

WORKPLACE CHALLENGE

ANNUAL REPORT

2024 | 2025



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

productivity sa 
Inspiring a Competitive South Africa



WORKPLACE CHALLENGE ANNUAL REPORT 2024 | 2025

*“Improvement is achieved
by the ripple effect
of a few simple changes
in approach, attitude and habit.”*

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The Workplace Challenge (WPC) is a joint initiative of the Department of Trade, Industry and Competition (the dtic) that aims to actively encourage and support negotiated workplace change to improve productivity and job creation.

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ENVIRONMENTAL OVERVIEW

The 7th Administration of the Government of South Africa saw the introduction of the Government of National Unity (GNU) – as none of the political parties in South Africa attained an outright majority during the elections that took place on 29 May 2024. During the period under review, the Medium-Term Development Plan 2024-2029 was adopted as the GNU's development plan for the next five years.

The dtic outlined three apex outcomes within all programmes and entities of **the dtic** group are required to contribute as follows:

1. Inclusive Economic Growth and Job Creation – focuses on driving industrialisation, increasing investment, and fostering job creation in key sectors;
2. Reducing Poverty and Tackling The High Cost of Living – aims to address socio-economic challenges through economic transformation, skills development, and support for small businesses;

“Economic growth and job creation remain central to South Africa's industrialisation and investment strategy.



ENVIRONMENTAL OVERVIEW

3. Building a Capable, Developmental State – enhances government effectiveness, policy alignment, and industrial policies to strengthen the economy.

The three apex outcomes have underlying pillars (with the investment & Spatial Industrial Development Branch playing a lead role under pillars 2, 3 and 4), which reflect the core aims of the Re-Imagined Industrial Policy in the form of the strategy that seeks to:

1. Combine growth and transformation;
2. Boost local production;
3. Grow exports and expand African trade;
4. Increase levels of investment;
5. Establish reliable and low-cost energy system while greening the economy; and
6. Grow employment.

Under the Economic Reconstruction and Recovery Plan (ERRP), **the dtic** plays a leading the role in delivering measures

included in the plan, including achieving sufficient, secure and reliable energy within two years; creating mass employment; increasing infrastructure investment; reducing data costs; and increasing localisation for re-industrialisation and growth.

The dtic plays a leading role in the following Sector Master Plans – Automotive; Poultry; Sugar; Steel and Metal Fabrication; Clothing, Textile, Footwear & Leather; and Furniture. The purpose of the ISID Branch – to support foreign direct investment flows and promote domestic investment (by providing a one-stop shop for investment promotion), investor facilitation and aftercare support for investors' and to increase spatial industrialisation.

The Workplace Challenge Programme (WPC) Programme contributes to **the**

dtic as follows:

- Supports enterprises operating within the Special Economic Zones (SEZs) and supply chains.
- Facilitates training on the Japanese International Cooperation Agency Quality and Productivity Improvement/Kaizen Project SA, disseminates knowledge, and uses tools and techniques across the country through participation in the National

Quality and Productivity Network.

- Fulfils the mandate of providing necessary capacity and capability for effective service delivery at District/Metro level through the Cabinet approved District Development Model (DDM) Framework.

An engagement took place with the

“Productivity SA is driving change through Kaizen and digital innovation, empowering enterprises to compete in a fast-evolving global economy.”

ENVIRONMENTAL OVERVIEW

Black Industrialist Scheme (BIS) where two models were recommended:

- 1) a pre-entry benefit for pipeline or potential black industrialists (by applying WPC diagnosis at the pre-application phase) to provide an analysis on the enterprise's financial performance and operational efficiency in order to identify areas of improvement); or
- 2) post-funding for approved black industrialists to implement WPC transformation toolkits based on diagnosis results for continuous improvement and best operating practices.

An analysis of the funded black industrialists between 2015/16 and 2019/20 was conducted and further variables for needs assessment have been requested:

1. The status of the beneficiary (completed successfully, not yet completed but actively participating, and dropped out/withdrawn);
2. The lifecycle of the business (new operation, and expanded/upgrade existing operations);
3. The type of BIS support provided to the beneficiary (capital investment such as machinery and equipment, own and leased buildings and commercial vehicles;
4. investment support – feasibility studies, post investment support; and
5. business development – product development, conformity assessment certification, information technology

systems, procurement process improvement, and patent costs). Further details were also required to understand the BIS better, such as Assessment Forms; Application for Non-Financial Support Forms (including an indication of the number of applicants that applied for the support; the type of support provided; and by whom).

The BIS was invited to attend the milestone workshops, and asked to share with black industrialists in order for them to engage and learn firsthand – readying the Productivity SA Regional Operations to engage with those who showed interest and to facilitate their onboarding and contracting.



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An introductory presentation was provided to **the dtic** Innovation and Technology Directorate – who are funders of the Khoebos Innovation Promotion Programme (KIPP) which is implemented by the Industrial Development Corporation (IDC). The aim was to establish steps for participating in the Business Support component of the KIPP and being vetted by the Capability Advisory Services (CAS) to support enterprises that may benefit from productivity and operational efficiency interventions. The relationship building will continue into the new financial year.

Engagement was conducted with the African Rail Industry Association (ARIA) – with the aim of understanding the mandates of both ARIA and Productivity SA, exploring possible opportunities for working together towards growth of exporting railway industry companies and agreeing on the appropriate way-forward. ARIA raised one of the biggest bottlenecks facing the companies in the sector: to participate competitively in the procurement opportunities such as the delivery of hard infrastructure or rail rolling stock, is due to not having adequate financial resources. Contact was made with the Industrial Development Corporation

(IDC) and they shared the qualifying criteria for the Manufacturing Competitiveness Enhancement Programme (MCEP) as well as business plan guidelines for railway firms to use in preparing their submissions. The information was shared for dissemination with the member companies of ARIA.

A WPC introductory presentation was provided to the Cosmetic Export Council of South Africa (CECOSA) with the aim to understand the mandates of Productivity SA and CECOSA, explore possible opportunities for working together towards growth of the cosmetics industry companies, explore exporting to neighbouring countries, and agree on the appropriate way-forward.

CECOSA indicated that the industry is highly regulated and safety requirements, require compliance with Good Manufacturing Practice (GMP) in South Africa, ISO/TC 217 and ISO 22716, and product registration. The requirements places huge challenges on the members which are significantly classified as emerging exporters. A presentation regarding the Gauteng Growth and Development

Agency (GGDA) Export Competitiveness Programme (ECP) was delivered and the advert was shared for dissemination to the members. A number of the companies

“Through collaboration with industries from automotive to cosmetics, South Africa is building stronger value chains and export competitiveness.”

ENVIRONMENTAL OVERVIEW

submitted their application onto the ECP. The management of CECOSA participated in the National Productivity Recognition and Awards during October 2024.

Numerous Business Retention and Expansion (BRE) Surveys were produced with the help of the Cities Support Programme (CSP) for Babelegi Industrial Park, Devland Industrial Park, Wadeville Industrial Park and Jacobs Industrial Park. The BRE can be defined as a set of activities designed to encourage and help existing businesses remain and grow/expand at their current location. CSP issued a comprehensive Municipal Industrial Space Revitalisation (MISR) Toolkit – developed to facilitate the widespread adoption of best practices and effective measures for addressing the industrial space revitalisation challenges experienced by local areas. In the City of Johannesburg Metropolitan Municipality, Productivity SA was part of the members that made inputs into the formulation of the Terms of Reference for the Central Corridor Industrial Spaces Forum (CCISF). The participation in the Cities Support Programme led to formalisation of relationships with the City of Tshwane Metropolitan Municipality as well as the City of Ethekwini Metropolitan Municipality. Productivity SA is also a signatory to the Tshwane Industrial Parks Forum – which sought to facilitate Inter-Governmental

Relations (IGR) to unblock the myriad challenges faced by the industrial parks especially the cross-border industrial parks, i.e. Garankuwa Industrial Park, Babelegi Industrial Park, and Ekandustria Industrial Park. The decision was taken by **the dtic** SEZ Directorate for financial and non-financial support to be delivered to tenants in the industrial parks while IGR agreements and modalities between Gauteng Province and the Provinces of Mpumalanga and North West were being debated. The implementation of The Productivity Improvement and Enhancement Programme in the City of Ethekwini – based on delivery of Kaizen projects focusing on the Jacobs Industrial Park was attained. The relationships are still ongoing.

The joint-funding agreements have been finalised with NW-DEDECT; LEDET; SEDFA; GDED (including its 2 entities GGDA, and GEP); Eastern Cape Development Corporation (ECDC); KZN EDTEA; and Johannesburg Water. Joint implementation has been conducted with the Free State Development Corporation (FDC); the Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs (FS-DESTEa); the Craft and Design Institute (CDI); the Automotive Industry Development Centre – Gauteng (AIDC-GP); the South African Footwear and Leather Export Council (SAFLEC); the Overstrand Local Municipality; Samancor Chrome; Esayidi

ENVIRONMENTAL OVERVIEW

TVET CfERI; and the University of Western Cape.

Productivity SA is participating in the Eco-Industrial Parks (EIPs) as promoted by the UNIDO Global Eco-Industrial Park Programme (GEIPP), with the National Cleaner Production Centre (NCPC-SA) as the national implementation partner. There is active participation in the numerous roundtable discussions with funding from Switzerland SECO – which aims to transform industrial spaces into more resource-efficient, competitive, and sustainable environments by promoting waste and resource exchange between businesses, fostering collaboration, and integrating environmental and social benefits into industrial development.

The WPC Programme continues to report on its performance in line with the District Development Model (DDM) Framework. In addition, the Chief Directorates responsible for Local Government Operations and Support are invited to participate in WPC Milestone Workshops to learn first hand and to explore collaborations on joint capacity development within the One Plans of the different district/metropolitan municipalities. The Skills for the Economy Unit of **the dtic** has been designated as DDM Champion of the Frances Baard District Municipality (FBDM) and Productivity SA has been intentionally delivering

interventions in the district as well as finding sensible ways of expanding to other districts within the Northern Cape Province. The enterprise development and support follow an ecosystem approach and numerous key partners have been identified and are collaborating with the Small Enterprise Development and Finance Agency (SEDFA), Kimberley Diamond Jewellery Incubator (KDJI), Northern Cape Department of Economic Development and Tourism (NC-DEDAT) and Northern Cape Economic Development Trade and Investment Promotion Agency (NCEDA).

The National Quality and Productivity Network (NQPN) of the QPI/Kaizen Project established the Promotion Working Group during October 2024 – with the purpose of firstly planning and implementing promotion and marketing activities of the NQPN to raise awareness about QPI in SA and secondly, to collect feedback on the marketing activities from the recipients and improve quality of the activities. During the period under review, a total of 9 Trainees received Basic Kaizen Training, while 6 Practitioners attended the Basic Kaizen Training-of-Trainers Course. JICA provided an opportunity for one Productivity SA official to undergo the KCCP in Digital Kaizen (Quality and Productivity Improvement by Utilising Digital Technologies in Small and Medium Enterprises) training from Nov 2024 to Feb 2025. A total of 13 participants, coming from 11 countries took part in the training

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– consisting of self-study, online training and the Japan study tour (presentations by lecturers, group work, case studies, hands-on-practice, factory tours and action plans. The organisations that were visited shared and exposed participants to the approach to bring about change (reducing resistance to change), structures for implementing DX, motivation required by all involved, showing value for all stakeholders, dealing with failure/pitfalls, types of IoT sensors and reasons for using them, IT architectural set-ups required, analytics and visualisation, taking action from real-time information, digital twinning of industrial operations, motivation and justification for DX, measuring achievements, and impact and quantifying productivity improvements. Part of the training also relates to Digital Kaizen – wherein a pilot project aimed at

testing DIY type Digital Kaizen such as low-cost machine monitoring system and paperless data acquisition and processing (storage and analysis) at the piloted companies, and to also draw lessons learned/recommendations to the SMMEs in South Africa. 23 participants across a number of enterprises formed the implementing teams across the country – including 8 Kaizen Consulting Organisations, 8 Participating Companies, 4 Management Team Members, 2 Japanese Experts and 1 Observer from AUDA-NEPAD. The period from June 2024 to March 2025 covers activities related to 3 classroom training sessions, 3 in company training sessions and 2 monitoring site visits. Productivity SA is introducing Digital Kaizen at 2 companies, i.e. Sir Fruit (City of Johannesburg) and Chemsol Adhesives (City of Ethekewini). The implementation is planned to be completed by 2025/26 FY, and 4 Practitioners of Productivity SA would be certified accordingly.

FOREWORD

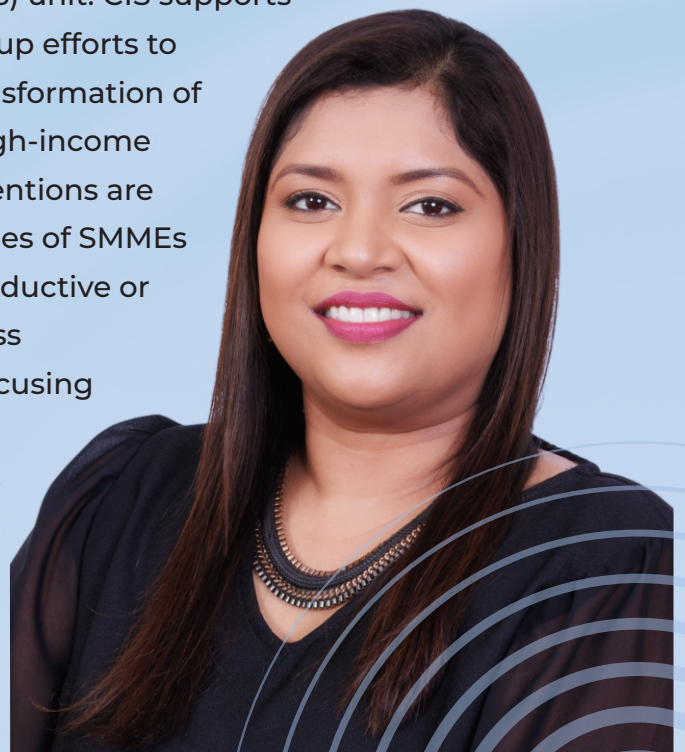
BY THE ACTING CHIEF EXECUTIVE OFFICER

It is a pleasure for me to present the 2024/25 Workplace Challenge Programme (WPC) Annual Report. WPC is a programme that is run by Productivity SA, which is a government entity tasked with promoting productivity in South Africa. The WPC programme is funded by the Department of Trade, Industry and Competition (the dtic).

The dtic has been funding the WPC programme for over 26 years thereby enabling the programme to enhance the productivity of South African business. WPC was introduced in 1998 by stakeholders in the National Economic Development and Labour Council (NEDLAC) under the auspices of the dtic. The WPC programme is designed to improve the productivity and competitiveness of enterprises across South Africa's priority sectors. It does this by streamlining value chain efficiencies, facilitating collaborative industrial clusters, embedding continuous improvement processes, building skills and capabilities in the workforce and creating model companies that share best practices across industries.

WPC is a programme that forms part of The Productivity SA Competitiveness Improvement Solutions (CIS) unit. CIS supports South Africa's strategic objectives in scaling up efforts to promote long term industrialisation and transformation of the economy and to achieve a productive high-income economy that is globally competitive. Interventions are aimed at enhancing the appropriate capacities of SMMEs and co-operatives, targeting those in the productive or priority economic sectors to adopt world-class productivity enhancement best practices, focusing on products, processes and people.

CIS prioritises the participation of historically disadvantaged people and regions in the economy, thereby supporting meaningful BBBEE using instruments such as Special Economic Zones (SEZs), industrial parks and black industrialists' interventions.



FOREWORD BY THE ACTING CHIEF EXECUTIVE OFFICER

Productivity SA is a government entity whose legislative mandate is to promote employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness, as provided for in section 32 of the Employment Services Act, No. 4 of 2014. Productivity SA has run the WPC since 1998 when the programme was formed as part of the government Social Compact to enable greater collaboration between government, business and labour.

Through the WPC, Productivity SA aims to strengthen businesses in South Africa thereby enabling job creation. The WPC programme has a huge role to play in enabling government and the private sector to work closer together to bring the performance of South African businesses to world class standards.

During the Financial Year under review CIS unit met 95% of its annual targets.

One Hundred and Two (102) enterprises signed new WPC contracts to be supported with implementing best operating practices and importantly, 75% of these WPC-supported businesses were Black-owned, 33% had women ownership, and 19% had youth ownership. These figures underscore Productivity SA's commitment to transformation and empowerment.

Through these efforts, 6324 jobs were preserved—an essential contribution in a country battling persistently high unemployment. The WPC Programme Framework/Business Model progressed with 3 scenarios created, assumptions produced for scenario 1 – which was discussed during the WPC Strategic Planning Session on 19 February 2025 with contributions from SEDFA. The model will be finalised during the 2025/26 Financial Year with recommendations from the WPC Expert Committee to consider outcomes and risks when evaluating the model, having a balanced approach to ensure representation across small, medium and large enterprises – maintaining a diverse mix of business sizes and sectors, fostering both revenue and employment growth across industries.

I would like to conclude by thanking all Productivity SA partners for enabling WPC to assist South African business, particularly **the dtic**. We look forward to more years of collaboration and growing the South African economy.



Ms Amelia Naidoo

Acting Chief Executive Officer
Productivity SA

WPC JOINT COMMITTEE



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Skills for the
Economy Unit



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Skills for the
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Mr Conrad Sebego
Senior Manager:
Competitiveness
Improvement
Services



**Ms Lalané Janse
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Regional
Operations



Mr Philiswa Mnguni
Executive Manager:
Regional
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Ms Tumi Matshisevhe
Senior Programme
Administrator



Mr Phila Ngcobo
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Manager:
Regional
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Ms Pumeza Mlata
Senior Finance
Manager,
Productivity SA

WPC EXPERT COMMITTEE



Ms Jocelyn Vass
the dtic
Chief Director:
Skills for the
Economy Unit



Mr Sedick Jappie
Organised Business
Representative



Mr Guy Harris
Industry Expert



Mr Leonard Nkuna
Government
Processes Expert



Prof Barnes Sookdeo
Academia
Representative



Ms Amelia Naidoo
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Manager: CIS
Productivity SA



Mr Conrad Sebego
Senior Manager:
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**Ms Lalané Janse
Van Rensburg**
Executive Manager:
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Mr Paul Raidani
the dtic
Deputy Director:
Skills for the
Economy Unit



Mr Philiswa Mnguni
Executive Manager:
Regional
Operations



Mr Phila Ngcobo
Acting Executive
Manager: Regional
Operations

WPC OPERATIONS

REGION 1: GAUTENG, NORTH WEST AND LIMPOPO PROVINCES



Mr Matthews Moatli
Acting Senior Manager:
Competitiveness
Improvement Services



Mr Stanley Tshisevhe
Senior Productivity
Practitioner



Mr Sivuyile Mdidimba
Productivity
Practitioner



Ms Rose Morweng
Senior Productivity
Practitioner



Ms Suzan Mkhabela
Senior Productivity
Practitioner



Ms Lebogang Khumalo
Productivity
Practitioner



Ms Mpho Mathelemusa
Senior Productivity
Practitioner

WPC OPERATIONS

REGION 2: WESTERN CAPE, NORTHERN CAPE
AND FREE STATE PROVINCES



Mr Phil Coki
Acting Senior Manager:
Competitiveness
Improvement Services



Ms Hevanya Balkaran
Productivity
Practitioner



Mr Jean-dre Crouse
Senior Productivity
Practitioner

WPC OPERATIONS

REGION 3: KWAZULU-NATAL, EASTERN CAPE AND MPUMLANGA PROVINCES



Mr Mninawa Zwakala
Acting Senior Manager:
Competitiveness
Improvement
Services



Mr Mhlengi Meyiwa
Productivity
Practitioner



Mr Thembinkosi Mngoma
Senior Productivity
Practitioner



Mr Wellington Sithole
Senior Productivity
Practitioner



Mr Nathi Mthethwa
Senior Productivity
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Mr Zithu Manyela
Senior
Productivity
Practitioner



Ms Nonjabulo Mbonambi
Productivity
Practitioner



Mr Sinqobile Shoba
Senior Productivity
Practitioner



Mr Leigh Chetty
Senior Productivity
Practitioner



Ms Buyisiwe Langa
Productivity
Practitioner



Ms Julitha Rakale
Senior Productivity
Practitioner



Ms Pretty Zondi
Senior Productivity
Practitioner

PSETA INTERNSHIP PROGRAMME



Mr Lucas Sebiloane
Public Administration
Intern



Ms Bridgette Molete
Public Administration
Intern





ACTIVITY AND OUTPUT PLANNING MATRIX FOR 2024 | 2025

ACTIVITY AND OUTPUT PLANNING MATRIX FOR 2024/2025

OBJECTIVE	KEY ACTIVITIES	PERFORMANCE INDICATORS	TARGETS/ OUTPUTS TO BE DELIVERED BY 31 MARCH 2025	BASELINE AS OF JANUARY 2024	QUARTERLY MILESTONES (CUMULATIVE)	ACTUAL QUARTERLY MILESTONES	% YTD	REASONS FOR VARIANCE & CORRECTIVE ACTION
1. Enhance Productivity and Operational Efficiency through Clustering	Support industrial clusters	1	No. of new Industrial Clusters supported within same sector	3 Industrial Clusters	Qtr. 1 : 0 Qtr. 2 : 1 Qtr. 3 : 2 Qtr. 4 : 3 TOTAL : 3	Qtr. 1 : 0 Qtr. 2 : 1 Qtr. 3 : 2 Qtr. 4 : 3	100%	Annual Target achieved. 2 x AIDC Rosslyn SMME Training. 1 x Footwear & Leather cluster in the WC.
		2	No. of new industrial clusters supported linked to the Sector Master plans	2 clusters (Steel and Automotive Sectors)	Qtr. 1 : 0 Qtr. 2 : 0 Qtr. 3 : 1 Qtr. 4 : 1 TOTAL : 1	Qtr. 1 : 0 Qtr. 2 : 1 Qtr. 3 : 2 Qtr. 4 : 3	100%	Annual Target exceeded. 2 x AIDC Rosslyn SMME Training. 1 x Footwear & Leather cluster in the WC – ILO Prog 1.
	Support model companies within Special Economic Zones (SEZs), Industrial Development Zones (IDZs) & Industrial Parks	3	No. of model companies supported within SEZ, or IDZ, or Ips	9 companies	Qtr. 1 : 0 Qtr. 2 : 2 Qtr. 3 : 4 Qtr. 4 : 5 TOTAL : 5	Qtr. 1 : 2 Qtr. 2 : 5 Qtr. 3 : 7 Qtr. 4 : 8	100%	Annual Target exceeded. 1 X Seshego, 1 X Garankuwa, 2 X Maluti a Phofung, 2 X Alton, 1 X Isithebe, and 1 X Atlantis.
2. Encourage workplace collaboration between management and workers	Facilitate constructive dialogue between the social partners, managers and workers and participating enterprise	4	No. of enterprises participated in capacity-building workshops	70 enterprises participated in capacity building workshops	Qtr. 1 : 15 Qtr. 2 : 30 Qtr. 3 : 45 Qtr. 4 : 60 TOTAL : 60	Qtr. 1 : 18 Qtr. 2 : 32 Qtr. 3 : 50 Qtr. 4 : 73	100%	Annual target exceeded.
	Clusters meetings/ Milestone workshops, or productivity awards to share successes and lessons learnt	5	No. of cluster meetings/ milestone workshops or joint awards	9 cluster meetings/ milestone workshop/ awards events	Qtr. 1 : 1 Qtr. 2 : 3 Qtr. 3 : 6 Qtr. 4 : 9 TOTAL : 9	Qtr. 1 : 0 Qtr. 2 : 6 Qtr. 3 : 7 Qtr. 4 : 9	100%	Annual target achieved.

