



# CAPE CLOTHING & TEXTILE CLUSTER **ANNUAL REPORT** 2023

We envision a vibrant, expanding, globally competitive  
Western Cape CTFL industry

Prepared By:



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# INTRODUCTION

## REPORT SCOPE

The annual report for the year ended December 2023 is an integrated financial and progress report. The Cape Clothing and Textile Cluster (CCTC) is a public-private partnership (PPP) between the government, industry, and other stakeholders. The CCTC is formally established as a Not-for-Profit Company. The report considers financial, economic and programme performance and is available on the CCTC website ([www.capeclothingcluster.org.za](http://www.capeclothingcluster.org.za)), where additional information pertaining to the cluster may also be accessed.

## BACKGROUND TO THE CCTC

The CCTC was established in 2005 as a collaboration between government and industry to boost the competitiveness of the clothing, textile, footwear and leather (CTFL) manufacturing industry in the Western Cape. The CCTC is an industry-driven initiative, drawing on the leadership and expertise of individuals from a broad range of member firms. The Cluster comprises primarily manufacturers but also major retailers that are committed to supporting the development of the local manufacturing industry.

## VISION, MISSION AND OBJECTIVES

We support domestic firms to access domestic and selected export markets by driving globally competitive, sustainable clothing and textile value chains. The CCTC aims to achieve this through supporting the development of World Class Manufacturing capabilities, optimised supply chains and advanced Quick Response capabilities, each of which are based on a clear set of market-led requirements and commercial business propositions.

## WHY CLUSTERING?

Given the South African economy's vulnerability to strong global competition, it is crucial for domestic companies to explore inventive strategies to enhance their competitiveness. One effective approach is through clustering, acknowledging that specific support activities can be more effectively carried out through collaboration with other enterprises facing similar challenges. The advantages of adopting clustering as a framework for improving competitiveness include:

- Generation of a critical mass of resources
- Rapid identification and dissemination of best practices
- Reduced cost of upgrading initiatives through sharing
- Collective action and risk-sharing



# LETTER FROM THE CHAIRPERSON



As the chairperson of the Cape Clothing Textiles Cluster, it is my pleasure to present our 2023 annual report. I am proud to represent a community of over 140 members who believe that working together, we can overcome our common challenges and build a globally competitive industry, here in the Western Cape.

Our cluster's foundation is built on shared learning and a passion for continuous improvement. In 2023 we strengthened this foundation through a regional study tour to several of South Africa's world-class manufacturing plants in the automotive sector. Our visits to VW, Isuzu Motors, Kromberg & Schubert and Jendarmark exposed senior leaders to the frontier of lean manufacturing systems, future technologies, and strong manufacturing cultures. In addition to this regional study tour, the CCTC hosted 12 shared learning events, bringing 250 industry stakeholders together to unpack topics ranging from sustainability, the port challenges, localisation strategies and lean production systems.

Our 2023 skills development programme continued to return strong results for member firms. Our frontline and middle manager training resulted in an average cost saving of R116 381 per learner, with 100% of those trained applying their new skills in the factory as confirmed by their line managers.

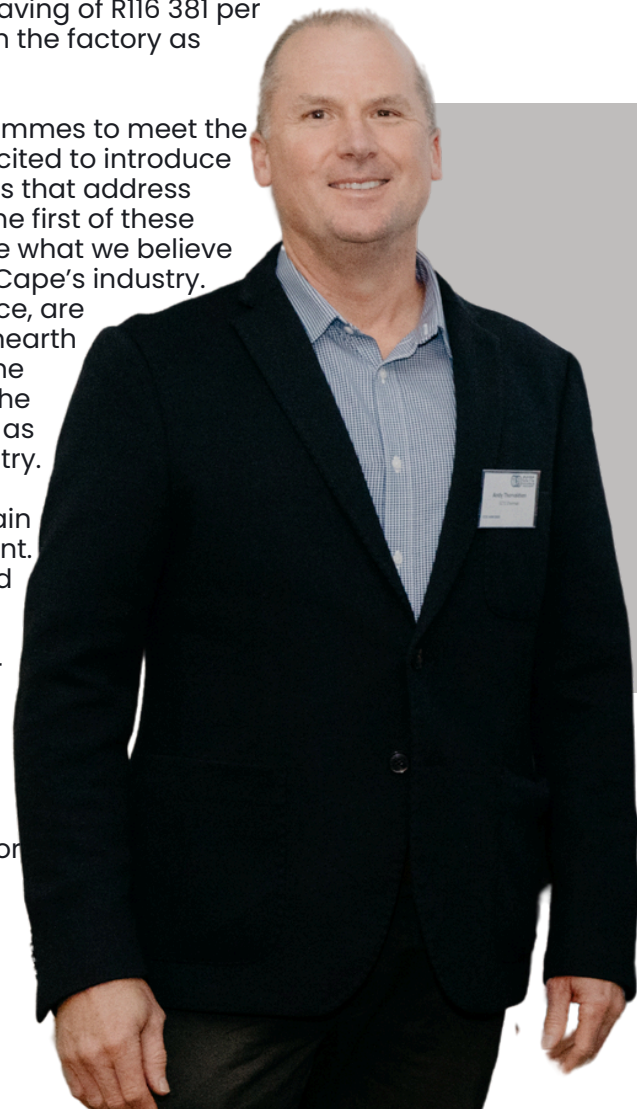
As a learning organisation, we adapt and evolve our programmes to meet the most pressing needs of our membership. In 2024, we are excited to introduce our Continuous Improvement programmes: tailored projects that address thematic hurdles to cost-competitiveness in the industry. The first of these programmes, 'Project Present', is already underway to tackle what we believe to be a R560 million absenteeism issue facing the Western Cape's industry. 14 members, representing 42% of Cape Town's CTFL workforce, are embodying the cluster's maxim of collective efficiency to unearth best practice for absenteeism management. Beyond this, the cluster will invest its intellectual capital towards a 'State of the Value Chain' sector intelligence report and an export study, as we continue to explore wider frontiers of growth in our industry.

As custodians of public and private sector funding, we remain committed to strong governance and financial management. I am happy to report that in 2023 we received an unqualified audit from our appointed auditors, Mazars.

I would like to thank the CCTC Executive Committee for their leadership and dedication to the cluster over the last financial year. I have appreciated your candour, vision and passion to develop this sector.

To our 140 members, public sector partners in the City of Cape Town and BMA, our appointed facilitators, thank you for your continued commitment to our collective mission.

Our focus on growth is unshaken. With our partners at the City of Cape Town, we welcome all firms, the public sector and value chain stakeholders to walk this journey with us.



