



# Annual Report

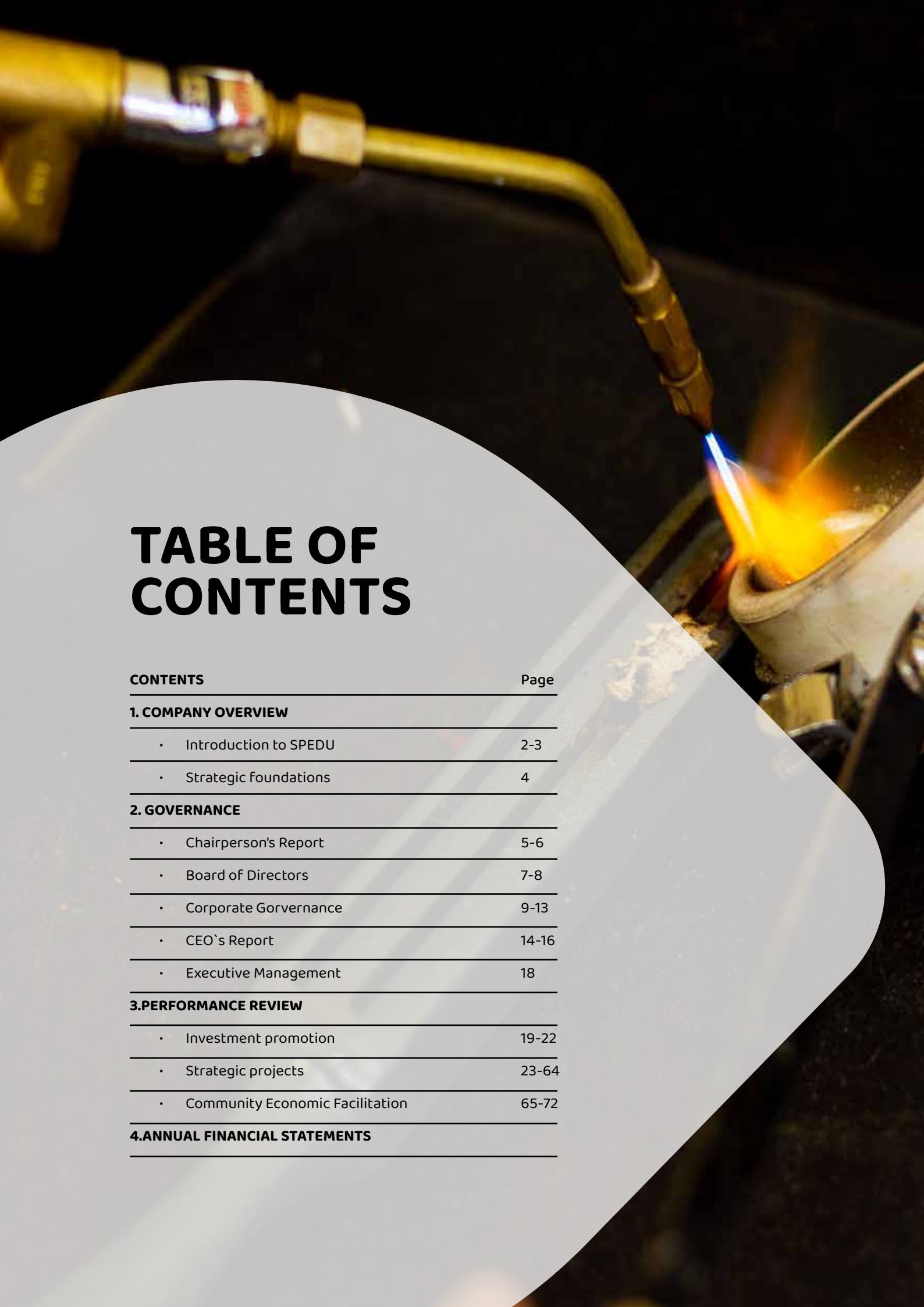
2021-22





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# Introduction To SPEDU

**S**PEDU, a Company limited by guarantee, is a regional economic diversification Company under the Ministry of Investment, Trade and Industry (MITI). The Company is set up to drive the transformation of the greater SPEDU Region into a vibrant economic zone. Ambitious plans and strategies have been developed to achieve such a goal in a region that faces challenges in creating meaningful and sustainable employment, diversifying the local economy from mining and improving the standard of living and household income levels.

SPEDU, a company limited by guarantee, is a regional economic diversification agency under the Ministry of Trade and Industry (MTI), set up to drive transformation of the greater SPEDU Region into a vibrant economic zone. Ambitious plans and strategies have been developed to achieve such a goal in a region that faces challenges in creating meaningful and sustainable employment, diversifying the local economy from mining, and improving the standard of living and household income levels.

Located in the eastern part of the Central District of Botswana, the SPEDU Region is an economic zone that comprises of five (5) political constituencies of Bobonong, Lerala- Maunatlala, Mmadinare, Selebi-Phikwe East and Selebi Phikwe West.

The aforementioned constituencies have a total of fifty-two (52) villages, including rural settlements. The Region is located approximately 400 kilometres north of Gaborone. Selebi-Phikwe serves as the commercial centre of the SPEDU Region. According to the 2022 Cities/Towns and villages statistics Botswana Report, the town's population is 49 000 people.

The SPEDU Region is located strategically in Botswana and the broader Sothern African Development Commission (SADC) Region. The Region serves as the gateway into northern side of the SADC Region

through well-developed networks of roads, rail, air and commercial border infrastructure. It also conveniently connects Botswana with the South African seaports, notably the renowned port of Durban through an excellent network of roads and several borders, e.g. Martins Drift boarder post.

The economy of the town of Selebi Phikwe and its rural hinterland historically relied on copper/ nickel mining and smelting since the inception of the town in the early 1970s. To diversify the economy of the Region, the Government of Botswana set up the Region as a Special Economic Region to drive industrialisation through the economic sectors of Tourism and Services, Manufacturing, Agri-Business and Infrastructure and ICT.

The Region prides itself with four (4) of the country's major dams, Thune, Letsibogo, Lotsane and Dikgathong ideal for horticulture and water based tourism. The Region also has highly fertile soils, fauna and flora, climate conducive for horticulture farming.

Abundance of land, infrastructure resources, natural resources such as granite, sandstone, marble and silica sands presents the opportunity for industrialization and Manufacturing within the Region.

SPEDU's primary mandate is to carry out business



as a Regional Economic Diversification Agency that facilitates and implements sustainable economic projects for job creation and social upliftment opportunities for the Region.

SPEDU's constitution outlines its high-level objectives, interpreted as follows:

- Diversification of the economy of the Region;
- Promotion of investment, attraction of investors, and facilitation of trade;
- Development of strategic infrastructure in the Region;
- Identification and facilitation of the development of skills for economic participation;
- Ensure equal distribution of opportunities for economic participation by communities;
- Attraction and procurement funding for the development of the Region; and
- Conducting business in line with suitable governance protocols.

### **National Government Agenda**

SPEDU similarly aligned its Strategic Plan to the overall national Government Agenda to ensure sustainable economic development through:

#### **•Ease of Doing Business; SPEDU Region through coordinating stakeholders to provide service to SPEDU clients in areas such as:**

- Issuance of permits and licences;
- Advocacy and lobbying for provision of infrastructure as well as reduction in utility tariff; and
- The One Stop Service Center.

#### **•Global Competitiveness; The Company contributes to this objective through facilitation the Region to become a globally competitive Special Economic Zone:**

- Marketing SPEDU Region's comparative advantages as investment opportunities;
- Implementation of SPEDU incentives;
- Lobbying for favorable land rates; and
- Facilitates production of certified products.

#### **•Growing the SMMEs and the informal sector through;**

- Assisting SMME's with access to factory space, market penetration; and
- Cluster formation (CBO- trusts, Cooperatives, Associations).

#### **•Good Governance and Accountability; The Company contributes to this objective by:**

- Subscribing to and upholding good governance standards (King III) and internal control systems (Anti money laundering and whistle blowing system).

#### **•Public Service Productivity and Performance through**

- Implementation of the Corporate Strategy and Performance Management System.

#### **•Achieving Food Security through:**

- Prioritising agriculture sector and its entire value chain.

#### **•Employment Creation through:**

- Facilitation of projects implementation that create sustainable employment in the SPEDU Region.

# Strategic Foundations

SPEDU has a clear vision and mission statement, supported by well-articulated organisational values to deliver on the mandate and these are:

**VISION:** To be a globally competitive region with sustained economic diversification and growth.

**MISSION:** Facilitate and promote investment opportunities through optimal utilisation of resources and implement economic diversification projects that benefit communities and stakeholders in the SPEDU Region, through a high performing workforce

## Core Organisational Values »



### OUTCOME DRIVEN

- We deliver impactful results thinking with the end in mind.
- We are proactive and act urgently to evolving requirements.
- Commitment to timely delivery.
- Innovative, Initiative and thinking ahead of the curve.



### CUSTOMER FOCUSED

- Our customers are our reason for being.
- We put our customer's needs first.
- We build long term relationship with our customers.
- We commit to ensuring customer satisfaction and acting on their feedback.



### ACCOUNTABILITY

- Taking responsibility for one's actions.
- We keep track of our commitments, planning, learning and giving feedback.
- Meeting expectations with quality.
- Efficiently delivering on actions and use of resources.



### TEAM WORK

- Taking part in collective effort.
- Cooperative effort to achieve a common goal.
- Complying readily with requests and communicating in a clear and meaningful way.
- Respect for individual contribution and acting voluntarily to meeting common goals.



### ETHICAL CONDUCT

- Stewardship - we actively protect the environment and optimally utilise resources.
- Consistently act with integrity and fairness, being honest, exemplary and supportive inline with company policies.
- Confidentiality - refraining from disclosing information without consent.
- Trustworthiness and openness - being reliable, truthful, acting transparently and consistently.

# Chairman's Report



**Mr. Obonetse J. Mothelesi**  
Board Chairman

It is with great honor that I present the 2021/2022 SPEDU ("the Company") Annual Report ("the Report") which is published in accordance with clause 13.8 of the SPEDU Constitution. The Report covers SPEDU's mandate, performance and audited financial statements for the year ended March 31 st, 2022. The Company's business is conducted within the parameters of the King Code of Governance Principles (King III code).

SPEDU has adopted basic principles of transparency, accountability and responsibility into its corporate culture to adapt to the increase of local and global scale of competitiveness. Equally, the Company has adopted Enterprise Risk Management Framework processes in its operations. This includes Audited Financial Statement (AFS) in line with International Accounting

Standards (IAS) and continuous monitoring of the organisational risk appetite.

The Company is also committed to prevent the use of its products, services, technologies and delivery channels for the commission or perpetration of financial crimes such as Money laundering (ML), Terrorist Financing (TF) or the financing of Proliferation (PF). To this end, the Company has adopted a programme for Anti-Money Laundering (AML), Counter-Financing of acts of Terrorism (CFT) and Counter-Financing of Proliferation (CFP) of arms of war and Nuclear, Biological and Chemical (NBC) weapons in line with the country's Anti-Money Laundering, Counter-Financing of Terrorism and Counter-Financing of Proliferation legislation, as well as international standards aimed at combatting Money Laundering.

The year under review marks the commencement of the Company's revised Five (5) year Corporate Strategy. The strategy is aligned to the Government's National Strategy of developing a Private Sector led and sustainable economy. The Company's mandate entails economic diversification, social upliftment, sustainable environment and good governance. It is through this mandate that SPEDU will propel to greater heights and achieve all business targets that have been set. We believe that the new Vision will influence the way the Company runs business, stimulate our thinking as well as motivate passion for delivering the Company's mandate in the interest of the shareholder and its stakeholders.

### **Leadership and Governance**

The role of the Board is to set and monitor the strategic functioning of the Company, establish the direction and pattern of good governance in implementing change, mobilising and allocating resources. The Board further reviews, evaluates and approves the Company's strategic plan and conduct continuous monitoring to achieve the desired goals and results.

The Board continues with its commitment to provide guidance to improve the company's performance by identifying areas of pivotal development. Furthermore, it provides leadership to ensure effectiveness and efficiency, transparency and accountability across the organisation. An oversight responsibility over the business and its affairs is also monitored.

There are different Committees with a membership compliment that has expertise and skills across the wider business spectrum. These Committees provide strategic guidance to the organisation in compliance with the statutory requirements. There is a Constitution and Charter in place to guide the Committees in the execution of their duties and responsibilities. The Committees enable the Board to distribute a detailed planning and oversight of each of its many responsibilities. Their responsibilities are: setting the direction of SPEDU operations, investment promotion, projects facilitation, monitoring/evaluation, community economic development facilitation, finance and audit, human capital management and procurement.

### **Projects Highlights**

SPEDU attracted and facilitated various projects within its core sectors amongst others, setting up of the biggest citrus project in Southern Africa. At the end of the financial year under review the citrus project had planted over four hundred and twenty thousand citrus trees (420,000). This project is anticipated to create over one thousand (1000) jobs at full operation.

In addition to the achievements made, the Government of Botswana approved the construction of the 30km stretch road linking the Plaatjan Bridge and Mathathane village. The construction is expected to commence during the 2023/2024 financial year. It is worth noting that the Plaatjan Bridge was completed and passed inspection in 2019. The completion of the construction of the road linking Plaatjan Border Post to Mathathane Village and

Tuli Block corridor would ease movement of people, goods and services between South Africa and Botswana to the rest of Tuli block, North-West, Chobe, Kazungula Boarder post, Zimbabwe, Zambia and Democratic Republic of Congo.

SPEDU continues to attract investors into the priority sectors of Tourism and Services, Manufacturing and Agri-Business and their related value chains. The intended benefit of which is to create employment as well as attain exports and import-substituting products to ensure sustainability of the economy of the Region.

### **Financial Highlights**

SPEDU receives its annual subvention from the Ministry of Trade and Industry (MTI) to deliver on its mandate. The SPEDU audited financial statements depicts how the subvention was utilised. The Company achieved a clean unqualified audit status by Grant Thornton Auditors. Due to the slow economic growth that coincided with the Covid-19 outbreak which sent global markets into turmoil, the Company continued to receive decreased subvention as a result of Government funding constraints. The locking down of international trading systems and ports of entries, further exacerbated the downturn of the global business environment hindering and minimising the local commodities export trade. Like other sectors of the economy, the impact of the COVID-19 pandemic is still felt throughout, and SPEDU has resorted to the efficient way of managing resources by achieving more with less in fulfillment of its mandate.

### **Acknowledgements**

On behalf of the Board and myself, I would like to sincerely thank the Government of Botswana through the Ministry of Trade and Industry (MTI) for the continued support and ensuring that SPEDU continues to deliver on its mandate throughout the years. Let me take this opportunity to thank all the Board members who served SPEDU tirelessly in the previous financial year and welcome the newly appointed. I would like to recognise and appreciate every company that pulled together its resources and chose SPEDU Region as their investment destination. Our sincere gratitude also goes to all the buyers of products from the SPEDU facilitated companies through the 30% Government Off take incentives and these includes but not limited to both Central and Local Government Ministries, Botswana Police, Botswana Defence Force as well as the Private Sector Institutions. Appreciation further goes to every institution (private and parastatals) that have and continues to respond positively to the economic inclusion Act. To SPEDU Management and Staff, thank you for your continuous commitment in executing the Company's mandate. Your continued speedy business continuity response, collective conduct and high performance played an integral part in achieving the SPEDU mandate



**Mr. Obonetse J. Mothelesi**  
Board Chairman



# SPEDU Board of Directors as at 31st March 2021

# Board of Directors



**Mr. Obonetse J. Mothelesi**  
Board Chairman



**Mr. Moremi Moremi**  
Chairman,  
Tender Committee



**Dr. Joel Sentsho**  
Deputy Board Chairperson &  
Chairman, Human  
Resources Committee



**Mrs. Magdeline Motswagole**  
Chairman, Finance and  
Audit Committee



**Ms. Boago Mokomane**  
Chairman, Projects and  
Investment Committee



**Mr. Kagiso T. Tlhase**  
Member, Tender Committee



**Mrs. Bame C. Dikomoki**  
Member, Human Resources  
Committee

# The Board And Corporate Governance

The SPEDU Board of Directors ("the Board") is committed to improving the company's performance by continually identifying areas of development and implementing them. The Board ensures effectiveness and efficiency, transparency, accountability, risk management and compliance with rules and regulations across the organisation. The Board has the oversight responsibility over the business and affairs of SPEDU Company and is also tasked with monitoring the strategic functioning of SPEDU. The Board is responsible for setting the direction of good governance and developing systems for the

business. Further it develops policies to guide its own actions and those of employees. During the 2021/22 financial year, the SPEDU Board of Directors comprised ten (10) Non-Executive Directors and the Chief Executive Officer (A) as ex-officio member. Two (2) independent members were co-opted by the Board to assist the Projects & Investment and the Finance & Audit committees. During the course of the year, five (5) of the Directors retired in (May 2022) and three (3) Directors were appointed. As at 31 st March 2022 the Board membership composed of seven (7) members as stipulated in the table below:

## TABLE 1-COMPOSITION OF SPEDU BOARD OF DIRECTORS DURING FINANCIAL YEAR 2021/2022

NAME	DESIGNATION	TENURE
Mr. Obonetse J. Mothelesi	Chairman	01/01/2020 - 31/12/2023
Dr. Joel Sentsho	Deputy Chairman	01/02/2019 - 31/01/2023
Mr. Moremi Moremi	Member	01/06/2017 - End of Contract with Ministry of Finance & Economic Development
Mrs. Magdalene T. Motswagole	Member	01/06/2020 - 30/05/2023
Mrs. Bame C. Dikomoki	Member	01/08/2021 – 31/07/2023
Ms. Boago Mokomane	Member	01/08/2021 – 31/07/2023
Mr. Kagiso T. Tlhase	Member	01/08/2021 – 31/07/2023
Mr. Motlamorago C. Gaseitsiwe	Retired	01/06/2017 - 31/05/2021
Mr. Reginald T. Selelo	Deceased	01/11/2018 – August 2021
Mr. Rowland Morapedi	Retired	01/06/2017 - 31/05/2021
Mr. Mosalagae Sesupeng	Retired	01/06/2017 - 31/05/2021
Mr. Thatayaone Gabaraane	Retired	01/06/2017 - 31/05/2021
Mr. Lesego Tebele	Retired	01/06/2017 - 31/05/2021
Mr. Jazenga Uezesa	Chief Executive Officer (A)	04/03/2021 – 31/03/2023

### BOARD MEETINGS

The Board convened at least quarterly during the period under review. In this reporting period eight (8) special meetings were held. In total, the Board met twelve (12) times to discharge its functions in accordance with the agreed annual meeting plan.

### BOARD SUB-COMMITTEES

The Board consists of four (4) committees ("Committees") which enable it to distribute the detailed planning and oversight of each of its many responsibilities. The Committees consist of appropriately skilled members that provide strategic guidance to the organization in compliance with the statutory requirements. The constitution and charters guide the Committees in the execution of their duties and responsibilities. The following are SPEDU Board Committees:

- i) Finance and Audit Committee (FAC).
- ii) Projects and Investment Committee (PIC).
- iii) Board Tender Committee (BTC).
- iv) Human Resources Committee (HRC).

The Board Sub-Committees meet at least quarterly to note reports from Management, consider and make recommendation to the Board for approval.

#### 1. FINANCE AND AUDIT COMMITTEE (FAC)

The Committee comprises two (2) independent Non-Executive Directors with the Chief Executive Officer (A) attending as an Ex-Officio member. It is responsible for directing the organisational budget, financial statements and reporting process, audit and risk process. Furthermore, FAC ensures compliance with related laws and regulations across the organisation.

The Committee consisted of the following members during the period under review:

**Mrs. Magdeline Motswagole** (Chairman)  
**Mrs. Margaret Dube-Chikwanje** (Co-Opted Member)  
**Mr. Mosalagae Sesupeng** – (Retired)  
**Mr. Motlamorago C. Gaseitsiwe** – (Retired)

The FAC adequately played its role during the 2021/22 financial year by assisting the Board in the fulfilment of its obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management. The Committee further recommended to the Board for approval the appointment of the External Auditors and external audit plan for the ensuing financial year.

**During the period under review, the FAC discharged its duties as follows:**

- Reviewing significant financial reporting judgements contained in the financial statements and formal reports, the appropriateness, relevance and reliability of operational and financial reporting;
- Making recommendations to the Board for appointment of the independent External Auditors; approval of their remuneration and terms of engagement and assessing the External Auditor's qualification and independence;
- Evaluation of the adequacy and effectiveness of the internal controls systems, accounting practices, information systems and auditing processes applied by SPEDU;
- Encouraging risk management to be a fundamental practice by SPEDU and a significant aspect of corporate governance and ensuring it is an integral part of the organization's decision making;
- Overseeing the Company's disclosure controls systems and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by SPEDU; Reviewed and endorsed the SPEDU budget for the year under review and recommended the Board's approval and oversight compliance to approved budgets through quarterly management reporting; and
- Deliberated on ethics and compliance matters, the challenges of operating during the COVID-19 pandemic for both people and operations.

Throughout the year, the FAC discussed with management the company's overall approach to risk management and internal control, compliance, information risk management matters and the adequacy of disclosure controls and procedures. The FAC received quarterly reports from Executive Management on the status of actions to address control weaknesses noted during assurance reviews. These included trend information regarding business incidents and other indicators used

to monitor the robustness of the risk management framework and internal control systems. As part of considering the risk management framework, the FAC was informed of developments in the legal, regulatory and financial reporting landscape that could affect the Company.

