



Annual Report FY 2006/7

Presentation

to

Portfolio Committee on Science and Technology

David Phaho

Tshumisano Trust

6th November 2007



Presentation Outline

- ❖ *Introduction: Who we are*
- ❖ *Tshumisano Strategic Intent*
- ❖ *Technology Stations & Institutes for Advanced Tooling*
- ❖ *Tshumisano Trust Performance FY 2006/7*
 - ✓ *SME Technology Development Initiatives*
 - ✓ *SME Training & Skills Development Initiatives*
 - ✓ *Key Tshumisano Project Highlights*
 - ✓ *Challenges & Opportunities*
- ❖ *Audited Financial Statements FY 2005/6*





is a Venda word meaning co-operation or partnership, and in that spirit, the

Technology Stations Programme

offers support for South African Enterprises by facilitating Technology Transfer and Innovation.



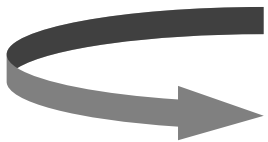
ENVISAGED OUTCOMES

Within the supported SMME's:

- ✓ *Improved competitiveness through world class products, production technologies or services.*
- ✓ *Increasing capacity for continuing technology assimilation and innovation.*

Within the participating Universities:

- ✓ *Improved and enriched **R&D** as well as **teaching and learning activities** leading to:*



Better understanding of SME needs



Strategic Intent: To be Within Reach of every SME in all Nine Provinces in South Africa!



Tshumisano's Technology Stations



TECHNOLOGY STATIONS

- ❖ *Agri-food Processing at Cape Peninsula University of Technology (Cape Town)*
- ❖ *Chemicals at Tshwane University of Technology (Ga-Rankuwa)*
- ❖ *Composite Materials at Vaal University of Technology (Vanderbylpark)*
- ❖ *Downstream Chemicals at NMMU (Port Elizabeth)*
- ❖ *Chemicals at Mangosuthu Technikon in Umlazi (Durban)*
- ❖ *Clothing and Textile Technology at CPUT (Bellville)*



- ❖ *Automotive Components at NMMU (Port Elizabeth)*
- ❖ *Agrifood Processing at University of Limpopo (Polokwane)*
- ❖ *Metals & Manufacturing at Central University of Technology (Bloemfontein)*
- ❖ *Moulded and Re-enforced Plastics at Durban Institute of Technology (Durban)*
- ❖ *Metal Casting and Foundry Technologies at University of Johannesburg*
- ❖ *Electronics at Tshwane University of Technology (Tshwane)*



Institutes for Advanced Tooling (IAT)

Centers of Excellence for Tool Design, Tooling Technology Transfer, Research and Innovation.

Through the Tshumisano Trust

at

Tshwane University of Technology, Walter Sisulu and Stellenbosch Universities



Objectives of the Institutes of Advanced Tooling

- ❖ *Integrative Approach to Tooling by looking at the whole lifecycle in the Tooling Manufacturing:*

From Design ⇒ Production ⇒ Tool Recycling

- ❖ *Economic Growth through enhanced competitiveness of SME's in terms of:*
 - ✓ *Design and formulation of curricula for knowledge driven advancement of **scars skills** (Designers, Toolmakers, IT)*
 - ✓ *World class products via properly designed tools*



Tshumisano Trust Performance
FY 2006/7



SME Technology Development Initiatives

FY 2003/4 – FY 2006/7



Technology Station	SME's Assisted FY 2003/4	SME's Assisted FY 2004/5	SME's Assisted FY 2005/6	*SME's Assisted FY 2006/7
Agrifood (CPUT)*	-	5	38	24
Electronics (TUT)	22	7	65	44
Materials Technology (VUT)	19	20	117	110
Reinforced and Moulded Plastics (DUT)*	-	66	65	76
Downstream Chemicals (NMMU)	-	-	-	408
Automotive Components (NMMU)	68	107	139	113
Clothing and Textile (CPUT)	34	96	127	72
Metal Casting (UoJ)*	-	10	25	42
Chemicals (Mangosuthu Technikon)	30	29	80	60
Product Development (CUT)	42	85	59	136
Chemicals (TUT)	18	23	72	113
Total	233	448	787	1658