ACTIVITY AND OUTPUT PLANNING MATRIX FOR 2024/2025

OBJECTIVE	KEY ACTIVITIES	PERFORMANCE INDICATORS	TARGETS/ OUTPUTS TO BE DELIVERED BY 31 MARCH 2025	BASELINE AS OF JANUARY 2024	QUARTERLY MILESTONES (CUMULATIVE)	ACTUAL QUARTERLY MILESTONES	% YTD	REASONS FOR VARIANCE & CORRECTIVE ACTION
3. Improve workplace practices in South African enterprises to improve productivity and competitive-ness	Implement workplace transformation in Clusters of at least 5 enterprises or model companies	6	No. of new contracts signed to support enterprises	100 total enterprises supported	Qtr. 1 : 20 Qtr. 2 : 50 Qtr. 3 : 75 Qtr. 4 : 100 TOTAL : 100	Qtr. 1 : 26 Qtr. 2 : 55 Qtr. 3 : 77 Qtr. 4 : 102	100%	Annual target exceeded.
		7	No. of new contracts signed in support of enterprises linked to priority sectors of the Master Plans	49 enterprises supported	Qtr. 1 : 0 Qtr. 2 : 9 Qtr. 3 : 14 Qtr. 4 : 21 TOTAL : 21	Qtr. 1 : 10 Qtr. 2 : 12 Qtr. 3 : 21 Qtr. 4 : 30	100%	Annual target exceeded. 5 x Steel, 4 x Automotive, 15 X CTFL, 1 X Cultural & Creative Ind, 4 X Furniture, 1 X Forestry.
		8	No. of districts/ metros serviced as per the District Development Model out of 52 total	25 districts/metros	Qtr. 1 : 5 Qtr. 2 : 12 Qtr. 3 : 17 Qtr. 4 : 25 TOTAL : 25	Qtr. 1 : 9 Qtr. 2 : 15 Qtr. 3 : 19 Qtr. 4 : 26	100%	Annual target exceeded.
		9	Develop framework / business model to expand footprint and budget of WPC Programme	New indicator	Qtr. 2 : Concept outlined Qtr. 4 : Drafted business model/ Framework	Qtr. 1 : 0 Qtr. 2 : Qtr. 3 : Qtr. 4 : Business Model Ideation produced	75%	Business model prototypes – created 3 scenarios, produced the assumptions for Scenario 1. The Scenario 1 was discussed during the WPC Strategic Planning Session with contributions by SEDFA on 19 February 2025. SEDFA has committed R1.5 million for the 2025/26 FY. More funders to be pursued during 2025/26 FY, outline outcomes, and risks.
		10	Support companies according to priority equity criteria	78 Black Owned companies	Qtr. 1 : 5 Qtr. 2 : 20 Qtr. 3 : 45 Qtr. 4 : 60 TOTAL : 60	Qtr. 1 : 16 Qtr. 2 : 43 Qtr. 3 : 63 Qtr. 4 : 76	100%	Annual target exceeded. African=63, Indian=9, and Coloured=4.

ACTIVITY AND OUTPUT PLANNING MATRIX FOR 2024/2025

OBJECTIVE	KEY ACTIVITIES	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2025	BASELINE AS OF JANUARY 2024	QUARTERLY MILESTONES (CUMULATIVE)	ACTUAL QUARTERLY MILESTONES	% YTD	REASONS FOR VARIANCE & CORRECTIVE ACTION
4. Skills Development			11	30 Women, youth or people with disabilities owned enterprises	50 women, youth or people with disabilities owned enterprises	Qtr. 1 : 14 Qtr. 2 : 32 Qtr. 3 : 37 Qtr. 4 : 42 TOTAL : 30	100%	Annual target exceeded. Increased uptake and participation of women-owned companies.
			12	250 champions trained.	547 Champions trained	Qtr. 1 : 177 Qtr. 2 : 256 Qtr. 3 : 395 Qtr. 4 : 567 TOTAL : 250	100%	Annual target exceeded. Could be attributed to companies realising the value and opportunity provided to their staff to acquire occupational skills.
			13	No. of Kaizen champions trained on the Capacity building contracts.	43 Kaizen champions trained	Qtr. 1 : 0 Qtr. 2 : 39 Qtr. 3 : 39 Qtr. 4 : 39 TOTAL : 30	100%	Annual target achieved and exceeded through relationship with AIDC-GP and LEDET.
			14	Coaching and training of historically disadvantaged individuals	525 historically disadvantaged individuals coached and trained	Qtr. 1 : 166 Qtr. 2 : 242 Qtr. 3 : 359 Qtr. 4 : 524 TOTAL : 200	100%	Annual target exceeded. Regions targeted historically disadvantaged individuals.
			15	Training of Trainers on the QPI Project	New Indicator	Qtr. 1 : 0 Qtr. 2 : 6 Qtr. 3 : 6 Qtr. 4 : 6 TOTAL : 6	100%	The 6 x TOT certification was concluded in July 2024.
			16	Basic Kaizen Training	16 Practitioners interviewed	Qtr. 1 : 0 Qtr. 2 : 5 Qtr. 3 : 5 Qtr. 4 : 9 TOTAL : 9	100%	5 Practitioners were certified in July 2024. 4 Practitioners certified in January 2025.

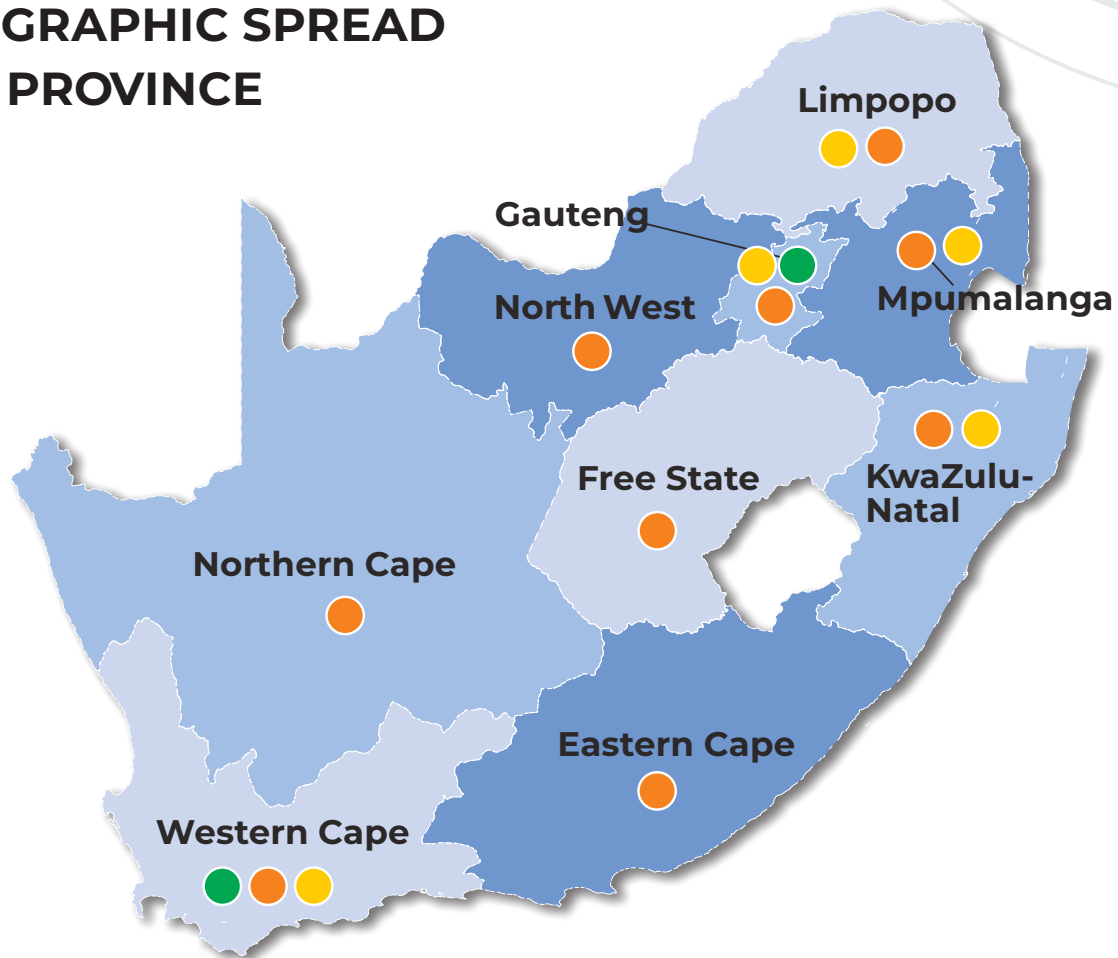
ACTIVITY AND OUTPUT PLANNING MATRIX FOR 2024/2025

OBJECTIVE	KEY ACTIVITIES	PERFORMANCE INDICATORS	TARGETS/ OUTPUTS TO BE DELIVERED BY 31 MARCH 2025	BASELINE AS OF JANUARY 2024	QUARTERLY MILESTONES (CUMULATIVE)	ACTUAL QUARTERLY MILESTONES	% YTD	REASONS FOR VARIANCE & CORRECTIVE ACTION
5. Monitoring & Evaluation, and Innovation		Monitoring and Evaluation of WPC clients	15 companies submitting company impact statements	15 companies submitting company impact statements	Qtr. 1 : 2 Qtr. 2 : 5 Qtr. 3 : 10 Qtr. 4 : 15 TOTAL : 15	Qtr. 1 : 11 Qtr. 2 : 16 Qtr. 3 : 16 Qtr. 4 : 16	100%	Annual target exceeded. Strengthened tracking projects based on deliverables.
		Number of case studies produced	20 case studies produced	New Indicator	Qtr. 1 : 3 Qtr. 2 : 8 Qtr. 3 : 14 Qtr. 4 : 20 TOTAL : 20	Qtr. 1 : 3 Qtr. 2 : 8 Qtr. 3 : 16 Qtr. 4 : 21	100%	Annual target exceeded.
		No. of e-newsletters published	3 e-newsletters published	3 newsletters published	Qtr. 1 : 1 Qtr. 2 : 2 Qtr. 3 : 2 Qtr. 4 : 3 TOTAL : 3	Qtr. 1 : 0 Qtr. 2 : 2 Qtr. 3 : 2 Qtr. 4 : 3	100%	Annual Target achieved. 1st issue published on 13 August 2024. 2nd issue published on 30 September 2024. 3rd issue published on 1 April 2025.
6. Marketing and Dissemination	Publish Annual report and audited financial statements within 5 (five) months of the end of the relevant financial year.	1 Annual Report Published	Publication of the Annual Report	1 Annual Report Published	Qtr. 1: Design Qtr. 2: Publication	Qtr. 1 : 0 Qtr. 2 : 0 Qtr. 3 : 0 Qtr. 4 : 1	100%	Target achieved.

2024/2025

WPC PROGRAMME HIGHLIGHTS / RESULTS

GEOGRAPHIC SPREAD PER PROVINCE



INDUSTRIAL/SECTOR CLUSTERS

Automotive
(Rosslyn 1 SMME Training): **Gauteng**
Automotive
(Rosslyn 2 SMME Training): **Gauteng**
Leather & Footwear: **Western Cape**



REGIONAL CLUSTERS

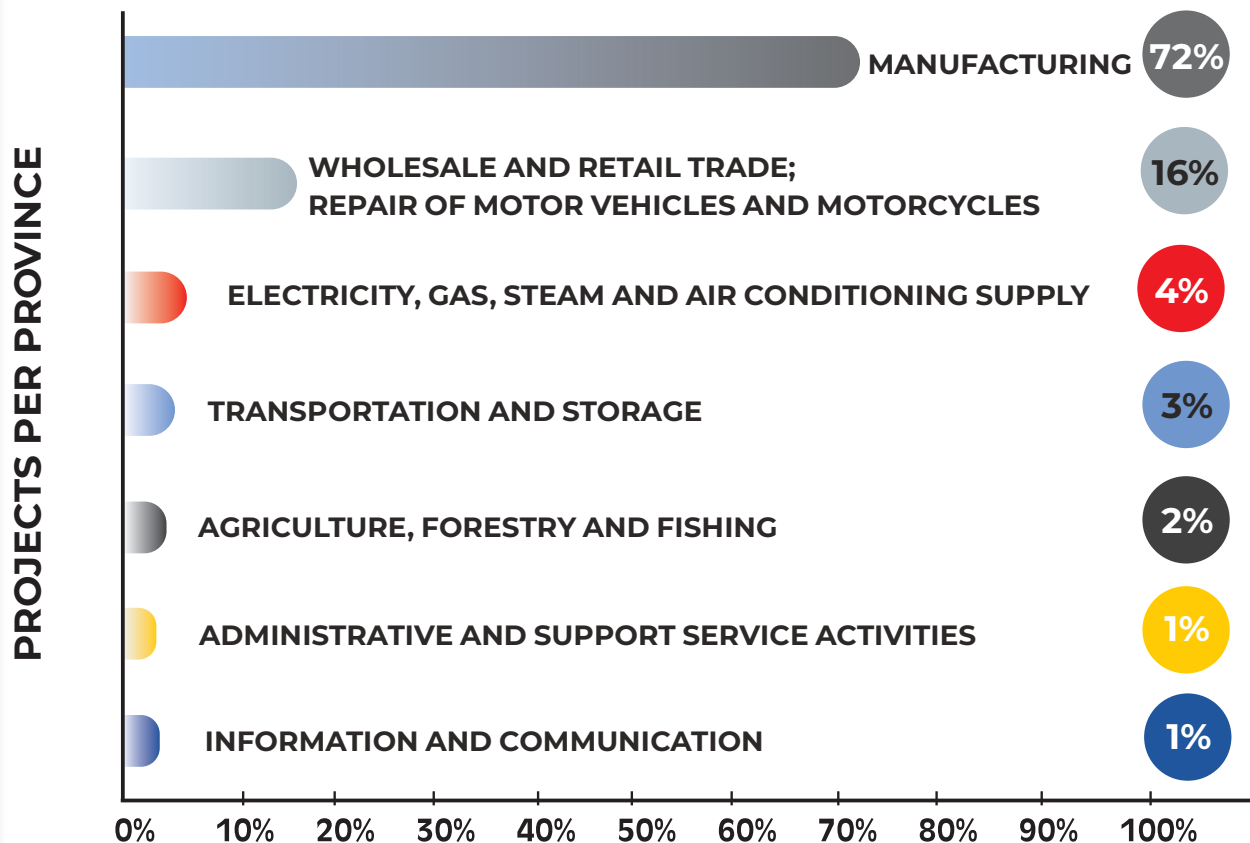
Gauteng: 2 Clusters
Limpopo: 3 Clusters
Western Cape: 3 Clusters
KwaZulu-Natal: 7 Clusters
Mpumalanga: 1 Cluster



