



20 21

ANNUAL
REPORT

Black
Umbrellas*

Black Umbrellas*

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TO BE A

VALUED PARTNER

IN ENABLING EQUAL

AND SUSTAINABLE

ECONOMIC ACCESS

AND PARTICIPATION

OUR VISION

OUR MISSION

**WE INSPIRE, DEVELOP
MOBILISE AND CONNECT
ENTREPRENEURIAL AND
INNOVATIVE PEOPLE,
SOLUTIONS AND RESOURCES
TO EFFECT POSITIVE
ECONOMIC AND
SOCIAL CHANGE**



PROGRESSIVE

and pioneering in our approach to new economies and business of the future.

DYNAMIC

and agile in our approach allowing us to be responsive to shifting market dynamics.

TRANSPARENT

and ethical in the way we work with our funds and how we use the valuable data we capture.

COLLABORATIVE

in how we work with all our partners, consistently respectful of diversity and difference.

We have a proud track record in making a difference in the African economic landscape and are

COMMITTED

to embracing all opportunities to contribute to its consistent growth and inclusion.

OUR VALUES



**“I AM PROUD THAT,
EVEN IN THE HEIGHT
OF TRAGEDY AND
EXTREME DIFFICULTY,
OUR NATION HAS
DEMONSTRATED GREAT
RESILIENCE AND
STRENGTH.”**

This year we learned to shift our perspectives and the way we approach everyday life and all that comes with it. South Africa has begun to rebuild after almost two years of COVID-19 induced lockdowns that demanded immense sacrifice and patience.

I am proud that, even in the height of tragedy and extreme difficulty, our nation has demonstrated great resilience and strength.

SMEs are key drivers of economic prosperity and a vital part of rebuilding the South African economy in a truly inclusive way. It is, therefore, critically important that our SMEs are protected, nurtured and supported.

Businesses in the Black Umbrellas programme have proven to be viable, thriving enterprises. In fact, there is no doubt that there is no shortage of great, innovative entrepreneurs in South Africa. There is, however, a gap between these strengths and the resources that are required to bring them to fruition.

Community plays such a fundamental role in resilience. The Black Umbrellas community is something we place great value on. We know that when we operate as a healthy ecosystem, we thrive. As we continue to rebuild our economy through the investment in entrepreneurs and small businesses, collaboration and community will be at the heart of Black Umbrellas' purpose and culture.

Cyril Ramaphosa

A MESSAGE FROM

**PRESIDENT
CYRIL
RAMAPHOSA**

PATRON OF THE CYRIL RAMAPHOSA FOUNDATION



**A MESSAGE FROM
THE CHAIRPERSON OF THE BOARD**

**RAJESH
SUKHA**

It has been just over a year since Black Umbrellas pivoted from a brick-and-mortar model to the launch of our Virtual Incubator. 'Change' has quickly become a concept that we have had to become comfortable with. This means that, although the decision to change our business model was not without risk, it was necessary in order to meet the new normal. In just one year of existence, the Virtual Incubation programme has attracted thousands of applicants, and over 200 entrepreneurs have received training, mentorship, and business coaching through the platform. This is testament to the certainty that the Virtual Incubator has expanded our reach, making it possible for more and more South African SMEs to receive the support they deserve.

None of this would be possible without our valued partners. Over the years, Black Umbrellas has always understood that collaboration and strategic partnerships are essential to delivering on its purpose.

Through collaboration with key partners, Black Umbrellas has gained access to services and networks that are essential to creating an environment that enables our stakeholders, be it the SMEs that we service or the staff that we employ, to develop and grow.

It is encouraging to see that through the correct partnerships, non-profits such as Black Umbrellas can extend their reach and expand on their purposes. In so doing, we redress the imbalances that continue to exist in our less fortunate communities.

We have been fortunate to have persevered through a time of unprecedented change. I don't know a single person who has not been impacted by the global pandemic. In a country like ours, with high rates of

technology and project management partners for the Virtual Incubator, Black Umbrellas has been able to take quantum leaps forward in addressing entrepreneurship challenges across South Africa. Selecting the correct partners is challenging and therefore not without risk. We placed significant emphasis on ensuring that the core values of our partners were aligned with those of Black Umbrellas.

We also celebrate that our for-profit partners, such as Mianzo Asset Management (our fund manager), Payment Accelerator (our factoring business,) and BUCGC Consulting (our supply chain experts), have subscribed to this philosophy. We believe that if core values are aligned, a foundation for co-creation can be fostered.

Partnerships can also provide a much more philosophical benefit. We have experienced the benefits of treating the communities that we work within as our partners, too. This has given us a level of awareness that ensures that our services remain relevant.

As we continue to grow our community of critical-thinking and competent entrepreneurs, we are proud of the great progress we've made, but we still have a long way to go.

I'm reminded of the immortal words of the late author Kahlil Gibran who said "Your friend (partner) is your needs answered. He is your field which you sow with love and reap with thanksgiving. And he is your board and your fireside. For you come to him with your hunger, and you seek him for peace...."

inequality, the chasms between the haves and the have-nots have widened. Whilst it is true that the development of South Africa is a responsibility that we all share, non-profits continue to play a vital role in addressing inequality and their roles extend beyond simply providing a "return on investment" to donors and funders. We are eternally grateful to the Cyril Ramaphosa Foundation who continue to stand by our side as funder and mentor through these difficult times.

The development of the Virtual Incubator would have been impossible without the support of the Jobs Fund and our technology partners. By selecting the right

"BLACK UMBRELLAS HAS ALWAYS UNDERSTOOD THAT COLLABORATION AND STRATEGIC PARTNERSHIPS ARE ESSENTIAL TO DELIVERING ON ITS PURPOSE."

As we navigate a COVID-impacted world and, to a certain extent, venture into uncharted waters, there is a general consensus that there will be no return to a pre-pandemic “normal”. Organisations and individuals have had to make peace with rapid change and learn to be agile. Although, pre-COVID, the world was rapidly advancing, many of us could still safely assume that today would be the same as yesterday and that we could plan our tomorrow with a level of certainty. Today the pace of change is exponential and we have to strategise for a complex and unpredictable future. We also have to be far more aware of and connected to our context and understand that our actions as businesses and individuals impact our communities and our environment.

Empowering 100% black owned South African SMEs has always been the primary focus of Black Umbrellas (BU). To do this, we ensure we have healthy ecosystems in place, which include a strong and supported team. This past year has not only been about finding solutions to a host of new challenges, but also about a heightened sense of our collective humanity. We required a greater awareness of our team’s context, and the resilience of our clients. BU is driven by a culture of passion and hard work, and a close alignment with the realities and dreams of our clients. It is only when we have ventured outside of our circles of certainty that we have discovered new opportunities. We have tried to be the safe and protected platform from which our clients can do the same. Throughout the pandemic, our priority has been to ensure that our staff have felt safe and supported.

When we emphasise the importance of community and collaboration, we acknowledge that it starts in the organisation itself.

BU has embarked on a journey to embrace the opportunities that digital technology presents. We have made significant progress in launching our new digital model. This progress over the past year would not have been possible without the many long-term and new partners who have supported us along the way. One of our long-standing partners is the Allan Gray Orbis Foundation Endowment (AGOFE), who have extended their support until December 2022. AGOFE seeks to address unemployment and poverty in South Africa by encouraging and enabling sustainable and responsible entrepreneurship. BU is proud to be a valued partner of AGOFE in creating equal and sustainable economic access and participation in the SME and entrepreneurship environment.