***SME Training & Skills Development
Initiatives***

FY 2003/4 – FY 2006/7



Technology Station	E's Assisted FY 2003/4	SME's Assisted FY 2004/5	SME's Assisted FY 2005/6	**SME's Assisted FY 2006/7
Agrifood Technologies (CPUT)	-	18	24	1
Electronics (TUT)	0	0	3	5
Materials Technology (VUT)	4	9	5	31
Reinforced and Moulded Plastics (DUT)	-	0	-	0
Downstream Chemicals (NMMU)	-	-	-	10
Automotive Components (NMMU)	55	22	4	0
Clothing and Textile (CPUT)	224	140	39	108
Metal Casting (UoJ)	-	0	3	20
Chemicals (Mangosuthu Technikon)	0	2	-	38
Product Development (CUT)	6	12	3	5
Chemicals (TUT)	19	13	27	0
Total	308	216	108	162



***DST Sponsored Internship
Programme***

FY 2005/6



Internship programme

Station	Nr of Interns
Durban University of Technology: Reinforced and Moulded Plastics	6
Nelson Mandela Metropolitan University: Downstream Chemicals	7
Nelson Mandela Metropolitan University: Automotive Components	1
Central University of Technology: Product Development	17
Tshwane University of Technology: Chemicals	4
Mangosuthu Technikon: Chemicals	14
Vaal University of Technology: Materials and Processing Technology	15
Institute for Advanced Tooling: Tshwane University of Technology	12
Cape Peninsula University of Technology: Agrifoods	3
University of Johannesburg: Metal Casting	8
Tshumisano management fee**	
TOTAL EXPENDITURE FOR FY 2006/07	87

-Interns have doubled from FY 2005/6



Key Tshumisano Project Highlights
FY 2006/7



Official Opening of Yenza Robot Technology Platform April 2006

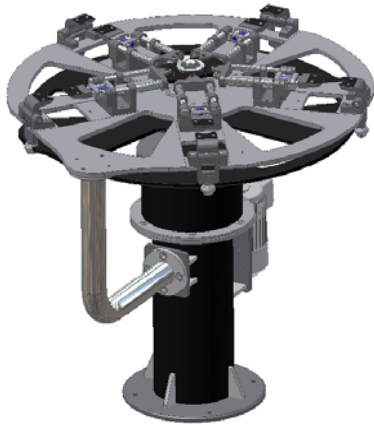


Economic Impact:

- ❖ *Enhanced Global Competitiveness of BEE Company*
- ❖ *Employment Retention and Skills Upgrade*



Cashew Nut Sheller Project



Economic Impact:

*Inexpensive Product with **Export Potential** to other SADC countries e.g. Mozambique, Kenya*

*Reduction in job losses South Africa through **in-house** and **cost-effective processing** of cashew nuts*



*Downstream **Chemicals** Project Highlights*



Process Innovation in Biodiesel Production-
*Development of **world first, cutting edge technologies** to energy consumption, product quality, reduced waste production and smaller production facilities for Biodiesel Industry.*

Waste Treatment Technologies Program –
*Development of **new waste treatment** product and process technologies.*

Low Odour Paint Formulation- *The project was performed on behalf of **PetroSA** to support their marketing effort to break into the international **low odour hydrocarbon solvents market**.*

Collaboration Projects - **Seda, ChemCity (Sasol) and GEP** to assist Black and women owned SME's to produce high quality consumer products.



***Clothing & Textiles Project
Highlights***



EERSTE RIVER PROJECT: *Community Women Action (CWA) being able to procure, manufacture and successfully deliver an order of luminous jackets (for road workers) to a listed construction company “**LAFARGE Construction**”.*

LUSPIN: *Luspin (female owner: Pinky Luswazi) an SME in Mtatha was assisted to gain access to tender contracts with the Eastern Cape Government.*

USABCO: *manufacturer of plastic products under the **ADDIS brand**, were able to secure an order for their products **from the USA** based on test reports from the TSCT.*

TWR – AUTOMOTIVE: *TWR automotive, manufacturer of air bags and safety belts. TSCT conducted tests on safety belts of the new series Mercedes to be launch in 2007.*



***The 1st All Africa Technology Diffusion
Conference 2006***

Number of Delegates -305

Papers presented – 90

African countries (including RSA) - 11



Collaboration with Other Agencies

IDC

Product and/or Process Development projects for SME's in Specific Sectors From the IDC and SPII Programme.

SABS

Collaboration with SABS Design Institute to promote Design as a career and key component for world class products

SEDA

SEDA Technical Assistance Projects Funding totaling R1,690,374.61 in FY 2006/7.



