

*PROUDLY*  
*SOUTH AFRICAN*   
ANNUAL REPORT 2012/2013



*The Inaugural*  
**— SA PREMIER —**  
**BUSINESS AWARDS**

2012/13



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**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

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01

# WHO ARE WE?

WHO ARE WE?

**P**roudly South African is South Africa's national buy local campaign and is committed to job creation, local procurement and promoting the interests of local companies through driving the Buy Local message. Our mandate also includes promoting national pride, patriotism and social cohesion.

First conceived at the Presidential Job Summit in 1998, Proudly SA was born out of socio-economic necessity to create jobs in South Africa, under the leadership of former President, Nelson Mandela.

Through the National Economic Development and Labour Council (NEDLAC), Proudly SA was officially launched in 2001. It is supported by Government, business, organised labour and community constituencies

The phrase "Proudly South African" and the logo are both registered trademarks that enjoy legal protection in accordance with the Merchandise Marks Act, the Trade Marks Act, Counterfeit Goods Act and the Common Law. Only companies which have complied with strict criteria may use this phrase or logo.

The Proudly South African logo indicates that the company, product and/or service - which carries the logo - has been carefully evaluated and approved and is of good quality (see 'Values' on page 6).

## 1.1 OVERVIEW

**S**outh Africa has faced numerous challenges since gaining freedom in the first ever-democratic elections in 1994. In an effort to address the challenges of poverty, unemployment and in equality South Africa's first democratically elected President, Nelson Mandela, convened the Presidential Jobs Summit in 1998. In 2001, the Proudly South African Buy Local organisation was born to address unemployment and job losses within various sectors.

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 government's plans to revive South Africa's economy, so that 5 million jobs can be created and unemployment can be decreased to 15% over the next 10 years under the New Growth Path.

There are three key pillars at the heart of the Proudly SA organisation: The Buy Local Initiative; National Pride; and Patriotism and Social Cohesion.

## 1.2 VISION

**T**o encourage the nation to make personal and organisational contributions to economic growth and prosperity in South Africa, thereby increasing employment opportunities and reinforcing national pride.

## 1.3 MISSION

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To be an economic prosperity and competitiveness driver as well as 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.

## 1.4 VALUES

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**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.

## 1.5 MANDATE

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

## 1.6 OBJECTIVE

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



**Become part of the Buy Local  
Movement! Make it your Business.  
Be Proudly South African.  
Buy Local to create jobs!**



# Ubuntu Schools Campaign Getting the show on the road

## PROUDLY SOUTH AFRICAN UBUNTU PLEDGE

### "I AM BECAUSE YOU ARE"

I pledge to uphold the constitutional values including human dignity, non-racism and non-sexism.

I hereby freely pledge to show humanity and cause no harm to others.

I affirm that I will uphold the principles of respect, honesty and integrity.

I pledge to foster an atmosphere of mutual respect both inside and outside the classroom and/or the workplace.

I will not violate the rights of others.

I pledge to uphold all standards of honourable conduct.

I acknowledge and understand that I have rights - and that with those rights, come responsibilities.

I pledge to be honest and treat others, including my colleagues and elders, with dignity, respect and courtesy.

I will not cheat, steal or attempt to deceive others.

I will do the right thing and report all wrongdoing including violence, sexual violence and bullying at school and in the community.

I will help others whenever I am able to do so.

I will work hard at school, at the workplace and at home to reach my full potential and I pledge to serve as a role model to my peers and in my community.

I will embrace courage, boldness, loyalty and honesty in all I undertake to do.

I will follow my dreams and will never give up on a bright future filled with possibilities.

I will live my life as a Proud South African and will love my country and all who live in it.

Nkosi Sikelel' iAfrika





## AFRICAN FARMERS WORKSHOP AND EXPO 2012

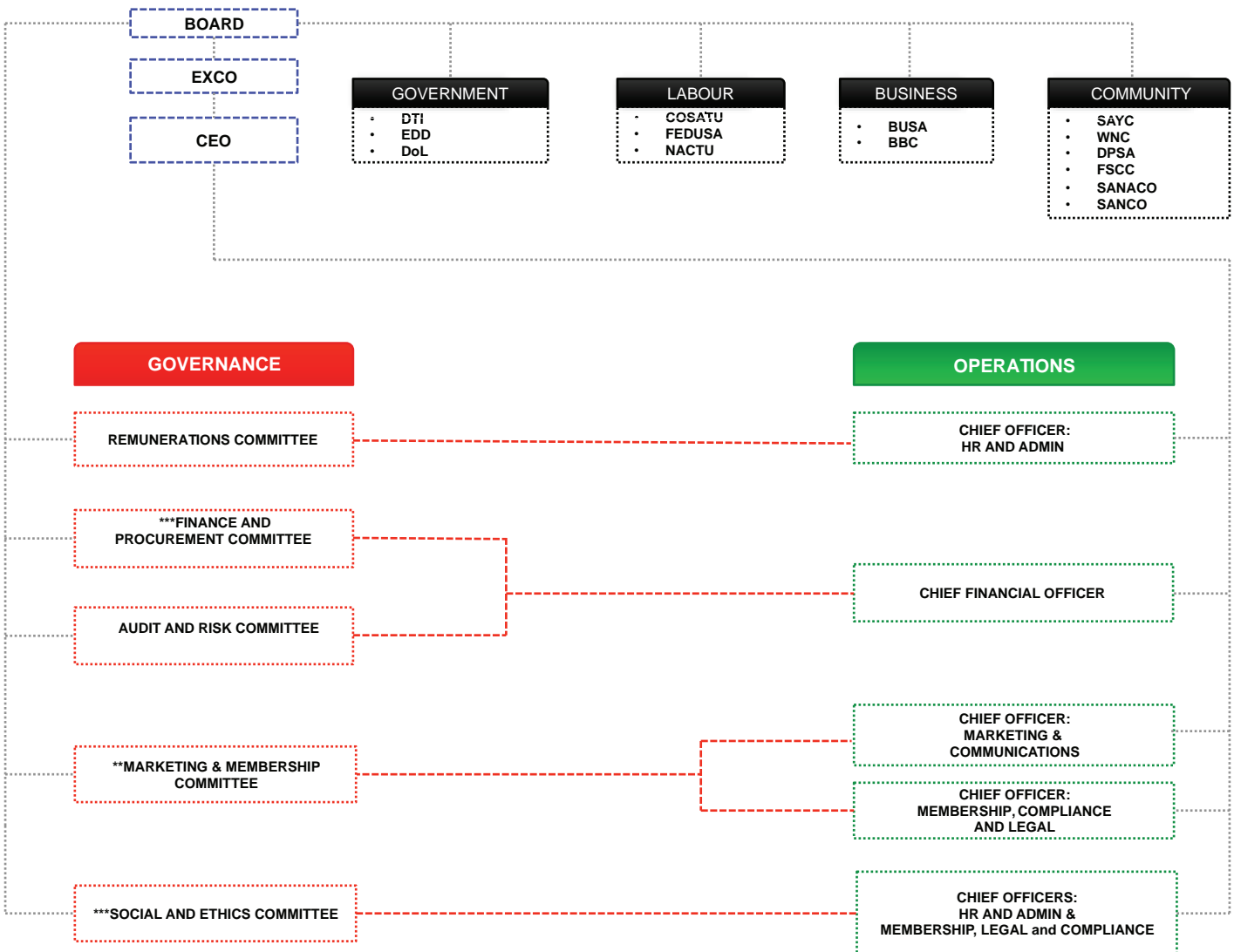


02

# ORGANOGRAM

## ORGANOGRAM

### GOVERNANCE AND OPERATIONAL SUPPORT STRUCTURE



03

# MEET THE BOARD

MEET THE BOARD



Advocate Dali Mpfu



**Position at Proudly SA: Chairman**

**Appointed to Proudly SA Board: 2006/06/27**

Advocate Mpfu 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. Apart from his illustrious law career, Adv. Mpfu also brings a wealth of experience from the ICT Sector. He 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 2008.



Advocate Leslie Sedibe



**Position at Proudly SA:  
Chief Executive Officer**

**Appointed to Proudly SA Board: 2011/09/01**

Advocate Sedibe holds a BA (Law and International Relations), LLB and Masters of Law (LLM) (Tax) from the University of the Witwatersrand.

Adv. Sedibe 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).





Mr. Allistair Smith



Position at Proudly SA: AS Executive Director of NEDLAC, Mr Smith 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. 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 organizer for the National Union of Metal Workers during 1986-1994 and was employed as a research coordinator for the COSATU Research Institute, NALEDI.



Mr. Les Kettledas



Position at Proudly SA: Represents government / Department of Labour on the Proudly SA Board and is a member of the Remunerations Committee of the Proudly SA Board.

Appointed to Proudly SA Board: 2005/11/25

International Metal Workers Federation (held at the University of West Indies, Kingston, Jamaica).

Mr Kettledas is the DDG of The Department of Labour and is responsible for Labour Policy and Industrial Relations specifically.

He joined the Department of Labour in 1994 and was appointed DDG: Labour Policy and Labour Market Programmes in March 1995. He has been representing Government in the NEDLAC MANCO and Exco that also includes coordinating Government's interaction with Social Partners at NEDLAC.

Mr. Kettledas studied Industrial Relations (UPE Center for Continuing Education, University of Port Elizabeth) and Health and Safety Instructors Course,





Ms. Pumla Ncapayi



Department: Trade and Industry  
REPUBLIC OF SOUTH AFRICA

Position at Proudly SA: Represents government / the Department of Trade and Industry (the dti) and is a member of the Audit and Risk Committee and the Social and Ethics Committee of the Proudly SA board.

Appointed to Proudly SA Board: 2011/11/01

Ms. Ncapayi holds a Bcom in Economics & Business Management, a Diploma in Trade Law and Policy as well as a Postgraduate Diploma in Business Management.

She is the DDG of Trade and Investment Promotion at the Department of Trade and Industry. She serves on the dti Executive Board and serves as a board member for various institutions. She joined the dti in 1998 where she has served in a number of portfolios, including Deputy Director for Asia.

She has also served as a Director responsible for bilateral relations with Europe.



Mr. Clement Manoko



Department: Trade and Industry  
REPUBLIC OF SOUTH AFRICA

Position at Proudly SA: Represents government / the Department of Trade and Industry (the dti) and is a member of the Membership, Marketing and Communications Committee as well as the Finance and Procurement Committee of the Proudly SA Board.

Appointed to Proudly SA Board: 2012/10/26

Mr. Manoko 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.







Mr. Veli (Bheki) Ntshalintshali



**Position at Proudly SA:**  
Represents the Labour Constituency and is a member of the Remuneration Committee of the Proudly SA Board.

**Appointed to Proudly SA Board: 2005/02/25**

Mr. Ntshalintshali 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.



Mr. Joseph Maqhekeni



**Position at Proudly SA:**  
Represents the Labour Constituency and is the 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**

Mr. Joseph Maqhekeni is currently the President of NACTU, Johannesburg and the President of SACWU. He started his career as a shop steward for the South African Chemical Workers Union and was elected as the Secretary for the Union in 1984.

He currently holds positions as the Chair for NACTU Investment Holdings, Chair for SACWU National Provident Fund and is still a shop steward for the South African Chemical Workers Union. He is also a member of the Executive Committee: NEDLAC, Workers Job Creation Trust, National Bargaining Council for Chemical Industry and several others.







Mr. Dumisani Mthlane



Position at Proudly SA:  
Represents the Community  
Constituency as the spokesperson for the  
South African National Civic  
Organisation (SANCO). He also serves on  
the Audit and Risk Committee as well as the  
Membership, Marketing and Communica-  
tions Committee of the Proudly SA Board.

Appointed to Proudly SA Board: 2005/08/05

Mr. Mthlane has vast experience in evaluation and knowledge management, monitoring and evaluation as well as capacity building experience. 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.



Ms. Laura -Joyce Kganyago

Position at Proudly SA:  
Represents the Community  
Constituency on the Proudly SA Board. She  
is also the Chairperson of the  
Remunerations Committee and a member  
of the Finance Committee of the Proudly SA  
Board.

Appointed to Proudly SA Board: 2005/02/25

Mrs Kganyago 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.

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



Ms. Lulama Nare

Position at Proudly SA:  
Represents the Community  
Constituency and is a member of the Social  
and Ethics Committee of the Proudly SA  
Board.

Appointed to Proudly SA Board: 2008/10/01

Ms. Nare holds a BA in Industrial Psychology and Education and Higher Diploma in Business Management and Education. She has also completed various programmes pertaining to gender,

community work, labour relations, political economy and HIV and AIDS.

She was an educator for eleven years. She served as the Overall Convenor in the National Economic Development Labour Council (NEDLAC) from 2008 – 2012. She also served as the Head of Department for Gender and Wellness Unit: South African Democratic Teacher Union, and currently holds a Presidential appointment as Commissioner in the Commission for Gender Equality.



Mr. Guy Harris



**Position at Proudly SA:**  
Represents the Business Constituency. A member of the Audit and Risk Committee as well as the Membership, Marketing and Communications Committee of the Proudly SA Board.

**Appointed to Proudly SA Board: 2011/06/28**

Mr. Harris holds a CTA, CA (SA), BCom Hons, AMP – UCT GSB and successfully completed the UK based CEDR’s course on Commercial Mediation.

He works part time with Bell Equipment focusing on government, industry relations and strategic and empowerment matters. He is a participant in the Manufacturing Circle. Apart from being the Regional Manager for Western, Eastern and Northern Cape for Blueprint, and Economic Dev. Consultancy, he is on the Board of the SA Bureau of Standards and Booyco Engineering. He is project team member on the National Advisory Council on Innovation’s Task Group, strengthening skills in mathematics, science and technology.



Ms. Eugenia Kula-Ameyaw



**Position at Proudly SA:**  
Represents the Business Constituency on the Proudly SA board. A member of the Finance and Procurement Committee of the Proudly SA Board.

**Appointed to Proudly SA Board: 2012/06/07**

Ms. Kula-Ameyaw 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 a Chair of BWOSA, a social enterprise with a vision which aims to empower, position and grow black women owned enterprises. 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.



Ms. Venete Klein



**Position at Proudly SA:**  
Represents the Business Constituency. A member of the Remunerations Committee of the Proudly SA Board.

**Appointed to Proudly SA Board: 2011/06/28**

Ms Klein has studied extensively overseas and is a graduate of Harvard. She holds a number of international qualifications from MIT, Insead Graduate Business School, IMD and Wits.

She was named Business Woman of the Year in 2009 and was the first South African to be invited to serve on the WTO International Policy Commission. She was also the first woman to serve as Vice Chair of the Agricultural Business Chamber and the first woman to be appointed as President of the AHI (Afrikaanse Handels Instituut / Afrikaans Chamber of Commerce) in its 66 year history. Klein has an extensive portfolio which includes Chief Executive of Kleininc Management Consultants and Director in The Institute of Directors Southern Africa.





**Advocate Dali Mpofu**

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**I**t is with great pleasure that I look back on the many successes achieved by Proudly South African during the period under review. I would like to commend the CEO, Adv. Leslie Sedibe, for his leadership and I thank the entire team for their unwavering passion, energy, creativity and commitment towards promoting an uptake of local products and services, with a view to creating and sustaining jobs in our country.

Unemployment remains a major challenge for South Africa, but this will not deter us in our nation building efforts.

The latest figures show that the unemployment rate has risen to 25,2% in the first quarter of 2013 compared to 24,9% in the last quarter of 2012.

According to Stats SA, the latest unemployment figures mean that the number of unemployed people has increased by 100-thousand. This, in turn, has brought the

total number of unemployed individuals in South Africa's working age population to 4,6 million.

We are all aware of the government's efforts to create five million jobs by 2020. However, we cannot expect the government to address this challenge on its own. As Proud South Africans it is our responsibility and indeed our duty to also roll up our sleeves and do whatever we can – in our own spheres of influence – to help create jobs.

All South Africans are encouraged to join the social cause, which is in essence what the Proudly South African Campaign is about – the "National Buy Local" Campaign. It's as simple as buying locally made products and using local service providers whenever we spend our hard earned money. When we "shop with conviction" we can all contribute towards stimulating the economy and creating new jobs.

We continue to encourage all South Africans to support Proudly SA and its drive to promote the uptake of local products and services.

I am indeed proud to report that Proudly SA has been involved in several initiatives during the period under review, such as the Ubuntu Schools' Campaign. Well known and respected South African artists and celebrities took part in the project which served to inspire, bring hope and promote national pride and social cohesion.

The team visited various schools across the country in partnership with the Department of Basic Education, among other partners. It was also an opportunity to educate South Africa's youth about the "Buy Local" message and the Proudly SA ethos. Proudly SA was also able to report back to the Department on various issues relating to the schools which were visited. We believe the school visits have been a valuable investment into the lives of South Africa's youth as well as the future of our country.

Proudly SA has continued to grow through a new phase of rejuvenation during the period under review. I believe the brand is reclaiming its rightful place in the hearts and minds of all South Africans as it continues to carry out its commendable mandate and make a marked difference in our beautiful country.

Proudly SA has, indeed, stood the test of time since it was established in 2001, supporting and assisting government in addressing the triple challenges of poverty, unemployment and inequality. This remains at the core of Proudly SA and its activities. Proudly SA is even more relevant today than it was in 2001 when the Campaign was launched, as we are working closely with Government to achieve the objectives to alleviate poverty and create a better life for all.

Become part of the change in our country - join the Buy Local Movement!

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## BE PROUDLY SOUTH AFRICAN – BUY LOCAL TO CREATE JOBS





**Advocate Leslie Sedibe**

The past year has been a remarkable one for the Proudly South African “Buy Local” organisation as it continues to grow in strength and take back its rightful place as a “household name” in South Africa.

The period under review has been one of the organisations busiest over recent years as we all strive to bring the brand back to the level where it deserves to be – as well as ensuring that the “Buy Local” message continues to reach government, business, labour, community constituencies and the South African consumer on a regular basis.

## BUY LOCAL

Through a countrywide “Buy Local” roadshow (funded by the Economic Development Department), business forums, mall activations, school visits and various partnerships Proudly South African has travelled the lengths and breadths of our beautiful country during the period under review.

The organisation has actively sought to educate all South Africans – from government level to consumer level - about the importance of supporting and buying local products and

services and the positive spin-offs for the economy of the country.

Proudly SA subsequently put together a list of the Top 10 reasons to Buy Local:

1. It contributes towards job creation;
2. It contributes towards job retention;
3. It protects the revenue base for SARS;
4. It contributes towards poverty reduction;
5. It has a positive impact on local investment;
6. It helps establish an industrial base;
7. Buying Local encourages self-reliance;
8. It encourages entrepreneurship and creativity;
9. It addresses the trade deficit account; and
10. Contributes to national pride and patriotism

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. Buy Local campaigns continue to be internationally



recognized as competitiveness drivers as well as driver, for economic growth, job creation, social change and greater overall prosperity.

Despite ongoing challenges relating to resources, Proudly South African has continued to carry out its mandate to strongly influence procurement both in the public and private sectors of our economy, to increase local production and stimulate job creation.

During the period under review, Proudly South African has dealt with a wide range of stakeholders including: The Office of the President and Deputy President; various government departments including the Department of Trade and Industry and the Economic Development Department; Brand South Africa; various South African media institutions and organisations; organised labour; business; community constituencies; schools and consumers, among others.

The relevance and the positive impact of the Proudly South African “Buy Local” organisation during the period under review is evident through, among others, the highest membership growth rate over recent years; the highest Public Relations and Media Coverage rate over recent years and positive feedback through dipstick surveys conducted countrywide among consumers during the National “Buy Local” roadshows.

## NATIONAL PRIDE AND PATRIOTISM

As part of its mandate, Proudly South African also continues to be a driving force to promote national pride, patriotism and social cohesion among the people of this 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 its people.

The Proudly South African Ubuntu Schools’ Campaign was also launched during the period under review in an effort to promote Ubuntu, national pride, patriotism, social cohesion and the “Buy Local” messaging – as well as to create a platform for troubled youths to be inspired by well-known South African role models. The Ubuntu Schools’ Campaign was officially launched on Youth Day (16 June 2012) following the brutal gang rape of a disabled teenager in Soweto, Gauteng. It was endorsed by the Department of Basic Education, the National Prosecuting Authority, the Film & Publications Board and the Princess of Africa Foundation, among others.



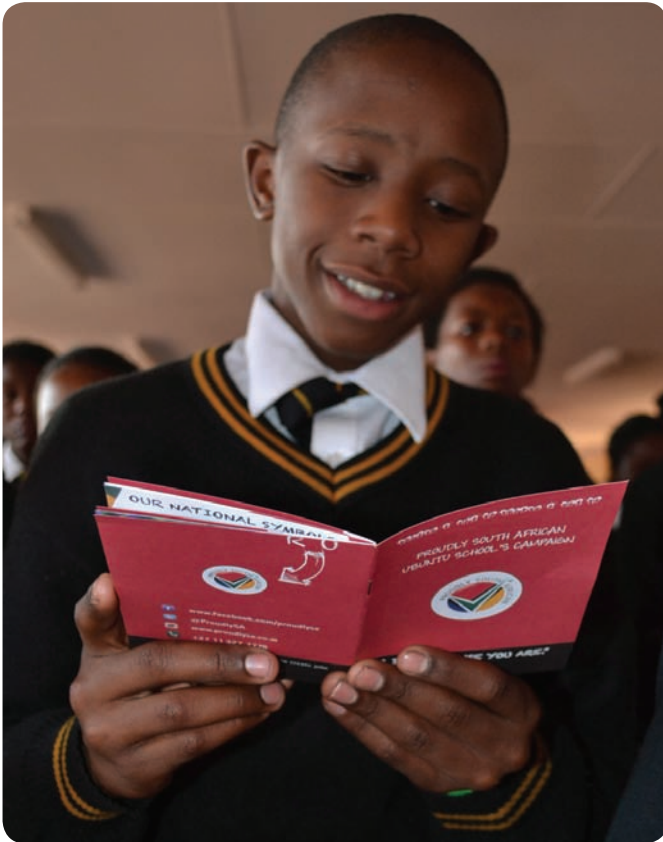
Proudly SA also launched its annual “Show Your Love for South Africa” Valentine’s drive in Johannesburg in 2012 and hosted its second successful drive on 14 February 2013 in partnership with the City of Tshwane, the Pretoria News and Jacaranda FM, among others. The annual initiative - which aims to promote social cohesion, Ubuntu and love for South Africa - is growing at a rapid pace with public demand (through social media networks) for the activation to be held in various cities across the country.

Proudly South African believes that national pride and patriotism lies at the heart of the organisation, through which consumers and procurers are encouraged to support local industries and entrepreneurs in an effort to uplift the local economy and create jobs. We also strive to educate the nation around “Labels of Origin” and the fact that locally made, Proudly South African products speak to quality, local content, environmental standards and fair labour practices. The drive will continue to establish the Proudly SA logo as the identification mark for locally produced products.

As we prepare our Annual Report for the period under review, two major tragedies at two separate clothing factories in South Asia have been dominating news headlines. More than 1100 people perished at one of the clothing factories alone and reports of inhumane working conditions and human exploitation have since emerged.

International publications questioned the “true cost of our clothing” and asked “is there blood on your shirt?” as reports stated that the workers – who produced well known clothing brands at these factories – earned a meager \$38 a month. While the cost of producing such garments in hazardous factories was paltry, the clothing was being sold for astronomical amounts abroad. Again, this must serve as a stark

reminder to South Africans that when they “Buy Local” they support fair labour practices and help create and sustain jobs locally. As South Africans, we should be proud of what our country produces. We can stand tall knowing that our money has put food on South African tables and not supported human exploitation elsewhere.



## LOCAL PROCUREMENT

As part of its commitments to the Local Procurement Accord, signed in October 2011, Proudly South African was assigned the following tasks:

- To drive a national awareness campaign on the benefits of Buying Local.
- To educate South Africans on the importance of “labels of origin” in order to promote fair and legal trade with other countries.
- To work with enforcement agencies to prevent illegal imports and dumping of unsafe products and
- To compile a database of locally produced products and services.

Proudly South African hosted the most successful “Buy Local Summit & Expo” to date, during the period under review. Officially opened by the Deputy President, Kgalema Motlanthe, the Summit and Expo brought together government Ministers and officials, business leaders, captains of industry, entrepreneurs and economic experts, among others. Topics un-

der scrutiny included the Local Procurement Accord and its progress; the Buy Local Campaign and local manufacturing, among other topics.

