ROYAL BAFOKENG NATION

A E WELE METSING

# KGOTHAKGOTHE

## 10 JUNE 2017

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

ROYAL BAFOKENG NATION

# VISION 2035

"To be an innovative and relevant traditional African community in a changing world".

ROYAL BAFOKENG NATION

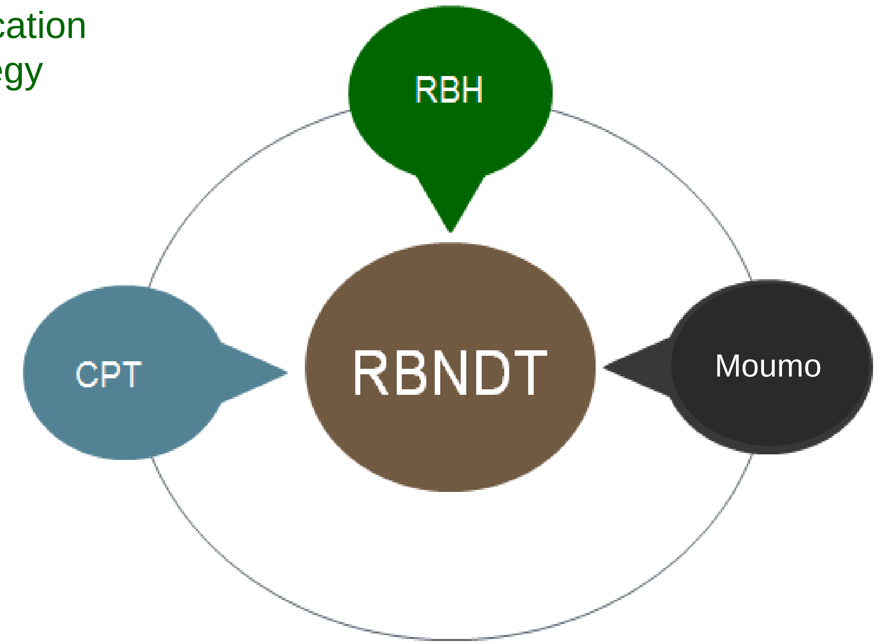
# TABLE OF CONTENTS

# Bafokeng Structures

## Which commercial institutions are managing our assets?

**Creating and preserving capital for current and future Bafokeng generations through:**

- Strategic Asset Allocation
- Diversification strategy
- Dividend payments




**Creating and preserving capital for current and future Bafokeng generations through**

- Unlocking the value of the RBNDT's tourism assets
- Diversifying the local economy

**Creating and preserving capital for current and future Bafokeng generations through:**

- Unlocking the value of the land
- Diversifying the local economy

**These entities are under the stewardship of the RBNDT on behalf of the Nation. The RBNDT's responsibility is to:**

- Protect and grow the RBN's commercial assets
- Allocate funds towards the socio economic development of the RBN as advised by the Supreme Council
- Facilitate opportunities for investing in the local economy

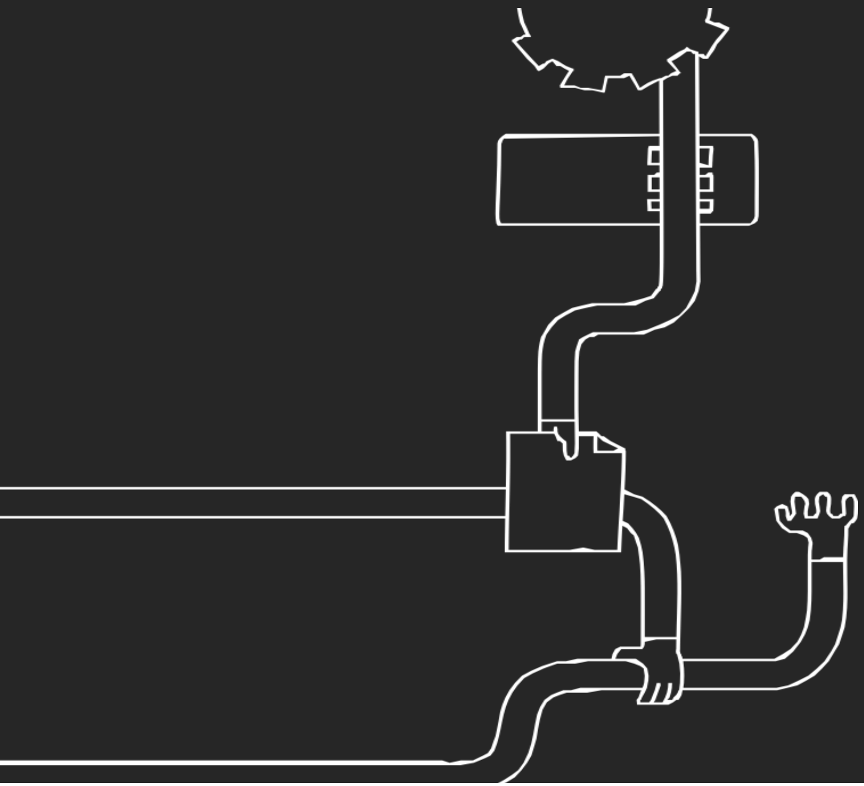
ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

ROYAL BAFOKENG NATION

# Achieving our vision

Achieving our vision



With these structures in place, there are two important components to our success:

**Financial:**

- Cost curtailment
- Healthy balance sheet
- Low debt levels

**Social:**

- Education
- Public Service Management
- Health (Social Services)

- It is important that we balance these.