*Andy Thorvaldsen*

Chairperson,  
CCTC

# LETTER FROM THE CITY OF CAPE TOWN

“

As we reflect on the past year, we remain inspired by the resilience and innovation of Cape Town's clothing and textile industry. Despite facing global challenges, our industry has continued to beat, contributing significantly to the economic vitality of the Western Cape. The region has long been a nurturing ground for a myriad of clothing and textile companies, ranging from burgeoning startups to established retailers with an international presence. These businesses are the backbone of our community, providing employment and imparting essential skills and training to a dedicated workforce.

Looking ahead, the City of Cape Town and the Cape Clothing and Textile Cluster are committed to further enhancing the industry's competitiveness on the global stage. Our shared vision is to position Cape Town as a premier sourcing destination, known for its high-quality products, innovative design, and ethical manufacturing practices. Through targeted initiatives and strategic partnerships, we aim to expand our export markets and solidify our reputation as a hub for excellence in the clothing and textile industry.

2023 saw significant progress towards the cluster's vision of setting world-class manufacturing benchmarks. Skill enhancement has been a pivotal focus of cluster activities, guaranteeing that our industry's workforce maintains a standard of global distinction. Throughout the year, the CCTC has invested over 2500 hours of training in the growth of frontline and middle managers via leadership and efficiency-driven programs.

The application of these methodologies has resulted in a substantial cost reduction, with savings of R6.9 million realized among cluster members through persistent improvement initiatives, underscoring the tangible value of fostering personal development.

Our partnership with the CCTC remains stronger than ever, as we continue to focus on tackling the largest hurdles to growth in the sector, driving data-driven decision making and setting our sights on new markets and local growth opportunities.

I urge all member firms to actively engage with and support our programs, seizing every chance for learning and collaboration. Together, we can advance and enrich this vital sector, ensuring its growth and sustainability for years to come.



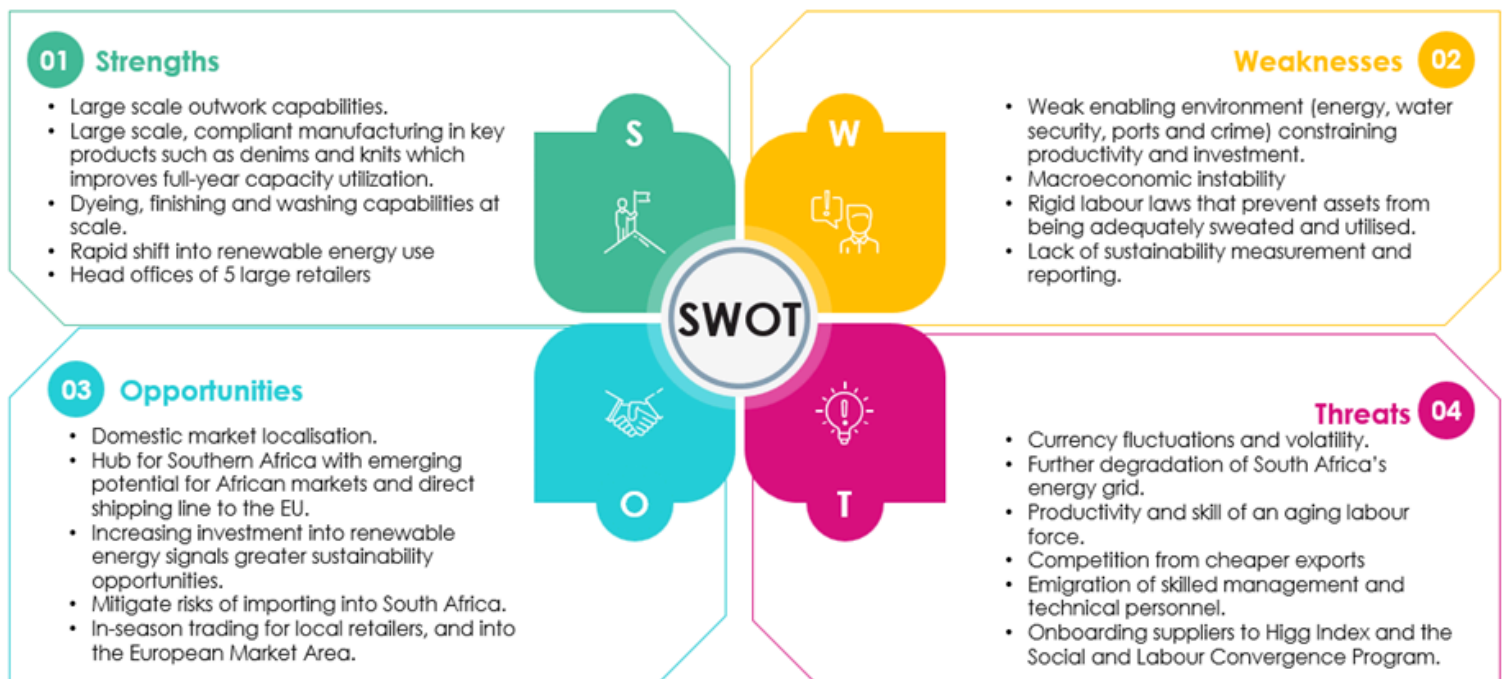
*Alderman James Vos*  
Mayoral Committee Member  
of Economic Growth at the  
City of Cape Town



# THE WESTERN CAPE CLOTHING AND TEXTILE VALUE CHAIN

The apparel industry is a significant contributor to Cape Town's economy, adding R3.1 billion, sustaining 15,774 jobs (Quantec, 2022). However, capturing employment data within this sector is challenging due to the ease of entry, which fosters a proliferation of small-scale and informal jobs. It is estimated that each position within the industry supports an additional 4-7 individuals, amplifying the sector's impact to benefit 60,000 to 70,000 residents of the Western Cape province. Export figures are also noteworthy, with the industry exporting R5.32 billion in goods, marking a 30% increase since 2019, which aligns with the commencement of the R-CTFL Masterplan. Despite this growth, it is important to recognize that current export levels are still 26% lower than the peak in 2014. Moreover, the industry faces a substantial trade deficit, importing R22 billion in goods, leading to a deficit of R17 billion, predominantly due to the import of finished garments, which constitute 58% of the total imports.

The value chain boasts robust capabilities, with physical proximity to majority of the country's top retailers and, with a functioning port, could be a gateway for increased exports to Europe and emerging markets in Africa, with competitive lead times to that of major global sourcing destinations such as Turkey. A summarized assessment of the industry's strengths, weaknesses, opportunities and threats are noted in the below infographic.



