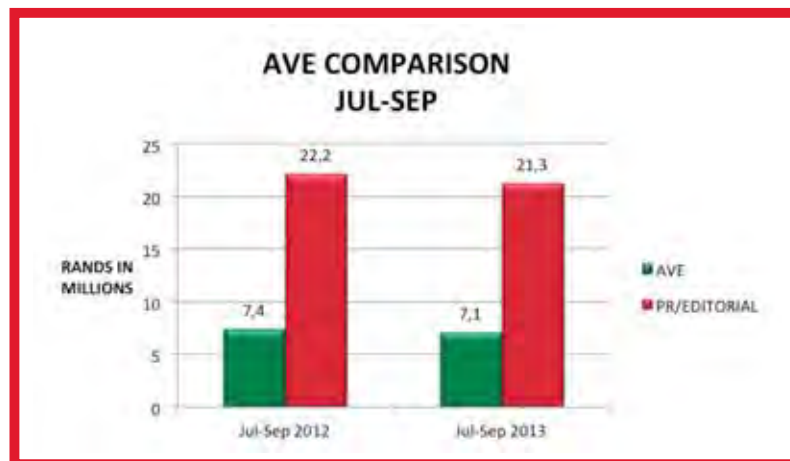
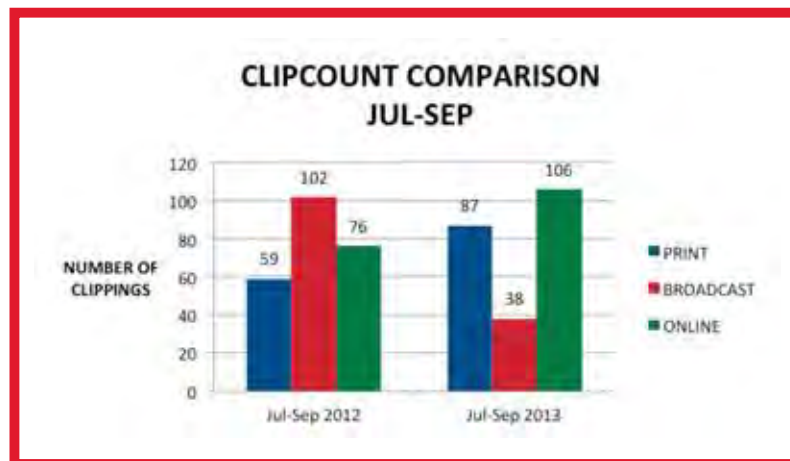


The analysis shows that more coverage was obtained for April-June 2012, compared to the same period in 2013:

- April 2012 yielded a higher clipcount and overall AVE value and PR/Editorial value due to extensive media coverage around the Ubuntu campaign and the Proudly SA reaction to the Sascoc Olympic made in China and the subsequent controversy – events not in 2013;
- May 2012 yielded a higher clipcount and overall AVE value and PR/Editorial value due to extensive media coverage around the Buy Local Road Show; the Proudly SA reaction to the Sascoc Olympic kit made in

- China and the subsequent controversy; and Proudly SA participation in Mandela birthday song recording ahead of his 94th birthday – events not held in 2013;
- June 2012 yielded a higher clipcount and overall AVE value and PR/Editorial value due to extensive media coverage around the Ubuntu Schools’ Campaign; the Buy Local Road Show; the Proudly SA reaction to the Sascoc Olympic kit made in China and the subsequent controversy; and Proudly SA participation in Mandela birthday song recording ahead of his 94th birthday – events not held in 2013.

## 6.5.2. July to September Comparison

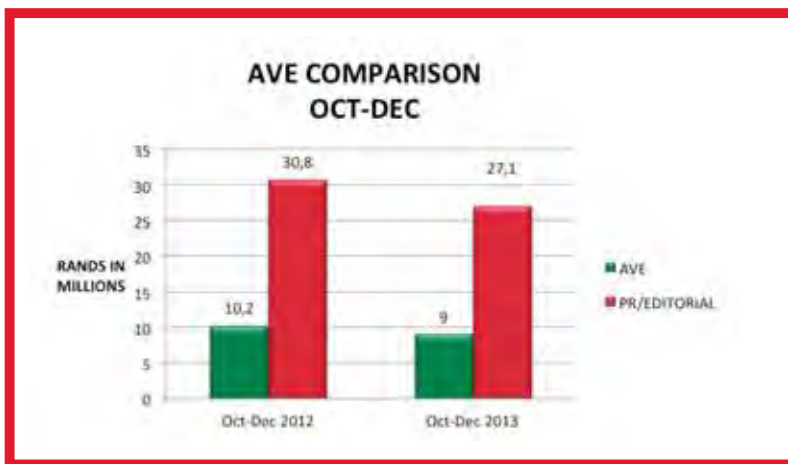
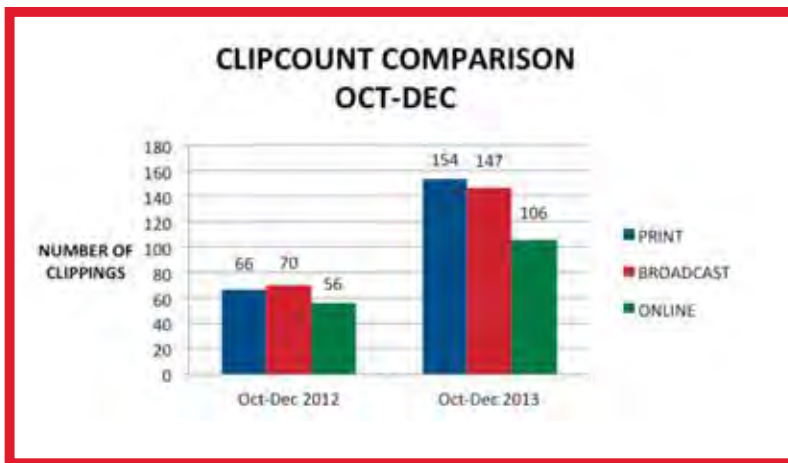


The analysis shows that more print and online coverage was obtained for July-Sep 2013, compared to the same period in 2012. However, more broadcast coverage was obtained for the period under review in 2012, compared to the same period in 2013.

- July 2012 yielded a total of 73 news clippings, while July 2013 yielded a total of 47 news clippings. July 2012 also yielded a higher overall AVE value and PR/Editorial value compared to July 2013. This is due to extensive media coverage in 2012 around the Ubuntu Schools' Campaign, the Sascoc Olympic Kit made in China furor and Proudly SA participation in Mandela birthday song recording ahead of his 94th birthday and the Buy Local Roadshows – events not held in 2013;
- August 2012 yielded a total of 94 news clippings while August 2013 yielded 82. Although August 2012 produced a higher clipcount, the AVE value and PR/Editorial value for August 2013 was higher than for 2012.
- September 2012 recorded a total of 70 news clippings while there were 102 for September 2013. Therefore, an upward movement in terms of news coverage recorded for September. There was also a marked increase in AVE values and PR/Editorial value for September 2013 compared to the same period for 2012. This could be ascribed to coverage around Freedom Fridays (an initiative in which Proudly SA has partnered with the Department of Arts and Culture, the GCIS, Brand SA and Lead SA).



### 6.5.3. October to December Comparison



The analysis shows that more print, broadcast and on-line coverage was obtained for October-December 2013, compared to the same period in 2012. However, higher AVE's were obtained in 2012 than 2013 (see AVE comparison).

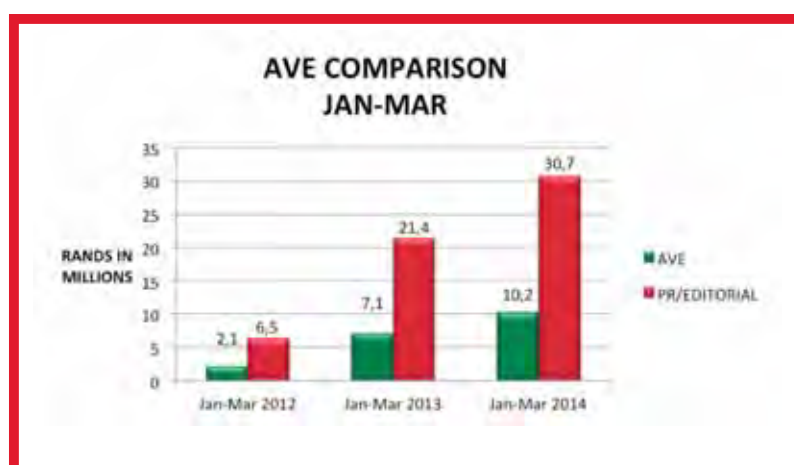
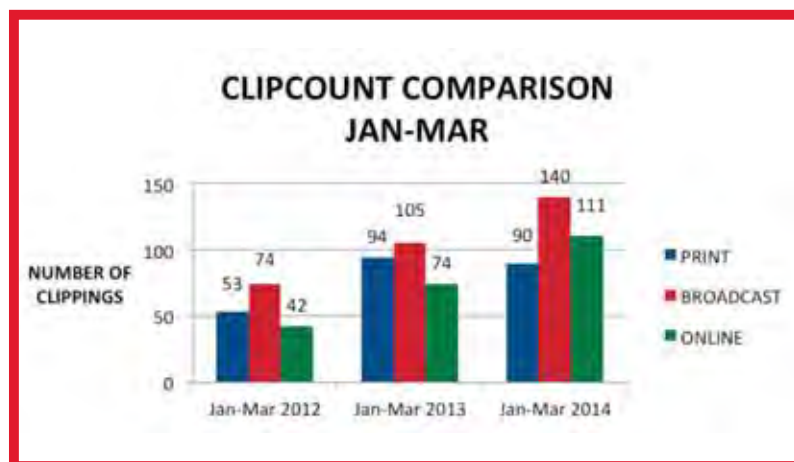
- October 2012 yielded a total of 74 news clippings, while October 2013 yielded a total of 64 news clippings. October 2012 also yielded a higher overall AVE value and PR/Editorial value compared to October 2013. This is due to extensive media coverage in 2012 around the Buy Local Roadshow; Local Procurement Conference in Cape Town; and advertorial coverage around Proudly SA member company, Bell Equipment, and Proudly SA mentions;
- November 2012 yielded a total of 66 news clippings while November 2013 yielded 254. Therefore, a major upward movement in terms

of the number of news clippings for 2013 compared to the same period in 2012.