**2. THE HUMAN RESOURCES COMMITTEE (HRC)**

The committee comprised of the following members:

**Dr. Joel Sentsho** (Chairman)  
**Mrs. Bame Carol Mothei- Dikomoki** (Member)  
**Mr. Rowland Morapedi** (Retired)

The purpose of the HRC is to;

- Assist the Board of Directors in the oversight of the Human Resources function of the Company.
- Review effective implementation of, and compliance with the Company's Human Resources policies, compensation & benefit plans and succession plans.
- Evaluate the performance of Senior Executive Officers against the agreed performance measures.
- Recommend to the Board of Directors for approval of compensation to be awarded to employees.
- Guide to the Board on the implementation of the Human Resources strategy.

**3. THE PROJECTS AND INVESTMENT COMMITTEE (PIC)**

The PIC is the cornerstone of the organization as it is responsible for the most critical core business of the company. During the period under review, the PIC;

- Approved the Investment Promotion Strategy which would be instrumental in devising facilitation processes, formulate an image building blueprint and provide guidance on internal and external collaborations with stakeholders.
- Additionally, approved the Investment Promotion Framework- Eligibility Criteria which define a transparent and predictable criterion for assisting investors. These were significant milestones as both the strategy and the eligibility criteria would enhance the company's delivery of its mandate.

The Committee was composed of the following members:

**Ms. Boago Mokomane** (Chairman)  
**Mr. Kopano Gareebine** (Co-opted Member)  
**Mr Reginald T. Selelo** - (Deceased)

**4. THE BOARD TENDER COMMITTEE ("BTC")**

The Committee is charged with the responsibility to ensure adequate guidelines and controls to regulate fair and transparent procurement and disposal of goods and services and supply chain management matters.

**BTC ensures:**

- That the most favourable procurement and supply chain management terms for main activities comply with principles of competitiveness and transparency.
- Adherence to the procurement policy and procedures.
- The use of appropriate procurement methods to obtain maximum value for the company.
- That contracts executed are a true reflection of the evaluation process and award decision.
- That contract variations are justifiable and in the best interest of the Company.
- Endorsement of amendments to the company's Procurement Policy & Procedures for the Board's approval.

- The approval, rejection or recommendations within its threshold and recommends those above its threshold to the board for decision.

During the period under review BTC comprised of the following members:

**Mr. Moremi Moremi** (Chairman)  
**Mr. Kagiso T. Tlhase** (Member)  
**Mr. Lesego Tebele** (Retired)  
**Mr. Reginald T. Selelo** (Deceased)

## TABLE 2: THE BOARD AND SUB-COMMITTEE ATTENDANCE FOR 2021/2022 FINANCIAL YEAR

NAME	BOARD	BTC	PIC	HRC	FAC
Mr. O.J. Obonetse	12/12				
Mr. M. Gaseitsiwe	3/12		1/4		2/7
Dr. J. Sentsho	11/12			4/4	
Mr. R. Morapedi	3/12				
Mr. M. Moremi	11/12	5/5		1/4	
Mr. T. Gabaraane	1/12			1/4	
Mr. L. Tebele	1/12	2/5			
Ms. M. Motswagole	11/12				7/7
Mr. M. Sesupeng	3/12				2/7
Mr. R.T. Selelo	2/12	2/5	2/4		
Mr. K. Tlhase	6/12				
Ms. B. Mokomane	5/12		2/4		
Mrs. B.M. Dikomoki	6/12			2/4	
Ms. M. Chikwanje					7/7
Mr. K. Gareebine			4/4		

## TABLE 3: BOARD OF DIRECTORS REMUNERATION DURING 2021/22 FINANCIAL YEAR

NAME	POSITION	BOARD FEES
Mr. Obonetse J. Mothelesi	Chairman	26,775.00
Dr. Joel Sentsho	Deputy Chairman	27,090.00
Mrs. Magdeline T. Motswagole	Member	28,665.00
Mr. Motlamorago Gaseitsiwe	Retired	7,560.00
Mr. Rowland Morapedi	Retired	6,300.00
Mr. Reginald T. Selelo	Deceased	9,450.00
Mr. Mosalagae Sesupeng	Retired	6,300.00
Mr. Lesego Tebele	Retired	5,040.00
Mr. M. Sesupeng	Retired	6,300.00
Mr. Lesego Tebele	Retired	5,040.00
Mr. Thatayaone Gabaraane	Retired	3,780.00
Mr. Kagiso T. Thase	Member	10,080.00
Mrs. Bame Carol Dikomoki	Member	10,080.00
Ms. Boago Mokomane	Member	9,450.00
Mr. Moremi Moremi	Member	24,255.00
Mrs. Margaret D. Chikwanje	Member	8,820.00
Mr. Kopano Gareebine	Member	5,040.00
<b>TOTAL</b>		<b>188,685.00</b>

Members of the Board are not entitled to remuneration save for the Chief Executive Officer. However, they are paid sitting allowances for the activities and meetings they participate in. During the year under review, the members were paid sitting allowances as detailed in Table 3 above.

# Chief Executive Officer's Report



**Mr Jazenga Uezesa (A)**  
Chief Executive Officer

SPEDU has been a catalyst for driving sustainable investments, knowledge exchange, market access, community economic facilitation and investment promotion for the Region. I present the 2021/2022 Annual Report at the time when the Company continues to suffer from the adverse effects of Covid-19 pandemic that has depressed the global economies over the past two (2) years. Even though the scourge is still felt, SPEDU continues in its endeavour to keep the socio-economic status of the Region vibrant and remains vigilant to adapt better ways of executing its mandate. The lessons learnt from the pandemic will sharpen the strategy of the Company going forward to ensure business resilience against similar shocks in the future.

The Company continues to carry out its business as a Regional Economic Diversification Agency, that facilitates and implements sustainable economic projects for job creation and social upliftment.

The SPEDU Economic Diversification drive focuses on amongst others, the strategic sectors of Infrastructure Development and Real Estate, Agribusiness, Tourism and Services, and Manufacturing and their value chains. The Company intends to make the Region a globally competitive investment destination of choice through extensive marketing and branding.

### **Performance Update**

Despite the challenges experienced due to Covid-19, SPEDU managed to facilitate one hundred and Four (104) companies from various sectors of the economy. The companies are currently at different stages of development. Amongst these projects, fifty-seven (57) are at advanced stages of development. Of these, forty-two (42) are citizen owned companies in Information and Communication Technology (ICT), Manufacturing, Agriculture and Construction, four (4) are Government projects in Infrastructure Development and Agriculture, four (4) are foreign-owned companies in Agriculture and Seven (7) Joint ventures in Manufacturing and Agriculture. It is worth noting that a robust investment promotion initiative was conducted which led to the creation of a total of eight hundred and five (805) jobs with the investment inflow (Domestic Investment and Foreign Direct Investment) amounting to four hundred and fifty-three Million, one hundred thousand Pula (P453.1m). SPEDU has adopted some of the growing trends globally to evaluate what works, in the midst of scarce resources to pursue the delivery of expected goals and objectives set out in the mandate.

SPEDU's mandate further promotes citizen economic empowerment through participation of communities within the Region led by Community Based Organisations (CBOs), aimed at improving the livelihoods of communities within the Region. The facilitation process includes facilitating the CBOs to implement projects, coordinate strategic and technical partnerships, explore funding opportunities, mobilising resources, capacity building and market access. The Community based projects significantly contribute towards employment creation, income generation, community development, national food security, youth and women empowerment.

SPEDU facilitated a total of twenty-six (26) Community Based Organisations (CBOs) under various sectors. These CBOs comprised nine (9) Community Development and Conservation Trusts, eight (8) Cooperative Societies, three (3) Associations and six (6) Groups.

### **SPEDU Investment Incentives**

Following the approval of SPEDU Investment Incentives, twenty-three (23) Companies have been assessed and approved for the Tax Relief Incentive, while twenty-five (25) companies have been issued with the 30% Government off-take certificates to promote market access initiative. The implementation of the incentives has in turn accelerated investment and employment in the Region. This will also enable the companies to access markets and attain sustainable growth.

### **Staff Compliment**

SPEDU completed the year under review with a staff compliment of forty-one (41) employees. Of the total number engaged, there were twenty-five (25) females and sixteen (16) males representing 61% and 39% gender representation respectively.

### **The Anticipated Future of the Region**

- With continued implementation of the approved SPEDU Investment Incentives and the Strategic Plan, it is forecasted that more investors will be attracted to the Region and accelerate investments inflow both domestic and foreign, job creation, diversification, exports and import substitution.
- SPEDU intends to retain the Region globally competitive and an ideal investment destination of choice.
- The Company will continue to explore possible partnerships with key stakeholders for funding community based projects.
- Although the Ukraine/Russia war possess a global economic depression, SPEDU is optimistic that with the lessons learnt from Covid-19, the future looks positive and the next Financial Year results will be an improvement from the current year's outlook.

### **Acknowledgements**

I would like to express my appreciation to the Government of Botswana, through the Ministry of Trade and Industry, for its continued support to SPEDU. I remain indebted to the Board for the strategic guidance and support despite the various challenges experienced. I appreciate the support from all the other stakeholders from various Ministries; our sister organisations (Parastatals) under the Ministry of Trade and Industry and those within the SPEDU Region for their partnership in the implementation of various initiatives. My gratitude also goes to SPEDU management and Staff who worked hard towards the accomplishment of the activities reported. Let us continue to pull together as we passionately shape the future of this great Region.



**Mr Jazenga Uezesa**  
Chief Executive Officer (A)



# Executive Management



**Mr Jazenga Uezesa**  
Chief Executive Officer (A)



**Mr James Mathokgwane**  
Director, Community  
Economic Facilitation



**Mrs Lesedi Lungu**  
Director Investment  
Promotion (A)



**Maiba Samunzala**  
Director, Strategic Projects (A)

# Investment Promotion

The Investment Promotion (IP) Function is mandated to attract investment prospects into the Region to grow the SPEDU Portfolio. The IP department is the first point of contact for potential investors willing to set up in the SPEDU Region. Business inquiries, gathering of requirements and due diligence for potential investors, are handled at this stage, which also entails enhancing the Region's image as a critical destination for investment across the broad priority sectors and their extensive value chains.

## COMPARATIVE ADVANTAGE OF THE SPEDU REGION

The SPEDU Region is endowed with infrastructure and amenities that enable accessibility and connectivity for ease of movement of goods and services. Key to these amenities are;

- Industrial Zone with factory spaces and railway line access.
- High Voltage Power Network/Substation.
- Connecting Roads to major towns.
- Access to major borders by road (South Africa, Zimbabwe and the rest of SADC).
- Airport with 1.8km runway.
- Railway connectivity to national rail network.
- Quality of life services (Primary Hospital and Private Clinics, schools, shopping mall).
- Four (4) major dams providing bulk raw & potable water.
- Commercial banks and professional service providers e.g. Accountants, Lawyers, etc.
- Good soils, ground water, favourable climate, power, telephone connectivity, etc.
- Silica sands presenting opportunities for industrialization.
- Flora and fauna.

The key objectives of the function amongst others entail:

- Development of strategies for marketing and promotion (investment opportunities) of SPEDU and value proposition to attract investment.
- Creating a conducive business environment by

- ensuring that cost of doing business is attractive.
- Establishing investment protocols.
- Ensuring that the destination is well branded and visible.
- Assisting investors access markets for their products.

From the above objectives, SPEDU advanced well by ensuring that the Region as an investment destination is competitive. In addition, the Government approved Investment Incentives continue to be implemented to attract investors. Due to these Incentives, prospects for investment have increased, despite the pandemic that brought the world to its knees.

During the period under review the IP Department developed an Investment Promotion Strategy for the years 2021 to 2026 with the following objectives.

- Alignment with the strengths and opportunities the Region presents;
- Identify Best prospects for attracting high levels of domestic and foreign capital;
- Prospects for investment capital growth potential; and
- Prospects for significant contribution to the local economy.

The strategy is targeted towards the promotion of sustainable and competitive businesses, increase on investment capital stock, provide tangible employment opportunities, and boost regional economic growth. The targets were prioritized based on the trends analysis, the need to reduce the current importation bill for Botswana and taking into consideration the comparative advantages (developable land, skills, incentives) the region has in order to compete for investors in these sectors.

The following are high impact priority projects per sector for Investment Promotion;

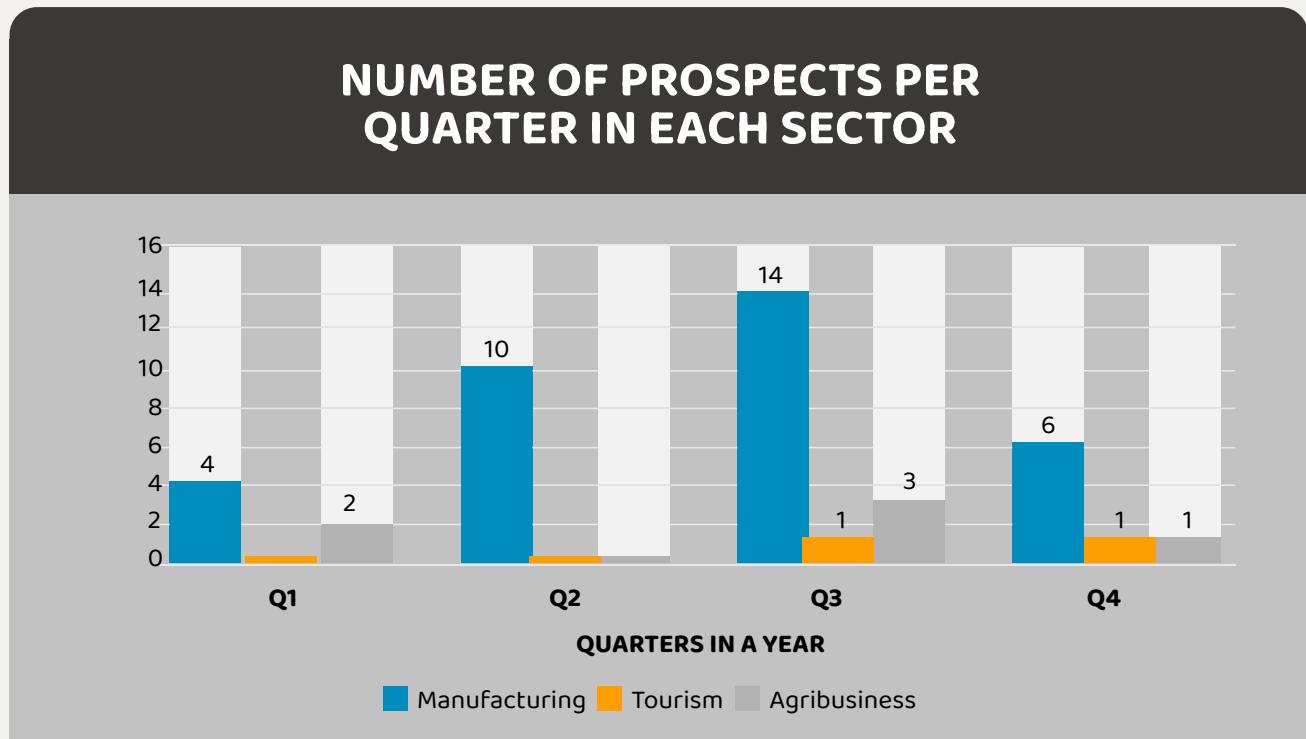
SECTOR	SUB-SECTOR	OPPORTUNITIES
Agri-Business	<ul style="list-style-type: none"> <li>• Horticulture</li> <li>• Small Stock</li> <li>• Aquaculture</li> </ul>	<ul style="list-style-type: none"> <li>• Floriculture</li> <li>• High value Fruits and vegetables</li> <li>• Goat meat</li> <li>• Mutton</li> <li>• Fish farming</li> <li>• Fish feeds</li> </ul>
Manufacturing & Industries	<ul style="list-style-type: none"> <li>• Industrial park</li> <li>• Food processing</li> </ul>	<ul style="list-style-type: none"> <li>• Apparels</li> <li>• Consumer products</li> <li>• Meat Processing</li> <li>• Construction Materials</li> </ul>
Tourism & Services	<ul style="list-style-type: none"> <li>• Hospitality/ Accommodation</li> <li>• MICE</li> </ul>	<ul style="list-style-type: none"> <li>• Hotels</li> <li>• Apartment</li> <li>• Golf Resort</li> <li>• Mega Exhibitions</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Industrial Park</li> <li>• Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Factory shells</li> <li>• Warehousing and storage</li> <li>• Renewable energy</li> </ul>

There were forty-three (43) potential investors that were registered for the financial year 2021/22. The graph below demonstrates the performances of each sector per quarter in the following characters;

- I. Prospects.
- II. Employment level.
- III. Investment value.

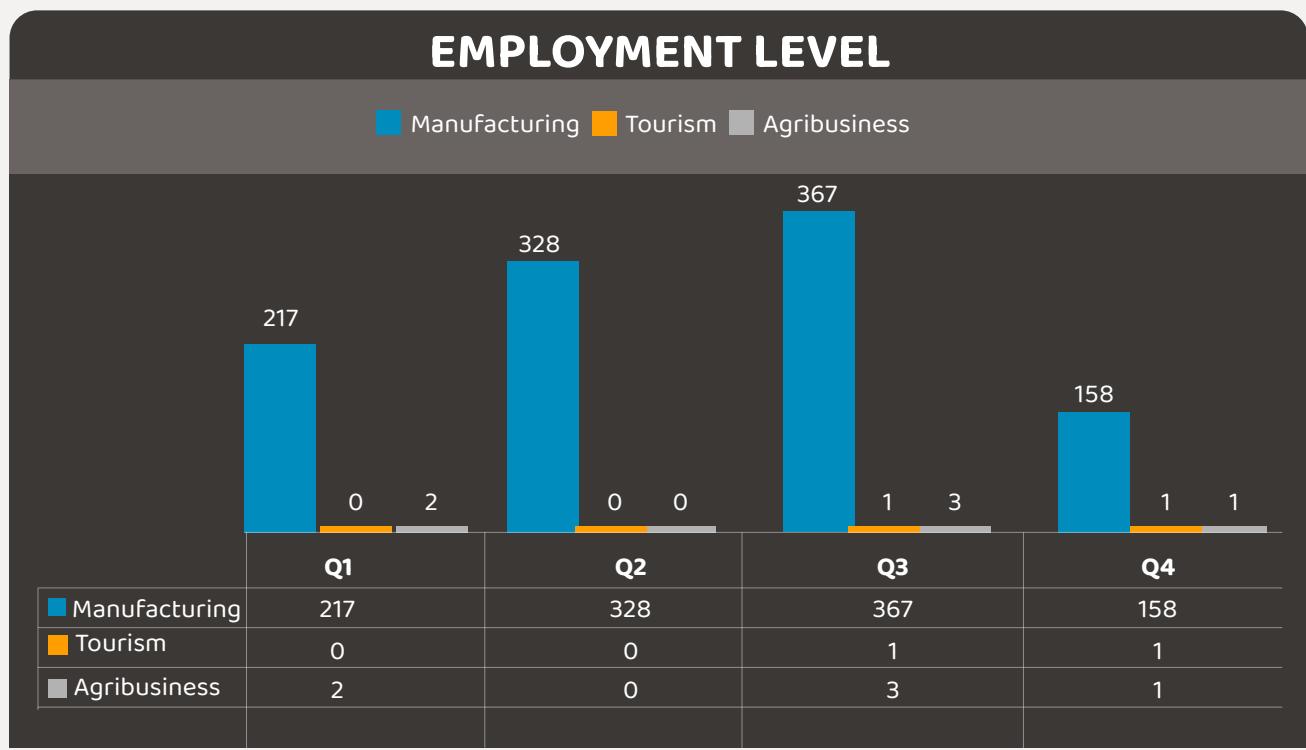
## I. Number of Prospective Clients

SPEDU received a total of forty-three (43) prospective clients across various sectors. The bar chart below demonstrates the performance of each sector.