Proudly South African also launched its database of locally produced products and services while managing to bring together local enterprises with procurement officers from both the public and private sectors. The organisation continues to lobby for local procurement – as well as promoting its member companies’ products and services - through its ongoing business forums, SMME forums, networking forums, exhibitions, partnership formations and other activities.

## EMPOWERING EACH OTHER

All South Africans – from procurement officers to ordinary shoppers – have a role to play in growing the economy and creating jobs. The responsibility to rid South Africa of the triple challenges of poverty, inequality and unemployment cannot be left to government alone. We all need to support local entrepreneurs and industries and choose to Buy Local – lest our sustainability relies solely on imports and we become a warehouse for imported goods. We all need to become part of the “Buy Local Movement” – be Activists for Buying Local and contribute to the Social Cause to ensure that more jobs can be created and the current jobs can be retained.

## WAY FORWARD

Proudly South African remains fully committed to supporting the government’s goal to create five million jobs by 2020. We will continue to educate the public around the fundamental benefits of local procurement and lobby for procurement officers in both the public and private sectors to “Buy Local”.

We will also continue to use all our platforms (including our partnership agreements with various organisations and institutions) to promote the Buy Local message and to promote our member companies, their products and services. We are proud to report that during the period under review, several Proudly South African member companies were named as finalists and/or winners in several categories at the inaugural South African Premier Business Awards.

The entries in the inaugural SA Premier Business Awards clearly show that quality, innovation and localisation is being harnessed by local enterprises.

The Awards combine all sector specific business awards (including the Proudly South African Awards) to form the apex



business awards in the country. The Awards will be presented annually by the Department of Trade and Industry in partnership with Proudly South African and Brand SA.

Proudly South African is indeed proud to partner with the Department of Trade and Industry and Brand SA to host the SA Premier Business Awards. True to the Proudly SA ethos, we believe in recognizing and honouring those enterprises and individuals which have promoted the spirit of success and innovation, while encouraging and contributing towards job creation, quality and good business ethics.

Awarding enterprises which produce and manufacture local goods and services is also an important part of Proudly SA's mandate. These Awards also form part of that mandate, along with efforts by the dti, Brand SA and ourselves to ensure that South African enterprises adhere to the highest quality standards, that they are export ready and can compete globally.

## NATION BUILDING

The mandate of nation building remains a very difficult and challenging one, especially under the current economic climate. Again, there is a need to state that we need resources.

Proudly South African remains passionate about its mandate and is fully committed to meeting our goals. As a team, we are ready to take Proudly South African to even greater heights in the year ahead – and build on the many successes we have achieved in the period under review.

My sincere thanks and gratitude to the staff and members of the Board for their support. Without their dedication and commitment, our efforts would amount to nothing. The people of South Africa require and deserve our commitment to improve their lives. Together we can overcome challenges of poverty, inequality and growing unemployment (especially youth unemployment).

I thank you.

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





## 06

## EXECUTIVE MANAGERS

## EXECUTIVE MANAGERS

**EUSTACE MASHIMBYE:** Chief Financial Officer

Eustace 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 15 years' experience in Finance and has extensive Accounting and Financial Management experience in both the private and the public sector, having worked for Telkom, Edcon, Department of Trade and Industry and

Proudly South African for the past 7 years. 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.

**MPHO THOTHELA:** Executive Manager of Membership, Legal and Compliance

Mpho 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 South African 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.

## **DALENE DU PREEZ:** Executive Manager of Marketing and Communication

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Dalene 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.

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## **VUSI SITHOLE:** Executive Manager: HR and Administration

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Vusi 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.

Vusi Sithole 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 as a 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.

### 7.3.1. WORKFORCE PROFILE: CORE & SUPPORT FUNCTIONS AS OF APRIL 2012 TO MARCH 2013

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			04
Professionally qualified and experienced Specialists and Mid-Management						01		01			02
Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen and Superintendents	05				11	01	01				18
Semi-skilled and discretionary decision making	03				05						08
Unskilled and defined decision making					01						01
<b>TOTAL</b>	<b>12</b>				<b>17</b>	<b>02</b>	<b>01</b>	<b>02</b>			<b>34</b>



### 7.3.1.1. Core Operation Functions and Support Functions by Occupational Level

Core Operation Function positions are those that directly relate to the core business of an organization and may lead to revenue generation e.g. sales production etc. Support Function positions provide infrastructure and other enabling conditions for revenue generation e.g. human resources, corporate services etc.

#### A. Core Functions

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	01							01			02
Professionally qualified and experienced Specialists and Mid-Management					01			01			02
Technically and Academically qualified personnel Junior Management, Supervisors, Foremen and Superintendents	03				07	01	01				12
Semi-skilled and discretionary decision making	01				04						05
Unskilled and defined decision making											
<b>TOTAL</b>	<b>06</b>				<b>12</b>	<b>01</b>	<b>01</b>	<b>02</b>			<b>22</b>

#### B. Support Function.

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											
Senior Management	02										02
Professionally qualified and experienced Specialists and Mid-Management											
Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen and Superintendents	02				04						06
Semi-skilled and discretionary decision making	02				01						03
Unskilled and defined decision making					01						01
<b>TOTAL</b>	<b>06</b>				<b>06</b>						<b>12</b>

## 7.3.2. WORKFORCE MOVEMENT - APRIL 2012 - MARCH 2013

### 7.3.2.1. Recruitment

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management											
Senior Management											
Professionally qualified and experienced Specialists and Mid-Management											
Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen and Superintendents	02				03						05
Semi-skilled and discretionary decision making	01				02						03
Unskilled and defined decision making											
<b>TOTAL</b>	<b>03</b>				<b>05</b>						<b>08</b>

### 7.3.2.2. Promotions

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											
Senior Management											
Professionally qualified and experienced Specialists and Mid-Management											
Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen and Superintendents											
Semi-skilled and discretionary decision making					02						02
Unskilled and defined decision making											
<b>TOTAL</b>					<b>02</b>						<b>02</b>

### 7.3.2.3. Terminations

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											
Senior Management											
Professionally qualified and experienced Specialists and Mid-Management											
Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen and Superintendents					06			01			07
Semi-skilled and discretionary decision making					01						01
Unskilled and defined decision making											
<b>TOTAL</b>					<b>07</b>			<b>01</b>			<b>08</b>

### 7.3.3. TRAINING AND DEVELOPMENT

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

Type of Training	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
SHE REP					02						02
Minute taking	01				14	01	01				17
PMFA Supply Chain Management					01						01
Advanced Project Management					01						01
Corporate Governance	01										01
QMS Training	11				17	02	01	01			32
Project Management Training	09				17	02	01	02			31
Payroll Administration	01										01
<b>GRAND TOTAL</b>	<b>23</b>				<b>52</b>	<b>05</b>	<b>03</b>	<b>03</b>			<b>86</b>



### 7.3.4. EMPLOYMENT EQUITY GOALS & TARGETS FOR 2011/2012 (INCLUDING PEOPLE WITH DISABILITIES)

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

Occupational Levels	Male				Female				Disabled		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	01										01
Senior Management	03				01	01	01	01			07
Professionally qualified and experienced Specialists and Mid-Management	02				01	01	01				05
Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen and Superintendents	05			01	12	01			01	01	21
Semi-skilled and discretionary decision making	02				02						04
Unskilled and defined decision making					01						01
<b>GRAND TOTAL</b>	<b>13</b>			<b>01</b>	<b>17</b>	<b>03</b>	<b>02</b>	<b>01</b>	<b>01</b>	<b>01</b>	<b>39</b>

### 7.3.5. SKILLS TRANSFER PROGRAMME

In line with the organisations job creation mandate, the organisation continued with the Skills Transfer Programme. There was an uptake of 3 student Interns during the year 2012/13. A total of 2 black female graduates and 1 male intern was appointed.

### 7.3.6. QUALITY MANAGEMENT

To ensure quality output of the organisation's internal process (aimed at improved customer service to all its stakeholders) the company has ISO 9001 Quality Management System certified by SABS. The systems assists in risk management, taking corrective actions where risks occurred and continual improvement of the entire business operations.

The SABS Surveillance Re-certification Audit was conducted on 24 April 2012 and the actual Audit was conducted on 24 January 2013. The objective of such SABS audits is to verify continued compliance with the requirements of the relevant QMS standard. No non-conformities were raised, thereby achieving a clean audit.

## 7.3.7. STAFF RETENTION

7.3.7.1. A comprehensive Staff Retention strategic plan was implemented in which the following activities were undertaken during the year 2012/13:

ACTIVITY	DESCRIPTION
Mother's Day	Proudly SA Mothers were given gifts in recognition of their significant role in families and society.
Father's Day	Proudly SA Fathers were given gifts in recognition of their significant role in families and society.
Heritage Day	Heritage day was celebrated on 21 September 2012. In celebrating this day, Proudly SA staff were placed in different cultural groups according to their cultures.
Wellness Day	A Wellness Day was conducted on 5 October 2012 to positively influence all areas of the employee's life in order to improve their overall health and well-being i.e. Physical, Mental, Spiritual and Environmental.
World Aids Day	This event was conducted on 7 December 2012 in partnership with Zinto Activation Group (ZAG) to reduce the stigma and discrimination around the HIV/AIDS pandemic.
Year End Function	The Year End Function was conducted on 11 December 2012. Part of the event was to give staff gift cards as a token of appreciation for their hard work during the year 2012.

### 7.3.7.2. Staff Awards

In order to enhance productivity, in recognising exceptional performance and/or significant contributions by employees over an extended period of time, Proudly SA recognises hard-working and dedicated employees by awarding them Employee of the Month as well as Employee of the Quarter certificates and Vouchers as well as reinforcing and encouraging commitment to the organisation by awarding employees with a Long Service Award certificates.

During the year 2012/13, Staff Awards were conducted on two occasions (April 2012 and October 2012) during which the following employees were awarded:

STAFF AWARDS: APRIL 2012		
EMPLOYEE OF THE MONTH		
Month of Award	Employee	Reward
October 2011	Brian Mthembu	Certificate and Cash Voucher
October 2011	Anne Sengadi	Certificate and Cash Voucher
November 2011	Sebatso Mtshali	Certificate and Cash Voucher
December 2011	Martina Monewe and Amy Williams	Certificate and Cash Voucher
January 2012	Katlego Mosekwa	Certificate and Cash Voucher
February 2012	Mami Langa and Sabelo Zikalala	Certificate and Cash Voucher
March 2012	Lesego Mosang and Gloria Moepi	Certificate and Cash Voucher
EMPLOYEE OF THE QUARTER		
October 2011- December 2011	Amy Williams	Certificate and Cash Voucher
January 2012- March 2012	Katlego Mosekwa	Certificate and Cash Voucher

**STAFF AWARDS: OCTOBER 2012**

EMPLOYEE OF THE MONTH		
Month of Award	Employee	Reward
April 2012	Anne Sengadi	Certificate and Cash Voucher
May 2012	Jeanette Makhoba	Certificate and Cash Voucher
June 2012	Amy Williams	Certificate and Cash Voucher
July 2012	Siyabonga Zungu	Certificate and Cash Voucher
August 2012	Tanja Horn	Certificate and Cash Voucher
September 2012	Silindile Nkosi	Certificate and Cash Voucher
EMPLOYEE OF THE QUARTER		
April 2012- June 2012	Amy Williams	Certificate and Cash Voucher
April 2012- September 2012	Given Khumalo	Certificate and Cash Voucher
July 2012- September 2012	Preya Keshav	Certificate and Cash Voucher
10 YEARS LONG TERM SERVICE AWARDS		
Employee	Position	Award
Anne Sengadi	CRM Consultant	Half Gold Kruger Coin

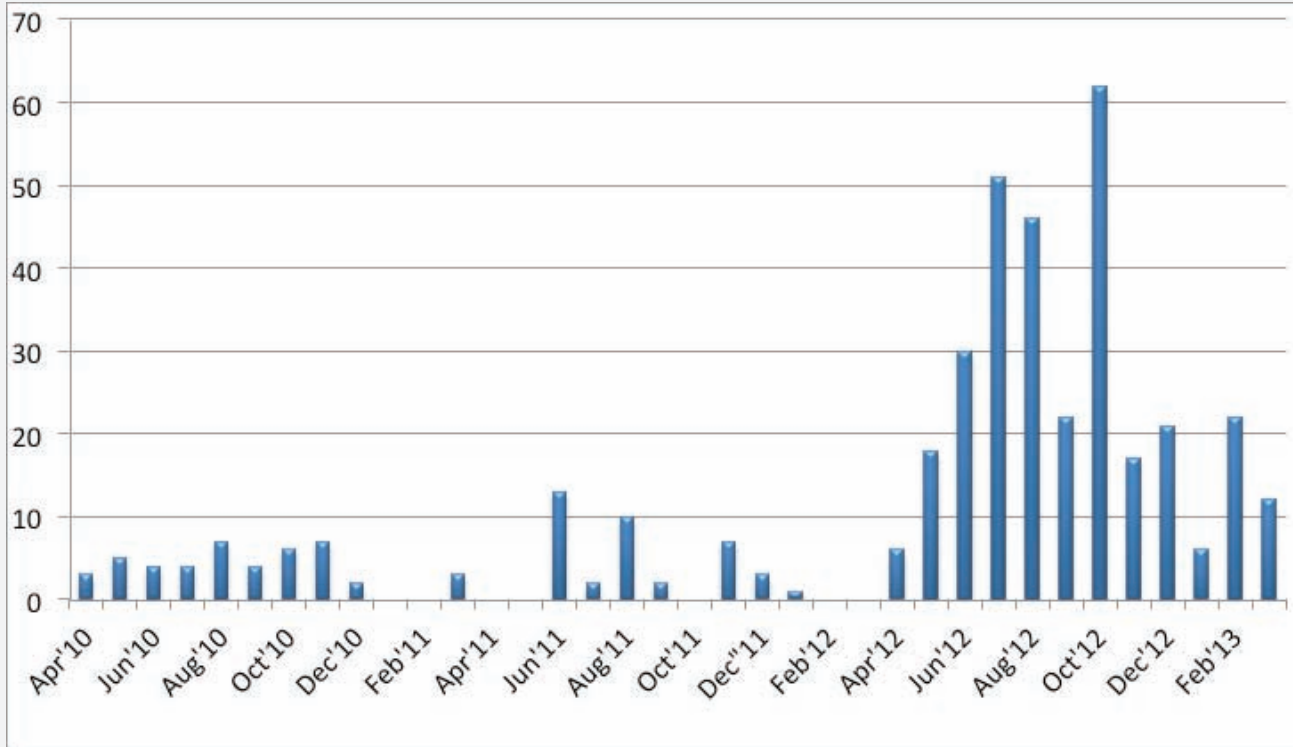
**7.3.8. PROMOTIONS AND TRANSFERS**

As part of the organisations Staff Retention Strategy, two Black Females were promoted. Seanokeng Makgala from Membership Assistant to Membership Consultant and Keleabetswe Mokgejane from Membership Intern to Membership Assistant.





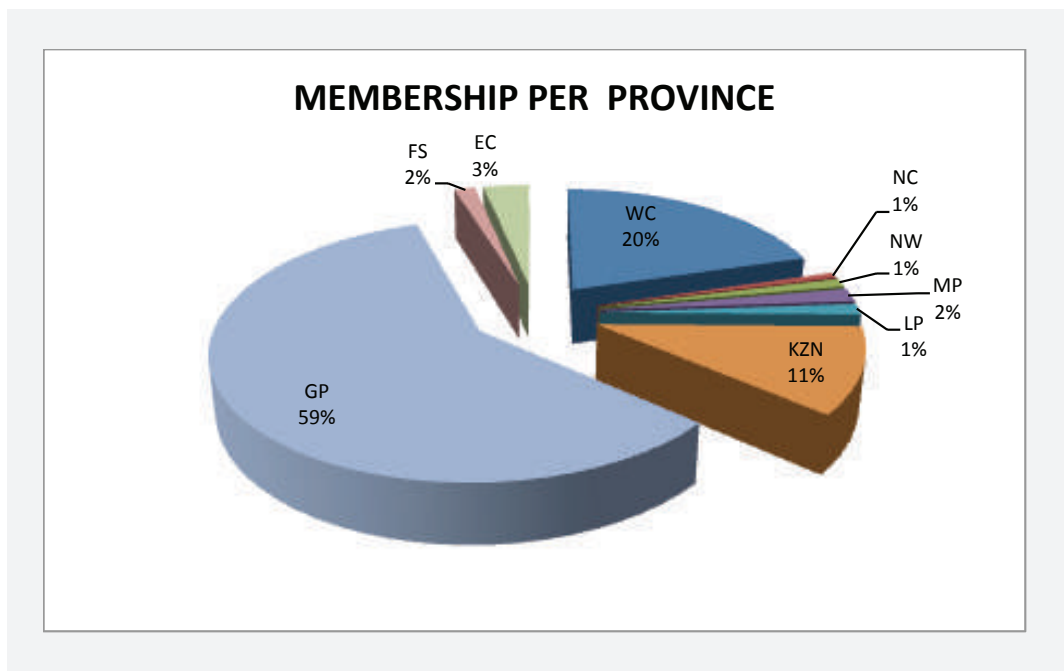




During the year under review, the Membership Department approved 313 new companies for Proudly South African membership, pushing the bar up to record level highs.

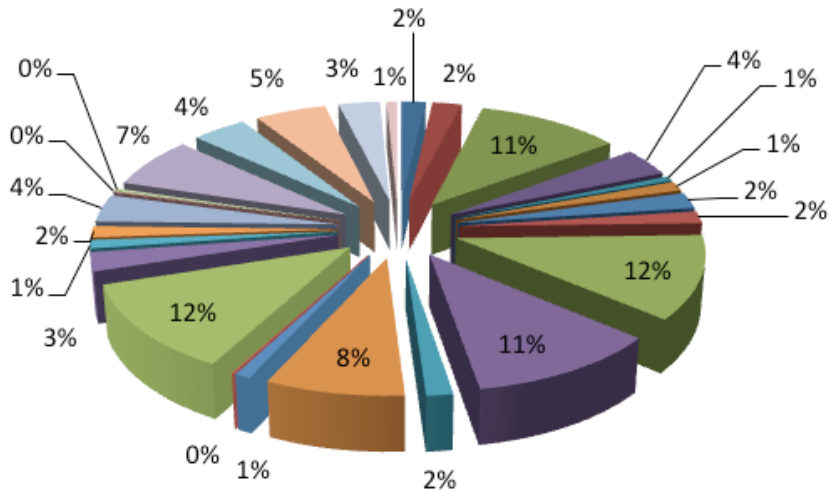
## 8.2.2. MEMBERSHIP STATISTICS

Our focus has been and still is to increase our footprint in terms of our membership base. Currently, a sizeable portion of Proudly SA's membership is in the Gauteng Province, followed by the Western Cape Province and Kwa-Zulu Natal respectively. We have put various measures in place to gain access to businesses in all provinces through partnerships with local Economic Development Departments in various provinces as well as the dti and all its agencies. In this regard, SME/Cooperative Forums were rolled out in all 9 provinces to intensify our member recruitment drives and to increase value to the current membership base.



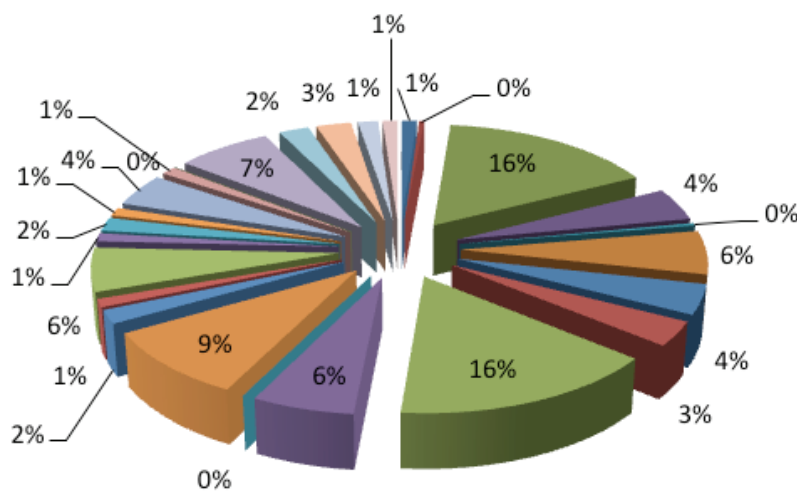
# MEMBERSHIP BY SECTOR PER PROVINCE

## GAUTENG



- CONSTRUCTION
- ENGINEERING
- INDUSTRIAL
- MANUFACTURING
- MANUFACTURERS
- CRAFTS AND HOME INDUSTRIES
- MINING AND BENEFICIATION
- AGRICULTURE
- FOOD PRODUCTS
- HEALTHCARE
- EDUCATION, DEVELOPMENT AND PROFESSIONAL SERVICES
- GOVERNMENT

## WESTERN CAPE

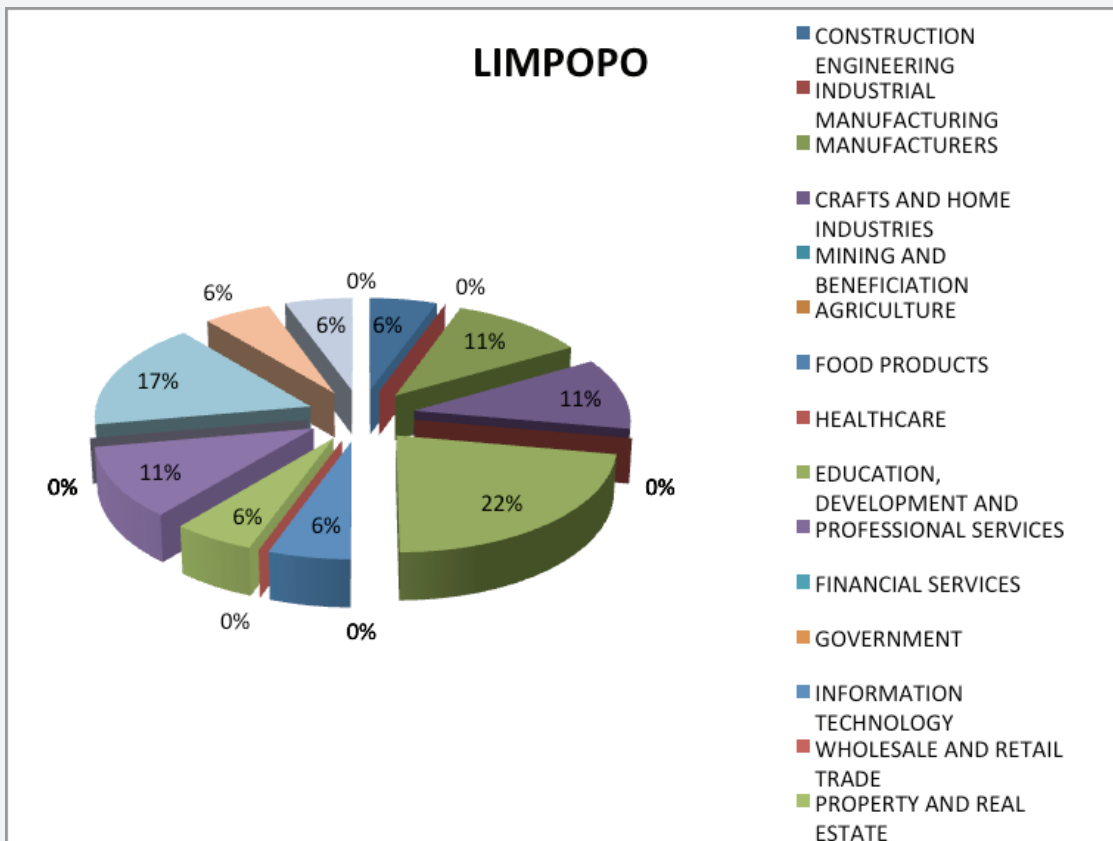
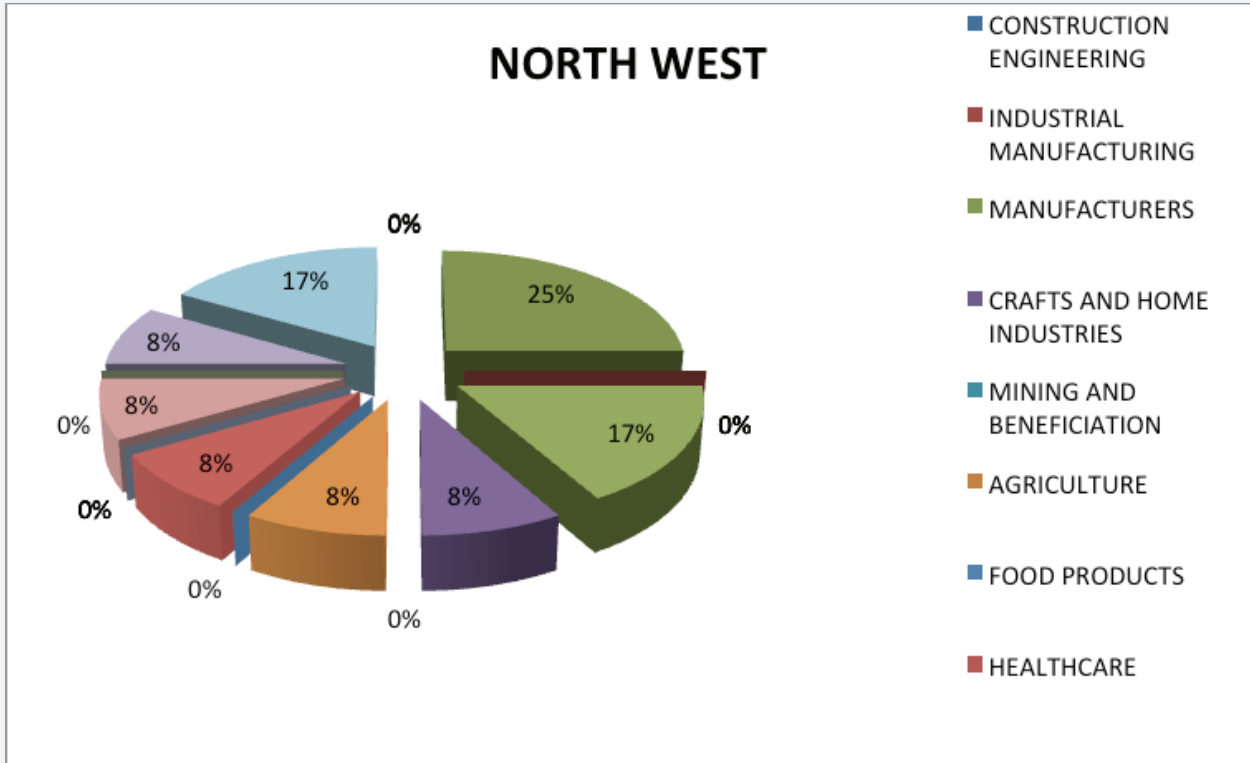