Although November 2013 produced a higher clipcount, the AVE value and PR/Editorial value for November 2012 was higher than for 2013.

- December 2012 recorded a total of 52 news clippings while there were 89 for December 2013. Therefore, an upward movement in terms of news coverage recorded for December 2013. There was also a marked increase in AVE values and PR/Editorial value for December 2013 compared to the same period for 2012. (This could be ascribed to coverage around the CEO's open letter to Donald Trump, published in the Pretoria News and on iol online – as well as coverage around tribute to former President, Nelson Mandela, following his passing away).

## 6.5.4. January to March Comparison



The analysis shows that more broadcast and online coverage was obtained for January-March 2014, compared to the same period in 2012 and 2013. More print coverage was obtained in 2014 compared to 2012 – and slightly higher print coverage was obtained in 2013 compared to 2014. However, higher AVE's were consistently obtained in 2014 across all three platforms compared to the same period in 2012 and 2013 (see AVE comparison).

- January 2014 yielded a total of 84 news clippings; January 2013 yielded a total of 56 clippings and 2012 yielded 47. January 2014 also yielded the highest overall AVE and PR/Editorial value compared to the same period in 2013 and 2012, therefore a consistent increase year-on-year.
- February 2014 produced a total of 138 news clippings while the same period in 2013 produced 108 and 2012 produced 88. Likewise, February 2014 also produced a

considerably higher AVE value and PR/Editorial value (R12 664 113.00) compared to previous years. This could be attributed to the Proudly SA Buy Local Summit & Expo / Local Procurement Summit held in February 2014, whereas it was not held in February during previous years.

- March 2014 recorded a total of 119 clippings while there were 109 for March 2013 and 34 for March 2012. Therefore, an upward movement in terms of year-on-year news coverage recorded for March 2014. There was also a marked increase in AVE values and PR/Editorial value for March 2014 compared to the same period for 2013 and 2012.

*(Only clips relating specifically to Proudly SA and its activities are included in the clipcount analysis. The clipcount is extracted from daily notifications from Newsclip Media Monitoring Services relating to phrases/key words "Proudly South African").*



REPORTED BY JANE PERKINS  
11 Feb 2014 0:2

## Proudly South African eyes loyalty plan

ANDIWA MQUITU  
Staff writer

**PROUDLY** South Africa, which encourages the consumption of locally produced products, will launch a loyalty programme that would provide rebates to buyers of local products, the organisation CEO Leshe Sotile said yesterday.

Speaking at the first annual Proudly South African Beer Festival, Sotile said the programme would be launched in the second half of 2014.

business, labour unions and environmental bodies to raise the number of goods purchased locally to 70%.

Local producers in the textiles and poultry sectors have complained about the price of cheap imports that have eroded manufacturing capacity and led to job cuts.

"It is not enough for us to say people 'love' their South African goods because of national pride and patriotism. We must create other incentive programmes that convert the emotional into the rational," Mr Sotile said.

According to him, the loyalty programme, which would be administered via a card "that looks like a credit card", follows the first Back

campaign, which was unveiled in November last year.

The campaign with the tag line "Create jobs, secure our future" was launched by Trade and Industry Minister Rob Davies with television and radio advertising.

Government representatives, Proudly South African Manufacturing Circle and other regional forums pledge to buy local at the summit.

"We want to be able, through our procurement decisions, to make sure that this comes back to SA," Mr Sotile said.

Manufacturing Circle MD Conrad Boushous said while "local production" might be

cheaper, local quality was better and more reliable.

"You can import stuff cheaply, but it won't be as fast and flexible as it would be if you got it here. One thing SA does is quality."

European Union (EU) representative Axel Pappas de la Motte, who attended as a special guest, praised SA's manufacturing sector. He said incentives in the industry were a sign of trust and commitment and there was "great stuff" for joint ventures between South African and EU firms.

According to him, the EU has invested 60% of joint ventures in the renewable energy independent power producers programme led by ESI

group. "This is certainly the direction that just in the future."

He warned against the "easy talk" of raising tariffs as a "policy reflex" to fighting foreign competition, and added that imports could be restricted in the industry.

"A healthy share of imports is required to create the future of our industry, particularly the manufacturing sector," he said.

Mr Boushous said a survey conducted by the body showed that 80% of South African manufacturers produced 40% of their product locally in SA. But the cost savings from water and electricity supply remained to be seen.

KAP NEWS  
14 Feb 2014 0:3

## South Africans called to celebrate Freedom Friday



**COUNTRY WIDE** - South Africans have been encouraged to celebrate Freedom Friday as part of the countdown to the country's 20 years of freedom celebrations.

The Department of Arts and Culture Director General Sibutsi Xaba said this Valentine's Day she calls it to show your love for South Africa!

Through song and dance, two entertainment groups, GB Collective and Unknown Virus, will show what the last two decades of democracy mean for them.

GB Collective has been developing a musical production since 2003, focusing on South Africa's struggle against Apartheid and eventual transition to democracy.

"The objective of the project is to educate and inspire today's youth about the country's history and future," said Xaba.

There is also an opportunity to share thoughts, memories and pictures of freedom, through the department's interactive countdown campaign.

The campaign, which runs across various social media platforms and interactive experiential zones in malls nationwide, as well as at OR Tambo International Airport, encourages South Africans to share their personal stories of what freedom and democracy means to them.

The experiential zones in malls include an Express your Freedom location where for example South Africans can contribute to graffiti boards, a collection of which will be on display during the official ceremony marking the anniversary of freedom, on 27th April 2014.

In launching the countdown clock campaign in October 2013, Minister Paul Mashatile said: "I call on all South Africans, to come together and participate in activities that promote a common South African consciousness."

"This is not a government campaign but a coming together of South Africans from different walks of life, united in our effort to deepen national pride and celebrate all that is good about our country."

The countdown campaign is just one activity aimed at mobilising South Africans behind the 20 years of freedom celebrations. Freedom Friday is another; this campaign was launched last year, in partnership with Lead SA, Government Communications and Information System (GCIS), Proudly SA and Brand South Africa.

Freedom Friday encourages the nation to celebrate 'South Africanness' by wearing whatever makes them proud to be South African. It could be a sports jersey, traditional dress or casual suit. - SANews.gov.za

REPORTED BY JANE PERKINS  
11 Feb 2014 0:2

## Awards recognise the top business achiever

BY NABILAH FREEDRICKS

25 top award-winning South African business leaders were honoured at the 2014 Business Awards ceremony, which was held at the Sandton Convention Centre on Tuesday night.

The awards, held in South Africa, were presented by the Department of Trade and Industry, the Proudly South African and Brand South Africa organisations, the Department of Economic Development, Labour and Consumer Affairs and the Department of Small Business Development.

The award ceremony was held at the Sandton Convention Centre on Tuesday night. The awards were presented by the Department of Trade and Industry, the Proudly South African and Brand South Africa organisations, the Department of Economic Development, Labour and Consumer Affairs and the Department of Small Business Development.

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Lincoln (left) presents award to Sandton Convention Centre CEO Conrad Boushous. Other award winners are also present.



Lincoln (left) presents award to Sandton Convention Centre CEO Conrad Boushous.



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## 6.5.5. Events: PR/Media Highlights

### 2nd ANNUAL PROUDLY SA BUY LOCAL SUMMIT & EXPO

The annual Proudly South African Buy Local Summit & Expo (which focuses on issues around local procurement) was held at Emperor's Palace in Ekurhuleni on 10 February 2014. The theme for this year's Summit was "Buy Local, Make it Your Business".

The event was broadcast live on eTV Sunrise, during which time interviews were conducted with the following: Minister of Trade and Industry, Dr Rob Davies; Proudly SA's CEO, Adv. Leslie Sedibe; Absa (sponsor) officials; Proudly SA's Executive Manager of Marketing, Dalene du Preez; and exhibitors/members of Proudly SA.

Kaya FM was the official radio broadcast sponsor and the 180 with Bob prime time morning breakfast program was also broadcast live from the event. Again the Minister, Proudly SA CEO and various member companies/exhibitors were interviewed live from the event.

The Summit & Expo was officially opened by Minister Davies and media coverage was widespread. The event was covered on television (including SABC TV News and Business Day TV), various radio stations, newspapers and online news sites. Delegates included government leaders, business leaders, captains of industry, small business owners and entrepreneurs.