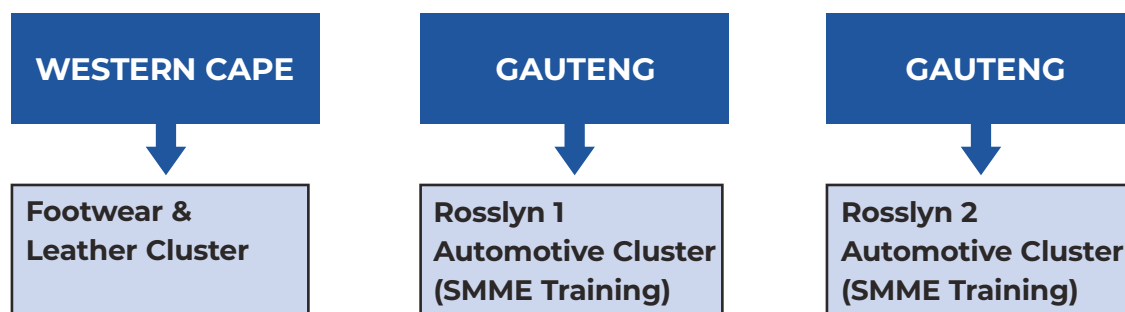
AFTERCARE COMPANIES

2024 | 2025 WPC PROGRAMME HIGHLIGHTS / RESULTS

SECTOR BREAKDOWN 2024/2025 FY

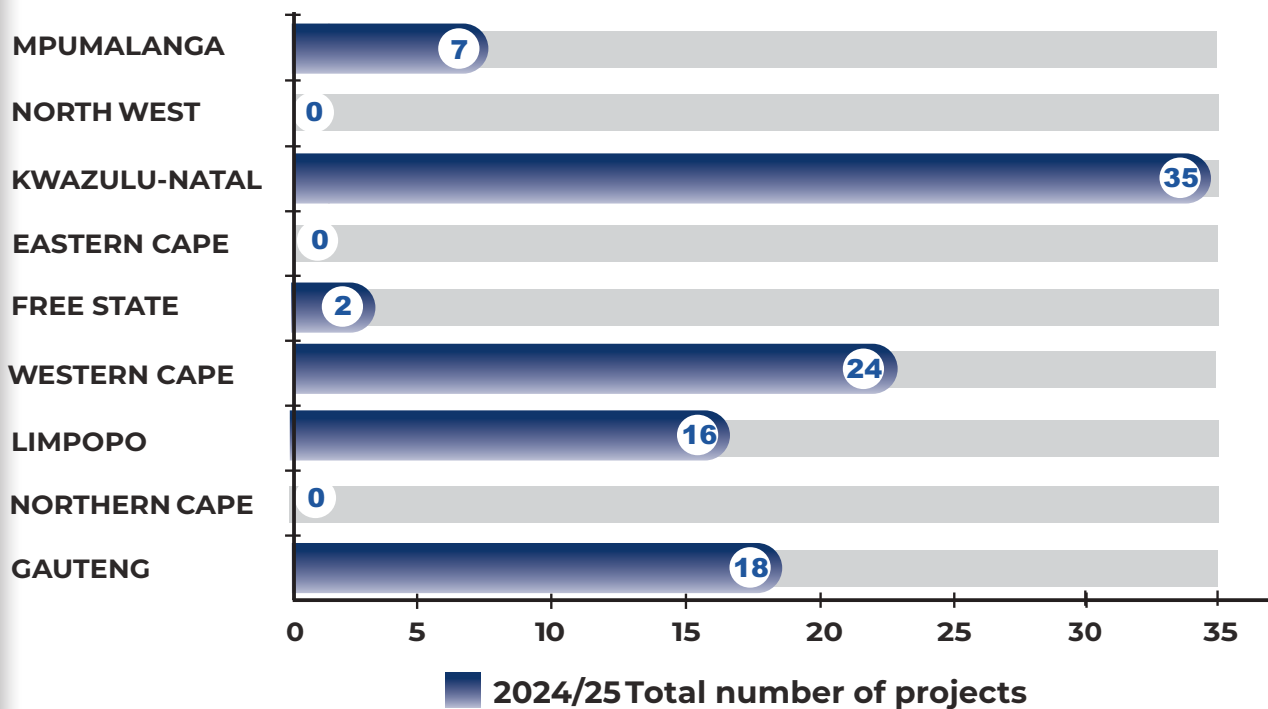


CLUSTERS FORMED IN THE FOLLOWING PROVINCES

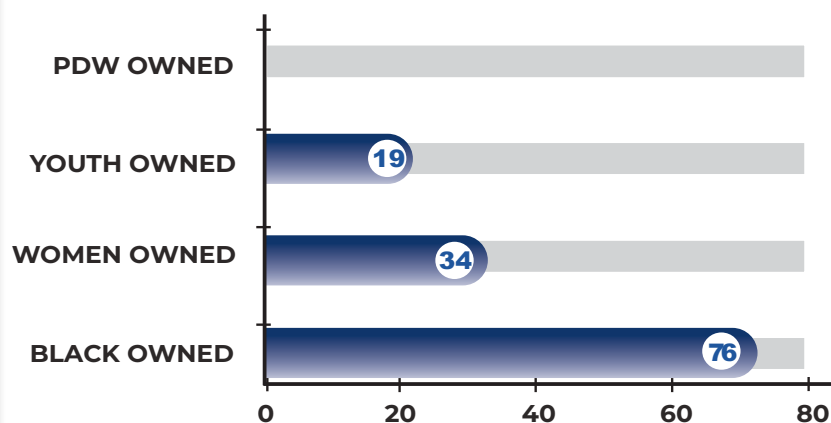


2024 | 2025 WPC PROGRAMME HIGHLIGHTS / RESULTS

PROJECTS PER PROVINCE 2024/2025 FY



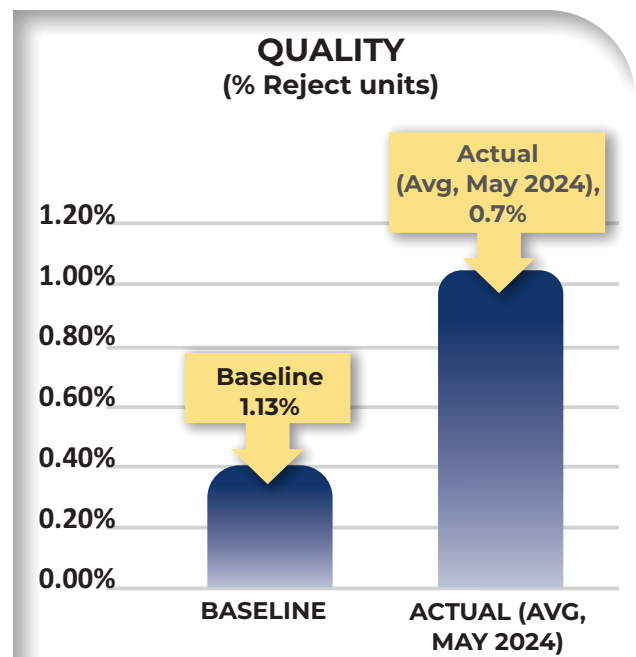
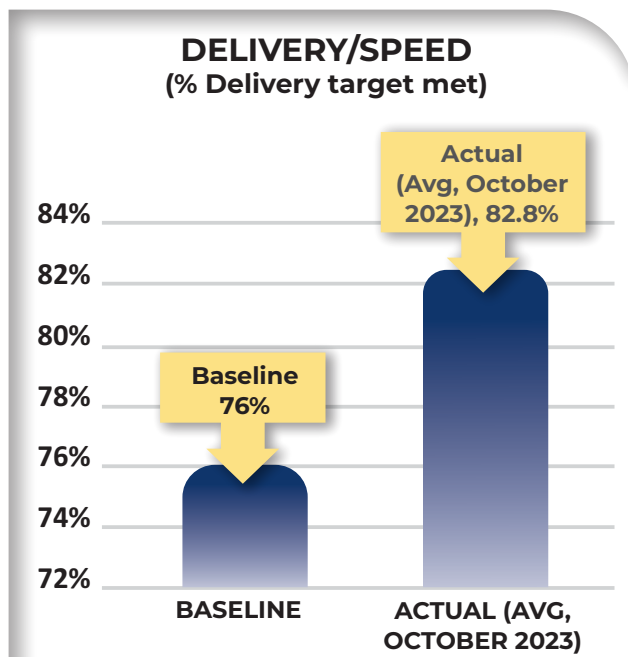
WPC OWNERSHIP



WPC

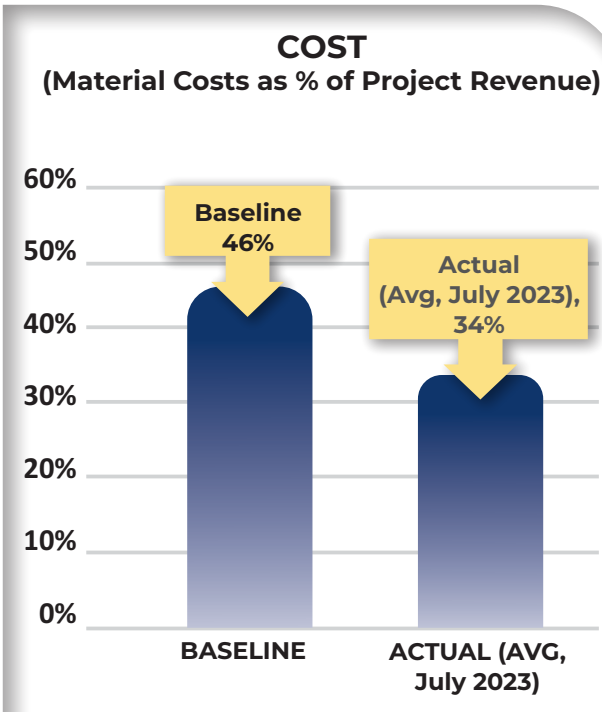
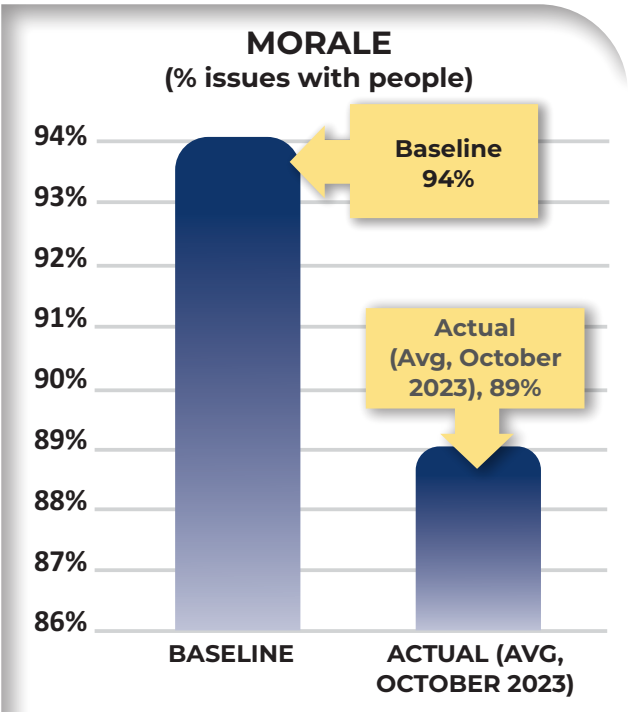
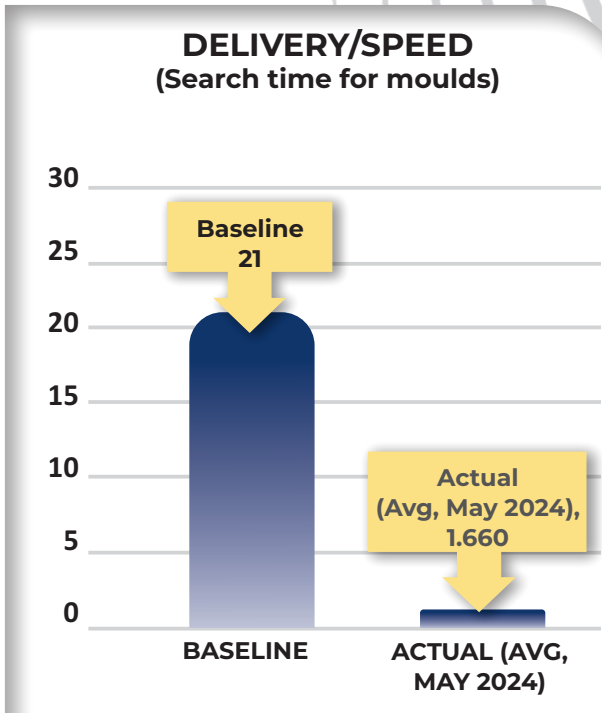
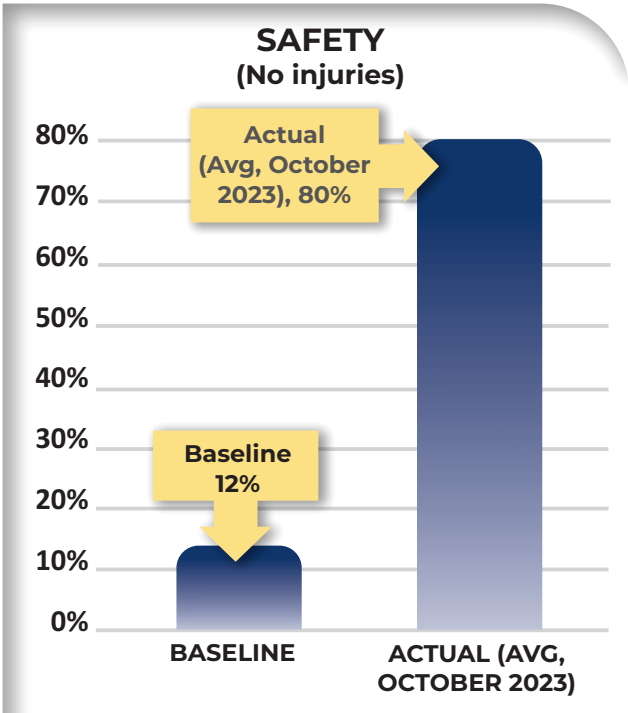
IMPACT RESULTS

The impact results reported by WPC companies during the period under review are shown in the graphs below, demonstrating significant efforts made towards visual management, use of facts to make evidence-based decisions, analysis and interpretation to take proactive and consistent remedial and continuous improvement actions on the journey towards world-class manufacturers:



2024 | 2025 WPC PROGRAMME

IMPACT RESULTS





AFTERCARE CLUSTERS/ USER GROUPS

WORKPLACE CHALLENGE ANNUAL REPORT 2024 | 2025

EASTERN CAPE AFTERCARE CLUSTERS/**USER GROUPS**

86 AFTERCARE CLUSTERS/USER GROUPS
(INCORPORATING **539** COMPANIES) CONTRIBUTING TO **57 185** JOBS

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Port Elizabeth 1 Cluster	Eastern Cape	7	1 190	Manufacturing and Engineering Clothing, Textile, Footwear and Leather	November 2003 to November 2005
Port Elizabeth 2 Cluster	Eastern Cape	9	2 107	Media, Advertising, Publishing, Printing and Packaging Manufacturing and Engineering Clothing, Textile, Footwear and Leather Food and Beverages Chemicals	August 2004 to August 2006
Port Elizabeth Cluster 3 (Eyethu)	Eastern Cape	7	1 416	Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging Chemicals Food and Beverages	August 2004 to August 2006
Port Elizabeth User Group 1	Eastern Cape	6	928	Manufacturing and Engineering Clothing, Textile, Footwear and Leather Food and Beverages Chemicals	September 2007 to September 2009
Sondor Model Company Group	Eastern Cape	1	32	Manufacturing and Engineering	April 2012 to May 2012
PE Model Company Group	Eastern Cape	4	765	Manufacturing and Engineering	April 2010 to April 2013
East London User Group	Eastern Cape	6	324	Chemical Engineering/ Logistics	August 2013 to August 2015
East London Cluster	Eastern Cape	5	179	Engineering Construction Metal	June 2015 to June 2017
Eastern Cape Model Company Group	Eastern Cape	1	5	Manufacturing	January 2017 to January 2019
Tsitsikamma Group - TBO	Eastern Cape	9	865	Forestry, Agriculture	August 2020 to December 2020
10 Groups		55	7 811		

GAUTENG AFTERCARE CLUSTERS/USER GROUPS

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Alberton Cluster	Gauteng	6	1 210	Manufacturing and Engineering Food and Beverages Media, Advertising, Publishing, Printing and Packaging	November 2003 to November 2005
Ekurhuleni 1 Cluster	Gauteng	5	824	Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging	August 2005 to August 2007
Ekurhuleni 2 Cluster	Gauteng	3	822	Manufacturing and Engineering Food and Beverages	October 2006 to October 2008
KyaSand User Group	Gauteng	3	375	Manufacturing and Engineering Food and Beverages	April 2007 to April 2009
Gauteng Cluster	Gauteng	5	1 815	Media, Advertising, Publishing, Printing and Packaging Construction Manufacturing and Engineering Food and Beverages	March 2009 to March 2011
Magalies User Group	Gauteng	4	256	Mining and Quarrying Manufacturing and Engineering	May 2010 to May 2012
Magalies User Group	Gauteng	2	64	Manufacturing and Engineering	May 2010 to May 2012
Sunderland User Group	Gauteng	4	295	Manufacturing and Engineering Food and Beverages Media, Advertising, Publishing, Printing and Packaging	May 2011 to May 2013
West Rand User Group	Gauteng	6	2 332	Manufacturing and Engineering Chemicals	October 2011 to October 2013
Gauteng model Company Group	Gauteng	9	294	Manufacturing Transport and Logistics Automotive Panel Beating	September 2016 to September 2018
Automotive Cluster	Gauteng	5	45	Fabricate auto leather seats, Motor mechanic, panel beating and spray painting, tyre repairs and alignment.	February 2023 to July 2023
Automotive Cluster	Gauteng	20	77	Engineering; Truck repairs, hydraulic and pneumatic; motor mechanic; panel beating and spray painting; windscreen repairs; general auto services.	September 2023 to November 2023

GAUTENG AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Rosslyn 1 SMME Cluster	Gauteng	5	23	Fitment Centre, Panel Beating and Spray painting, Spares, Automotive repairs	July 2024 to September 2024
Rosslyn 2 SMME Cluster	Gauteng	5	181	Automotive Repairs, Automotive Manufacturing Operational Support, Automotive Components Manufacturing	July 2024 to November 2024
14 Groups		82	8 613		

KWAZULU-NATAL AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
KZN Manufacturing 1 Cluster	KwaZulu- Natal	5	1 315	Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging	March 2003 to March 2005
KZN Manufacturing 2 And 3 Cluster	KwaZulu- Natal	8	1 066	Clothing, Textile, Footwear and Leather Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging	October 2003 to October 2005
Ladysmith / Escourt Cluster	KwaZulu- Natal	4	2 470	Manufacturing and Engineering Food and Beverages	June 2004 to June 2006
KZN Manufacturing 4 Cluster	KwaZulu- Natal	7	934	Manufacturing and Engineering	July 2004 to July 2006
KZN SMME Cluster	KwaZulu- Natal	8	466	Manufacturing and Engineering Media, Advertising, Publishing, Printing, and Packaging	January 2005 to January 2007
Durban Sharks User Group	KwaZulu- Natal	4	430	Manufacturing and Engineering Food and Beverages	March 2007 to March 2009

KWAZULU-NATAL

AFTERCARE CLUSTERS/USER GROUPS

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
KZN Manufacturing 2 And 3 User Group	KwaZulu- Natal	6	970	Manufacturing and Engineering Chemicals Clothing, Textile, Footwear and Leather	September 2007 to September 2009
Siyasimama User Group 1	KwaZulu- Natal	10	156	Agriculture	January 2009 to January 2011
Ntumeni/Amatikulu User Group	KwaZulu- Natal	10	627	Agriculture	January 2009 to January 2011
Ethekwini Municipality User Group	KwaZulu- Natal	6	1 418	Local Government	May 2009 to May 2011
New Germany User Group	KwaZulu- Natal	5	542	Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging Food and Beverages	May 2010 to May 2012
Durban South User Group	KwaZulu- Natal	5	819	Manufacturing and Engineering Food and Beverages Chemicals	June 2011 to June 2013
Port Shepstone User Group	KwaZulu- Natal	6	502	Forestry, Furniture, Pulp, Paper and Wood Products, Chemicals Food and Beverages, Services	June 2011 to June 2013
Singisi User Group	KwaZulu- Natal	2	1 023	Forestry, Furniture Pulp, Paper and Wood Products	June 2011 to June 2013
KZN Model Company Group	KwaZulu- Natal	3	178	Manufacturing and Engineering Clothing, Textile, Footwear and Leather	June 2011 to June 2013
Durban North User Group	KwaZulu- Natal	5	256	Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging Clothing, Textile, Footwear and Leather Agriculture Forestry Furniture Pulp, Paper and Wood Products	August 2012 to August 2014
Durban Model Company Group	KwaZulu- Natal	6	226	Services Manufacturing and Engineering Tourism	January 2012 to January 2014
Richards Bay User Group	KwaZulu- Natal	7	120	Agriculture	October 2012 to October 2014

KWAZULU-NATAL AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Premier Cluster	KwaZulu-Natal	7	630	Engineering Printing	September 2013 to September 2015
KZN Model Companies	KwaZulu-Natal	3	142	Manufacturing	June 2015 to June 2017
KZN Model Company User Group	KwaZulu-Natal	5	189	Manufacturing, Food and Beverages Services	June 2017 to June 2019
KZN Footwear Cluster	KwaZulu-Natal	5	608	Manufacturing Footwear and Leather	September 2020 to March 2021
Forestry Cluster	KwaZulu-Natal	5	574	Forestry	January 2022 to July 2022
Steel Cluster	KwaZulu-Natal	5	134	Manufacturing (LED Lights, steel components, steel tanks and piping) Engineering	August 2022 to July 2023
KZN CTFL Cluster	KwaZulu-Natal	5	636	Manufacturing – textile, swimwear, curtain accessories, shoe components and crates	April 2023 to November 2023
KZN CTFL Cluster	KwaZulu-Natal	5	423	Manufacturing – metal components; tooling; seals, sponges, gaskets, foam & rubber products; automotive	July 2023 to November 2023
26 Groups		147	16 854		

LIMPOPO

AFTERCARE CLUSTERS/USER GROUPS

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Mokopane / Polokwane User Group	Limpopo	2	329	Mining and Quarrying Food and Beverages Chemicals	April 2009 to April 2011
Vhembe User Group	Limpopo	3	669	Agro-processing Forestry Furniture Pulp, Paper and Wood Products Transportation	June 2011 to June 2013
Tzaneen User Group	Limpopo	12	1 983	Agro-processing Forestry Furniture Pulp, Paper and Wood Products Transportation	January 2011 to January 2014
Limpopo Model Company	Limpopo	1	120	Sawmilling	September 2016 to October 2018
Thohoyandou Cluster	Limpopo	7	45	Services Retail Waste Management Manufacturing Construction and Agriculture	February 2021 to June 2021
Musina Cluster	Limpopo	4	22	Agriculture Hospitality Manufacturing	February 2021 to June 2021
Manufacturing Cluster	Limpopo	6	61	Plastic products Furniture Glass and glass products Agro-processing Chemicals Wood and wood products	September 2021 to March 2022
7 Groups		35	3 229		

MPUMALANGA

AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Mpumalanga Model Companies Group	Mpumalanga	6	544	Engineering Forestry Agro-processing Metal fabrication	September 2016 to September 2018
Emalahleni	Mpumalanga	5	50	Services Mining	February 2021 to June 2021
Nkangala Cluster	Mpumalanga	7	72	Construction Forestry Engineering	May 2020 to September 2020
Construction Cluster	Mpumalanga	6	46	Construction Mining	June 2021 to December 2021
4 Groups		24	712		

NORTH WEST

AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Ga-Rankuwa Cluster	North West	7	821	Manufacturing and Engineering Food and Beverages	May 2003 to May 2005
Rosslyn Cluster	North West	9	2 407	Chemicals Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging	September 2004 to September 2006
North West Model Company Group	North West	2	341	Manufacturing and Engineering	April 2012 to April 2014
North West User Group	North West	43	160	Agro-processing	June 2012 to June 2015
4 Groups		61	3 729		

NORTHERN CAPE AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Uptington Model Company Group	Northern Cape	1	175	Food and Beverages Construction	March 2011 to March 2013
Northern Cape Model Company	Northern Cape	1	343	Agro-processing	June 2016 to June 2018
2 Groups		2	518		