- CONSTRUCTION
- ENGINEERING
- INDUSTRIAL
- MANUFACTURING
- MANUFACTURERS
- CRAFTS AND HOME INDUSTRIES
- MINING AND BENEFICIATION
- AGRICULTURE
- FOOD PRODUCTS
- HEALTHCARE
- EDUCATION, DEVELOPMENT AND PROFESSIONAL SERVICES
- GOVERNMENT
- INFORMATION TECHNOLOGY



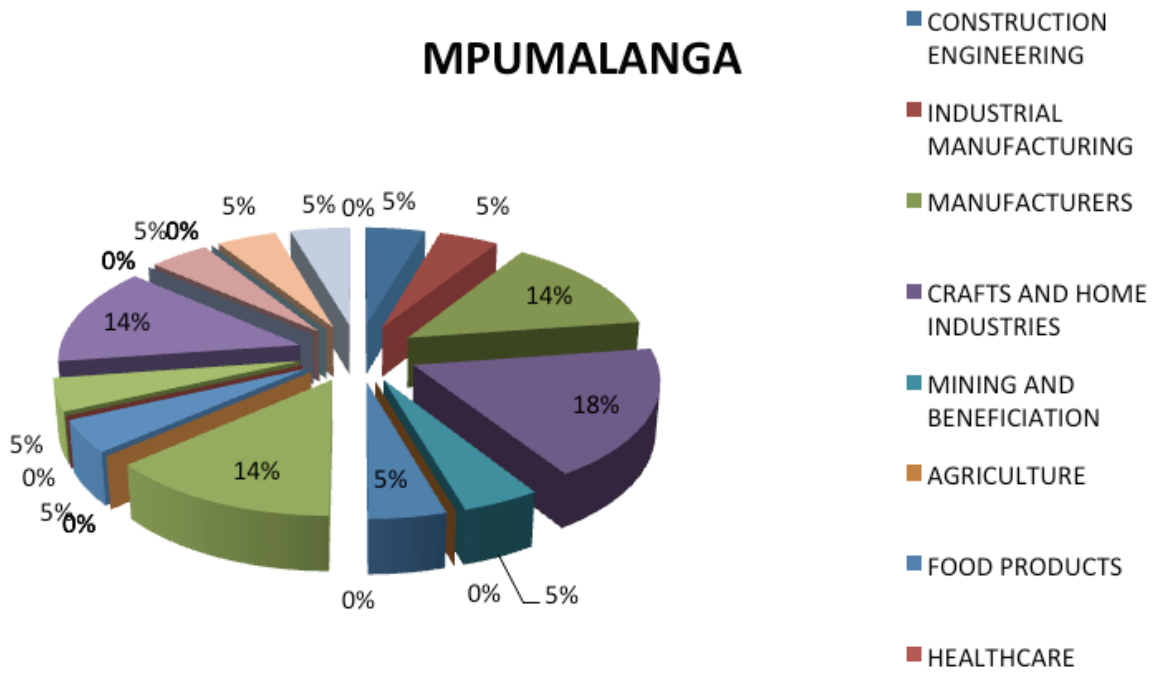


# MEMBERSHIP BY SECTOR PER PROVINCE

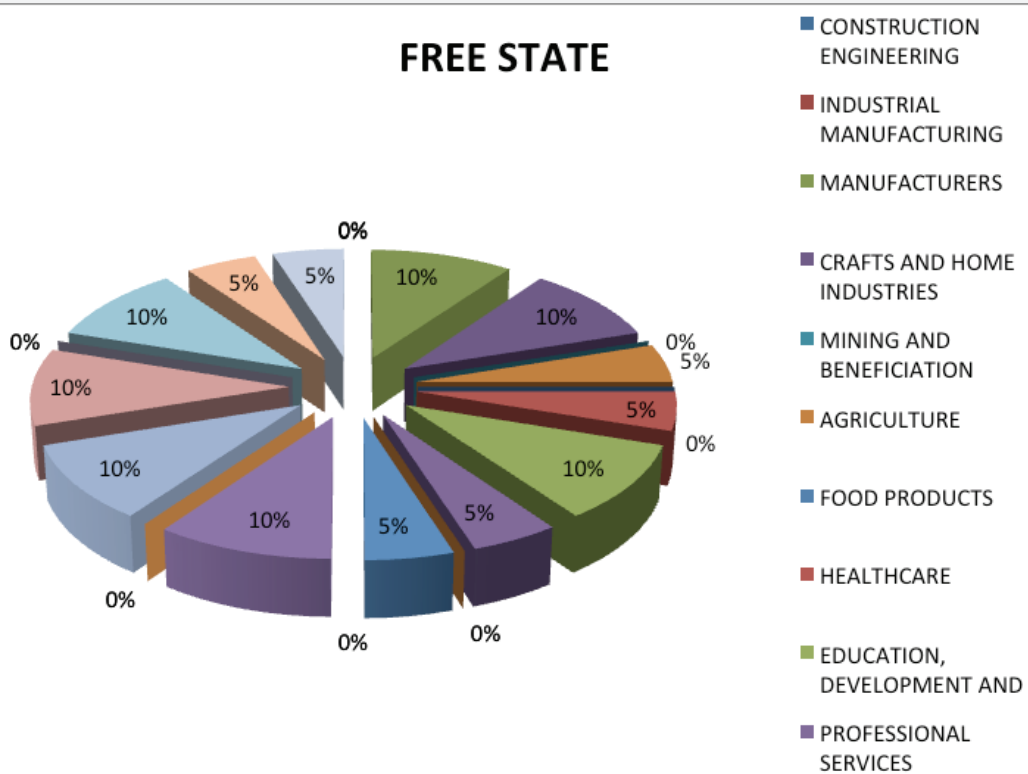


# MEMBERSHIP BY SECTOR PER PROVINCE

## MPUMALANGA

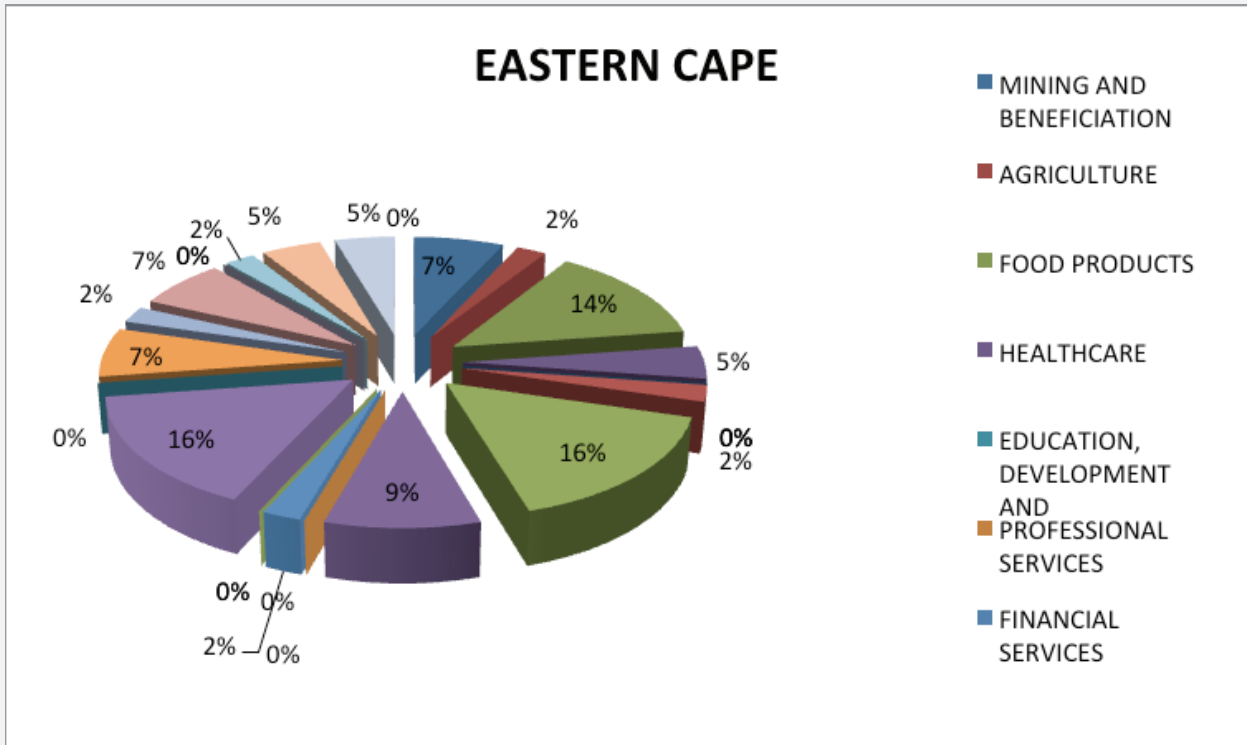


## FREE STATE

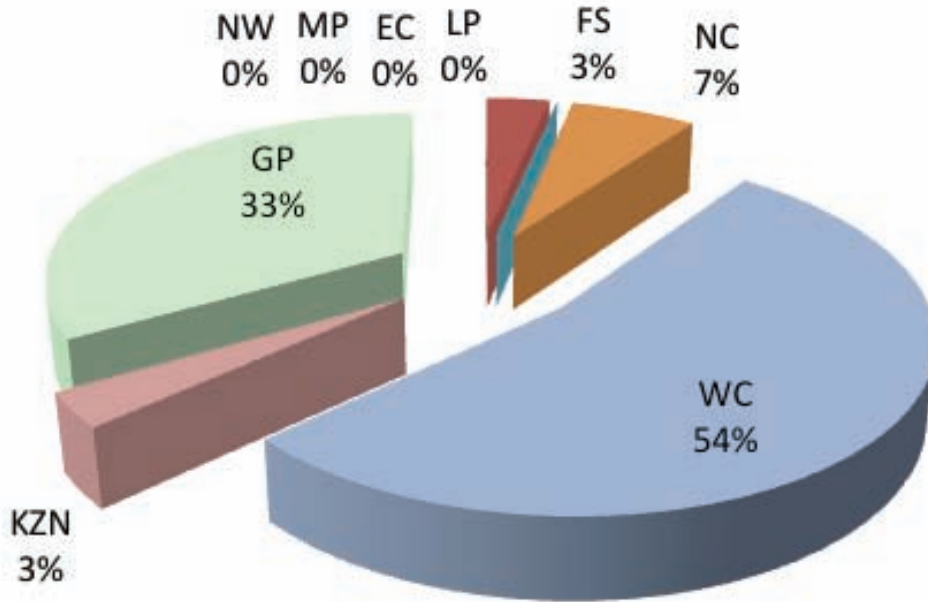




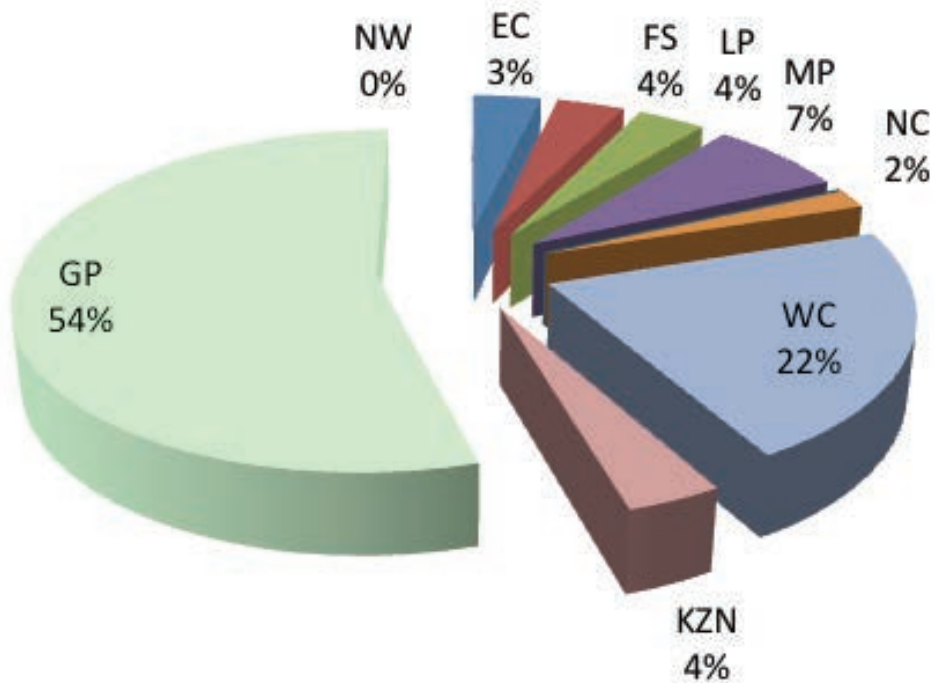
# MEMBERSHIP BY SECTOR PER PROVINCE



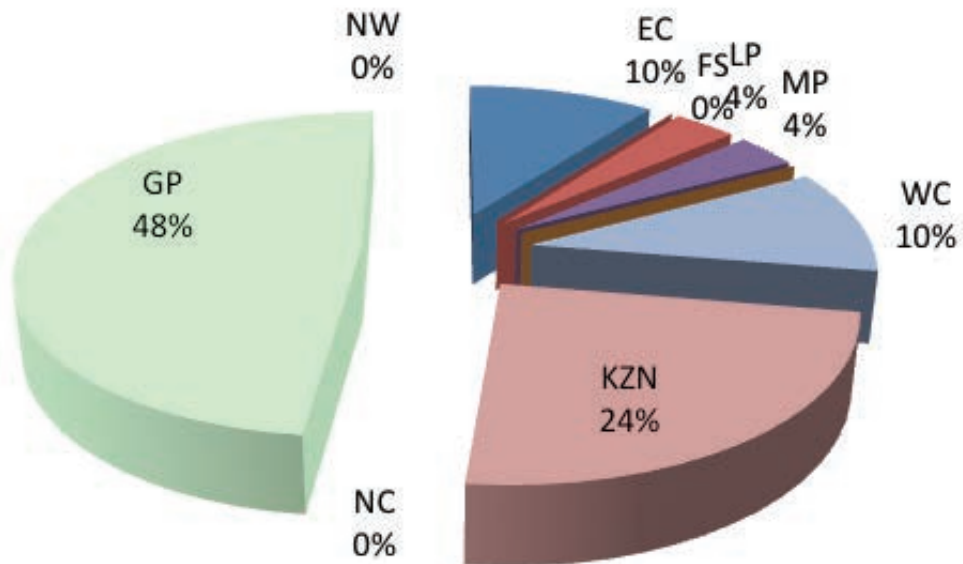
## AGRICULTURE



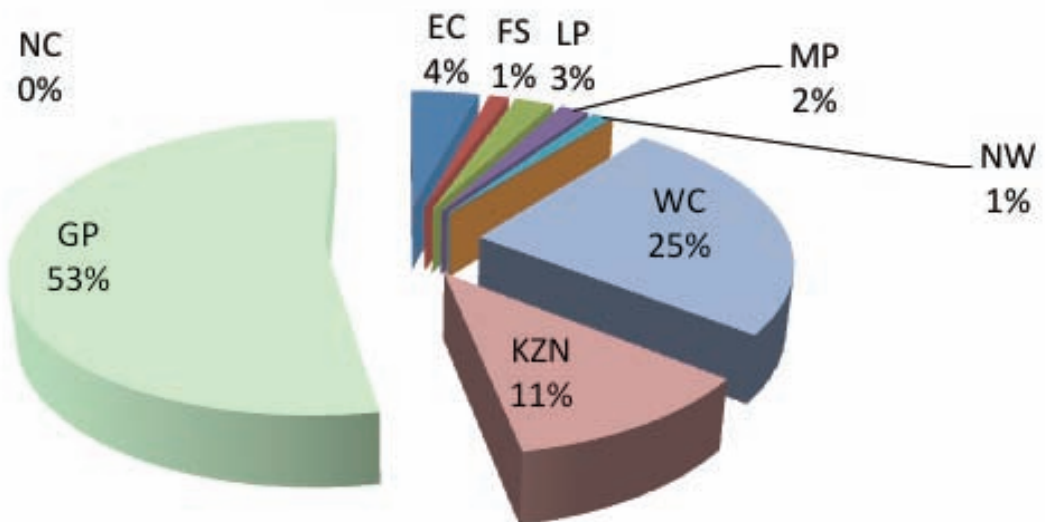
## CRAFTS AND HOME INDUSTRIES



### CONSTRUCTION ENGINEERING

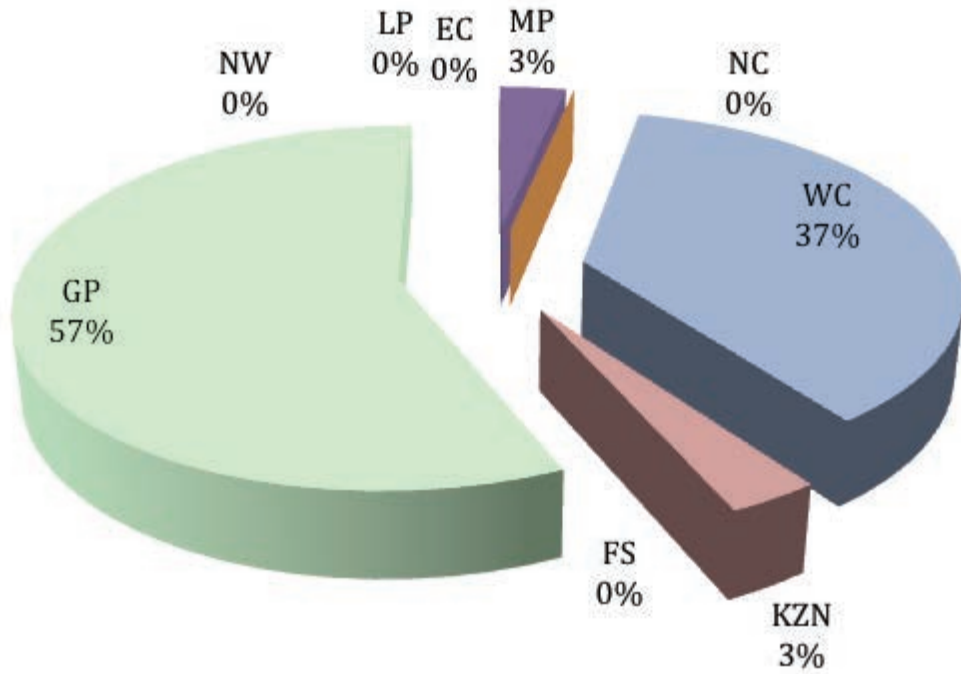


### EDUCATION, DEVELOPMENT AND TRAINING

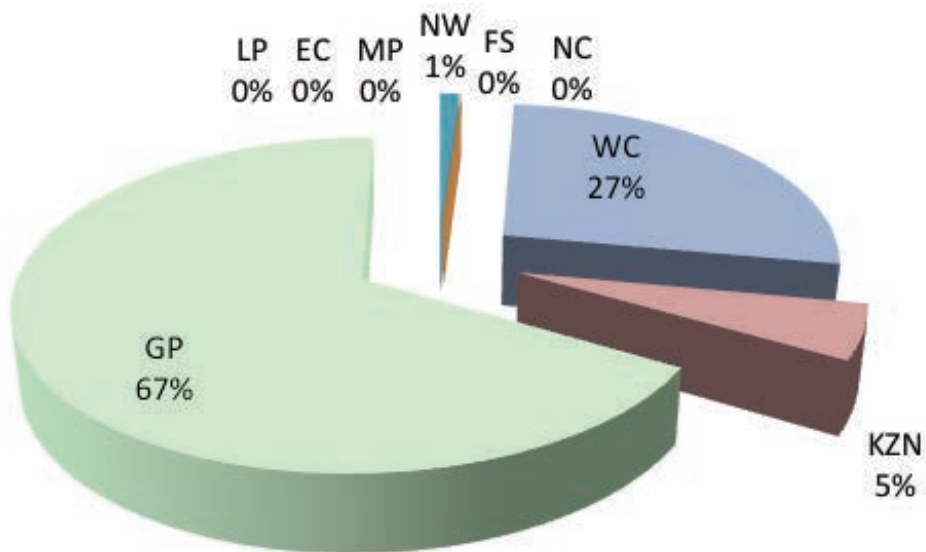




### FOOD PRODUCTS

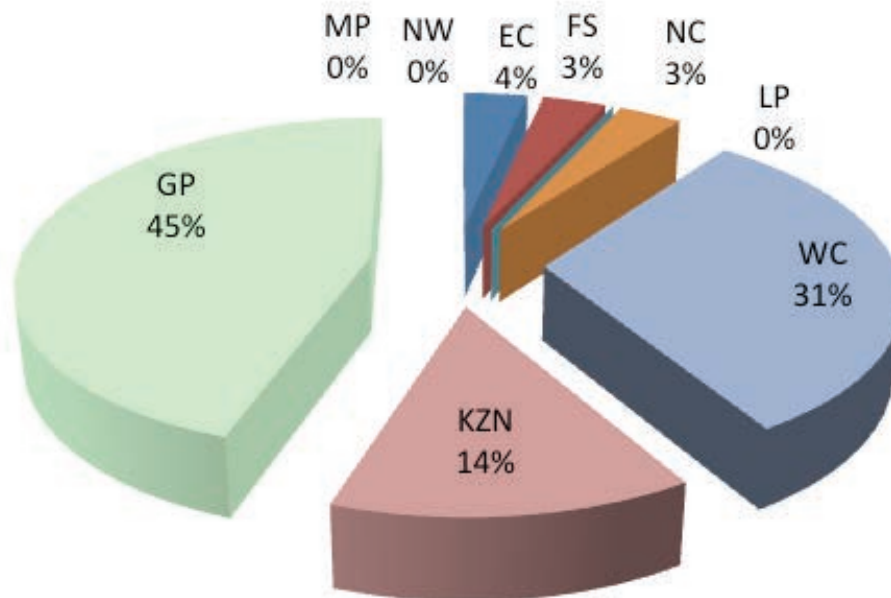


### GOVERNMENT

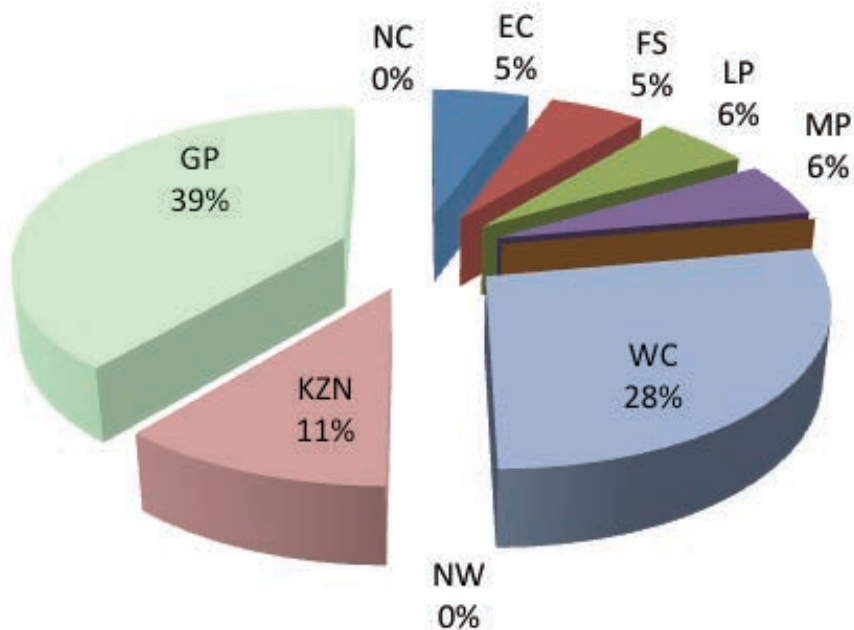


## MEMBERS PER INDUSTRY IN VARIOUS PROVINCES

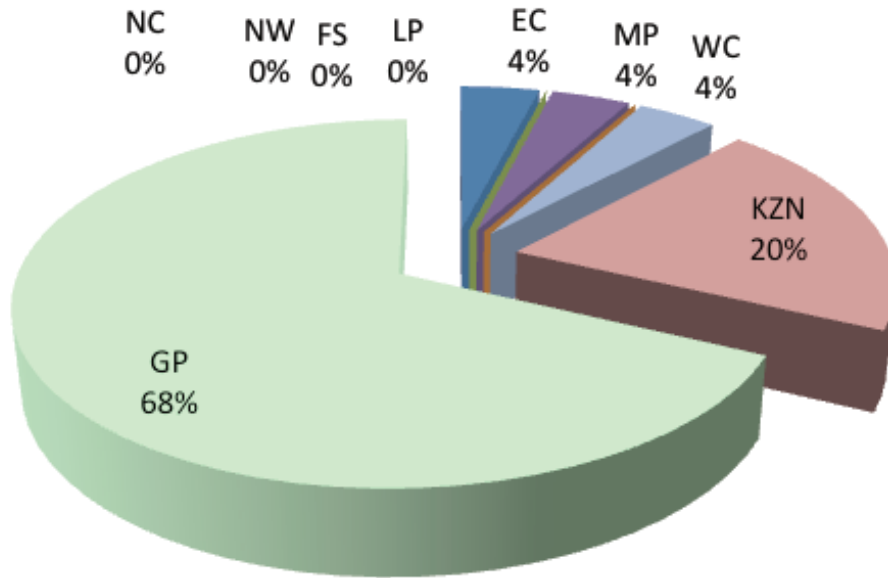
### HEALTHCARE



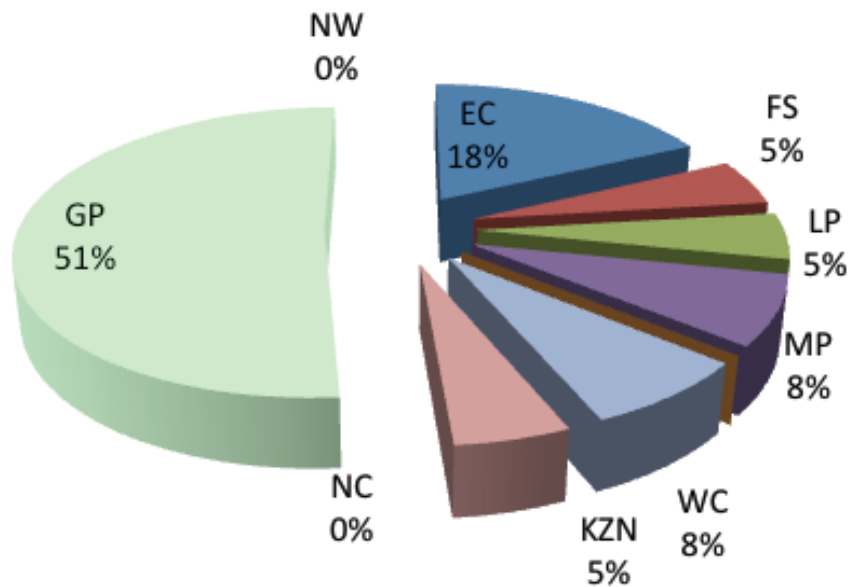
### INFORMATION TECHNOLOGY



## INDUSTRIAL MANUFACTURING



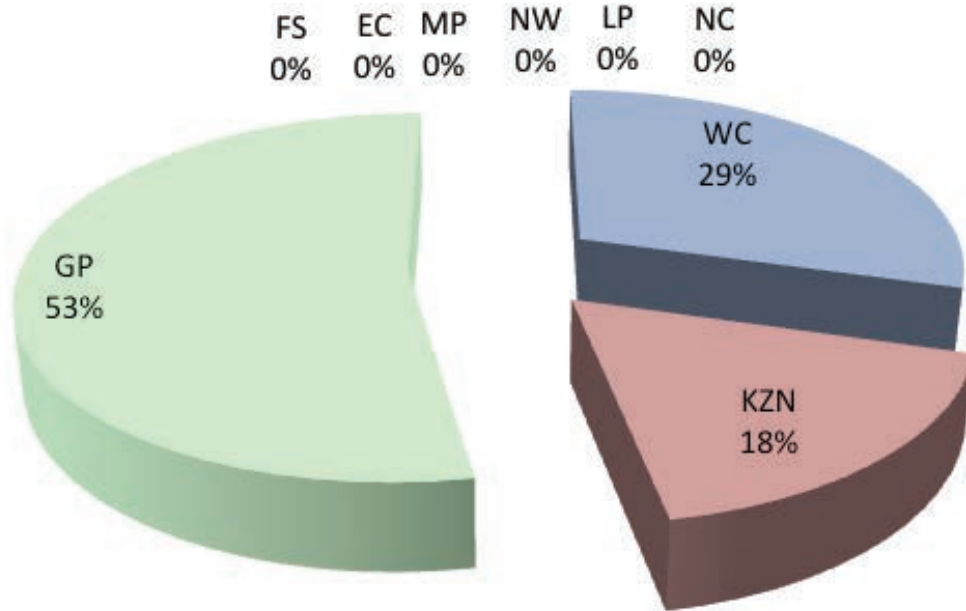
## MEDIA, MARKETING AND PUBLISHING



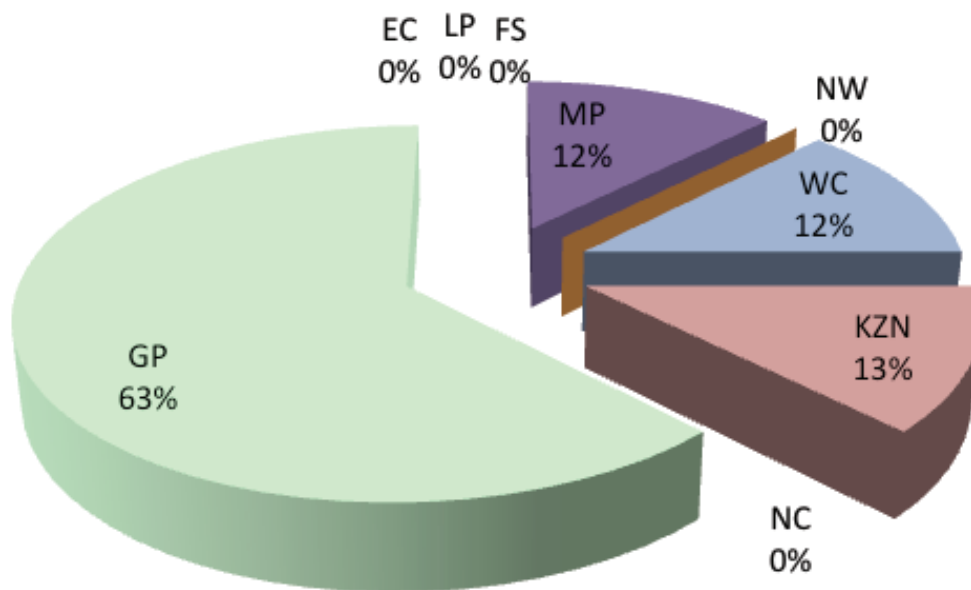


# MEMBERS PER INDUSTRY IN VARIOUS PROVINCES

## MEDIA PRODUCTION SERVICES

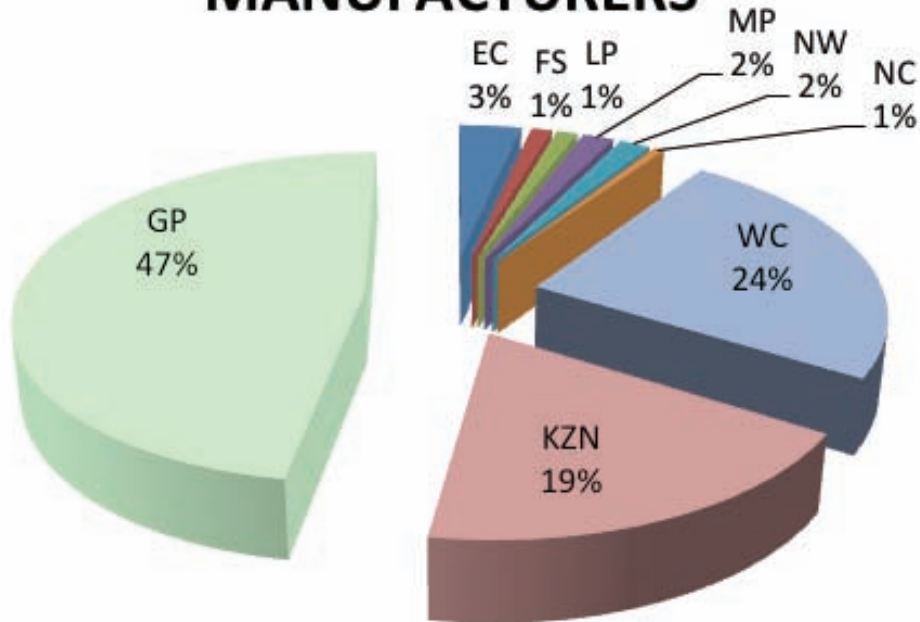


## MINING AND BENEFICIATION

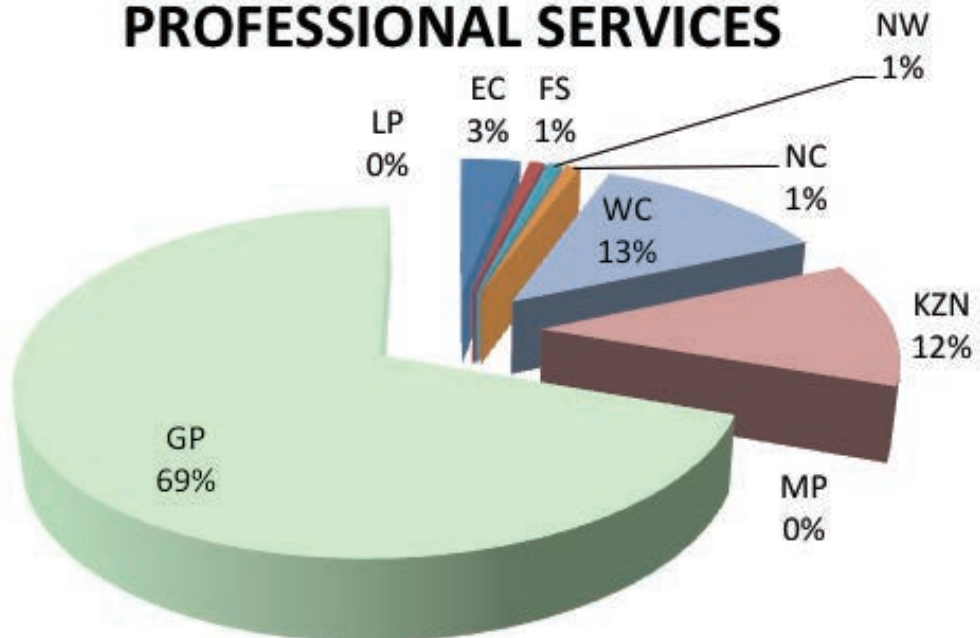


## MEMBERS PER INDUSTRY IN VARIOUS PROVINCES

### MANUFACTURERS

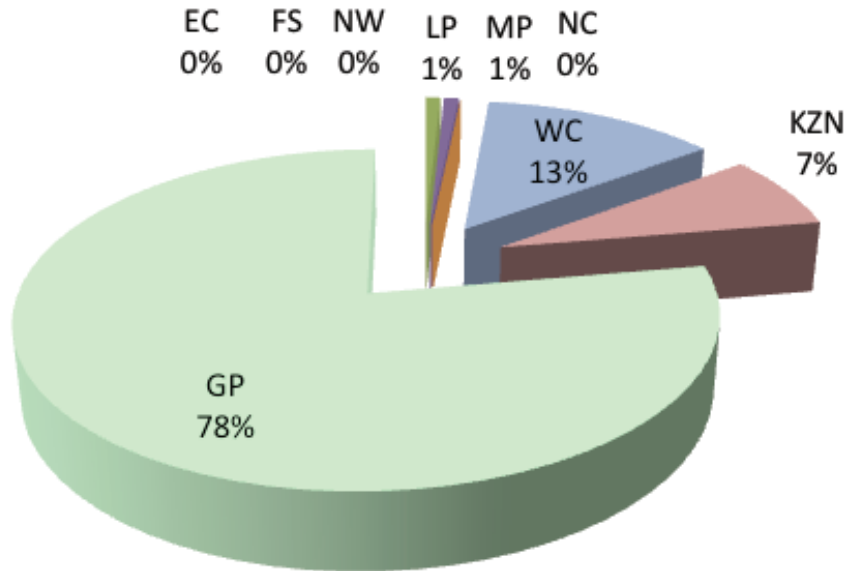


### PROFESSIONAL SERVICES

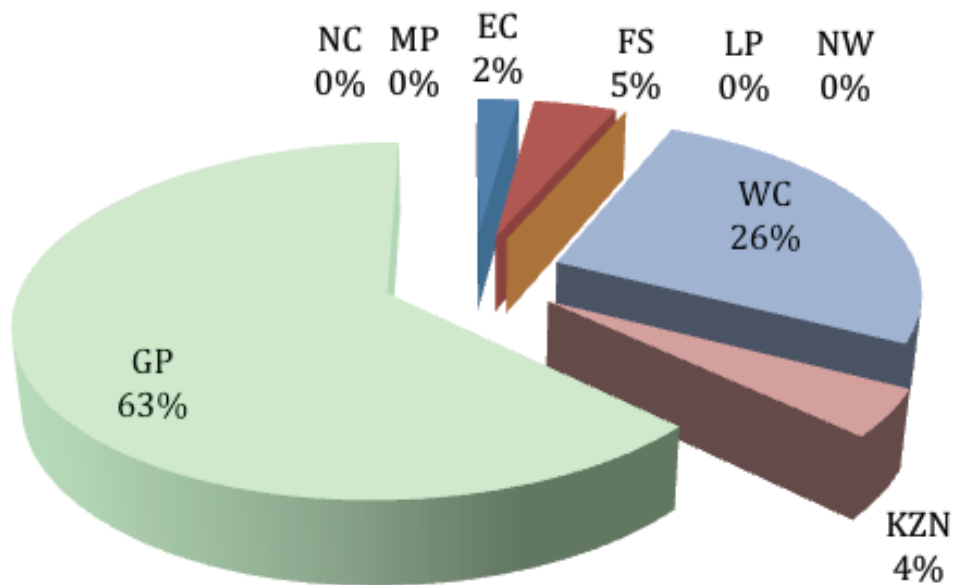


## MEMBERS PER INDUSTRY IN VARIOUS PROVINCES

### PROPERTY AND REAL ESTATE

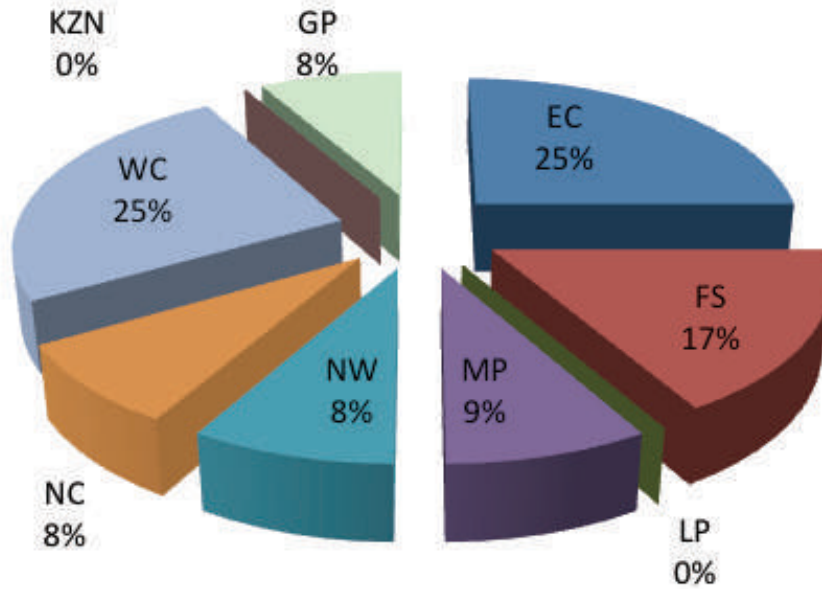


### TRANSPORT AND LOGISTICS

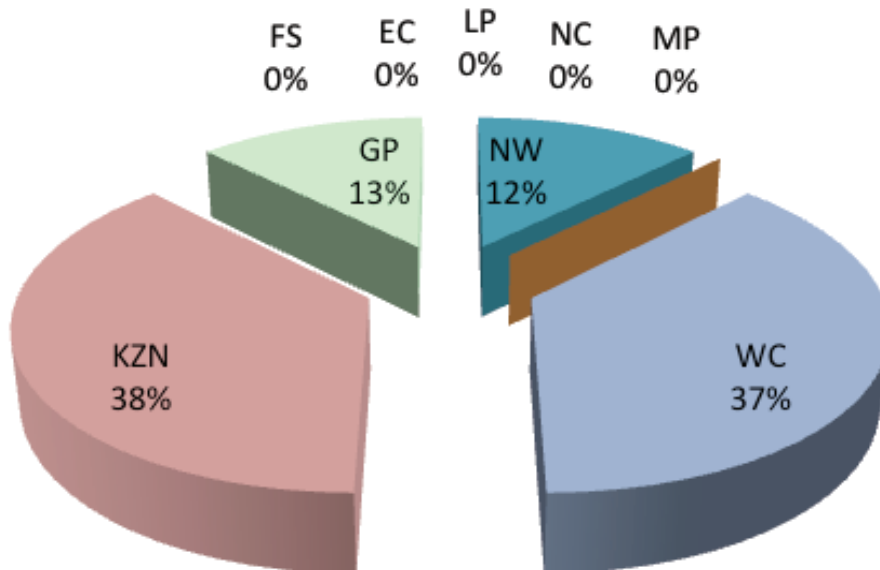




**TOURISM AND TRAVEL**



**WHOLESALE AND RETAIL TRADE**



## 8.2.3. MEMBERSHIP AND PROFILE

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Part of the recruitment strategy during the 2012/2013 financial year was to refocus on huge scale corporates across all sectors of the economy to improve the market perceptions on our presence in business.

The table below reflects new prominent members with formidable business profiles, including the partnership we have with Nestle' and Mxit.



# The Inaugural SA PREMIER BUSINESS AWARDS

2012/13



Proudly brought to you by



## March 2012

SANDTON CONVENTION CENTRE





The Inaugural  
SA PREMIER  
BUSINESS AWARDS

2012/13



Proudly brought to you by



WINNERS

SANDTON CONVENTION CENTRE



BELL  
SAPBA Manufacturer Award Winner



G.U.D Filters  
SAPBA Proudly SA Enterprise Award Winner



Nestle  
SAPBA Investor Award Winner



Social Change Assistance Trust  
SAPBA Rural Development Award Winner



## 9.1.1. EVENTS

### The South African Premier Business Awards (SAPBA)

Proudly SA delivered the Inaugural SA Premier Business Awards (SAPBA) on behalf of the **dti**, in partnership with Brand South Africa. The Awards were aimed at merging previous award ceremonies hosted by these different organisations - and forming one apex awards to recognise and honor South African enterprises and entrepreneurs which promote the spirit of success, innovation, job creation and good business ethics.