**The PR/Editorial value obtained for this event amounted to R 11 188 911-00.**

### SA PREMIER BUSINESS AWARDS

The recipients of the 2nd Annual SA Premier Business Awards – the country's top business awards – were announced in Sandton, Gauteng, on Wednesday, 19 March 2013.

Hosted by the Department of Trade and Industry, Proudly South African and Brand SA, the Awards recognize business excellence and honour enterprises which promote the spirit of success and innovation – as well as job creation, good business ethics and quality. President Jacob Zuma gave the keynote address at the Awards. Media organisations, journalists and reporters attended in their numbers.

The event received coverage on various radio, TV and online news sites - as well as in newspapers and magazines. Platforms included Finweek, Engineering News, Polity, Business Report and SA gov Online, to name a few.

**The PR/Editorial value obtained for this event amounted to R 8 018 034-00.**

### FREEDOM FRIDAYS CAMPAIGN

Arts and Culture Minister, Paul Mashatile, called on all South Africans to unite in building and taking the country forward. He was speaking in late 2013 at the launch of the countdown clocks which marked the time left till South Africa's 20th anniversary of freedom and democracy. The launch of the countdown clocks, which formed part of the Freedom Fridays Campaign, took place at Maponya Mall in Soweto on 25 October 2013. Countdown clocks were mounted at 30 different public spaces across the country.

The Freedom Friday Campaign aimed to promote social cohesion and a national identity that is representative of South Africa's rich and diverse cultures. Partners to the Campaign included the Department of Arts & Culture, Proudly SA, Lead SA, the GCIS and Brand SA. Various events included mall visits, Freedom Fridays Celebrations in Soweto and at the annual Rand Show and events at the GCIS. There was extensive media coverage around the Campaign and the events.

### PRETORIA NEWS COLUMNS

The CEO continues to maintain his regular column in the Pretoria News.

The same column is also used in The Star Africa Edition and on iol from time to time. This provides an opportunity for the CEO to regularly communicate the Proudly SA ethos and messaging to the public through the media.

The CEO also continues to do regular media interviews (radio, television and print) with regard to issues including local procurement, economic issues and issues around social cohesion, national pride and patriotism - as well as current affairs issues.



Donald Trump

# Don't worry, SA always has trump card

Open letter to Donald J Trump from Advocate Leslie Sedibe

Dear Mr Trump

ON DECEMBER 14, as South Africa observed 10 days of mourning after the death of Nelson Mandela, you tweeted to the world: "I really like Nelson Mandela but South Africa is a crime ridden mess that is just waiting to explode – not a good situation for the people."

Many tweets followed in response to your comment, and I wish to share the following with you about South Africa and the people of South Africa.

Nelson Mandela's death – and the subsequent period of national mourning – will forever remain one of the most poignant moments in our country's history. For millions of South Africans, December 2013 will be etched in our memories as a most painful time when we were forced to let go and bid farewell to a man who became the glue that bound this nation together – the same nation which once stood so divided and fractured because of the inhumane, immoral and evil system of apartheid.

We all dreaded the day Tata Madiba would pass away because of the love and deep-rooted respect we felt for this remarkable human being. Who could not have loved a man who sacrificed so much for the sake of his people, for the sake of humanity and even for the sake

# Unleashing the latent power in our pockets

Buying local helps create jobs and turns tide against poverty



LESLIE SEDIBE

children's future security and sustainability. It's neither difficult nor impossible for ordinary South Africans to help meet the tide on unemployment, poverty and inequality.

There are dozens of ways in which people can play a part in building South Africa – let us not leave our acts of kindness and generosity exclusively for Mandela Day.

The impact would be astounding if we collectively and regularly contributed towards "Mandela Day activities".

As the chief executive of the national "Buy Local" campaign, it would be remiss for me not to mention what we can do to make a tangible difference as consumers when we purchase products and services on behalf of our households, businesses or country.

As a shopper, procurement officer, chief financial officer or chief executive, we have power in our pockets.

official unemployment rate has averaged 25 percent and there are thousands of new jobseekers every year.

Our economy needs to grow by about 3.4 percent annually for us to reach the government's National Development Plan goal of 11 percent unemployment by 2020 and 6 percent by 2030.

The National Treasury however, expects growth to slow to 2.1 percent this year.

We face quite a predicament, but it is not irreversible problem. Trade and Industry Minister Fikile Dabane recently launched the Buy Back SA advertising campaign as part of his department's efforts to support Proudly SA and the manufacturing sector's efforts to create and preserve jobs through Buy Local activism.

Pharwah and actor Dr John Kani says

# Our turn to fan the flames of ubuntu

Let's keep Madiba legacy alive by serving humanity, blessing others



LESLIE SEDIBE

AS MANDIBA'S death has catalysed growth and economic expansion, it is a time to reflect on our nation's progress and to recommit ourselves to the values that have brought us to this point. It is a time to fan the flames of ubuntu, the spirit of humanity, and to ensure that the legacy of Nelson Mandela lives on in our hearts and minds.

Let's keep the spirit of ubuntu alive by serving humanity, blessing others. Let's ensure that the legacy of Nelson Mandela lives on in our hearts and minds.

Let's ensure that the legacy of Nelson Mandela lives on in our hearts and minds. Let's ensure that the legacy of Nelson Mandela lives on in our hearts and minds.

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Let's ensure that the legacy of Nelson Mandela lives on in our hearts and minds. Let's ensure that the legacy of Nelson Mandela lives on in our hearts and minds.



Fikile Dabane

# Blowing our own trumpet

SA has so much to celebrate instead of whining, writes Leslie Sedibe

It is a time to fan the flames of ubuntu, the spirit of humanity, and to ensure that the legacy of Nelson Mandela lives on in our hearts and minds. Let's ensure that the legacy of Nelson Mandela lives on in our hearts and minds.



## 6.5.6. PARTNERSHIPS

### DTI & BRAND SA

Proudly SA continues to partner with **the dti** and Brand SA for the annual SA Premier Business Awards, recognizing business excellence and honoring enterprises which promote the spirit of success and innovation – as well as job creation, good business ethics and quality.

Proudly SA also continues to work closely with **the dti** on other activities, including the Department's "Taking **the dti** to the People" campaign, among others.

### DEPARTMENT OF ARTS AND CULTURE

Proudly SA has established a good working relationship with the Department of Arts & Culture, especially with regard to the celebrations around 20 Years of Freedom and Democracy.

Part of this partnership included working together on the Freedom Fridays Campaign, which involved the launch of "countdown clocks" at various malls around the country; Twitter campaigns; press releases and talks – among others – in an effort to promote national pride, patriotism and social cohesion as the country celebrated 20 Years of Freedom and Democracy. The activities have enjoyed widespread media coverage.

### GCIS

Proudly SA has forged good working ties with the GCIS (Government Communication and Information System) with a view to mutual co-operation and assisting with spreading common messaging with regard to various issues in the country.

During the period under review, Proudly SA took part in a GCIS event where high profile South Africans took part in panel discussions around themes including "SA Has a Good Story to Tell".

The working co-operation between the GCIS and Proudly SA is ongoing and includes quarterly meetings between the two organisations.

### OPERATION KHANYISA

Proudly SA continues to act as a partner to Operation Khanyisa, a national partnership campaign that promotes the legal, safe and efficient use of electricity in South Africa.

Operation Khanyisa forms part of Eskom's Energy Losses Management Programme (ELP) that was established in 2006 to deal with energy loss. Various stakeholders, including businesses, Eskom, the government, civil society, the media and the general public have partnered in driving this important initiative.

### LEAD SA

Proudly SA regularly partners with Lead SA on projects, activations and campaigns relating to the promotion of active citizenship, national pride, patriotism and social cohesion – activities which enjoy widespread media coverage.

### PRETORIA NEWS

The CEO for Proudly SA continues to maintain his regular column in the Pretoria News.

The same column is also used in The Star Africa Edition and on iol from time to time. This provides an opportunity for the CEO to regularly communicate the Proudly SA ethos and messaging to the public through the media.

### KAYA FM

Proudly SA continues its good working relationship and partnership with Kaya FM, a registered member of Proudly SA. During the period under review, Kaya FM was the official radio partner of the Buy Local Summit & Expo and the radio station broadcast live from the event.

### eTV Sunrise

Proudly SA also continues to enjoy a good working relationship with eTV Sunrise. The programme broadcast live from the annual Proudly SA Buy Local Summit & Expo and provided an excellent ROI by extending its broadcast of the event and conducting extra interviews with Proudly SA, **the dti** and member companies on the day.



## BOLAND PULP Eat Well Eat Safe Eat Local

The Minister of Trade and Industry, Dr Rob Davies, says South Africans need to make it a habit to buy and eat local foods.

He was speaking at the launch of the Eat Well Eat Safe Eat Local campaign at Maponya Mall, Soweto, in April.

Davies said in an attempt to make sure that most of people eat nutritious food, the government has introduced regulations that will see to it that maize meal, is fortified. "With the new regulations, by 2016, it will be a necessity for all manufacturers to reduce salt in processed foods."

According to Davies, South African manufactured or packed products should have a Proudly South African label

with the numbers 600 are made in South Africa and are likely to be nutritional. South Africans should look out for these products when buying food," added Davies.