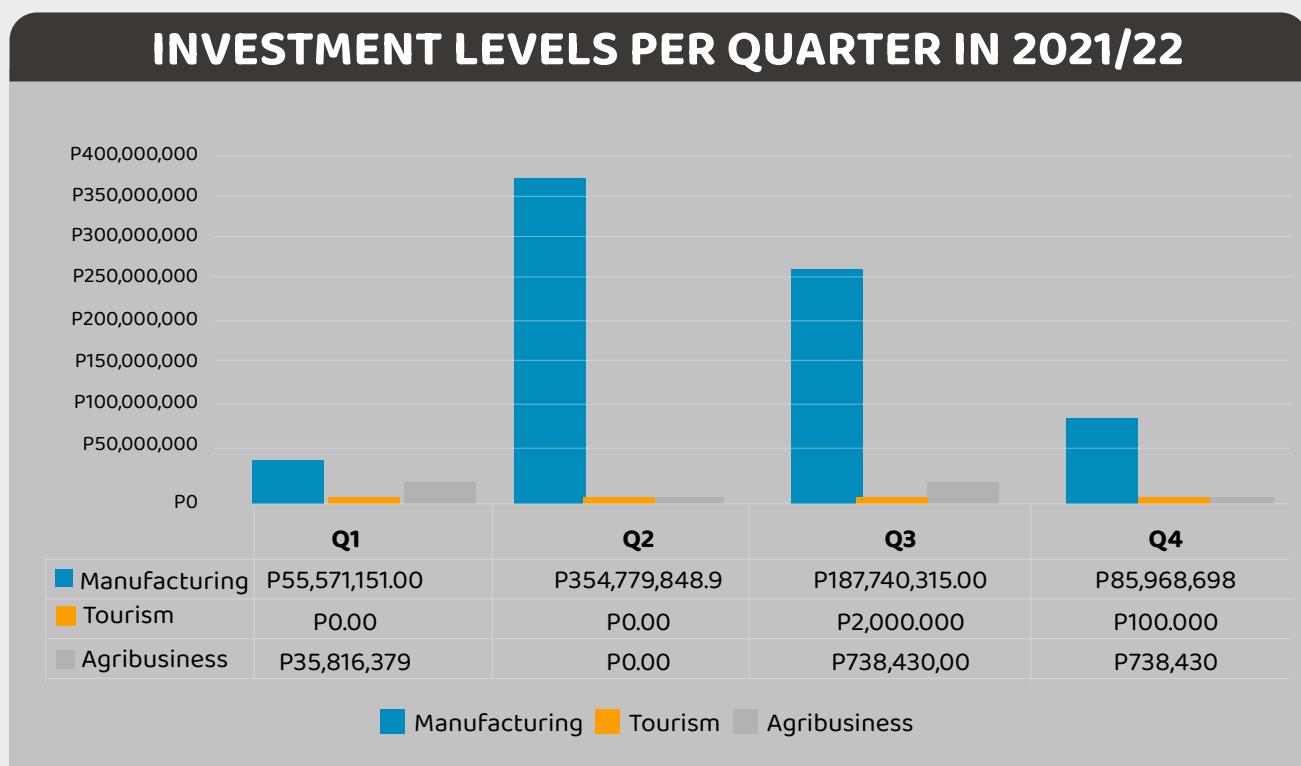
## II. Employment Level

From the forty-three (43) potential investors secured in the year 2021/22, there is a potential employment creation of 1,078 jobs. The bar graph shows the number of jobs to be created in the manufacturing, tourism and agribusiness sectors.



### III. Potential Investment Value

The investment value of all the companies registered in the Fiscal year 2021/22 per quarter is P91,3875,30.00 in Q1, P354,779,848.99 in Q2, P211,231,317.00 in Q3 and P86,807,128.00 in Q4. The bar graph below displays the amount of investments according to each sector per quarter.



### IV. Market Access

SPEDU continues to facilitate projects on issues of market access and a number of initiatives have been undertaken to support these projects. These are meant to foster the government and the business community to support SPEDU projects into realization of their full potential and create more jobs opportunities. Seven (7) companies have penetrated the market through the 30% Government offtake incentive, with a total of about P21 089 954.92 realised through Government procurement. The following are such initiatives to drive market access;

- Project tours and presentation on projects- Botswana Defense Force (Headquarters), Gaborone City Council, North west district Council.
- Engagement with Distributors and retail chain stores for possibility of products offtake from SPEDU Region- CA Sales, Safari, Sefalana, Fours and others.
- Implementation of 30% Government offtake and engagement with all the relevant stakeholders to ensure a smooth transition.
- Invitations to various Government department and private business to appreciate SPEDU companies and products for projects support.
- SPEDU market day has been proposed as an initiative that intends to create market access. Potential buyers/ off takers will form part of the stakeholders to be invited.

# STRATEGIC PROJECTS



The Strategic Projects function implements, monitors and evaluates SPEDU projects within the sectors of Agribusiness; Manufacturing; Infrastructure Development and Real Estate; and Tourism & Services within the SPEDU Region. The facilitation is based on project management principles and ensures the provision of infrastructure, ease of doing business and technical advisory that enables sustainable economic activities to start operation.

Businesses that establish in the SPEDU Region aims to fulfil the Government's commitment of creating employment, import substitution, technology transfer and development of sustainable businesses among others.

During the year under review, project implementation was delayed during the first two (2) quarters of the year due to restrictions imposed by the Covid-19 state of emergency. However, there was generally a positive outlook as enquiries continued to increase and twenty-eight (28) business plans were reviewed across all sectors.

The following projects from Agribusiness, Manufacturing, Infrastructure Development and Real Estate and Tourism and Services sectors were facilitated and were at various stages of implementation as illustrated below:

**Figure 1**



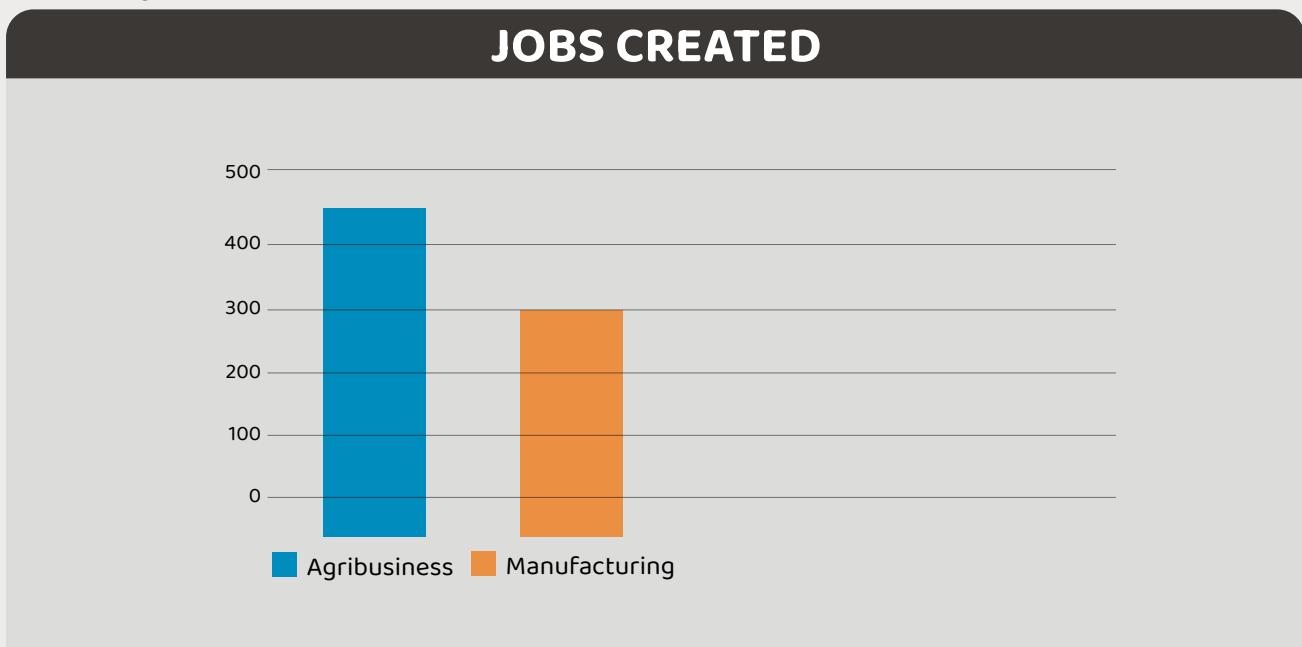
## STRATEGIC PROJECTS PERFORMANCE

For this reporting year, a cumulative of 805 jobs were created against an annual target of 1357 (59%). There were;

- 480 Agribusiness.
- 325 Manufacturing.

The following chart shows number of jobs created for each sector:

**Figure 2**



A cumulative of twenty-one (21) companies were established.

- 13 Manufacturing.
- 3 Agribusiness.
- 2 Tourism and Services.
- 3 Infrastructure Development and Real Estate.

The pie chart below depicts number of companies established for each sector:

**Figure 3**



There was an influx of CEDA and NDB funded projects which relocated to the SPEDU Region due to the availability of incentives. Different business ideas were generated by Batswana companies which fulfilled the SPEDU mandate of economic diversification and the reset agenda of value chain promotion.

#### **Sector investment inflow**

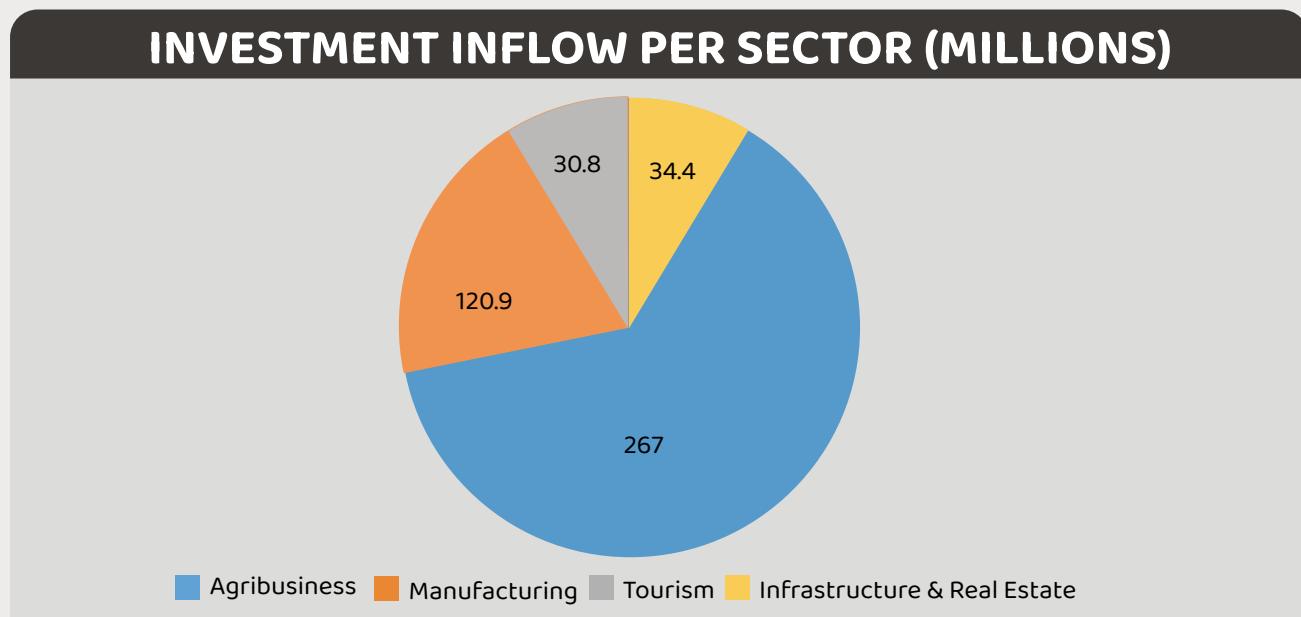
A cumulative of P453.1m was achieved.

- P120.9m Manufacturing
- P267m Agribusiness
- P30.8m Tourism and Services
- P34.4m Infrastructure Development

The investment is lower than expected due to delayed establishment of some major projects which were planned. Local financial institutions and developmental banks have developed interest to fund projects in various sectors in the SPEDU Region.

The pie chart below illustrates the amount of investment inflow for each sector.

**Figure 4**



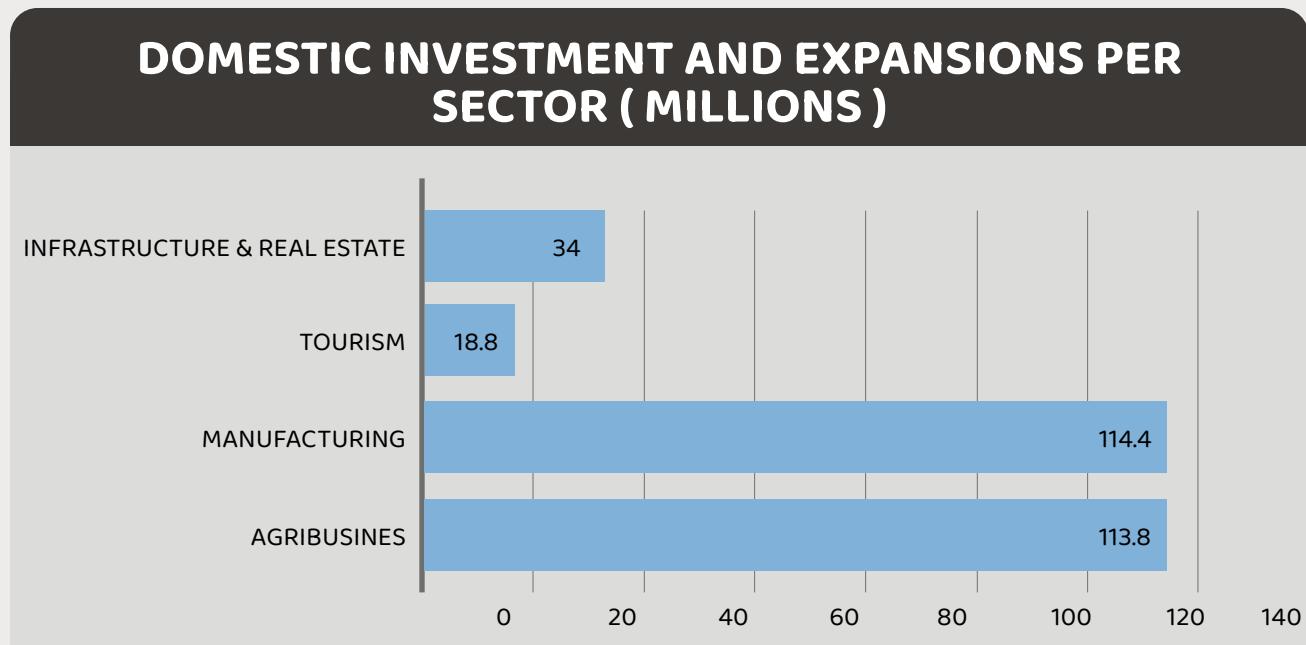
## Domestic investment and expansions

A cumulative domestic investment of P281.3m was realised.

- P114.4m Manufacturing
- P113.8m Agribusiness
- P18.8m Tourism and Services
- P34m Infrastructure Development

The bar chart below shows the amount of domestic investment and expansion for each sector:

**Figure 5**



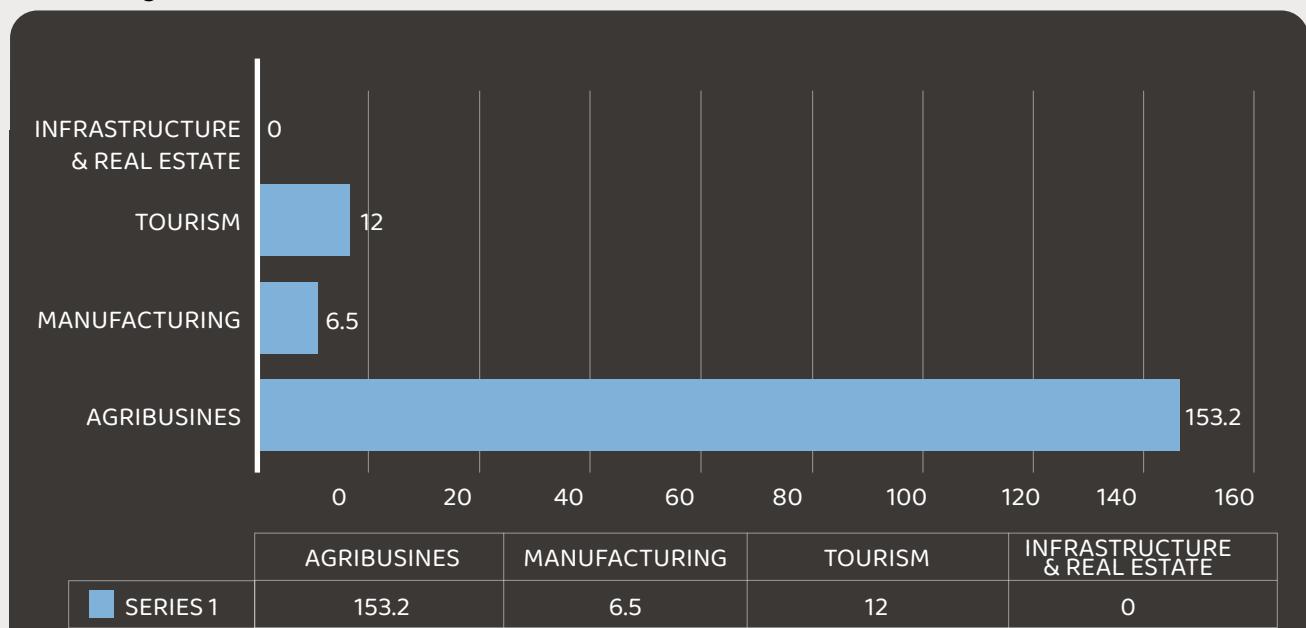
## Foreign Direct Investment (FDI)

A cumulative of P171.7m has been achieved as FDI.

- P6.5m Manufacturing
- P153.2m Agribusiness
- P12m Tourism and Services
- P0 Infrastructure & Real Estate

This is summarized below:

**Figure 6**



# Manufacturing

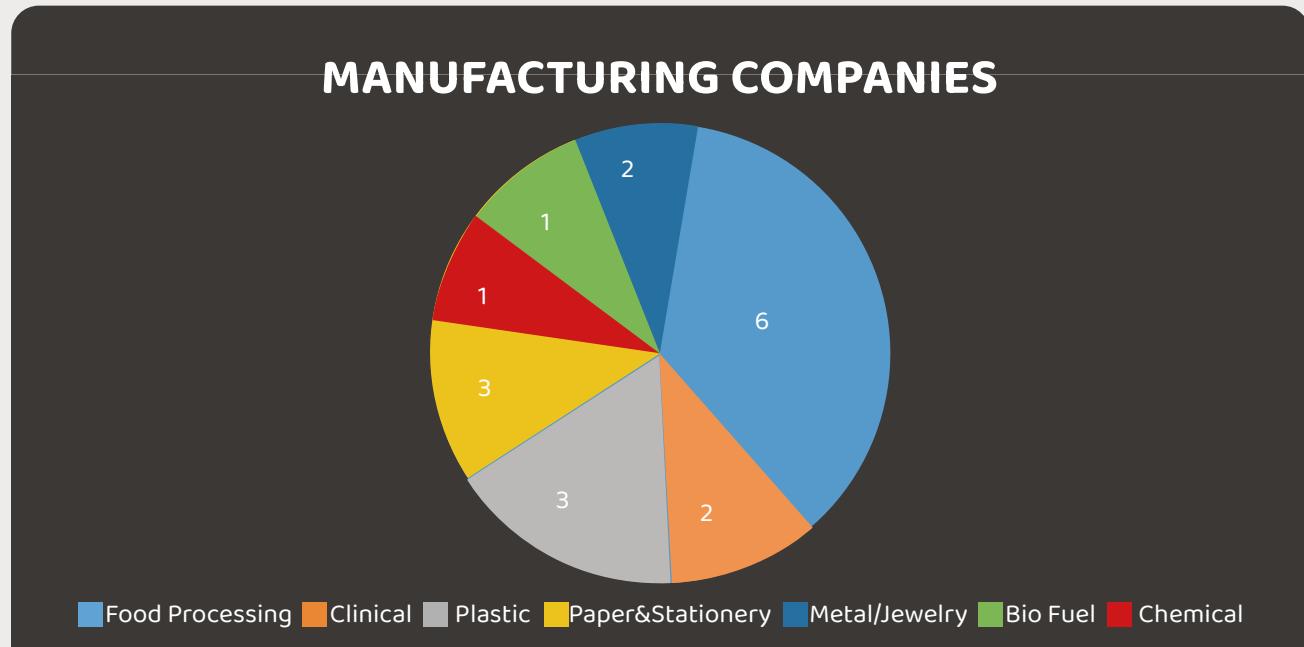
The function is mandated with facilitation of companies in the manufacturing sector and is further responsible for the implementation of incentives for manufacturing companies domiciled in the SPEDU Region. A total of Forty-two (42) businesses were facilitated during the 2021-2022 planning period and some of these companies are carried over from the previous planning periods.



During the 2021-22 reporting period, the sector experienced growth with the establishment of eighteen (18) new companies. These companies were in the sub-sectors of food processing (6), Clinical supplies (2), Plastic products (3) Paper stationery (3), Metals/Jewelry (2), Bio-Fuel (1) and Chemical (1).

The pie chart below shows different sub sectors of manufacturing: Refer to the pie chart below:

**Figure 7**



The total investment inflow contributed by the Manufacturing sector was One Hundred and Twenty-Seven Million, Eight Hundred and Thirty-Seven Thousand, Nine Hundred and Forty-four Pula (P127,837,944). This amount is inclusive of the Seven Million Pula (P7,000,000) as Foreign Direct Investment. The total employment created by the sector is three hundred and two (302).