# 2023 IN REVIEW



- CCTC Strategy Meeting
- Manufacturing Meet up: Renewable Energy Sources for Manufacturers

Jan



- Launch of diagnostics 2023 registrations
- Manufacturing Meet up: Localisation Best practices approaches and lessons from TFG and Cape Union Mart

Feb



- Launch of Blitz Fundamentals Skills Development Training
- Manufacturing Meet up: Goodyear's CI & problem-solving approach to driving excellence
- 2022 Skills Programme Graduation
- ELDP Online-on-demand course
- Executive committee meeting
- Skills ELDP Circle Peer Learning Session

Mar



- Manufacturing Meet up: Reviewing ITL's (Intelligent Label Solutions) responsive approach to addressing water challenges
- Hands-on Blitz Fundamentals Training on Lean

Apr



- 2022 Annual General Meeting
- Hybrid Manufacturing Meet up: Jockey SA's empowering leadership development
- ELDP Circle Peer Learning Session: Module 1

May



- Manufacturing Meet up: Implementing Renewable Energy Solutions panel discussion
- Executive committee meeting

Jun

# 2023 IN REVIEW



- Manufacturing Meet up: Unleash the Power of AI and Machine Learning
- Factory visit: Unlocking visual and performance management at Senior Flexonics

Jul



- Lean Leadership Study Tour to Gqeberha and Kariega, Eastern Cape
- R-CTFL Masterplan online event

Aug



- Executive committee meeting

Sep



- Hybrid Manufacturing Meet up: Equator Belts sustainability framework
- Manufacturing Meet up: 4P Culture Framework

Oct



- Executive committee meeting

Nov





# 2023 IMPACT

In partnership with our 140 members, ranging from JSE-listed retailers to small clothing manufacturers, we continued to create a coalition focused on growth, inclusion and the pursuit of manufacturing excellence. In 2023 we achieved:

**+250**

CCTC stakeholders brought together through our shared learning programme



**12**

Manufacturing Meet Ups



**R6.9 million saved**

Across our membership through continuous improvement projects initiated through our skills programme

**+2500 HOURS**

Of collective skills training, empowering 66 frontline and middle managers empowered through our lean and leadership programmes



Senior executives exposed to world class manufacturing, visiting **VW, Isuzu and Jendamark** as guests to the KZN Clothing and Textile's regional study tour

Our members participated in several key programmes throughout the year, namely our Skills Development, Shared Learning and Diagnostics programme.

# SKILLS DEVELOPMENT PROGRAMME

The cluster experienced extraordinary success through the training and development initiatives, surpassing our initial expectations and reaffirming the significance and efficacy of our programmes. With a total of 73 learners trained over the year; 51 frontline workers through the Team Leader Development Programme (TLDP) and 22 learners through the Emerging Leader Development Programme (ELDP), the cluster is proud of its contribution to providing invaluable skills, empowering them to make substantial contributions to both their personal and professional advancement.

In the first quarter of 2023, eight firms showed commitment by registering learners across all Skills Development Programmes, indicating a strong emphasis on workforce development. March saw the launch of the TLDP Blitz Fundamentals Training, offering a hands-on approach to enhance employee skills in waste elimination and process optimisation through 6S principles. Specific training efforts included learners trained on ELDP with 10 learners completing the online course, 11 learners successfully completing the TLDP Fundamentals training programme through the online platform, and 28 participants completing the in-person TLDP Blitz Fundamentals training programme.

The cluster's dedication to skills development was further showcased through the successful Skills Graduation 2022 ceremony, honouring graduates and award winners. Notable attendees, such as Alderman Vos from the City of Cape Town and Andy Thorvaldsen, Chairperson for the CCTC, underscored the event's significance. Additionally, a compelling case study highlighted the impact of training, demonstrating how a TLDP learner effectively applied problem-solving techniques to tackle clutter issues in a sample storage area. This initiative led to tangible improvements in productivity, space optimisation, and resource allocation, reflecting the effectiveness of the programme in driving positive outcomes within participating firms.





# SKILLS DEVELOPMENT PROGRAMME

In May, two Skills Champion Sessions with cluster members providing an opportunity for individuals to share their experiences and insights related to skills development in the workplace were held. These sessions were highly productive, resulting in valuable feedback and actionable insights that can be used to inform future training initiatives. The cluster also successfully hosted the first three ELDP Circle mentor sessions with learners and mentors providing an opportunity for individuals to engage in meaningful dialogue and exchange ideas related to leadership development. These valuable sessions are resulting in improved mentor-mentee relationships and increased engagement among participants. Additionally, five learners were recognised for their exceptional performance in the rewards programmes first round, receiving vouchers from Pick n Pay, KFC, and Takealot.

In August the cluster facilitated the In-person problem-solving training attended by 25 front-line workers. 19 learners were trained in defining and creating a problem statement, 19 in utilising fishbone diagrams for root cause analysis, 18 in utilising the 5 Whys methodology for root cause analysis and 18 in utilising the A3 methodology for problem-solving. Additionally, 1 learner was trained in Operations Management, 12 practical projects were carried out through ELDP Circle mentor sessions, 15 tasks were submitted on change management, project management and leadership to prove application and 8 firms received the newly developed skills matrix to support their career pipeline. Finally, it was highlighted that average learner waste reduction initiatives have saved companies R116,381 annually per learner, underscoring the tangible benefits of the training initiatives.





# SHARED LEARNING



The CCTC's shared learning programme is meticulously crafted to guide and support community-driven events that actively involve participants and promote advancements in key performance metrics in the manufacturing sector. We aim to inspire and empower our attendees by creating a cooperative atmosphere that significantly enhances learning and knowledge exchange.

Our initiatives are specifically tailored to enrich and broaden the educational experiences of participants within the manufacturing industry. Our Manufacturing Meetups feature online webinar sessions that allow attendees to network with peers, share innovative strategies, and partake in detailed discussions spearheaded by industry experts, thus deepening their understanding.

Our Hybrid Events leverage the strengths of both in-person and online interactions, extending the scope and influence of each event. Our Factory Tours offer a distinctive chance for participants to observe industry-leading manufacturing processes and systems up close, providing essential insights into the practical aspects of industry operations.

Through Expert Engagements, attendees have the privilege of learning directly from distinguished industry leaders and experts, who contribute extensive knowledge and experience. By interacting with Best Practice Firms, participants have the opportunity to observe and learn from both domestic and international companies recognised for their exceptional operational excellence and innovative practices.

In 2023 the cluster organised and participated in 11 Manufacturing meetups. These sessions covered topics such as Renewable Energy Sources for Manufacturers, Localisation Best Practices with insights from TFG and Cape Union Mart, and Goodyear's CI & problem-solving approach to driving excellence.