We are grateful for our partnership with REGENT BUSINESS SCHOOL in setting up business lounges within their campuses to facilitate the training of REGENT students, alumni and others who wish to pursue an entrepreneurial path. These business lounges are also available to BU clients and offer good quality Wi-Fi, meeting rooms, hot desks and technical equipment where required.

A MESSAGE FROM THE CEO

**MARK
FRANKEL**

“WHEN WE EMPHASISE THE IMPORTANCE OF COMMUNITY AND COLLABORATION, WE ACKNOWLEDGE THAT IT STARTS IN THE ORGANISATION ITSELF.”

BU's new for-profit partners have enabled the launch of new initiatives which aim to simplify enterprise and supplier development for both corporates and SMEs and accelerate the scale and impact of these interventions.

While ESD has always been an imperative of the B-BBEE Codes of Good Practice, localising supply chains and opening them up to small businesses is something that corporate South Africa has struggled to implement meaningfully.

BU's new offerings include:

An ESD debt fund in partnership with Mianzo Asset Management

An invoice financing platform in partnership with Payment Accelerator

A procurement and supply chain consulting business in partnership with CGC Consulting, founded by Clive Govender.

Black Umbrellas CGC Consulting assists corporates to develop a procurement and supply chain strategy which identifies the opportunities for ESD procurement to be made available and the businesses required to deliver on these opportunities.

As the ESD supplier is developed and procurement opportunities are made available, pre-invoice financing can be made available to the supplier via the Black Umbrellas Mianzo ESD Debt Fund.

Once the goods or services have been provided, the ESD supplier can be paid the bulk of the invoice value within 24 hours via the Black Umbrellas Payment Accelerator.

The need to provide end-to-end procurement and supply chain solutions which strategically incorporate ESD and localisation is critical in the current South African economic climate. This expanded range of offerings gives corporates the opportunity to create a virtuous circle through an enterprise and supplier development programme which scales and grows new and existing suppliers within their supply chain in a risk-mitigated environment.

BU continues to embrace the multitude of opportunities that emerge in a changing world. I would like to thank all of the stakeholders who allow us to be in a position to do so.

To the Black Umbrellas Board and Chairperson, and the Cyril Ramaphosa Foundation thank you for your strategic guidance and support.

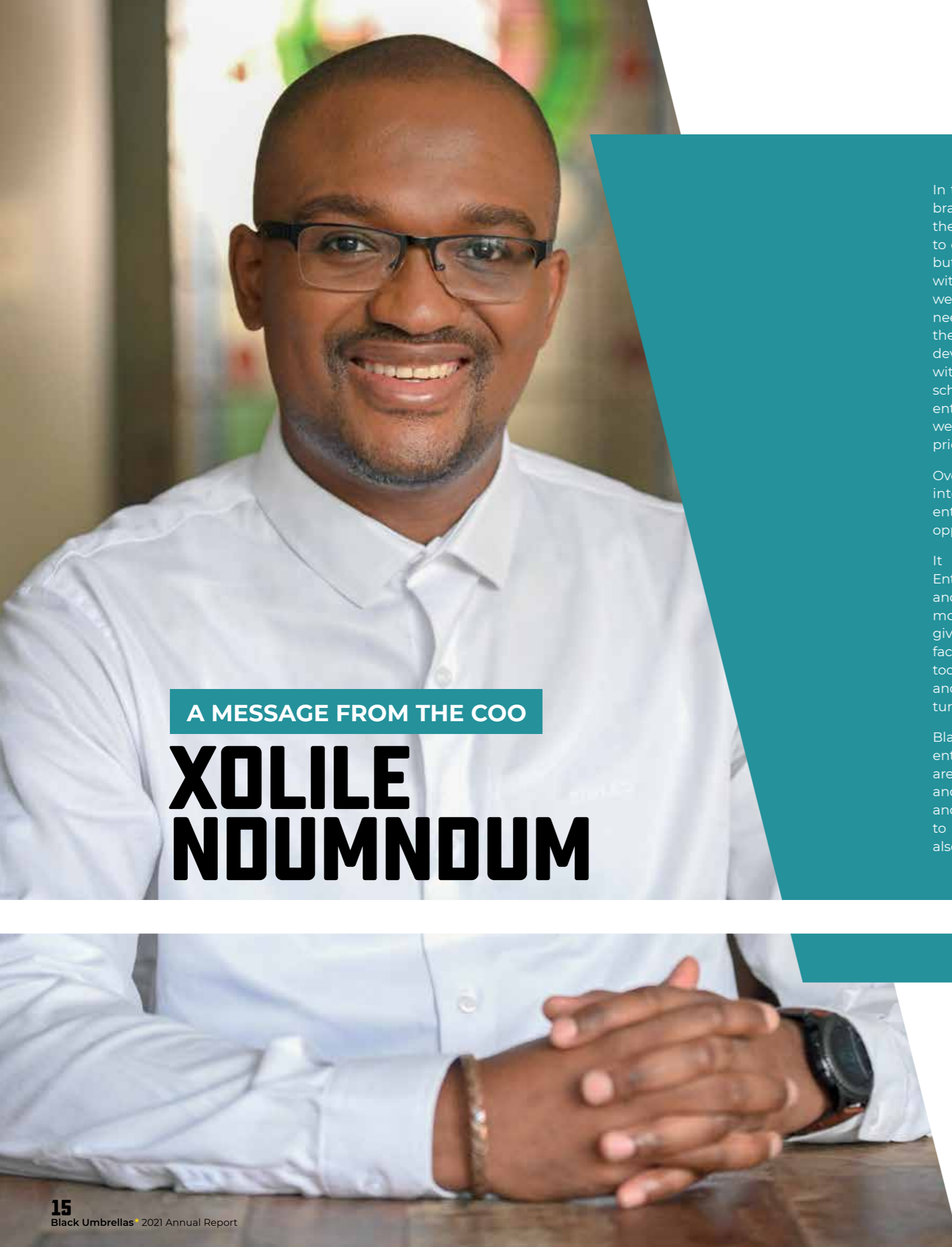
To our funders, partners and mentors, thank you for investing time and resources and sharing in our vision.

To my fellow Exco members, management and employees of BU, thank you for your commitment and passionate contribution to the running of this organisation.

And to our clients, thank you for trusting us and allowing us to walk your business journey with you.

A MESSAGE FROM THE CEO

MARK FRANKEL



A MESSAGE FROM THE COO

**XOLILE
NDUMNDUM**

In the second half of 2020, we changed the look of our brand and digitalised our business model. Not only has the launch of our Virtual Incubation platform allowed us to extend our reach to SMEs in all parts of South Africa, but it has also made it easier for us to connect and share within the business. With our Virtual Incubation platform, we are gaining a greater understanding of the changing needs of businesses and those who are responsible for them. For us, the Virtual Incubator is not just a hub of development and innovation, but a vital e-learning tool with the flexibility needed by entrepreneurs with busy schedules. We have always known that South African entrepreneurs need the right resources for growth, but we are also learning what kinds of solutions should be prioritised for their sustainability.

Over and above the need for practical training interventions, the progress of South African entrepreneurs is largely dependent on access to opportunities and resources.