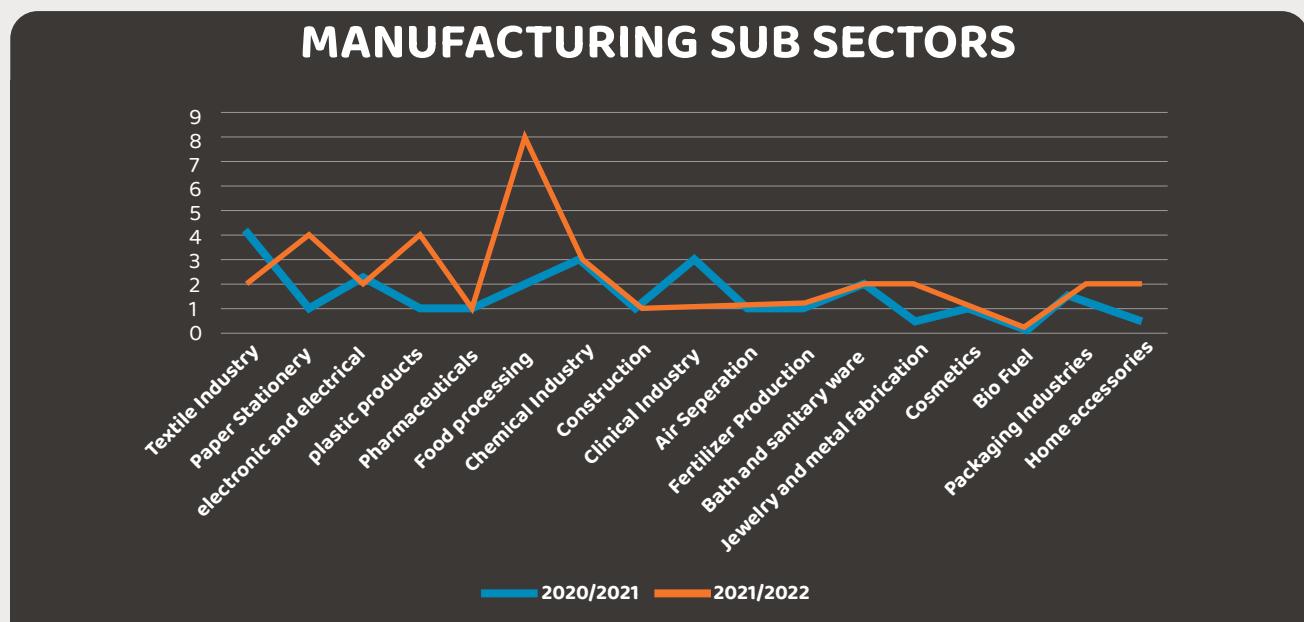
The growth experienced is attributed to the end of the State of Emergency, the improved implementation of the 30% Government offtake and the effective Investment Promotion measures applied to businesses by SPEDU. Table one presents a breakdown of facilitated businesses per sub-sector in comparison with the previous financial year.

**Table 1: All Businesses Facilitated by SPEDU per Sub-sector**

Sub-Sector	2020/21	2021/2022
Textile industry	4	4
Paper stationery	1	4
Electronic and electrical supplies	2	2
Plastic products	1	4
Pharmaceuticals	1	1
Food processing	2	8
Chemical industry	3	3
Construction industry	1	1
Clinical industry	1	3
Air separation	1	1
Fertilizer production	1	1
Bath and sanitary ware	2	2
Jewelry and metal fabrication		2
Cosmetics	1	1
Bio-fuel		1
Packaging Industries	1	2
Home accessories		2
<b>TOTAL</b>	<b>22</b>	<b>42</b>

The line graph below shows manufacturing sub sectors found in the SPEDU Region.

**Figure 8**



## Textile Industry

The textile industry is one of the oldest industries in Selebi-Phikwe. It has contributed significantly to job creation in the SPEDU Region. During the year under review, the investment on the textile industry was Twenty Million Eight Hundred Thousand Pula (P20,800,000) as compared to Twenty-Three Million Six Hundred Eighty thousand Pula (P23,680,000) in the year 2020-2021. A total of hundred (100) new jobs were created by this sub-sector during the year.

The performance of individual companies of the sub- sector is presented below:

### OTHER OPTIONS (PTY) LTD

#### Physical Address

Selebi-Phikwe Industrial Area Plot no: 8899/Unit 6

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Corporate wear, protective clothing

**Capacity** 36,000 garments annually

**Annual Production** 72,000 pieces

**Cumulative number of jobs** 118

**New Jobs created** 100

**Facilitation provided during the planning period** Market access, project monitoring and technical advice

**Contacts** Senyana Rakwae

+267 71432763/ 75683303

Email: otheroptions226@gmail.com



### FIL-AM (PTY)LTD

#### Physical Address

Selebi-Phikwe Industrial Area Plot no:8900

**Ownership structure** Foreign owned

**Type of investment** FDI

**Type of products** Fashion clothing, corporate wear

**Capacity** 180,000 garments annually

**Annual Production** 180,000

**Cumulative number of jobs** 11

**New Jobs created** 0

**Facilitation provided during the planning period** Market access, project monitoring and technical advisory

**Contacts** Benito Marcos

+267 72485901

Email: Filamtexoliva13@yahoo.com



## NITAZ COLLECTIONS (PTY)LTD

**Physical Address**

Selebi-Phikwe Industrial Area Plot no:8900/A

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Protective clothing, corporate wear

**Capacity** 230,400 garments annually

**Annual Production** 230,000

**Cumulative number of jobs** 28

**New Jobs created** 0

**Facilitation provided during the planning period** Market access, project monitoring, technical advisory

**Contacts** Chamati Lekwapa (COF)

+267 71646400

Email: chama.lekwapa@yahoo.com



## DINESH TEXTILES (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial plot no:-8903

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Protective clothing

**Capacity** 720,000 garments annually

**Annual Production** 820,000 garments

**Cumulative number of jobs** 293

**New Jobs created** 0

**Facilitation provided during the planning period** Market access, permit application, labour matters and incentives applications

**Contacts** Benito Marcos

Rebecca Simon (Production Manager)

+267 2600014

Email: sales@dineshtextiles.com



## Paper Stationery

Four (4) paper stationery companies were facilitated during the year under review. The sub-sector had three (3) companies setting up and has created seventy-four (74) jobs during the year 2021-2022. The sub-sector invested a total of Fifteen Million, Three Hundred Thousand Pula (P15,300,000). Eighty-four (84) new jobs were created during the year while the accumulated number of jobs is one hundred and fifty-eight (158) jobs.

## BETTER SERVICES (PTY) LTD

### Physical Address

Selebi-Phikwe Industrial Area Plot no;11272 Unit 4

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Exercise books, hard covers, note books and printing paper

**Capacity** 31,140,000 items annually

**Annual Production** 60,000 items

**Cumulative number of jobs** 150

**New Jobs created** 70

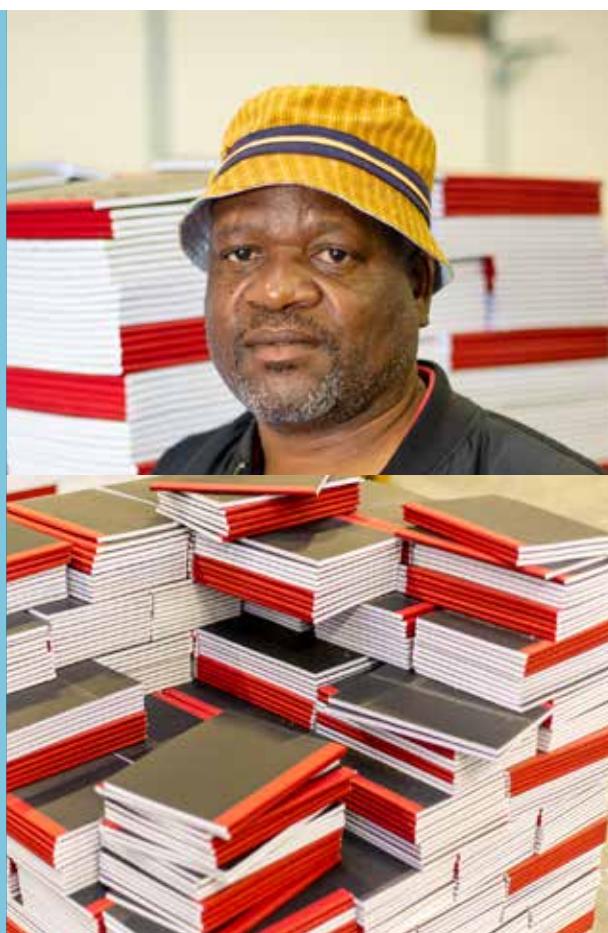
**Facilitation provided during the planning period** Market access, project monitoring,technical advisory

**Contacts** Racheal Manche

(Production Manager)

+267 75963055

Email:slegotloane@gmail.com



## PAPERITE (PTY) LTD

### Physical Address

Selebi-Phikwe Industrial Area Plot no:8900 unit 4

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** printing paper

**Capacity** 10,000 pallets per annum

**Annual Production** 7,000 pallets

**Cumulative number of jobs** 5

**New Jobs created** 5

**Facilitation provided during the planning period** Market access, project monitoring

**Contacts** Tshepiso K. Kgakatsi

+267 71392777

Email: tshepiso@paperite.co.bw



## PROFITPILE (PTY) LTD

**Physical Address**

Mmadinare, Seboo ward

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** printing paper

**Capacity** 8,400 pallets annually

**Annual Production** 4,200 pallets

**Cumulative number of jobs** 7

**New Jobs created** 7

**Facilitation provided during the planning period** Market access,

incentives application, project monitoring.

**Contacts** Neelo Mhaladi

+267 77072044

Email: printque19@gmail.com



## STAPLES N PAPER SOLUTIONS (PTY) LTD

**Physical Address**

Western Industrial Estate,

Plot no 12385, unit 3

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** printing paper

**Capacity** 3600 pallets

**Annual Production** 3600 pallets

**Cumulative number of jobs** 2

**New Jobs created** 2

**Facilitation provided during the planning period** Market access, project monitoring

**Contacts** Maureen makati

+267 72602860

Email: odius@staplesandpaper.co.bw



SOURCE: INTERNET PICTURE

## Electronic & Electrical Supplies

SPEDU continued to facilitate Two (2) companies in this sub-sector. The two companies faced market challenges as well as undergoing a delayed process of product certification. There were no new jobs created during the reporting year.

### ELOLAM (PTY) LTD

ELECTRONIC &  
ELECTRICAL

**Physical Address**

Selebi-Phikwe Industrial Area, Plot no:8900

**Ownership structure** Foreign owned

**Type of investment** FDI

**Type of products** Electricity Power Transformers

**Capacity** 2160 units annually

**Annual Production** No production during undergoing product certification process

**Cumulative number of jobs** 20

**New Jobs created** 0

**Facilitation provided during the**

**planning period** Facilitation for BOBS certification,

**Contacts** Treasure Khanye

+267 71817329

Email: [treasure@elolam-manufacturing.com](mailto:treasure@elolam-manufacturing.com)



### THE BULB WORLD (PTY) LTD

ELECTRONIC &  
ELECTRICAL

**Physical Address**

Selebi-Phikwe Industrial Area Plot no:8822

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Energy saving products ( LED bulbs, LED tube bulbs, FL bulbs, FL Tubes, solar streetlights)

**Capacity** 1,080,000 units annually

**Annual Production** 1,080,000 units

**Cumulative number of jobs** 64

**New Jobs created** 0

**Facilitation provided during the**

**planning period** Market access and monitoring.

**Contacts** Gomolemo Kebopile

(Production Manager)

+267 2600014

Email: [gomolemo@thebulbworld.com](mailto:gomolemo@thebulbworld.com)



## Plastics Products

This sub-sector experienced establishment of three (3) new companies in the year 2021-2022. In addition, SPEDU continued its facilitation of one (1) plastic moulding and extrusion company. The total investment of the sub-sector is Ten Million and Forty-Nine Thousands Pula (P10,049,000). The new employment created is twenty-two (22) whereas the accumulated number of jobs stood at twenty-six (26).

The performance of the four (4) companies under the sub-sector is presented below:

PLASTIC PRODUCTS

## ASANTE (PTY) LTD

**Physical Address**  
Selebi-Phikwe Industrial Area Plot no:8899/Unit 3

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Plastic Chairs

**Capacity** 22,000 chairs annually

**Annual Production** 10,000 chairs

**Cumulative number of jobs** 4

**New Jobs created** 0

**Facilitation provided during the planning period** Market access, project monitoring, project funding and facilitation for operational space

**Contacts** Mr. Justice William  
+267 74680841  
Email: justice@asentetech.com



PLASTIC PRODUCTS

## KALAHARI SHADE NET (PTY) LTD

**Physical Address**  
Bamangwato Estate Block  
Plot No:19/8922

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Shade nets

**Capacity** 15 nets per day

**Annual Production** Commissioning

**Cumulative number of jobs** 7

**New Jobs created** 7

**Facilitation provided during the planning period** Market access, application for incentives, power upgrading, residence and work permits.

**Contacts** Chedza Marobela (Business Development Director)  
+267 71329901  
Email: cmarobela@kalaharishadenet.co.bw



## BOAGO OUTSOURCE (PTY) LTD

**Physical Address**

Bamangwato Estate Block  
Plot No:16/8922

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Plastic Carry bags, refuse bags and packaging bags

**Capacity** 270 tons of plastics daily

**Annual Production** 4tons

**Cumulative number of jobs** 5

**New Jobs created** 5

**Facilitation provided during the planning period** Market access, application for incentives

**Contacts** Mr. Oratile Mdojwa (Director)

+267 75567213

Email: info.boswork@gmail.com



## HARMONY (PTY) LTD T/A MODERN SOLUTIONS

**Physical Address**

Selebi-Phikwe Industrial Area Plot no:2722/Unit 4

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Plastic tiles, plastic pavers

**Capacity** 600 units per day

**Annual Production** 42,000 roof tiles

**Cumulative number of jobs** 10

**New Jobs created** 10

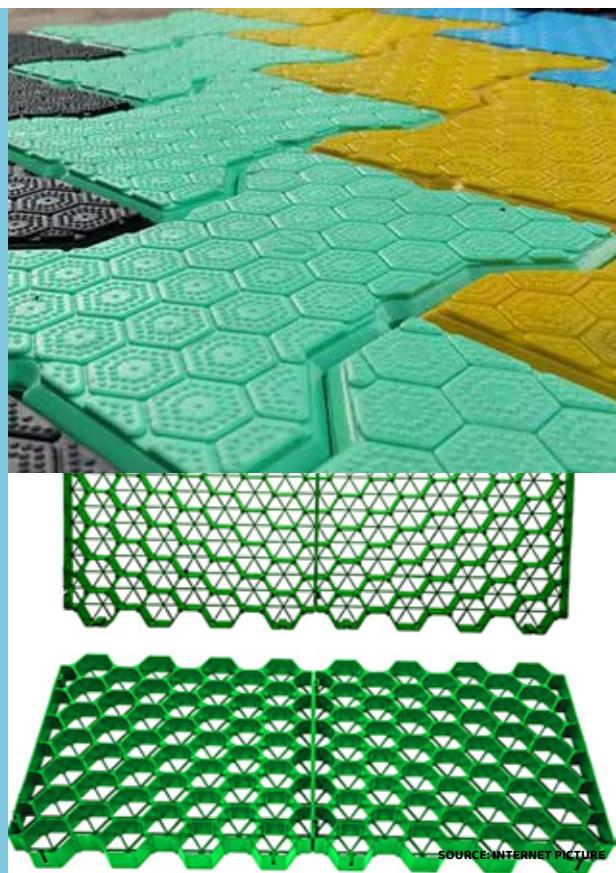
**Facilitation provided during the planning period** Facilitation for licensing, environmental management plan

**Contacts** Mr. Resego Tumelo

+267 71588572

**Email:** modernsolution@hotmail.com

Email: cmarobela@kalaharishadenet.co.bw



## Pharmaceuticals

SPEDU continued to facilitate one (1) company in the pharmaceutical sub-sector. This company is at the initial stage of project implementation and is not yet operational.

PHARMACEUTICALS

## PULA DYNES (PTY)LTD

### Physical Address

Selebi-Phikwe Industrial Area

**Ownership structure** 100% Citizen owned

**Type of investment** FDI

**Type of products** Paracetamol/IV fluids and ARV

**Capacity** 0

**Annual Production** Not operational

**Cumulative number of jobs** Not operational

**New Jobs created** Not operational

**Facilitation provided during the planning period** Facilitation for funding

**Contacts** Abel Kapatamoyo

+267 76575631

Email: abel@jaqtechnologies.com



## Clinical Supplies

SPEDU facilitated two (2) new companies in the clinical supplies sub-sector. Cumulatively there are three (3) companies in this sub-sector and these companies have created nineteen (19) new sustainable jobs. Their investment value is Fifteen Million, three hundred and Thirty-four Thousand, Three Hundred and Thirty-One Pula (P15,334,331). These companies are at initial stages of project implementation.

CLINICAL SUPPLIES

## GLORIOUS GRACE (PTY) LTD

### Physical Address

Selebi-Phikwe Industrial Area , Plot no:8893 unit 1

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Personal protective Clothing, face masks

**Capacity** 64,800 masks per day

**Annual Production** 21,024,000 (planned)

**Cumulative number of jobs** - Not Operational

**New Jobs created** 7

**Facilitation provided during the planning period** Market access, project funding

**Contacts** Chenjelani Marabu

+267 72389381

Email: thalefang@gmail.com



## VENDOR EXPERTS (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial Area Plot  
no:8895 unit 1

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** surgical face masks

**Capacity** 90,000,000 masks per day

**Annual Production** The project is at  
commissioning stage

**Cumulative number of jobs** 7

**New Jobs created** 7

**Facilitation provided during the  
planning period** Facilitation for licensing,  
environmental management plan

**Contacts** Mr. Tshepang Ramasankate  
+267 75365207

Email: ramasankatetm@gmail.com



SOURCE: INTERNET PICTURE

## DIVINE CALL (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial Area

**Ownership structure** 100% Citizen  
owned

**Type of investment** Domestic

**Type of products** Vacuum blood tubes

**Capacity** 15,000 tubes per hour

**Annual Production** Not operational

**Cumulative number of jobs** 7

**New Jobs created** 7

**Facilitation provided during the  
planning period** Facilitation for

operational space, BOMRA  
certification.

**Contacts** Mr. Charles Seisa

+267 77527761

Email: charleyseisa@gmail.com



## Food Processing

In addition to the two companies that exist in the food processing sub-sector, SPEDU facilitated six (6) more companies to set up in the Region. The total investment for the companies is Twenty Million, eighty-Five Thousand and Nine Hundred and sixty-Four Pula (P20,085,964). The new employment achieved during the planning period was Fifty-seven (57) and the accumulated number of jobs in the sub-sector is one hundred and eight-one (181).

## MANEBLOCKS (PTY) LTD

### Physical Address

Selebi-Phikwe Industrial Area

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Sorghum meal, Samp and Tsabana

**Capacity** 32,000 tonnes annually

**Annual Production** 32,000 tonnes

**Cumulative number of jobs** 124

**New Jobs created** 0

**Facilitation provided during the planning period** Project monitoring, technical advisory, sourcing of raw materials

**Contacts** Modise Jeremiah (Managing Director)  
+267 74275526/72200933  
Email: modisejeremiah@yahoo.com



## KOHITA (PTY) LTD

### Physical Address

Bamangwato Estate, Block 1 & 2 Plot no: 8922

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Sorghum, Ntlatlawane

**Capacity** 1,000 tonnes annually

**Annual Production** 1,000 tonnes

**Cumulative number of jobs** 5

**New Jobs created** 5

**Facilitation provided during the planning period** Project monitoring and market access

**Contacts** Hillary Keodirile (Managing Director)  
+267 71454105/ 2610114  
Email: hillarykeodirile01@gmail.com



## AFRIOILS (PTY) LTD

**Physical Address**

Phikwe Industrial, Plot no:8844

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Sunflower cooking oil, animal feed

**Capacity** 10,000 litres of sunflower cooking oil, 5ton animal feed a day

**Annual Production** 360,000 litres of sunflower cooking oil

1,800 tons of animal feed

**Cumulative number of jobs** 13

**New Jobs created** 13

**Facilitation provided during the planning period** Project monitoring, application for incentives, sourcing of raw materials and market access

**Contacts** Mr Gilbert Thomas

+267 74170148

Email: [tbgilbert@afrioils.com](mailto:tbgilbert@afrioils.com)



## FLIDOF CLEAR (PTY) LTD

**Physical Address**

Phikwe industrial,Plot no: 8845

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Maize meal

**Capacity** 500kg/hr

**Annual Production** 840 tons

**Cumulative number of jobs** 10

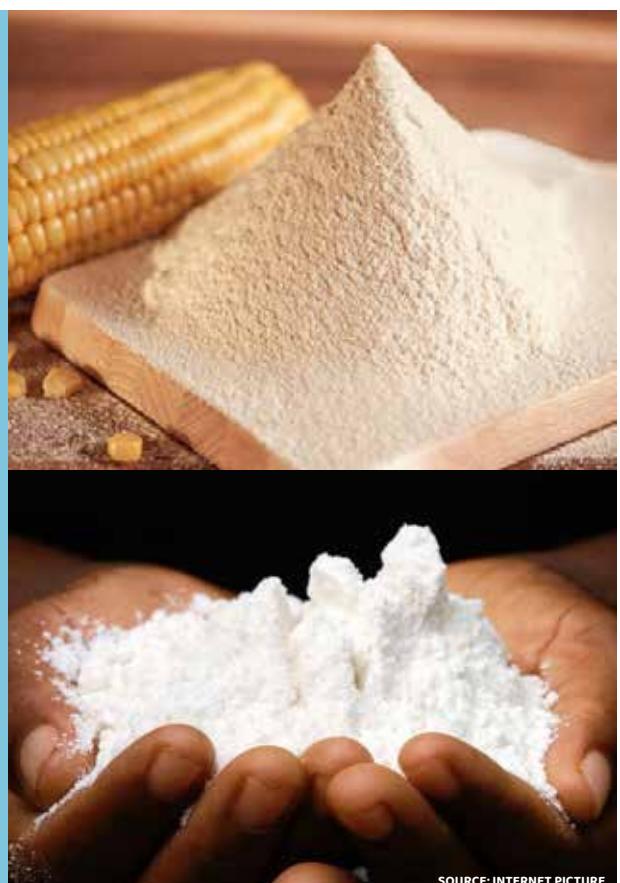
**New Jobs created** 10

**Facilitation provided during the planning period** Project monitoring, application for incentives, market access

**Contacts** Mr. Bakang Oeme

+267 72154011/ 76667080

Email: [grainsesigo@gmail.com](mailto:grainsesigo@gmail.com)



SOURCE: INTERNET PICTURE

## SANCTIFIED DELIGHTS (PTY) LTD

**Physical Address**

Bobonong, Dandane ward

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Confectionary (Bakery)

**Capacity** 1800 products daily

**Annual Production** 21,600 products (loaves, buns, moso)

**Cumulative number of jobs** 9

**New Jobs created** 9

**Facilitation provided during the planning period** Market access and project monitoring

**Contacts** Botsile Tshepo Moreba  
+267 74717890

Email: botsimorn@gmail.com



SOURCE: INTERNET PICTURE

## SUPA GINJA (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial, Old Sefalana building, plot no: 8802

**Ownership structure** 100% Citizen owned

**Type of investment** FDI

**Type of products** Beverage

**Capacity** 396,000 x 500g sachet per month

**Annual Production** Commissioning

**Cumulative number of jobs** 10

**New Jobs created** 10

**Facilitation provided during the planning period** Operational space, work and residence permit

**Contacts** Mr. Nelis Goosen  
+27 8338 78750  
Email: glen@supaginja.com



SOURCE: INTERNET PICTURE

## IGRIND (PTY) LTD T/A ARROWS PREMIUM

**Physical Address**

Plot no: 4257, unit 2, Selebi-Phikwe  
Industrial

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Rice Packaging

**Capacity** 220ton monthly

**Annual Production** 2640 tons

**Cumulative number of jobs** 6

**New Jobs created** 6

**Facilitation provided during the planning period** Market access, Incentives

**Contacts** Ms. M. Mhaladi

+267 2610030

Email: arrozpremium.co.bw



## CALSYED (PTY) LTD

**Physical Address**

Plot no: 2701, unit 2, Industrial site.