## SHARED LEARNING HIGHLIGHT:

### Localisation is Lekker Lessons From TFG and Cape Union Mart

In a recent Manufacturing Meetup webinar session, Nabeel Hussain, Quality Manager at Goodyear Tire and Rubber Company in South Africa, provided valuable insights into his company's Continuous Improvement (CI) and Problem-Solving strategies.

Underlining the significance of the webinar, a poll conducted during the session indicated that less than 40% of participants perceive their approaches as mostly to extremely effective, underscoring the necessity for heightened attention within firms. Additionally, the poll revealed that 71% of firms utilise the 5 Whys tool, with the Ishikawa (also known as Fishbone) Diagram being employed by 47% of firms.

#### These were the key session takeaways:

##### Opportunities:

- 1 Look for high-impact, lo-effort opportunities when seeking out areas of improvement.

##### Empower Teams:

- 2 Prioritise training and capacity building to ensure that teams are clear on standards and can contribute effectively to problem-solving efforts.

##### Identify Areas of Focus:

- 3 Deploy data-driven decision-making and a structured approach to make informed decisions and assist in identifying areas of focus

MADE IN  
SOUTH AFRICA





## SHARED LEARNING HIGHLIGHT:

### Goodyear's Successful CI and Problem-Solving Approach

Businesses are increasingly prioritising localisation efforts, aiming to bolster sales, create job opportunities, and gain a competitive edge. This trend underscores the importance of meeting customer expectations, resulting in mutual benefits for all stakeholders involved.

South African fashion giants, The Foschini Group and Cape Union Mart, have solidified their presence in the local market by implementing tailored localization strategies to cater to the specific needs and preferences of South African consumers.

During the Localisation Manufacturing Meetup held on February 17th, 2023, Andy Thorvaldsen, Supply Chain Executive at Cape Union Mart, and Sean Kirby, Head of Manufacturing at The Foschini Group, shared insights into their localisation journeys, detailing their approaches, achievements, and offering guidance for other firms looking to embark on similar paths.

**The retailers provided the below key points:**

#### **Consumer Behaviour:**

It is imperative to understand the changing behaviours to ensure that the buyer chooses the right products and sourcing opportunities

#### **Explore Sourcing Opportunities:**

Manufacturers should explore additional sourcing opportunities that enable them to offer high-quality products at competitive prices

#### **Globally competitive local supply chain:**

Manufacturers need to develop a globally competitive local supply chain that adheres to manufacturing best practices and drives businesses at lean price points

#### **Management Support:**

Management's buy-in and support are crucial to the endorsement of any firm's localisation strategy.

#### **Sustainable Relationships:**

Building strong and sustainable relationships with both internal and external suppliers & stakeholders and negotiating favourable terms.







## SHARED LEARNING HIGHLIGHT:

### Lean Leadership Study Tour to Gqeberha and Kariega, Eastern Cape

In August 2023, members of the Executive committee embarked on a captivating journey to explore the world of globally competitive automotive and technology companies in the Eastern Cape. This enriching tour included visits to Volkswagen South Africa, ISUZU South Africa, Jendamark Automation, Shatterprufe, and Kromberg & Schubert.

#### Key findings from this tour included:

01

##### **Globally Competitive Firms:**

These industry frontrunners have leveraged diverse skills strategies to maintain their competitive edge.

02

##### **Excellence in Multi-Skilling:**

Isuzu and VW have demonstrated systematic multi-skilling, enhancing their operational efficiency.

03

##### **Insights into Online Learning:**

We found that successful online learning hinges on comprehensive "warmware" support empowering individuals is key.

04

##### **Incentivising Continuous Improvement:**

Successful firms have implemented incentives to encourage Continuous Improvement (CI) behaviours, fostering progress.

05

##### **Addressing Absenteeism:**

Proactive and offensive strategies are essential for effectively reducing absenteeism.

06

##### **The Importance of Documentation:**

Resilient companies understand their identity and purpose, diligently documenting it for clarity and cohesion.

07

##### **Prioritising Measurement:**

As the adage goes, "In God, we trust; the rest we measure (and display)." Metrics are crucial

08

##### **Cultivating Community:**

Ultimately, clusters are about nurturing a vibrant community at their core.

# SHARED LEARNING



Here's a glimpse into some of the compelling sessions we covered in 2023:

COMPETITIVENESS | LOCALISATION & GROWTH | SUSTAINABILITY

### RENEWABLE ENERGY SOURCES FOR MANUFACTURERS: A BUSINESS CASE ANALYSIS

Manufacturing Meetup: Green Manufacturing  
25 January 2023 || 10h00-11h00

[Register now](#)

COMPETITIVENESS | LOCALISATION & GROWTH | SUSTAINABILITY

### Localisation Successes & Lessons from TFG and Cape Union Mart

17 February 2023 || 10h00-11h00

[Register now](#)

COMPETITIVENESS | GREEN MANUFACTURING

### Spotlight on Sustainability Excellence: A Core Competency Focus at Equator - The Belt Factory

Hybrid event  
Wednesday, 18 October 2023  
Online webinar: 09:00 - 10:00 | In-person: 09:00 - 11:30  
8 Pine Industrial park, 16 Pineside road, New Germany, KZN, 3610

REGISTER NOW!

COMPETITIVENESS | GREEN MANUFACTURING

### MANUFACTURING MEETUP

REVIEWING IT'S RESPONSIVENESS APPROACH TO ADDRESSING WATER CHALLENGES

19 April 2023 || 10h00-11h00

COMPETITIVENESS | GREEN MANUFACTURING

### SUPERCHARGE YOUR MANUFACTURING: Unleashing the Power of AI & Machine Learning for Peak Performance

Thursday, 20 July 2023  
10:00 - 11:00

[REGISTER FOR THE WEBINAR HERE](#)

### Lean Leadership Study Tour

Gqeberha & Kariega (15-17 August 2023)

[REGISTER FOR THE STUDY TOUR HERE](#)

COMPETITIVENESS | GREEN MANUFACTURING

### UNBOXING JOCKEY SA'S EMPOWERING LEADERSHIP DEVELOPMENT!

MANUFACTURING MEETUP: APPROACH TO LEADERSHIP DEVELOPMENT

Attend in-person or virtually  
In-person: 205 Ungeni Rd, Stamford Hill, Durban  
Virtually: YouTube Webinar

MAY 18

COMPETITIVENESS | GREEN MANUFACTURING

### 6S ADHERENCE AS A FUNDAMENTAL OF LEAN MANUFACTURING AT SMITHS MANUFACTURING

MANUFACTURING MEETING OUTPUT

COMPETITIVENESS | GREEN MANUFACTURING

### USING 4P CULTURE FRAMEWORK FOR HOLISTIC CORPORATE CULTURE:

Session with Mike Hoseus

Thursday, 5 October 2023  
13:30 - 14:30

[REGISTER FOR THE WEBINAR HERE](#)

UNLOCKING VISUAL AND PERFORMANCE MANAGEMENT AT SENIOR FLEXONICS TO DRIVE SUCCESS!