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

ROYAL BAFOKENG NATION

# Organisational Structure

Supreme council
(leadership & decision-making)

Royal Bafokeng Nation Development Trust (RBNDT)

Royal Bafokeng Administration (RBA)

## Commercial Institutions

- RBH
- Moumo
- CPT
- Platinum Stars* **(to be an independent entity in the long term)**

## Education

- RBI (education)
- Lebone II

## Public Service Management

- Public Service Management
- Infrastructure Maintenance
- Municipal Services
- Protective Services
- Land Use Management

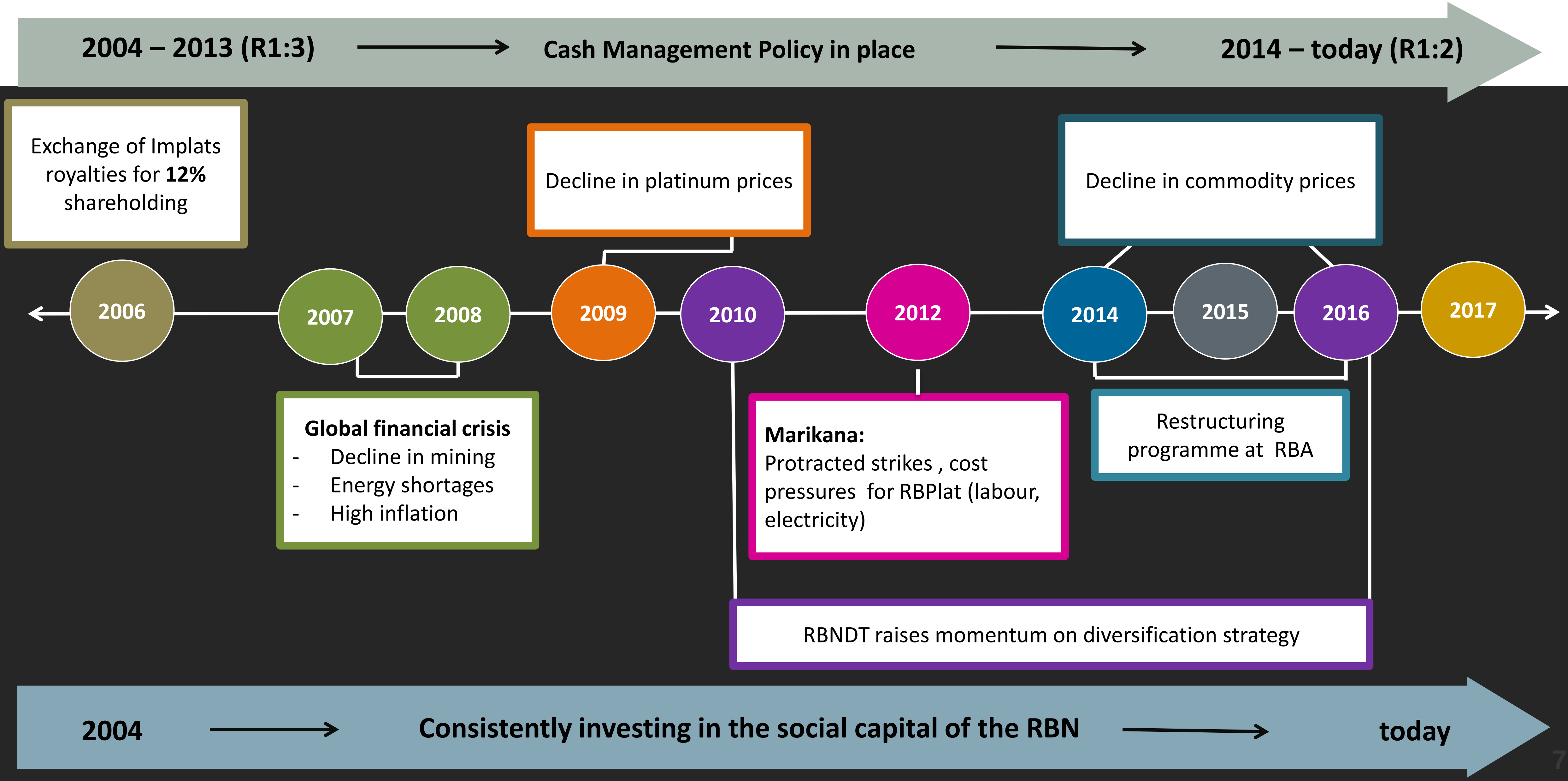
## Social Services

- Health & Social Development
- Royal Bafokeng Enterprise Development
- Arts and Culture
- Royal Bafokeng Sports

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

# Snapshot: How key economic events impacted our cash life-cycle



ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

# What if we carried on spending more than we were receiving?

In **2013** the RBN realised that this spending pattern was unsustainable and that if it continued the following events were likely to occur:

- The **funding deficit would widen** over time
- The RBN **cash reserves would be depleted**

| YEAR | Projected income (Rm) | Projected social expenditure | Total bank balance |
|---|---|---|---|
| 2014 | R360m | R775m | R1.4bn |
| 2015 | R83m | R843m | R567m |
| 2016 | R46m | R898m | -R331m |
| 2017 | -R1.m | R967m | -R1.2bn |