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Peanut butter

**Capacity** 151,632 litres monthly

**Annual Production** 151,632 litres (1 month)

**Cumulative number of jobs** 24

**New Jobs created** -

**Facilitation provided during the planning period** Incentives, market access

**Contacts** Ms. Mmabatho Tangane

+267 78020433/72962522

Email: tanganem@gmail.com



## Construction Industries

SPEDU continued to facilitate one (1) company in this sub-sector. The company does not have any new jobs but continues to expand.

### TM & M2 (PTY) LTD

#### Physical Address

Selebi-Phikwe Industrial Area, Plot no:12511

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Concrete products e.g. bricks and pavers

**Capacity** 15,000 stock bricks per day

**Annual Production** 7,000 bricks

**Cumulative number of jobs** 10

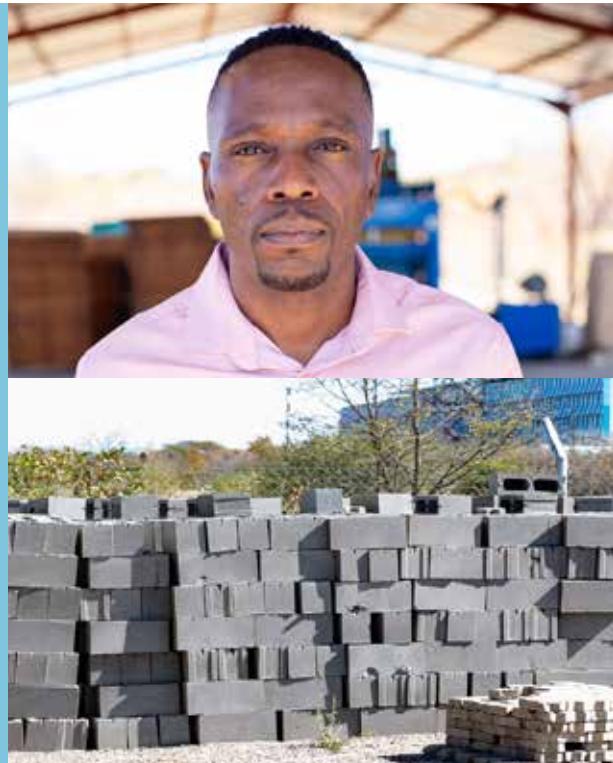
**New Jobs created** 0

**Facilitation provided during the planning period** Application for incentives, access to funding and power connection

**Contacts** Mr. Mandla Molebatsi

+267 75403223

Email: tmandm2@yahoo.com



## Chemical Industries

SPEDU continued to facilitate three (3) companies in this sub-sector. The total investment for the chemical industries is Three Million, Three Hundred and Thirty Thousand and seven Hundred and Ninety-five (P3,330,795). While the cumulative employment created is Seventeen (17) while Fourteen (14) new jobs were created under the current financial year.

### Touch Melt (Pty) Ltd

#### Physical Address

Selebi-Phikwe Industrial Area, Plot 8895

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Paint

**Capacity** 40,000litres monthly

**Annual Production** 480,000litres

**Cumulative number of jobs** 9

**New Jobs created** 2

**Facilitation provided during the planning period** Incentives, market access and project monitoring

**Contacts**

Mr Dumelang Nadisa

+267 71499689

Email: touchmeltinvestment@gmail.com



## MAKGABANA CIVIL T/A MR &MRS CHEM

**Physical Address**

Selebi-Phikwe Industrial Area, Tyre  
World, Plot no:2722 unit 7

**Ownership structure** 100% Citizen  
owned

**Type of investment** Domestic

**Type of products** Cleaning chemicals

**Capacity** 10,000 litres per month

**Annual Production** 12,000 litres

**Cumulative number of jobs** 5

**New Jobs created** 5

**Facilitation provided during the  
planning period** Market access

**Contacts** Thato Kgwatalala

+267 74246223

Email: makgabanacw@gmail.com



## ANGLE VIEW (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial Area, Plot no:  
8838, unit 3

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Cleaning chemicals

**Capacity** 240,000 litres annually

**Annual Production** 240,000 litres

**Cumulative number of jobs** 3

**New Jobs created** 0

**Facilitation provided during the planning  
period** Market access

**Contacts** Mr. Maipelo Morapetsane  
+267 72214347

Email: angleviewgroup@gmail.com



## Packaging Industries

The sub-sector registered two (2) companies during the year under review. One (1) company is expected to start operating in 2022-2023 financial year while the other one (1) is now operational. Two Million, Five Hundred and Thirty-Six Thousand, Seven Hundred and Ninety-Five Pula (P2,536,795) was invested in the sub-sector during the year under review. The total number of five (5) jobs were created.

### PACKAGE PRECISION (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial Area Plot no:8900

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Package boxes

**Capacity** 1126 tonnes per annum

**Annual Production** Not yet operational

**Cumulative number of jobs** 0

**New Jobs created** 0

**Facilitation provided during the planning period** Facilitation for operational space, access to funding.

**Contacts** Ms. Agnes Mosenene

+267 71304741

Email: setsospider@gmail.com



### ZAUWA HOLDINGS (PTY) LTD

**Physical Address**

Plot no: 2723, unit 6 Selebi-Phikwe Industrial

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Paper bags

**Capacity** 30,240,000 bags per month

**Annual Production** 880,000 bags

**Cumulative number of jobs** 6

**New Jobs created** 5

**Facilitation provided during the planning period** Work and residents permits,

**Contacts** Boniface Jenamo

+267 74418457

Website: [www.zauwaecobags.com](http://www.zauwaecobags.com)



SOURCE: INTERNET PICTURE

## Air separation

SPEDU continued with the facilitation for the establishment of the air separation plant in Selebi-Phikwe. The investment for this plant is at Eight Million, Eight Hundred and Thirty-Seven Thousand, Five Hundred Pula (P8,837,500) during the 2021-2022 reporting year. The plant is envisaged to create employment in the year 2022-2023.

AIR  
SEPARATION

## OXYGEN GASES (PTY) LTD

### Physical Address

Selebi-Phikwe Industrial Area

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Oxygen gas, Nitrogen

**Capacity** 14,995 tons of different gasses

**Annual Production** At construction stage (not operational)

**Cumulative number of jobs** 5

**New Jobs created -**

**Facilitation provided during the planning period** Incentives, facilitation for building permits, access to funding..

**Contacts** Mr. Keamogetse Molebatsi +26772533528

Email: kmolebatsi@oxygas.co.bw



## Metal Fabrication and Jewelry

This sub-sector registered two (2) companies in the year 2021-2022. These companies have already invested a total of Eighteen Million, One Hundred and seventy Thousand Pula (P18,170,000) in the establishment of the businesses. The employment is currently at three (3) with prospects of a significant growth in the year 2022-2023. The performance of the companies is presented as follows:

METAL FABRICA-  
TION AND JEWELRY

## STAHLDORWIN (PTY) LTD

### Physical Address

Selebi-Phikwe Industrial Area, Plot no: 8899,unit 2

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Window and door frames

**Capacity** 400 door frames per day and 150 window frames per day

**Annual Production** Not yet operational

**Cumulative number of jobs** Not operational

**New Jobs created -**

**Facilitation provided during the planning period** Application for incentives and general start up issues, upgrading of electricity

**Contacts** Mr Thari Ntshole

+26774466066

Email: tharin@stahldorwin.com



**Cosmetics Industries**

SPEDU continued with facilitation of one (1) company in this sub-sector. The company produces cosmetic oil from morula nuts.

## WILD MARULA (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial, Plot no: 8900, Unit C

**Ownership structure** Foreign +Citizen owned

**Type of investment** Domestic

**Type of products** Essential and cosmetic oil

**Capacity** 20 tonnes of oil annually

**Annual Production** 20tonnes

**Cumulative number of jobs** 22

**New Jobs created** 0

**Facilitation provided during the planning period** Applications for incentives, facilitation for land

**Contacts** Ms Melanie Jensen

+267 75507629

Email: erikaklopper@outlook.coml.com



SOURCE: INTERNET PICTURE

## Bio-Fuel Industries

In the Bio-Fuels sub-sector, SPEDU facilitated one (1) company, a value chain company that came to being as a result of the citrus project. The company is not yet operational but has invested a total of Two Million, Six Hundred and Forty-Four Thousand and Eighty-Two Pula (P2,644,082) on machinery.

## BIO- CARBON AFRICA (PTY) LTD

### Physical Address

Mannaesi Farm

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Charcoal and charcoal briquettes

**Capacity** 1.1tons charcoal briquettes / day, 5tons charcoal per day

**Annual Production** Not operational

**Cumulative number of jobs** 2

**New Jobs created** 2

**Facilitation provided during the planning period** Work and residents permits, facilitation for DEA applications

**Contacts** Daniel Botha

+267 76563387/72827915

Email: botha.danny@gmail.com



SOURCE: INTERNET PICTURE

## Home accessories

SPEDU continued to facilitate two (2) companies in this sub-sector. The companies' investment is One Million, Three Hundred and Twenty-Six Thousand, Seven Hundred and Twenty Pula (1,326,720). The companies are setting up and expected to be operational by 2022-2023 planning period. The performance of the companies is as follows;

## MAPHILL STAN CONSORTIUM (PTY) LTD

### Physical Address

Still looking for operational space

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Wooden toothpick

**Capacity** 1,267,200,000 annually

**Annual Production** Not operational

**Cumulative number of jobs** 1

**New Jobs created** 0

**Facilitation provided during the planning period** Facilitation for operational space

**Contacts** Stanley Phillipon

+267 77755547



SOURCE: INTERNET PICTURE

## SLAE MANUFACTURERS (PTY) LTD

**Physical Address**

Selebi-Phikwe Industrial, Plot no: 8922

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Tissue manufacturing

**Capacity** 5,600 toilet paper rolls monthly

**Annual Production** Not operational

**Cumulative number of jobs** 1

**New Jobs created** 0

**Facilitation provided during the planning period** Facilitation for operational space,

Licensing

**Contacts** Gaone Garekwe

+267 71604491/ 71405978

Email: [ggarekwe@slae.co.bw](mailto:ggarekwe@slae.co.bw)



# AGRI-BUSINESS SERVICES

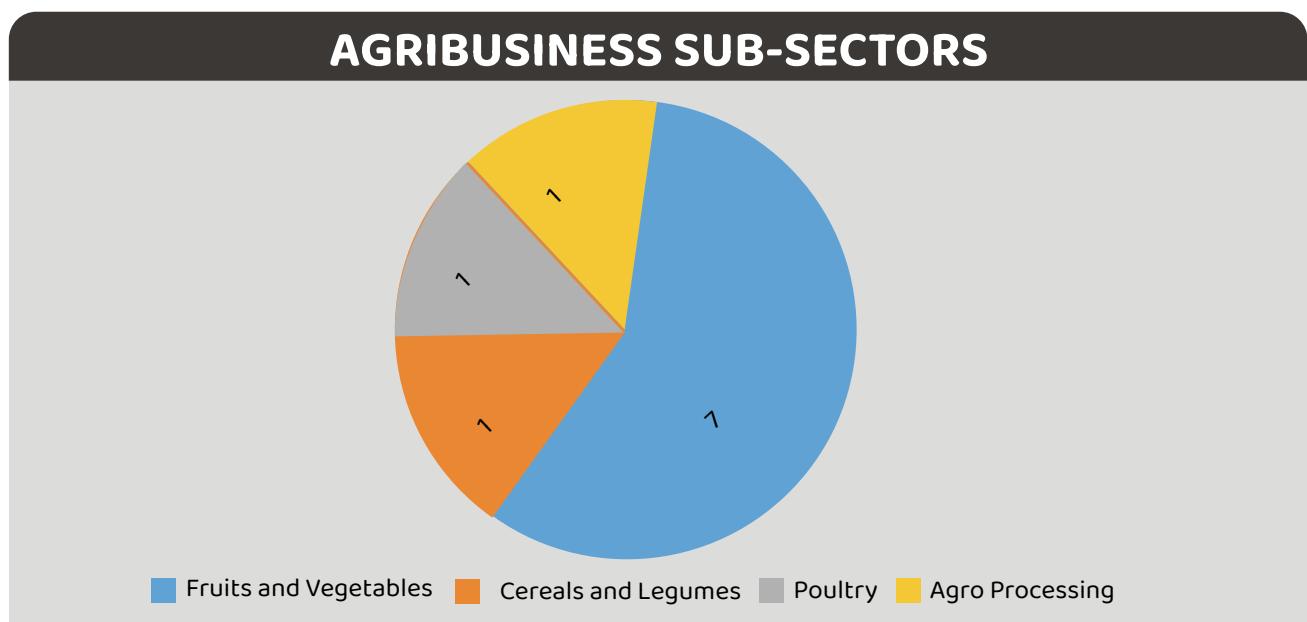
The Agribusiness Function is mandated to facilitate all agricultural enterprises that establish in the SPEDU Region. The function is responsible for monitoring all projects being facilitated across the Agriculture value chain.

During the financial year 2021-2022 thirteen (13) projects were facilitated under the agriculture sector and they were at various stages of implementation. These projects were from different agriculture sectors such as horticulture, poultry and agro processing.



The pie-chart below shows sectors found in agribusiness:

**Figure 9**



## Fruit and Vegetable Production

There were seven (7) companies that were facilitated under fruits and vegetables sub-sectors compared to the five (5) facilitated in the previous reporting year. The total investment in the sub-sectors was Two Hundred Forty-Four Million Pula (P244 Million) compared to Two Hundred Forty-One Million Pula (P241 Million) in the previous year. A total of 16 338 tonnes fruit and vegetables was achieved compared to 2415 tonnes during 2020/2021. The performance of the sub-sectors during the year is presented follow:

### BROKENHILL INVESTMENTS (PTY) LTD

#### Physical Address

Two Rivers Farm, Tuli Block

**Ownership structure** 100% Citizen owned

**Type of investment** Domestic

**Type of products** Citrus fruits, Onions, Beetroots, Mango

**Capacity** 800 tons citrus fruits, 510 tons onions, 400 tons beetroots, 35 tons mango per year

**Annual Production** 381 tons beetroot, 464 tons onion, 268 tons Citrus fruits

**Cumulative number of jobs** 73

**New Jobs created** 23

**Facilitation provided during the planning period** Project Monitoring and Project funding

**Contacts** Jan Van Riet

+267 77400700

Email: [jeanvanriet@gmail.com](mailto:jeanvanriet@gmail.com)



### VEGI BLOCK (PTY) LTD

#### Physical Address

Thabane Farm, Tuli Block

**Ownership structure** Foreign owned

**Type of investment** FDI

**Type of products** Peppers, Potatoes, Tomatoes, Watermelons, Onion.

**Capacity** 95 tons Peppers, 2100 tons, Potatoes, 400 tons Tomatoes, 265 Watermelons, 1200 tons Onion annually

**Annual Production** 1812 tons Potatoes, 895 tons onion, 398 tons tomatoes, 228 tons watermelon, 82 tons peppers.

**Cumulative number of jobs** 310

**New Jobs created** 164

**Facilitation provided during the planning period** Project Monitoring

Acquisition of Agro chemical import permit, Importation of agro chemicals and Export facilitation

**Contacts** Frederick Versfeld

+267 74835322

Email: [vegiblock@gmail.com](mailto:vegiblock@gmail.com)



## TSARONA (PTY) LTD

**Physical Address**

Lotsane Irrigation Scheme, Maunatlala

**Ownership structure** Foreign owned

**Type of investment** FDI

**Type of products** Lucerne, green mealies and sugar beans

**Capacity** 570 tons lucerne , 300 tonnes green mealies, 180 tonnes sugar beans per year.

**Annual Production** 200 tons lucerne

**Cumulative number of jobs** 47

**New Jobs created** 7

**Facilitation provided during the planning period** Project Monitoring; Access to irrigation water Electricity connection; Import permits for agrochemicals and seeds

**Contacts** Mr Nicolaas Jacobus  
+27 828675829



## SELEBI-PHIKWE CITRUS PROJECT

**Physical Address**

Mannaesi Farm, Selebi-Phikwe

**Ownership structure** Foreign owned

**Type of investment** FDI

**Type of products** Oranges, Grapefruit, Mandarin and lemons

**Capacity** 90 000 tons per annum

**Annual Production** Harvest expected in the year 2024

**Cumulative number of jobs** 277

**New Jobs created** 211

**Facilitation provided during the planning period** Project Monitoring

Access to irrigation water

Importation of farm implements and inputs.

**Contacts** Johan Van Vuren  
+267 75374023  
Email: operations@sphikwecitrus.com



## KWADIWA ORCHARD

### Physical Address

Kwadiwa Ranch, Tuli Block

### Ownership structure

Foreign owned

### Type of investment

Domestic

### Type of products

Oranges

### Capacity

2500 tons per annum

### Annual Production

Harvest expected in

the year 2024

### Cumulative number of jobs

37

### New Jobs created

12

### Facilitation provided during the

### planning period

Project Monitoring,

Importation of farm implements and

inputs. Acquisition of Water rights

### Contacts

Arno De Beer

+267 74302555

Email: [admin@kwadiwaranch.com](mailto:admin@kwadiwaranch.com)



## JP ROOS VEGETABLES

### Physical Address

Sherwood, Tuli Block

### Ownership structure

Citizen Owned

### Type of investment

Domestic

### Type of products

Potatoes, carrots,

tomato

### Capacity

5250 tons potatoes, 810 tons

carrots, 700 tons tomato

### Annual Production

4391 tons Potatoes,

689 tons carrots , 650 tonnes.

### Cumulative number of jobs

212

### New Jobs created

51

### Facilitation provided during the

### planning period

Project Monitoring

Regional incentives

Export facilitation

### Contacts

JP Roos

+26772840962

Email: [jproosvegetables@gmail.com](mailto:jproosvegetables@gmail.com)



SOURCE: INTERNET PICTURE

## AFRICAN RANCHES 5

**Physical Address**

Stevensford Ranch, Tuli Block

**Ownership structure** Citizen Owned

**Type of investment** Domestic

**Type of products** Potatoes, onions, oranges

**Capacity** 7700 tons potatoes, 840 tons onions, 4320 tons oranges

**Annual Production** 3668 tons potatoes, 626 tons onions, 1625 tons oranges

**Cumulative number of jobs** 188

**New Jobs created** 38

**Facilitation provided during the planning period** Project Monitoring, Work and import Permits

**Contacts** Annah Louise Schoeman  
+27 834150320

Email: schoeman@intekom.co.za



## SURICATA GARDENS

**Physical Address**

Tuli Block, Near Moletemanne

**Ownership structure** Foreign owned

**Type of investment** Domestic

**Type of products** Tomato, oranges, butternuts

**Capacity** 80 tons tomatoes, 40 tons butternuts, oranges 600 tons

**Annual Production** 63 tons tomatoes, 25 tons butternuts

**Cumulative number of jobs** 12

**New Jobs created** 12

**Facilitation provided during the planning period** Acquisition of survey diagrams for the plot

**Contacts** Darrin Frost  
+267 71603176  
Email: darrinfrost@mts.co.bw



SOURCE: INTERNET PICTURE

## TULI GREENS (PTY) LTD

**Physical Address**

Gosiame Ranch, Tuli Block

**Ownership structure** Citizen owned

**Type of investment** Domestic

**Type of products** Beetroot, Cabbage, Rape, Butternut, green pepper

**Capacity** 15 tons Beetroot, 122 tons Cabbage, 20 tons Rape, 13 tons Butternut, 8 tons green pepper.

**Annual Production** 9 tons Beetroot, 40 tons Cabbage, 9 tons Rape, 7.5 Butternut, 3tons green pepper

**Cumulative number of jobs** 6

**New Jobs created** 6

**Facilitation provided during the planning period** Facilitation for NDB funding

**Contacts** Onalethata Moalaosi

+267 71311835

Email: tuligreens@gmail.com



SOURCE: INTERNET PICTURE

### Cereals and Legumes

Under this sub-sector there is one (1) company that continued to be the sole player producing cereals and legumes.