The Award categories and winners were:

- Lifetime Achievement Award  
Dr Richard Maponya
- Rural Development Award  
Social Change Assistance Trust (SCAT)
- SMME Award  
Malcom Ezindaleni Hydraulics & Eng (Pty) Ltd
- Young Entrepreneur Award  
Miss Earth SA
- Women-Owned Enterprise Award  
Segakweng Enterprise and Strategy Consulting (Pty) Ltd
- Quality Award  
COEGA Dairy
- Technology Award  
Tshwane University of Technology
- Green Award  
MTN SA
- Media Award  
Talk Radio 702/567 Cape Talk
- Proudly South African Enterprise Award  
G.U.D Holdings (Pty) Ltd
- Most Empowered Enterprise Award  
MTN SA
- Investor Award  
Nestle' (South Africa) (Pty) Ltd
- Exporter Award  
Abagold and Saab Grintek Defence (Pty) Ltd
- Manufacturer Award  
Powertech and Bell Equipment Company SA (Pty) Ltd



The Awards event was held on 20 March 2013 at the Sandton Convention Centre and was attended by almost 1000 delegates. The event was a resounding success. This inaugural event set the tone for great awards ceremonies to be held in future years.

The media coverage for the awards, including pre and post awards activities, generated publicity with an AVE of R2 009 720.43, while the PR/Editorial Value derived is estimated to be valued at a minimum of R6 029 161.29.

### Valentine's Day Activation

The Proudly SA annual Valentines' event took place on Valentine's Day, Thursday, 14 February 2013 and was held in partnership with the City of Tshwane, the Pretoria News and Jacaranda FM. Running under the theme "Show Your Love for South Africa" this event seeks to inspire national pride, patriotism and love for the country among all South Africans. It also aims to influence, educate and encourage South Africans to "buy local" and we therefore promote and encourage the nation to "Show your love for South Africa – Be Proudly South African. Buy Local to Create Jobs." The event also encourages and promotes social cohesion.

The Proudly SA team, together with its partners and well-known South African celebrities, engaged with motorists to spread the message and handed out thousands of roses and cards to motorists entering and leaving the City of Tshwane. The event enjoyed nationwide media coverage.





## Annual Proudly SA Buy Local Summit and Expo



The second national Proudly South African Buy Local Summit & Expo took place at Emperor's Palace on 26 November 2012. The Hon. Deputy President, Kgalema Motlanthe, officially opened the expo during a ribbon cutting ceremony on the Monday morning. Government ministers, business leaders, small business owners, entrepreneurs and captains of industry took part in the annual event.

The event also marked the launch of Proudly SA's Festive Season Buy Local Campaign, aimed at encouraging consumers to buy locally made products and make use of local service providers over the 2012 festive season.

Delegates and leaders from the business sector, government, labour and the wider community participated in the Summit. Distinguished guests included Trade and Industry Minister, Rob Davies; Economic Development Minister, Ebrahim Patel, the Department of Trade & Industry's DG, Lionel October and other business leaders.