It is no longer enough to be knowledgeable. Entrepreneurs need to consistently develop their skills and expand their expertise. Alongside our digital business model, we have also rolled out a series of offerings that give practical solutions to some of the biggest challenges faced by SMEs. One example is the Pivoting Playbook, a toolkit which provides in-depth business assessments and a guide on the practical implementation of turnaround strategies.

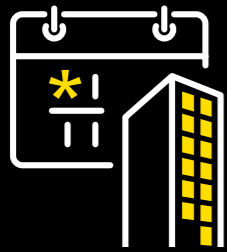
Black Umbrellas' co-working spaces are now open to entrepreneurs in and out of the programme. The offices are equipped with key infrastructure for individuals and teams, including telephones, computers, printers and reception staff. Each space is optimally designed to encourage productivity and collaboration. We are also excited about the new Black Umbrellas business

lounge, in East London, Eastern Cape. As a largely rural province, small Eastern Cape businesses have relatively low access to support resources. As a result, this facility provides an enabling environment where entrepreneurs can network, learn and grow their ventures.

In addition to making productive workspaces accessible to entrepreneurs, we have partnered with K&M Accounting and Tax Services (K&M) to provide entrepreneurs on the Black Umbrellas Programme with affordable accounting services. Over the years, we have learnt that compliance and accounting-related challenges are very common among small businesses at different stages of their development. The partnership with K&M allows us to mitigate these risks that are not necessarily a product of unwillingness, but rather directly related to a lack of knowledge and resources.

As we look to the future, we are confident that digitally enabled SME development will play a pivotal role in rebuilding a vibrant economy.

“OVER AND ABOVE THE NEED FOR PRACTICAL TRAINING INTERVENTIONS, THE PROGRESS OF SOUTH AFRICAN ENTREPRENEURS IS LARGELY DEPENDENT ON ACCESS TO OPPORTUNITIES AND RESOURCES.”



2 525

TOTAL NUMBER OF SMEs
INCUBATED
SINCE INCEPTION



407

TOTAL NUMBER OF BUSINESSES
CURRENTLY
IN INCUBATION



R63 914

AVERAGE
COST PER JOB

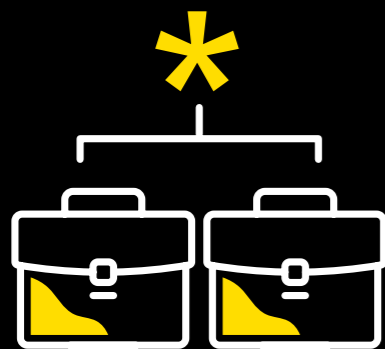


R1.31bn

NET ASSET VALUE

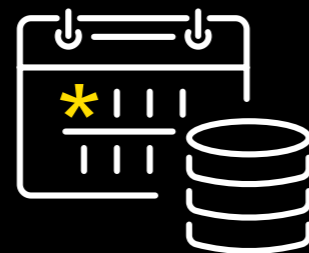
POWER MILESTONES

IMPACT FIGURES
For the period June 2021 since Inception



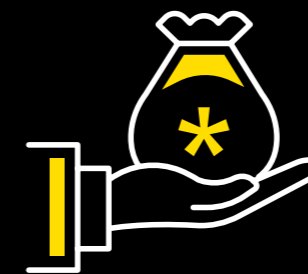
12 090

JOBS CREATED
AND PRESERVED



R3.28bn

TURNOVER
GENERATED BY
SMEs SINCE INCEPTION



R907m

SALARIES PAID



R269m

TAX RAISED
BY SMEs

THE 9TH ANNUAL

NATIONAL ENTERPRISE DEVELOPMENT AWARDS

CELEBRATING THE OUTSTANDING ACHIEVEMENTS

OF BLACK UMBRELLAS ENTREPRENEURS

Black Umbrellas (BU) promotes a culture that acknowledges and celebrates hard work and success. We recognise that encouraging entrepreneurship isn't just about SME development, but it is also about recognising their achievements. The National Enterprise Development Awards (NEDAs) are one such platform to celebrate SMEs on the BU programme for reaching significant milestones in their business journeys.

At the 9th annual awards ceremony, and BU's second virtual event, hundreds of guests participated in honouring these SMEs and their founders. Held on 11 November 2021, the prestigious event included a guest appearance from Sbusiso Leope (DJ Sbu) and performances by singer Brendan Praise and praise narrator Tselane Mashilo. The event was hosted by business woman, Busi Mkhumbuzi-Pooe and co-hosted by Thina Hlophe, BU's Stakeholder Engagement Manager and Jerome Eckles, BU's General Manager of Entrepreneur Development.

There was a need to redefine what success looked like when evaluating business performance during a pandemic. As a result, the NEDA categories were conceptualised with the commendable resilience of these businesses in mind.



Green Dot Energy: Abigail Serakoana



Sampax Health: Samuel Panisi Tjangase



Tendai ICT: Andrew Maringa

NEDA CATEGORIES AND WINNERS

MOST JOBS CREATED IN A PANDEMIC

Bolwa Security Services

This award is presented to the SME that has created the most job opportunities in a calendar year, whilst operating during the COVID-19 pandemic.



Bolwa Security Services: Johnson Vetbooi

MOST JOBS PRESERVED IN A PANDEMIC

GMSQ (MS Quality R Trading Enterprise)

This award is given to an SME that has preserved the most permanent jobs in a calendar year during the COVID-19 pandemic.

MOST RESILIENT BUSINESS

Tendai ICT

This award is given to an SME that displayed incredible resilience while operating during a pandemic. It is weighted based on their performance, the number of jobs they have preserved, and the number of jobs they have created.

BEST BLACK UMBRELLAS AMBASSADOR

Sampax Health

This award is given to an SME that best represents Black Umbrellas, particularly through their overall compliance and the impact that they have on their community.

PEOPLE'S CHOICE AWARD WINNER

Tendai ICT

This is awarded to the SME that has been chosen by the public as the most deserving recipient from a list of 10 nominees. Voting is tracked through a digital process, which gives the public an opportunity to cast their votes online. The nominee with the highest number of votes is awarded.

BEST COVID BOUNCE BACK

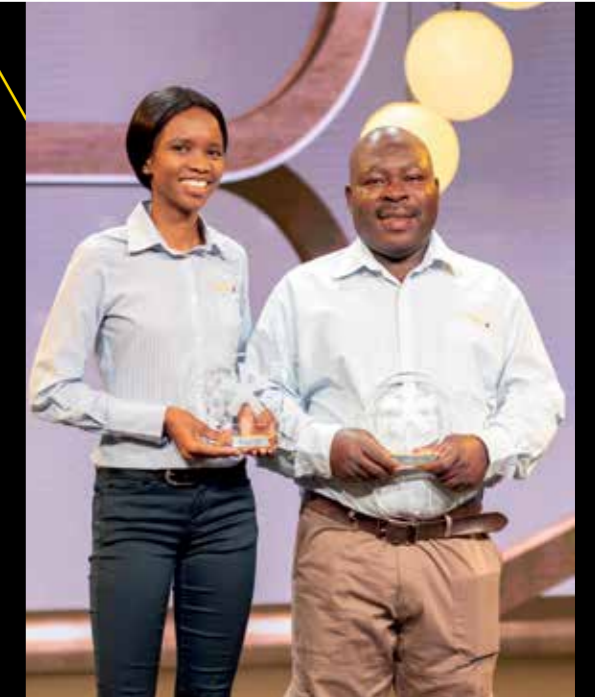
Green Dot Energy

This award is given to the SME that has remained resilient during the COVID-19 pandemic, displaying an ability to recover and rebuild after the initial challenges posed by the pandemic. Performance is weighted on their overall growth in turnover during this time.