The SA Fruit and Vegetable Canners Association's Jill Atwood said the association is 100% behind the Eat Well Eat Safe Eat Local campaign.

It is also supported by veteran business leader Richard Maponya. "I fully support the campaign, and encourage all South Africans, young and old to start eating nutritious food and taking care of themselves. I am still strong because I eat healthy and South Africans should do the same."

The event also marked the launch of Boland Pulp's Pure range of products.

CAPE TIMES (Second Edition)  
20 Nov 2013, p.6

## 'Buy SA Back' campaign

South Africans must be encouraged to buy local products. Trade and Industry Minister Rob Davies said yesterday. "It's significant in terms of job creation, revenue and service delivery," he said. The launch of the "Buy SA Back" campaign in Sandton, Johannesburg. "We are running with the initial phase (of the campaign) before the festive season, because it is important to buy local. The campaign was an initiative of the department, the Manufacturing Circle and Proudly South African."

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# Poverty alleviation requires a collective effort

Companies continue to import products that could be made locally. South Africa has become an import economy while raw materials remain a key export.

Even food production that was once an economic pillar is being imported. This must change if we want to create work.

Since commerce is driven by profit, it operates where profits exist, thus job creation is a result of business and not necessarily its agenda.

It is therefore important that locals support commerce that has a long-term benefit for our society.

Imported products support job creation outside of South Africa and contribute to local job loss.

That local political and business leaders

Furthermore, building a durable economy with millions of economic migrants within our borders is a challenge.

The value of local labour is undermined because desperate foreigners are cheaper to employ.

So, when unskilled, cheap migrant labour remains within our borders, they also burden the limited supply of water, electricity, municipal and hospital services available to locals.

The burden on the ratepayer increases as the economic refugee makes an impact on the progress of infrastructure.

Those who live in comfort must assist the less fortunate trapped in poverty by creating local jobs. I suggest locals continue to support businesses which have our shared long

# Davies encourages SA to buy local products

SOUTH Africans should be encouraged to buy local products, Trade and Industry Minister Rob Davies said yesterday.

"South African manufacturers are known for manufacturing goods of high quality at a good price and we... encourage people to buy those

we want to try to impress on consumers and stakeholders... importance of buying locally manufactured goods."

Buy SA Back was an initiative of the department, the Manufacturing Circle, and Proudly South Africa. The tag line for the campaign v

# Local expo shows the lekker in SA



Most businesses start small but with discipline and skill, they can grow into something greater than their humble beginnings.

# Celebrate the milestones of freedom

**P**ROUDLY South African recently partnered with Lead SA on the launch of "Freedom Fridays", a campaign that ultimately aims to promote social cohesion and a national identity that represents our country's rich and diverse cultures.



Leslie Sedibe

The campaign - launched in partnership with the Department of Arts and Culture, the Government Communication and Information System and Lead SA - started on September 20 and will continue until the end of December 2014.

To galvanise collective ownership of South Africa's 20 years of democracy and freedom in April next year, Freedom Fridays encourages citizens to celebrate our milestones and wear any clothing that expresses why we are proudly South African.

The response following the launch of the campaign has been overwhelmingly positive, although the newspapers will always raise their voices and question the relevance of such efforts to drive national pride and promote optimism across the nation.

I believe it's time we delved into the depths of our memories as a nation over the past 20 years. Let's take stock of how far we have come as a nation since 1994 and recall the times we loved ourselves enough to acknowledge our own achieve-

ments and stand tall and united - tall enough for the entire world to see a South Africa "alive with possibility".

As a nation, we have made huge strides and enjoyed major successes since the first and exposed elections on April 27, 1994. On that day, almost 20 years ago, a positive and palpable energy engulfed most communities as millions of people queued to cast their votes for the very first time.

By making their mark on those ballot papers, millions of South Africans also symbolically claimed back their right to basic human dignity and embarked on a new journey of hope for a better life.

Indeed, the South African story will forever be remembered as a miracle story chapter after chapter revealing details of a broken nation which chose the path of forgiveness, reconciliation and hope as opposed to hatred, revenge and hopelessness.

Many South Africans have engaged in back-breaking hard work over the past 20 years to make the country grow and prosper.

From boardrooms, classrooms and sports fields to shops, factories and building sites.

As we enter into a new chapter of South African history let's remember that we are ultimately the authors of our own fate. We can choose to wallow in the sea of negativity and despair, "everything that is wrong" in South Africa, or we can acknowledge the problems we face and do whatever we can in our own spheres of influence to make a positive difference.

We should reflect on South Africa's achievements as a stable democracy over the past 20 years. In the end, it's about having a balanced view; we cannot afford to be overly positive or overwhelmingly negative.

I recently read a book called *The Long View*, written by economic analyst JD Landman. His views are unreservedly positive and optimistic as he focuses on the "trend lines" and not solely the "headlines". While he acknowledges the challenges we face as a nation, he also highlights the many positives.

The facts and figures Landman presents defuse the overwhelmingly negative notions we hear of almost daily. In fact, the economic scenario which he paints of the future South Africa is refreshingly hopeful.

I believe there's a lesson to be learnt. We decide whether our theories or beliefs about South Africa are filled with hope or hopelessness.

ness. I am not proposing that we view our country through rose-tinted glasses, or that we drown ourselves in the sea of negativity.

A recent study published in the medical journal *Circulation: Cardiovascular Quality and Outcomes*, concludes that a positive attitude "heals the heart". According to researchers, "heart disease patients with an upbeat outlook are likely to live longer than those with a negative attitude".

In brief, the study found that the death rate for those with the most positive attitude was 23 percent lower than for those with a negative attitude. Positive mood and exercise were also linked to a reduced risk of heart-related hospitalisations.

In essence, I believe the study also speaks in truths in a figurative sense: negativity breeds failure while a positive attitude breeds hope. Goals are more easily met when there is a positive attitude.

As South Africans living in a stable democracy, we can and must develop a better outlook for the future of this country for the sake of future generations.

There is no shame in celebrating our own successes over the past 20 years - and there's certainly no shame in being optimistic about the future.

Leslie Sedibe is chief executive of Proudly South Africa.

and the impact purchases on the local manufacturing sector.

"Local procurement has been recognised as a key driver for economic growth and job creation by the government, business, labour unions and community constituencies," said Davies.

The summit also served as a platform for the government and business to report back on local procurement and the impact it has

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*Photograph courtesy of South African Tourism*





The image features a solid yellow background with a faint grid pattern. A dark grey arrow points from the left edge towards the center, containing the text '7. CORPORATE GOVERNANCE' in white, bold, uppercase letters. The background is decorated with several clusters of semi-transparent, overlapping squares of varying sizes, some of which are arranged in grid patterns, creating a digital or data-like aesthetic.

## 7. CORPORATE GOVERNANCE

## 7.1 LEGISLATIVE & GOVERNANCE FRAMEWORK

In addition to the provisions of the Companies Act 71 of 2008, Proudly South African is regulated in terms of its Memorandum of Incorporation and the provisions of the Shareholder Compact, the Public Finance Management Act, 1999 (Act No. 1 of 1999) (“PFMA”) and the National Treasury Regulations, King Code on Governance Principles (King III Report) and all other applicable laws of the Republic of South Africa.

### 7.1.1. Governance

**King Report on Corporate Governance for South Africa (“King III”) and the Protocol on Corporate Governance in the Public Sector (“Protocol”)**

King III sets out guidelines for the practice of good corporate governance for South African companies, embraced by the accompanying Code of Corporate Practices and Conduct (“King Code”). The King Code, inter alia, represents best practice in terms of governance framework within Proudly SA.

The directors of Proudly SA regard corporate governance as key and fundamental to the attainment of the strategic objectives of the organization. Proudly SA is an NPO which is funded through the National Revenue Fund, via the Department of Trade and Industry. Section 4(3) (b) of the Public Audit Act No. 25 of 2004, stipulates that: “The Auditor General may audit and report on the accounts, financial statements and financial management of..... any other institution funded from the National Revenue Fund”.

Notwithstanding the fact that Proudly SA is not a PFMA listed entity, the Board sought external legal advice regarding the applicability of the Public Finance Management Act (“PFMA”) to Proudly SA. The recommendation obtained through the legal opinion was that in as much as Proudly SA is not a PFMA listed entity, it would make for good corporate governance for Proudly SA to subscribe and comply with the spirit, purport and object of the PFMA, as it enlists transparency,

sound management and accountability. It was therefore decided that Proudly SA would migrate towards complying with the requirements set out in the PFMA, which are applicable to public entities.

### 7.1.2. Board’s mandate and corporate goals

The Board of Proudly SA is responsible for ensuring that the mandate of the Campaign is achieved. In this regard, the Board has adopted a number of programs including the creation of a financially sound Campaign built on a sustainable business model - and ensures that its assets are used in an effective and efficient way in line with the requirements of key legislation to which Proudly South African is subject. This includes the establishment of a procurement policy that complies with the Constitution of the Republic 1996 (Act No. 108 of 1996), the PFMA, Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and promotes ownership and the participation of youth, women and persons with disabilities and all classes of Historically Disadvantaged Individuals.