WESTERN CAPE AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Blackheath Cluster	Western Cape	7	255	Manufacturing and Engineering Chemicals	May 2003 to May 2005
Epping Cluster	Western Cape	6	605	Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging Clothing, Textile, Footwear and Leather	April 2003 to April 2005
Blackheath 2 Cluster	Western Cape	10	967	Manufacturing and Engineering	August 2004 to August 2006
Clotex Cluster	Western Cape	4	388	Manufacturing and Engineering Clothing, Textile, Footwear and Leather	April 2005 to April 2007
Cape Peninsula Cluster	Western Cape	9	783	Chemicals Media, Advertising, Publishing, Printing and Packaging Food and Beverages Manufacturing and Engineering	August 2006 to August 2008
Boland User Group	Western Cape	8	447	Manufacturing and Engineering	March 2007 to March 2009
Table Bay User Group	Western Cape	8	929	Manufacturing and Engineering Media, Advertising, Publishing, Printing and Packaging	March 2007 to March 2009

WESTERN CAPE

AFTERCARE CLUSTERS/**USER GROUPS**

 USER GROUP/ CLUSTER	 LOCATION	 NUMBER OF COMPANIES	 NUMBER OF EMPLOYEES	 INDUSTRIAL SECTORS	 IMPLEMENTATION PERIOD
Cape Cluster	Western Cape	10	1 578	Food and Beverages Clothing, Textile, Footwear and Leather Media, Advertising, Publishing, Printing and Packaging Mining and Quarrying Manufacturing and Engineering Services	July 2008 to July 2010
Cape 1 User Group	Western Cape	8	1 000	Media, Advertising, Publishing, Printing and Packaging Food and Beverages Manufacturing and Engineering Chemicals	May 2010 to May 2012
Cape 2 User Group	Western Cape	3	454	Manufacturing and Engineering	October 2011 to October 2013
Cape Lean Group	Western Cape	9	344	Engineering Textile, Plastics	June 2013 to June 2015
Hermanus User Group	Western Cape	5	582	Agriculture Aquaculture	February 2013 to February 2015
Innovation Cluster	Western Cape	7	290	Food Manufacturing	September 2015 to September 2017
Western Cape Model Companies	Western Cape	3	577	Textiles Manufacturing	September 2016 to September 2018
Crafts Cluster	Western Cape	7	58	Crafts/Manufacturing	February 2021 to June 2021
Agri Cluster	Western Cape	10	5 894	Agriculture	September 2020 to March 2021
Craft Design Cluster	Western Cape	6	184	Textiles, Wearing apparel Furniture, Non-metallic mineral products Paper and paper products Plastic products	November 2021 to September 2022
Agro-processing Cluster	Western Cape	8	134	Agro-processing Manufacturing (sweets, food)	July 2022 to September 2023
Footwear and Leather Cluster	Western Cape	5	250	Manufacturing – Footwear, Leather, Leather Products/goods	August 2024 to February 2025
19 Groups		133	15 719		



CASE STUDIES

WORKPLACE CHALLENGE ANNUAL REPORT 2024 | 2025



CASE STUDY 1

APOLLO DIEMAKERS (PTY) LTD

Compiled by: Buyisiwe Langa, Productivity Practitioner
Province: KWAZULU-NATAL

COMPANY PROFILE

Apollo Diemakers was established in 1990. The company's managing directors are Keegan Moodley and Aroo Moodley. The company is located in KwaZulu Natal, Pinetown, New Germany under eThekweni Metropolitan Municipality. The company's main functions are tooling for printing packaging food, pharmaceutical, automotive industries, and automotive dunnage. Main customers are Toyota SA Motors, and Hirt & Carter. The company currently employs 32 employees.

CHALLENGE/S FACED BY THE COMPANY AND OVERARCHING PROJECT PLAN

Training was conducted on the 10th and 11th of August 2023 for 4 enterprises, including Apollo Diemakers. The topics covered during the training were 5S, Waste elimination and QC story. No issues were picked up during the training, all went well with the training. The next plan activity was to visit the company and assess it. On the 14th of August 2023, Apollo Diemakers was assessed using the 5S and Muda checklists. The area that was chosen, was the Heidelberg machines and manual tool assembly section. The issues that were picked up, was that Apollo Diemakers, did not practise 5S and had never implemented it before, and that the company needed basic training of the first 3S. The next plan was to conduct 5S training and to add a little bit of the Muda Dori concept for the production floor and office team. On the 17th of August 2023, training was conducted at Apollo Diemakers for production floor and

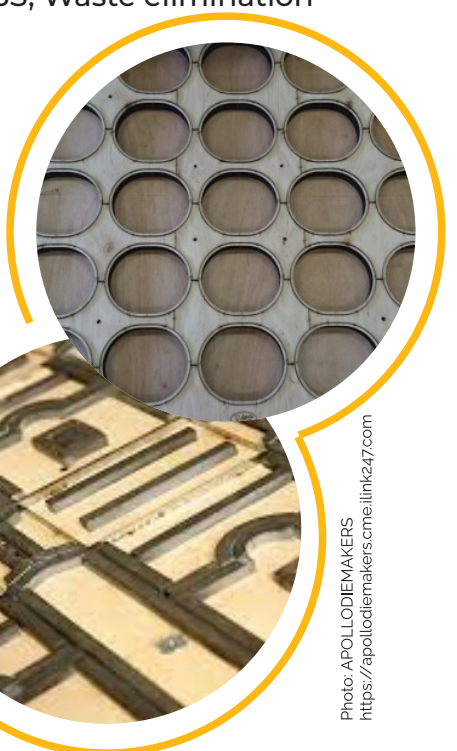
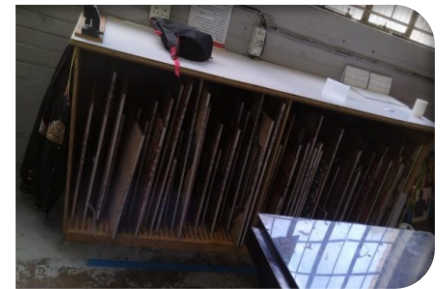
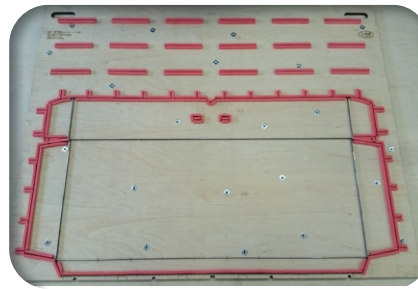
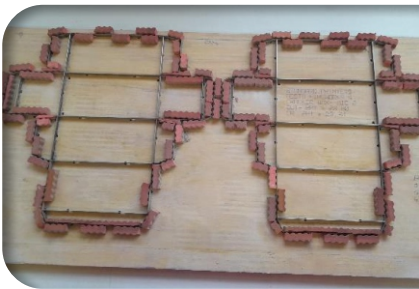


Photo: APOLLODIEMAKERS
<https://apollodiemakers.me.link247.com>

office members and this went very well. The topics that were covered during training, were 5S and Muda Dori. The issue was that the area that was contributing to Muda, was not easy to identify. The next plan was to have a discussion with the owner and dig deeper into areas that were contributing to waste. On the 21st of August 2023, Muda and 5S checking, and setting up the theme was conducted. An operations assessment was conducted to identify any Muda associated with the process and to see 5S progress. Change-over Kaizen was chosen as a theme, with the objective of minimising the order turnaround time. The challenge was that no data was collected on change over time per die type. The plan was to introduce a production sheet to collect changeover time and data for a period of a week from 22 to 29 August 2023.



ANALYSIS OF CURRENT SITUATION

The collected data was analysed to determine which die ran more frequently than the others, and how long it took to do the change for the specific die. 5S scores were captured to understand the current 5S condition. Issues noted were that there had been minimal 5S progress. The plan going forward was to analyse the changeover process of the 250 gram die and to identify external- and internal elements.



Muda Check and Analysis Sheet

Apollo Diemakers

Observer: Buysive Langa

No	Process/Work	Waste of			Process Code			Type of Waste							Note
		Time	Quantity	Distance	▽	○	□	○	Overproduction	Inventory	Transportation	Defect	Waiting	Motion	
1	Heidelberg die change	*							*	*	*	*	*	*	*
2	Paper wastage		*		*				*						
3	Steel wastage		*		*				*						
4	Thimson die manual making	*						*					*	*	
5	Die and tools searching	*			*		*		*		*	*	*	*	
6	Die searching	*			*		*		*		*	*	*	*	
7	Paper searching	*			*				*		*	*	*	*	
8	Steel searching	*			*				*		*	*	*	*	
	Total														
[Observation]															

5S AUDIT CHECKLIST

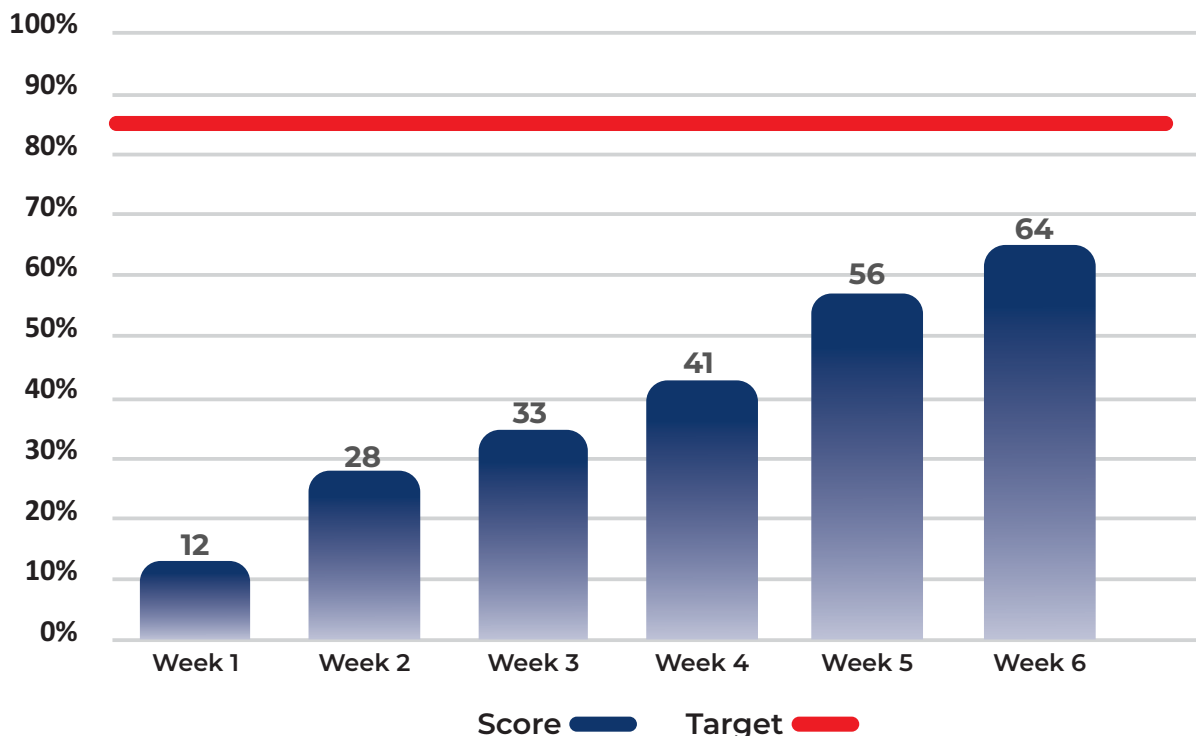
AREA:	Heidelberg machines					DATE:	14-Aug-23
	SORT	SET IN ORDER	SHINE	STANDARDIZE	SUSTAIN	TOTAL	
Total Score	2	6	4	0	0	12	
# of Questions	6	11	10	8	5	40	
Average Score	0,3	0,5	0,4	0,0	0,0	0,3	

SCORING GUIDELINES

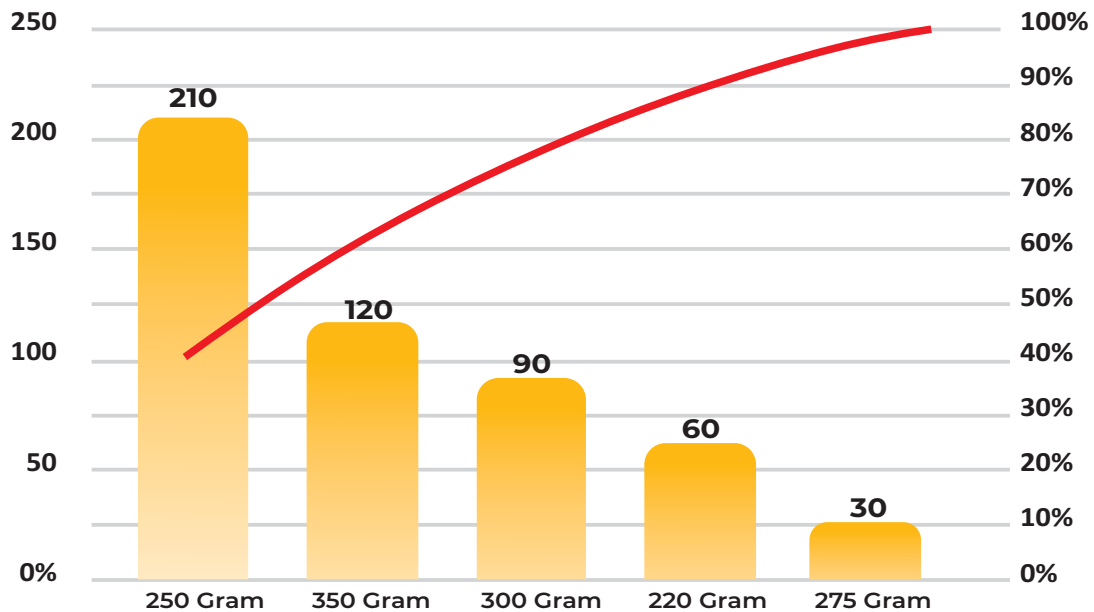
0	1	2	3	3.5 (4)	4.5 (5)
ZERO EFFORT	SLIGHT EFFORT	MODERATE EFFORT	MINIMUM ACCEPTABLE LEVEL	ABOVE AVERAGE RESULTS (3 AUDITS)	OUTSTANDING RESULTS (5 AUDITS)

SORT ACTIVITY DESCRIPTIONS		SCORE
1) Only the required <u>spare parts, materials, WIP, etc.</u> are present at the workstation. Items not required to make the current product are removed from the workplace.		1
2) Only the required <u>tools</u> are present at the workstation. Items not required to make the current product are removed from the workplace.		0
3) Only the required <u>paperwork</u> is present at the workstation. Out-dated or otherwise unnecessary posters, memos, announcements, reports, etc. are removed from the workplace.		0
4) Only the required <u>equipment</u> is present at the workstation. All obsolete, broken or unnecessary equipment, shelves, lockers, workbenches, etc. not required to make the current product is removed from the workplace.		1
5) Only the required <u>furniture</u> is present at the workstation. All broken or unnecessary chairs, shelves, lockers, workbenches, etc. not required to make the current product is removed from the workplace.		0
6) <u>Tripping dangers</u> such as electrical cables, etc. are removed from standing/walking		0
SET IN ORDER ACTIVITY DESCRIPTIONS		SCORE
7) Locations for <u>containers, boxes, bins, WIP, materials, etc.</u> is clearly defined by painted lines and properly labeled (part number, quantity, etc.).		1
8) <u>Tools</u> have a designated storage location that is within reach of the operator. The location is properly labeled and tools can easily be identified if absent.		1
9) <u>Paperwork</u> is properly labeled and has a clearly defined and labeled location that is visible to the operators and away from work surfaces.		1
10) <u>Equipment</u> is clearly identified (numbered, named, color coded, etc.) and placed in a properly identified location. Critical maintenance points are clearly marked.		0
11) <u>Furniture</u> is clearly identified (numbered, named, color coded, etc.) and placed in a properly identified location.		1
12) Work areas requiring <u>personal protective equipment</u> are clearly labeled.		1
13) <u>Stop switches and breakers</u> are highly visible and located for easy access in case of emergency.		1
14) <u>Fire hoses, fire extinguishers</u> and other emergency equipment are prominently displayed and are unobstructed.		0
15) Working conditions are <u>ergonomically friendly</u> . Tools are stored at appropriate heights, lift assist devices are provided where necessary, etc.		0
16) The <u>workplace layout</u> accommodates easy exit in case of emergency.		0
17) <u>Walkways</u> and vehicle paths are clearly identified and unobstructed. Exits are clearly labeled and unobstructed.		0

5S WEEKLY SCORES



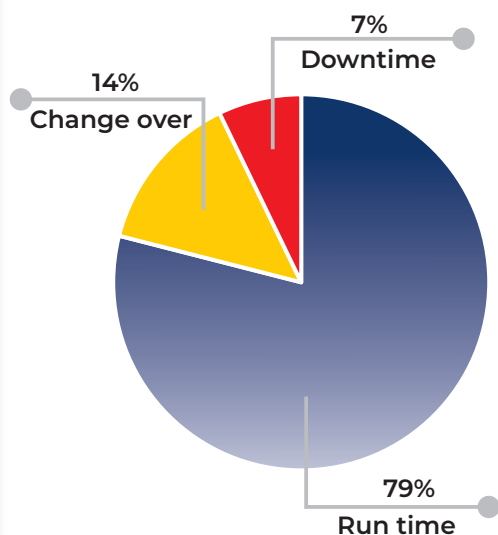
DIE CHANGEOVER FREQUENCY AND MINUTES



Currently, in data collected for 10 days, changeover time accounts for 14%, while run time only accounts for 79% of the total available working time.

- Current changeover time takes 60min

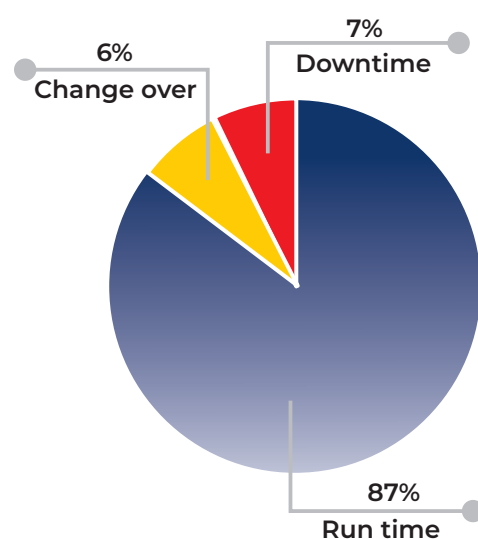
CHANGEOVER TIME DOWNTIME VS RUN TIME



THEME SETTING

Improve 5S weekly score to 85; reduce changeover time from 60 to 40 minutes (save 20 minutes per day); increase run time from 79% to 87%; and reduce changeover by 8%.

CHANGEOVER TIME DOWNTIME VS RUN TIME



DEVELOPMENT AND IMPLEMENTATION OF COUNTERMEASURES

After the theme was selected, a root cause analysis process was started. The changeover process was observed and cycle time measured. The tool that was used as RCA was the 5 WHY analysis. The countermeasure sheet with an action plan was developed. The 5 WHY analysis indicated that part of countermeasures, was to build a tool rack that will allow easy access of tools to save time, and a tool rack that has labels presenting a colour coded tool status. The work instruction on how to use the tool rack was also created. Training on the work instruction developed for production members was conducted.

CHANGEOVER ACTIVITIES BEFORE KAIZEN

ACTIVITY	CYCLE TIME	EXTERNAL	INTERNAL
Pack previous job	00:03:00	●	
Rule the tick marks	00:04:00		●
Check the die in the storage	00:07:00		●
Check Die blades	00:12:03		●
Check Die condition	00:06:10		●
Setting up the size of the material	00:10:03		●
Unlocking the screws	00:07:00		●
Remove the die plate	00:04:30		●
Clean Die area	00:00:07		●
Insert new die on the plate	00:03:00		●
Locking up die the die and its plate	00:00:12		●
Adjust the screws	00:01:13		●
Remove screeting matrix for previous job	00:00:09		●
Adjust the paper size	00:00:08		●
Polishing	00:01:10		●
Run trial sample x 5	00:00:15		●
TOTAL	01:00:00		

COUNTERMEASURE SHEET

CONCERN NO	COUNTERMEASURE				FOLLOW UP SHEET	PROGRESS
	ENTERED BY	ACTION	PROPOSED COMPLETION DATE	RESPONSIBLE PERSON	RESULT	
1	Buyie	Allocate space where the tool will be installed	01/09/2023	Keegan	Complete	●
2	Buyie	Order material to install the rack	01/09/2023	Keegan	Complete	●
3	Buyie	Allocate hours and manpower to install the rack	01/09/2023	Keegan	Complete	●
4	Buyie	Design tool identification labels with QC status	01/09/2023	Keegan	Complete	●
5	Buyie	Create Work instruction on how the rack need to be used	01/10/2023	Keegan	Complete	●
6	Buyie	Train the members	01/10/2023	Keegan	Complete	●

ACTION STEP	PHOTO REFERENCE	CRITICAL FACTOR
1 Check the tool from the tool rack while machine is running		Ensure that the tool is with the green sticker on it
2 Check tool condition		Ensure rubber on the tool is good condition
3 Check the tool blades		Ensure blades are correctly positioned
4 Check and mark the cutting marks on the next job run		Cutting marks must be ticked off for correct adjustment and positioning of the tool on the machine

EVALUATION OF NEW IMPROVEMENTS, AND SUMMARY OF RESULTS

The results monitoring and evaluation was conducted through weekly audits in physical premises of the company. Weekly evaluation assisted in gain insight whether the countermeasures implemented were effective or not. The continuous engagement with the Kaizen team and management also yielded positive results. Workplace cooperation between management played a significant role in identifying areas of improvement and where the team needed management support. Below are the improvements from the countermeasures that were implemented.