## KWENANTLE FARMERS

**Physical Address**

Talana Farm, Tuli Block (Northern Tuli)

**Ownership structure** Partnership between citizen and non-citizen

**Type of investment** Domestic and FDI

**Type of products** Maize and sugar beans

**Capacity** 9000 tons maize, 1250 tons sugar bean

**Annual Production** 7123 ton maize and 1008 tons Sugar bean

**Cumulative number of jobs** 193

**New Jobs created** 97

**Facilitation provided during the planning period** Project Monitoring, Market access

**Contacts** Lembie Tlhalerwa

+267 75836482

Email: lembie@kwenantle.co.bw



## Agro-Processing

This sub-sector focuses on the horticulture value chain which involves processing of different processed horticulture by-products.

### NATIONAL AGRO PROCESSING PLANT (NAPRO)

#### Physical Address

Selebi-Phikwe Industrial, Unit 1 Plot no:11272

**Ownership structure** Government owned

**Type of investment** Domestic

**Type of products** Tomato sauce, pickled vegetables and achar

**Capacity** 1008 tons per year

**Annual Production** 80.64 tons

**Cumulative number of jobs** 40

**New Jobs created** 0

**Facilitation provided during the planning period** Project Monitoring

Incentive application Market access

**Contacts** +267 2611239

AGRO-  
PROCESSING



## Poultry production

SPEDU facilitates one (1) of the largest players in the poultry industry in Botswana involved in the production of broiler chickens.

### RICHMARK CHICKEN (PTY) LTD

#### Physical Address

Moletemane

**Ownership structure** Foreign owned

**Type of investment** Domestic

**Type of products** Chicken portions, chicken offals

**Capacity** 4320 tons per year

**Annual Production** 4320 tons

**Cumulative number of jobs** 300

**New Jobs created** 0

**Facilitation provided during the planning period** Project Monitoring

**Contacts** Joseph Choto

+267 72111465

Email: [jchoto@notwanepoultry.co.bw](mailto:jchoto@notwanepoultry.co.bw)

POULTRY  
PRODUCTION



## **Companies at Implementation Stage**

There were three (3) projects that were facilitated to set-up. These companies are about to start operation and their envisaged investment value is P45 Million.

### **LUCERNE FIELDS (PTY) LTD (LOTSANE IRRIGATION SCHEME)**

**Physical Address**

Lotsane Irrigation Scheme

**Ownership structure** Foreign owned

**Type of investment** Domestic

**Type of products** Carrots, beetroots

**Capacity** Maize 1800 tons and 500 tons per annum

**Annual Production** Not yet operation

**Cumulative number of jobs** 14

**New Jobs created** 14

**Facilitation provided during the planning period**

Acquisition of survey diagrams for the plot

**Contacts** Jan Stiglingh

+267 72591985

jan@lucernefields.net

### **KWENANTLE FARMERS (PTY) LTD (THUNE IRRIGATION SCHEME)**

**Physical Address**

Thune Irrigation Scheme

**Ownership structure**

Partnership between citizen and non-citizen

**Type of investment** Domestic

**Type of products** Maize, Sugar beans

**Capacity** 6000 tonnes Maize, 1000tons sugar beans

**Annual Production** 0

**Cumulative number of jobs** 10

**New Jobs created** 10

**Facilitation provided during the planning period**

Acquisition of survey diagrams for the plot Water contract

Pump station hand over

**Contacts** Lembie Tlhalerwa

+267 75836482

lembie@kwenantle.co.bw

### **MALALATAU STOP**

**Physical Address**

Molalatau

**Ownership structure**

Partnership between citizen and non-citizen

**Type of investment** FDI

**Type of products** Mango

**Capacity** 100 tons

**Annual Production** Harvest to be in the year 2024

**Cumulative number of jobs** 12

**New Jobs created** 12

**Facilitation provided during the planning period**

Acquisition of work permits for directors Extension of production land

**Contacts** Daniel Magwana  
73848411

# TOURISM AND SERVICES

The Tourism and Services function facilitates implementation of strategic projects and initiatives within the Tourism industry and services in the SPEDU Region. The opening up of movements of people has resuscitated the implementation of projects that had since been delayed and investment within the sector was minimal. In these sectors, SPEDU continued to facilitate three (3) projects that are at different stages of implementation. The report also provides an update on the Dam Tourism initiatives.



## SERVICES

SPEDU facilitated three (3) companies under the services sub-sector. This included the relocation of an Aviation company for its primary activities of the business to Selebi- Phikwe Airport by NGAP, Refurbishment of bus-taxi terminal and development of commercial centre by Nickel head and development of modern and sustainable recreational facilities, mall/office block by DHK Transport.

## NICKEL HEAD

### Physical Address

Selebi-Phikwe Plot no: 19252

### Ownership structure

Joint Venture

### Type of investment

Domestic and FDI

### Type of business

Commercial Shopping

Centre, with bus rank and market stalls

### Cumulative number of jobs

10

### New Jobs created

5

### Facilitation provided during the

#### planning period

- Lease with SPTC
- Title deed acquisition

• Project Concession Agreements

• Facilitation approval of Drawing Plans

For the Mall

### Contacts

Mark Alexander +267 74626485

Masego Shabane +267 72159270

Email: nickelhead2017@yahoo.com



SOURCE: INTERNET PICTURE

## AVIATION INVESTMENT DEVELOPMENT COMPANY (PTY) LTD/ NGAP

### Physical Address

Selebi-Phikwe Airport

### Ownership structure

100% Citizen owned

### Type of investment

Domestic

### Type of business

Aviation Academy, Air Taxi Flights,

Cargo Flights, Tourism Scenic Flights, Transfer Flights

### Cumulative number of jobs

20

### New Jobs created

0

### Facilitation provided during the

#### planning period

- Relocation from Gaborone to S/Phikwe
- Accreditation with BQA
- Lease from CAAB
- Currently facilitating NGAP to get sponsored student from Botswana Government.

### Contacts

Mr. Darryl Ellitson

+267 72312156

Email: darryl.ellitson@aide.wiki



SOURCE: INTERNET PICTURE

**Dam Tourism**

SPEDU in partnership with Botswana Tourism Organisation (BTO) developed initiatives to diversify tourism through Dam Tourism in the Region. The need to provide bulk infrastructure which is reliant on availability of funding has delayed project implementation, however progress made this far is as follows:

DAM	SUB-SECTOR
Letsibogo Dam	Tender Evaluation Stage
Thune Dam	Tender Evaluation Stage
Dikgatlhong Dam	Development of Strategic Environmental Assessment (SEA)

# INFRASTRUCTURE DEVELOPMENT AND REAL ESTATE

The function of Infrastructure Development and Real Estate is tasked to oversee infrastructure based projects to create a conducive business environment. Under this sector SPEDU manages Government funded projects through the land servicing program of the Ministry Land and Water affairs and the EU Re-Employment Account. During the reporting period the following six (6) projects were facilitated.



1. **Engineering consultant for development of concept design, tender documentation, tender management for procurement of design and build contractor, design review and construction of phase I infrastructure and design of phase II infrastructure.** This project was awarded to NMA Consulting in March 2019 at a contract sum of BWP 31,192,032.88. The start date of the project was on 01/02/2019, with the scheduled completion date of 24/10/2023. The physical status of the project is at 41% progress.
2. **The Environmental Services Contract for development of Environmental Management Plan (EMP) for Phase I and Environmental Impact Assessment (EIA) for Phase II and EIA Monitoring during Construction.** This project was awarded to Vector Development at a contract sum of BWP 12,501,819.36. The start date of the project was on 05/08/2019, while the expected completion date is 24/10/2023. The physical status of the project is at 39% progress achieved.
3. **A service contract for consultancy services for Groundwater Investigation and Development in the SPEDU Region.** This project involves Engineering Services Contract for siting, drilling and pump testing, of fifteen (15) exploration and thirty (30) production boreholes from Bobonong, Lerala and Sefhare aquifers or any other identified source. The tender was awarded to Vector Development at a contract sum of BWP 19,254,069.88. The project start date was on the 17/10/2019, while the completion date has been planned for 28/08/2024. The physical status of the project is at 48% progress achievement.
4. **Mathathane - Platjaan Border Post Road (30km).** The proposed access road project is a complementary infrastructure following the completion of the Platjaan Bridge in November 2019. The project was funded by the European Union through the Sysmin - Re Employment Account. The estimated total cost of the project is BWP P490 Million and estimated to be completed in December 2026. The Planning Documents (Project Execution Plan, Project Charter, Master Schedule & Tender Documents) have been developed and awaiting disbursement of funds from Ministry of Finance and Economic Development. The project is divided into three components as follows:
  - **Engineering designs and construction supervision of Mathathane- Platjaan border post road (30KM).** An Engineering Consultant (Open Domestic Bidding) will be engaged for the scope detailed below;
 

**Scope:** Develop Conceptual Design for Mathathane - Platjaan Border Post Road, Preliminary Designs, Detailed Designs, Tender Documentation and Management and Defects Notification Period (DNP).

**Estimated Duration:** 52.75 Months inclusive of Construction Supervision and DNP.
  - **Environmental Impact Assessment (EIA) study and EMP monitoring during construction of Mathathane-Platjaan border post road (30KM).** An Environmental Consultant will be engaged (Open Domestic Bidding -100% wholly citizen owned) to conduct EIA study, EMP and monitoring during construction;
 

**Estimated Duration:** 47 Months inclusive of monitoring of EMP and DNP
  - **Construction of Mathathane-Platjaan border post road 30KM.**

**Scope:** Implement the project based on the design output as approved by client from the Engineering Consultant contracted.

**Estimated Duration:** 24 Months

The project further has the following components:

- **Development of Abstraction points along Motloutse River for Agriculture use within SPEDU Region.** This project involves Engineering Services which extends along the Motloutse River from Mmadinare to Motlhabaneng, covering a total straight-line length of approximately 140Km. The project was awarded to Water Resources Consultants at a contract sum of BWP 31,948,448.00. The project started on the 28/08/2020, while the completion date is 07/10/24. The physical status of the project is at 35% progress achieved.

- **A consultancy services contract for an environmental assessment for the design and development of Molabe and Mothwane dams and abstraction points for Motloutse river for SPEDU agricultural use.** Geoflux (PTY) LTD was awarded this project at a contract sum of BWP 16,025,697.20. The project started on 04/08/2020, while the completion date is 07/12/2023. The physical status of the project is at 21% project progress.

## CHALLENGES AND INTERVENTIONS

Project implementation was affected by a number of factors. The following challenges were experienced during the year:

- i) Inadequate Utilities & Services:** There is inadequate power supply in the Senwelo Old Industrial area to support power demands by investors/tenants in factory shells. SPEDU engaged with Botswana Power Corporation ("BPC") to develop a holistic approach to upgrading BPC infrastructure to meet the power demand for manufacturing industries. An assessment was done and BPC is exploring means of upgrading power in the affected areas.
- ii) High tariffs of utilities and services** negatively affect businesses in the SPEDU Region to connect and operate their daily business activities. The maximum power demand affects profitability of both manufacturing and agricultural projects.
- iii) Inadequate Factory Shells:** There is inadequate serviced production areas or factory shell space for companies that have shown interest to set up in the SPEDU Region. SPEDU seeks investment into Infrastructure Development and Real Estate in order to increase the factory shells in the Region.
- iv) Political instability:** Riots in neighbouring South Africa and the Russia/Ukraine war delayed shipment of machinery and raw materials. This resulted in delayed implementation of projects as well as shipment of raw materials in to the country.
- v) Shortage of raw materials locally:** Most businesses rely on imported raw materials and there has been an escalation of prices during the year. Promoters require additional funding to procure raw materials in bulk to sustain continuity in production.



# COMMUNITY ECONOMIC FACILITATION

SPEDU mandate further promotes citizen economic empowerment through participation of communities, led by Community Based Organisations (CBOs) aimed at improving community livelihoods within the SPEDU Region.



Community economic facilitation involves identification and implementation of projects, coordination of strategic and technical partnerships, funding opportunities, resource mobilisation, capacity building and market access. Community projects in the SPEDU Region contribute towards employment creation, income generation, community development, national food security, youth and women empowerment.

During the reporting period, SPEDU facilitated a total of twenty-six (26) Community Based Organisations (CBOs) under the key sectors of Agri-business, Manufacturing and Tourism & Services. These CBOs comprised of nine (9) Community Development and Conservation Trusts, eight (8) Cooperative Societies, three (3) Associations and six (6) Groups. From the twenty-six (26) CBOs under facilitation, a total of seventeen (17) projects were realised for implementation.

Community Economic Facilitation Department executed its mandate through collaborations with strategic and technical partners which included the following; Ministry of Agricultural Development and Food Security, Department for Cooperative Development, Bobirwa Sub District, Botswana Tourism Organisation, Technical Advisory Committees (Palapye Administration Authority and Bobirwa Sub District), Selebi Phikwe Town Council, Dikgosi, Village Development Committees, Village Extension Teams, Mmadinare Sub Land Board, Bobonong

Sub Land Board, Maunatlala Sub Land Board, Kalahari Conservation Society and Local Enterprise Authority.

Community projects are faced with challenges which hinder their implementation and progress. The challenges include but are not limited to; lack of project funding, under-utilisation of resources (e.g. land), mismanagement of funds, lack of business expertise, minimal youth participation, lack of commitment and spirit of volunteerism.

The Company continues to facilitate these Organisations to source funds from potential donor and funding agencies in the financial year 2021/2022, SPEDU facilitated thirteen (13) organisations to apply for project funding; one (1) CBO applied for funding from Japanese Embassy; four (4) from US Embassy's Self-Help Program, and eight (8) from First National Bank of Botswana Foundation.

To mitigate some of the above challenges, SPEDU provides Capacity building and trainings for the CBO members. The trainings provided seek to increase the business acumen, capacity to assume leadership, fiscal management, ability to identify and exploit business opportunities in their localities.

## 1. BOTSHETO LEUNGO YOUTH CLUB

A youth group based in Maunatlala.

**Location of Project:** Maunatlala

**Project:** Poultry (Layer Production)

**Capacity:** 250 eggs/day

**Number of members:** 12

**Completed Facilitation:** Acquisition of land, development of constitution, registration, sourcing of funding for project implementation

**Current Facilitation:** Development of business plan, funding, connection of water to site, market access, application for funding

**Training:** Egg Production

**Funding:** BWP 170 000.00

**Contact:** +267 77127730 / +267 77597050



## 2. KGAGODI DEVELOPMENT ASSOCIATION

An association based in Kgagodi.

**Location of Project:** Kgagodi

**Project:** Horticulture Production (vegetables)

**Capacity:** 20 tons/ha

**Size of Plot:** 2ha

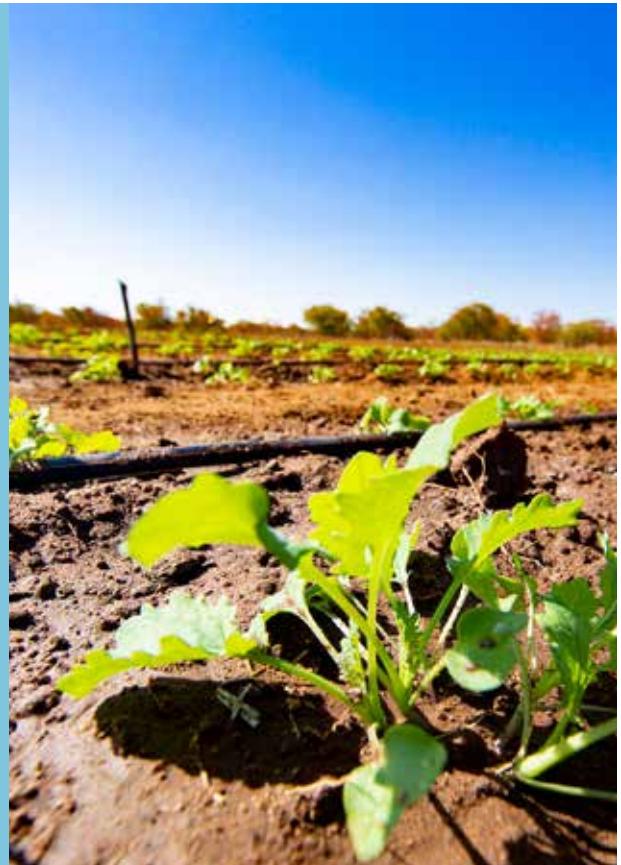
**Completed Facilitation:** Acquisition of water rights documentation, development of business plan, sourcing of funding

**Current Facilitation:** Implementation of horticulture project, technical support in collaboration with Ministry of Agriculture and Food Security, training and market access  
Capacity Building: Horticulture Production

**Training:** Cluster Development Models

**Funding:** BWP 230 000.00

**Contact:** +267 74 896 135 /  
+267 72 145 855



## 3. MAPANDA COMMUNITY CONSERVATION TRUST

**3.1 A Community Conservation Trust for Lepokole village.**

**Location of Project:** Lepokole

**Project:** Brick Moulding and Hardware

**Current Facilitation:** Application for extension of plot and borehole, development of business plan, market feasibility and sourcing of funding

**3.2 Nature Reserve**

**Location:** Lepokole

**Project:** Nature Reserve

**Current facilitation:**

Application of borehole for water supply to the site,

**Training:** Inducting of Board of Trustees

**Contact:** +267 77 442 859 /  
+267 76 118 139



## 4. MOLEMA COMMUNITY TRUST

Community Trust for the villages of Motlhabaneng, Lentswelemoriti and Mathathane (MOLEMA)

### 4.1 Thune Dam Irrigation Scheme

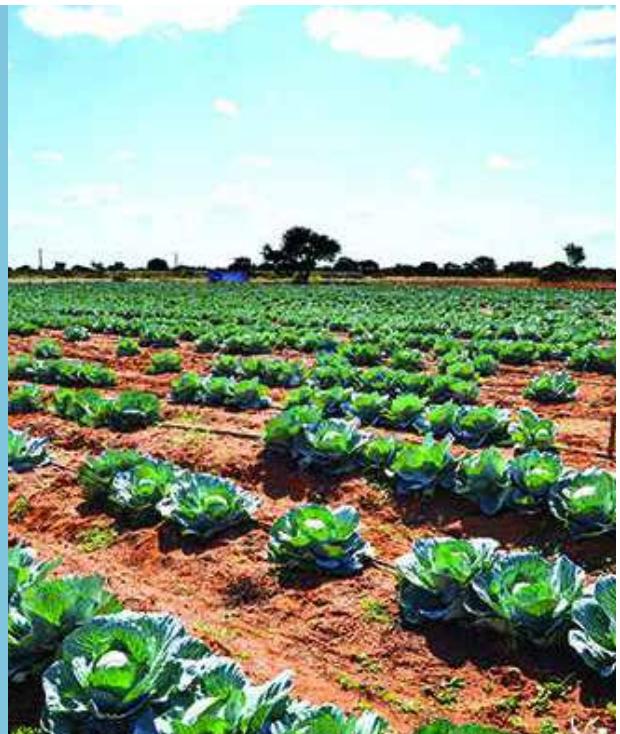
**Location:** Mathathane

**Project:** Horticulture

**Size of Plot:** 105ha

**Completed Facilitation:** Acquisition of land, community mobilisation and development of business model

**Current Facilitation:** Identification of an investor, fencing and land clearing



### 4.2 Makadibeng Horticulture Project

**Location:** Makadibeng

**Size of Plot:** 2 ha

**Project:** Horticulture

**Current Facilitation:** Application for development of water source from Motloutse river.



SOURCE: INTERNET PICTURE

## 5. LOTSANE TRUST

A trust which comprises of Maunatlala, Mosweu, Mokokwana, Lesenepole and Seolwane Villages.

**Location:** Maunatlala

**Project:** Horticulture

**Size of Plot:** 80ha

**Facilitation:** Acquisition of land, development of constitution, community mobilisation, registration of the Trust and development of business model.



SOURCE: INTERNET PICTURE

## 6. MMADINARE DEVELOPMENT TRUST

**Project:** Bee Keeping  
**Location:** Mmadinare  
**Size of Plot:** 1 646 m<sup>2</sup> land  
**Completed Facilitation:** Development of business proposal,  
**Current Facilitation:** project Funding  
**Training:** Inducting of Board of Trustees  
**Contact:** +267 74 264 352



## 7. MANALEDI DEVELOPMENT TRUST

**Project:** Pottery and Ceramics  
**Location:** Manaledi  
**Facilitation:** Regularisation of the Trust, Development of business proposal and implementation plan, Sourcing of funding  
**Funding:** BWP 100 000.00  
**Contact:** +267 77 667 690



## 8. LETHUDI MULTIPURPOSE CO-OPERATIVE

A multi purpose co – operative constituted by eighteen (18) fish harvesters from Dikgatlhong, Letsibogo and Thune dams.