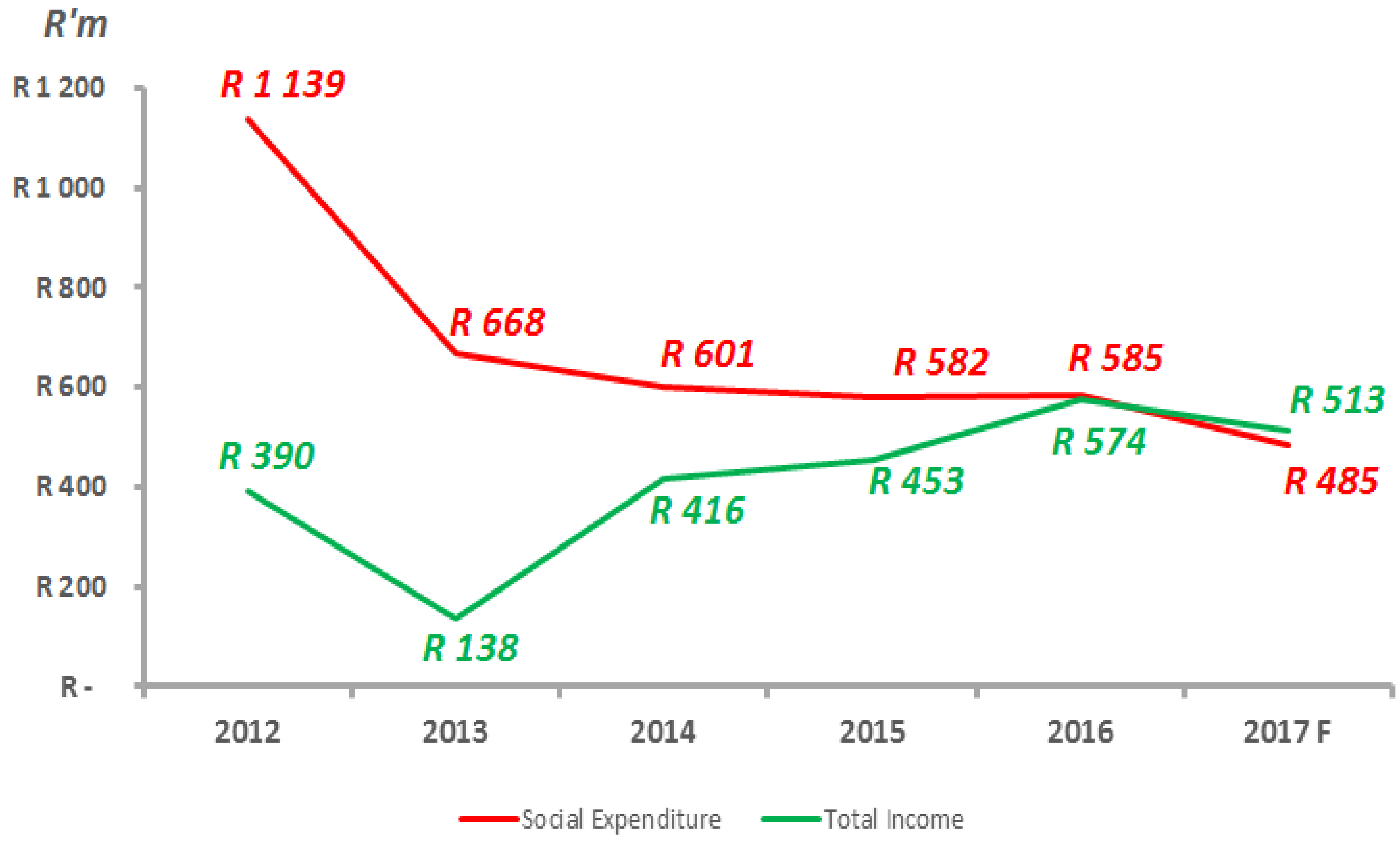
*** These projections were made in a context of tough economic conditions (volatile commodity prices and an unstable political environment)**

If we carried on like this, today we would have a negative bank balance of **-R1.2bn**

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

# What have we done to maintain a healthy cash balance?




**Success Indicator**

The diversification we have built into our portfolio allowed RBH to pay a final R300m in 2015.