The Expo was an opportunity for Proudly SA member companies (local businesses and entrepreneurs) to showcase their products and services, with a view to creating networks that can link all state organs and corporate business to local suppliers. As part of their commitments to the Local Procurement Accord, signed in October 2011, the four social partners (government, business, labour and community constituencies) made a commitment to sourcing local products and services in the designated sectors.

Proudly SA therefore established the Expo as an essential tool to facilitate and influence interaction between small businesses/entrepreneurs and procurement decision makers. The Expo and Summit also provided an opportunity for state organs (the largest procurer in the country) and

corporate businesses – which are grappling to find local suppliers - to access the Proudly SA pool of companies. These companies comply with the following criteria: local content, high quality, fair labour practices and environmental standards.

Through the Summit, Proudly SA also aimed to educate the public that they, too, can play a significant role in the country's economic development and job creation. It's as easy as checking all products for labels of origin and choosing those which carry the Proudly SA Logo and those that are "Made in South Africa." Products include food, clothing, footwear, jewellery, appliances, gifting, machinery, music, vehicles etc.

"Be Proudly South African – Buy Local to Create Jobs" is our call to action. This is a call to action for businesses, government and consumers to buy local, in order to stimulate the growth of local businesses and job creation, while addressing social challenges such as unemployment, poverty and inequality

Proudly SA spent R500 000 on live OBs (outside broadcasts) by SAFM and ETV. The publicity derived through this one-day event amounted to an AVE value of R3.4million and a PR value of R11.9million.

The event was well attended by the media and included journalists from the TV, radio, print and online platforms.

### The Local Procurement Roadshows

Proudly SA seeks to fulfill an activism role to help change consumer purchase behaviour in favour of local companies and locally produced, quality products and services. In short, Proudly SA worked with and lobbied among all major constituencies, including the "Proudly South African Member Family" to promote BUY LOCAL. It is therefore key to create support for LOCAL products and services to stimulate the growth of local economies.

As part of its repositioning, Proudly SA performed an additional role to complement its Buy Local mandate role and function. It played a crucial role in promoting and creating awareness around local procurement in South Africa. Through this process, Proudly SA seeks to strongly influence procurement in public and private sectors to increase local production and stimulate job creation.

The Proudly SA organisation fits hand-in-glove with the broader national developmental agenda and the recently signed Local Procurement Accord.

Organized business, government, organized labour and community organisation as stationery, office furniture and promotional items (i.e. promotional clothing and corporate gifts) from local manufacturers. They also committed to procuring from local service providers.

Community bodies, meanwhile, also have a significant role to play. They have agreed to increase awareness and mobilise society to procure locally. They have also undertaken to target small-scale farmers, craft and creative enterprises and home industries with a view to exposing them to key drivers and factors that contribute to building sustainable enterprises.

The social partners committed to partnering with Proudly SA, to create awareness around the economy wide benefits of buying locally manufactured products. Proudly SA has become a symbol for more than just job creation. It's a symbol that represents business excellence, unity, national pride and patriotism.

All the partners, throughout South Africa, needed to be educated and informed about the impact of Buying Locally. Proudly SA rolled out regional road shows in order to create awareness, promote locally produced products and services and ensure that the Buy Local message is "Top of Mind". This was done through mall promotions, community and school activations and business forums during these road shows.

The road shows were rolled out to 6 provinces and were aimed at reaching a wider audience including the following:

- a. South African consumers;
- b. Businesses;
- c. Local and provincial government;
- d. All state owned entities;
- e. Organised labour and
- f. The youth.

THEME - The Road Shows were themed "Be Proudly South African – Buy Local to create jobs". The Buy Local message and the impact thereof were very important and central to these road shows.





## Other events, exhibitions and platforms

In addition to the Awards, Buy Local Summit and Expo and the Valentine's Activation, the following were some of the events that Proudly SA participated in to educate consumers about the importance of buying local (in line with its deliverables as contained in the Local Procurement Accord):

Events	Province	Date	Reach	Sectors
<b>APRIL '12</b>				
<b>The dti Outreach Umtata:</b>				
Nyandeni Municipality	E Cape	04 April 2012	100	Gov and small business
Africa Dialogue	North West	10-13 April 2012	2 000	Gov and business
<b>The dti eMadunwani &amp; kwaNgocolose Outreach Campaign</b>				
	KwaZulu Natal	16-17 April 2012	200	Gov, business & consumers
<b>MAY '12</b>				
Nelspruit Business Forum	Mpumalanga	11 May 2012	60	Gov and business
Nelspruit, iLanga Mall Activation	Mpumalanga	12-13 May 2012	480 000	Consumers
Tourism Indaba	KwaZulu Natal	12-15 May 2012	800	Tourism, business, consumers & gov
DTI Budget Vote	W Cape	16-17 May 2012	500	Gov
Cape Town Activation, Cape Gate Mall	W Cape	19-20 May 2012	770 000	Consumers
4th Tshwane International Trade and Infrastructure Investment Conference (TITIIC)	Gauteng	23-25 May 2012	1 000	Business, trade, gov & Construction
Ballito Business Forum	KwaZulu Natal	24 May 2012	72	Business
Gateway Mall, Durban Activation	KwaZulu Natal	25-26 May 2012	1 958 000	Consumers
<b>JUNE '12</b>				
EBI Business Forum	Gauteng	11 June 2012	128	Business
Ubuntu Campaign	Gauteng	16 June 2012		
Mandela Recording	Gauteng	18 June 2012	1 500	Business
Gauteng Business Forum in Partnership with ECOIF	Gauteng	19 June 2012	80	Business
Maponya Mall Activation	Gauteng	23-24 June 2012	190 000	Consumers
<b>JULY '12</b>				
Crime Line 5th Anniversary Launch	Gauteng	10 July 2012	300	Business & consumers

Events	Province	Date	Reach	Sectors
Proudly South African Mandela Day	Gauteng	18 July 2012	500	Scholars
Maonya Mall Mandela Day	Gauteng	18 July 2012	5 000	Scholars
Limpopo Business Forum	Limpopo	26 July 2012	80	Business
Limpopo Mall Activation	Limpopo	27-28 July 2012	89 124	Consumers
<b>AUGUST '12</b>				
Cosatu Confrence Gauteng	Gauteng	03 August 2012	3 000	Business
TUT Innovation Day	Gauteng	07 August 2012	60	Consumers
Decorex Handmade Collection	Gauteng	8-12 August 2012	1 500	Consumers, business and gov
African Farmers Workshop and Expo	Gauteng	15-17 August 2012	900	Agro-processing, consumers,business & gov
Limpopo Mayoral Forum “Executive Mayor meets Business”	Limpopo	16 August 2012	100	Business, gov
Women of Destiny Forum	Gauteng	21 August 2012	107	Women and business
TUT Innovation Day	Gauteng	23 August 2012	300	Education
Ubuntu Campaign: Protea Glen	Gauteng	24 August 2012	700	Education
BWOSA	Gauteng	25 August 2012	50	Business
Limpopo Mayoral Forum “Executive Mayor meets Business”	Gauteng	27 August 2012	250	Education
Ubuntu Campaign: Diepdale Secondary School	Gauteng	28 August 2012	500	Education
Ubuntu Campaign: Seanamarena	Gauteng	29 August 2012	400	Education
<b>SEPTEMBER '12</b>				
Act christian church	Gauteng	01 September 2012	60	Business
NEDLAC Summit	Gauteng	07 September 2012	800	Business
Dpt. of Mineral Energy Strategy Session	Gauteng	07 September 2012	70	Government
International Small Business Congress	Gauteng	15-18 September 2012	1 500	Government & business
Masithwalisane Senior Secondary School Event	Gauteng	19 September 2012	300	Scholars
<b>The dti</b> Open Day	Gauteng	21 September 2012	500	Small business
National Press Club Forum hosted by Proudly SA	Gauteng	27 September 2012	60	Media

<b>Events</b>	<b>Province</b>	<b>Date</b>	<b>Reach</b>	<b>Sectors</b>
Signing ceremony between Proudly SA & Productivity SA	Gauteng	27 September 2012	10	Business
<b>OCTOBER '12</b>				
Consumer Goods Council (Conference and Expo)	Gauteng	10-11 October 2012	1 000	Business, FMCG's
Port Elizabeth Business Forum	E Cape	12 October 2012	72	Business
Green Acres Mall Activation	E Cape	13-14 October 2012	20 000	Consumers
Ubuntu Campaign: Newell Public High School	E Cape	15 October 2012	980	Education
Ubuntu Campaign: Nombulelo Secondary School	E Cape	16 October 2012	200	Education
Ubuntu Campaign: Khulani Commercial High	E Cape	17 October 2012	300	Education
East London Business Forum	E Cape	19 October 2012	67	Business
COSATU Conference	W Cape	29 October 2012	200	Consumers & business
Hemmingways Mall Activation	W Cape	20-21 October 2012	70 422	Consumers
SAWEN AGM	Gauteng	30 October 2012	1 000	Business women
<b>NOVEMBER '12</b>				
Magnificent Fridays : Protea Gardens Mall	Gauteng	02 November 2012	2 500	Consumers
SAFACT Anti-piracy Campaign (Expo)	Gauteng	03 November 2012	500	Consumers
Smart Procurement Summit	Gauteng	13-14 November 2012	2 000	Business
IDC-Joint AADFI & ADFIAP CEO	Gauteng	15 November 2012	100	Business
Magnificent Fridays : Chris Hani Mall East Rand	Gauteng	16 November 2012	1 200	Consumers
George Business Forum	SW Cape	16 November 2012	35	Business
George Mall Activation	SW Cape	17-18 November 2012	40 990	Consumers
Cape Town Business Forum	W Cape	23 November 2012	78	Business
Worcester Activation	SW Cape	24-25 November 2012	30 000+	Consumers
Buy Local Summit & Expo	Gauteng	26 November 2012	1 000	Government, consumers & business
SEDA Stellenbosch	W Cape	27-29 November 2012	200	Business

<b>Events</b>	<b>Province</b>	<b>Date</b>	<b>Reach</b>	<b>Sectors</b>
<b>DECEMBER '12</b>				
Magnificent Fridays : Maponya Mall	Gauteng	07 December 2012	3 000	Consumers
<b>JANUARY '13</b>				
AFCON public viewing areas: Seabokeng Mid Corner	Gauteng	19 January 2013	3 000	Consumers
AFCON public viewing areas: Khutsong	Gauteng	27 January 2013	1 200	Consumers
<b>FEBRUARY '13</b>				
AFCON public viewing areas: Mamelodi Pretoria	Gauteng	10 February 2013	800	Consumers
Valentines Day Activation	Gauteng	14 February 2013	25 000	Consumers
Africa Energy Indaba	Gauteng	19-21 February 2013	1 500	Energy industry & business
National Press Club South African Premier Business Awards	Gauteng	27 February 2013	60	Business & media
Signing ceremony between Proudly SA & Gauteng Government SACR	Gauteng	28 February 2013	300	Government, consumers & business
<b>MARCH '13</b>				
<b>The dti</b> Co-ops Orlando	Gauteng	05 March 2013	80	Government, consumers & business
Inaugural South African Premier Business Awards	Gauteng	20 March 2013	500 000	Business
BRICS Summit & Expo	KwaZulu Natal	26-27 March 2013	10 000	Business





**2012**  
**BUY LOCAL SUMMIT**

**PROUDLY SOUTH AFRICAN**

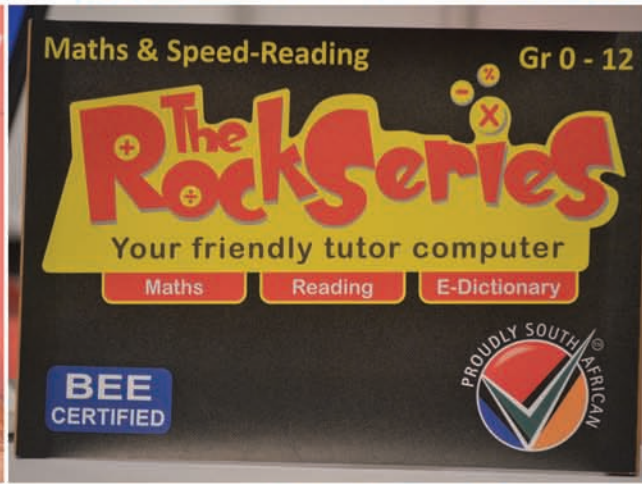




# 2012

PROUDLY SOUTH AFRICAN

## BUY LOCAL SUMMIT





## 9.1.2. STAKEHOLDER MANAGEMENT

The strategic partnerships that we have signed throughout this fiscal include:

1. SACTWU partnership and Pledge
2. KZN Province Partnership and Pledge
3. Productivity SA Partnership and Pledge
4. Tshwane Metro Partnership and Pledge
5. Gauteng Province partnership and Pledge
6. AIRCO Partnership and Pledge
7. Economic Development partnership
8. FEDHASA INLAND partnership
9. Nestle' (South Africa) partnership
10. MXIT partnership
11. Black Management Forum partnership
12. Ubuntu Pledge partnership and Pledge



## 9.1.3. ADVERTISING

Advertising during this period focused on the Local Procurement Accord, Proudly SA Buy Local Summit, Consumer Education and the Inaugural South African Premier Business Awards.

The advertising listed below was all done in-house.

PSA458 -	SA WOMEN SOCCER MAGAZINE [Trade Exchange]
PSA461 -	JUMP START MAGAZINE [Trade Exchange]
PSA465 -	YOUTH EDUCATION & CAREER GUIDANCE [Trade Exchange]
PSA470 -	MASH FM MAGAZINE [Trade Exchange]
PSA471 -	SA WOMEN SOCCER MAGAZINE [Trade Exchange]
PSA472 -	AFRICAN FARMERS EXPO
PSA477 -	CITY PRESS iMag [Trade Exchange]
PSA479 -	Joy of Jazz
PSA490 -	TRADERS FRIEND [Trade Exchange]
PSA496 -	WHOLE LOT CREATIVE ARTS DIRECTORY [Trade Exchange]
PSA498 -	CITY PRESS iMAG [BUY LOCAL SUMMIT]
PSA499 -	BUSINESS DAY [BUY LOCAL SUMMIT]
PSA512 -	DIRCO [SA PREMIER BUSINESS AWARDS]
PSA512 -	BUA SEDIBENG/ SOWETO [SAPBA - Trade Exchange]
PSA512 -	NEW AGE [SA PREMIER BUSINESS AWARDS]
PSA512 -	SOWETAN [SA PREMIER BUSINESS AWARDS]
PSA512 -	SAKE 24 [SA PREMIER BUSINESS AWARDS]
PSA512 -	BUSINESS REPORT [SA PREMIER BUSINESS AWARDS]
PSA512 -	CITY PRESS [SA PREMIER BUSINESS AWARDS]
PSA512 -	BUSINESS DAY [SA PREMIER BUSINESS AWARDS]
PSA513 -	PRETORIA NEWS [VALENTINES DAY]
PSA515 -	TRADERS FRIEND [SAPBA - Trade Exchange]
PSA518 -	FH&L MAGAZINE [Trade Exchange] SAPBA eTV OB SAfm OB Metro FM 702 Talk Radio Sowetan Sunday World SAfm Ukhozi FM e News Bulletin 10 second clock

**The Inaugural SA PREMIER BUSINESS AWARDS 2012/13**

**Introducing the SA Premier Business Awards**

The SA Premier Business Awards is South Africa's apex business awards, which integrate all single sector awards (including Technology Awards, Quality Awards, Technology for Women in Business Awards and the Proudly South African Homegrown Awards) into one big, national business awards.

The awards represent and acknowledge all South African business sectors. The Department of Trade and Industry (the dti), in partnership with Proudly South African (Proudly SA) and Brand South Africa (Brand SA), is the custodian of the awards and funds the awards.

The awards aim to recognise South African enterprises which, invest in both human and technical resources in various projects or activities, produce quality products and services and remain domestically and internationally competitive.

**Categories include:**

- Manufacturer Award
- Rural Development Award
- Technology Award
- Quality Award
- Green Award
- Women-Owned Business Award
- Most Empowered Enterprise Award
- Young Entrepreneur Business Award
- Proudly South African Enterprise Award
- Media Award
- Exporter Award
- SMME Award
- Investor Award

The awards will take place on **20 March 2013**, at the Sandton Convention Centre. Further information can be obtained from the SA Premier Business Awards website at [www.sapremierbusinessawards.co.za](http://www.sapremierbusinessawards.co.za) and queries can be sent to [info@sapremierbusinessawards.co.za](mailto:info@sapremierbusinessawards.co.za).

[www.sapremierbusinessawards.co.za](http://www.sapremierbusinessawards.co.za)

**Ag Shame!**  
Don't you wish you were local?

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

[www.proudlysa.co.za](http://www.proudlysa.co.za)  
Local shoe courtesy of [www.butterback.co.za](http://www.butterback.co.za)

PSA498, CITY PRESS iMAG



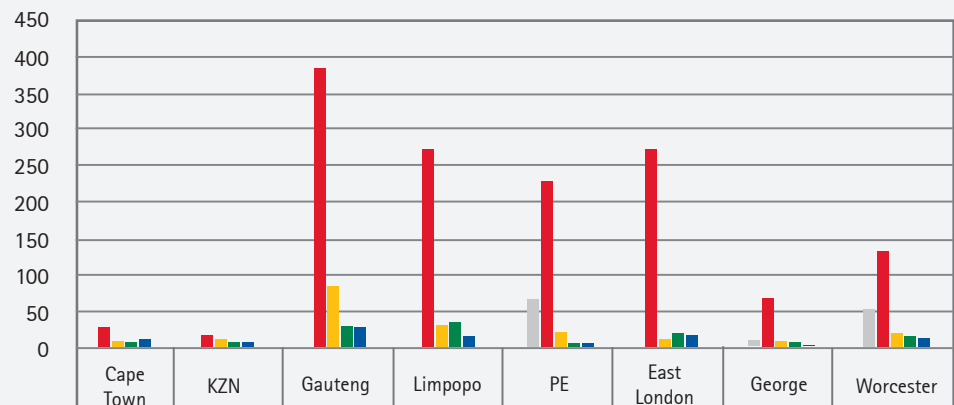
## 9.1.4. RESEARCH

No qualitative research for Proudly SA was conducted during the period under review due to financial constraints. However, surveys were conducted at business forums and mall activations. These surveys were conducted to: measure the recognition of the Proudly SA logo; determine the consumers association with the logo; find out if consumers were interested in purchasing local items or if they were interested in supporting companies which bear the Proudly SA logo; and to determine the percentage of consumers who actually sought out the 'label of origin' when making purchasing decisions.

Methodology used was face-to-face interviews at various malls. People of all races and age groups were approached.

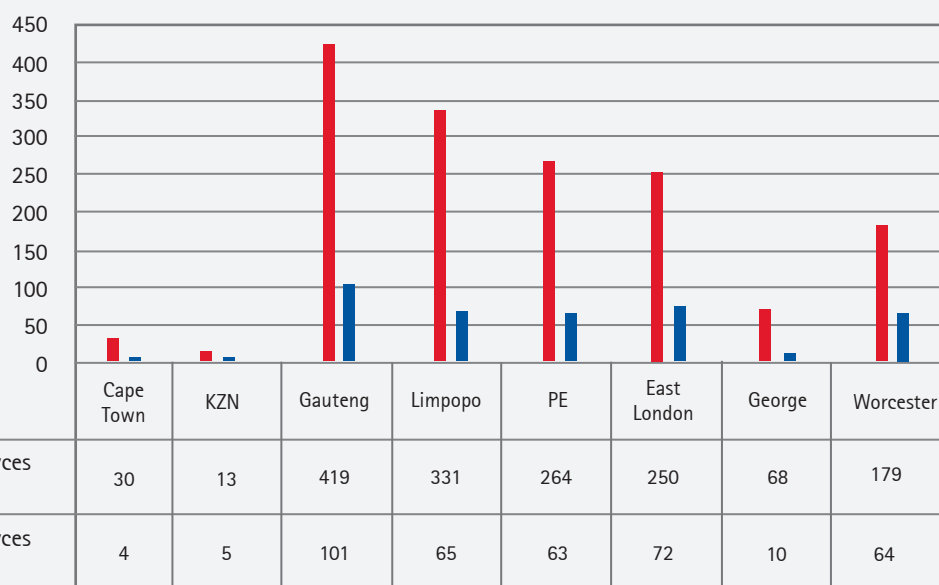
Mall Activations Main Findings –

### REPRESENTATION OF LOGO



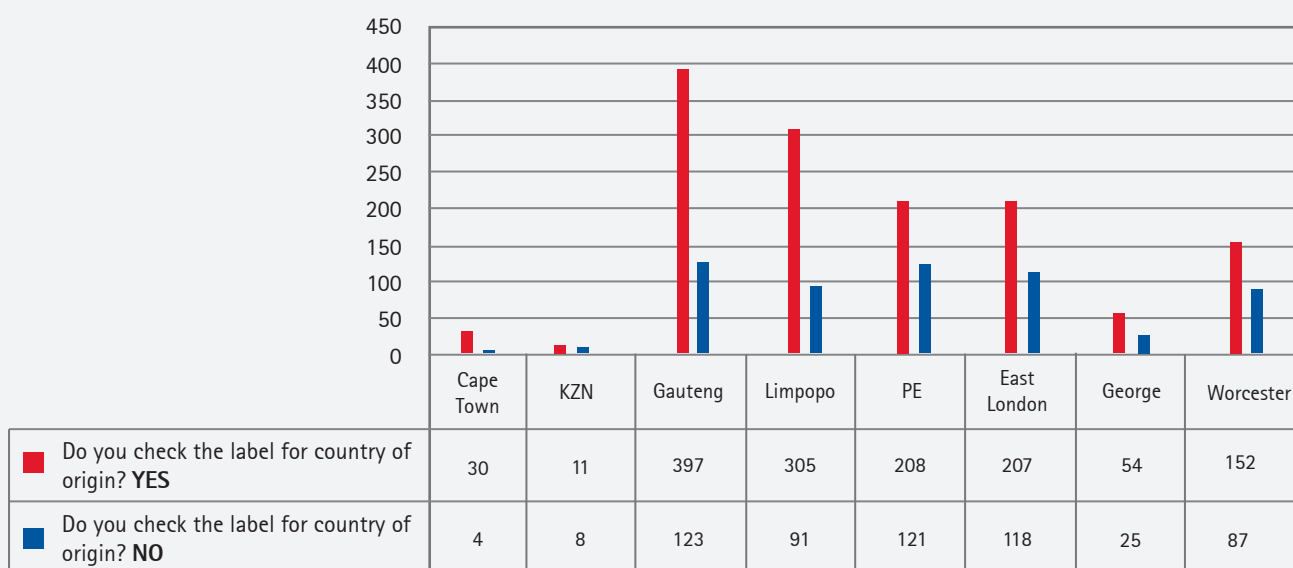
*Consumers have a strong association with 'National Pride' when they see the logo*

## CONSUMER PURCHASE BEHAVIOUR: PROUDLY SA LOGO



Consumers we approached during the mall activations were not only aware of the logo but actively purchased items that bear the logo.

## CONSUMER PURCHASE BEHAVIOUR: COUNTRY OF ORIGIN



A higher percentage of consumers who took part in this survey, check the label for the country of origin when making purchase decisions.

## Conclusion

1. Claimed recognition of the Proudly SA logo is still very high and the organisation and its intentions continue to be well received by all groups of South Africans. This is due to the patriotic link consumers have with the “Proudly South African” the phrase and logo.
2. Consumers who answered the questions have a very strong association with national pride when they see the Proudly SA logo.
3. A greater percentage of consumers who were interviewed confirmed that they purchased items bearing the Proudly SA logo and that they purchased locally produced items. This leads us to assume that if the items are available, they are more than willing to support/purchase local products and services.
4. A greater percentage of consumers also confirmed that they checked for the ‘country of origin’ label.

## 9.1.5. BRAND MANAGEMENT

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### Trademarks

The Proudly SA trademarks include the circular logo, horizontal logo and the phrase, “Proudly South African”. These trademarks are registered trademarks that are legally protected in accordance with the Merchandise Marks Act, the Trade Marks Act, Counterfeit Goods Act and Common Law. Only registered members of Proudly SA are authorised to use the trademarks.