### FACTORY TOUR AT SENIOR FLEXONICS

Date: 04 July 2023  
Time: 09:00-10:30  
Address: 11 Thor Circle, Thornton, Cape Town, 7460

[Senior Flexonics](#)

COMPETITIVENESS | GREEN MANUFACTURING

### REV UP YOUR PERFORMANCE:

GOODYEAR'S CONTINUOUS IMPROVEMENT AND PROBLEM SOLVING APPROACH TO DRIVING EXCELLENCE

MANUFACTURING MEETUP OUTPUT  
From the session held on the 28 March 2023



# CCTC CASE STUDY

**OUR APPLIED SKILLS DEVELOPMENT  
PROGRAMME SAVES FIRM  
R120 000 PER YEAR**



## **CAPE UNION MART, WARDAH JOSEPH**

### **R10,000 monthly savings made possible through inventory optimisation**

Distribution centre inventory control supervisor, Wardah Joseph tackled the problem of unplanned deliveries to retail stores that had run out of specific stock. She identified the problem specifics as: Inefficient sourcing systems in retail store network resulting in stock depletions. Location data missing for items and stores, creating delivery confusion. This resulted in delays and unnecessary driving for delivery drivers. She found that there was at minimum one extra unplanned delivery per day, resulting in wasted resources.

Wardah designed systems to improve, accuracy of location data of items and stores, systems alignment between retail stores and the distribution centre and a solution to reduce unnecessary stock depletions and streamline the stock sourcing and delivery process.

#### **This resulted in**



More accurate stock levels  
and reduced stock  
depletions



Timely sourcing of  
stock



Reducing delays  
and confusion



Elimination of  
unnecessary driving  
for delivery drivers

**In addition, R10 000 per month identified savings opportunity was identified and eliminated a minimum of R500 wasted per day in truck use, fuel and driver resourcing.**





# VOICE OF OUR MEMBERS

## **Carlien van der Vyver, Green Thread Manufacturing** **Equator Belts Sustainability Journey**

★ ★ ★ ★ ★

"I want to use the video in a session with my leadership team – we are constantly looking for learning on how to be the best team for our People – I found the owners passion inspirational"

## **Claudia Snyders, PepClo**

★ ★ ★ ★ ★

"After the team attended the Blitz Lean Fundamentals course, on-time delivery improved with the implementation of reducing waste material on the production line, communication improved and there was new focus on the safety of the staff"

## **Bayanda Ndleleni, Cape Union Mart DC**

★ ★ ★ ★ ★

"This course (Lean Fundamentals) is so helpful to employees, and it helps the company to continue making improvements. The information I get from the course is relevant and easy to understand."

## **Tauqeer Martin, K-Way Manufacturing**

★ ★ ★ ★ ★

"The course (Blitz Problem Solving course) was very useful, inspiring & fun!"

## **Trucillia Bothma, Alligator** **Manufacturing Meetup: "4P" Culture framework overview**

★ ★ ★ ★ ★

"I found the session extremely informative. Was captivated by the host knowledge and insight"

# 2024: THE YEAR AHEAD

## SECTOR INTELLIGENCE



### PROJECT PRESENT

Continuous Improvement Project to bolster best practice in absenteeism management.

### CONTINUOUS IMPROVEMENT PROJECT

Programmes tailored towards industry needs leveraging all cluster resources to elevate competitiveness.

### MONTHLY MANUFACTURING MEET-UPS

10x manufacturing meet-ups with broader SA manufacturing community.

### CAPE TOWN CTFL VALUE CHAIN ASSESSMENT

Overview of the value chain dynamics within Cape Town, identifying opportunities and hurdles to growth.

### EXPORT COMPETITIVENESS STUDY

CCTC export opportunities mapped and execution plan developed.

### POLICY ANALYSIS AND COMMUNICATION

Support to members on emerging policy dynamics.

## MANUFACTURING EXCELLENCE



## TALENT PIPELINE



### SME ACCELERATOR NEEDS ANALYSIS

Engagement with CCTC lead firms to ascertain demand for renewed SME Accelerator programme and project scoped.

### PUBLIC SECTOR FUNDRAISING AND MEMBER ENGAGEMENT

Public sector partnerships; Recruitment of new members; Ongoing membership engagement.

### MARKETING AND COMMUNICATIONS

Refreshed CCTC Website; LinkedIn and Facebook social media content; Quarterly communications published.

### PROJECT 2000 ESTABLISHED

Scalable learnership model launched in partnership with funder & educational service provider.

## STAKEHOLDER ENGAGEMENT



## CLUSTER MANAGEMENT



### CLUSTER STRATEGIC PLANNING AND EXCO ENGAGEMENT

Strat planning, budgeting, quarterly Exco meetings.

### PUBLIC SECTOR REPORTING, FINANCIAL AND COMPLIANCE MANAGEMENT

Quarterly funder reporting; Monthly cluster management accounts; Debtors management.

### ANNUAL AUDIT, AGM, ANNUAL REPORT

Ensuring strong financial compliance.

# 2023 AWARDS

## ACA THREADS

### Shared Learning Award

In recognition to their commitment to shared learning through active participation in the cluster's Manufacturing Meetup programme.

## CIOVITA

### Skills Support Award

In acknowledgement of their support for the cluster's skills programme, hosting both the CCTC skills graduation and lean problem-solving training.

## ROGZ

### Skills Champion Award

Awarded to the firm with the largest number of learners to complete the CCTC's lean and leadership training.

## GRAHAM CHOICE

### Industry Trailblazer award

In recognition of his long career within the clothing and textile industry, dedication to the growth and development of the industry, pivotal role in the founding of the CCTC and ongoing commitment to the future of the industry.

## CAPE UNION MART

### Localisation Award

Sharing approach to bolstering localisation and active participation in Manufacturing Meetup activities.

## CITY OF CAPE TOWN

### Partnership Award

For their ongoing advocacy, promotion and support to the local clothing and textile value chain.







# 2023 EXECUTIVE COMMITTEE

Thank you to the senior executives from member firms and officials from the City of Cape Town that make up the CCTC Executive Committee. The Executive Committee provides strategic oversight and programmatic direction for the cluster.