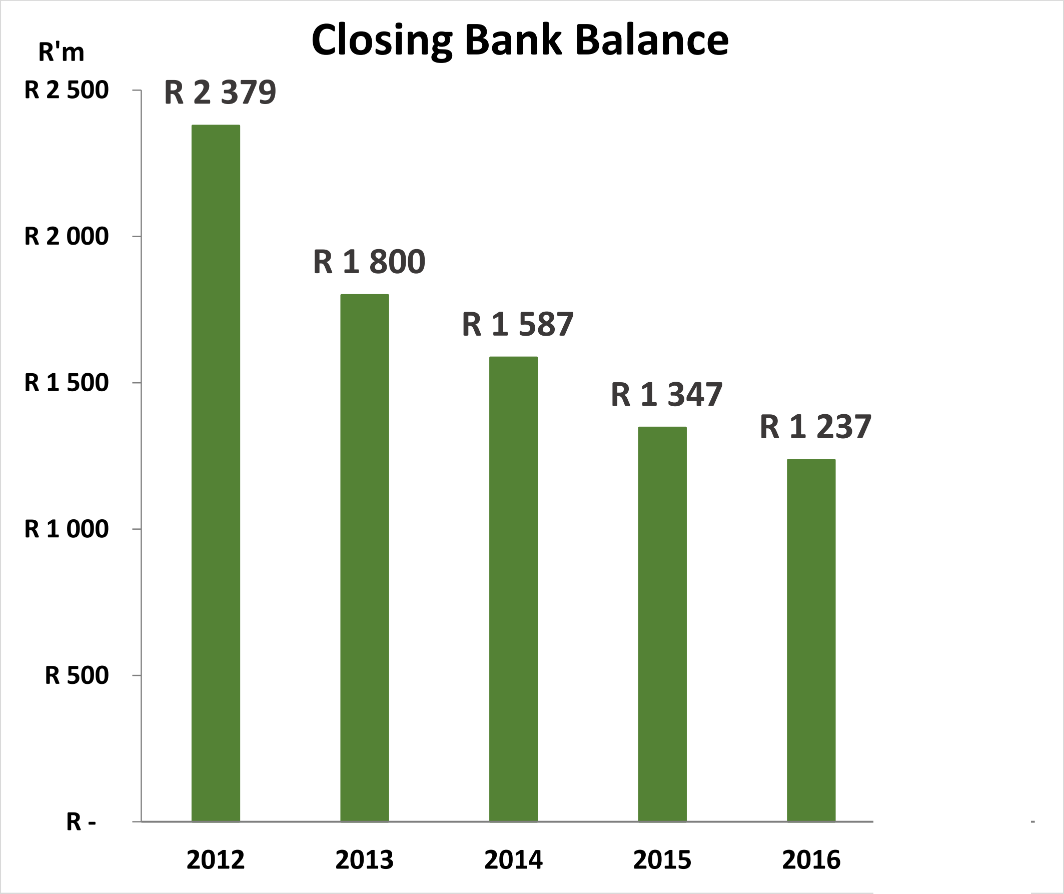
**Success Indicator**

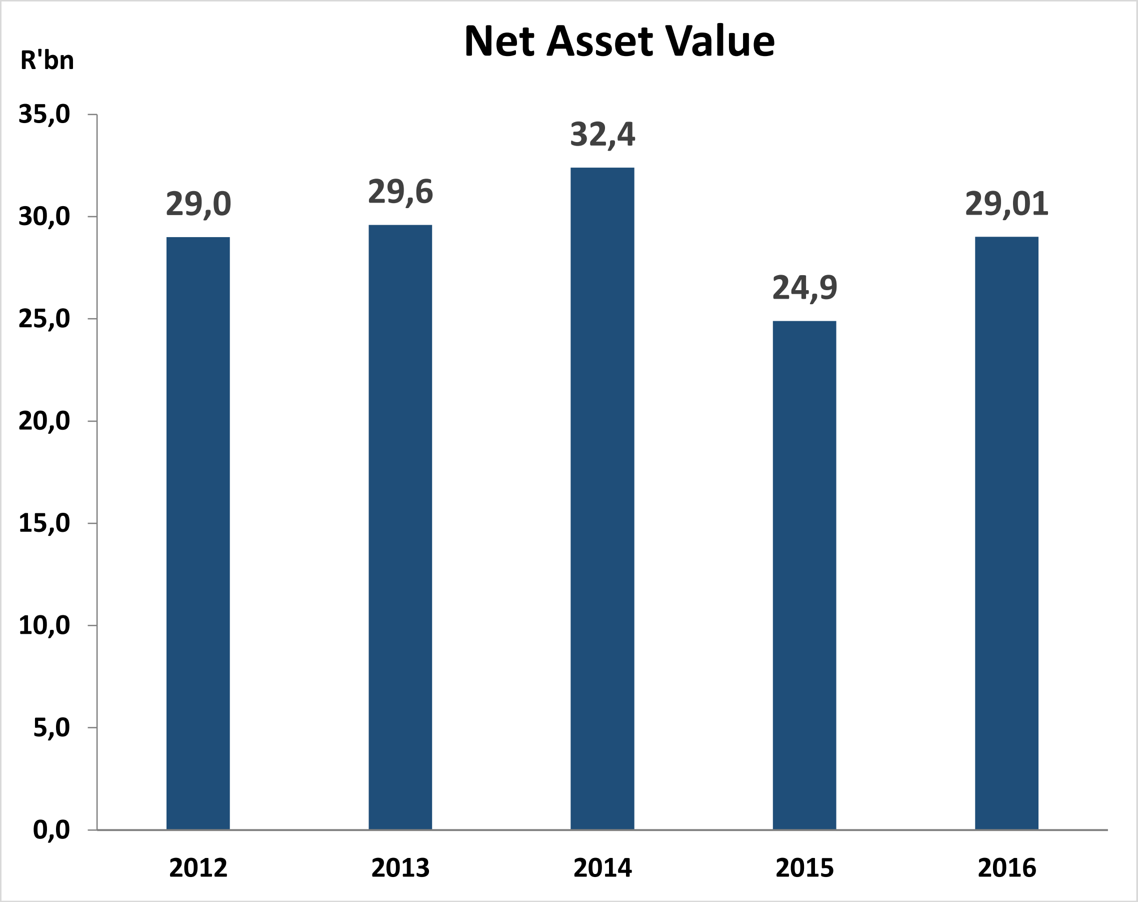
Deficit has narrowed significantly and our bank balance is growing again

