

DATE: 27/07/2020

Our Reference: CCT01/57-3M/2020/M0013

Your Reference:

**THE MINISTER OF HIGHER EDUCATION SCIENCE AND TECHNOLOGY RSA
DST Building (53), CSIR Campus,
Meiring Naude Road,
Brummeria,
Pretoria**

Dear Sir/ Madam

**RE: HOLA BON RENAISSANCE FOUNDATION // THE MINISTER OF HIGHER
EDUCATION, SCIENCE AND TECHNOLOGY**

We address this letter at the request and on behalf of our client - **Hola Bon Renaissance Foundation** (hereinafter referred to as “the Foundation”) which has instructed us as follows: -

1. In 2013 Services Sector Education and Training Authority (Services SETA) called stakeholders for an Annual General Meeting (AGM), which was led by the then CEO Mr Hannes Mouton. At the AGM, the Board and the Executive proposed and adopted that the offering of skills programmes, learnerships, bursaries and internships be part of its mandate to the society that it serves. In the implementation of its mandate, Services SETA held Road Map workshops with several entities, including the Foundation.
2. At the workshop dated on the 11th of February 2014, Services SETA explained its cause. It requested entities that they may offer to accept the carrying out of its mandate, on a condition that these entities fulfilled its basic contractual requirements. To undertake the mandate, the entity was required to comply with the Services SETA commercial requirement, have the project execution assurance and a valid contract.

3. The mandate for the Services SETA in the financial years of 2013/2014 had targeted offering services to around 30 000 (thirty thousand) learners as part of its commitments, which was so welcomed by the society, taking it from the number of youths who accepted its services, resulting to the contracting process with the entities being a success.
4. As stated prior, the Foundation applied for a contract with Services SETA, and it was awarded a contract dated on the 14th of April 2014, as per a reference number 1000003072014. The major term of the contract was that Services SETA should empower 437 unemployed learners by providing them with an internship (workplace experience). It is evident that the Foundation had complied with the contractual requirements subsequent to its consummation. Hence, the Foundation exhausted its resources and capital in ensuring that it complied with the demands of the contract and coordinated the relevant personnel in order to execute the contract successfully.
5. The Foundation was awarded the contract by Services SETA at the initial value of R10,488,000.00 (ten million, four hundred and eighty eight thousand) as outlined in its annual report of 2014/2015. Consequently, it engaged and forged a partnership with host companies such as the Hands of Devine Love, Jozi Writers Association, Sedibeng Youth Forum, Sisonke youth Development organisation, Sydney Maseko and SANTU HIV/AIDS Relief Projects, just to list a few. Whilst the Foundation was still setting its working structure with its partners, it received a letter from Services SETA dated on the 1st of July 2014, suspending the payment of funds to the Foundation for a period of up to 8 months.
6. Since then, the Foundation has not received any meaningful communication from Services SETA regarding the project except that it shall be informed in due course

of any changes. Out of concern, the Foundation advanced its query to the Board and even raised the matter at the AGM of 2014 but to no avail, the Foundation was not assisted.

7. In September 2015, the Foundation sought further means of getting the funds paid by Services SETA by writing to the then President of the Republic of South Africa Mr Jacob Zuma, asking that his office may intervene in the matter. In pursuit of the matter, the Office of the President instituted an investigation of which the Foundation was never informed of its outcome.
8. It shocks the Foundation that Services SETA has undermined all Small and Medium Manufacturing Enterprises (SMMEs), non-profit organisations, youth who were supposed to be the beneficiaries and violated its contractual mandate, in that the funds of R1,478,480,000 **(one billion , four hundred, seventy eight million, four hundred and eighty thousand rand)**for 2014/2015 were never spent as it was intended on the contract. Instead, the funds were invested as per Annual report of 2014/2015 whilst generating a notable interest of R 95,807,000 (ninety five million eight hundred thousand and seven thousand rand) . A further discovery was made that R1,577,028,000 of funds that were committed for the 2014/2015, were never used but invested and then returned to the National Skills funds as uncommitted funds, according to the Services SETA Annual Report of 2016/2017.
9. The nature of the Foundation's trade is based on the trust that it gains from the society. Its failure to provide services as per an agreement made with Services SETA has affected the confidence that the society has on it since about 30,000 (thirty thousand rand) unemployed youths that were intended beneficiaries for 2014/2015 never benefited.

10. Clearly, the Foundation has been unfairly treated by Services SETA, and the subsequent alleged breach of contract has caused suffering on the Foundation in amongst other aspects, the following: -

10.1 Loss of its good reputation in the society (most importantly to the youth, its members of the staff, its partnering entities and relevant municipalities that it was intended to deal with);

10.2 Loss of financial income due to the tainted name;

10.3 Stress suffered due to failure of restoration on any expenditures connected to the execution of its contractual obligation with Services SETA; and/or

10.4 Loss of working staff due to the loss of funds;

11. Up to this date, the Foundation has not received any communication from Services SETA either its Accounting Authority or the Executive Management regarding the payment of funds, which is the reason why the Foundation is making its final warning before it may approach the courts.

12. Services SETA has breached the contract and is thus placed in mora in that it failed to fulfil its contractual obligation towards the Foundation of paying the agreed money. As a result of the aforesaid unfair treatment and subsequent breach of contract, the Foundation suffered damages up to an amount of R 140,000,000.00 (one hundred and forty million rands)

13. We bring it to the attention of Services SETA that failure to comply with the Foundation's demands, the Foundation with its partnering entities and the aggrieved youth shall claim for restitution from the *status quo*.

14. In light of the above, our client has instructed us to demand as we hereby do for the payment of an amount of R 140,000,000.00 (one hundred and forty million

rands) within thirty (30) days of receipt of this letter failing which our instructions are to institute a court action without any further notice to you.

We await your prompt response.

Yours Faithfully

A handwritten signature in black ink, appearing to be 'PB Mothopeng Msieleng', written over a light yellow rectangular background.

Mr PB Mothopeng Msieleng

Tel No:0681596956

Cell no:0840544733 and

Email: info@hbrfoundation.org.za and/or Preddy.mothopeng@gmail.com