## ANDY THORVALDSEN

Cape Union Mart  
Chairperson and Director

## BOBBY FAIRLAMB

K-Way Manufacturers  
Exco Director

## FIONA SHAW

Freudenberg  
Exco Director

## GRAHAM CHOICE

The Foschini Group  
Exco Member

## LAWRENCE PILLAY

Woolworths  
Exco Member

## MARTIE RAPHAEL

Pep Clothing  
Exco Member

## MARTIN ROHNER

Rotex  
Exco Member

## WERNER TERBLANCHE

ITL  
Exco Member

## SEAN KIRBY

Prestige Manufacturing  
Exco Member

## JOHANN BAARD

South African Apparel Association  
Exco Member



# OUR PARTNERS

**The CCTC wishes to thank the City of Cape Town and all supporting and strategic partners for 2023:**

## CITY OF CAPE TOWN

The CCTC expresses gratitude to the City of Cape Town for its supportive partnership in 2023. The City of Cape Town's public funding for the CCTC is overseen by the Department of Economic Development and Investment, which aims to create an enabling environment to attract investment that generates economic growth and job creation in Cape Town. The Department of Enterprise and Investment does this by:

1. Advising City departments on maximising the economic benefits of their public investments and service delivery activities
2. Helping prospective investors find development and investment support
3. Positioning Cape Town as a forward-looking, globally competitive business destination
4. Strengthening and promoting Cape Town's status as a high-performance, African business hub that supports big ideas and innovation
5. Working with key economic stakeholders to improve the business environment and support industry development in Cape Town.

For more information on the City of Cape Town visit:  
[www.capetown.gov.za](http://www.capetown.gov.za)



## SOUTH AFRICAN APPAREL ASSOCIATION

A special thanks to our invaluable partner association, the South African Apparel Association (SAAA). Founded in 1926, SAAA stands as a stalwart representative of the clothing manufacturing industry in South Africa, offering a comprehensive array of services and actively engaging in various spheres crucial to the industry's prosperity such as labor, training, trade, and industrial policy. This includes involvement in labor and training, trade and industrial policy, and matters related to SARS Customs. The association's reach extends to national bodies like the National Bargaining Council for the Clothing Manufacturing Industry and Business Unity South Africa, ensuring that members' interests are well-represented at the highest levels. SAAA also provides invaluable support to members in resolving disputes, offering legal representation, and facilitating industry benefit schemes. SAAA's multifaceted approach ensures that its members are well-equipped to navigate the complexities of the industry, while also contributing to the sector's growth and sustainability.







# CLUSTER FACILITATION SERVICE



BMA provides facilitation services to the CCTC. Since its founding in 1997, BMA has been dedicated to helping grow manufacturing profitably and sustainably. They deliver specialised, high-value services designed to support sustainable industrial development to governments, NGOs, manufacturing clusters, industry associations, and both retail and manufacturing companies.

Driven by their commitment to building dignity and generating opportunities through production-led economies, BMA's mission is to enhance manufacturing competitiveness and growth for private firms, development organizations, and governments.

Their strong foundation in policy development and firm-level performance benchmarking, combined with their history in Lean training and consulting, equips BMA with a comprehensive understanding of the macro and micro aspects of manufacturing. Their expertise, along with their extensive experience in facilitating and managing industrial clusters, allows them to integrate data-driven insights with market-oriented strategies and collaborative approaches, producing exceptional results.

For more detailed information about our services and projects, please visit our website at [www.bmanalysts.com](http://www.bmanalysts.com).



# Governance and Compliance



- Registered as a Non-Profit Company.
- Memorandum of Incorporation (MOI) that entrenches Public-Private Partnership (PPP) model, transparent governance and clear accountability.
- Clear business plan and accompanying implementation plan.
- Memorandum of Agreement (MOA) governing relationship with the primary funder.
- Performance management and reporting systems that are effective and efficient.
- Financial control systems that are effective, efficient and transparent.
- Adequate solvency and liquidity provisions.
- Clean, unqualified annual financial audit.
- Risk management practices that are effective, efficient and transparent.
- Competition Law checklist and related safeguards.
- Procurement systems that are effective, efficient and transparent.
- Service Level Agreement (SLA) governing relationship with facilitation service provider
- Capacity to comply with funding agreements.
- Compliance with the Companies Act; The Income Tax Act; Consumer Protection Law; the Public Finance Management Act; the Municipal Finance Management Act and the POPI Act.
- Broad-Based Black Economic Empowerment (B-BBEE) level 4 contributor and 100% of expenditure can therefore be claimed as Preferential Procurement.