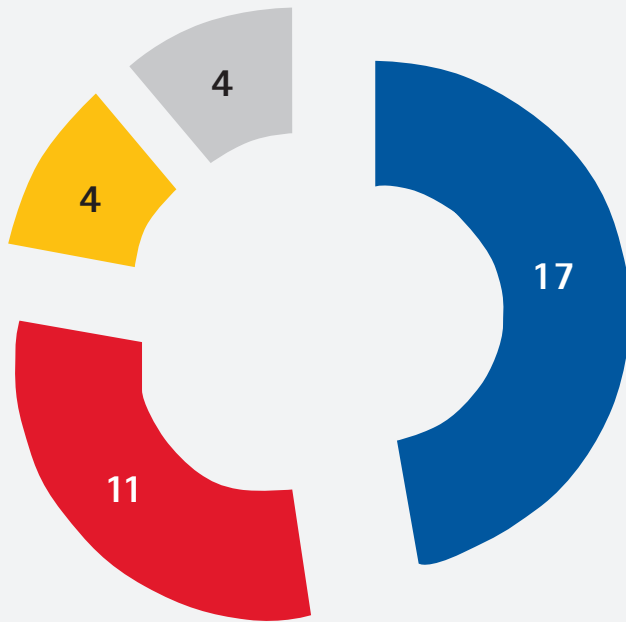
### Illegal use of Trademarks

During the period under review, twenty-one (21) cases of infringement were dealt with internally. The number of cases concluded in this period totalled eleven (11), of which four (4) were cases taken over from the Proudly SA IP Lawyers – Adams and Adams.

### Correct use of Trademarks

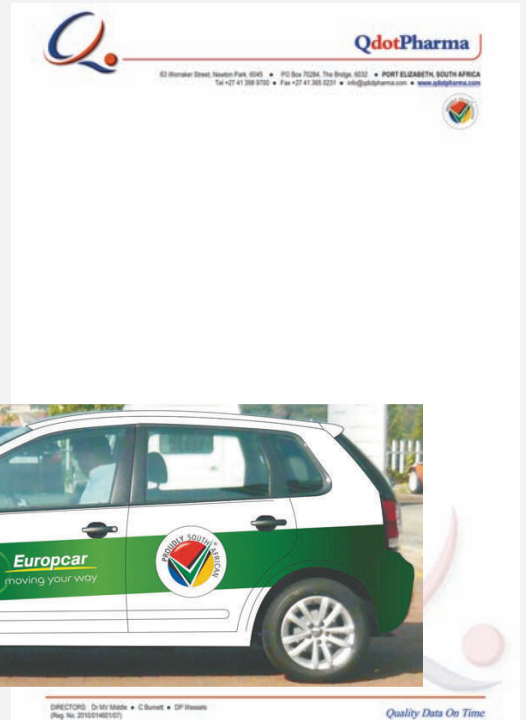
To ensure adherence to the Proudly SA Corporate Identity (CI) members are given access to the Proudly SA Corporate Identity Manual (CI) and the Proudly SA logo, through a special member’s portal. Members forward their designs to Proudly SA to ensure the logo is applied correctly and according to the Proudly SA CI. This includes branding on packaging, vehicles, stationery, websites and other marketing material eg. Maggie Noodles packaging, Europcar and Qdot.

# UNAUTHORISED USE OF TRADEMARKS



■ Number of internal cases received	17
■ Number of internal cases concluded	11
■ Number cases taken over from IP Lawyers	4
■ Number of cases with IP Lawyers	4

# CORRECT USE OF TRADEMARKS





## Trademark Permissions

As part of Proudly SA's strategy to educate all citizens to support the buy local movement, it grants publishers permission to use the trademarks in various educational materials.

During the period under review the following publications were granted permission:

NAME OF BOOK / TEXTBOOK	AUTHOR	PUBLISHER
Focus Business Studies Grade 11 Learner Book	Wilma Mayhew, Maria bounds, Roop Malgee	Maskew Miller Longman
FOCUS: TOURISM Grade 11 Learner's Book	E Deutschmann, C Weston, T Thiyane	Maskew Miller Longman
Oxford Successful Business Studies Gr 11 Learner's Book and Oxford Suksesvolle Besigheidstudies Gr 11 Leerder's Boek		Oxford Publishers
Permission to use Jobs for Mandela Day advert in: Global and Southern African Perspectives: Consumer Behaviour.		Pearson Education SA
Platinum Business Studies Grade 10 eText Project ID: S22853	M Englebrecht, S Harris, J Khumalo, R Mathebula	Maskew Miller Longman
Platinum Business Studies Grade 10 ePub Project ID: S23205	M Englebrecht, S Harris, J Khumalo, R Mathebula	Maskew Miller Longman
Solutions for All Economics Grade 12 Learners Book	Caroline Chapman, Bernard Serfordtein and Celia Van Zyl	Macmillan
Focus on Tourism and Verken Toerisme	Deutchmann et al	Maskew Miller Longman
Study and Master Life Orientation	Keith Gibbs, Kathryn O'Connor, BJ Willemburg, Louise Banks	Cambridge University Press
Making a mark: An introductory guide to trade marks for SMME	WIPO, customized for <b>the dti</b>	The Department of Trade and Industry ( <b>the dti</b> )
Focus Accounting Grade 12	Kerdachi, Kriel & Boucher	Maskew Miller Longman
Focus Consumer Studies GR 12 / Verken Verbruiker Studies GR 12	Ria Van Wyk, Anita van Zyl, Tonia van der Linde & Rina Schubotz	Maskew Miller Longman

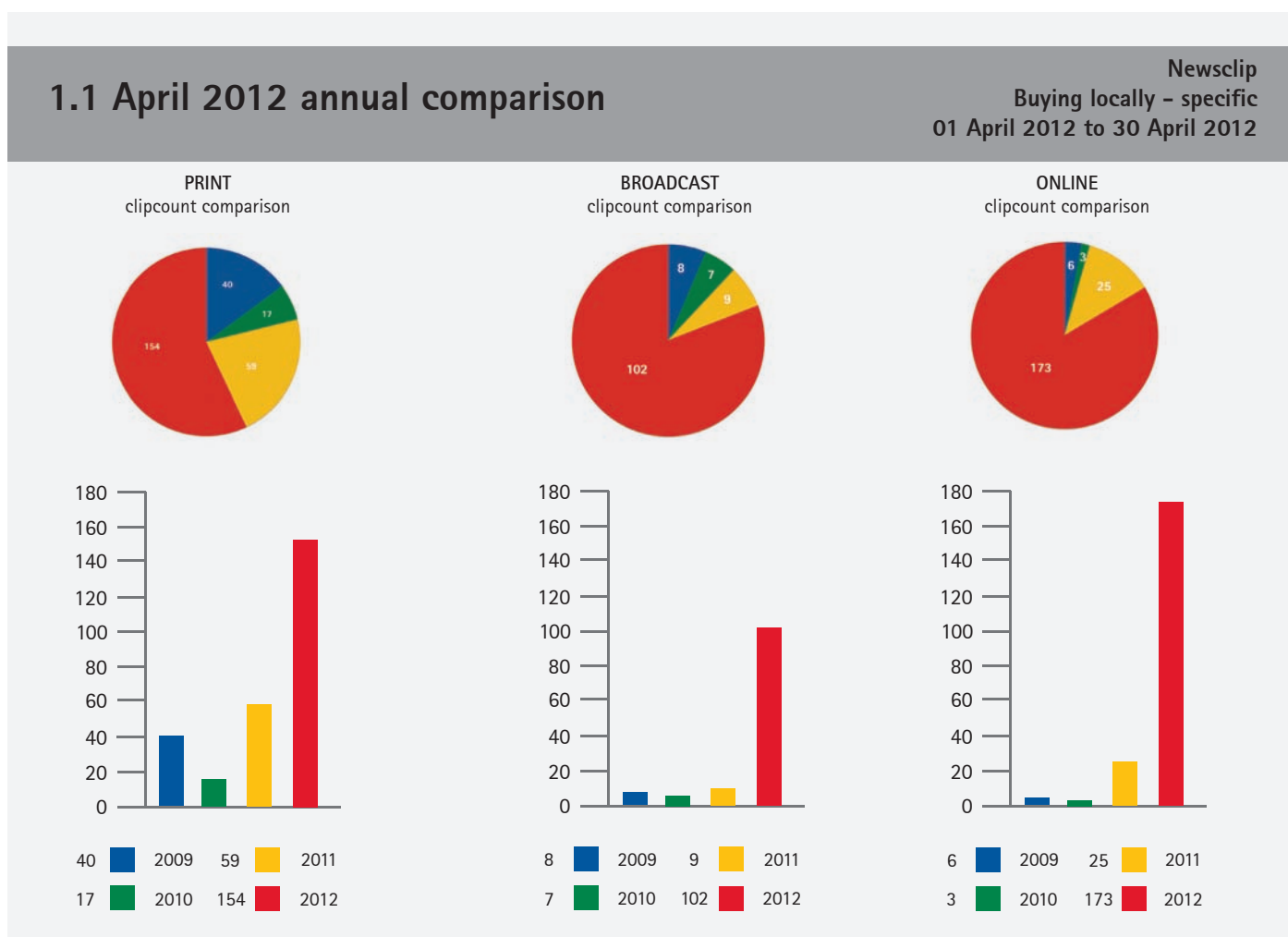
## 9.1.6. MEDIA & PUBLIC RELATIONS

This report contains information relating to PR/media coverage for the Proudly South African “Buy Local” campaign for the period 1 April 2012 to 31 March 2013. This includes monthly and quarterly comparisons with previous years (2009-2013) as well as stats and trends for print, broadcast and online media.

AVEs (Advertising Value Equivalenc-, a marketing metric for PR measurement) provided by Newsclip Monitoring Services include all results relating to “buy local”, “IPAP”, “Local is lekker” and “Proudly South African” search phrases. This report also focuses on coverage relating exclusively to Proudly South African and its activities.

### 5.1.6.1. Newsclip “Data Cool” Reports for monthly comparisons

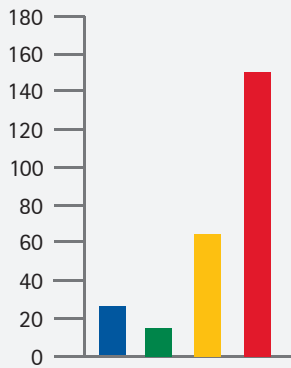
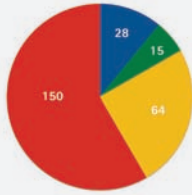
Monthly comparisons below illustrate the print, broadcast and online clipcount for each month respectively, compared with previous years. There was a substantial increase in media coverage during the period under review. While the clipcount may have declined in certain categories, during certain months, the AVE/PR Value increased. Therefore, a steady increase in the PR/Editorial value is illustrated for the period under review.



## 1.2 May 2012 annual comparison

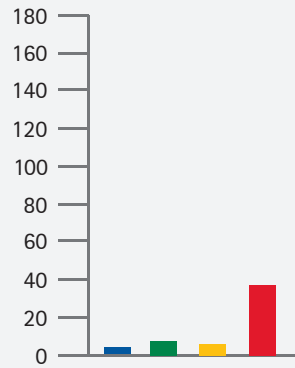
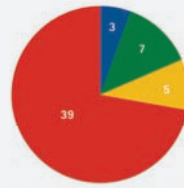
Newsclip  
Buying locally – specific  
01 May 2012 to 31 May 2012

**PRINT**  
clipcount comparison



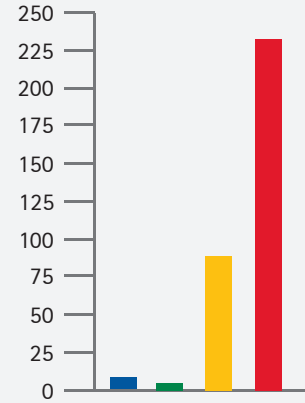
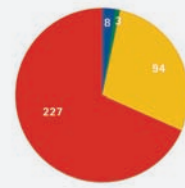
28 2009 64 2011  
15 2010 150 2012

**BROADCAST**  
clipcount comparison



3 2009 5 2011  
7 2010 39 2012

**ONLINE**  
clipcount comparison

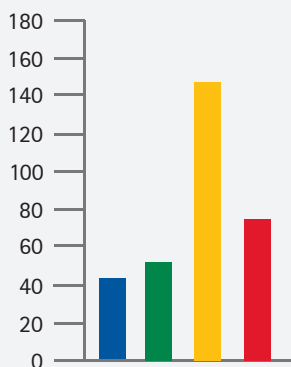
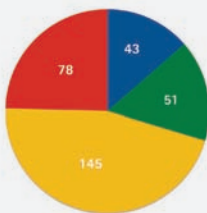


8 2009 94 2011  
3 2010 227 2012

## 1.3 June 2012 annual comparison

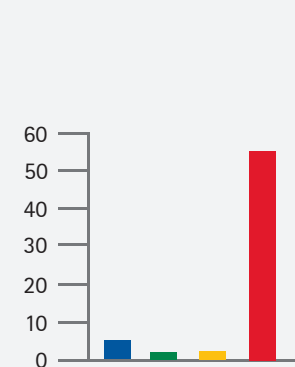
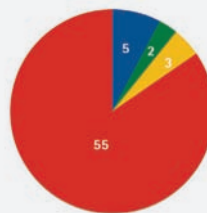
Newsclip  
Buying locally – specific  
01 June 2012 to 30 June 2012

**PRINT**  
clipcount comparison



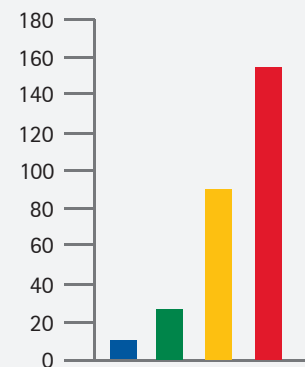
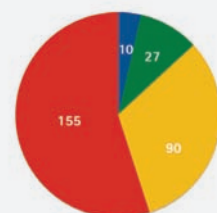
43 2009 145 2011  
51 2010 78 2012

**BROADCAST**  
clipcount comparison



5 2009 3 2011  
2 2010 55 2012

**ONLINE**  
clipcount comparison

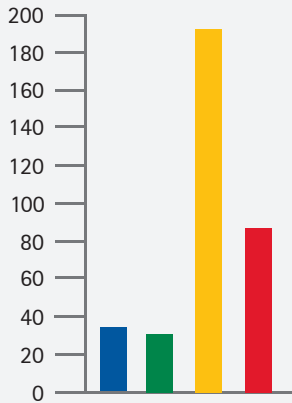
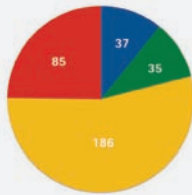


10 2009 90 2011  
27 2010 155 2012

# 1.4 July 2012 annual comparison

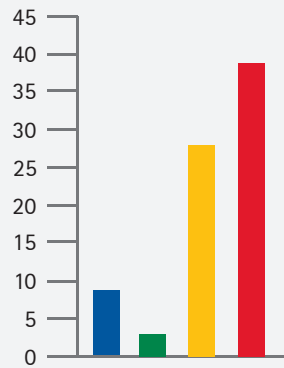
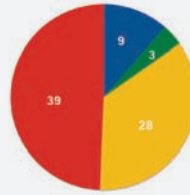
Newsclip  
Buying locally - specific  
01 July 2012 to 31 July 2012

**PRINT**  
clipcount comparison



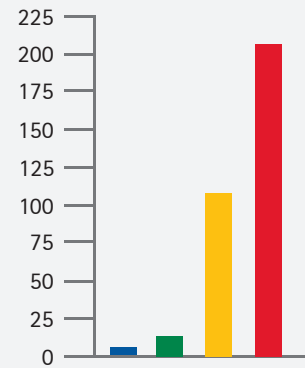
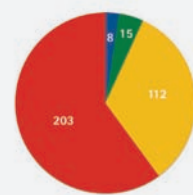
37 2009 186 2011  
35 2010 85 2012

**BROADCAST**  
clipcount comparison



9 2009 28 2011  
3 2010 39 2012

**ONLINE**  
clipcount comparison

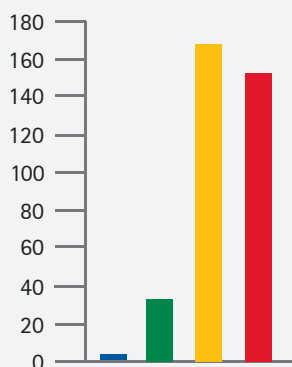
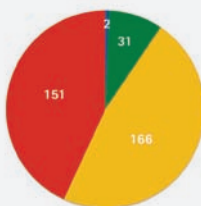


8 2009 112 2011  
15 2010 203 2012

# 1.5 August 2012 annual comparison

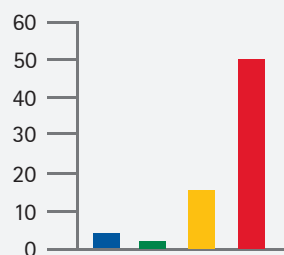
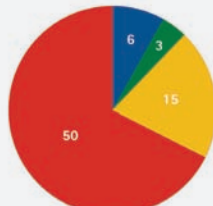
Newsclip  
Buying locally - specific  
01 August 2012 to 31 August 2012

**PRINT**  
clipcount comparison



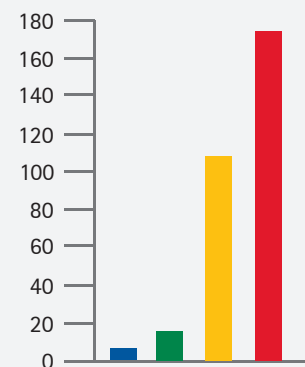
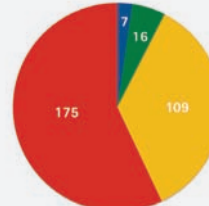
2 2009 166 2011  
31 2010 151 2012

**BROADCAST**  
clipcount comparison



6 2009 15 2011  
3 2010 50 2012

**ONLINE**  
clipcount comparison



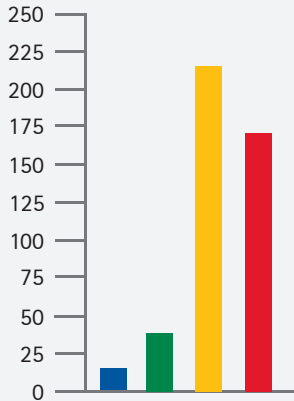
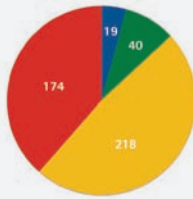
7 2009 109 2011  
16 2010 175 2012



# 1.6 September 2012 annual comparison

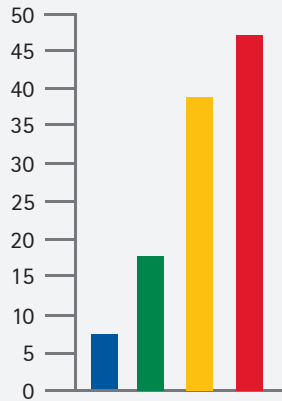
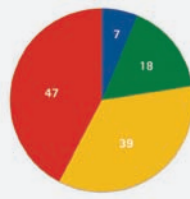
Newsclip  
Buying locally – specific  
01 September 2012 to 30 September 2012

**PRINT**  
clipcount comparison



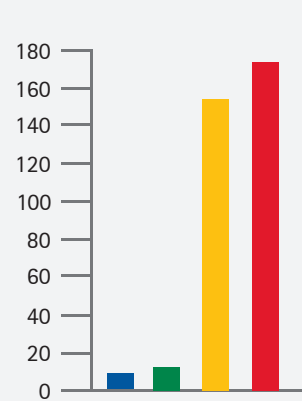
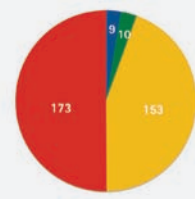
19 2009 218 2011  
40 2010 174 2012

**BROADCAST**  
clipcount comparison



7 2009 39 2011  
18 2010 47 2012

**ONLINE**  
clipcount comparison

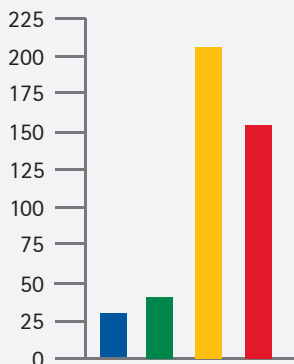
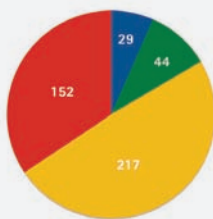


9 2009 153 2011  
10 2010 173 2012

# 1.7 October 2012 annual comparison

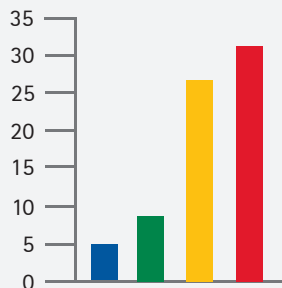
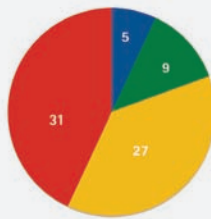
Newsclip  
Buying locally – specific  
01 October 2012 to 31 October 2012

**PRINT**  
clipcount comparison



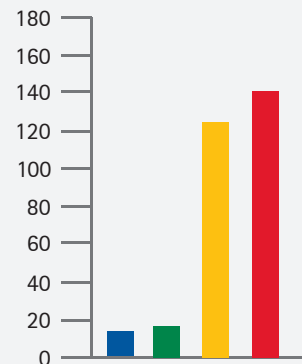
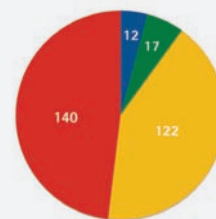
29 2009 217 2011  
44 2010 152 2012

**BROADCAST**  
clipcount comparison



5 2009 27 2011  
9 2010 31 2012

**ONLINE**  
clipcount comparison

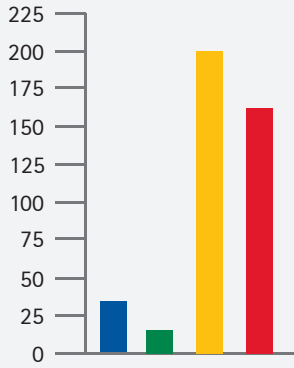
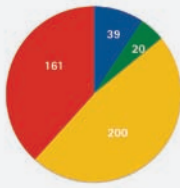


12 2009 122 2011  
17 2010 140 2012

# 1.8 November 2012 annual comparison

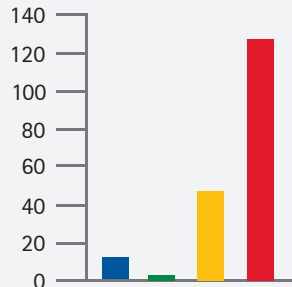
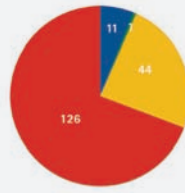
Newsclip  
Buying locally – specific  
01 November 2012 to 30 November 2012

**PRINT**  
clipcount comparison



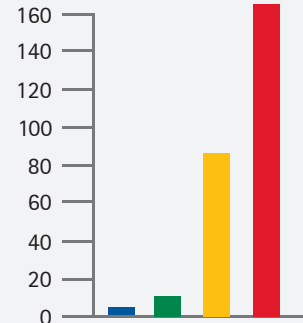
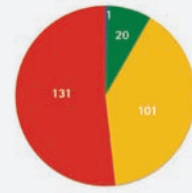
39 2009 200 2011  
20 2010 161 2012

**BROADCAST**  
clipcount comparison



11 2009 44 2011  
1 2010 126 2012

**ONLINE**  
clipcount comparison

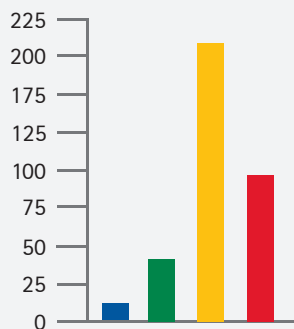
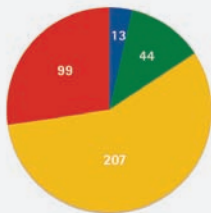


1 2009 101 2011  
20 2010 131 2012

# 1.9 December 2012 annual comparison

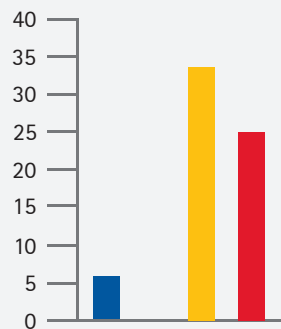
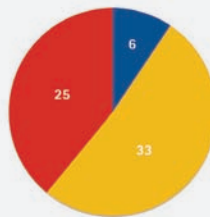
Newsclip  
Buying locally – specific  
01 December 2012 to 31 December 2012