BEFORE

PROBLEM

Equipment and cudboard not stored correctly

ROOT CAUSE

No allocated tool rack for the equipment and waste bins for waste



AFTER

SOLUTION

Equipment stored correctly and waste removed



BEFORE

OLD TOOL STORAGE



AFTER

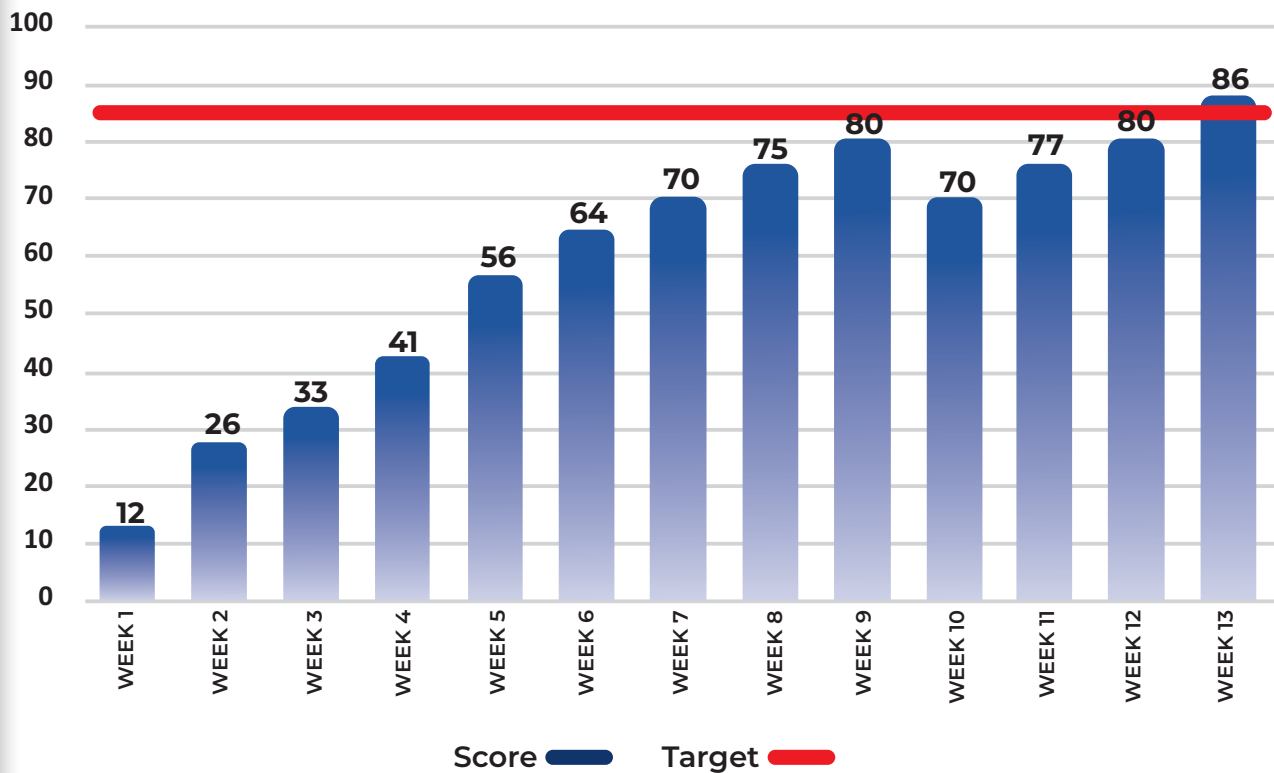
NEW TOOL STORAGE



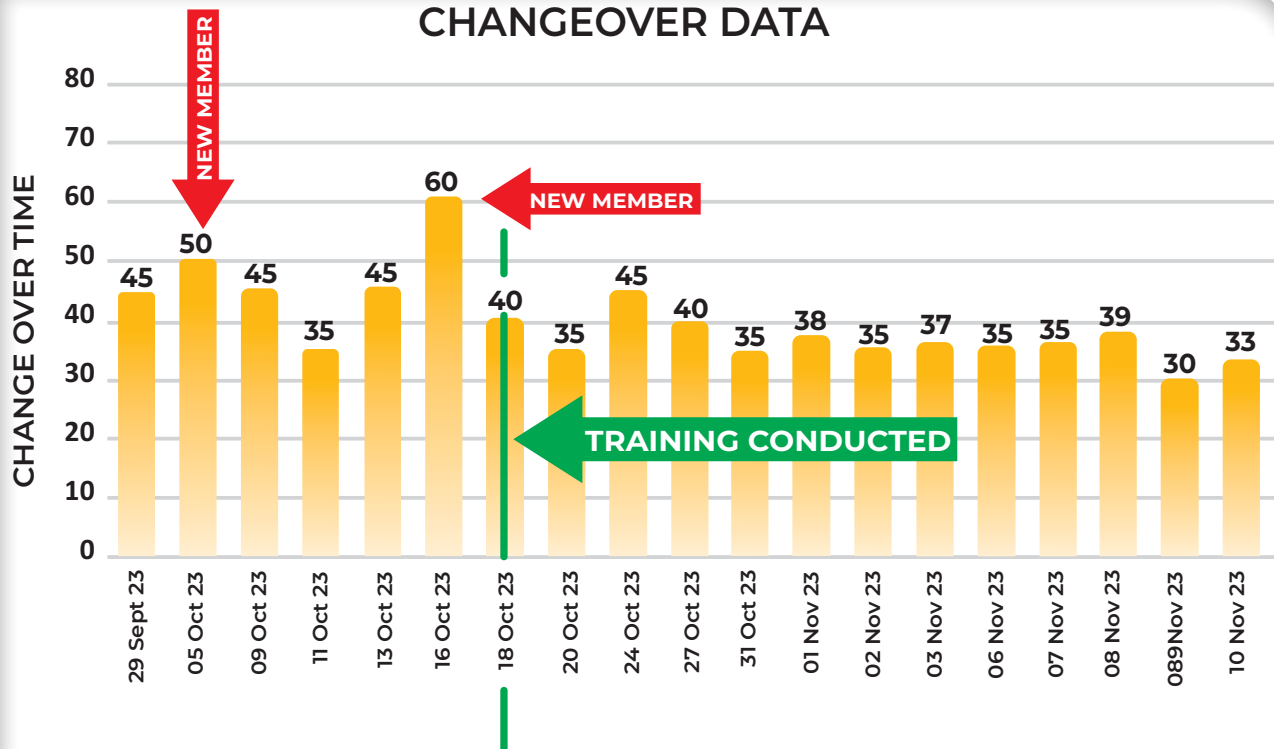
CHANGEOVER ACTIVITIES AFTER KAIZEN

ACTIVITY	CYCLE TIME	EXTERNAL	INTERNAL
Pack previous job	00:03:00	●	
Rule the tick marks	00:04:00	●	
Check the die in the storage	00:07:00	●	
Check Die blades	00:12:03	●	
Check Die condition	00:06:10	●	
Setting up the size of the material	00:10:03		●
Unlocking the screws	00:07:00		●
Remove the die plate	00:04:30		●
Clean Die area	00:00:07		●
Insert new die on the plate	00:03:00		●
Locking up die the die and its plate	00:00:12		●
Adjust the screws	00:01:13		●
Remove screeting matrix for previous job	00:00:09		●
Adjust the paper size	00:00:08		●
Polishing	00:01:10		●
Run trial sample x 5	00:00:15		●
TOTAL	01:00:00		
External element total	00:29:13	Time to be saved	
Internal element total	00:27:47	Actual changeover time	

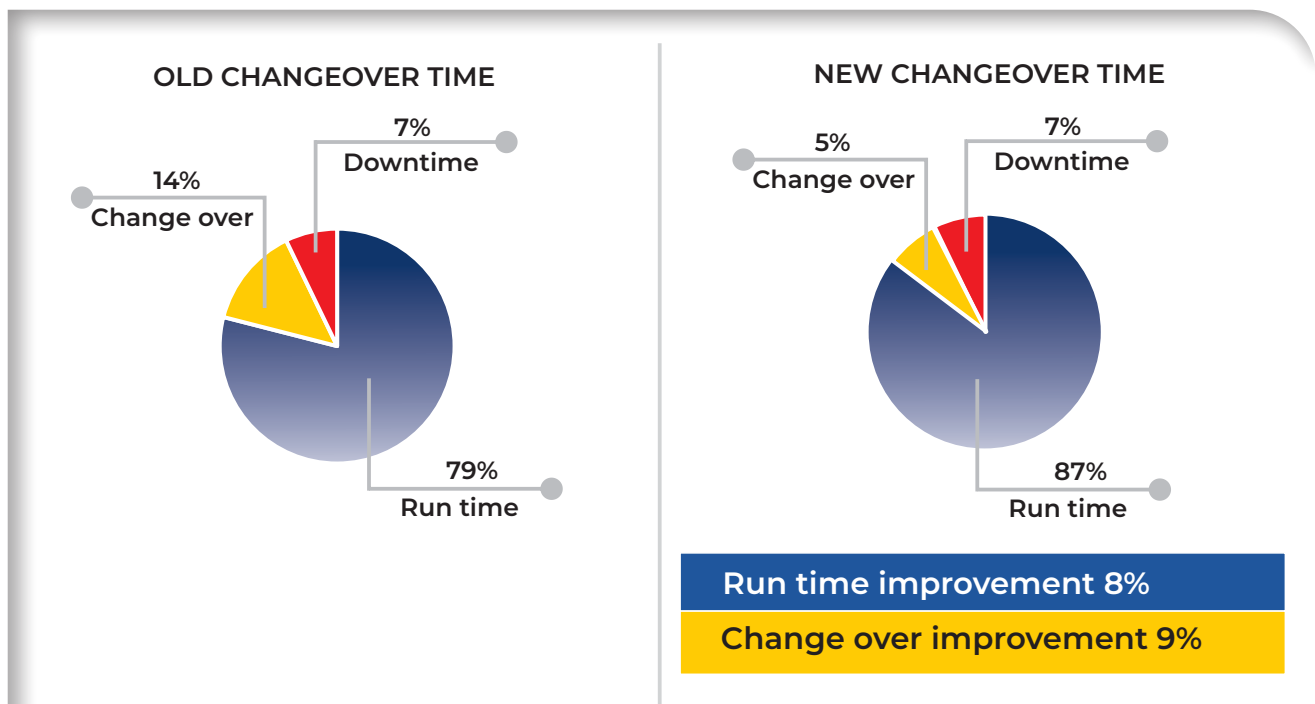
5S WEEKLY SCORES



CHANGEOVER DATA



The 5S weekly score improved by 73 points in 13 weeks and the average changeover time was 36.69 minutes after training.



FUTURE ACTIVITIES

The list of activities that were planned after the project closed are listed below. These activities are initiated to sustain and continuously improve the countermeasures implemented.

FUTURE ACTIVITIES

ACTIVITY	PROPOSED COMPLETION
1. Training of more production members on 5S	30-Nov-23
2. Training of more production members on the Changeover work instruction	12-Dec-23
3. Production Floor demarcation	30-Nov-23
4. Equipment and material labelling	30-Nov-23
5. Conduct weekly 5S audit	Continuous
6. Evaluate and monitor changeover time	Continuous

CASE STUDY 2

ENTRAWOOD

Compiled by: Jean-Dré Crouse, Senior Productivity Practitioner

Province: FREE STATE

COMPANY PROFILE

Entrawood is a privately owned company, established in 1989, specialising in the production of melamine desks storage solutions and tables, training tables and upholstered office furniture products. The company is owned and operated by its Directors, Herman Grobler, Karel Steyn and Gert Van Tonder. The Entrawood factory is in the Maluti-a-Phofung Special Economic Zone near Harrismith, with its sales office and showroom located in Kramerville, Johannesburg.

Entrawood provides its office furniture products and design services to Architects, Designers, Shopfitters and Retailers across South Africa and sub-Saharan Africa. The advantage that the company has over competitors is that it can deliver within a 10 to 15 day lead-time. The company has a staff complement of 111 employees. 80% of the employees are black, with 34% being female, and all the employees are from the surrounding areas.

CHALLENGE(S) FACED BY COMPANY AND OVERARCHING PROJECT PLAN

Entrawood has a world-class factory with the latest technology in furniture manufacturing. The BT&R programme was successful, but Karel wants to keep on improving. The Kaizen programme was the next step in the improvement process.

In an effort to update systems and consolidate the ERP, accounting and sales software, Entrawood is in the process of implementing SAGE. This implementation took longer than expected and caused many headaches in the factory.



Photo: ENTRAWOOD
www.entrawood.co.za

With the world-class systems and machinery on the one side, skilled people and systems are needed to manage it efficiently.

ACTION TAKEN

INTERVENTION 1

BASELINE ASSESSMENT

The key issues that were identified during the baseline assessment that should be addressed, were as follows:

- Workplace cooperation – daily worker/manager meetings.
- Quality management – 5S implementation.
- Enhance productivity – collect data, interpret, analyse and take action; optimise line balancing; bring all workers onboard using the Kaizen philosophy.
- HR management – incorporate a bonus system linked to 5S implementation; recognise in-house training programmes.
- Occupational Safety and Health – track employee satisfaction.

INTERVENTION 2

CAPACITY BUILDING

There were 10 people nominated as champions in the factory with a good split between departments. The team consisted of supervisors/team leaders and managers. The contact person for the programme at the factory is Mrs Lisa Knoblauch, an Industrial engineer.

TEAM	CHAMPIONS
Saw	Tseko Motloun
Assembly	Tankiso Mokoena
Dispatch	Modise Lefu
Stores	Shirley Khasooh
Stores	Jimmy Mokoena
Edge Banding	Thulani Kubheka
CNC	Mbuli Lindiwe
Assembly	Thabiso
Cleaning and Inspection	Sarah

INTERVENTION 2 (continued)

The Kaizen training was conducted during site visits (during Aug 2023, January 2024, February 2024, March 2024, and April 2024) with the objective of the training being:

- An orientation on productivity, quality and organisational performance.
- The measurement of productivity, quality and organisational performance.
- Organisational change and improvement.
- How to establish and use an early warning system.
- How to orientate an improvement team.

INTERVENTION 3

PROCESS FLOW MAPPING

The material and product flow through the factory are controlled by the ARDIS assembly system which forms the backbone of the operation. Production plans are distributed through the factory on a daily basis, on which the codes for every product are displayed with the quantity. Stickers are used, as illustrated in Figure 1, on which the plan number, codes and instructions are displayed. The circle and X shows the orientation the panel should be loaded into CNC machines. The barcodes are scanned at every operation that feeds back into the ARDIS system.

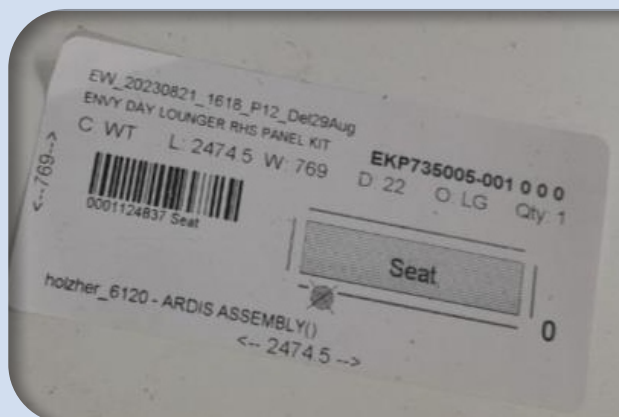
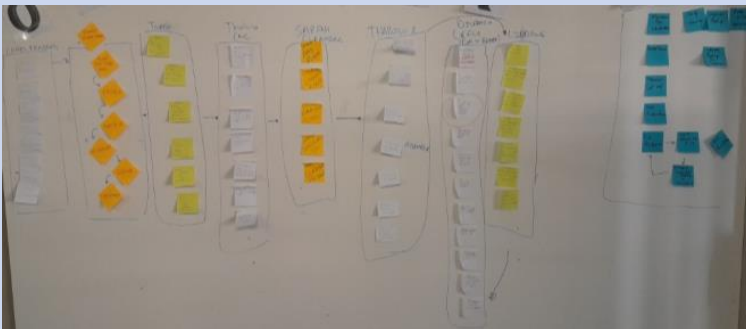


Figure 1: Sticker from ARDIS on a panel.

INTERVENTION 3 (continued)

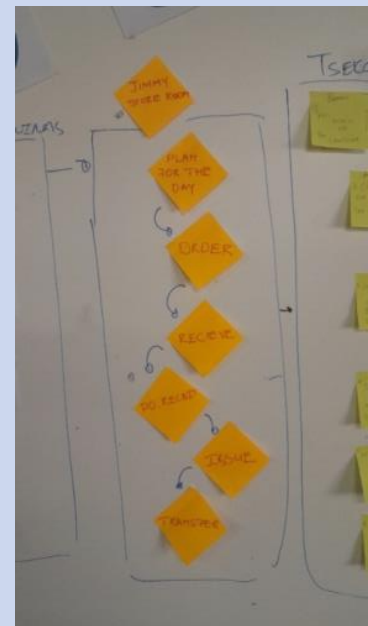
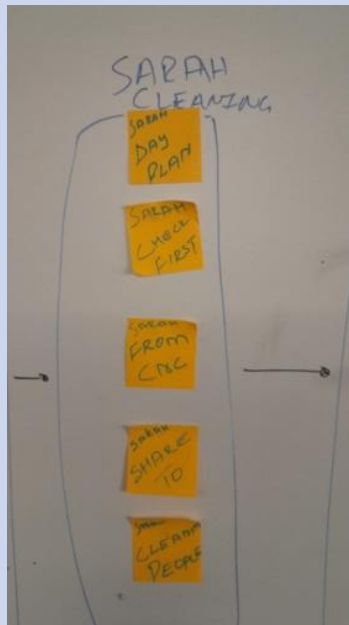
The team drew their process flow map with sticky notes whereafter they presented it to both the Entrawood and Entrakor teams. The entire process flow map is shown in Figure 2. Two teams' process flow maps are illustrated in in figure below. It is noticeable from the figures that the process starts and ends with ARDIS.



Entrawood Process Flow Map

There were no feedback loops present to cater for if something did not go to plan. Rejects were captured in the system, and an extra plan was created that would be planned in for the next days, which led to delays in the already tight 10 day lead time.

The first quality check occurred at the cleaning station, where they checked for black spots, dents, scratches, and chips. If a panel was not cut square, it would only be picked up at final assembly. This formed the base of the improvements that we wanted to implement – improved quality tracking and measurements; increased visibility in the factory; and quicker communication so that a part that is short or rejected could be planned in and made immediately to prevent delays.



The cleaning and stores' process flow maps.

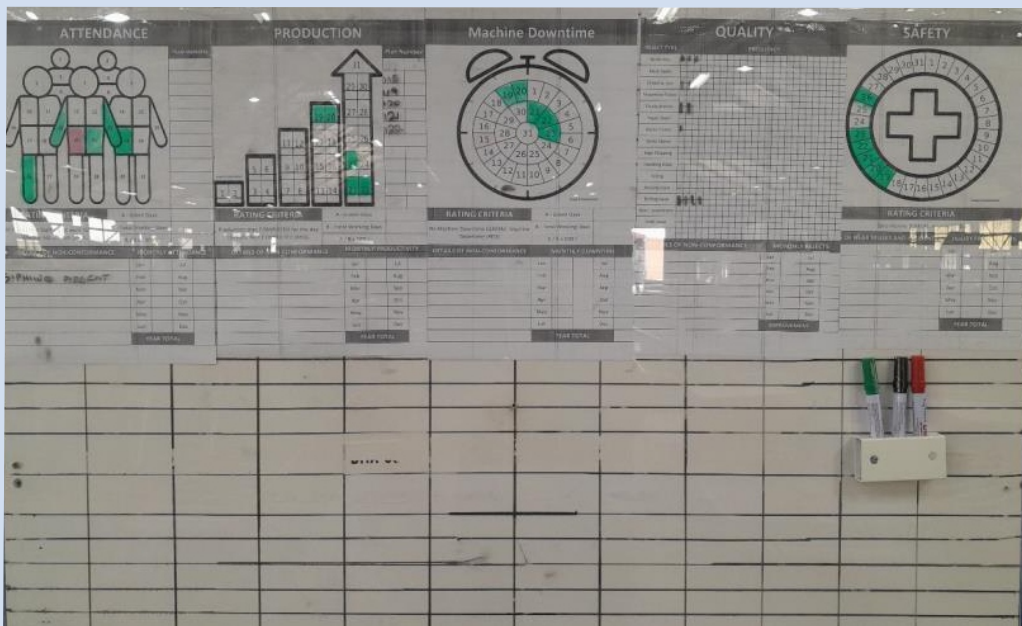
INTERVENTION 4

VISUAL MANAGEMENT AND KPI TRACKING

Visual Management Boards were revamped from the BT&R implementation. The new boards were easier to use which helped with the adoption of the project. The boards were installed at every department:

- Pressing and Upgrading
- Saws
- Edge Banding
- CNC
- Cleaning
- Assembly * 2
- Dispatch

An example of the new visual management board is shown below.