# MEMBER LISTING

| Organisation                               | Telephone number | Website address                                                                                  |
|--------------------------------------------|------------------|--------------------------------------------------------------------------------------------------|
| ACA Threads                                | 021 981 1133     | <a href="http://www.acathreads.co.za">www.acathreads.co.za</a>                                   |
| Alligator Manufacturing (Pty) Ltd          | 021 531 1854     | <a href="http://www.alligator.co.za">www.alligator.co.za</a>                                     |
| Apparel Components Manufacturing (Pty) Ltd | 021 590 1351     | <a href="http://www.acm-sa.com">www.acm-sa.com</a>                                               |
| Berzacks                                   | 021 511 7044     | <a href="http://www.berzacks.co.za">www.berzacks.co.za</a>                                       |
| Blue Jean Traders                          | 021 506 4600     | <a href="http://www.sissyboyjeans.com">www.sissyboyjeans.com</a>                                 |
| Cape Union Mart                            | 021 464 5800     | <a href="http://www.capeunionmart.co.za">www.capeunionmart.co.za</a>                             |
| Ciovita                                    | 021 461 3931     | <a href="http://www.ciovita.co.za">www.ciovita.co.za</a>                                         |
| Cotton Traders                             | 021 982 7890     | <a href="http://www.cottontraders.com">www.cottontraders.com</a>                                 |
| Falke Eurosocks                            | 021 951 2137     | <a href="http://www.falke.co.za">www.falke.co.za</a>                                             |
| Freudenberg Nonwovens                      | 021 933 3501     | <a href="http://www.freudenberg.com">www.freudenberg.com</a>                                     |
| Genuine Connection Promotions              | 021 872 0300     | <a href="http://www.gencon.co.za">www.gencon.co.za</a>                                           |
| Green Thread Manufacturers                 | 021 5112929      | <a href="http://www.keedo.co.za">www.keedo.co.za</a>                                             |
| International Trimmings & Labels Pty Ltd   | 021 590 1100     | <a href="http://www.itl-group.com">www.itl-group.com</a>                                         |
| K-Way Manufacturers                        | 021 704 1350     | <a href="http://www.capeunionmart.co.za/c/brands-kway">www.capeunionmart.co.za/c/brands-kway</a> |
| Pep Clothing                               | 021 937 2300     | <a href="http://www.pepstores.com">www.pepstores.com</a>                                         |
| Pepkorfin                                  | 021 929 4800     | n/a                                                                                              |
| PepKor                                     | 021 937 2300     | <a href="http://www.pepkor.co.za">www.pepkor.co.za</a>                                           |
| Performance Brands                         | 021 180 4036     | <a href="http://www.performancebrands.co.za">www.performancebrands.co.za</a>                     |
| Prestige Caledon                           | 028 212 1607     | n/a                                                                                              |
| Prestige Epping                            | 021 510 1701     | n/a                                                                                              |
| Prestige Maitland                          | 021 510 2108     | n/a                                                                                              |
| Reliance Clothing                          | 021 447 7313     | <a href="http://www.reliance-clothing.com">www.reliance-clothing.com</a>                         |
| Rotex Fabrics                              | 021 577 1640     | <a href="http://www.rotexfabric.com">www.rotexfabric.com</a>                                     |
| Rogz                                       | 021 551 2839     | <a href="http://www.rogz.com">www.rogz.com</a>                                                   |
| SAAA                                       | 021 531 2130     | <a href="http://www.atasa.org.za">www.atasa.org.za</a>                                           |
| Sheraton Textiles                          | 087 470 0383     | <a href="http://www.sheratontextiles.co.za">www.sheratontextiles.co.za</a>                       |
| TFG Apparel                                | 021 938 1911     | <a href="http://www.tfg.co.za">www.tfg.co.za</a>                                                 |
| TVET SA                                    | 021 510 2766     | <a href="http://www.tvetsa.org.za">www.tvetsa.org.za</a>                                         |
| Woolworths                                 | 021 407 9111     | <a href="http://www.woolworths.co.za">www.woolworths.co.za</a>                                   |



| Associate Members                     |
|---------------------------------------|
| A Fraser & Company LTD                |
| Advanced Technical Sock               |
| African Compass Trading 682           |
| Arc Sportswear                        |
| Basson Fabriek                        |
| Baywear Clothing                      |
| Beta Stitch (Pty) Ltd                 |
| BBF Safety Group Ltd T/A Daytona      |
| Beaches Clothing                      |
| Bri-Clo CC                            |
| Cape Mohair                           |
| Crimson Catwalk Pty Ltd               |
| Design Twenty-Six                     |
| East London Textiles                  |
| Ecogift Protective Clothing CC        |
| EmbroidCraft CC (Pty) Ltd             |
| Ethekwini Clothing Manufacturers      |
| Ethne B SA (Pty) Ltd                  |
| Fabi Fashions CC                      |
| Farbe Designs (Pty) Ltd               |
| FG Uniforms CC                        |
| Future Females Foundation             |
| Iafrica Trading CC                    |
| Imagemakers Trading CC                |
| Imaterial Textile Printers CC         |
| Integrated Apparel Services (Pty) Ltd |
| Jobb Pty Ltd                          |
| Jacqui Couture CC                     |
| JNB Sportswear                        |
| KDCD Group of Companies               |
| Kingsgate Clothing (Pty) Ltd          |
| Kingsgate Trading CC                  |
| Kingspark Manufacturers CC            |
| Kudu Wear South Africa Pty Ltd        |





## Associate Members

Kinross Clothing (pty) Ltd

Lontana Fabrication (Pty) Ltd

Luspin Manufacturer

Luxxe Clothing

Maestro Rugby CC

Maze Clothing (Pty) Ltd

Midnight Spark Trading T/A RS Clothing

Mizpah Clothing CMT

National Cap Factory CC

Pamadrie Vervardiging (EDMS) BPK

Poly Nation Design CC

Pepper Street Apparel

Proudly Coloured

Sabafuraha Pty Ltd

Saisha Trading CC

Seagullindustries Trading CC

Sips Mehana Couture

Sirdicks Trading CC

Socket Trading CC

Sunthings Trading CC

Suzi Trading CC

Sweet-Orr Trading CC

Technostitch Trading CC

The Hat Factory (Pty) Ltd

Tideway Trading

Trimtique International

Tylerandtrent Trading CC

Vatoh Kouture Pty Ltd

Veso Services

WECBOF

Zuri and Imani Pty Ltd

# CLUSTER INFORMATION



## Who We Are:

Established in 2005 by industry and public sector stakeholders, the Cape Clothing & Textiles Cluster (CCTC) is a vibrant community of change-makers, working to strengthen and grow the Western Cape's clothing, textile, footwear and leather value chain.

A representative group of over 140 retailers, clothing, textile, footwear and leather manufacturers are supported through the programmes and projects of the CCTC.

## Contact Us :



Phone Number  
**+27 21 552 0240**



Email Address  
**[cctc@bmanalysts.com](mailto:cctc@bmanalysts.com)**



Post Box Address  
**PostNet Suite 10139 Private Bag X7005,  
Hillcrest 3650, South Africa**



Website  
**[www.capeclothingcluster.org.za](http://www.capeclothingcluster.org.za)**

**CAPE CLOTHING AND TEXTILE CLUSTER NPC**  
**(Registration number 2005/034664/08)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**



**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**General Information**

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|                                                    |                                                                                                                                          |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country of incorporation and domicile</b>       | South Africa                                                                                                                             |
| <b>Nature of business and principal activities</b> | Provision of cluster based development and support to clothing and textile industry                                                      |
| <b>Directors</b>                                   | R W T Fairlamb<br>F P Walther<br>A Thorvaldsen                                                                                           |
| <b>Registered office</b>                           | Block B<br>Bellevue Campus<br>5 Bellevue Road<br>Kloof<br>3610                                                                           |
| <b>Business address</b>                            | Block B<br>Bellevue Campus<br>5 Bellevue Road<br>Kloof<br>3610                                                                           |
| <b>Banker</b>                                      | Investec Bank Limited                                                                                                                    |
| <b>Auditors</b>                                    | Mazars                                                                                                                                   |
| <b>Company registration number</b>                 | 2005/034664/08                                                                                                                           |
| <b>Tax reference number</b>                        | 9064059174                                                                                                                               |
| <b>Level of assurance</b>                          | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa. |
| <b>Preparer</b>                                    | The annual financial statements were internally compiled by:<br>Partner: MJ Cassan<br>Chartered Accountant (S.A.)                        |
| <b>Issued</b>                                      | 15 April 2024                                                                                                                            |

**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Index**

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The reports and statements set out below comprise the annual financial statements presented to the directors:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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| Detailed Income Statement | 19 |
|---------------------------|----|

**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Directors' Responsibilities and Approval**

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The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5 to 7.