### 7.1.3. The role of the Board

The Board exercises leadership, integrity and judgment in directing the Campaign so as to achieve the goals of the Campaign and the objectives as set out in the founding documents of the Campaign. In this regard, the Board determines Proudly South African’s purpose and values and sets the strategic direction of the Campaign, having regard to the objectives prescribed in the legislative and governance framework within which Proudly South African exists. Furthermore, at least once in each financial year, the Board oversees the development of, and approves, a budget to facilitate delivery of the approved strategy.

The Board also monitors the Management’s implementation of the business and operational plans and agreed



financial objectives on an on-going basis during each financial year. The Board also defines levels of materiality and relevance appropriate to the business of the Campaign, delegates appropriate authority for the running of the day-to-day business of the Campaign to management in a written Schedule of Delegated Authorities which will be reviewed from time to time and continually monitors the exercise of such delegated authority by management.

In order to facilitate its work, the Board has established the following Board Committees:

- Audit and Risk Committee
- Remunerations Committee
- Finance and Procurement Committee
- Social and Ethics Committee
- Marketing, Communications and Membership Committee

#### **7.1.4. General principles of the Terms of Reference for Board Committees**

As general principles:

- 7.1.4.1. Board Committees have no executive authority unless otherwise specifically resolved by the Board in respect of particular issues within a Committee's remit. Board Committees must discuss any matter referred to it and must present its recommendations to the Board for resolution.
- 7.1.4.2. Board Committees observe the same rules of conduct and procedures as the Board, unless the Board specifically determines otherwise in the Committee's terms of reference.
- 7.1.4.3. No non-executive director of the Board may serve on more than two (2) Board Committees and Board Committees will consist of a maximum of four (4) non executive Board members, excluding invitees.
- 7.1.4.4. Board Committees are constituted having regard to the skills, expertise and experience of members apropos the respective Committees' mandates. Where appropriate or necessary, independent external professionals with relevant skills and expertise may be co-opted as

permanent members of the Committees to assist or bolster the Committees where there is a shortage of such skills or expertise. Such co-opted professionals must have the status of invitees to the Committee, will not form part of the quorum for meetings and will have no voting rights.

7.1.4.5. Board Committees are entitled to seek independent professional guidance and advice at the cost of the Campaign where the Committee deems it appropriate for the proper discharge of its mandate.

7.1.4.6. A formal report back, either orally or in writing, is provided by the Chairman of each Committee to all Board meetings following the Committee meetings to keep the Board informed and to enable the Board to monitor the Committee's effectiveness.

7.1.4.7. A member of a Board Committee ceases to hold office as such immediately when he becomes Ineligible or Disqualified in terms of the Companies Act.

7.1.4.8. Committees of the Board may consult with or receive advice from any Person.

#### **7.1.5. General principles of delegation of authority**

The Board has the power to delegate to any specific person or Committee any of its powers and discretions and to grant to such person or Committee general or specific powers of sub-delegation. Such delegation is subject to the limitations and conditions imposed by the Board and do not absolve the Board of its liability and accountability for the due exercise of any authority delegated by it in terms of the PFMA.

The delegation of authority to any person or Committee does not divest the Board of that authority. Notwithstanding any delegation, the Board retains residual authority and any authority delegated by the Board in terms of the Charter, the Schedule of Delegated Authority Framework or the terms of reference in terms of which the Board Committees are constituted may be revoked at will, by resolution, at the discretion of the Board.

## 7.2 RELATIONSHIP WITH THE DTI

Proudly SA is funded by National Treasury via **the dti** and accordingly the Board regards its relationship with **the dti** as very key and strategic towards the attainment of the objectives of the Campaign.

### 7.2.1. The vision of the dti is to create:

7.2.1.1. A dynamic industrial, globally competitive South African economy, characterized by inclusive growth and development, decent employment and equity, built on the full potential of all citizens.

### 7.2.2. The mission of the dti is to:

7.2.2.1 promote structural transformation towards a dynamic industrial and globally competitive economy and which includes an emphasis on tradable, labor absorbing and diversified manufacturing growth characterized by the movement into non-traditional and tradable goods and services that compete in export markets and against imports;

7.2.2.2. provide a predictable, competitive, equitable and socially responsible environment for investment, trade and enterprise development;

7.2.2.3 broaden participation in the economy to strengthen economic development; and

7.2.2.4. continually improve the skills and capabilities of **the dti** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

### 7.2.3. The dti's key Strategic Objectives are to:

7.2.3.1. facilitate transformation of the economy to promote industrial development, diversified manufacturing growth, investment, competitiveness and employment creation;

7.2.3.2. build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives and to include regional African industrial integration and economic development;

7.2.3.3. facilitate broad-based economic participation inclusive of BBB-EE and support for women's empowerment and empowerment of disabled citizens through targeted interventions to achieve more inclusive growth;

7.2.3.4. create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and

7.2.3.5. promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.

### 7.2.4. Shareholder compact key deliverables

The Policy Objectives contained in the Annual Performance Plan for Proudly South African for the financial year 2013/14-2015/16 are as follows:

7.2.4.1. to promote the buying of locally manufactured products and services;

7.2.4.2. to roll out national campaigns to the public sector, the private sectors, workers and consumers to create awareness and build support for economy wide benefits of local procurement strategic sourcing and buying locally manufactured products;

7.2.4.3. to develop a database listing locally produced products and services; and

7.2.4.4. to provide support with regards to the roll out of the Local Procurement Accord in line with Proudly South African's mandate of local procurement, national pride and patriotism.

## **7.2.5. The roles and responsibilities of the dti.**

The dti's primary role and responsibilities will be to:

7.2.5.1. monitor the voluntary and or compulsory adherence by Proudly South African to the PFMA, Treasury Regulations, Corporate Governance Principles and the Act irrespective of whether or not such instruments are otherwise applicable to Proudly South African; and

7.2.5.2. monitor compliance of the APP to corporate governance principles and ensure that same is submitted within the date presented by the Minister and subsequently prior to the beginning of the financial year.

## **7.2.6. Proudly South African undertakes for the duration of this agreement to:**

7.2.6.1. maintain effective governance and the highest standards of ethics and will continue to subscribe to the broad principles set out in the PFMA, the Act, and the latest applicable King Report;

7.2.6.2. subscribe to the principles of good governance and reassess its systems of governance on an ongoing basis;

7.2.6.3. ensure that it maintains appropriate participative structures with representatives of its staff to ensure that its staff has an opportunity to meaningfully contribute to decision-making with respect to its administrative and managerial functions. The process shall include, but not be limited to, mechanisms for consultation and information sharing;

7.2.6.4. ensure that it has a code of ethics and code of conduct in place;

7.2.6.5. establish an Audit and Risk Management Committee to advise on the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all legal requirements and accounting standards; and

7.2.6.6. ensure that in determining the composition and functions of the Committees, Proudly South African will follow the guidelines of the King III Report on Corporate Governance as well as the prescripts of the PFMA and the Act.

## **7.3 PROUDLY SOUTH AFRICAN BOARD AND BOARD COMMITTEES REPORT**

For the year ended 31 March 2014

### **Board of Proudly South African**

The Board of Proudly South African consists of Executive and Non-Executive Directors who represent the interests of all the constituencies of NEDLAC. The majority of the representatives on the Board are Non-Executive with the CEO and CFO as the only Executive Directors.

### **Audit and Risk Committee**

The Committee assists the Board through critically evaluating the Board's financial control measures, accounting practices, information systems and audit procedures. It performs this function continuously by way of close liaison with the Executive Management and with the Board's internal and external auditors. The Audit and Risk Committee consists of three non-executive Board members plus the Chief Executive Officer and Chief Financial Officer. The Committee may involve other members of Management or external specialists in meetings for specific purposes. The authority and mandate of the Audit and Risk Committee, its duties and functions, its composition and its operations have been approved by the Board in the form of a detailed charter and Terms of Reference.

### **Risk Management**

Effective risk management is integral to the organisation's objective of consistently adding value to the



business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks.

Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures that have been developed to mitigate and manage operating risk involve segregation of duties, transaction authorisation, supervision and monitoring of financial and management reporting.

## Internal Control Systems

In order to meet its responsibility of providing reliable financial information, Proudly South African maintains financial and operational systems for internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's delegated authority, that the assets are adequately protected against material loss of unauthorised acquisition, use or disposition and that transactions are properly authorised and recorded. A three year rolling internal audit plan has been completed by our Internal Auditors to ensure that risks identified in their risk assessment are adequately covered in their audit plan.

The system includes a documented organisational structure, division of responsibility and established policies and procedures. These include the careful selection, training and development of people as well as a code of ethics - which is communicated throughout the organisation - to foster a strong ethical climate.

Proudly South African has appointed the auditors, SEMA Risk Services, to provide internal audit services. Internal auditors monitor the operation of the internal control system and report findings and recommendations to Management and the Audit Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through the Audit Committee, provides oversight of the financial reporting process and internal control systems. The Audit and Risk Committee Members are:

- Mr. Joseph Maqhekeni – Chairperson
- Mr. Dumisani Mthalani
- Mr. Guy Harris
- Adv. Leslie Sedibe - Chief Executive Officer
- Mr. Eustace Mashimbye - Chief Financial

Officer

- Internal Audit Representatives – SEMA Risk Services – Permanent Invitees
- External Auditors – SizweNtsalubaGobodo – Permanent Invitees

The Audit and Risk Committee has adopted appropriate formal terms of reference, which have been confirmed by the Board and has performed its responsibilities as set out in the terms of reference.