New Visual Management Board.

The following are tracked on the boards: Attendance, Production, Machine Downtime, Quality Defects and Safety.

There is a 5S audit sheet on the boards, that will be discussed in the 5S section.

INTERVENTION 5

5S CLEANING AND
ORGANISING

A 5S project was done previously in the factory. The 5S project is tracked by the visual management boards, and 5S steps were given to every department. Audits are done monthly by Mrs Knoblauch. The results are documented and the best performing and most improved departments are rewarded with recognition, a chocolate and drink. Results from the first audit were:

EW		AUDIT DATE	AUDIT SCORE
Upgrading	Ananias	27-Feb	72%
Saw	Tseko	28-Feb	68%
Edge	Nicolas	27-Feb	74%
Kitchens	Wiseman	29-Feb	78%
CNC	Lindiwe	28-Feb	72%
Clean	Sarah	29-Feb	82%
ASM Desking	Johannes	29-Feb	79%
ASM Ardis	Tabiso	27-Feb	66%
Dispatch	Lefu	28-Feb	70%
			73%

BEFORE



AFTER



Dispatch area that has been cleaned. Unnecessary items have been removed. This has made space for added items to be dispatched.

BEFORE**AFTER**

Work areas have been decluttered, labeled and sorted out. This reduce motion, searching for items and makes cleaning easier.



Storage of WIP have improved. This has reduced movement of boards on top of each other leading to reduced scratches as defects. Walking between stations have been made easier and less cumbersome.



Lines have been repainted with WIP areas added for items that previously lay around the factory. A job card board has been added for easy retrieval of jobs in progress



All items have been placed into labelled bins, making retrieval easier. Reduce motion and added consumable inventory control.

INTERVENTION 6

ROOT CAUSE ANALYSIS

An outstanding Item report is generated twice a day at 9am and 4pm. The goal is for the report to be empty, which will mean that production was completed for the day. Unfortunately, the list is rarely empty. There is a stock controller at Entrawood that follows up on the list every single day. We assisted her with a Fishbone diagram to see what the likely causes of the problem were. The completed fishbone diagram is in Figure 5.

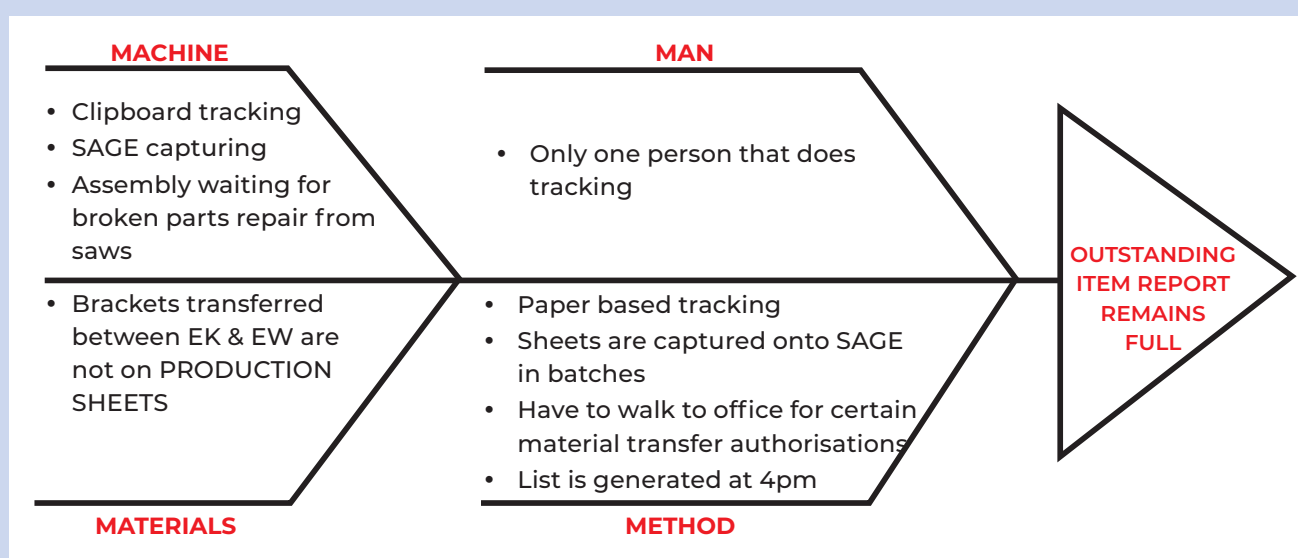


Figure 5: Fishbone diagram.

CAUSES		ACTION
Brackets not on production sheets	➔	• Add small components that have to be transferred between factories, to the production sheet so that it can be tracked.
Clipboard tracking	➔	• Invest in a tablet to ensure real time data capturing.
Excessive walking to office	➔	• Install a telephone at stock controllers desk.
Report generated at 4pm	➔	• Change the report to 3pm, so that today's unfinished work can be sorted out today and not the next day.
Broken items	➔	• Investigate rejects at saws. • Improve communication within the production line with mini business units.

TANGIBLE RESULTS

The impact measures are reflected in the table below:

No	Category	Impact Measure	Baseline (Feb)	March	April	May	June	July	Improvement
1	Speed	Production completed days	98%	88%	93%	90%	94%	96%	-2%
2	Morale	Attendance	93%	89%	77%	80%	84%	90%	-3.2%
3	Safety	Incident free months	99%	100%	98%	99%	100%	100%	1%
4	Safety	5S audit scores	73%	77%	79%	80%	81%	81%	8%
5	Quality	Broken items	352	293	483	309	215	375	-6.5%
6	Speed	Machine downtime	8%	18%	5%	6%	5%	6%	25%

CONCLUSION

Entrawood has successfully participated in the Kaizen programme. Mrs Knoblauch has been incredible with the implementation of the interventions, and Mr Steyn with the support given to ensure the success of the interventions. Their continuous improvement journey is one that is still ongoing, whereby with every call and visit, something has been improved without external assistance. As one of the biggest employers in Harrismith, the wellbeing of the company is of utmost importance to the region. Inconsistent electricity and water supply has made it difficult to operate, however, every challenge has been met with vigour. The company has not only survived the past few years, but has grown as well.

CASE STUDY 3

PIONEER PLASTICS (PTY) LTD

Compiled by: Mpho Mathelemusa, Senior Productivity Practitioner

Province: GAUTENG

COMPANY PROFILE

Pioneer Plastics was established by Mr Jack Wiid – who also designed and manufactured the company's first rotomoulding machine. It is located in Rosslyn, north of Pretoria with a complement of some 164 employees. Pioneer Plastics is Level 2 B-BBEE Compliant; ISO 9001:2015 certified and has a SMETA Responsible Sourcing Certificate to supply products to the likes of Coca-Cola as well as the Walmart group.

Pioneer Plastics has the latest state of the art carousel rotational moulding machines, enabling them to make products from as small as 300 grams to as big as a 10 000 L water tank. Pioneer Plastics also has a Polyurethane foaming machine able to inject into cavities for insulation of cooler boxes; strengthening of doors, and foaming of chairs and benches.

Pioneer Plastics has the first SMART machine in the southern hemisphere, which is able to manufacture the most complex parts traditionally unheard-of in rotational moulding. The Italian machine from Persico with specific heating zones, allows for the ultimate in product quality and control.

They are the first South African company to be certified for the ARMSA tank standard (SANS 1738:2017). Pioneer Plastics has won the Association of Rotational Moulders of Southern Africa (ARMSA) product of the year award for 8 years in a row, and is also a Capital City Business Chamber Business of the Year Award finalist.



Photo: Pioneer Plastics www.pioneerplastics.co.za

CHALLENGE/S FACED BY COMPANY AND OVERARCHING PROJECT PLAN

The company was selected to take part in the Quality and Productivity Improvement (Kaizen) Project, established through a record of discussion between the Department of Trade, Industry and Competition (the dtic) and the Japan International Co-operation Agency (JICA). This project aims for nationwide dissemination of Quality and Productivity Improvement (Kaizen) techniques for the industrial sector through the creation of a National Quality Productivity Network (NQPN) of these partner organisations: Automotive Industry Development Centre – Eastern Cape (AIDC-EC); Automotive Industry Development Centre – Gauteng (AIDC-GP); Automotive Industry Transformation Fund (AITF); Automotive Supply Chain Competitiveness Initiative (ASCCI); Plastic SA (Section 3A); Production Technologies Association of South Africa (PtSA), and Productivity South Africa. The targeted Small, Medium, and Micro Enterprises (SMMEs) are in the automotive, plastic, and metal sectors and geographically located mainly in Gauteng, KwaZulu-Natal and the Eastern Cape. A total of five productivity practitioners underwent five days of classroom training and were allocated to five companies to provide intensive in-company training

(from March to May 2024), facilitated by a TOT productivity practitioner, with guidance from four Japanese experts.

The company experienced waste due to defective products from the moulding area, with an overall reject cost of R173 423 from December 2023 to March 2024. The production line was negatively impacted by the waiting time and waste associated with searching for forming jigs. The decision to participate in the Kaizen project with the aim to continuously improve process, cost, delivery and quality of products and services, marks a positive step toward the company's sustainability.

The engagement started on 18 March 2024 and included all levels of management and shop floor employees. The implementation team was made up of Katsumi Ito (expert); Lebogang Khumalo (TOT facilitator); Mpho Mathelemusa (consultant); Skhumbuzo Mdletshe (Pioneer Kaizen Team Leader); Khanyisile Silinda (Pioneer Kaizen Team); Kgaugelo Monene (Pioneer Kaizen Team), and Katlego Mabena (Pioneer Kaizen Team).

Thirty-six people attended the in-classroom training on 18 March, with the following topics covered in the training: Background of Muda Elimination; Using Kaizen to Improve Business Performance; Standardised Work; Inventory Control; The 5-SQC Approach to Problem-Solving/A3 Sheet; Muda Elimination; Case Studies (Internal/External Elements), and the Quick Die Change Technique.

ANALYSIS OF CURRENT SITUATION

The selected themes were as follows:

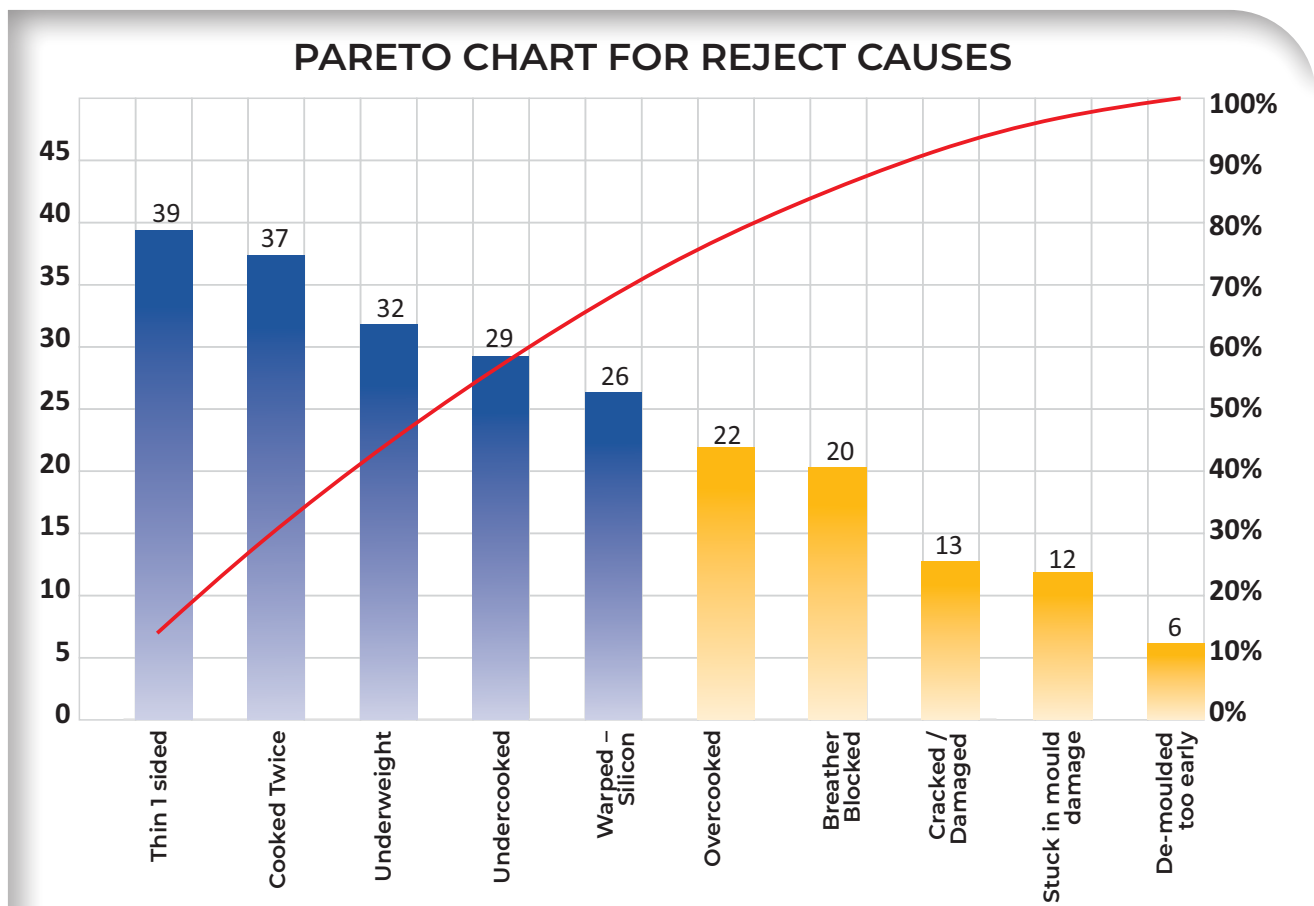
To reduce the number of rejects – focusing in the moulding area.

The baseline was established to be 1,13%, and the target was set at 0,5% by 31 May 2024.

To reduce the time spent searching for the jigs in the foaming storage.

The baseline was established to be 2 minutes with a further 4 minutes 40 seconds spent traveling to the storage – thus a total of 6 minutes 40 seconds, and the target was set to be 1 minute.

The data was collected and mapped using the Pareto chart to determine the causes for rejects in the moulding area:





Root case analysis followed 5 Why's – starting with the highest incidents in the moulding area.

The 5S audit revealed significant issues with clutter, disorganisation, and inefficiencies that needed to be addressed promptly to enhance overall operations and performance in the foaming area. 5S will concentrate on Sort, Set in order and Shine.

A	B	C	D	E	F	G	H	I	J	K
PIONEER PLASTIC										
AREA:		PLANT 3 FOAMING JIGS STORAGE					DATE:		27-Mar-24	
		SORT	SET IN ORDER	SHINE	STANDARDIZE	SUSTAIN	TOTAL			
Total Score		11	12	7	0	0	30			
# of Questions		6	10	9	0	0	25			
Average Score		1.8	1.2	0.8	#DIV/0!	#DIV/0!	#DIV/0!			
SCORING GUIDELINES										
0 ZERO EFFORT		1 SLIGHT EFFORT		2 MODERATE EFFORT		3 MINIMUM ACCEPTABLE LEVEL		3.5 (4) ABOVE AVERAGE RESULTS (3 AUDITS)		4.5 (5) OUTSTANDING RESULTS (6 AUDITS)
SORT ACTIVITY DESCRIPTIONS										SCORE
1) Only the required <u>spare parts, materials, WIP, etc.</u> are present at the workstation. Items not required to make the current product are removed from the workplace.										2
2) Only the required <u>tools</u> are present at the workstation. Items not required to make the current product are removed from the workplace.										1

DEVELOPMENT AND IMPLEMENTATION OF COUNTERMEASURES

After identifying causes, countermeasures were created, including an action plan that was implemented to reduce the reject rate in the moulding area:

	ACTION	BY WHO	STATUS
Thin 1 sided	• Must rotate the arm to check the balance.	Kaizen Team	Done
	• Heating times on care point.	Kaizen Team	Done
	• Clear watch (digital watch display).	Kaizen Team	Done
Cooked Twice	• Using mould powder buckets to identify de-moulded products.	Kaizen Team	Done
	• Improve the communication among team members	Kaizen Team	Done
	• A check list to tally the physically de-moulded items on the floor.	Kaizen Team	Done
Underweight	• Proper bucket and shelves labeling.	Kaizen Team	Done
	• Calibrate the scales regularly.	Kaizen Team	Done
	• Verify whether the basket and mould code match	Kaizen Team	Done
Undercooked	• Team leader to verify if the oven temperature is accurately set for preheat process and utilise the digital timer.	Kaizen Team	Done
	• Alarm will be used that signals the time to open.	Kaizen Team	In Progress
	• Checking the Breather, and temperature monitoring devise. This includes the weather temperature controls.	Kaizen Team	Done
Warped – Silicon	• Monitoring Mould condition and reapply the silicone release agent to maintain optimal release performance.	Kaizen Team	Done
	• Following moulding process requirements.	Kaizen Team	Done

	ACTION	BY WHO	STATUS
Standard Operating Procedures	• Review all Moulding SOP	Kaizen Team	Done
	• Check list	Kaizen Team	Done
	• Monitoring Control procedure	Kaizen Team	Done
Skills audit	• All the moulding operator's staff.	Kaizen Team	Done
Communicate	• Clearly communicate the expectations and standards	Kaizen Team	In Progress
	• Meetings agenda to include Muda and 5S	Kaizen Team	Done
Training	• Target training to address gaps in knowledge and skills.	Kaizen Team	Done
	• Employee wellness program.	Kaizen Team	In Progress
Supervision	• Regular checking.	Kaizen Team	In Progress
	• Quality control in every step.	Kaizen Team	Done
Accountability	• Continuous improvements, innovative.	Kaizen Team	In Progress
	• Conduct 5 Why's and discuss the countermeasure.	Kaizen Team	Continuous
	• Behavior Modification.	Kaizen Team	In Progress

After identifying causes, counter-measures were created, including an action plan that was implemented to reduce the time searching for jigs in the foaming area:

	ACTION	BY WHO	STATUS
Developing an inventory list	• Developing inventory for all jigs to know what is in the storage, quantity and the condition of the jigs.	Kaizen Team	Done
	• Categorising inventory further into active, archives and broken jigs.	Kaizen Team	Done
	• Broken Jigs to be scheduled for repairs	Kaizen Team	Done
Acquiring the storage	• Identifying second storage for better spacing.	Kaizen Team	Done
	• Rearranging the foaming area to create space for active jigs to be closer to production line.	Kaizen Team	Done
Racks	• Manufacturing racks for active jigs of all size and type.	Kaizen Team	Done
	• Installing racks at the forming area for active jigs	Kaizen Team	Done
	• Labeling all racks and shelves according to rack number, shelf and code.	Kaizen Team	Done
Standardising the process	• Labeling the jigs according to shelves and rack number where it will be stored.	Kaizen Team	Done
	• Maintaining the system operated checklist of jigs movements	Kaizen Team	Continuous
	• Conducting 5S audit periodically	Kaizen Team	Continuous