ROYAL BAFOKENG NATION

# TABLE OF  CONTENTS

# Current cash balance and value of our assets

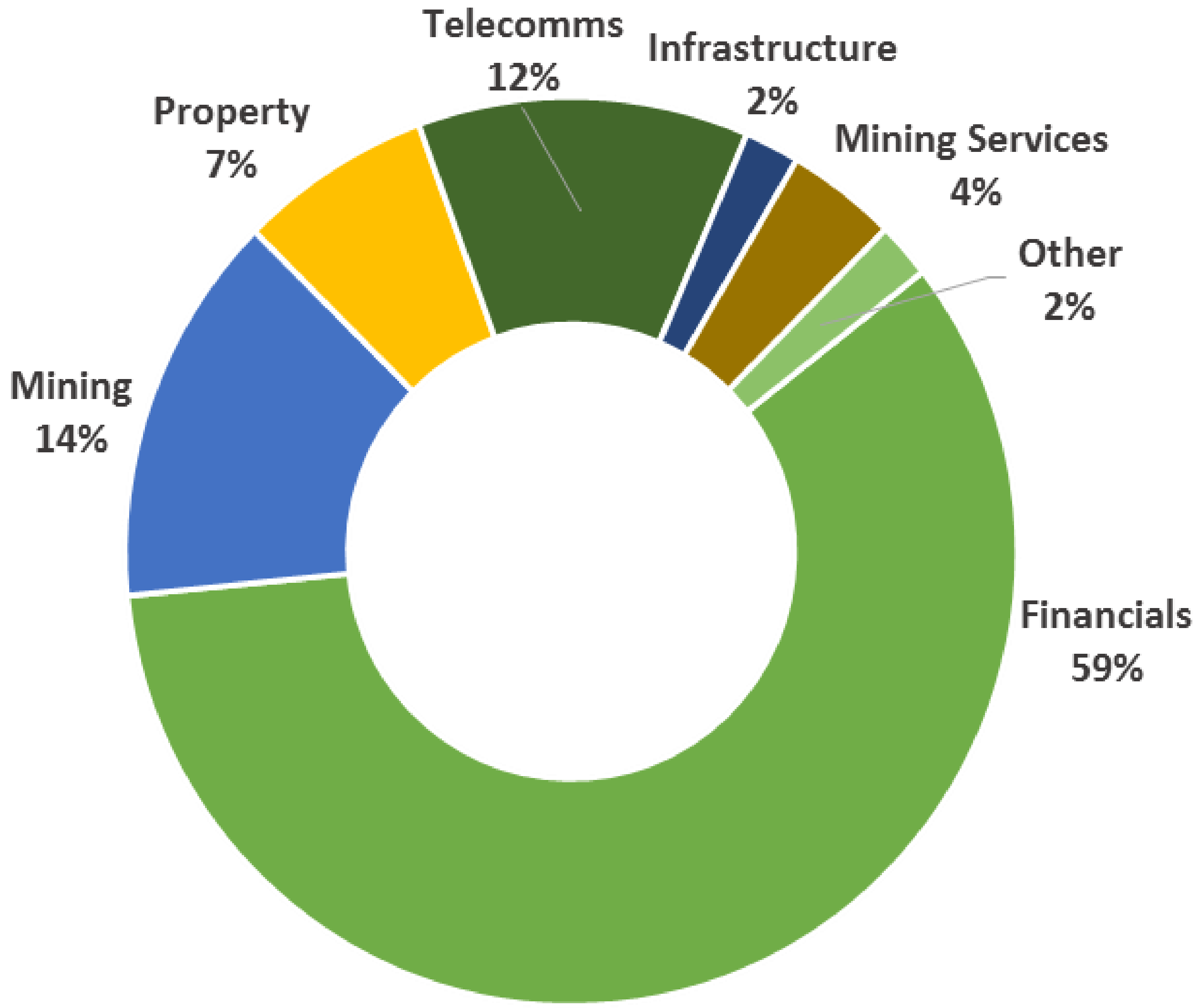


ROYAL BAFOKENG NATION

# TABLE OF  CONTENTS

# Our portfolio today - RBH




RBNDT's equity portfolio managed to **find growth during a difficult period.**

The Net Asset Value ("NAV") **increased** by **16.2%** from **R24.9b** to **R29b** in 2016

# Our portfolio today - Moumo

**Phokeng Mall**
**R2 118 065**

**Rentals**
**R6 482 407**

**Cash in RBN Agency Bank account to date**
**R33 691 966**

**JOB CREATION**

- **425 jobs created** through Phokeng mall and Lusitania, with **314** of total jobs going to Bafokeng