**PRINT**  
clipcount comparison



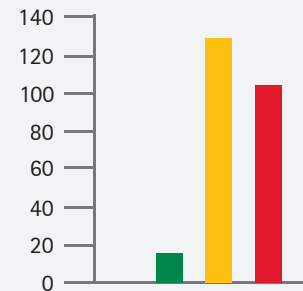
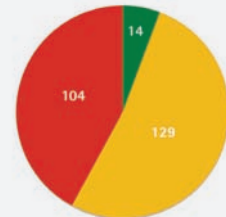
13 2009 207 2011  
44 2010 99 2012

**BROADCAST**  
clipcount comparison



6 2009 33 2011  
0 2010 25 2012

**ONLINE**  
clipcount comparison

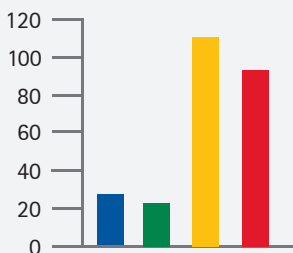
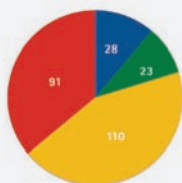


0 2009 129 2011  
14 2010 104 2012

# 1.10 January 2013 annual comparison

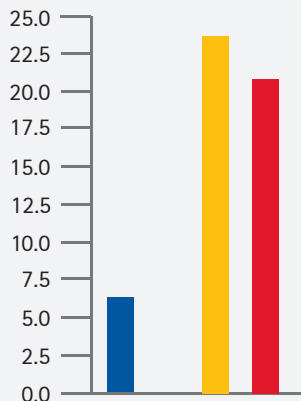
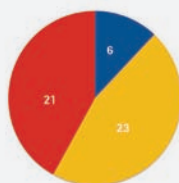
Newsclip  
Buying locally - specific  
01 January 2013 to 31 January 2013

**PRINT**  
clipcount comparison



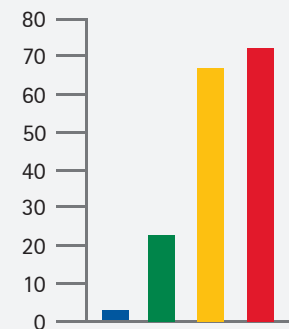
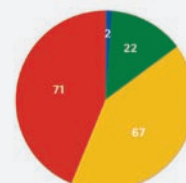
28 2010 110 2012  
23 2011 91 2013

**BROADCAST**  
clipcount comparison



6.0 2010 23.0 2012  
0.0 2011 21.0 2013

**ONLINE**  
clipcount comparison

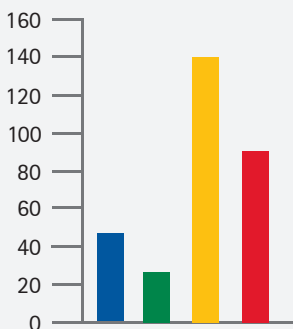
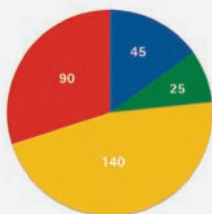


2 2010 67 2012  
22 2011 71 2013

# 1.11 February 2013 annual comparison

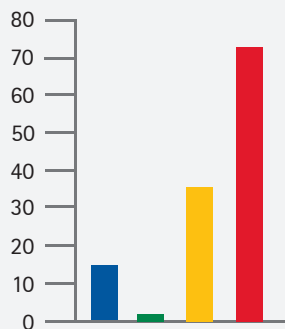
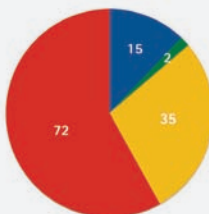
Newsclip  
Buying locally - specific  
01 February 2013 to 28 February 2013

**PRINT**  
clipcount comparison



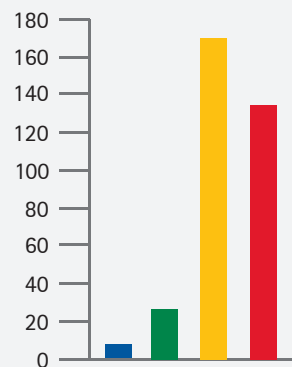
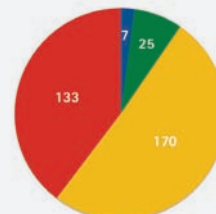
45 2010 140 2012  
25 2011 90 2013

**BROADCAST**  
clipcount comparison



15 2010 35 2012  
2 2011 72 2013

**ONLINE**  
clipcount comparison

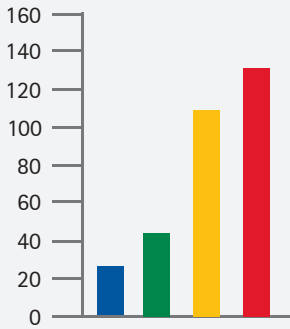
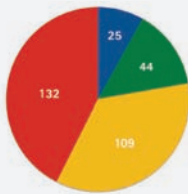


7 2010 170 2012  
25 2011 133 2013

# 1.12 March 2013 annual comparison

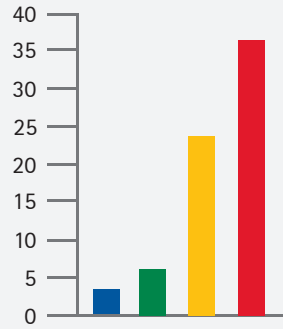
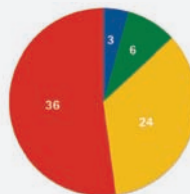
Newsclip  
Buying locally – specific  
01 March 2013 to 31 March 2013

**PRINT**  
clipcount comparison



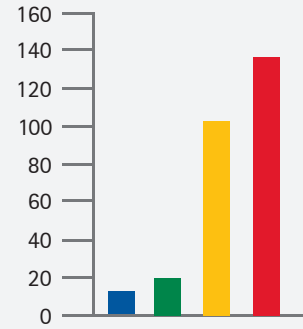
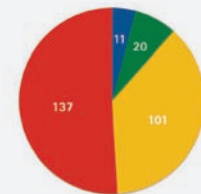
25 2010 109 2012  
44 2011 132 2013

**BROADCAST**  
clipcount comparison



3 2010 24 2012  
6 2011 36 2013

**ONLINE**  
clipcount comparison

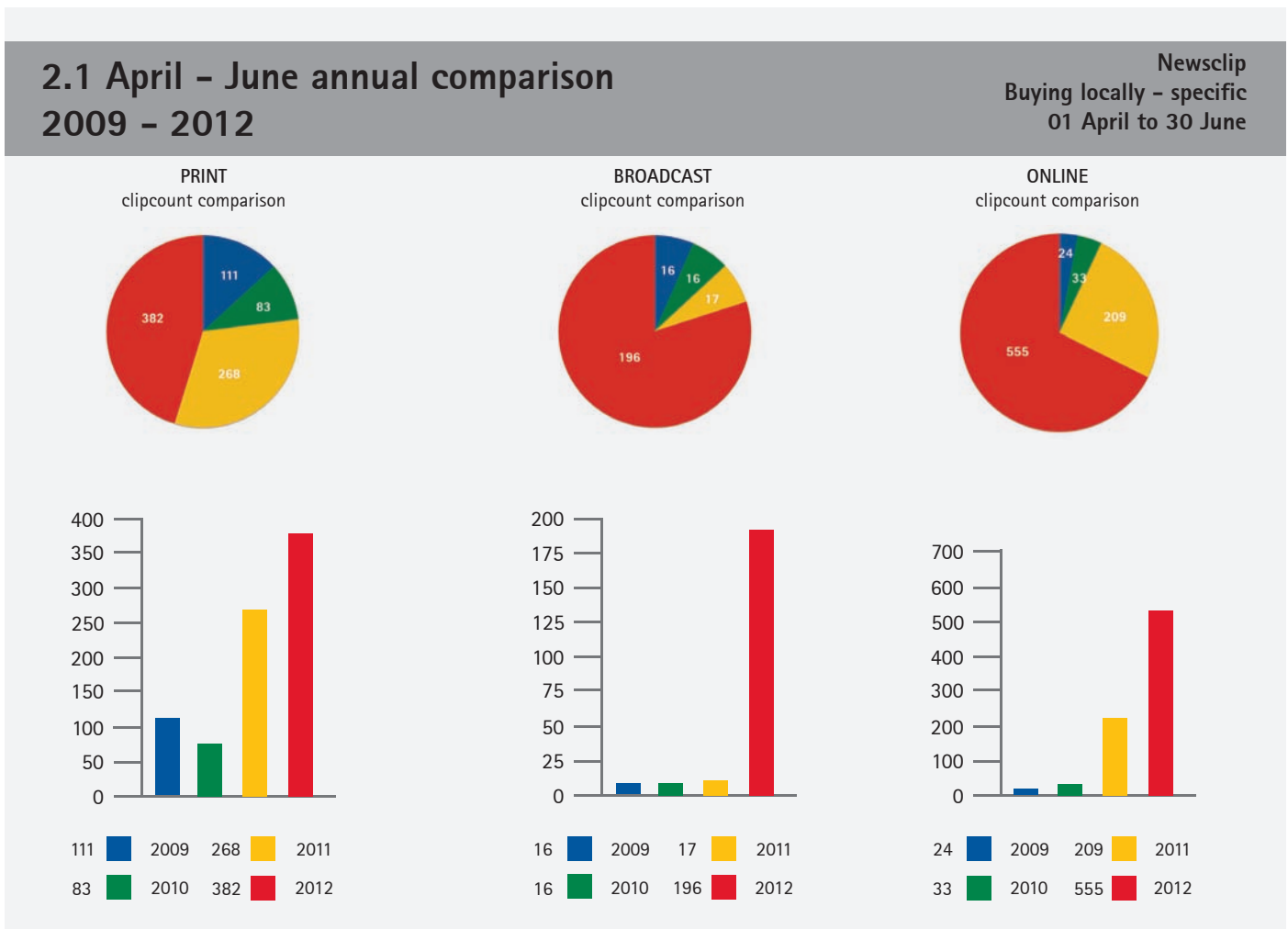


11 2010 101 2012  
20 2011 137 2013



## 9.1.6.2. Newsclip “Data Cool” Reports for monthly quarterly comparisons - including print, broadcast & online breakdowns

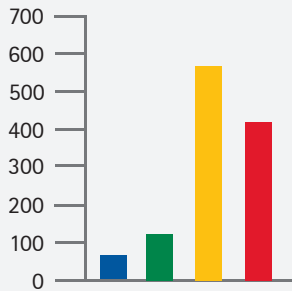
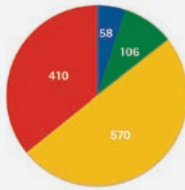
Quarterly comparisons below illustrate the print, broadcast and online clipcount for each quarter respectively, compared with previous years. There was a substantial increase in media coverage during the period under review. While the clipcount may have declined in certain categories during certain months, the AVE/PR Value increased. Therefore, a steady increase in the PR/Editorial value is illustrated for the period under review.



## 2.2 July - September annual comparison 2009 - 2012

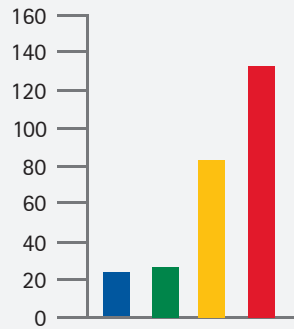
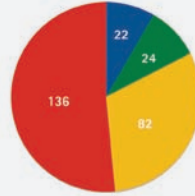
Newsclip  
Buying locally - specific  
01 July to 30 September

PRINT  
clipcount comparison



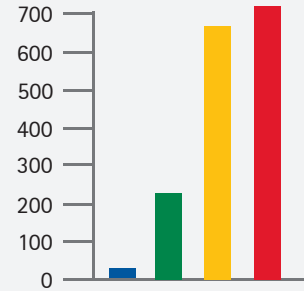
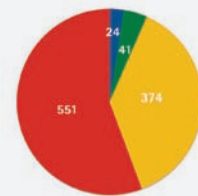
58 2009 570 2011  
106 2010 410 2012

BROADCAST  
clipcount comparison



22 2009 82 2011  
24 2010 136 2012

ONLINE  
clipcount comparison

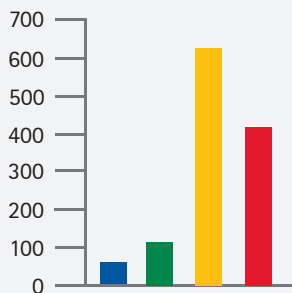
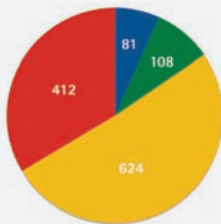


24 2009 374 2011  
41 2010 551 2012

## 2.3 October - December annual comparison 2009 - 2012

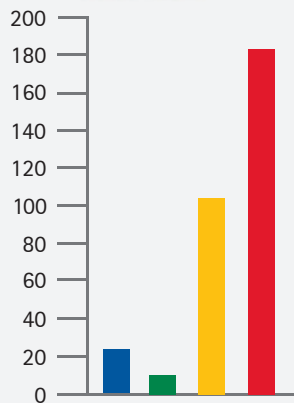
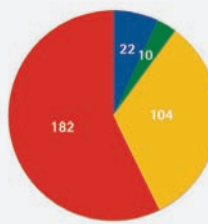
Newsclip  
Buying locally - specific  
01 October to 31 December

PRINT  
clipcount comparison



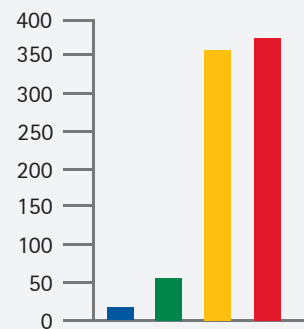
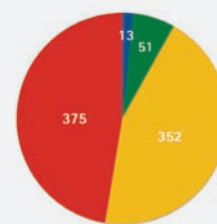
81 2009 624 2011  
108 2010 412 2012

BROADCAST  
clipcount comparison



22 2009 104 2011  
10 2010 182 2012

ONLINE  
clipcount comparison

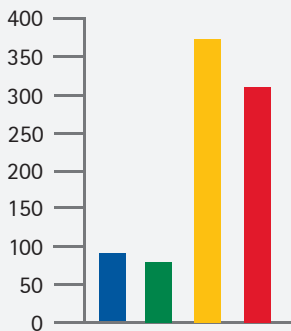
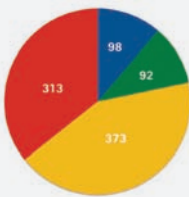


13 2009 352 2011  
51 2010 375 2012

## 2.4 January - March annual comparison 2010 - 2013

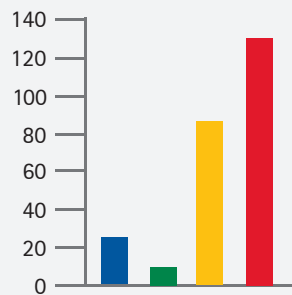
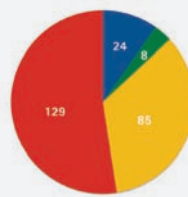
Newsclip  
Buying locally - specific  
01 January to 31 March

PRINT  
clipcount comparison



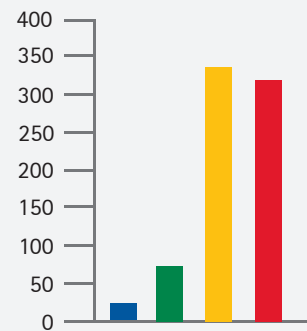
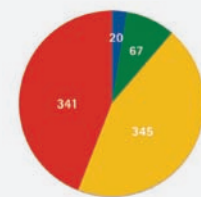
98 ■ 2010 373 ■ 2012  
92 ■ 2011 313 ■ 2013

BROADCAST  
clipcount comparison



24 ■ 2010 85 ■ 2012  
8 ■ 2011 129 ■ 2013

ONLINE  
clipcount comparison



20 ■ 2010 345 ■ 2012  
67 ■ 2011 341 ■ 2013

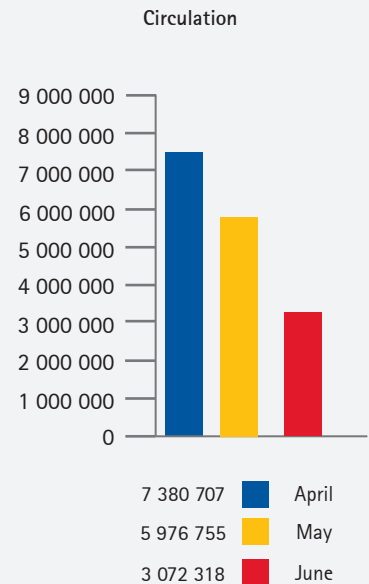
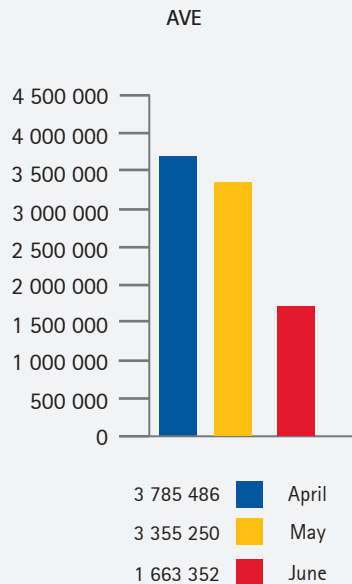
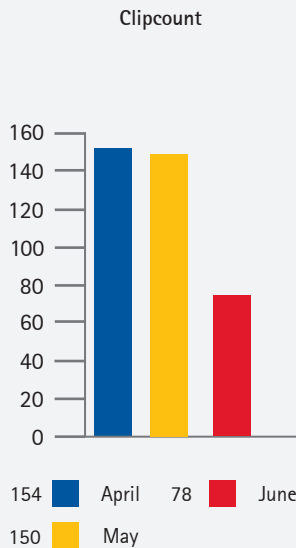
### 9.1.6.3. **Print stats and trends - breakdowns including clip count, AVEs and circulation**

Quarterly comparisons below illustrate the print trends analysis for each quarter. This includes the clipcount (number of clippings for the said period); AVE (Ad Value Equivalency) from which we derive the PR/Editorial Value by multiplying the AVE by 3 according to industry norms; and Circulation figures.

\*AVEs provided by Newsclip Monitoring Services include all results relating to “buy local”, “IPAP”, “Local is lekker” and “Proudly South African” search phrases. However, this report also focuses on coverage relating exclusively to Proudly South African and its activities. Therefore, Newsclip AVEs will be higher than Proudly SA monthly and quarterly report totals.

#### 3.1 April – June analysis 2012

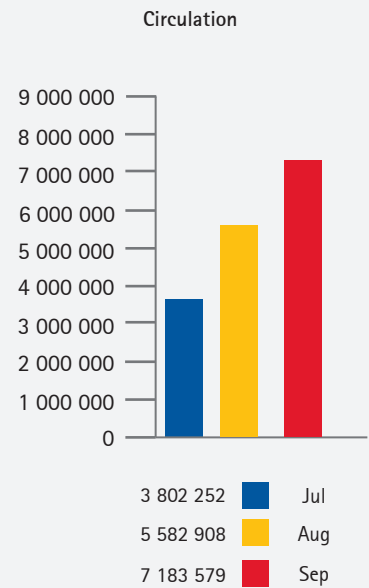
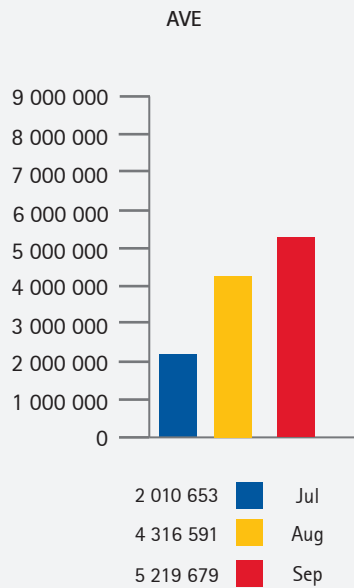
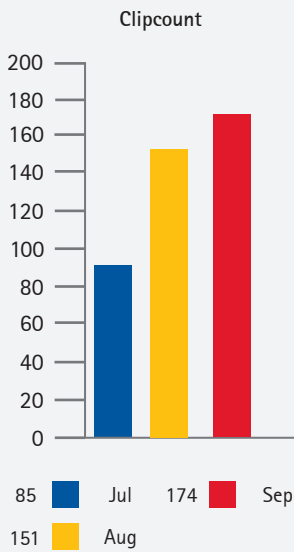
Newsclip  
Buying locally – specific  
01 April 2012 to 30 June 2012





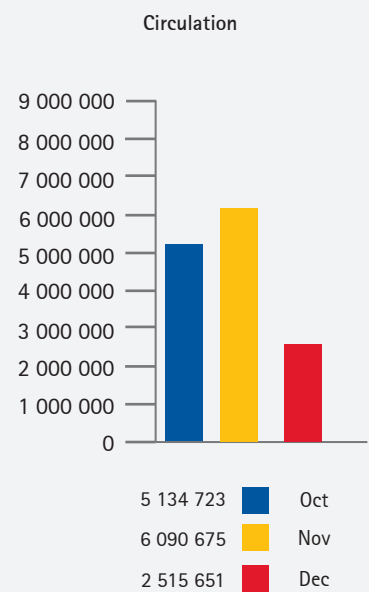
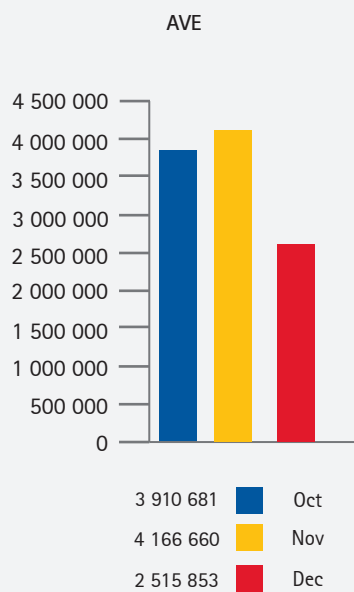
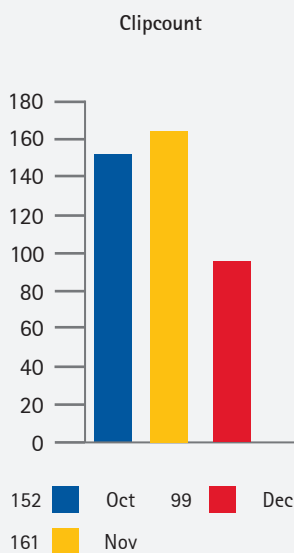
### 3.2 July - September analysis 2012

Newsclip  
Buying locally - specific  
01 July 2012 to 30 September 2012



### 3.3 October - December analysis 2012

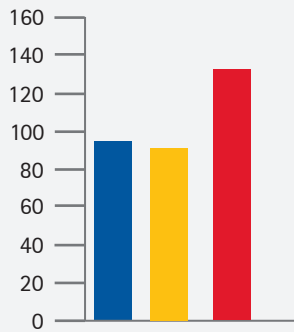
Newsclip  
Buying locally - specific  
01 Oct 2012 to 31 December 2012



# 3.4 January - March analysis 2013

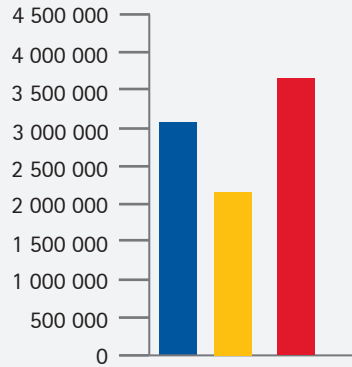
Newsclip  
Buying locally - specific  
01 January 2013 to 31 March 2013

Clipcount



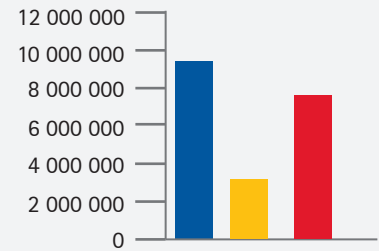
91 Jan 132 Mar  
90 Feb

AVE



3 085 193 Jan  
2 221 846 Feb  
3 541 158 Mar

Circulation



9 531 035 Jan  
3 466 762 Feb  
6 951 154 Mar



# 10

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE

## 10.1 The Role Of The Proudly South African Board Of Directors

The Board of Directors (the Board) of Proudly South African is accountable and responsible for the performance and affairs of the Campaign and regard good corporate governance as pivotal to the success of its business, its stakeholder relations and the ability of the Campaign to deliver on its public awareness mandate. In this regard, the Board's role is to ensure the application of the principles of good corporate governance in all dealings by the officials of Proudly South African, in respect and on behalf of the Campaign.