Challenges & Opportunities
FY 2006/7



- ❖ *Establishing a **footprint** in other underserved Provinces*
- ❖ ***Mismatch** between service demand by SME's relative to **Trust's capacity** to supply adequate interventions*
- ❖ ***Industry buy-in** for Government funded Technology Diffusion and Transfer Initiatives*
- ❖ ***Critical mass of Black and Women-owned businesses** assisted by the Trust*





Financial Overview
2006/07



TSHUMISANO TRUST

BALANCE SHEET
AT 31 MARCH 2007

	Notes	2007 R	2006 R
ASSETS			
Non-current assets			
		1,072,211	514,910
Property, plant and equipment	2	825,739	178,899
Intangible assets	3	246,472	336,011
Current assets			
		9,352,794	28,687,009
Short-term investments	4	5,282,349	26,314,356
Bank and cash		3,891,593	489,480
Trade and other receivables	5	68,397	1,823,173
Deposit - rental		110,455	60,000
TOTAL ASSETS		10,425,004	29,201,919
EQUITY AND LIABILITIES			
Reserves			
Accumulated funds		3,281,577	7,056,071
Current liabilities			
		7,143,427	22,145,848
Trade and other payables	6	1,334,446	1,298,476
Deferred grant	7	5,808,981	20,847,372
TOTAL EQUITY AND LIABILITIES		10,425,004	29,201,919



TSHUMISANO TRUST

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 R	2006 R
Grants received	8	46,679,186	24,366,411
Payments to technology stations	9	(24,142,024)	(20,190,744)
Project payments	10	(22,904,250)	(6,366,411)
Gross surplus/(deficit)		(367,088)	(2,190,744)
Other income	11	260,603	719,592
Staff costs		(2,388,424)	(1,431,710)
Administration and distribution expenses		(2,575,191)	(1,715,202)
Deficit from ordinary activities	12	(5,070,100)	(4,618,064)
Investment income		1,295,606	1,069,347
NET DEFICIT FOR THE YEAR		(3,774,494)	(3,548,717)

*Net Deficit for 2006/07: -3,774,494

Committed funds/DST approved 5,808,981

TOTAL SURPLUS AS PER PRESENTATION: R2,034,485

(Falling into the 5% over/under expenditure range)



TSHUMISANO TRUST**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 R	2006 R
Cash flows from operating activities			
Cash receipts from donors		48,694,565	23,446,068
Cash paid to suppliers and employees		(66,748,999)	(9,008,375)
Net cash flows to finance operations	13.1	(18,054,434)	14,437,693
Net finance costs		1,295,577	1,069,347
Net cash flows from operating activities		(16,758,857)	15,507,040
Cash flows from investing activities			
Additions to property, plant and equipment		(820,582)	(70,462)
Additions to intangible asset		-	(41,804)
Lease deposit		(50,455)	-
Net cash flows from investing activities		(871,037)	(112,266)
Net increase/(decrease) in cash and cash equivalents		(17,629,894)	15,394,774
Cash and cash equivalents at beginning of year		26,803,836	11,409,062
Cash and cash equivalents at end of year	13.2	9,173,942	26,803,836



Explanations

Balance according to Cash Flow statement	9,173,942
(Audited financials 06/07)	
<i>Committed funds of Tshumisano</i>	5,805,011
(Approved by DST)	
Institute for Advanced Tooling	3,038,299
New Station (Limpopo Agrifood)	2,402,483
Indo German Tool Room Programme	331,785
Other (not from DST)	32,444
<i>Accrued expenses</i>	1,334,446
Deferred Funds	2,034,485



TOTAL INCOME AND EXPENDITURE

TSHUMISANO PROGRAMMES	Income	Expenditure	Actual	%
TSP Stations programme	24,000,000	24,142,024	-142,024	-1%
TSP New station	4,000,000	1,597,517	2,402,483	60%
Ring - fenced: IAT	15,894,150	12,855,852	3,038,298	19%
Ring - fenced: Internship	3,385,000	3,385,000	0	0%
TOTAL OF MTEF BUDGET	47,279,150	41,980,393	5,298,757	
All Africa Conference	1,643,363	2,326,865	-726,865	-45%
Other small projects	1,166,252	834,472	331,780	28%
SEDA Assistance	1,940,958	1,904,545	36,413	2%
PMU Expenditure	2,014,651	4,963,613	-2,948,962	-42%
TOTAL OTHER	6,765,224	10,029,496	-3,264,272	
GRAND TOTALS	54,044,374	52,009,889	2,034,485	4%



***R52 009 889 million overall Tshumisano
expenditure ratio
for FY 2006/07***

***Core Grant: Technology Station programme (50%)
(Operational, Major Project and Equipment)***

Ring-fenced grants:

Institutes for Advanced Tooling (25%)

Internship programme (6%)

Other: incl. All Africa & SEDA funding (10%)

Project Management Unit (PMU):

operational and admin expenditure (9%)



Thank You !