In performing its responsibilities the Audit and Risk Committee has reviewed the following:

1. The effectiveness of internal control systems;
2. The effectiveness of the internal audit function;
3. The risk areas of the organisation's operations to be covered by the scope of internal and external audits;
4. The adequacy, reliability and accuracy of financial information provided to management and other users of such information;
5. The accounting or auditing concerns identified as a result of the internal and external audits;
6. The organisation's compliance with legal and regulatory provisions;
7. The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations;
8. The independence and objectivity of the external auditors; and
9. The scope and results of the external audit function and its cost-effectiveness.

The Audit and Risk Committee is also responsible for:

1. Reporting to the Board and the Auditor-General where a report implicates any members of the Board in fraud, corruption and/or gross negligence;
2. Communicating any concerns it deems necessary to the Board, the Auditor-General and if appropriate the external auditors;
3. Confirming the internal audit charter;
4. Conducting investigations within its terms of reference;
5. Concurring with the appointment and dismissal of internal audit;

6. Deciding whether or not an interim audit report should be subjected for review by the external auditors; and
7. Detailed study of the financial statements.

The Audit and Risk Committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review.

The Audit and Risk Committee considers the organisation's internal controls and systems appropriate in all material respects to:

1. Reduce the organisation's risks to an acceptable level;
2. Meet the business objectives of the organisation;
3. Ensure the organisation's assets are adequately safeguarded; and
4. Ensure that the transactions undertaken are recorded in the organisation's records.

The Audit and Risk Committee agrees that the adoption of the going concern status of Proudly South African is appropriate in preparing the annual financial statements. The Audit and Risk Committee has accordingly recommended the adoption of the annual financial statements by the Board.

## 7.4 FINANCE & PROCUREMENT COMMITTEE

The Finance and Procurement Committee provides strategic direction to the organization by ensuring proper adherence to fiscal discipline and compliance with legislation on procurement related matters.

The role of the Proudly SA Finance and Procurement Standing Committee is to:

### 7.4.1. Finance Function

- 7.4.1.1. recommend approval of budgets to the Board;

- 7.4.1.2. ensure preparation of Annual Financial Statements;

- 7.4.1.3. recommend the approval of Treasury management plans to the Board;

- 7.4.1.4. have overview over internal controls and approve related policies and procedures and systems;

- 7.4.1.5. review quarterly financial reports; and

- 7.4.1.6. play an oversight role and monitor the utilisation of funds in line with the Business Plan.

### 7.4.2. Procurement Function

- 7.4.2.1. ensure that Proudly SA's procurement policies are effective, efficient and that they are implemented and sustained;

- 7.4.2.2. recommend and approve procurement and sourcing strategies;

- 7.4.2.3. recommend the composition of Procurement Committees to the Board;

- 7.4.2.4. recommend to the Board any deviation or ratification that might be required from time to time in line with good governance;

- 7.4.2.5. recommend the appointment of any procurement structure as it deems necessary to the Board to perform a particular task; and

- 7.4.2.6. monitor the procurement spend with the set targets within the BEE Codes.

The members of the Committee are:

- Ms. Eugenia Kula-Ameyaw - Chairperson
- Mr. Clement Manoko
- Mr. Alistair Smith
- Mrs. Laura Kganyago
- Adv. Leslie Sedibe – CEO
- Mr. Eustace Mashimbye – CFO

## 7.5 MARKETING, COMMUNICATIONS AND MEMBERSHIP COMMITTEE

The primary function of this Committee is to provide strategic direction and focus on matters involving Marketing programs of the Organization and the communications plan plus build a viable value proposition for the members of the campaign. In addition to that the Committee:

- 7.5.1. considers the Marketing and Communications strategies to be developed for the campaign for recommendation to the Board;
- 7.5.2. recommends the appointment of any advertising or related agency enlisted to provide Advertising and Marketing related services to the Campaign;
- 7.5.3. monitors and ensures that the Marketing Activities as approved for implementation are implemented accordingly; and
- 7.5.4. ensures effective campaigns are carried out to ensure that the campaign can meet its objectives.

The members of the Committee are as follows:

- Mr. Guy Harris - Chairperson
- Adv. Leslie Sedibe – CEO
- Mr. Eustace Mashimbye – CFO
- Mr. Dumisani Mthalani
- Mr. Clement Manoko
- Ms. Dalene du Preez
- Ms. Gillian de Gouveia - Invitee

## 7.6 REMUNERATIONS COMMITTEE

The Committee provides strategic advice to the Board and Management on matters relating to Human Resources and Remuneration. The Committee formulates and reviews Human Resource and Remuneration policies as and when appropriate.

In addition, the Committee:

- 7.6.1. reviews and provides recommended remuneration levels (including annual salary increases) for Chief Officers and Non-Executive Directors within Proudly SA;
- 7.6.2. reviews and approves remuneration policy and salary bands for the organisation and approves annual salary increases or annual inflationary adjustments;
- 7.6.3. plays an integral part in the contingency planning of staff, the CEO and Executive Management;
- 7.6.4. ensures that Proudly SA's Human Resources strategies are implemented and sustained;
- 7.6.5. recommends the approval of related policies and procedures to the Board;
- 7.6.6. reviews and recommends the appointment of the Chief Executive Officer; and
- 7.6.7. makes recommendations to the Board for the performance bonus of the CEO and approves performance bonuses for Chief Officers and staff.

The members of the Committee are as follows:

- Mrs. Laura Kganyago - Chairperson
- Adv. Leslie Sedibe – CEO
- Mr. Eustace Mashimbye – CFO
- Mr. Bheki Ntshalintshali
- Mr. Clement Manoko - Temporary replacement
- Mr. Vusi Sithole – Permanent Invitee



## **8. AUDITED FINANCIAL STATEMENTS**

Proudly South African  
(Registration number 2001/021636/08)  
Annual Financial statements  
for the year ended 31 March 2014

The Company annual financial statements were audited in  
terms of the Companies Act 71 of 2008

The preparation of the Company annual financial statements  
was done by the Chief Financial Officer,  
E Mashimbye.

These annual financial statements were authorised by the  
Board of Directors on 28 August 2014.

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### General Information

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Company registration number	2001/021636/08
Country of incorporation and domicile	South Africa
Nature of business and principal activities	Buy Local campaign
Directors	J. Maqhekeni (Interim Chairperson)  Advocate L Sedibe (CEO) B. Ntshalintshali C. Manoko A. Smith C. Manoko L. Kganyago G. Harris E. Kula-Ameyaw G. Strachan T. Moshobane D. Mthalane
Registered office	23 Sturdee Avenue Rosebank 2196
Business address	23 Sturdee Avenue Rosebank 2196
Postal address	P O Box 1062 Saxonwold 2132
Bankers	Nedbank Rand Merchant Bank
Auditors	Nexia SAB & T Registered Auditors



## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

## Index

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

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## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

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

The directors have reviewed the company's cash flow forecast for the year to March 31, 2015 and the Medium Term Expenditure Framework (MTEF) allocation as contained in the Estimates of National Expenditure (ENE) and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 109.

The annual financial statements set out on pages 112 to 127, which have been prepared on the going concern basis, were approved and signed by:

**Mr. Joseph Maqhekeni (Interim Chairperson)**

**Advocate L Sedibe (CEO)**

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Independent Auditors' Report

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#### *To the Board of Directors of Proudly South Africa*

We have audited the annual financial statements of Proudly South Africa as set out on pages 112 to 126, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Board's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*


In our opinion, the financial statements present fairly, in all material respects, the financial position of Proudly South African as at 31 March 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

#### *Supplementary information*

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 127 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

#### *Other reports required by the Companies Act*

As part of our audit of the financial statements for the year ended 31 March 2014, we have read the Directors' Report and the Audit Committee's Report for the purposes of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

  
Nexia SAB&T  
P. Mkumbuzi  
Director  
28 August 2014

Directors: B Adam (CEO), A Aboobaker, Z Abrams, A Darmalingam, T de Kock, S Gambu, Y Hassen, N Hassim, S Ismail, B Jhetam, H Kajie, S Kleovoulou, H Makamure S Makamure, T Mayet, P Mkumbuzi, K Rama, M Sindane, Y Soma, Z Sonpra, N Soopal, M F Sulaman, I Theron, H van der Merwe, M Wessels

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

## Directors' Report

---

The directors submit their report for the year ended 31 March 2014.

### 1. Review of activities

#### Main business and operations

Proudly South African is a campaign formed by the Nedlac social partners namely, Government, organized business, organized labour and the community constituency to help sustain existing jobs and create new jobs through promoting SA companies as well as the buying of their local products and services.

There are four qualifying criteria for organisations who want to use the Proudly South African logo to identify their companies or their products, namely:

*Local content* – at least 50% of the cost of production must be incurred in South Africa and there must be “substantial transformation” of any imported materials.

*Quality* – the product or service must be of a proven high quality.

*Fair labour practice* – the company must practice fair labour standards comply with labour legislation.

*Environmental standards* – the company must practice sound environmental standards and the production process must be environmentally responsible.