OVERALL NATIONAL WINNER

GMSQ (MS Quality R Trading Enterprise)

This award is given to the SME that encompasses the best practices of a business within the Black Umbrellas incubation programme. This includes compliance with the programme's requirements, growth as a business and the creation of opportunities and partnerships. It is an award for the business that performed the best on the aggregation of all three categories, namely jobs, performance and ambassadorship.



GMSQ (MS Quality R Trading Enterprise): Sarina Malatji and David Masikhwa



NEDAs WINNERS

From left to right: Jerome Eckles (BU General Manager of Entrepreneur Development), Abigail Serakoana (Green Dot Energy), Johnson Vetbooi (Bolwa Security Services), Sarina Malatji (GMSQ), Sbusiso Leope (DJ Sbu), Andrew Maringa (Tendai ICT), Samuel Panisi Tjangase (Sampax Health), David Masikhwa (GMSQ) and Thina Hlophe (BU Stakeholder Engagement Manager).

When Sarina Malatji and David Masikhwa accepted the awards for the most jobs preserved in a pandemic and the overall national winner at the 9th annual National Enterprise Development Awards, it was a moment that affirmed the significance of their 10-year journey. After resigning from their formal employment in 2011, the co-founders embarked on building a group of companies that now offers a wide range of products and services.

GMSQ (MS Quality R Trading Enterprise) comprises of GreenDot Supplies and MS Quality R Trading Enterprise. GreenDot Supplies is a retail company that focuses on supplying hardware and hygiene products for both corporates and general public, while MS Quality R Trading Enterprise provides cleaning, hygiene, and pest control services to the public.

With the company's headquarters in Lephalale, GMSQ has operations in almost all major towns of the Limpopo province. The company has 111 permanent employees, 68 temporary employees and 16 students. Looking back at the hard work it has taken to reach this level of job creation, Sarina cites partnership as a powerful catalyst for success. "Our partnership has been invaluable in that we brought together very different skills which we combined to complement each other in the work we do," she said. Together, the founders have maintained a skill set that includes the basic sciences, environmental engineering, and financial and business management.

Acknowledging the importance of the company's ability to create jobs, Sarina said, "Our business has a lot of positive impact in the unskilled and semi-skilled labour market because we are able to absorb more of those groups. More families are impacted by this, and we love to make a difference in the lives of ordinary people."

The Black Umbrellas incubation programme has also made a valuable contribution to the growth of GMSQ. Having joined the programme with the goal of acquiring the necessary tools and guidance to run a business effectively and efficiently, the co-founders speak fondly of the difference that BU's support has made. "We knew we were going to get business support through mentorship, networking and access to markets," Sarina said. "The programme enabled us to be legally compliant at all times of operation."

While they continue to bask in the joy of their NEDA-recognised achievements, the team looks forward to many years of growth, employment and new successes. Their plans for expansion include opening more stores like GreenDot Supplies in other towns of the Limpopo province, developing a manufacturing line for GreenDot products and, ultimately, reaching new markets outside of Limpopo.

OUR CLIENT

GMSQ

(MS QUALITY R TRADING ENTERPRISE)



Sarina Malatji and David Masikhwa, co-founders of GMSQ (MS Quality R Trading Enterprise)

"WE LOVE TO MAKE A DIFFERENCE IN THE LIVES OF ORDINARY PEOPLE."

OUR ALUMNI

DEBAR CERAMICS

The significance of the Black Umbrellas (BU) programme is reaffirmed by the continued progress of our alumni. They are a key component of how BU measures its effectiveness. Maintaining relationships with our alumni allows us to see the ripple effects of our initiatives, and provides insight on how we can improve our offerings.

Debar Ceramics is a BU alumni company that supplies, installs, and maintains wear-resistant materials. Their journey illustrates the importance of supporting the dreams and growth of SMEs in South Africa. Debar Ceramics started with a small team in 2014, and has blossomed into an enterprise with over 200 employees. They are a prime example of the important role that SMEs play in the South African economy, whose growth has created numerous job opportunities, nurtured technical skills and contributed to the upliftment of local communities.

Founder, Letsosa Matona, is a passionate entrepreneur and has overcome the challenges that come with employing a large team. For him, it's all about creating (and maintaining) financial stability for hundreds of South African households, by employing those who are very often the breadwinners in their families. When asked what he loves most about the work that he does, Matona says, "More than anything, it's about creating employment, contributing positively to the economy and eradicating poverty in our communities."

Debar Ceramics joined the Black Umbrellas incubation programme in 2015. As a firm believer in continuous learning, Letsosa knew that he needed to evolve his business to meet the ever-changing landscape. He needed support in shifting the financial and legal standards of his business, and needed to understand new trends in marketing and sales. With a very specific objective in mind, Letsosa leveraged the business support and mentorship offered by Black Umbrellas to build a business that has become compliant, sustainable and highly competitive.



Letsosa Matona, founder of Debar Ceramics

"IT'S ABOUT CREATING EMPLOYMENT, CONTRIBUTING POSITIVELY TO THE ECONOMY AND ERADICATING POVERTY IN OUR COMMUNITIES."

During its time in the BU programme, Debar Ceramics was recognised for a series of achievements at BU's National Enterprise Development Awards:

2016

- 1st place: Best Black Umbrellas Ambassador

2017

- 1st place: Best Performing Company
- 2nd place: Most Jobs Created
- 2nd place: Best Black Umbrellas Ambassador

2018

- 1st place: Best Performing Company
- 1st place: Most Jobs Created
- 2nd place: Best Black Umbrellas Ambassador
- Overall Winner of National Enterprise Development Awards

2019

- 1st place: Best Performing Company
- Overall Winner of National Enterprise Development Awards

Six years later, Debar Ceramics employs over 200 people, provides excellent products and services, and is enjoying rapid and sustainable growth.

Black Umbrellas follows the progress of Debar Ceramics with pride as it continues to dream, believe, create, grow and share!

MEANINGFUL SUPPORT

THE VALUE OF MENTORSHIP



Nishi Singh, Managing Director at NSP Consultants

Liat Madinane epitomises the concept of young, vibrant entrepreneurship, and her relationship with mentor, Nishi Singh, proves just how successful mentorship can be, when it is driven by a shared passion for business. As the founder of Sika Creative Agency, a marketing and brand communications agency, Liat's journey comprises a delicate balance of hardship and persistence. When she reflects on her journey, her relationship with her Black Umbrellas mentor, Nishi Singh, stands out as a powerful influence.

Nishi is the Managing Director at NSP Consultants, a consulting business that focuses on assisting large enterprises with business restructuring, management advisory and business improvement strategies.