# Our portfolio today – Moumo projects in the horizon

### Marang Housing project

- Established RBN housing committee

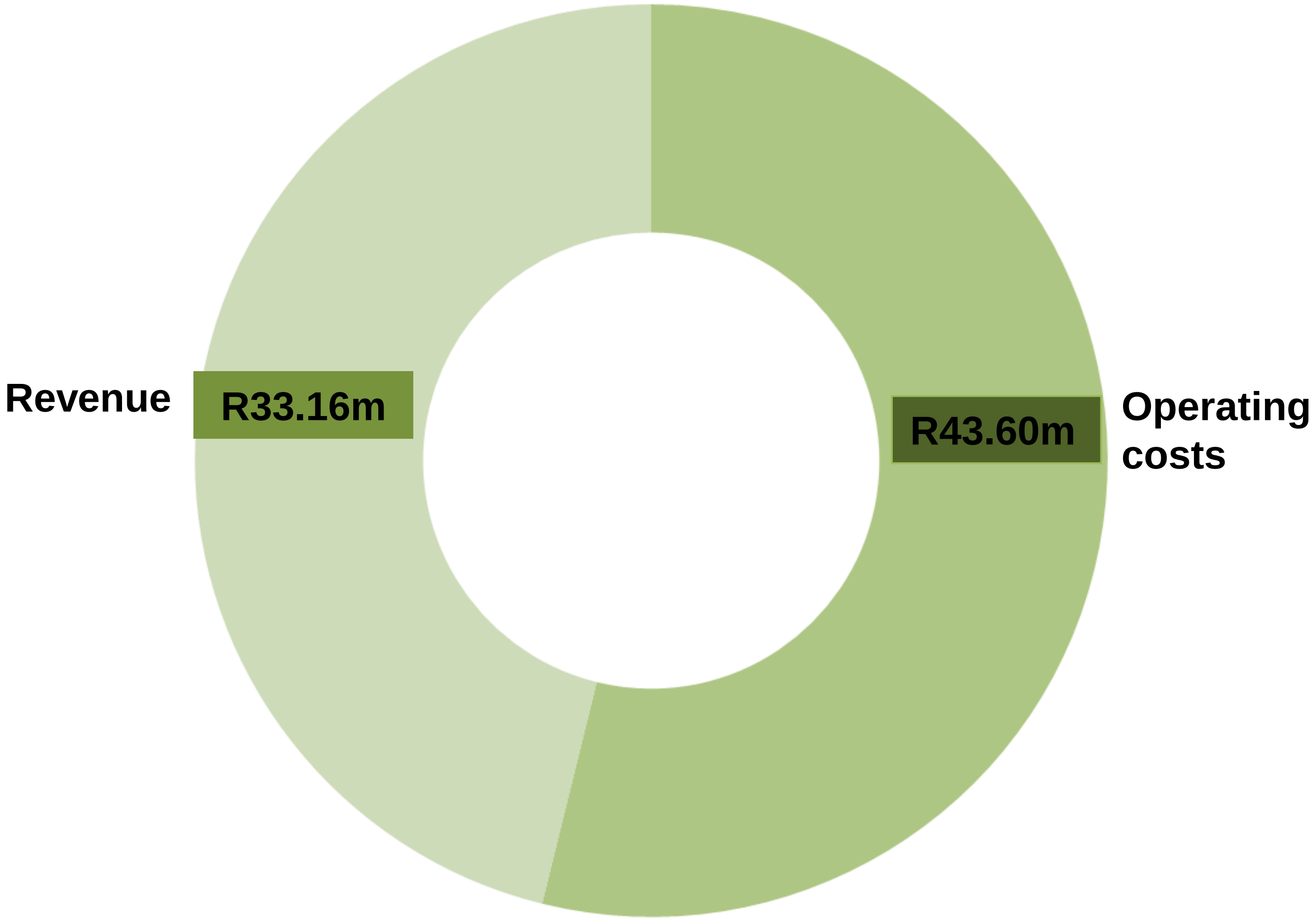
### Swartruggens Red Meat Project

- Secured off-take agreement with Cavalier Feedlot and Abattoir

### Vegetable Project

- **R25m** funding application submitted to Jobs Fund

# Our portfolio today – CPT




**Net loss:R10.44m**

**Reasons for poor performance:**

- Slow economic growth
- Less conference spending by government and corporates
- Government's current support of SME establishments

**Employment opportunities:**

- Staff compliment of 100, with approximately 25 being Bafokeng

**2017 Strategy:**

- Focused marketing approach
- Source external parties for use of fields
- Improved service offering to customers especially with focus on leisure and event facilities

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

ROYAL BAFOKENG NATION

# Conclusion

Some Macroeconomic threats to our money =

- Brexit
- Politics
- Ratings Downgrade
- Volatility of commodity prices

To ensure that we do our best (even in tough economic circumstances), we need to remain focused on vision 2035 in order to ensure that current and future Bafokeng  generations are economically independent and self-sufficient.

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

ROYAL BAFOKENG NATION

# Conclusion (continued)

What are we doing to protect our money within these unpredictable circumstances?