**Location:** Thune, Letsibogo and Dikgatlhong dams  
**Number of Members:** 18  
**Project:** Fish harvesting  
**Completed Facilitation:** Community Mobilisation, development of feasibility study and bye laws, registration of co-operative  
**Current Facilitation:** Development of business plan, Sourcing of funding  
**Training:** Business Management Cooperative Business Model  
**Contact:** +267 74 715 079



## 9. FLOWERS AND ORNAMENTALS

A group of women in Selebi-Phikwe involved in the production of flowers and ornamental plants.

**Location:** Selebi-Phikwe

**Number of Members:** 10

**Project:** Flowers and Ornamentals

**Current Facilitation:** Mobilisation, development of feasibility and bye laws, study registration of co-operative, acquisition of land, funding

**Training:** Cooperative Development Model

**Contact:** +267 76 307 927



## 10. BOBIRWA BASKET WEAVERS

A total of 4 groups of weavers in Bobirwa from the villages of Motlhabaneng, Lentswelemoriti and Mathathane.

**Location:** Motlhabaneng, Lentswelemoriti & Mathathane

**Number of Members:** 45

**Project:** Basket Weaving

**Current Facilitation:** Registration, application for funding, market access, Basket weaving (upskilling).

**Contacts:** +267 72 637 520 / +267 74 605 403 / +267 72 169 540



## 11. TAMASANE BAKERY

A co-operative of women operating a bakery in Tamasane.

**Location:** Tamasane

**Project:** Bakery

**Facilitation:** Funding, market access

**Capacity:** Development of business plan

**Contact:** +267 71 638 519



## 12. BOTALAOTE MULTI PURPOSE COOPERATIVE

Youth cooperative based in Kgagodi.

**Location:** Kgagodi  
**Project:** Broiler Production  
**Capacity:** 2000 Chickens  
**Facilitation:** Market access  
**Contact:** +267 74 307 922



## 13. TSETSEBJWE HORTICULTURE PROJECT

Community horticulture project in Tsetsebjwe.

**Location:** Tsetsebjwe  
**Project:** Horticulture Production (vegetables)  
**Size:** 1.4064 ha  
**Current Facilitation:** Business model, funding, market access  
**Contact:** +267 71 795 957

### 13.2 Tsetsebjwe Coffee

**Location:** Tsetsebjwe  
**Project:** Coffee Production  
**Current facilitation:** Pre-registration training, development of feasibility study and by-laws, product testing (nutritional analysis), community mobilisation  
**Contact:** +267 71 491 149



## 14. MASEGO CONSERVATION TRUST

Campsites

**Location:** Mmajale  
**Project:** Development of a campsite  
**Current facilitation:** Application for land allocation and acquisition of Land Use Management Plan  
**Contact:** +267 71 678 150



## 15. GOBOJANGO HORTICULTURE PROJECT

Community horticulture project in Gobojango.

**Location:** Gobojango

**Project:** Horticulture Production (vegetables)

**Size:** 1 ha

**Current Facilitation:** Business model, funding, market access, application for plot extension

**Contact:** +267 72 706 759



SOURCE: INTERNET PICTURE

## 16. BOBONONG MULTI PURPOSE CO-OPERATIVE

Cooperative based in Bobonong.

**Location:** Bobonong

**Project:** Horticulture

**Size:** 2.29 ha

**Current Facilitation:** Business model, funding, market access,

**Contact:** +267 75 607 316



SOURCE: INTERNET PICTURE

## 17. MMADINARE TEXTILE

A group of women in the textile industry from villages of Mmadinare, Tobane, Tshokwe and Damuchujenaa.

**Project:** Textile

**Number of Members:** 42

**Current Facilitation:** Mobilisation, development of feasibility study and by-laws, registration of co-operative

**Contact:** +267 77 673 573



SOURCE: INTERNET PICTURE



**SPEDU**(A company limited by guarantee)  
**ANNUAL FINANCIAL  
STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2022





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# SPEDU GENERAL INFORMATION

## **BUSINESS:**

SPEDU was incorporated in 2012 by Companies Act, CAP 42:01 as a Company Limited by Guarantee. SPEDU is wholly owned by the Government of the Republic of Botswana. The objective of the Company is to carry out business as a regional economic diversification agency that facilitates sustainable economic growth through diversification and creation of sustainable employment opportunities for the region. The Company started its operations on 01 April 2013.

## **BOARD OF DIRECTORS:**

Obonetse J. Mothelesi	Chairperson
Joel Sentsho	Deputy Chairperson
Magdeline T. Motswagole	Member
Moremi Moremi	Member
Boago Mokomane	Member
Kagiso Tlhase	Member
Bame Dikomoki	Member
Reginald T. Selelo	Deceased August 2021
Motlamorago C. Gaseitsiwe	Retired 31/05/2021
Rowland Morapedi	Retired 31/05/2021
Mosalagae Sesupeng	Retired 31/05/2021
Thatayaone Gabaraane	Retired 31/05/2021
Lesego Tebele	Retired 31/05/2021

## **REGISTERED OFFICE:**

SPEDU  
Lot 12384, Industrial Site  
Selebi Phikwe

## **COMPANY REGISTRATION:**

BW 00000770033

## **REPORTING CURRENCY:**

BWP

## **INDEPENDENT AUDITORS:**

Grant Thornton  
P O Box 1157  
Gaborone

## **BANKERS:**

Stanbic Bank Botswana Limited  
First National Bank of Botswana Limited

## **ASSET MANAGERS:**

Botswana Insurance Fund Management Limited  
Private Bag BR 185, Gaborone

# SPEDU STATEMENT OF RESPONSIBILITIES BY THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The Board of Directors of SPEDU are responsible for the financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act (Cap 42:01).

The Company maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of Company assets. The Board of Directors is also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the Board of Directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The Board of Directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts and support from Government of Botswana.

Our independent auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. The independent auditors have unrestricted access to the Board of Directors. The financial statements of SPEDU set out on pages 81 to 104 were authorised for issue by the Board of Directors and the Chief Executive Officer, and are certified by them to the best of their knowledge to be true and fair, and are signed on their behalf by:



**BOARD CHAIRMAN**



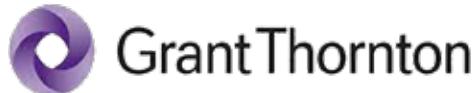
**CHIEF EXECUTIVE OFFICER**

**26 SEP 2022**

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**DATE**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPEDU



Chartered Accountant - Grant Thornton  
Acumen Park, Plot 50370, Fairgrounds, Gaborone.  
P O Box 1167, Gaborone, Botswana.  
T +267 3952313 F +267 3972357  
Linkein/Company/Grant-Thornton-Botswana  
Twitter/GrantThorntonBW

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## Opinion

We have audited the accompanying annual financial statements of SPEDU set out on pages 81 to 102, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements give a true and fair view of, the financial position of SPEDU as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty related to Going Concern

We draw attention to Note 17 in the financial statements on "Going Concern. During the previous year, a contractor who was contracted by the company to undertake a project called "A Works Contract for the Design and Build of Phase 1 Infrastructure in Bolelanoto and Senwelo Industrial Sites" initiated a claim of P 32.25 Million against the company towards certain activities and works carried out and the High Court of Botswana ruled in favour of the contractor directing the company to pay the amount claimed. Subsequent to the year end, this amount was deposited in an escrow and eventually withheld directly by Ministry of Investment, Trade and Industry, the parent ministry under which the company functions. During the current year, the contractor further initiated a legal claim for P 14 million with interests and costs towards another phase of the same project.

However, following a determination by the Public Procurement and Asset Disposal Board (PPADB) that the contractor had obtained the PPADB registration illegally and subsequent withdrawal of the registration, the company, on 11 January 2022 cancelled its contract with the contractor and holds the position that it is no longer exposed to litigation on the matter as the contract was null and void from inception and is of the view that the matter no longer poses any going concern issues.



# INDEPENDENT AUDITORS REPORT (CONTINUED)

As at the date of this report, since the litigation is not yet dismissed by the court, it is uncertain if the company would be expected to settle any amounts relating to this contract. Should in the unlikely event that the suit is ruled in favour of the contractor, the company may not be able to settle the obligations without the support of the parent ministry.

Additional information is provided in Note 17

Our opinion is not modified in respect of this matter.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements, and in forming our opinion thereon, and the report below is not intended to constitute separate opinions on those key audit matters.

We have determined that there are no key audit matters to report.

## **Other information**

The directors are responsible for the other information. The other information comprises the general information and Statement of Responsibilities by the Board of Directors and the supplementary information, which we obtained prior to the date of this auditor's report, and other sections of the annual report, which are expected to be made available to us after that date. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.



# INDEPENDENT AUDITORS REPORT (CONTINUED)

## **Auditor's responsibilities for the audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability 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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards



# INDEPENDENT AUDITORS REPORT (CONTINUED)

From the matters communicated with directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*Grant Thornton,*

**26 SEP 2022**

---

**Grant Thornton**  
**Firm of Certified Auditors**  
**Practicing Member: Madhavan Venkatachary (CAP 0017 2022)**

**Gaborone**



**SPEDU**  
**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 MARCH 2022

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>P</b>	<b>P</b>
<b>Revenue</b>			
Government subvention	<b>1</b>	33 134 340	39 431 718
Other operating income	<b>2</b>	315 773	373 144
Amortisation of capital grants	<b>8</b>	2 392 961	2 458 561
Recurrent expenditure	<b>3</b>	(34 905 345)	(42 027 823)
<b>Operating surplus</b>		<b>937 729</b>	<b>235 600</b>
Finance income	<b>5</b>	1 913	3 092
Finance costs	<b>6</b>	(54 868)	(66 827)
<b>Net surplus for the year</b>		<b>884 774</b>	<b>171 865</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus for the year</b>		<b>884 774</b>	<b>171 865</b>

# SPEDU

## STATEMENT OF FINANCIAL POSITION

### AS AT 31 MARCH 2022

	Notes	2022	2021
		P	P
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	5 492 640	7 885 601
Right of use asset	9	533 818	762 088
		<b>6 026 458</b>	<b>8 647 689</b>
<b>Current assets</b>			
Accounts receivable	10	731 251	998 861
Cash and cash equivalents	11	8 639 980	6 342 240
		<b>9 371 231</b>	<b>7 341 101</b>
<b>Total assets</b>		<b>15 397 689</b>	<b>15 988 790</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Accumulated surplus		1 212 618	327 844
		<b>1 212 618</b>	<b>327 844</b>
<b>Non current liabilities</b>			
Capital grants	8	4 743 830	7 136 791
Lease Liability	9	408 022	648 134
		<b>5 151 852</b>	<b>7 784 924</b>
<b>Current liabilities</b>			
Accounts payable	12	8 793 107	7 668 472
Lease Liability	9	240 112	207 550
		<b>9 033 219</b>	<b>7 876 022</b>
<b>Total liabilities</b>		<b>14 185 071</b>	<b>15 660 947</b>
<b>Total Funds and liabilities</b>		<b>15 397 689</b>	<b>15 988 791</b>

**SPEDU**  
**STATEMENT OF CHANGES IN FUNDS**  
FOR THE YEAR ENDED 31 MARCH 2022

	<b>Accumulated surplus</b>
	<b>P</b>
<b>Balance as at 01 April 2020</b>	155 977
Total comprehensive surplus for the year	171 867
<b>Balance as at 31 March 2021</b>	<b>327 844</b>
<hr/>	<hr/>
<b>Balance as at 01 April 2021</b>	327 844
Total comprehensive surplus for the year	884 774
<b>Balance as at 31 March 2022</b>	<b>1 212 618</b>
<hr/>	<hr/>

**SPEDU**  
**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 31 MARCH 2022

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>P</b>	<b>P</b>
<b>Cash flows from operating activities</b>			
Cash generated / (used) in operations	<b>15</b>	1 932 013	279 814
<b>Net cash generated / (used) in operating activities</b>		<b>1 932 013</b>	<b>279 814</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>7</b>	-	(1 320 323)
Proceeds from disposal of assets		573 277	238 369
<b>Net cash used in investing activities</b>		<b>573 277</b>	<b>(1 081 954)</b>
<b>Cash flows from financing activities</b>			
Right of use - Lease payments		(207 550)	(177 294)
Capital grant received		-	101 929
<b>Net cash generated from financing activities</b>		<b>(207 550)</b>	<b>(75 365)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		2 297 740	(877 505)
Cash and cash equivalents at the beginning of the year		6 342 240	7 219 745
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>8 639 980</b>	<b>6 342 240</b>

# SPEDU ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2022

## General information

SPEDU was incorporated in July 2012. Prior to that, the financial operations were consolidated in Government accounts. SPEDU management team was supported by the Board of Directors which was appointed following the registration of the Company under the Companies Act Chapter 42:01 in July 2012. SPEDU Board of Directors enjoys cultural and professional diversity of competencies and experiences in various disciplines, covering mining engineering, management, economics, accounting and finance, business, procurement, law, etc. The address of its registered office is Lot 12384 Unit 2, Industrial site, Selebi Phikwe. These financial statements have been approved by the Members of the Board on 26 September 2022.

### 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 1.1 Basis of preparation

The financial statements of SPEDU have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management Committee to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 1.1.1 Adoption of standards in the current financial year

##### a) New and amended standards applicable to the current financial year

The following new standards, amendments and interpretations to existing standards are mandatory for the Company's accounting periods beginning on or after 01 April 2021. These have been adopted by the Company during the year.

###### • Amendment to IFRS 16, 'Covid 19 Related Rent Concessions'

In May 2020, the IASB published an amendment 'Covid-19 Related Rent Concessions (Amendment to IFRS 16)'. The amendment adds a practical expedient to IFRS 16 'Leases', which provides relief for lessees in assessing whether specific Covid 19 rent concessions are considered to be lease modifications.

Instead, if this practical expedient is applied, these rent concessions are treated as if they are not lease modifications.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30th June 2021.

# SPEDU ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

On 31st March 2021, the IASB issued an extension to the time period over which the practical expedient is available for use, on the basis of feedback that the effects of Covid-19 are ongoing and significant.

The extension:

- permits the lessee to apply the practical expedient regarding Covid-19 related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30th June 2022, rather than 30th June 2021 as originally permitted.
- Requires the lessee applying the amendment to do so for annual periods beginning on or after 1st April 2021.
- Requires the lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment (no restatement of comparatives).

## **b) New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

The following new standards, amendments and interpretations to existing standards are mandatory for the Company. These have not been early adopted by the Company.

### **• Amendment to IAS 1, 'Presentation of financial statements' – Classification of liabilities as current or non-current.**

- On 23rd January 2020, the IASB issued a narrow-scope amendment to IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendment requires the following:
  - Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights, since loans are rarely unconditional (for example, because the loan might contain covenants).
  - The assessment determines whether a right exists, but it does not consider whether the entity will exercise the right. So, Management's expectations do not affect classification.
  - The right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date. A loan is classified as non-current if a covenant is breached after the reporting date.
  - 'Settlement' is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

### **• Amendment to IAS 16, 'Property Plant and Equipment' - Proceeds Before Intended Use**

- This amendment prohibits an entity from deducting from the cost of property, plant and equipment, amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize such sales proceeds and related cost in profit and loss.

(Effective 1st January 2022)

# SPEDU ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

## **(c) New standards, amendments and interpretations which are not yet effective and are irrelevant to the Company's operations**

Management assessed the relevance of the following new amendments and improvements with respect to the Company's operations and concluded that they are not relevant to the Company:

- Amendments to IFRS 3 - Business combinations - This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. More acquisitions are likely to be accounted for as asset acquisitions.
- Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent assets' - Onerous Contracts - This amendment specifies which costs an entity includes when assessing whether a contract will be loss making.

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

Property, Plant and Equipment is stated in the Statement of Financial Position at historical cost. All repairs and maintenance costs are charged in the income statement during the financial period in which they are incurred. Residual values are based on expected economic lifespan but measured at current prices.

Property Plant and Equipment is depreciated on straight line basis over useful economic life less residual value as follows:

Furniture and Fittings	5 years
Computer Equipment	4 years
Motor vehicles	4 years
Porta Cabin	10 years

## **1.3 Financial Instruments**

### **Recognition and initial measurement**

Financial assets and liabilities are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the financial instruments. Financial assets and liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Classification and subsequent measurement**

#### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# SPEDU ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

## **Amortised cost and effective interest method.**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

## **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the assets (identifiable cash generating units) expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## **Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

## **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

# SPEDU ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

## **Impairment of financial assets**

IFRS 9's impairment requirements incorporate forward-looking information to recognise expected credit losses – the "expected credit loss ("ECL") model. This replaces IAS 39's "incurred loss model". Instruments within the scope of the new requirements include trade receivables.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

## **1.4 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at current and call accounts at the bank. Cash and cash equivalents are measured at amortised cost which closely represents their fair values as at the reporting date.

## **1.5 Government grants**

Government grants are assistance by government in the form of transfers of resources to the Company in return for compliance with certain conditions relating to the activities of the Company.

Government grants awarded to defray general operating costs ('operating subventions') are awarded to the Company based on annual estimates of operating expenditure submitted to the Government by the Company. Although based on annual operating expense budget estimates, which are approved by the Board of Directors and reviewed by Government, operating subventions are not premised on strict monitoring of expenditure control by the Government and are thus recognised in the statement of comprehensive income in the respective period in which it is received.

Grants received to defray specific operating expenses (and which may thus only be used to finance such operating expenses) ('specific operating expense grants') are recognised in the statement of comprehensive income over the period necessary to match with the expenses they are intended to compensate. Specific operating expense grants received for which the related expense has not been incurred are recognised as unspent grants until the conditions for recognition have been met.

Grants received for the acquisition of property, plant and equipment ("capital asset grants") are included under non-current liabilities as unspent grants until such time as the relevant capital assets are procured. When these assets are procured, amounts equal to the cost of such assets are transferred from unspent grants to capital asset grants in the statement of financial position. The balance of capital asset grants, is subsequently amortised to the statement of comprehensive income over the useful life of the underlying asset. When the asset financed through the grant is disposed of, any remaining unamortised portion of the grant is credited to the statement of comprehensive income, in the period in which the underlying asset was disposed.

## **1.6 Provisions**

Provisions claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

# SPEDU ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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

## 1.7 Revenue recognition

### Interest income

Interest income is recognised using the effective interest method and disclosed in the statement of comprehensive income as finance income. When a financial instrument measured at amortised cost is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

## 1.8 Employee benefits

For employees who are on contracts, the Company pays gratuity in accordance with the respective contracts of employment. The gratuity is accrued for the estimated liability of the contract employees up to the balance sheet date. The costs of paid leave are recognized as an expense as the employee render services that increases the entitlement or, in the case of non-accumulating absence, when absence occurs. In terms of employment contracts and the relevant medical aid scheme, medical benefits are provided to employees. Contributions in relation to Company's obligations in respect of these benefits are charged against statement of comprehensive income in the period of payment.

## 1.9 Income tax

There is no provision made for Income tax as the Company is exempt from income tax.

## 1.10 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

### Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets.

For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# SPEDU ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist). Details of leasing arrangements where the company is a lessee are presented in note 9 Leases (company as lessee).

## **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the company under residual value guarantees; the exercise price of purchase options, if the company is reasonably certain to exercise the option; lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.
- Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.
- When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# SPEDU ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

## **Right-of-use assets**

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the right of use asset liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over their useful lives, which relates to the period of the lease agreement.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

## **1.11 Related party transactions**

Parties are considered to be related if one has the ability to control the other party or exercise significant influence over the other in making financial operating decision. A number of transactions are entered into with related parties in the normal course of business.

# SPEDU FINANCIAL RISK MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2022

## 2.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out under policies approved by the members of the Board.

### (a) Market risk

#### (i) Cash flow and fair value interest rate risk

As the Company has neither significant interest bearing assets nor variable interest bearing liabilities, the Company's income and operating cash flows are substantially independent from changes in market interest rates.

#### (ii) Price risk

The Company is not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk and residual value risk.

#### (iii) Foreign currency risk

In the normal course of business, the Company may enter into transactions denominated in foreign currencies. In addition, the Company may have assets and liabilities in foreign currencies, which exposes it to fluctuations in foreign currency exchange rates. Foreign exchange risks arise when future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Company had no assets and liabilities or significant committed future transactions denominated in foreign currencies at year end.

In the period under review, the Company did not have any outstanding balances denominated in foreign currencies.

### (b) Credit risk

Financial assets of the Company, which are subject to credit risk, consist mainly of cash and cash equivalents, deposits with banks and financial institutions. Cash deposits are held with high-credit-quality financial institutions.

The credit quality of financial assets is disclosed in Note 13.2.

# SPEDU

## FINANCIAL RISK MANAGEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2.1 Financial risk factors (Continued)

##### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying operations due to their short term nature, management of the Company aims to maintain flexibility in funding by keeping committed credit lines available.

The Company's financial liabilities as given in the table below consist of accounts payable and borrowings. The analysis of financial liabilities into relevant maturity groupings are based on the remaining period at the reporting date to the contractual maturity date.