Liat always knew that she wanted to be an entrepreneur, so when she got her first client straight after obtaining a post-graduate diploma in marketing, she knew that it was the perfect opportunity to formalise her business. When she joined the Black Umbrellas Business Foundation Programme, a year into the establishment of Sika Creative Agency, it was an intentional effort to structure her business, build confidence and learn as

much as she could. Mentorship has been a key part of achieving this. The young entrepreneur has a deep respect for her mentor and, in her own words, sees so much of what she desires for herself, in Nishi. "The business environment can be so unfair for women," she says, "but Nishi taught me to take myself seriously."

Perhaps one of the most significant aspects of the relationship between Nishi and Liat is that it is not only about regular engagements, but about creating access to meaningful opportunities. Through one of her own ICT clients, Nishi facilitated a grant sponsorship for enterprise development for Sika Creative Agency. "It was quite a proud moment for me that I could so easily and quickly identify her business as an enterprise development recipient," said Nishi.

If there's one thing to be learnt from the dynamic relationship between Liat and Nishi, it's that a well-matched mentor is essential for emerging entrepreneurs. It isn't necessarily about hand-holding, but rather about having someone to walk the journey with you. In the case of Liat and Nishi, the relationship has been both a confidence-builder, and a gateway to opportunity.



Liat Madinane, Founder of Sika Creative Agency

At J.P. Morgan, the impact of mobilising resources for the growth and scaling of businesses owned by underserved entrepreneurs and communities is highly valued. As a funder of the Black Umbrellas programme, J.P. Morgan has made a valuable commitment toward the development of black-owned South African businesses, pouring into an area where resources and support were previously quite scarce. SMEs in South Africa are the key drivers of economic recovery and growth in the country, and they are essential to uplifting the communities in which they operate.

With the support of J.P. Morgan, Black Umbrellas has been able to continue its work in enterprise development and cultivate inclusive economies and thriving communities.

“WITH THE SUPPORT OF J.P. MORGAN, BLACK UMBRELLAS HAS BEEN ABLE TO CONTINUE ITS WORK IN ENTERPRISE DEVELOPMENT AND CULTIVATE INCLUSIVE ECONOMIES AND THRIVING COMMUNITIES.”

OUR DONOR

J.P. MORGAN

PARTNERSHIP MATTERS

Objectives of Black Umbrellas and J.P. Morgan

Through J.P. Morgan support, Black Umbrellas has been able to focus on developing 100% black-owned enterprises in the townships within Soweto and surrounding areas such as Tembisa, Alexander, Diepsloot and Cosmo City. With a mission to address the low levels of entrepreneurship and the high failure rate of 100% black-owned and emerging businesses in South Africa, Black Umbrellas collaborates with partners in the private sector, public sector and civil society. Support from J.P. Morgan is aligned with a strategy to reach economically disadvantaged individuals and communities.

This collaborative outreach rests on a training programme that ultimately formalises businesses and prepares them for funding, markets and a host of opportunities, while providing critical mentorship and business coaching through the Black Umbrellas programme. By the end of the programme, businesses aim to be more resilient, sustainable and adequately prepared to navigate the entrepreneurial landscape while creating jobs and contributing positively to the economy.

Impact Achieved Thus Far

To date, the project has seen 28 businesses successfully onboarded, with half of those enrolled into the Business Foundation Programme, and the other half into the Business Readiness Programme. During their time on the respective programmes, entrepreneurs have been mentored, undergone rigorous training and coaching, and attended virtual networking events to solidify their presence within the broader business environment.

It is deeply encouraging to see the progress that has been made by entrepreneurs thus far. Entrepreneurs need to be confident, resilient and compliant, no matter their industries. Through the power of collaborative effort, they can grow to become the champions of an inclusive future.

The support from J.P. Morgan has provided an essential opportunity to bolster entrepreneurship in townships, inspiring hope in the hearts of several communities.

J.P.Morgan



OUR PARTNER

“WE ARE EXCITED ABOUT THIS PARTNERSHIP THAT LEVERAGES THE IMPACT OF BLACK UMBRELLAS’ AWARD-WINNING INCUBATION PROGRAMME AND REGENT’S FOCUS ON ACADEMIC EXCELLENCE IN THE ENTREPRENEURIAL ECOSYSTEM.”

REGENT BUSINESS SCHOOL

Black Umbrellas and REGENT BUSINESS SCHOOL have developed an entrepreneurial and innovation ecosystem to sustain the many facets of small business development for poverty and unemployment alleviation. The accelerator programme, called redHUB (REGENT Enterprise Development Hub), has leveraged the institution’s innovation and technology hubs (iLeadLABs) to provide impactful education, training and mentorship for aspirant entrepreneurs. The programme aims to nurture entrepreneurs’ creativity using resilient and antifragile strategies.

In recognition of our responsibilities towards solving the employability challenges that our graduates face against the backdrop of disrupted and fluid labour markets, we aspire to create a new coterie of agile, responsive and responsible entrepreneurs and innovators to deal with an increasingly volatile and uncertain world through collaborative intelligence.

The partnership augments REGENT’s formal qualifications and programmes with BU’s enterprise development programme and provides access to strategic physical locations in major centres in SA for entrepreneurs. We are also collaborating in developing skills development

programmes and co-creating course materials aimed at serving entrepreneurs and the enterprise development sector.

Currently, we are finalising the outcomes of a stakeholder survey that seeks to identify ideal candidates to partake in this programme.

We are excited about this partnership that leverages the impact of Black Umbrellas’ award-winning incubation programme and REGENT’s focus on academic excellence in the entrepreneurial ecosystem.

With this combined experience we are optimistic that SMEs will gain a holistic educational experience that helps them to develop into viable, scalable enterprises and industry leaders.

REGENT BUSINESS SCHOOL enjoys close relationships with all its stakeholder communities through their business education, research and outreach programmes, and are guided by a mission to provide accessible, affordable, and quality entrepreneurial education that is responsive to the needs of South Africa and the African continent.



Professor Ahmed Shaikh, Managing Director at REGENT BUSINESS SCHOOL



DISRUPT. RETHINK. INNOVATE.

The Finance and Risk Committee is tasked with applying oversight measures that would ensure the integrity of the organisation's financial accountability. Reviewing the work of this committee over this reporting period provides us with an opportunity to affirm the successful implementation of Black Umbrellas' (BU) updated operating model. This past year, we revised our operating model which resulted in updated budgeting, resource mobilisation, and risk management regiments.

BU smoothly transitioned to its revised model while phasing out the components of the three-year incubation programme. This necessitated a level of agility in decision making and an attitude of embracing change in an uncertain and volatile external environment. These business changes took place during a period where the long term impacts of the pandemic were beginning to be felt. The impact of the extended lockdowns on small businesses was becoming more pronounced, and our clients in incubation required far greater support from BU.

We launched our Virtual Incubator under strict timelines and high expectations for a system that could withstand common IT risks. We are proud that our platform's performance and availability exceeds 90% with minimal periods of downtime reported. We were able to deliver the new operating model with minimal interruptions to our general service offerings. Our ability to generate reliable

reporting that corresponds timely with the financial reporting, has enabled the organisation to understand its financial positioning better. This has created a basis for more streamlined financial sustainability plans and helped us to be more responsive to our stakeholders.

The establishment of our new provincial offices and the ability to maintain our presence in the coastal areas, while repurposing our physical incubators into a model of business lounges with key partners in these localities, has proved to be an endearing exercise.

We had been anticipating the introduction of the Protection of Personal Information Act (POPIA), and prioritised our compliance with the legislation. This journey afforded us the opportunity to revise some of our business processes and enabled us to ensure the protection of stakeholders' personal information.