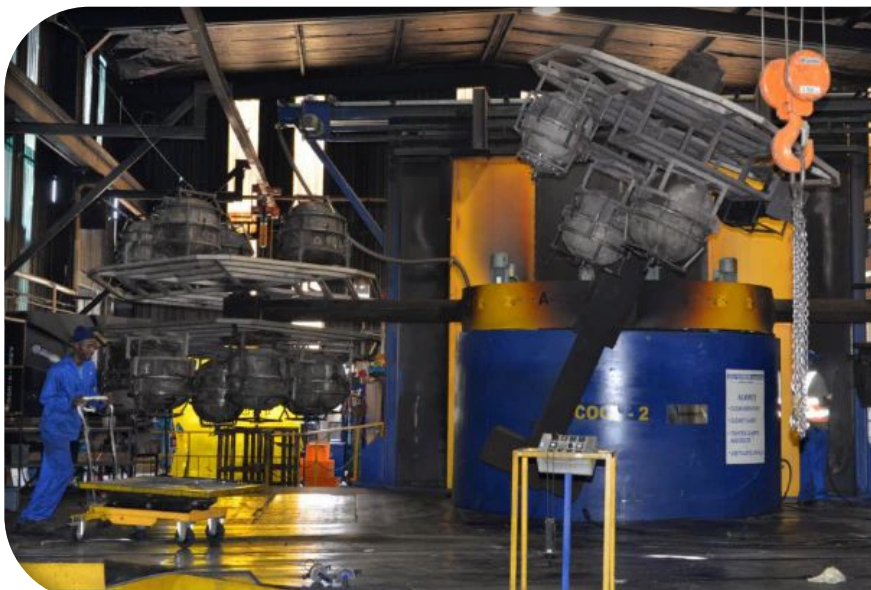


Photo: Pioneer Plastics www.pioneerplastics.co.za

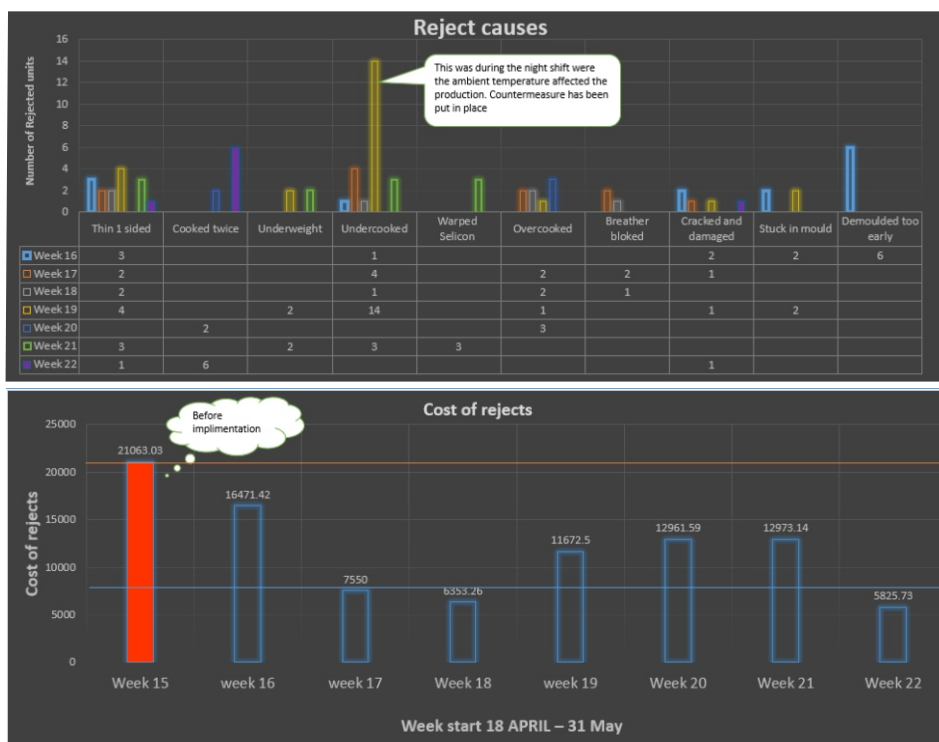
EVALUATION OF NEW IMPROVEMENTS AND SUMMARY OF RESULTS

The new improvements were as follows:

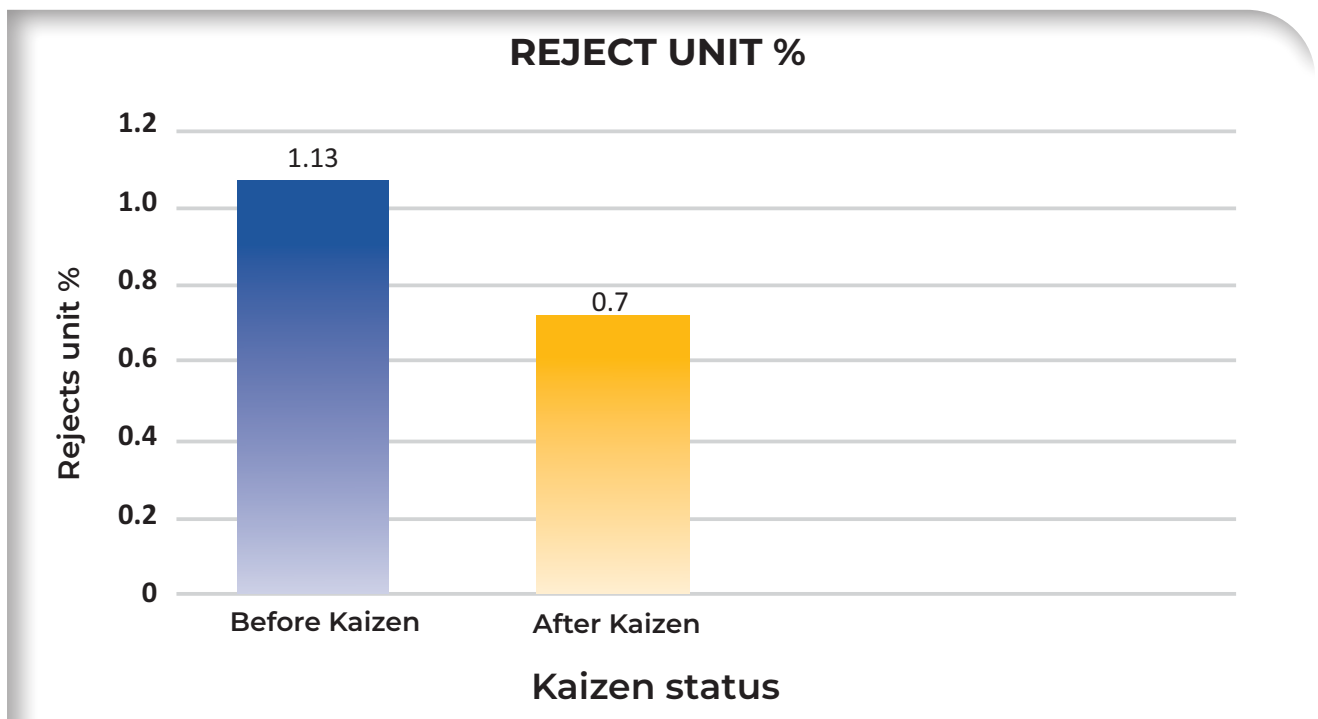
- The implementation of a digital clock has assisted the team to mitigate undercooking, overcooking and oven delay opening.
- Monitoring the weather temperature assisted with adjustment of the moulding process – either by extending or reducing heating times (optimising temperature settings).



The introduction of this countermeasure resulted in a decrease in the number of defective products during production, indicating that operators are adhering to SOP and demonstrating attentiveness.



The implementation of countermeasures has led to a notable reduction in production costs from week 15 before implementation (R21 063 to R5 825), resulting in savings of R13 063 on material and other expenses.



ECRS	ACTIVITIES
Eliminate	- The obsolete and damaged items were removed to free up space. - This has created space.
Combination	- Similar jigs were grouped together to reduce the time spent searching for the right one. - The active jigs are stored together to minimise movement.
Rearrange	- The jigs were categorised by type, size, or frequency of use to streamline the access. - Rack 1 with active jigs was moved from far building to production area. - The jigs are arranged in logical order based on the workflow and usage pattern.
Simplify	Cleaning schedule is set which provides easy cleaning and encourages regular upkeep.
	- The racks and rows are numbered, jigs and shelves are coded. - An electronic inventory list detailing all jigs and their storage locations has been created.



FUTURE ACTIVITIES

The future plans are reflected in the table below:

ACTIVITY	BEFORE KAIZEN	AFTER KAIZEN	FUTURE IMPROVEMENTS
Rework	1836 units	1699 units	Set the base line and work toward reducing the rework.
Raw material preparation section		New issues noted	- Confirming that material codes match those of the mould. - Ensure no contamination.



Photo: Pioneer Plastics www.pioneerplastics.co.za



CASE STUDY 4

WOMECH MECHANICAL WORKS SPECIALIST

Compiled by: Mhlengi Meyiwa, Productivity Practitioner

Province: MPUMALANGA

COMPANY PROFILE

Womech Mechanical Works Specialist is an automobile repair and maintenance company founded and owned by two young black women, dealing in all makes of vehicle (cars, trucks, fleet, buses and earth moving equipment). The business was born in concept in January 2017 and officially opened shop in October 2017. The vision was conceived through the passion of the two mechanical expert sisters who are qualified as Diesel mechanic and Auto electrician. The company employs 12 employees.

REASON FOR PARTNERING WITH PRODUCTIVITY SA

Womech lacked the implementation of well-defined processes and procedures on how to run daily business activities efficiently.

This led to high production inefficiencies, resulting in high wastage and cost due to the high rate of comebacks. Womech's goal was to achieve the fastest turnaround time with the servicing of all customer vehicles and to achieve a zero percent comeback rate by partnering with Productivity SA.

Productivity SA implemented a 4-month Kaizen programme from May 2024 to August 2024, which entailed conducting Kaizen tools and capacity-building workshops and the implementation of the identified projects. Coaching and reviews of the programme followed implementation, to ensure that the interventions were sustainable. A Kaizen team was selected comprising of management and plant operators.



ACTION TAKEN

INTERVENTION 1

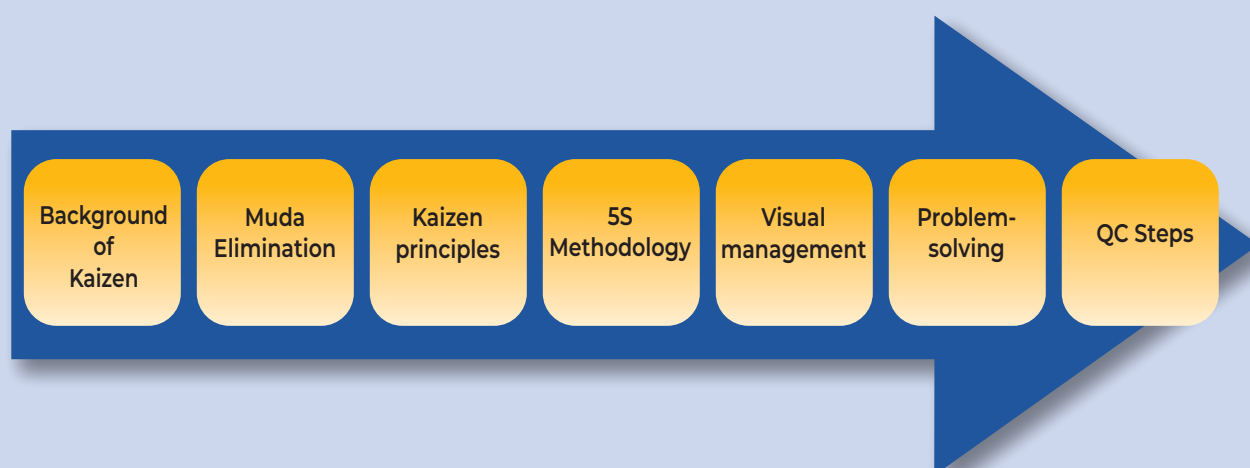
BASELINE ASSESSMENT

The first implementation activity was to collect data on the current condition, from the theme that was selected. The data (collected through a data sheet) was collected over a period of 4 months, and showed that the comeback rate was sitting at 33,33%. Therefore, the project theme was to reduce these comebacks.

INTERVENTION 2

CAPACITY BUILDING

On the 26th of June 2024 Productivity SA facilitated a full-day Kaizen training workshop at Womech, focusing on efficiency, coaching, and quality control. The session saw excellent participation, with strong interaction and a willingness to share experiences. Delegate feedback indicated high satisfaction and readiness to implement the learnings. The customised course covered topics such as Waste Elimination (Muda), Kaizen principles, 5S methodology, Visual management, Problem solving, and Quality Control steps. Here is how material content was structured:



INTERVENTION 3

CLEANING AND ORGANISING (5S) IMPLEMENTATION

5S is a methodology for creating a clean, organised workplace that highlights waste and makes abnormalities immediately visible. At Womech, 5S was implemented in the material stores before executing the project, following a pre-implementation audit. Below represents the situation before the implementation of 5S - the Audit sheet that was used at Womech and Radar chart typically highlights various inefficiencies and disorganised aspects within the workplace.

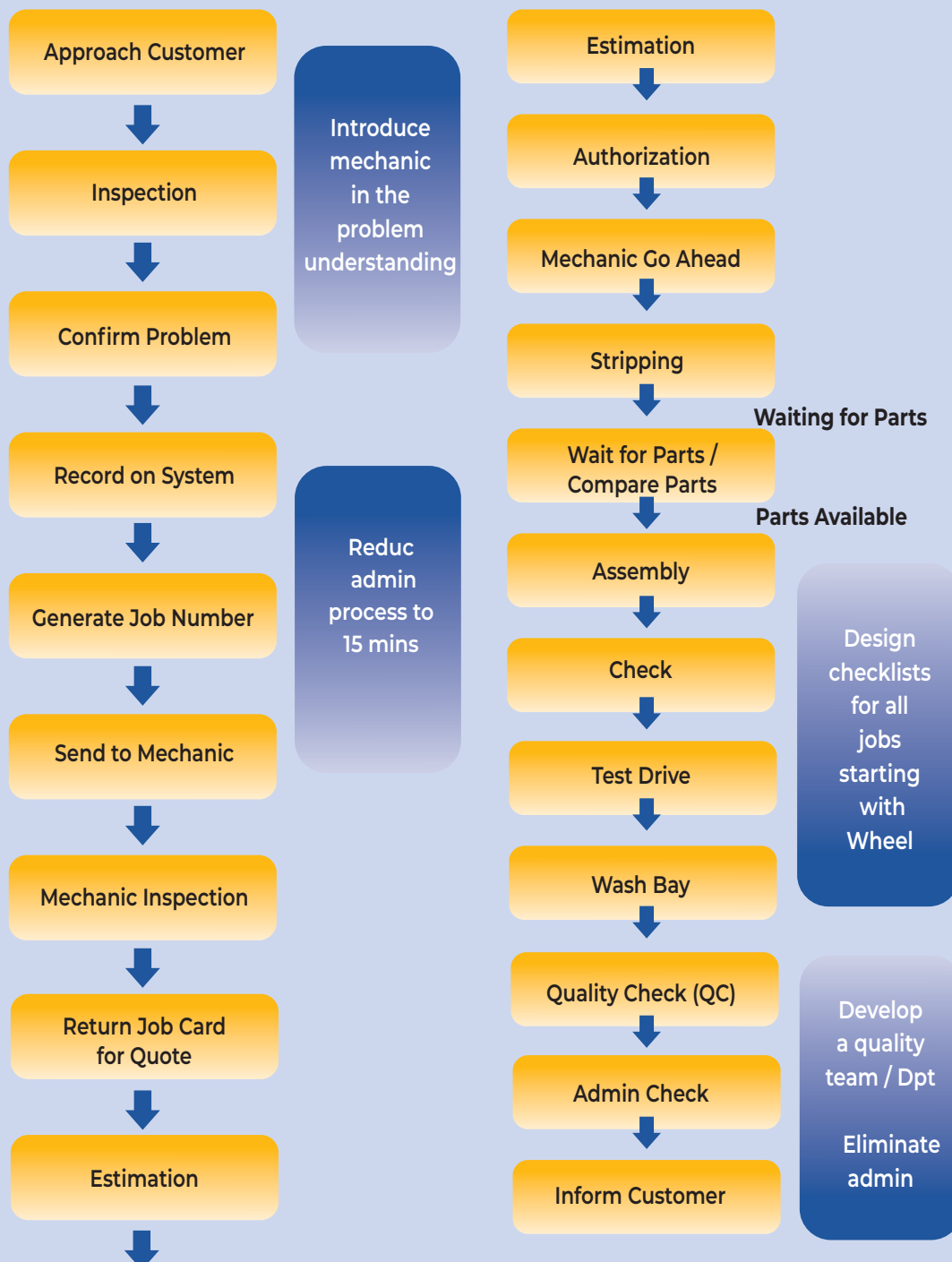
5S AUDIT CHECKLIST					
AREA	1	2	3	4	5
1. Only the required space parts, materials, etc. are present at the workstation. Items not required to make the current product are removed from the workplace.	0	1	2	3	4
2. Only the required tools are present at the workstation. Items not required to make the current product are removed from the workplace.	0	1	2	3	4
3. Only the required equipment is present at the workstation. Out dated or otherwise unnecessary equipment, reports, etc. are removed from the workplace.	0	1	2	3	4
4. Only the required materials are present at the workstation. All obsolete, broken or unnecessary equipment, reports, etc. are removed from the workplace.	0	1	2	3	4
5. Only the required tools are present at the workstation. All broken or unnecessary equipment, reports, etc. are removed from the workplace.	0	1	2	3	4
6. Waste is removed from the workplace.	0	1	2	3	4
7. Waste is removed from the workplace.	0	1	2	3	4
8. Waste is removed from the workplace.	0	1	2	3	4
9. Waste is removed from the workplace.	0	1	2	3	4
10. Waste is removed from the workplace.	0	1	2	3	4
11. Waste is removed from the workplace.	0	1	2	3	4
12. Waste is removed from the workplace.	0	1	2	3	4
13. Waste is removed from the workplace.	0	1	2	3	4
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15. Waste is removed from the workplace.	0	1	2	3	4
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86. Waste is removed from the workplace.	0	1	2	3	4
87. Waste is removed from the workplace.	0	1	2	3	4
88. Waste is removed from the workplace.	0	1	2	3	4
89. Waste is removed from the workplace.	0	1	2	3	4
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91. Waste is removed from the workplace.	0	1	2	3	4
92. Waste is removed from the workplace.	0	1	2	3	4
93. Waste is removed from the workplace.	0	1	2	3	4
94. Waste is removed from the workplace.	0	1	2	3	4
95. Waste is removed from the workplace.	0	1	2	3	4
96. Waste is removed from the workplace.	0	1	2	3	4
97. Waste is removed from the workplace.	0	1	2	3	4
98. Waste is removed from the workplace.	0	1	2	3	4
99. Waste is removed from the workplace.	0	1	2	3	4
100. Waste is removed from the workplace.	0	1	2	3	4



INTERVENTION 4

LEADTIME REDUCTION THROUGH PROCESS FLOW ANALYSIS

The process flow was carefully analysed with the intention to redesign it and shorten the lead time, also to avoid the comebacks - which were understood to be caused by not involving the Mechanic in the understanding of the problem at the beginning of the process. The total Leadtime duration before implementation, was 8 days.



INTERVENTION 5

ESS AND TEAMWORK

When the employee satisfaction survey was conducted for Womech, it revealed a low morale sitting at 0.19 as depicted in the Results sheet below. This suggested intervention by means of a team building. This approach focused on improving relationships, communication, and collaboration among employees, to lead to increased morale, engagement, and productivity.

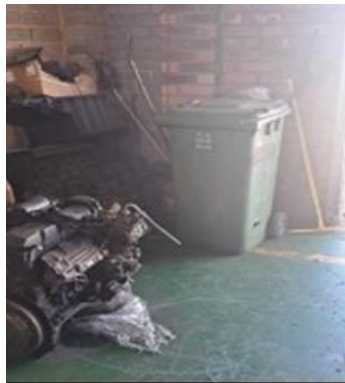
Womech			Results			
Business Unit			Mechanics			
Morale index			2.61			
Factor	Total	Average	Question	Count	Total	Average
Aligned goals	54	2.70	1. The people in my team know what is expected of them	4	9	2.25
			2. The targets set for my team are fair	4	13	3.25
			3. I know where the company is going	4	15	3.75
			4. Collaboration between teams in our company is good	4	7	1.75
			5. Company managers try to help us perform better	4	12	3.00
Constructive participation	94	2.33	6. People in my team communicate openly	4	8	2.00
			7. I feel my voice is heard	4	5	1.25
			8. I am given recognition for my efforts	4	11	2.75
			9. My team leader listens well when things go wrong	4	12	3.00
			10. I am involved in setting the targets for my team	4	10	2.50
Teamwork	41	2.36	11. I am involved in the planning of how our team reaches its targets or goals	4	10	2.50
			12. I help my team members do their work	4	12	3.00
			13. I know what each of my team members is doing at all times	4	9	2.25
			14. My team members help me do my work well	4	9	2.25
			15. Members of my team support one another	4	11	2.75
Motivated employees	31	2.58	16. My team members usually give of their best efforts	4	10	2.50
			17. The working conditions created for my team help us give of our best efforts	4	11	2.75
			18. My team has all the skills needed to work well	4	10	2.50
Leadership	39	2.82	19. Our needs are known & understood by the team leader	4	11	2.75
			20. Team members problems are addressed with 24hrs	4	9	2.25
			21. Team Leader/manager promotes a feeling of belonging	4	13	3.25
			22. Team Leader/manager respects every team member	4	14	3.50
			23. Team leader recognizes the efforts of team members	4	10	2.50
			24. Team leader/manager provides learning opportunities	4	12	3.00
			25. Team leader/manager empowers the team	4	10	2.50



TANGIBLE RESULTS

Due to successful implementation, Womech can boast the following achievements:

BEFORE

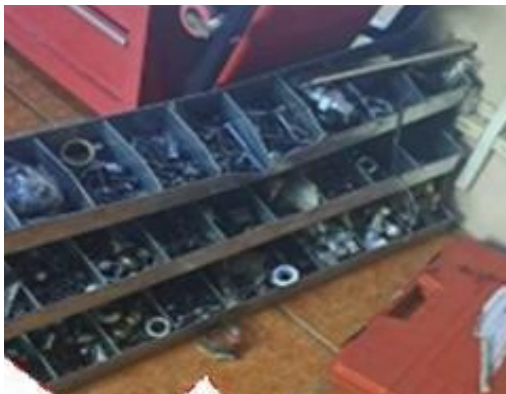


Engine positioned on the floor.
Grease coming from the engine will make the floor slippery and created unsafe workshop.

AFTER



Engine and other car parts removed from the floor and were designed a designated area with demarcations for engines WIP.