Directors must act with fidelity, honesty, integrity and in the best interests of Proudly South African in all dealings on its behalf and are prohibited from using their privileged position as Directors or any confidential information gleaned in that capacity for their personal gain or that of any other person. The board must ensure:

1. The care and protection of the Campaign's assets and records, and seek to prevent any prejudice to the financial interests of the Campaign;
2. The existence of effective, efficient and transparent systems of financial and risk management and internal control;
3. The existence of a robust internal audit function;
4. The existence of a procurement system which is fair, equitable, transparent, competitive and cost effective;
5. That a methodology for the thorough evaluation of capital projects prior to final approval is put in place;
6. That all revenue due to the Campaign is collected and that working capital is efficiently and effectively managed;
7. That the investment of all funds under the Campaign's control takes place in terms of a clear policy which complies with the applicable laws and regulations, and which is approved by the Board.

## 10.2 Sub Committees of the Board

### 10.2.a Auditors Risk Committee

During the period under review, the Audit and Risk Committee performed its duties in line with the relevant provisions of the Companies Act. In this regard, the Committee has adopted appropriate formal terms of reference including the external audit charter and duly executed its functions. The Audit and Risk Committee comprises three Non-Executive directors.

Audit and Risk Committee ("Committee") has been established by the Board of Proudly South African (the "Company") to perform the functions listed below for the Company:-

- (a) assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable requirements and accounting standards;
- (b) perform those statutorily prescribed functions of an audit committee as contained in section 94 of the amended Companies Act of 2008 (per Annexure A to this charter) for the Company.
- (c) assist the Board in overseeing the effectiveness of the Company's internal controls and internal audit function;
- (d) assist the Board in overseeing compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements; and
- (e) assist the Board in overseeing risk management, including the review of the Company's risk philosophy, strategy and policies recommended by Management and compliance with such policies and overall risk profile of the Company.

## 10.2.b Audit committee report

During the period under review, the committee held three scheduled meetings for the year ended 31 March 2013. In the conduct of its duties, the committee has performed the following activities:

- Recommended the appointment of the current registered external auditor for the company who, in the opinion of the committee, is independent of the company.
- Determined the fees to be paid to the auditor and the auditor's terms of engagement.
- Ensured that the appointment of the auditor complies with the Companies Act and any other legislation relating to the appointment of auditors.
- Determined the nature and extend of any non-audit services which the auditor may provide to the company.
- Considered the independence and objectivity of the external auditor and ensured that the scope of its additional services provided to the company, was not such that they could be seen to have impaired their independence.
- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the company's internal control environment, systems and processes.
- Reviewed the reports of both internal and external auditors detailing their concerns arising out of their audits and requested appropriate responses from management which resulted in the concerns being addressed.
- Considered the effectiveness of the internal audit, approved the one-year operational internal audit plan and monitored the adherence of the internal audit to its annual programme.
- Reviewed and recommended for adoption by the company's Board, such financial information that is publicly disclosed, which for the year, included the annual report for the year ended 31 March 2013
- Made appropriate recommendations to the company's Board regarding the corrective actions to be taken as a consequence of audit findings.
- Reviewed the company's compliance with legal and regulatory provisions; and
- Reviewed the adequacy, reliability and accuracy of the financial information provided to the Management and other users of such information.
- In the opinion of the committee, the internal controls of the company are considered appropriate to:
  - o Meet the business objectives of the company;
  - o Ensure the company's assets are safeguarded; and
  - o Ensure that the transactions undertaken are recorded in the company's accounting records

Where weaknesses in specific controls have been identified, Management has undertaken to implement the appropriate corrective action to mitigate the identified weaknesses. The internal auditor and external auditor have unlimited access to the chairman of the committee. The chairman of the committee attends the annual general meeting (AGM) and is available to answer any questions that arise at the AGM from time to time.

The committee has further evaluated the annual financial statements for the year ended 31 March 2013 and is of the opinion that it complies, in all material respects, with the requirements of the Companies Act and the International Financial Reporting Standards.



## 10.3 FINANCE AND PROCUREMENT COMMITTEE (FINCO)

During the year under review, the Finance and Procurement Committee consisted of four Non-Executive Directors of the Board, and was chaired by Ms. Eugenia Kula-Ameyaw. The committee also included Adv. Leslie Sedibe, the CEO of Proudly South African.

The formed committee met only once and considered various matters, including the Budget for the upcoming year, the financial position of the organisation, the possible relocation of the organisation, an RFP for appointing a Sponsorship Management Agency as well as the organization's PFMA status.

## 10.4 MEMBERSHIP, MARKETING AND COMMUNICATIONS COMMITTEE

During the year under review, the Membership, Marketing and Communications Committee consisted of four Non-Executive Directors of the Board, and was chaired by Mr. Guy Harris. The committee also included Adv. Leslie Sedibe, the CEO of Proudly South African.

The committee met only once during the financial year and considered various matters, including the Marketing plan, major Marketing activities for the year such as the SA Premier Business Awards, the Communications strategy and plan, Membership recruitment strategy and trends, membership targets, Cooperation proposals, Stakeholder Relationship Management as well as reports from the Marketing, Communications and Membership units.

## 10.5 Board Attendance

### Board Meetings

Board Meetings	3 May 2012	25 July 2012	13 September 2012	29 November 2012	14 March 2013
<b>Member</b>					
Adv. Dali Mpofu (Chairman)	P	P	A	A	A
Adv. Leslie Sedibe (CEO)	P	P	P	P	P
Bheki Ntshalintshali	P	A	P	P	A
Joseph Maqhekeni	P	P	P (Chairperson)	A	P (Chairperson)
Lulama Nare	P	A	A	A	A
Laura Kganyago	P	P	P	P	P
Dumisani Mthlane	P	P	A	P	P
Les Kettleidas	P	P	A	A	A
Pumla Ncapayi	P	A	A	A	A
Guy Harris	P	P	P	P	P
Clement Manoko	-	-	-	P	P
Eugenia Kula- Ameyaw	-	P	P	P	P
Venete Klein	P	P	P	P	P
Allistair Smith	--	-	P	P	P

A=apology P=present

Audit and Risk Committee	23 July 2012	26 November 2012	7 March 2013
<b>Member</b>			
Joseph Maqhekeni (Chairman)	P	P	P
Adv. Dali Mpofu (by invitation)	P	A	A
Adv. Leslie Sedibe (CEO)	P	P	P
Pumla Ncapayi	A	A	A
Guy Harris	P	P	P
Dumisani Mthlane	P	P	P

Finance and Procurement Committee	28 February 2013
<b>Member</b>	
Eugenia Kula- Ameyaw (Chairman)	P
Adv. Leslie Sedibe (CEO)	P
Laura Kganyago	P
Clement Manoko	P
Allistair Smith	A

Membership, Marketing and Communications	30 January 2013
<b>Member</b>	
Guy Harris (Chairman)	P
Adv. Leslie Sedibe (CEO)	P
Joseph Maqhekeni	P
Dumisani Mthlane	P (By teleconference)

Remuneration Committee	23 August 2012	29 November 2012
<b>Member</b>		
Laura Kganyago (Chairman)	P	P
Adv. Leslie Sedibe (CEO)	P	P
Bheki Ntshalintshali	A	A
Les Kettledas	A	A
Venete Klein	P	P

# 11

# AUDITED FINANCIAL STATEMENTS

## AUDITED FINANCIAL STATEMENTS

### 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	Advocate D Mpofu (Chairperson) Advocate L Sedibe (CEO) B. Ntshalintshali J. Maqhekeni A. Smith C. Manoko L. Kganyago G. Harris L. KettleDas E. Kula-Ameyaw P. Ncapayi L. Nare D. Mthalane
Registered office	14A Jellicoe Avenue Rosebank 2196
Business address	14A Jellicoe Avenue Rosebank 2196
Postal address	P O Box 1062 Saxonwold 2132
Bankers	Nedbank Rand Merchant Bank
Auditors	SizweNtsalubaGobodo Registered Auditors

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

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Independent Auditors' Report	87
Directors' Report	88 - 89
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Statement of Financial performance	91
Statement of Changes in Equity	92
Statement of Cash Flows	93
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## Directors' Responsibilities and Approval

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The directors are required in terms of the Companies Act of South Africa, 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 South African Statements of General Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of General Accepted Accounting Practice 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 endeavors 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 31 March 2014 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 4.

The annual financial statements set out on pages 5 to 19, which have been prepared on the going concern basis, were approved by the board on 29 August 2013 and were signed on its behalf by:

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**Advocate D Mpofu (Chairperson)**

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**Advocate L Sedibe (CEO)**

# Independent Auditors' Report

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To the Board of Directors of Proudly South African

We have audited the annual financial statements of Proudly South African, which comprise the statement of financial position as at 31 March 2013, and the statement of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on 7 to 18.

## Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of General Accepted Accounting Practice, and requirements of the Companies Act of South Africa, 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements present fairly, in all material respects, the financial position of Proudly South African as at 31 March 2013, and its financial performance and its cash flows for the year then ended in accordance with South African Statements of General Accepted Accounting Practice, and the requirements of the Companies Act of South Africa, 2008.

## Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 19 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

As part of our audit of the financial statements for the year ended 31 March 2103, we have read the director's report for the purpose of identifying whether there are material inconsistencies between the report and the audited financial statements. The report is the responsibility of the preparers. Based on reading we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly do not express an opinion on the report.

**SizweNtsalubaGobodo**  
**Registered Auditors**

**Per: Dan Govender**  
**Director**  
**Johannesburg**  
**29 August 2013**

The directors submit their report for the year ended 31 March 2013.

## 1. Review of activities

### Main business and operations

Proudly South African is a campaign launched by Government, business, labour and community organisations to boost job creation by promoting SA companies as well as 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 and comply with labour legislation.

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

The main focus 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 R4 015 748 (2012: R15 280 528).

## 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.

Discussions are underway with the Department of Trade and Industry to increase the confirmed MTEF allocation of R10,550m for the 2013/14 financial year by an additional amount of up to R30m to help cover the projected deficit for the year. Sponsorships will also be pursued to increase the funding base of the organisation.

## 3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the end of the financial year.

## 4. Directors

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

<b>Name</b>	<b>Organisation</b>	<b>Changes</b>
Advocate D Mpofu (Chairperson)	Independent	
Advocate L Sedibe (CEO)	CEO Proudly SA	
B Ntshalintshali	Labour	
J Maqhekeni	Labour	
A. Smith	Director: NEDLAC	Appointed 3 May 2012
C. Manoko	Government	Appointed 26 October 2012
L Kganyago	Community	
G Harris	Business	
L Kettleidas	Government	
A Mandigora	Business	Resigned 30 April 2012
V Klein	Business	Resigned 11 March 2013
E Kula-Ameyaw	Busines	
P Ncapayi	Government	
L Nare	Community	
D Mthlane	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**

SizweNtsalubaGobodo



## Statement of Financial Position

Figures in Rand	Note(s)	2013	2012
<b>Assets</b>			
<b>FNon-Current Assets</b>			
Property, plant and equipment	2	1 304 731	1 593 909
Intangible assets	3	22 315	27 247
		<u>1 327 046</u>	<u>1 621 156</u>
<b>Current Assets</b>			
Inventories	5	305 700	250 057
Trade and other receivables	6	396 334	309 502
Prepayments	4	94 811	8 239
Cash and cash equivalents	7	848 383	3 213 810
		<u>1 645 228</u>	<u>3 781 608</u>
<b>Total Assets</b>		<u><b>2 972 274</b></u>	<u><b>5 402 764</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		541 154	4 556 902
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	2 265 987	603 796
Provisions	8	165 133	242 066
		<u>2 431 120</u>	<u>845 862</u>
<b>Total Equity and Liabilities</b>		<u><b>2 972 274</b></u>	<u><b>5 402 764</b></u>

## Statement of financial performance

---

Figures in Rand	Note(s)	2013	2012
Revenue	10	26 032 587	9 467 739
Cost of sales	11	(15 038)	(9 967)
<b>Gross surplus</b>		<b>26 017 549</b>	<b>9 457 772</b>
Operating expenses		(30 247 793)	(25 290 701)
<b>Operating deficit</b>	12	<b>(4 230 244)</b>	<b>(15 832 929)</b>
Investment income	13	214 599	599 893
Finance costs	14	(103)	(47 492)
<b>Deficit for the year</b>		<b>(4 015 748)</b>	<b>(15 280 528)</b>

## Statement of Changes in Equity

---

Figures in Rand	Accumulated surplus	Total equity
<b>Balance at 01 April 2011</b>	<b>19 837 430</b>	<b>19 837 430</b>
Changes in equity		
Total deficit for the year	(15 280 528)	(15 280 528)
Total changes	(15 280 528)	(15 280 528)
<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 31 March 2013</b>	<b>541 154</b>	<b>541 154</b>

# Statement of Cash Flows

---

Figures in Rand	Note(s)	2013	2012
<b>Cash flows from operating activities</b>			
Cash used in operations	16	(2 512 054)	(13 914 251)
Interest income		214 599	599 893
Finance costs		(103)	(47 492)
<b>Net cash from operating activities</b>		<b>(2 297 558)</b>	<b>(13 361 850)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(55 165)	(1 345 476)
Purchase of other intangible assets	3	(12 705)	( 5 105)
<b>Net cash from investing activities</b>		<b>(67 870)</b>	<b>(1 350 581)</b>
<b>Total cash movement for the year</b>		<b>(2 365 428)</b>	<b>(14 712 431)</b>
Cash at the beginning of the year		3 213 810	17 926 241
<b>Total cash at end of the year</b>	7	<b>848 383</b>	<b>3 213 810</b>



# Accounting Policies

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## 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of General Accepted Accounting Practice, and the Companies Act of South Africa, 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.

### 1.1 Property, plant and equipment

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

Item	Average useful life (Years)
Furniture and fixtures	7
Office equipment	5
IT equipment	3
Cell phones	3
Leasehold improvements	8
Sundry equipment	7

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. Should there be an indication that the asset is still of use although the value of the assets is reflected as zero there will be a change in accounting estimate, prior period error or change in accounting policy depending on the nature of circumstances giving rise to such reassessment. If there was an incorrect basis used in the original determination of the useful life of the asset, the resulting reassessment will be treated as prior period error, should market conditions have change which as increase the useful life of the asset, then the change will be accounted for as a change in accounting estimate, in all other in other instances a change in accounting policy will need to be applied.

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

### 1.2 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)
------	-----------------------------

### 1.3 Financial instruments

#### Trade and other receivables

Trade and other receivables are carried at amortised cost less any accumulated impairment.

#### Trade and other payables

A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Trade and other payables are carried at amortised cost.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.4 Inventories

Inventories are measured at the lower of cost and net realisable value on the first in first out basis.

### 1.5 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the company also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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.

### 1.6 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

## **1.7 Government grants**

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

## **1.8 Revenue**

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in an increase in equity, other than increases relating to contributions from equity participants.

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.

Revenue arising from investments yielding interest and dividend shall be recognised when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably.

Revenue from membership fees is recognised on a cash receipt basis upon payment of a pro forma invoice by a member. If no payment is received on the pro forma invoice membership is terminated.

## **1.9 Borrowing costs**

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

## **1.10 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

# Notes to the Annual Financial Statements

Figures in Rand

2013

2012

## 2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	619 165	(418 640)	200 525	951 797	(679 964)	271 833
Office equipment	102 042	(40 981)	61 061	121 888	(48 493)	73 395
IT equipment	719 036	(353 548)	365 488	1 506 786	(1 055 371)	451 415
Leasehold improvements	898 824	(231 368)	667 456	898 824	(109 385)	789 439
Cell phones	6 800	(6 800)	-	20 952	(20 952)	-
Sundry equipment	17 752	(7 551)	10 201	16 397	(8 570)	7 827
<b>Total</b>	<b>2 363 619</b>	<b>(1 058 888)</b>	<b>1 304 731</b>	<b>3 516 644</b>	<b>(1 922 735)</b>	<b>1 593 909</b>

### 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>(318 333)</b>	<b>1 304 731</b>

### Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	88 289	260 077	(76 533)	271 833
Office equipment	6 932	77 334	(10 871)	73 395
IT equipment	463 292	107 667	(119 544)	451 415
Leasehold improvements	-	898 821	(109 382)	789 439
Cell phones	340	-	(340)	-
Sundry equipment	7 913	1 577	(1 663)	7 827
	<b>566 766</b>	<b>1 345 476</b>	<b>(318 333)</b>	<b>1 593 909</b>

## 3. Intangible assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	336 616	(314 301)	22 315	1 219 784	(1 192 537)	27 247

### Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Computer software	27 247	12 705	(17 636)	22 315

### Reconciliation of intangible assets - 2012

	Opening balance	Additions	Amortisation	Total
Computer software	44 944	5 105	(22 802)	27 247



#### 4. Prepayments

Amounts paid to suppliers	94 811	8 239
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#### 5. Inventories

Promotional stock	305 700	250 057
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#### 6. Trade and other receivables

Trade receivables	46 113	131 328
Deposits	600	600
VAT	516 622	140 924
Staff loans	41 000	36 650
Less: accumulated impairment	(208 001)	
	<b>396 334</b>	<b>309 502</b>

#### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6 960	2 860
Bank balances	841 423	3 210 950
	<b>848 383</b>	<b>3 213 810</b>

#### 8. Provisions

##### Reconciliation of provisions - 2013

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

##### Reconciliation of provisions 2012

	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	101 803	102 141	(38 122)	242 066

#### 9. Trade and other payables

Trade payables	526 380	332 171
Amounts received in advance	2 210	3 826
Lease equalisation accrual	29 321	31 504
Provision for expenses (SA Premier Business Awards)	1 363 426	-
Audit fees provision	-	235
	795	
Provision for other expenses	344	
	150	
Unallocated deposits	500	500
	<b>2 265 987</b>	<b>603 796</b>

## 10. Revenue

Sale of promotional items	21 698	11 691
Government grant - The dti	10 000 000	7 000 000
Government grant - Project based funding: The dti for SA Premier Business Awards	6 000 000	-
	-	-
Government grant - Project based funding: Economic Development Department for LPA	8 000 000	-
	-	-
Membership fees	2 008 202	2 449 648
Sundry Income	2 687	6 400
	<b>26 032 587</b>	<b>9 467 739</b>

## 11. Cost of sales

### Sale of goods

Promotional items	15 038	9 967
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## 12. Operating deficit

Operating deficit for the year is stated after accounting for the following:

### Operating lease charges

Premises		
• Contractual amounts	705 059	645 401
Equipment		
• Contractual amounts	289 860	285 700
	<b>994 920</b>	<b>931 101</b>

Depreciation on property, plant and equipment	361 981	341 135
Directors' emoluments	2 883 193	1 000 000
Employee costs	11 410 760	9 720 603

## 13. Investment revenue

### Interest revenue

Interest received	214 599	599 893
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## 14. Finance costs

Interest paid - other	103	47 492
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## 15. Auditors' remuneration

External audit fees	261 718	272 224
Internal audit fees	242 194	67 848
	<b>503 912</b>	<b>340 072</b>

## 16. Cash used in operations

Deficit before taxation	(4 015 748)	(15 280 528)
<b>Adjustments for:</b>		
Depreciation and amortisation	361 981	341 135
Interest received	(214 599)	(599 893)
Finance costs	103	47 492
Movements in provisions	(76 933)	140 263
<b>Changes in working capital:</b>		
Inventories	(55 643)	(25 885)
Trade and other receivables	(86 832)	2 327 746
Prepayments	(86 572)	18 973
Trade and other payables	1 662 191	(883 554)
	<b>(2 512 054)</b>	<b>(13 914 251)</b>

## 17. Commitments

### Operating leases ~~as~~ lessee (expense)

#### Minimum lease payments due

- within one year	229 487	212 227
- in second to fifth year inclusive	178 490	390 157
	<b>407 977</b>	<b>602 384</b>

Operating lease payments represent rentals payable by the company for its leased office equipment.

## 18. Contingencies

An acting allowance for the former acting CEO of R 400,000 for the period March to October 2005 still requires Board approval.

## 19. Related parties

### Relationships

Proudly South African was a project initially launched through NEDLAC.

### Related party balances

Amount included in Trade Payables owing to NEDLAC	55 657	43 800
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### Related party transactions

Rent paid to NEDLAC	656 031	606 952
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**20. Directors' emoluments**  
Executive  
2012

	<b>Emoluments</b>	<b>Total</b>
<b>Adv. L. Sedibe (CEO)</b>	<b>750 000</b>	<b>750 000</b>
<b>H Mkhize</b>	<b>250 000</b>	<b>250 000</b>
	<hr/> <b>1 000 000</b>	<hr/> <b>1 000 000</b>

2013

	<b>Emoluments</b>	<b>Total</b>
<b>Adv. L. Sedibe (CEO)</b>		
<b>Basic Salary</b>	<b>1 673 818</b>	<b>1 673 818</b>
<b>Performance bonus</b>	<b>1 209 375</b>	<b>1 209 375</b>
<b>Total</b>	<hr/> <b>2 883 193</b>	<hr/> <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 cashflows are substantially independent of changes in market interest rates.

## Detailed Income Statement

Figures in Rand	Note(s)	2013	2012
<b>Revenue</b>			
Sale of goods		21 698	11 691
Government grant - The dti		10 000 000	7 000 000
Government grant - Project based funding: The dti for SA Premier Business Awards		6 000 000	-
Government grant - Project based funding: Economic Development Department for LPA		8 000 000	-
Sundry Income		2 687	6 400
Membership fees		2 008 202	2 449 648
	10	<b>26 032 587</b>	<b>9 467 739</b>
Opening stock		(250 057)	(224 172)
Purchases		(70 681)	(35 852)
Closing stock		305 700	250 057
	11	<b>(15 038)</b>	<b>(9 967)</b>
Gross Surplus		26 017 549	9 457 772
<b>Other income</b>			
Interest received	13	214 599	599 893
<b>Operating expenses</b>			
Advertising posts and tenders		(1 690)	(40 268)
Auditors remuneration	15	(503 912)	(340 072)
Bad debts		(209 511)	(384 585)
Bank charges		(27 638)	(29 085)
Depreciation, amortisation and impairments		(361 981)	(341 135)
Directors' emoluments		(2 883 193)	(1 000 000)
Employee costs		(11 410 760)	(9 718 057)
Fines and penalties		-	(1 377)
IT expenses		(185 567)	(157 331)
Insurance		(91 147)	(93 684)
Lease rentals on operating lease		(987 798)	(931 101)
Legal and professional services		(626 621)	(652 558)
Marketing expenses (with focus on LPA activities excl. Travel costs)		(4 637 494)	(6 949 649)
Membership costs		(8 968)	(21 295)
Proudly SA Awards (now known as SA Premier Business Awards)		(4 840 121)	(1 878 128)
Proudly SA Buy Local conference and expo		(1 486 689)	(1 317 976)
Photocopier costs		(13 148)	(9 998)
Postage		(81 698)	(160 885)
Printing and stationery		(201 010)	(200 893)
Proudly South African CSI activities		(16 914)	(21 848)
Repairs and maintenance		(76 331)	(43 107)
Staff training		(44 113)	(99 410)
Staff welfare		(132 735)	(96 903)
Subscriptions		(14 784)	(10 225)
Telephone and fax		(204 113)	(178 683)
Travel - local		(1 180 643)	(598 646)
Workshops and seminars		(19 214)	(13 802)
		<b>(30 247 793)</b>	<b>(25 290 701)</b>
<b>Operating deficit</b>	12	<b>(4 015 645)</b>	<b>(15 233 036)</b>
Finance costs	14	(103)	(47 492)
<b>Deficit for the year</b>		<b>(4 015 748)</b>	<b>(15 280 528)</b>



The Inaugural  
SA PREMIER  
BUSINESS AWARDS

2012/13



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