The Finance and Risk Committee is committed to maintaining efficient financial management practices that enable the organisation to mitigate material risks that may affect business continuity.

We are also grateful for the dedication and tenacity of BU's management team and board of directors in implementing complex business changes during this reporting year.



FINANCE AND RISK REPORT

MMABATHO MABOYA

ON BEHALF OF THE BLACK UMBRELLAS FINANCE AND RISK COMMITTEE



In the past financial year, Black Umbrellas has received unwavering support from its donors. Even during a difficult period where the COVID-19 pandemic negatively impacted local and global economies, our donors have remained committed to financially backing Black Umbrellas' mission. This has enabled the organisation to remain relatively stable in a turbulent and difficult time and, in fact, generate a surplus within the 2020/2021 financial year. This is due to the collaborative and supportive environment in which we operate.

BU believes in the importance of building a mutually beneficial ecosystem, rather than operating in silos. Every one of our donors, whether in an individual or organisational capacity, enable BU to deliver on its vision of enabling equal and sustainable economic access and participation.

We are grateful for the relationships we have with the Mabindu Business Development Trust, the Jobs Fund, Allan Gray Orbis Foundation Endowment, the Small Enterprise Development Agency, Rand Mutual Assurance, JP Morgan and the Cyril Ramaphosa Foundation Trust.

Our annual expenditure was well controlled, with a year-on-year decrease of 4.15 made possible by our transition from a purely physical to a hybrid platform.

Black Umbrellas continues to invest in its virtual incubation platform in order to fully position itself for a digital future. Of the R47.5 million balanced at the end of 2021, R42 million has been designated for specific initiatives, leaving an undesignated cash balance of R5.4 million.

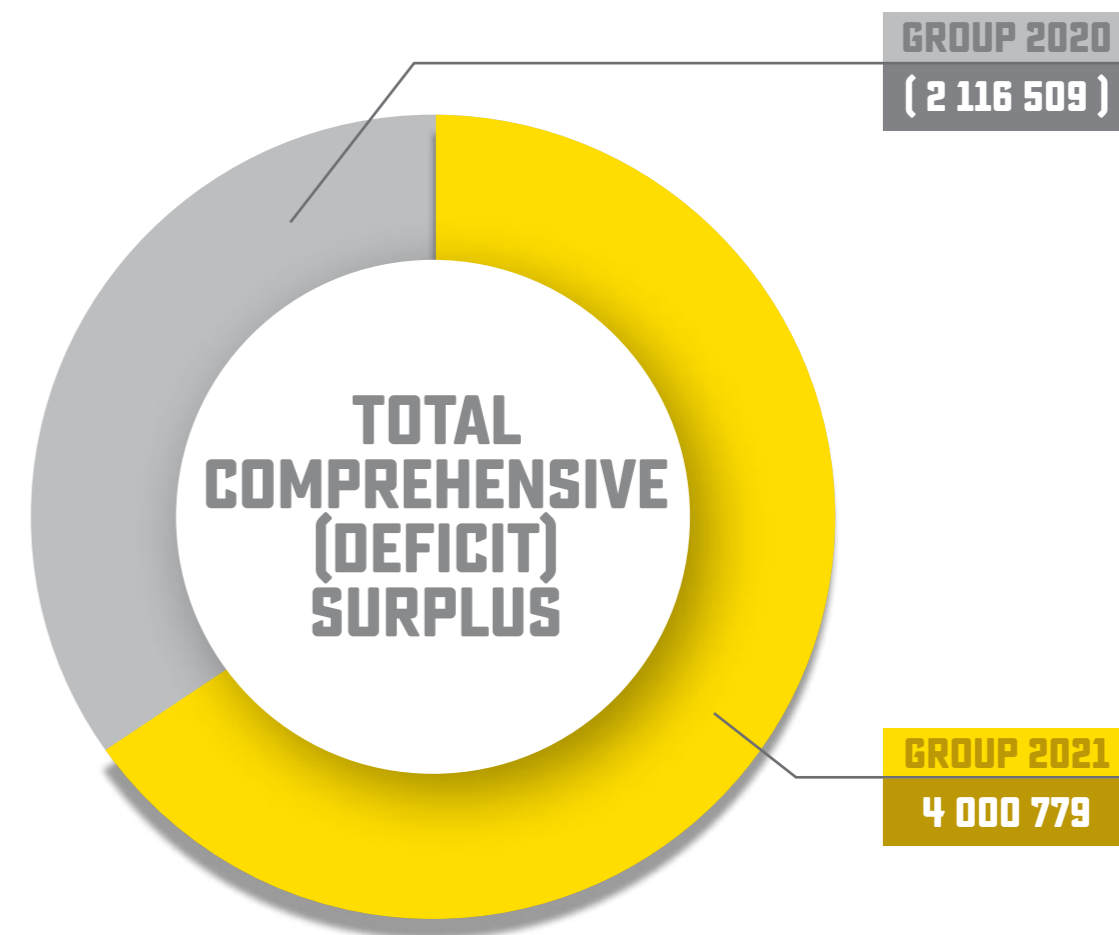
FINANCIAL HIGHLIGHTS

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5 394 468	5 891 52	5 394 468	5 891 528
Intangible assets	8 912 619	4 015 250	8 912 619	4 015 250
Investment in associates	24 966	–	49 932	–
Investment in subsidiary			120	
Total non-current assets	14 332 053	9 906 778	14 357 139	9 906 778
CURRENT ASSETS				
Trade and other receivables	713 876	1 162 112	713 876	1 228 913
Loans to related parties	–	–	1 394 906	1 235 618
Cash and cash equivalents	47 551 635	23 485 910	47 531 563	23 472 929
Total current assets	48 265 511	24 648 022	49 640 345	25 937 460
Total Assets	62 597 564	34 554 800	63 997 484	35 844 238
FUNDS AND LIABILITIES				
FUNDS				
Retained income	12 097 124	8 096 345	13 583 725	9 405 743
LIABILITIES				
NON-CURRENT LIABILITIES				
Other financial liabilities	5 000 000	5 000 000	5 000 000	5 000 000
CURRENT LIABILITIES				
Trade and other payable	34 806 325	10 096 605	34 719 644	10 076 645
Deferred income	10 694 115	11 361 850	10 694 115	11 361 850
Total current liabilities	45 500 440	21 458 455	45 413 759	21 438 495
Total Liabilities	50 500 440	26 458 455	50 413 759	26 438 495
Total Funds and Liabilities	62 597 564	34 554 800	63 997 484	35 844 238