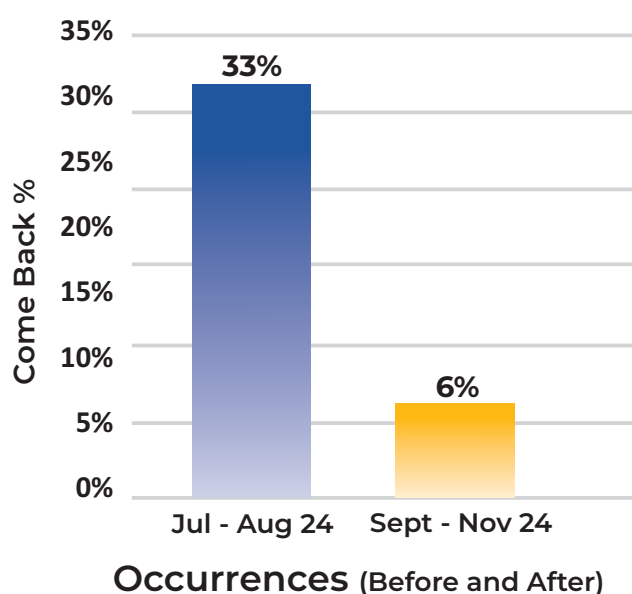


Screws and tools not stored in order. Shelf not labelled.



Screws & bolts shelf is labelled and organised according to type and sizes.

COME BACK RATE AT WOMECH



The graph highlights a significant improvement in quality control, with comeback rates reduced from 33% to 6%. This achievement was primarily driven by the introduction of detailed checklists, which standardised processes and minimised errors. Additionally, efforts to improve staff morale contributed to more diligent and effective work, further enhancing overall repair quality.



On 1 November 2024, the staff began implementing monthly birthday celebrations as part of an initiative to boost morale and encourage teamwork among employees.

The picture on the left captures the joy and camaraderie during the November birthday celebration, honouring the "birthday babies" of the month. The event was a fun and heartwarming experience, fostering a sense of community within the workplace.

The initiative was led by Mam Puse and Lerato.

The table below summarises the results and impacts of the implemented improvements.

OBJECTIVE	ACTIVITY	INDICATORS	BASELINE (numbers)	TARGET	ACTUAL MONTH x	IMPACT (numbers)
Improve 5S cleaning & organising	Sorting - Labelling stores	Sorting (scores)	39%	85%	Sept 24	86%
Reduce come backs	Design checklists to enhance quality (Do it Right First Time)	Quality/ comebacks	33%	5%	Sept 2024	Achieved 6%
Reduce Leadtime	Analyse and Redesign process	Leadtime	8 days	2 Days	Sept 2024	3-4 Days (This will be achieved if proposed process is followed)
Improve communication and planning	Daily kaizen meetings	Production daily targets	66%	85%	Sept 2024	Improve to 106.67%
Improve morale	Implement Employee Satisfaction Survey exercise (ESS)	Morale	0.19	Improve by 15%	Feb 2025	Womech Kaizen team will conduct the followup survey for the after results

CONCLUSION

Womech have showed high commitment to the programme since the first day. However, while the results were commendable, sustaining them requires a longterm commitment. It was discussed with Womech that it would be advisable to graduate them to a longer term Productivity SA programme, focusing on continuous training, skill enhancement, and team-building activities. This will not only reinforce the gains already achieved but also ensure ongoing improvement in morale, performance, and defect reduction.



DIGITAL KAIZEN

TWO SOUTH AFRICANS TOOK PART IN THE 2025 KNOWLEDGE CO-CREATION PROGRAMME (KCCP) IN DIGITAL KAIZEN

The KCCP in Digital Kaizen (Quality and Productivity Improvement by Utilising Digital Technologies in Small and Medium Enterprises) course is designed for personnel who support SMEs to learn about methods and examples of quality and productivity improvement using digital technology at manufacturing sites, as well as the system for promotion. The objectives are to foster awareness of the further significance and challenges of introducing digital technology by utilising bottom-up business

improvement methods cultivated through Kaizen activities, and to develop core personnel who will incorporate the technology into support activities at their organisations.

A total of 13 participants from 11 countries took part in the training. South Africa was represented by 2 candidates – from AIDC-GP and Productivity SA respectively.



Figure 1 Company visit to Nishihara Rikoh Co Ltd on 23 January 2025

Kaizen,
which means “continuous improvement” in Japanese, is based on the belief that significant outcomes can be achieved through small incremental changes. It is a long-term practice meticulously integrated into a company's culture.

Materials for self-study were provided from 15 November 2024 to 6 December 2024. The KCCP in Digital Kaizen was conducted online on 28 November 2024 and from 9 to 13 December 2024. The In-Japan delivery took place from 19 January 2025 until 1 February 2025 – consisting of lectures, presentations, group work, case studies, hand-on-practice, factory tours and action plans (for model companies and employer organisations).

The list of organisations visited include the following: SMRJ, APO, Yamanashi Prefecture Industrial Technology Centre, Nishihara Rikoh Co Ltd, Asahi Tekko Co

Ltd, iSmart Technologies Corporation (IST), and Hakubaku Co Ltd. These organisations shared and exposed us to the approach of bringing about change (reducing resistance to change); structures for implementing DX; motivation required by all involved; showing value for all stakeholders; dealing with failure/pitfalls; types of IoT sensors and reasons for using them; IT architectural setups required; analytics and visualisation; taking action from real-time information; digital twinning of industrial operations; motivation and justification for DX; and measuring achievements - impact and quantifying productivity improvements.



Ms Sphiwe Masombuka and Mr Conrad Sebegu at JICA Tokyo Office – 31 January 2025



Company visit to Asahi Tekko Co Ltd and iSmart Technologies Corporation on 27 January 2025

*Digital Kaizen:
Kaizen that contributes
to improving quality
and productivity
through the use of
digital technology*



*Organisational visit to
Yamanashi Prefectural Industries
Technology Centre on
28 January 2025*

*Company visit to
Hakubaku Co Ltd
on 28 January 2025*



*Organisational visit to
Asian Productivity
Organisation (APO)
on 29 January 2025*

*Closing Ceremony and
Certificate Handover –
31 January 2025*





**“ For over 26 years,
the Workplace
Challenge
Programme
has strengthened
South African
businesses.**



FINANCIAL INFORMATION

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STATEMENT OF RESPONSIBILITY OF ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2025

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by Lunika.

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

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

The Annual Financial Statements (pages 90 - 114) have been prepared in accordance with the SA Standards of Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

The annual financial statements set out on pages 90 - 114, which have been prepared on the going concern basis, were approved by the member on 31 July 2025 and were signed on its behalf by:



Amelia Naidoo

Acting Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO FUNDERS ON WORKPLACE CHALLENGE, A DIVISION OF PRODUCTIVITY SA



OPINION

1. We have audited the financial statements of Workplace Challenge, a division of Productivity SA set out on pages 90 to 114, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Workplace Challenge, a division of Productivity SA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act (PFMA).

BASIS FOR OPINION

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the responsibilities of the Lunika Chartered Accountants and Auditors Incorporated for the audit of the financial statements section of our report.
4. We are independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

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

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 88 to 89, forms part of our auditor's report.

OTHER INFORMATION IN THE ANNUAL REPORT

10. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

13. We did not receive the other information prior to the date of this auditor's report. When we do receive and read this information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

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

Lunika Inc.

Lunika Chartered Accountants and Auditors Incorporated

Samkelo Mxunyelwa CA (SA)

Director

Registered Auditor

31 July 2025

Lonehill Office Park

Sandton

Johannesburg

ANNEXURE - AUDITOR'S RESPONSIBILITY FOR THE AUDIT



PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for the selected programme and on the public entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENT

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

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

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	3	300 000	385 027
Cash and cash equivalents	4	3 368 282	16 859
		3 668 282	401 886
NON-CURRENT ASSETS			
Deposit held		12 987	12 987
Total Assets		3 681 269	414 873
LIABILITIES			
CURRENT LIABILITIES			
Operating lease liability		-	20 020
Payables from exchange transactions	5	3 917 574	1 088 055
Unspent conditional grants and receipts	6	-	1 380
Provisions	7	75 642	72 043
Total Liabilities		3 993 216	1 181 498
Net Liabilities		(311 947)	(766 625)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Rendering of services		588 000	2 652 698
Reversal of bad debt provision/debt		128 339	2 280 045
Interest received - investment		205 679	163 670
Total revenue from exchange transactions		922 018	5 096 413
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Transfers received		10 027 000	10 342 000
Total revenue		10 949 018	15 438 413
EXPENDITURE			
Employee related costs	9	(1 747 740)	(1 503 420)
Auditors remuneration	10	(75 642)	(72 043)
Lease rentals on operating lease		(235 261)	(427 559)
Bad debts written off		-	(110 267)
Project implementation costs	8	(7 661 100)	(10 005 533)
Operating expenses	11	(774 597)	(1 290 243)
Total expenditure		(10 494 340)	(13 409 065)
Surplus for the year		454 678	2 029 348

STATEMENT OF CHANGES IN NET LIABILITIES

for the year ended 31 March 2025

Figures in Rand	Total Net Liabilities
Balance at 01 April 2023	(2 795 973)
Surplus for the year	2 029 348
Balance at 01 April 2024	(766 625)
Surplus for the year	454 678
Balance at 31 March 2025	(311 947)

CASH FLOW STATEMENT

for the year ended 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Cash received from customers		801 366	4 691 686
Transfers received		10 025 620	10 281 517
Interest income		205 679	163 670
		11 032 665	15 136 873
PAYMENTS			
Cash paid to employees		(1 747 740)	(1 508 844)
Cash paid to suppliers		(5 933 502)	(14 487 885)
		(7 681 242)	(15 996 729)
Net cash flows from operating activities	12	3 351 423	(859 856)
Net increase/(decrease) in cash and cash equivalents		3 351 423	(859 856)
Cash and cash equivalents at the beginning of the year		16 859	876 715
Cash and cash equivalents at the End of the year	4	3 368 282	16 859

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2025

Figures in Rand	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
-----------------	-----------------	-------------	--------------	------------------------------------	--	-----------

STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

REVENUE FROM EXCHANGE TRANSACTIONS

Rendering of services	3 503 491	(1 055 000)	2 448 491	588 000	(1 860 491)	15.1
Reversal of bad debt provision	-	-	-	128 339	128 339	15.2
Interest received	122 122	-	122 122	205 679	83 557	
Total revenue from exchange transactions	3 625 613	(1 055 000)	2 570 613	922 018	(1 648 595)	

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Transfer revenue

Transfers received	10 027 000	-	10 027 000	10 027 000	-	
Total revenue	13 652 613	(1 055 000)	12 597 613	10 949 018	(1 648 595)	

EXPENDITURE

Employee related costs	(1 794 000)	-	(1 794 000)	(1 747 740)	46 260	
Administration	(72 600)	-	(72 600)	(75 642)	(3 042)	
Lease rentals on operating lease	(259 000)	-	(259 000)	(235 261)	23 739	
Project implementation costs	(10 785 456)	1 055 000	(9 730 456)	(7 661 100)	2 069 356	15.3
Operating expenses	(741 557)	-	(741 557)	(774 597)	(33 040)	
Total expenditure	(13 652 613)	1 055 000	(12 597 613)	(10 494 340)	2 103 273	
Surplus before taxation	-	-	-	454 678	454 678	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	454 678	454 678	

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

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

1.4 MATERIALITY

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 7.

ALLOWANCE FOR DOUBTFUL DEBTS

An impairment loss on receivables is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.6 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

RECEIVABLES FROM EXCHANGE TRANSACTIONS

Receivables from exchange transactions, includes trade and other receivables, which relate to amount due from customers for services rendered in the ordinary course of the business.

CASH AND CASH EQUIVALENTS

Net cash and cash equivalents included in the statement of cash flows include cash on hand, deposits held on call accounts with the bank.

DEPOSITS HELD

Deposits held are amounts paid to the landlord as the security by the tenant's obligation to the landlord in terms of the five years lease agreement.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1.7 LEASES

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

OPERATING LEASES - LESSEE

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

1.8 EMPLOYEE BENEFITS

IDENTIFICATION

EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Termination benefits are payable when employment is terminated by the entity before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits exclude any benefits which are dependent on future service. The entity recognises termination benefits at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits; and

- when the entity recognises costs for a restructuring that is within the scope of GRAP 19 Provisions, Contingent Liabilities and Contingent Assets, and involves payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

SHORT-TERM EMPLOYEE BENEFITS

Remuneration to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Provision is made for accumulated leave and for short-term benefits when there is no realistic alternative other than to settle the liability, and there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1.9 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

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

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficit.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 18.

1.10 COMMITMENTS

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

Disclosures are required in respect of unrecognised contractual commitments as well as future commitments relating to operating leases. Commitments are disclosed in note 17.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1.11 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions relates to revenue earned through consulting services rendered to companies in line with the entity's mandate.

MEASUREMENT

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

RENDERING OF SERVICES

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

INTEREST

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

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

Interest is recognised using the effective interest rate method.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1.12 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions takes the form of grants from Department of Trade, Industry and Competition.

RECOGNITION

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

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

MEASUREMENT

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

the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.13 BUDGET INFORMATION

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 Apr 2024 to 31 Mar 2025.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1.14 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged. Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no

more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

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

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1.15 EVENTS AFTER REPORTING DATE

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

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	Not yet determined	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	Not yet determined	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet determined	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand

2025

2024

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade receivables

	300 000	385 027
0 - 30 days	300 000	235 290
31 - 60 days	-	278 075
Less allowance for impairment	-	(128 338)
	300 000	385 027

RECEIVABLES AGING IS AS FOLLOWS:

0 - 30 days

31 - 60 days

Less allowance for impairment

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

Opening balance

Provision for impairment

Reversal of bad debt provision

128 338	18 071
-	110 267
(128 338)	-
-	128 338

The creation and release of provision for impaired receivables have been included in operating expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances

Short-term deposits

309 906	11 309
3 058 376	5 550
3 368 282	16 859

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand

2025

2024

5. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	-	1 008 755
Other payables	4 472	-
Accrued leave pay	67 211	67 211
Accrued expenses	3 845 891	12 089
	3 917 574	1 088 055

6. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Itukise project funded by the dtic ended in FY2024 and the remaining cash balance was refunded to them during Fy2025.

MOVEMENT DURING THE YEAR

Opening balance	1 380	61 863
Amount received	10 027 000	10 342 000
Interest capitalised	-	2 809
Gorvernment grant recognised	(10 027 000)	(10 342 000)
Other income recognised	(1 380)	(63 292)
	-	1 380

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand

2025

2024

7. PROVISIONS

RECONCILIATION OF PROVISIONS - 2025

	Opening Balance	Additions	Utilised during the year	Total
Audit fee	72 043	75 642	(72 043)	75 642

RECONCILIATION OF PROVISIONS - 2024

	Opening Balance	Additions	Utilised during the year	Total
Audit fee	68 558	72 043	(68 558)	72 043

The provision for external audit fees relates to the audit strategy based on the assumption of future audit fees according to the audit engagement.

8. PROJECT IMPLEMENTATION COSTS

Services - advisory services	475 000	6 541 308
Nurturing	1 121 200	-
Capacity building	576 900	-
Implementation	1 449 600	10 400
Close out report	829 600	20 800
Travel and expenditure	73 029	479 851
Project management	2 818 204	2 363 886
Promotions	317 567	589 286
	7 661 100	10 005 531

The WPC is a joint initiative of the dtic that aims to actively encourage and support negotiated workplace change to improve productivity and job creation. The programme incurs project implementation costs to execute different activities for its projects.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand	2025	2024
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9. EMPLOYEE RELATED COSTS

Basic	1 721 768	1 487 180
Leave pay provision charge	-	(5 485)
SDL	17 470	14 994
UIF	8 502	6 731
	1 747 740	1 503 420

10. AUDITORS REMUNERATION

Audit fee-external	75 642	72 043
--------------------	---------------	---------------

11. OPERATING EXPENSES

Bank charges	1 265	1 212
Communications	14 213	9 161
Insurance	1 123	2 369
Other expenses	36 434	33 854
Printing and stationery	-	109 194
Promotions	264 858	657 163
Staff welfare	430	957
Support/consulting services	-	82 545
Travel - local	113 935	282 903
Travel - overseas	291 543	-
Utilities	50 796	110 885
	774 597	1 290 243

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

Figures in Rand	2025	2024
-----------------	------	------

12. CASH GENERATED FROM (USED IN) OPERATIONS

Surplus	454 678	2 029 348
ADJUSTMENTS FOR:		
Bad debts	-	110 267
Movements in operating lease assets and accruals	(20 020)	(15 274)
Movements in provisions	3 599	3 485
Bad debts	-	(110 267)
CHANGES IN WORKING CAPITAL:		
Receivables from exchange transactions	85 027	(130 775)
Payables from exchange transactions	2 829 519	(2 686 157)
Unspent conditional grants and receipts	(1 380)	(60 483)
	3 351 423	(859 856)

13. TAXATION AND VAT EXEMPTION

The entity is exempted from income tax in term of section 10(1)(cN) of the Income Tax Act, No. 58 of 1962. The entity was granted exemption for VAT from July 2005 as its activities no longer comply with the definition of “enterprise” in Section 1 of the VAT Act and the requirement of VAT registration in terms of Section 23 of the same Act. The entity is now included in the amended definition of “public authority” in terms of Section 1 of the VAT Act.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

Figures in Rand

2025

2024

14. RELATED PARTIES

RELATIONSHIPS

Ultimate controlling entity Productivity SA

Controlling entity Department of Trade, Industry and Competition

RELATED PARTY BALANCES

AMOUNTS INCLUDED IN TRADE PAYABLES

Department of Trade, Industry and Competition

-

1 380

Productivity SA

3 845 318

997 213

RELATED PARTY TRANSACTIONS

REVENUE

Department of Trade, Industry and Competition

10 027 000

10 342 000

EXPENDITURE

Productivity SA

7 661 100

10 005 533

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand

2025

2024

15. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Budget narrations are included for variations above R100 000.

15.1 RENDERING OF SERVICES

External consulting income is behind as the compliance with procurement legislations and regulations by potential partners is limiting regarding contributing to growth of external revenue for WPC Programme. Continue to work at breaking silo's – to build a case for synergising efforts and leveraging limited resources, eliminating redundancies and rather complementing each other.

15.2 REVERSAL OF PROVISION FOR BAD DEBT

This is an accounting adjustment per GRAP 104.

15.3 PROJECT IMPLEMENTATION COSTS

Project implementation costs were lower than anticipated due to emphasis being placed on quality deliverables, and the Kaizen intervention implementation duration being reduced from 6 months to 4 months with emphasis on increased involvement of Practitioners, quicker delivery and demonstrating tangible impact.

16. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The strategic risk register is reviewed annually by management. The entity's activities expose it to interest, credit and liquidity risks.

LIQUIDITY RISK

The entity has a policy and framework on risk management. The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand

2025

2024

16. RISK MANAGEMENT (continued)

Below is the analysis of the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amount disclosed is the contractual undiscounted cashflows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2025

Trade and other payables

Less than 1 year

3 917 574

At 31 March 2024

Trade and other payables

Less than 1 year

1 088 055

CREDIT RISK

The entity trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the entity's exposure to bad debts is not significant. The maximum exposure is the carrying amounts as disclosed. There is no significant concentration of credit risk within the entity. With respect to credit risk arising from the other financial assets of the entity, which comprise cash and cash equivalents, the entity's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The entity's cash and cash equivalents are placed with high credit quality financial institutions therefore the credit risk with respect to cash and cash equivalents is low. Trade and other receivables are not rated.

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

Financial instrument

Cash and cash equivalents

3 368 282

16 859

Receivables from exchange transactions

300 000

385 027

Deposits held

12 987

12 987

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

Figures in Rand

2025

2024

17. COMMITMENTS

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year

-

128 158

Operating lease payments represent rentals payable by Productivity SA for certain of its office properties and parking. Leases are negotiated for an average term of five years and rentals are fixed for an average of five years. No contingent rent is payable.

18. CONTINGENCIES

There were no contingencies as at 31 March 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand

2025

2024

19. PRIOR-YEAR ERRORS

As part of the review of the significant areas in the entity, it was noted that cashflow from operating balances were misclassified. This misclassification has been corrected and is disclosed as a prior period error in accordance with GRAP 3 and was adjusted retrospectively.

CASH FLOW STATEMENT

	Note	As previously reported	Correction error	Restated
CASH FLOW FROM OPERATING ACTIVITIES				
Transfers received		10 342 000	(60 483)	10 281 517
Cash received from customers		2 521 923	2 169 763	4 691 686
Interest received		166 479	(2 809)	163 670
Cash paid to employees		(1 503 420)	(5 424)	(1 508 844)
Cash paid to suppliers		(12 386 838)	(2 101 047)	(14 487 885)
		(859 856)	-	(859 856)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rand

2025

2024

20. COMPARATIVE FIGURES

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

21. GOING CONCERN

We draw attention to the fact that at 31 March 2025, the entity had an accumulated deficit of R311 947, and that the entity's total liabilities exceed its assets by R311 947.

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

The programme is funded by the Department of Trade, Industry and Competition and MOA has been concluded for the funding in the FY2026 financial year indicating a commitment of R10 360 000.

22. EVENTS AFTER THE REPORTING DATE

Executive management team is not aware of any other material event which occurred after the reporting date and up to the date of this report.

Notes

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Notes

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