Our risk management strategy

=

Strong, Cash flow generative companies

Quality investment partners

Defensive sectors

+

Diversification

Asset class

Geography

sectors

All the above are underpinned by our value of **PRUDENT SPENDING**

# TABLE OF CONTENTS

ROYAL BAFOKENG NATION

# SOCIAL SPEND
## Services/contributions from external parties

**R153m given to the RBN in kind**

**Rustenburg Local Municipality**

**R99.8m** invested in the RBN through pubic service interventions such as road and storm water maintenance

**Social & Labour Plans**

Education and training to the value of **R37.9m**

**HSDS**

**R15.4m** in services and donations for:

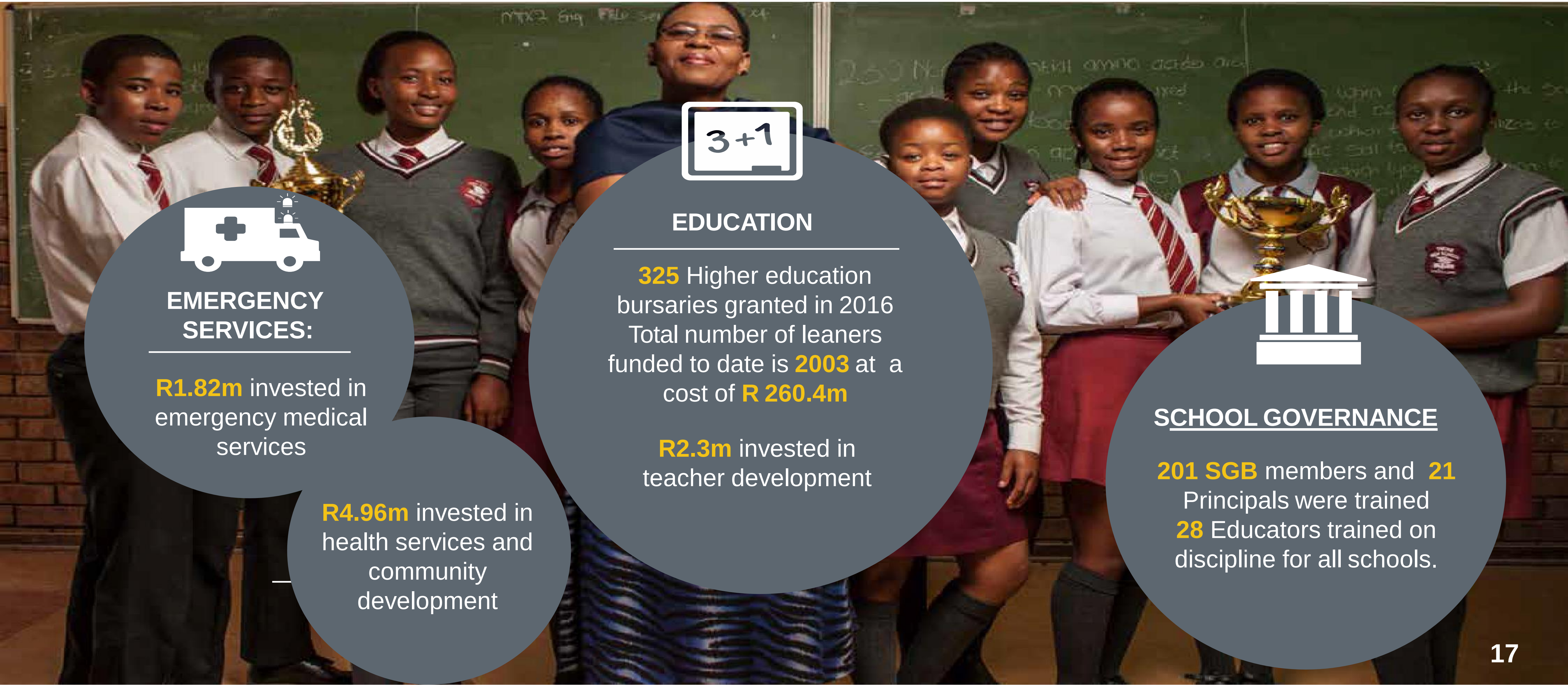
- OVC
- Trauma centre
- Foodbank

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

ROYAL BAFOKENG NATION

# IMPACT OF OUR SOCIAL SPEND
## Where did the money go to in 2016?



### EMERGENCY SERVICES:

**R1.82m** invested in emergency medical services

**R4.96m** invested in health services and community development

### EDUCATION

**325** Higher education bursaries granted in 2016
Total number of leaners funded to date is **2003** at a cost of **R 260.4m**

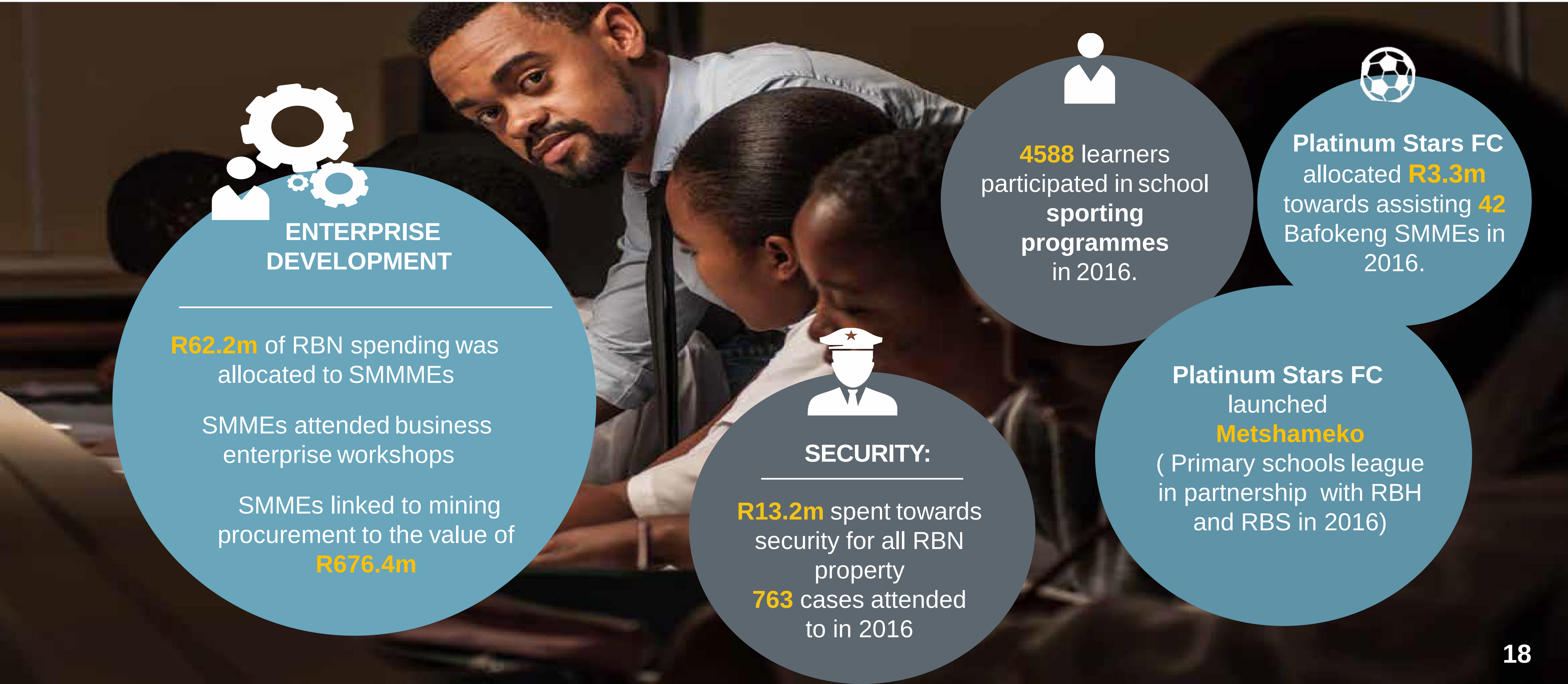
**R2.3m** invested in teacher development

### SCHOOL GOVERNANCE

**201 SGB** members and **21** Principals were trained
**28** Educators trained on discipline for all schools.

ROYAL BAFOKENG NATION

# IMPACT OF OUR SOCIAL SPEND
## Where did the money go to in 2016?



**ENTERPRISE DEVELOPMENT**

R62.2m of RBN spending was allocated to SMMMEs

SMMEs attended business enterprise workshops

SMMEs linked to mining procurement to the value of R676.4m

4588 learners participated in school **sporting programmes** in 2016.