The main focus as contained in the strategy of the Proudly SA campaign for the year under review, was on the implementation of its deliverables as contained in the Local Procurement Accord, which was signed on 31 October 2011 by representatives of government, organised labour, business and community organisations, wherein they all commit to supporting local industries through procurement activities in favour of local companies, manufacturing, products and services.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net deficit of the company was R1 078 023 (2013: R4 015 748).

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Medium Term Expenditure Framework (MTEF) allocation from the Department of Trade and Industry confirm allocations of R30m for the 2014/15 financial year, and increased allocations of R32, 2m and R34, 8m for the 2015/16 and 2016/17 financial years respectively. In addition to the current membership revenue model, sponsorships will continue to be pursued to increase the funding base of the organisation.



## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

## Directors' Report

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### 3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the end of the financial year. Subsequent to the end of the financial year, funds have been received from the dti, as per their allocation letter and the deficit reflected in these statements has been subsequently reversed.

### 4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Organisation	Changes
Advocate D Mpofu (Chairperson)	Independent	Resigned on 28 Nov 2013
Advocate L Sedibe (CEO)	CEO Proudly SA	
B Ntshalintshali	Labour	
J Maqhekeni	Labour	Appointed Interim Chair on 28 Nov 2013
A. Smith	Director: NEDLAC	
C. Manoko	Government	
L Kganyago	Community	
G Harris	Business	
P Ncapayi	Government	Resigned on 9 Nov 2013
G. Strachan	Government	Appointed on 9 Nov 2013
T Moshabane	Community	Appointed on 27 June 2013
L Nare	Community	Resigned on 27 June 2013
E Kula-Ameyaw	Business	
D Mthalande	Community	

### 5. Taxation

Proudly South African has been granted an exemption from income tax and donation tax by the South African Revenue Services in terms of section 10(1)(d)(iii) of the Income Tax Act and section 56(1)(h) of the Donation Tax Act.

### 6. Auditors

Nexia SAB&T were appointed as auditors for the company for the 2014 financial year.

### 7. Secretary

The company secretary is Mr. Mpho Thothela and was appointed by the board of directors.

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Statement of Financial Position

Figures in Rand	Note(s)	2014	2013
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	1 632 945	1 304 731
Intangible assets	3	6 225	22 315
		<b>1 639 170</b>	<b>1 327 046</b>
Current Assets			
Inventories	5	270 660	305 700
Trade and other receivables	6	2 072 595	396 334
Prepayments	4	14 779	94 811
Cash and cash equivalents	7	84 820	848 383
		<b>2 442 854</b>	<b>1 645 228</b>
<b>Total Assets</b>		<b>4 082 024</b>	<b>2 972 274</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		(536 881)	541 154
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	9	4 339 297	2 265 987
Provisions	8	279 608	165 133
		<b>4 618 905</b>	<b>2 143 120</b>
<b>Total Equity and Liabilities</b>		<b>4 082 024</b>	<b>2 972 274</b>

## Proudly South African

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Annual Financial Statements for the year ended 31 March 2014

### Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Revenue	10	23 981 730	26 032 587
Cost of sales	11	(17 384)	(15 038)
<b>Gross surplus</b>		<b>23 964 346</b>	<b>26 017 549</b>
Operating expenses		(25 062 281)	(30 247 793)
<b>Operating deficit</b>	12	<b>(1 097 935)</b>	<b>(4 230 244)</b>
Investment income	13	38 834	214 599
Finance costs	14	(18 922)	(103)
<b>Deficit for the year</b>		<b>(1 078 023)</b>	<b>(4 015 748)</b>
Other Comprehensive income	14	-	-
<b>Total Comprehensive loss</b>		<b>(1 078 023)</b>	<b>(4 015 748)</b>

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
<b>Balance at 01 April 2012</b>	<b>4 556 902</b>	<b>4 556 902</b>
Changes in equity		
Total deficit for the year	(4 015 748)	(4 015 748)
Total changes	(4 015 748)	(4 015 748)
<b>Balance at 01 April 2013</b>	<b>541 154</b>	<b>541 154</b>
Changes in equity		
Total deficit for the year	(1 078 023)	(1 078 023)
Total changes	(1 078 023)	(1 078 023)
<b>Balance at 31 March 2014</b>	<b>(536 881)</b>	<b>(536 869)</b>



## Proudly South African

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Annual Financial Statements for the year ended 31 March 2014

### Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Cash used in operations	16	485 691	(2 512 054)
Interest income		38 834	214 599
Finance costs		0	(103)
<b>Net cash from operating activities</b>		<b>524 525</b>	<b>(2 297 558)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1 288 088)	(55 165)
Purchase of other intangible assets	3	0	( 12 705)
<b>Net cash from investing activities</b>		<b>(1 288 088)</b>	<b>(67 870)</b>
<b>Total cash movement for the year</b>		<b>(763 563)</b>	<b>(2 365 428)</b>
Cash at the beginning of the year		848 383	3 213 810
<b>Total cash at end of the year</b>	7	<b>84 820</b>	<b>848 383</b>

## **Accounting Policies**

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### **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note 22 First-time adoption of the International Financial Reporting Standard for Small and Medium-sized Entities.

#### **1.1 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

#### **Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the company accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Impairment testing**

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

## **Accounting Policies**

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### **Provisions**

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

### **1.2 Property, plant and equipment**

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

<b>Item</b>	<b>Average useful life</b>
Plant and machinery	5 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	6 years
IT equipment	3 years
Computer software	2 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

## Accounting Policies

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### 1.3 Intangible assets

An intangible asset is recognised when:

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

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

The amortisation period and the amortisation method for intangible assets are reviewed annually.

Item	Average useful life (years)
Computer software	3

### 1.4 Financial instruments

#### Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognized.

#### Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

#### Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

### 1.5 Leases

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



## **Accounting Policies**

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### **Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.

### **1.6 Inventories**

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

### **1.7 Impairment of assets**

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for 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.

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

### **1.8 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### **1.9 Employee benefits**

#### **Short-term employee benefits**

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

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

## Accounting Policies

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### 1.10 Provisions and contingencies

Provisions are recognised when:

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

Contingent assets and contingent liabilities are not recognised.

### 1.11 Government grants

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

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

Grants received before the revenue recognition criteria are satisfied are recognised as a liability. Grants are measured at the fair value of the asset received or receivable.

### 1.12 Revenue

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

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

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

## **Accounting Policies**

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### **1.13 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **1.14 Trade exchanges**

Trade exchanges are valued at market value and recorded as income with the corresponding amount reflected as a receivable. The receivable is reduced as and when the exchanged service or goods are utilised.

### **1.14 Related Parties**

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the entity any one or more related parties, and those transactions were not within:

- a) normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and
- b) terms and conditions within the normal operating parameters established by the reporting entity's legal mandate;

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

## Notes to the Annual Financial Statements

Figures in Rand 2014      2013

### 2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	862 254	(478 709)	383 545	619 165	(418 640)	200 525
Office equipment	112 542	(58 336)	54 206	102 042	(40 981)	61 061
IT equipment	728 642	(473 620)	255 022	719 036	(353 548)	365 488
Leasehold improvements	1 024 671	(92 997)	931 674	898 824	(231 368)	667 456
Cell phones	6 800	(6 800)	-	6 800	(6 800)	-
Sundry equipment	18 277	(9 779)	8 498	17 752	(7 551)	10 201
<b>Total</b>	<b>2 752 661</b>	<b>(1 120 241)</b>	<b>1 632 945</b>	<b>2 363 619</b>	<b>(1 058 888)</b>	<b>1 304 731</b>

The Company did not pledge any item of property, plant and equipment as security for borrowings during the year (2013: Rnil).

#### Reconciliation of property, plant and equipment – 2014

	Opening Balance	Disposal	Additions	Depreciation	Total
Furniture and fixtures	200 525		242 787	(59 767)	383 545
Office equipment	61 061		10 500	(17 355)	54 206
IT equipment	365 489		9 605	(120 073)	255 022
Leasehold improvements	667 456	(626 795)	1 024 671	(133 658)	931 674
Cell phones	-		-		-
Sundry equipment	10 200		525	(2 227)	8 498
	<b>1 304 731</b>	<b>(626 795)</b>	<b>1 288</b>	<b>(333 080)</b>	<b>1 632 945</b>

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#### Reconciliation of property, plant and equipment – 2013

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	271 833	7 400	(78 709)	200 525
Office equipment	73 395	3 771	(16 106)	61 061
IT equipment	451 415	39 347	(125 273)	365 489
Leasehold improvements	789 439	-	(121 983)	667 456
Cell phones	-	-		-
Sundry equipment	7 827	4 647	(2 274)	10 200
	<b>1 593 909</b>	<b>55 165</b>	<b>(344 345)</b>	<b>1 304 731</b>

### 3. Intangible assets

	2014			2013		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortization	Carrying value
Computer software	336 616	(330 391)	6 225	336 616	(314 301)	22 315

None of the intangible assets has been pledged as security.