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

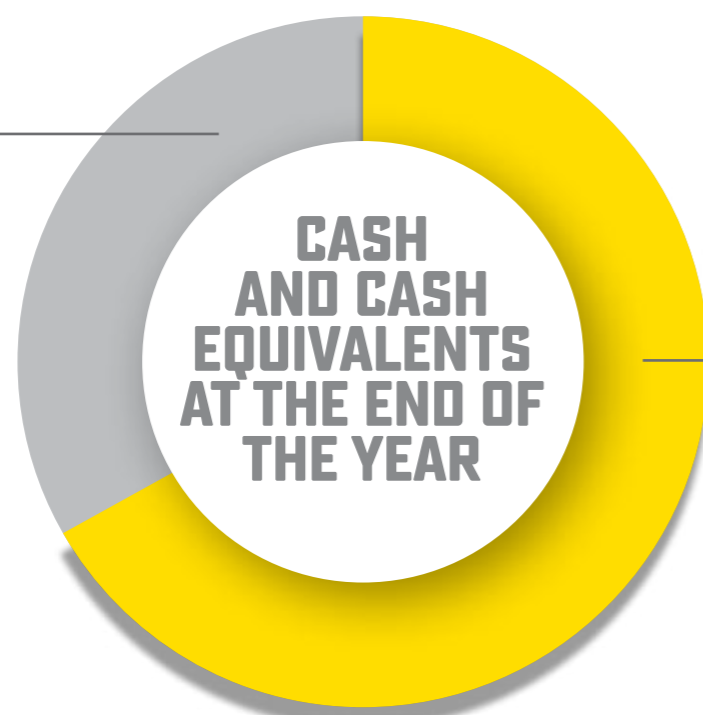
Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Funding	51 074 825	39 411 836	51 074 825	39 411 836
Other income	1 967 603	7 921 143	1 967 603	7 921 143
Administrative expenses	(5 552 194)	(4 896 952)	(5 529 644)	(4 866 463)
Other expenses	(44 241 314)	(46 174 909)	(44 241 314)	(46 020 801)
Other gains and (losses)	(361 817)	–	(361 817)	–
Surplus / (deficit) from operating activities	2 887 103	(3 738 882)	3 039 300	(3 554 285)
Investment income	1 138 642	1 622 373	1 138 642	1 689 174
Share of deficit from equity accounted investments	(24 966)	–	–	–
Total comprehensive surplus / (deficit)	4 000 779	(2 116 509)	4 177 942	(1 865 111)



STATEMENT OF CASH FLOWS

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	30 458 648	1 605 254	30 610 845	1 619 735
Interest income	1 138 642	1 622 373	1 138 642	1 622 373
Net cash from operating activities	31 597 290	3 227 627	31 749 487	3 242 108
CASH FLOWS FROM INVESTING ACTIVITIES				
Other cash payment to acquire interests in associates	(49 932)	-	(49 932)	-
Proceeds from the sale of property, plant and equipment	794	4 230	794	4 230
Purchase of property, plant and equipment	(1 534 281)	(6 301 857)	(1 534 281)	(6 301 857)
Purchase of intangible assets	(5 948 146)	(4 015 250)	(5 948 146)	(4 015 250)
Funds advanced to related parties			(1 59 288)	(73 904)
Interest received				66 801
Deposit received		4 500		
Net cash from investing activities	(7 531 565)	(10 308 377)	(7 690 853)	(10 319 980)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from related party loans	-	5 000 000	-	5 000 000
Cash flows from financing activities	-	5 000 000	-	5 000 000
Net increase / (decrease) in cash and cash equivalents	24 065 725	(2 080 750)	24 058 634	(2 077 872)
Cash and cash equivalents at the beginning of the year	23 485 910	25 566 660	23 472 929	25 550 801
Cash and cash equivalents at the end of the year	47 551 635	23 485 910	47 531 563	23 472 929

GROUP 2020
23 485 910



GROUP 2021
47 551 635

STATEMENT OF CHANGES IN FUNDS

Figures in Rand	Retained income	Attributable to owners of the parent	Total funds
GROUP			
Balances at 1 July 2019	10 212 854	10 212 854	10 212 854
CHANGES IN FUNDS			
Deficit for the year	(2 116 509)	(2 116 509)	(2 116 509)
Total comprehensive deficit for the year	(2 116 509)	(2 116 509)	(2 116 509)
Balances at 1 July 2020	8 096 345	8 096 345	8 096 345
CHANGES IN FUNDS			
Surplus for the year	4 000 779	4 000 779	4 000 779
Total comprehensive income for the year	4 000 779	4 000 779	4 000 779
Balances at 30 June 2021	12 097 124	12 097 124	12 097 124
COMPANY			
Balances at 1 July 2019	11 270 894	11 270 894	11 270 894
CHANGES IN FUNDS			
Deficit for the year	(1 865 111)	(1 865 111)	(1 865 111)
Total comprehensive deficit for the year	(1 865 111)	(1 865 111)	(1 865 111)
Balances at 1 July 2020	9 405 783	9 405 783	9 405 783
CHANGES IN FUNDS			
Surplus for the year	4 177 942	4 177 942	4 177 942
Total comprehensive income for the year	4 177 942	4 177 942	4 177 942
Balances at 30 June 2021	13 583 725	13 583 725	13 583 725

OUR IMPACT

TOP

PERFORMING

COMPANIES





TURNOVER

JUNE 2020

R43 544 137

JUNE 2021

R50 845 585



NET PROFIT

R693 369



NET ASSET VALUE CREATED

R2 162 903



TOTAL

R26 517 161

GMSQ
(MS QUALITY R TRADING ENTERPRISE)



TENDAI ICT
(PTY) LTD



TURNOVER

JUNE 2020

R7 609 437

JUNE 2021

R8 285 209



NET PROFIT

R1 937 549



NET ASSET VALUE CREATED

R2 595 531



TOTAL

R32 765 189

GROWTH IN TURNOVER

17%

GROWTH IN TURNOVER

9%

SAMPAX
HEALTH

FUTURE BUSINESS
CONSULTING
(PTY) LTD



TURNOVER

JUNE 2020

R2 217 562

JUNE 2021

R3 969 277



NET PROFIT

R1 287 608



NET ASSET VALUE CREATED

R388 155



TOTAL

R13 353 998

GROWTH IN TURNOVER

79%



TURNOVER

JUNE 2020

R478 986

JUNE 2021

R2 377 815



NET PROFIT

R371 548



NET ASSET VALUE CREATED

R89 528



TOTAL

R6 228 386

GROWTH IN TURNOVER

9%

OUR BOARD AND LEADERSHIP

BLACK UMBRELLAS BOARD



**RAJESH
SUKHA**

Board Chairperson



**DONNÉ
NICOL**

Director



**MMABATHO
MABOYA**

Director



**CHARLES
MAISEL**

Director



**MARK
FRANKEL**

Director & CEO



**DUMA
MXENGE**

Director

OUR SENIOR MANAGEMENT



**MARK
FRANKEL**

Chief Executive Officer



**XOLILE
NDUMNDUM**

Chief Operating Officer



**ZANELE
GALLACHER**

General Manager, Business Development
and Entrepreneur Support



**JEROME
ECKLES**

General Manager,
Entrepreneur Development



**THINA
HLOPHE**

Stakeholder Engagement Manager



**THABISILE
NGCOBO**

Finance Manager

BLACK PAGES

WHERE CORPORATE BUYERS
MEET BLACK SUPPLIERS

BLACKPAGES IS AN ONLINE PROCUREMENT PORTAL LINKING CORPORATE AND GOVERNMENT BUYERS TO 100% BLACK OWNED BUSINESSES TO TRANSFORM PROCUREMENT IN SOUTH AFRICA

Blackpages is an innovative online directory of national businesses. The platform is designed to connect large companies with dependable 100% black-owned suppliers in order to transform the procurement landscape in South Africa.

Through this efficient platform, procurement professionals are able to view a diverse directory of suppliers that are verified, compliant, capable and recommended to provide excellent service.