	Note	Less than 1 year P	More than 1 year and Less than 5 years P	Total P
<b>As at 31 March 2022</b>				
Note Accounts payable	11	208 717	-	208 717
<b>As at 31 March 2021</b>				
Accounts payable	11	1 709 210	-	1 709 210

#### 2.2 Capital risk management

SPEDU is a Company Limited by Guarantee with the main objective of promoting and facilitating regional economic diversification. As such, all operations of the Company are funded by Government and therefore the Company is not subject to capital risk.

#### 2.3 Fair value estimation of financial instruments

Financial instruments consist of trade receivables, bank and cash balances and other accounts payables resulting from normal business operations. The nominal value less impairment provision of trade receivables and accounts payable are assumed to approximate their fair values. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

# SPEDU

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 3 **Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **Residual value and useful lives of property, plant and equipment and intangible assets**

The Company determines the estimated useful lives and related depreciation charges for its property, plant and equipment and intangible assets. This estimate is based on projections about the continued existence of a market for its services and intangibles and the ability of the Company to penetrate a sufficient portion of that market in order to operate effectively. The Company increases the depreciation charge where the useful lives are less than previously estimated, or it will appropriately impair technically obsolete or non-strategic assets that have been abandoned or identified for sale.

Residual values are based on current estimates of the value of these assets at the end of their useful lives.

Company increases the depreciation charge where the useful lives are less than previously estimated, or it will appropriately impair technically obsolete or non-strategic assets that have been abandoned or identified for sale.

Residual values are based on current estimates of the value of these assets at the end of their useful lives.

#### **Accounting for Government Grants**

The Company is dependent on Government Grants to finance its activities. The Grants received by the Company fall into three categories:

- Grants to defray operating costs – these are recognised in the period in which they are received based on approved budgets for operating expenditure.
- Grants to finance specific expenditure – these are initially recognised as liabilities and recognised in the statement of the comprehensive income in the period in which such expenditure is incurred.
- Grants to procure assets – these are initially recognised as liabilities and thereafter transferred to capital grants in the statement of financial position in the period in which the relevant assets are procured.

When a grant is received, Management exercises judgement to assess (1) whether the Company is entitled to receive the grant; and (2) how this grant should be categorised.

In assessing whether the Company is entitled to receive the grant, Management considers the amount received against the amount requested through the budget submissions and (where necessary) seeks clarity from the relevant Government ministry about the terms and conditions attached to the Grant. In assessing how the grant should be categorised, Management considers whether the grant is meant to finance any assets or specific expenditure, if this is not the case, these are considered operating grants and the grant recognised in the statement of comprehensive income in the period in which it is received.

The accounting for Government grants is determined based on categorisation of grants, with operating subvention being recognised as income when received, whilst specific operating expenditure grants and capital asset grants are recognised over time.

# SPEDU

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
<b>1 Operating subvention</b>		
Government subvention	33 134 340	39 431 718
	<b>33 134 340</b>	<b>39 431 718</b>
The grant received from the Government of Botswana is the most significant portion of income of the Company on an annual basis. This is awarded to the Company to defray operating costs.		
<b>2 Other Income</b>		
Tender fee income	15 375	3 450
Profit on Asset disposal	254 672	325 740
Handling fees	45 726	43 954
	<b>315 773</b>	<b>373 144</b>
<b>3 Expenses by nature</b>		
Administration expenses	1 864 720	2 085 814
Audit fees	132 854	132 613
Computer consumables, printing and stationery	347 468	962 019
Consultancy expenses	73 310	272 096
Community Economic Facilitation Expenses	132 000	667 571
Covid 19 Expenses	57 451	201 049
Depreciation	2 302 628	2 509 954
Donations and sponsorships	17 655	610 208
Board of Directors'expenses	287 029	419 192
Board of Directors'fees	188 370	336 720
Legal Expenses	422 114	318 414
Motor vehicle insurance and running expenses	607 815	499 452
Office rental expenses	26 579	141 146
Promotion and advertising	174 860	1160 115
Repairs and maintenance	267 277	666 580
Staff costs (note 4)	26 593 252	28 171 633
Security expenses	336 331	546 335
Seminars, workshop and conferences	88 404	516 989
Strategy expenses	542 415	756 325
Travel and subsistence( Internal and External)	442 814	1 053 598
	<b>34 905 345</b>	<b>42 027 823</b>
<b>4 Staff costs</b>		
Executive Directors housing rental	-	221 000
Staff salaries	12 336 945	13 473 145
Staff allowances	7 637 464	7 646 436
Leave expenses	463 497	908 955
Medical aid expenses	1171 187	1154 132
Other staff benefits	387 725	695 597
Staff gratuity	3 656 663	3 092 160
Pension	939 771	980 208
	<b>26 593 252</b>	<b>28 171 633</b>
Average number of employees	41	44
<b>5 Finance income</b>		
Bank interest	1 913	3 092
	<b>1 913</b>	<b>3 092</b>
<b>6 Finance costs</b>		
IFRS 16 interest	54 868	66 827
	<b>54 868</b>	<b>66 827</b>

**SPEDU**  
**NOTES TO THE FINANCIAL STATEMENTS**(CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

**7 Property, plant and equipment**

	Porta Cabin	Motor vehicles	Furniture and Fittings	Computer Equipment	Office Equipment	Total
Year ended 31 March 2022	P	P	P	P	P	P
Opening net book amount	555 829	1 601 342	4 002 230	1 690 507	35 693	7 885 601
Additions	-	-	-	-	-	-
Depreciation	(77 554)	(535 341)	(1 057 462)	(397 529)	(6 472)	(2 074 358)
Disposals	-	(1 509 350)	(400 438)	-	-	(1 909 788)
Depreciation on Disposal	-	1 232 159	359 026	-	-	1 591 185
<b>Net book value</b>	<b>478 275</b>	<b>788 810</b>	<b>2 903 356</b>	<b>1 292 978</b>	<b>29 221</b>	<b>5 492 640</b>
<b>As at 31 March 2022</b>						
Cost / Valuation	885 284	2 965 555	6 275 519	5 550 793	106 648	15 783 799
Accumulated depreciation	(407 009)	(2 176 745)	(3 372 163)	(4 257 815)	(77 427)	(10 291 159)
<b>Net book value</b>	<b>478 275</b>	<b>788 810</b>	<b>2 903 356</b>	<b>1 292 978</b>	<b>29 221</b>	<b>5 492 640</b>
<b>Year ended 31 March 2021</b>						
Opening net book amount	633 384	2 306 139	5 061 291	895 084	46 787	8 942 685
Additions	-	-	132 871	1187 452	-	1 320 323
Depreciation	(77 554)	(704 798)	(1 107 369)	(383 119)	(11 094)	(2 283 933)
Disposals	-	-	(414 413)	(110 530)	-	(524 943)
Depreciation on Disposal	-	-	329 850	101 619	-	431 469
<b>Net book value</b>	<b>555 830</b>	<b>1 601 341</b>	<b>4 002 230</b>	<b>1 690 506</b>	<b>35 693</b>	<b>7 885 601</b>
<b>As at 31 March 2021</b>						
Cost / Valuation	885 284	4 474 905	6 675 957	5 550 793	106 648	17 693 587
Accumulated depreciation	(329 455)	(2 873 563)	(2 673 727)	(3 860 286)	(70 955)	(9 807 986)
<b>Net book value</b>	<b>555 829</b>	<b>1 601 342</b>	<b>4 002 230</b>	<b>1 690 507</b>	<b>35 693</b>	<b>7 885 601</b>

# SPEDU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

8 Capital grants	2022	2021
	P	P
Balance at beginning of year	7 136 791	8 209 971
Capital grant received	-	1 320 323
Amortisation for the year	(2 074 358)	(2 283 933)
Unamortised amount on disposed Capex items	(318 603)	(109 570)
Balance at end of year	<b>4 743 830</b>	<b>7 136 791</b>

Capital grants represent Government grants given to the Company to finance the purchase of property, plant and equipment. Capital grants are transferred to the income statement in a manner that represents the economic benefits generated through the usage of the related assets. As at the reporting date, there were no unfulfilled conditions attached to the capital grants.

Amortisation of grant on PPE items	2 074 358
Unamortised amount on disposed Capex items	318 603
Total recognised in the Statement of Comprehensive Income	<b>2 392 961</b>

9 Right of use asset	2022	2021
	P	P
Balance at beginning of year	762 088	727 657
Additions during the year	-	384 235
Depreciation charge for the year	(228 270)	(226 020)
De-recognition of right of use due to change in effective rate	-	(123 783)
Balance at end of year	<b>533 818</b>	<b>762 088</b>

<b>Lease Liability</b>	2022	2021
	P	P
Balance at beginning of year	855 684	772 526
Additions during the year	-	384 235
Lease Payments	(207 550)	(177 294)
De-recognition of lease liability due to change in effective rate	-	(123 783)
Balance at end of year	<b>648 134</b>	<b>855 684</b>

*The maturity analysis for the lease liability is as follows:*

	2022	2021
	P	P
Lease liability within 1 year	240 112	207 550
2 - 5years	462 890	714 961
Less Interest	703 002	922 511
Balance at end of year	(54 868)	(66 827)
	<b>648 134</b>	<b>855 684</b>

**SPEDU**  
**NOTES TO THE FINANCIAL STATEMENTS**(CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

	<b>2022</b>	<b>2021</b>
<b>10</b>	<b>P</b>	<b>P</b>
<i>Non-financial Instruments</i>		
Prepayments	227 614	157 715
<i>Financial Instruments</i>		
Other accounts receivables	503 638	841 146
	<b>731 252</b>	<b>998 861</b>

The fair value of accounts receivable balances approximate their carrying values due to their short-term nature. Accounts receivable are neither past due nor impaired. Information regarding the credit quality of accounts receivable are given in note 13.2.

	<b>2022</b>	<b>2021</b>
<b>11</b>	<b>P</b>	<b>P</b>
Cash at bank	1 872 287	1 783 421
Cash equivalents	6 767 693	4 558 819
	<b>8 639 980</b>	<b>6 342 240</b>

The year end cash and cash equivalents comprises cash at bank and cash equivalents held with asset managers, Botswana Insurance Fund Management Limited (BIFM). The amount invested with BIFM is specifically for gratuity.

As at 31 March 2022, cash and cash equivalents included an amount of P432 844 [2021: P1 368 073] relating to land servicing funds from Government of Botswana. These funds are specifically to be used for the land servicing project and are therefore classified as restricted cash.

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	<b>2022</b>	<b>2021</b>
	<b>P</b>	<b>P</b>
Cash and cash equivalents as above	8 639 980	6 342 240
Less: land servicing project funds	(432 844)	(1 368 073)
Cash and cash equivalents as at year end	<b>8 207 136</b>	<b>4 974 167</b>

# SPEDU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

12 Accounts payable	2022	2021	
	P	P	
<i>Financial Instruments</i>			
Other payables	89 617	416 645	
Land Servicing	119 100	1 292 564	
<i>Non-financial Instruments</i>			
Provision for gratuity	6 767 693	4 357 271	
Provision for leave	1 816 697	1 601 991	
	<b>8 793 107</b>	<b>7 668 471</b>	
<b>Provisions</b>			
	<b>Gratuity</b>	<b>Leave pay</b>	<b>Total</b>
<b>31 March 2022</b>	P	P	P
Balance at beginning of year	4 213 075	1 601 991	5 815 066
Provision for the year	3 656 663	463 497	4 120 160
Payments made during the year	(1 102 045)	(248 791)	(1 350 836)
Balance at end of year	<b>6 767 693</b>	<b>1 816 697</b>	<b>8 584 390</b>
	<b>Gratuity</b>	<b>Leave pay</b>	<b>Total</b>
<b>31 March 2021</b>	P	P	P
Balance at beginning of year	2 075 188	1 161 452	3 236 640
Provision for the year	3 092 160	908 955	4 001 115
Payments made during the year	(954 273)	(468 416)	(1 422 689)
Balance at end of year	<b>4 213 075</b>	<b>1 601 991</b>	<b>5 815 066</b>

The fair value of accounts payable balances approximate their carrying values due to their short-term nature.

#### 13.1 Financial instruments by category

Fair value of financial assets and financial liabilities in the statement of funds and net assets approximate their carrying values. The accounting policies for financial instruments have been applied to the line items below.

31 March 2022	Amortised	Assets at Fair value	
	Cost	through profit or loss	Total
	P	P	P
<b>Assets as per the statement of financial position</b>			
Other accounts receivables	503 638	-	<b>503 638</b>
Cash and cash equivalents	8 639 980	-	<b>8 639 980</b>
	<b>9 143 618</b>	<b>-</b>	<b>9 143 618</b>
<b>Liability as per the statement of financial position</b>			
Land servicing	119 100	1,292,564	<b>1 411 664</b>
Other payables	89 617	-	<b>89 617</b>
	<b>208 717</b>	<b>1 292 564</b>	<b>1 501 281</b>
31 March 2021	Amortised	Assets at Fair value	
	Cost	through profit or loss	Total
	P	P	P
<b>Assets as per the statement of financial position</b>			
Other accounts receivables	841 146	-	<b>841 146</b>
Cash and cash equivalents	6 342 240	-	<b>6 342 240</b>
	<b>7 183 386</b>	<b>-</b>	<b>7 183 386</b>
<b>Liability as per the statement of financial position</b>			
Land servicing	1 292 564	3 319 309	<b>4 611 873</b>
Other payables	416 645	-	<b>416 645</b>
	<b>1 709 209</b>	<b>3 319 309</b>	<b>5 028 518</b>

# SPEDU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

13.2 Credit quality of financial assets		2022	2021
		P	P
<b>Accounts receivables</b>			
Other accounts receivable	Not rated	503 638	841 146
		<b>503 638</b>	<b>841 146</b>
<b>Cash and cash equivalents</b>			
Stanbic Bank of Botswana Limited	Not rated	1 436 443	409 433
State Bank of India (Botswana) Limited	Not rated	-	5 914
First National Bank Botswana	Not rated	432 844	1 368 073
Petty Cash	Not rated	3 000	-
Short term deposits invested with BIFM	Not rated	6 767 693	4 558 819
		<b>8 639 980</b>	<b>6 342 240</b>

The other receivables pertain to balances with normal trading partners and they are fully performing. There are no credit ratings available for financial institutions in Botswana. The above entities have reported sound financial results and continued compliance with capital adequacy requirement set by the local banking regulator, Bank of Botswana and Non Banking Financial Institutions Regulatory Authority. None of the financial assets that are fully performing have been re-negotiated during the year.

#### 14 Related party transactions

The Company is wholly owned by the Government and its related parties comprise of the Shareholder, affiliated entities and the Board of Directors.

	2022	2021
	P	P
Government grant	<b>35 527 302</b>	<b>41 890 280</b>
Remuneration paid to senior management	<b>2 851 196</b>	<b>4 046 433</b>
Sitting allowances paid to Non Executive Directors	<b>188 370</b>	<b>336 720</b>

#### 15 Cash generated from operations

	2022	2021
	P	P
<b>Operating surplus</b>		
Adjustments for:	<b>937 729</b>	<b>235 601</b>
- Depreciation	2 074 358	2 283 933
- Depreciation - Lease Asset	228 270	226 020
- Capital grant amortisation	(2 392 962)	(2 458 561)
- Interest income	1 913	3 092
- Interest cost	(54 868)	(66 827)
Profit on disposal	(254 672)	(144 894)
Changes in working capital:		
- Decrease in accounts receivables	267 610	108 267
- Increase in accounts payables	1 124 635	93 182
<b>Cash generated / (used) from operations</b>	<b>1 932 013</b>	<b>279 814</b>

Interest cost of BWP 54 868 (2021: 66 827) is for IFRS 16

# SPEDU **NOTES TO THE FINANCIAL STATEMENTS**(CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

## **16 Income tax**

The Company is exempt from income tax as per Part 1(i) of the Second Schedule to the Income Tax, Act 12 of 1995 (Chapter 50: 01).

## **17 Going concern**

The Company has made a surplus of P 884 774 (2021: P 171 867) and its accumulated surplus as at 31 March 2022 is P1 212 619 (2021: P327 844).

The company had initiated a project on behalf of the Ministry of Land Management, Water and Sanitation Services called the "A Works Contract for the Design and Build of Phase 1 Infrastructure in Bolelanoto and Senwelo Industrial Sites" through a tender process and the contract was awarded to one of the companies in Botswana for a total sum of P 230.5 million during the previous financial year. After due process of offer and acceptance, the contractors began undertaking the activities related to the contract. However, the contract was suspended by the Ministry citing administrative lapses and flaws and the contract process was put on hold. Towards the activities undertaken and costs incurred, the contractor initiated a suit against the company in March 2021 for an amount of P 31.8 million along with interest thereon totally amounting to P 32.253 million. Against this suit, a default judgement was delivered on 25 March 2021 by the High Court of Botswana directing the company to pay the said sum together with costs to the Contractor who was the plaintiff.

Following a determination by the Public Procurement and Asset Disposal Board (PPADB) that the contractor had obtained the PPADB registration illegally and subsequent withdrawal of the registration, the company, on 11th January 2022 cancelled its contract with the contractor.

The company's position is that it is no longer exposed to litigation on the matter and is of the view that the matter no longer poses any going concern issues.

As at the date of approval of these financial statements, Government of Botswana, had already disbursed P18 336 840 towards funding the company's operating budget for the year ended 31 March 2023.

## **18 Capital commitments**

The Directors confirmed that there were no material capital commitments outstanding as at the year end.

## **19 Events after the reporting period**

The Directors confirmed that there has been no material changes in the affairs or financial position of the Company between the year end and the date of approval of these financial statements. The directors also confirm that there were no events after the reporting date that require adjustments to disclosure in these financial statements, save for the disclosures on the ongoing legal matter referred to under Note 17.

In April 2022, His Excellency, the President of the Republic of Botswana, made a pronouncement regarding rationalisation of State Owned Enterprises (SOE's). SPEDU was mentioned as one of the SOE's that are being considered for rationalisation. Until the date of approval of these financial statements, there has been no directive from the Government about the modalities, structure or any other aspects related to this rationalisation. Under the circumstances, these financial statements have not been adjusted for any event related to the rationalisation.

# SPEDU

## DETAILED INCOME STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
Grant received	33 134 340	39 431 718
Grant amortisation	2 392 961	2 458 561
Other operating income	315 773	373 144
Finance Income	1 913	3 092
	<b>35 844 987</b>	<b>42 266 516</b>
<b>Recurrent expenditure</b>		
Audit fees	132 854	132 613
Bank charges	22 041	22 237
Board expenses	287 029	419 192
Board fees	188 370	336 720
CEO and Directors Repairs	-	15 000
Cleaning material	148 387	375 230
Computer equipment consumables	23 270	92 787
Computer Softwares	182 810	623 818
Consultancies HR	62 507	240 994
Consultancy	-	25 950
Covid 19 Expenses	57 451	201 049
Depreciation expense computer hardware	397 529	383 119
Depreciation expense furniture and fittings	1 057 462	1 107 369
Depreciation expense motor vehicle	535 341	704 798
Depreciation expense office equipment	6 472	11 094
Depreciation expense porta cabin	77 554	77 554
Donations	17 655	87 325
Dstv decoders	1 360	18 973
Gratuities	3 656 663	3 092 160
Grounds maintenance	109 613	391 196
Insurance	199 964	231 731
Interest expense	54 868	66 827
Internal Audit Expenses	10 803	5 152
Leave expense	214 706	709 831
Leave travel	248 791	199 124
Legal Expenses	422 114	318 414
Medical aid	1 171 187	1 154 132
Motor vehicle running expenses (fuel, oil and lubricants)	407 851	267 720
Newspapers and periodicals	-	30 495
Office minor works repairs	64 591	90 586
Office refreshments	22 336	48 428
Other admin expenses	-	2 928
Postage and courier	16 416	14 927
Premises rental	26 579	141 146
<b>Balances carried forward</b>	<b>9 824 574</b>	<b>11 640 617</b>

# SPEDU

## DETAILED INCOME STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
<b>Recurrent expenditure (continued)</b>		
<b>Balances brought forward</b>	<b>9 824 574</b>	<b>11 640 617</b>
Community Economic Facilitation	132 000	667 571
CEO Office Expenses	28 920	-
Document Storage	3 094	-
Loss on asset disposal	-	28 624
Pension	939 771	980 208
Printing and stationery	141 389	245 415
Professional subscription - Company	11 000	10 000
Promotion and advertising	174 860	1 160 115
Protective clothing and uniform	-	22 288
Right of use asset - depreciation	228 270	226 020
Motor vehicle repairs and service	157 664	260 385
Salaries	20 312 224	21 758 906
Security costs	336 331	546 335
Seminars, workshops and conferences,	206 668	555 891
Staff housing rental	-	221 000
Staff recruitment advertising and expenses	66 469	198 708
Staff training and development	64 111	98 669
Staff cellphones	69 546	-
Staff welfare	56 504	338 931
Strategy Expenses	542 415	756 325
Telephone expenses	901 336	460 265
Tourism Events	-	522 883
Travel and subsistence - external	10 374	-
Travel and subsistence - internal	432 439	1 053 598
Water and Electricity- utilities	270 344	275 625
Workman's compensation	49 909	56 272
Write offs	-	10 000
	<b>34 960 213</b>	<b>42 094 650</b>
<b>Operating surplus</b>	<b>884 774</b>	<b>171 867</b>

This detailed income statement does not form part of the financial statements covered by the audit opinion on pages 77 to 80 and is unaudited.



# Leading Economic Transformation

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