#### Reconciliation of intangible assets – 2014

	Opening balance	Additions	Amortisation	Total
Computer software	22 315	0	(16 090)	6 225



## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Notes to the Annual Financial Statements

Figures in Rand	2014	2013		
<b>Reconciliation of intangible assets – 2013</b>				
	<b>Opening balance</b>	<b>Additions</b>	<b>Amortisation</b>	<b>Total</b>
Computer software	27 247	12 705	(17 636)	22 315
<b>4. Prepayments</b>				
Amounts paid to suppliers			14 779	94 811
<b>5. Inventories</b>				
Promotional stock			270 660	305 700
None of the Promotional stock has been pledged as security.				
<b>6. Trade and other receivables</b>				
Trade receivables			1 374 485	46 113
Deposits			288 198	600
VAT			396 762	516 622
Staff loans			13 150	41 000
Less: accumulated impairment				(208 001)
			<b>2 072 595</b>	<b>396 334</b>
<b>7. Cash and cash equivalents</b>				
Cash and cash equivalents consist of:				
Cash on hand			2 876	6 960
Bank balances			81 944	841 423
			<b>84 820</b>	<b>848 383</b>

### 8. Provisions

#### Reconciliation of provisions – 2014

	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	165 133	126 511	(12 036)	279 608

#### Reconciliation of provisions – 2013

	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	242 066	134 080	(211 013)	165 133

Leave provision is calculated at current salary rate multiplied by number of available leave credits. There are no uncertainties envisaged that may affect the above provision.

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Notes to the Annual Financial Statements

Figures in Rand	2014	2013
<b>9. Trade and other payables</b>		
Trade payables	3 117 008	526 380
Amounts received in advance	29 053	2 210
Accrual – Straight lining of leases	4 138	29 321
Accrual - (SA Premier Business Awards)	683	1 363 426
	520	
Payroll Accruals	505 078	344 150
Unallocated deposits	500	500
	<b>4 339 297</b>	<b>2 265 987</b>
<b>10. Revenue</b>		
Sale of promotional items	34 748	21 698
Government grant - The dti	13 550 000	10 000 000
Government grant - Project based funding: The dti for SA Premier Business Awards	6 000 000	6 000 000
Government grant - Project based funding: Economic Development Department for LPA	0	8 000 000
Sponsorship	2 303 000	0
Membership fees	2 093 182	2 008 202
Sundry Income	800	2 687
	<b>23 981 730</b>	<b>26 032 587</b>
<b>11. Cost of sales</b>		
<b>Sale of goods</b>		
Promotional items	17 384	15 038
<b>12. Operating deficit</b>		
Operating deficit for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	1 023 202	705 059
Equipment		
• Contractual amounts	325 525	289 860
	<b>1 348 726</b>	<b>994 920</b>
Depreciation on property, plant and equipment	349 170	361 981
Directors' emoluments	1 892 154	2 883 193
Employee costs	11 553 545	11 410 760
<b>13. Investment revenue</b>		
<b>Interest revenue</b>		
Interest received	38 834	214 599
<b>14. Finance costs</b>		
Interest paid - other	18 922	103

## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Notes to the Annual Financial Statements

Figures in Rand	2014	2013
<b>15. Auditors' remuneration</b>		
External audit fees	278 065	261 718
Internal audit fees	538 665	242 194
External audit (SA Premier Business Awards)	30 759	0
	<b>847 489</b>	<b>503 912</b>
<b>16. Cash used in operations</b>		
Deficit before taxation	(1 078 023)	(4 015 748)
<b>Adjustments for:</b>		
Depreciation and amortisation	349 170	361 981
Impairment of Assets	626 795	
Interest received	(38 834)	(214 599)
Finance costs	0	103
Movements in provisions	114 475	(76 933)
<b>Changes in working capital:</b>		
Inventories	35 040	(55 643)
Trade and other receivables	(1 676 261)	(86 832)
Prepayments	80 032	(86 572)
Trade and other payables	2 073 297	1 662 191
	<b>485 691</b>	<b>(2 512 054)</b>
<b>17. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	229 487	229 487
- in second to fifth year inclusive	178 490	178 490
	<b>407 977</b>	<b>407 977</b>
<p>Operating lease payments represent rentals payable by the company for its leased office equipment. The escalation rates from 0% to 5%. The leases agreements do not carry option to purchase the assets at the end of lease terms.</p>		
<b>18. Contingencies</b>		
<p>An acting allowance for the former acting CEO of R 400,000 for the period March to October 2005 still requires Board approval.</p>		
<b>19. Related parties</b>		
<b>Relationships</b>		
<p>Proudly South African was a project initially launched through NEDLAC.</p>		
<b>Related party balances</b>		
Amount included in Trade Payables owing to NEDLAC	244 902	55 657
<b>Related party transactions</b>		
Rent paid to NEDLAC	55 657	656 031

## Proudly South African

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Annual Financial Statements for the year ended 31 March 2014

## Notes to the Annual Financial Statements

Figures in Rand

### 20. Directors' emoluments

#### 2014

Executive	Emoluments	Total
<b>Adv. L. Sedibe</b>		
Basic Salary	1 744 222	1 744 222
Performance Bonus	-	-
<b>Total Executive Emoluments</b>	<b>1 744 222</b>	<b>1 744 222</b>

#### Non Executive: Director's Fees

Eugenia Kula Ameyaw	21 509	21 509
Joseph Maqhekeni	32 757	32 757
Dumisani Mthalande	30 915	30 915
Laura Kganyago	23 416	23 416
Guy Harris	28 087	28 087
Bheki Ntshalintshali	3 749	3 749
Thandiwe Moshobane	7 498	7 498

**Total: Non Executive Director's Fees** 147 932 147 932

**Total Emoluments** 1 892 154 1 892 154

#### 2013

	Emoluments	Total
<b>Adv. L. Sedibe</b>		
Basic Salary	1 673 818	1 673 818
Performance Bonus	1 209 375	1 209 375
<b>Total Emoluments</b>	<b>2 883 193</b>	<b>2 883 193</b>

### 21. Risk Management

#### Bank Balances

Proudly South African funds will be invested with the objective of minimal risk within a recognised financial institution either in a business cheque account or an investment call account.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high credit standing and limits exposure to any one counter party.

#### Liquidity Risk

The company risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Interest rate risk

As the company has no significant interest-bearing assets, the companies' income and operating cash flows are substantially independent of changes in market interest rates.

### 22. First time adoption of International Financial Reporting Standards for Small and Medium-sized Entities

The company has adopted the International Financial Reporting Standards for Small and Medium-sized Entities, for the first time for the 2014 financial year end. The adoption of International Financial Reporting Standards for Small and Medium-sized Entities did not have a material effect on the financial statements.



## Proudly South African

(Registration number 2001/021636/08)

Annual Financial Statements for the year ended 31 March 2014

### Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
<b>Revenue</b>			
Sale of goods		34 748	21 698
Government grant - The dti		13 550 000	10 000 000
Government grant - Project based funding: The dti for SA Premier Business Awards		6 000 000	6 000 000
Government grant - Project based funding: Economic Development Department for LPA		0	8 000 000
Sundry Income		800	2 687
Sponsorship		2 303 000	0
Membership fees		2 093 182	2 008 202
	10	<b>23 981 730</b>	<b>26 032 587</b>
Opening stock		(305 700)	(250 057)
Purchases		52 424	(70 681)
Closing stock		270 660	305 700
	11	<b>(17 384)</b>	<b>(15 038)</b>
Gross Surplus		23 964 346	26 017 549
<b>Other income</b>			
Interest received	13	38 834	214 599
<b>Operating expenses</b>			
Advertising posts and tenders		(11 445)	(1 690)
Auditors remuneration	15	(847 489)	(503 912)
Bad debts		(5 007)	(209 511)
Bank charges		(24 324)	(27 638)
Depreciation, amortisation and impairments		(976 267)	(361 981)
Directors' emoluments		(1 892 154)	(2 883 193)
Employee costs		(11 553 545)	(11 410 760)
Fines and penalties		(148 184)	-
IT expenses		(172 370)	(185 567)
Insurance		(91 805)	(91 147)
Lease rentals on operating lease		(1 348 726)	(987 798)
Legal and professional services		(333 351)	(626 621)
Marketing expenses (with focus on LPA activities excl. Travel costs)		(779 305)	(4 637 494)
Membership costs		(4 490)	(8 968)
SA Premier Business Awards		(4 486 952)	(4 840 121)
Proudly SA Buy Local conference and expo		(1 162 589)	(1 486 689)
Photocopier costs		(23 667)	(13 148)
Postage		(49 582)	(81 698)
Printing and stationery		(176 998)	(201 010)
Proudly South African CSI activities		(9 500)	(16 914)
Repairs and maintenance		(90 688)	(76 331)
Staff training		(11 700)	(44 113)
Staff welfare		(36 337)	(132 735)
Subscriptions		(19 344)	(14 784)
Telephone and fax		(187 632)	(204 113)
Travel - local		(593 684)	(1 180 643)
Workshops and seminars		(25 146)	(19 214)
		<b>(25 062 281)</b>	<b>(30 247 793)</b>
<b>Operating deficit</b>	12	<b>(1 059 101)</b>	<b>(4 015 645)</b>
Finance costs	14	(18 922)	(103)
<b>Deficit for the year</b>		<b>(1 078 023)</b>	<b>(4 015 748)</b>



**Dr Mphahlele Mphahlele receives his Lifetime Achievement Award from President Zuma at the South African Premier Business Awards 2013/14.**



Tel: +27 (11) 327 7778  
Fax: +27 (11) 327 7459  
Email: [info@proudlysa.co.za](mailto:info@proudlysa.co.za)  
Web: [www.proudlysa.co.za](http://www.proudlysa.co.za)

 proudlysa  @proudlysa



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