At the same time, Blackpages gives suppliers a platform from which they can access meaningful procurement opportunities. Suppliers who are registered on Blackpages are fully compliant and committed to deliver products and services of a superior quality. The portal also offers users access to learning and mentoring channels to ensure a systemic network of resources linked to business skills and knowledge for the activation of sustainable black enterprises.

Register on the platform and connect with suppliers who meet your unique procurement needs.

www.blackpages.africa

Supplier profiles validated	14 228
Supplier registrations	4 680
Buyer registrations	1 907
Premier supplier membership	2 388

SMEs play a critical role in the socio-economic prosperity of South Africa. Even amidst a pandemic that has uprooted expansion plans, minimised employment opportunities, decreased sales and limited funding opportunities, entrepreneurs and SMEs continue to display a spirit of resilience and adaptability.

PARTNER WITH US

Black Umbrellas partners with entrepreneurs, enterprises, investors and communities to address low levels of entrepreneurship and the high failure rate of emerging SMEs. These partnerships and collaborations are invaluable and through leveraging their collective efforts and contributions, we have supported emerging and existing black-owned businesses for over 10 years. Our aim is to strengthen their operations and support them in accessing procurement opportunities, funding, and markets.

There is still much to be done. We call on organisations to partner with us in rebuilding the South African economy through SME development.

Enterprise and Supplier Development (ESD) has become one of the most significant elements on the B-BBEE Scorecard. While it is a means of encouraging the procurement of black-owned SMEs and empowering measured entities on the principles of B-BBEE, ESD is also fundamental in building an inclusive economy.

The Black Umbrellas virtual incubation programme not only trains entrepreneurs to enable sustainable business practices, but also connects them to procurement opportunities with enterprises that can go on to meet their ESD objectives on the B-BBEE scorecard. To this end, Black Umbrellas has designed a programme that benefits entrepreneurs, measured entities and the economy at large.

We believe that collaboration is a two-way street, where partners can mutually drive each other forward. Thus, our partnership model ensures that organisations meet their own business objectives, while investing in small businesses, contributing to job creation, inspiring change and uplifting the lives of thousands of entrepreneurs and the communities they serve.



Partner with us for ESD solutions that will take SMEs to new heights.

THE BLACK UMBRELLAS CLUB

Supporting innovative black entrepreneurs, the heroes of the South African economy

What is the Black Umbrellas Club?

The Black Umbrellas Club is an individual giving initiative in support of black-owned SMEs in the Black Umbrellas enterprise development programme. By joining the Black Umbrellas Club, individuals and organisations can contribute to rebuilding the South African economy, with direct support to the SMEs that create employment, innovate and inspire communities.

Our virtual incubation programme allows black-owned SMEs to access the support they need to grow into viable and sustainable businesses that create jobs. As the champions of the economy, SMEs require unyielding support to facilitate their growth and capability.

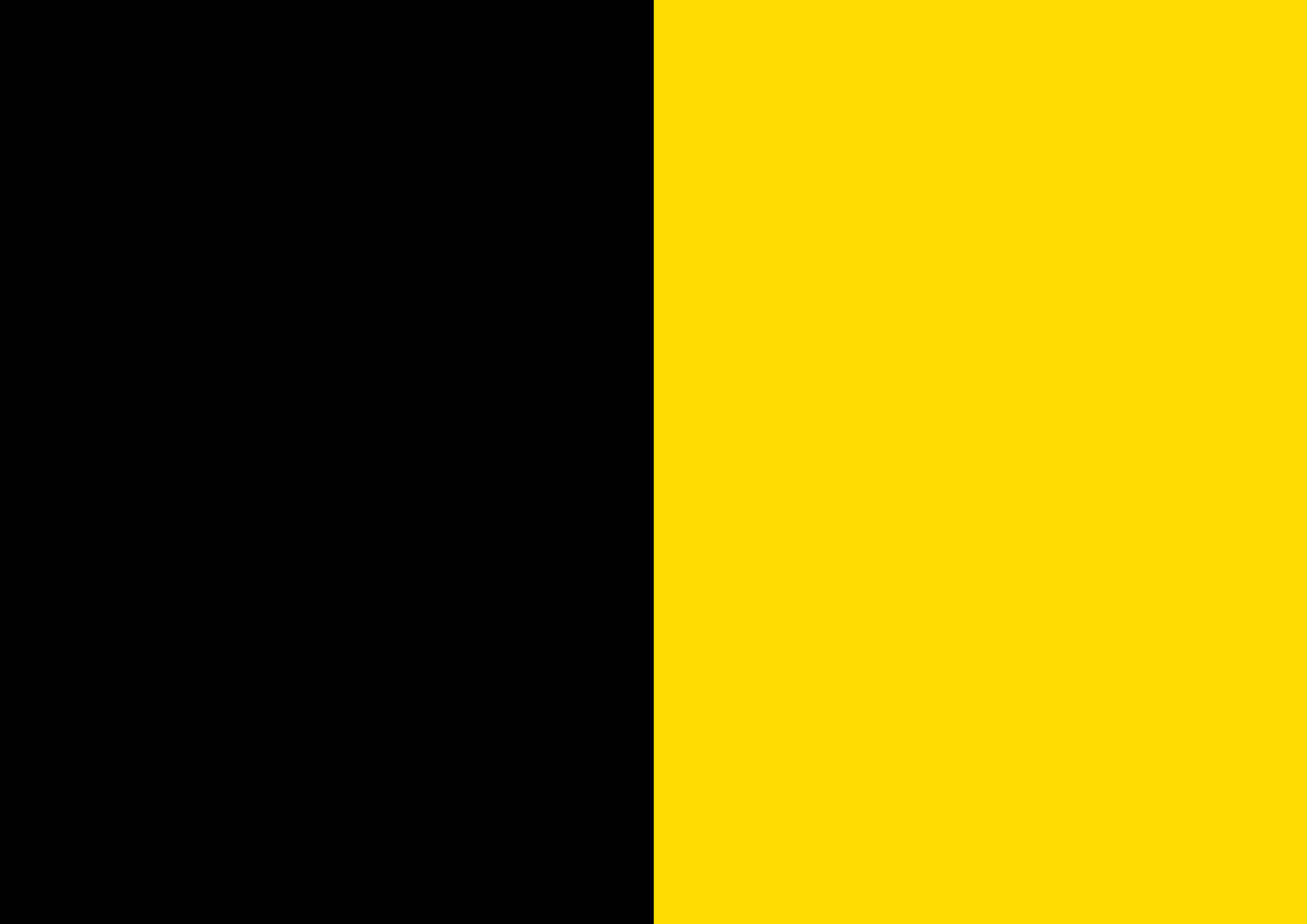
Joining the Black Umbrellas Club is simple: visit www.blackumbrellas.co.za/donate to make your first donation, which automatically makes you a member.

Why donate?

- Give a black entrepreneur access to the training, mentorship and business support they need to grow.
- Help an SME to become sustainable enough to create jobs
- Be a part of uplifting the communities that black-owned SMEs serve
- The process is quick and easy
- Give as little as R100 per month
- Stand the chance to win monthly cash prizes in our lucky draw.

Be a part of building an economically inclusive future, starting today.

INDIVIDUAL GIVING



Black Umbrellas*

0861 UMBRELLA

www.blackumbrellas.co.za

**20
21**
**ANNUAL
REPORT**