**Platinum Stars FC** allocated R3.3m towards assisting 42 Bafokeng SMMEs in 2016.

**SECURITY:**

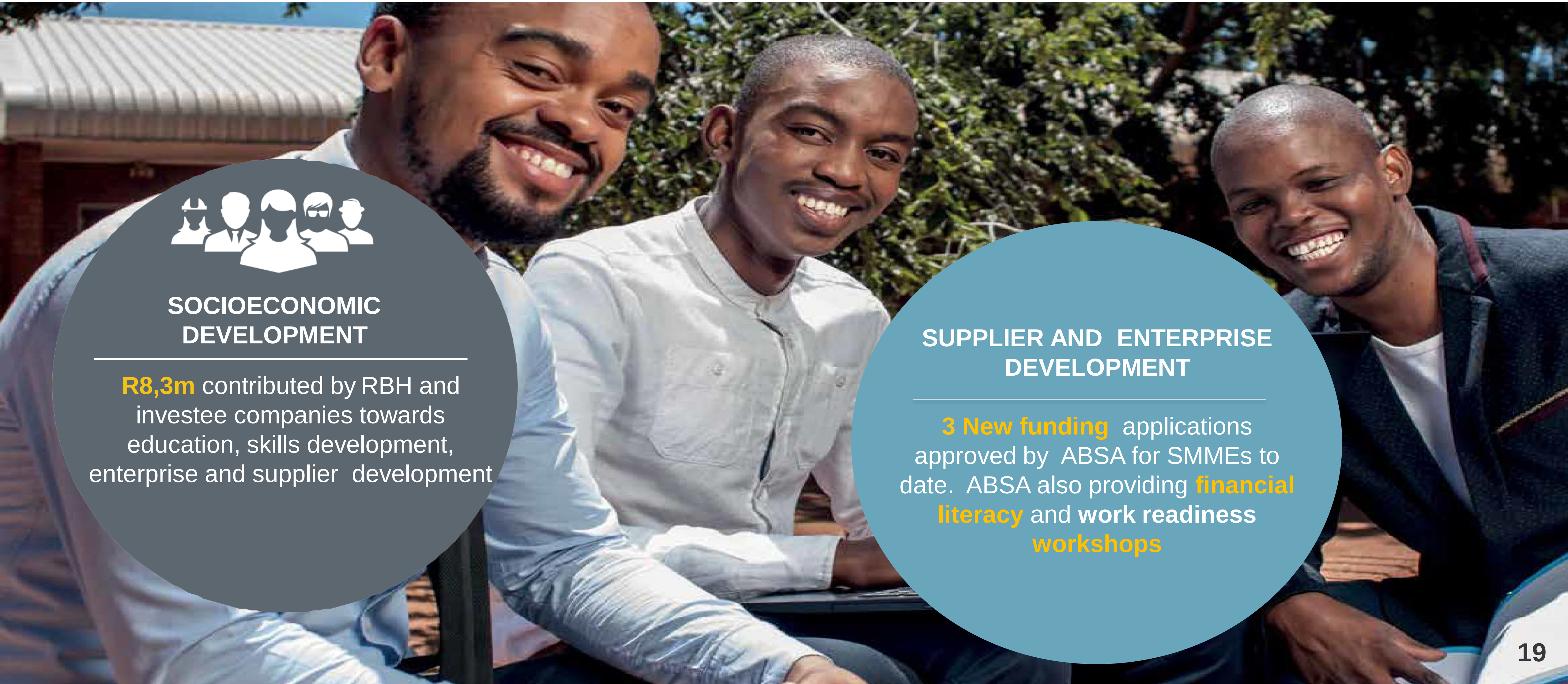
R13.2m spent towards security for all RBN property

763 cases attended to in 2016

**Platinum Stars FC** launched Metshameko ( Primary schools league in partnership with RBH and RBS in 2016)

ROYAL BAFOKENG NATION

# IMPACT OF OUR SOCIAL SPEND
## Where did the money go to in 2016?



### SOCIOECONOMIC DEVELOPMENT

**R8,3m** contributed by RBH and investee companies towards education, skills development, enterprise and supplier development

### SUPPLIER AND ENTERPRISE DEVELOPMENT

**3 New funding** applications approved by ABSA for SMMEs to date. ABSA also providing **financial literacy** and **work readiness workshops**

# IMPACT OF OUR SOCIAL SPEND
## Where did the money go to in 2016?

**LAND AGRICULTURAL SUPPORT**

**R1.6m invested in agricultural programmes**

**FARMING PROGRAMME**

**R1.1m** went towards:
- Mini market construction cost (at Rietvlei)
- Windmill construction cost (RBN cattle grassing land );
- Cattle feed for Morafe cattle;
- Seedlings bought for local NGOs.

**PUBLIC SERVICES & MAINTENANCE**

- **R79m** supported water services
- **R9m** went towards waste collection services
- **R 40.21m** was the total spend on infrastructure maintenance

**RBN operations room develpoment:**
**R262,338** invested for the creation of an improved Central Management System

ROYAL BAFOKENG NATION

# TABLE OF CONTENTS

# CONCLUSION

To ensure that our plans are aligned to our vision, we all need to play a part in preserving the Nation's assets through:

- **leadership**
- **Innovation**
- **co-ownership of assets**
- **payment of services**

ROYAL BAFOKENG NATION

# RE A LEBOGA

# DIPOTSO?

A E WELE METSING

ROYAL BAFOKENG NATION

ROYAL BAFOKENG NATION

A E WELE METSING • LET PEACE REIGN IN OUR LAND