The annual financial statements set out on pages 8 to 18, which have been prepared on the going concern basis, were approved by the directors on 15 April 2024 and were signed on its behalf by:



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**R W T Fairlamb**



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**F P Walther**



## Practitioner's Compilation Report

*To the Directors of Cape Clothing and Textile Cluster NPC*

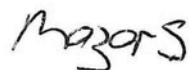
We have compiled the accompanying annual financial statements Cape Clothing and Textile Cluster NPC based on information you have provided. These financial statements comprise the statement of financial position of Cape Clothing and Textile Cluster NPC at 31 December 2023, the statement of comprehensive income, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's), the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence, and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's), the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.



Mazars  
MJ Cassan  
15 April 2024  
Durban

## Independent Auditor's Report

*To the Directors of Cape Clothing and Textile Cluster NPC*

# Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Cape Clothing and Textile Cluster NPC set out on pages 9 to 18, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cape Clothing and Textile Cluster NPC as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Continued-/



**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cape Clothing and Textile Cluster NPC Annual Financial Statements for the year ended 31 December 2023", which includes the Directors' Report, as required by the Companies Act of South Africa and the supplementary information as set out on page 19, which we obtained prior to the date of the report. The other information does not include the annual financial statements and our auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 ISAs 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 financial statements.

Continued-/



As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 directors' 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 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 financial statements, including the disclosures, and whether the 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.



Mazars  
Partner: S Doolabh  
Registered Auditor  
15 April 2024  
Durban

**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Directors' Report**

---

The directors have pleasure in submitting their report on the annual financial statements of Cape Clothing and Textile Cluster NPC for the year ended 31 December 2023.

**1. Nature of business**

Cape Clothing and Textile Cluster NPC was incorporated in South Africa with interests in the provision of cluster based development and support to the clothing and textile industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

**2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa and SAICA Financial Reporting Pronouncements as issued by the Financial Reports Standards Council. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements and do not in our opinion require further explanation.

**3. Directors**

The directors in office at the date of this report are as follows:

R W T Fairlamb  
F P Walther  
A Thorvaldsen

There have been no changes to the directorate for the period under review.

**4. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

**5. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**6. Auditors**

Mazars will continue in office as auditors for the company for the 2024 year end.

**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Statement of Financial Position as at 31 December 2023**

| <b>Figures in Rand</b>              | <b>Notes</b> | <b>2023</b>    | <b>2022</b>   |
|-------------------------------------|--------------|----------------|---------------|
| <b>Assets</b>                       |              |                |               |
| <b>Current Assets</b>               |              |                |               |
| Trade and other receivables         | 2            | 14,362         | 33,152        |
| Cash and cash equivalents           | 3            | 221,781        | 55,762        |
|                                     |              | <u>236,143</u> | <u>88,914</u> |
| <b>Total Assets</b>                 |              | <u>236,143</u> | <u>88,914</u> |
| <b>Equity and Liabilities</b>       |              |                |               |
| <b>Equity</b>                       |              |                |               |
| Accumulated surplus/(deficit)       |              | 155,462        | (65,595)      |
| <b>Liabilities</b>                  |              |                |               |
| <b>Current Liabilities</b>          |              |                |               |
| Trade and other payables            | 4            | 80,681         | 154,509       |
| <b>Total Equity and Liabilities</b> |              | <u>236,143</u> | <u>88,914</u> |



**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Statement of Comprehensive Income**

| <b>Figures in Rand</b>                | <b>Notes</b> | <b>2023</b>    | <b>2022</b>        |
|---------------------------------------|--------------|----------------|--------------------|
| Revenue                               | 5            | 2,473,644      | 1,977,483          |
| Operating expenses                    |              | (2,260,390)    | (4,787,348)        |
| <b>Operating surplus/(deficit)</b>    | 6            | <b>213,254</b> | <b>(2,809,865)</b> |
| Investment revenue                    | 7            | 7,803          | 49,347             |
| <b>Surplus/(deficit) for the year</b> |              | <b>221,057</b> | <b>(2,760,518)</b> |

**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Statement of Changes in Equity**

| <b>Figures in Rand</b>             | <b>Accumulated<br/>(deficit) /<br/>surplus</b> | <b>Total equity</b> |
|------------------------------------|------------------------------------------------|---------------------|
| <b>Balance at 01 January 2022</b>  | <b>2,694,923</b>                               | <b>2,694,923</b>    |
| Deficit for the year               | (2,760,518)                                    | (2,760,518)         |
| <b>Balance at 01 January 2023</b>  | <b>(65,595)</b>                                | <b>(65,595)</b>     |
| Surplus for the year               | 221,057                                        | 221,057             |
| <b>Balance at 31 December 2023</b> | <b>155,462</b>                                 | <b>155,462</b>      |

**Cape Clothing and Textile Cluster NPC**  
**(Registration number: 2005/034664/08)**  
**Annual Financial Statements for the year ended 31 December 2023**  
**Statement of Cash Flows**

| <b>Figures in Rand</b>                                 | <b>Notes</b> | <b>2023</b>    | <b>2022</b>        |
|--------------------------------------------------------|--------------|----------------|--------------------|
| <b>Cash flows from operating activities</b>            |              |                |                    |
| Cash generated from / (used in) operations             | 8            | 158,216        | (2,877,409)        |
| Interest income                                        |              | 7,803          | -                  |
| <b>Net cash from operating activities</b>              |              | <b>166,019</b> | <b>(2,877,409)</b> |
| <b>Cash flows from investing activities</b>            |              |                |                    |
| Interest Income                                        |              | -              | 49,347             |
| <b>Total cash movement for the year</b>                |              | <b>166,019</b> | <b>(2,828,062)</b> |
| Cash and cash equivalents at the beginning of the year |              | 55,762         | 2,883,824          |
| <b>Total cash at end of the year</b>                   | 3            | <b>221,781</b> | <b>55,762</b>      |



**1. Basis of preparation and summary of significant accounting policies**

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

**1.1 Significant judgements and sources of estimation uncertainty**

**Critical judgements in applying accounting policies**

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

**1.2 Financial instruments**

**Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial instruments at amortised cost**

These include trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

**Trade and other payables**

Trade payables are recognised initially at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest rate method.

**Cash and cash equivalents**

Cash and cash equivalents comprise of cash in bank and is initially recognised at fair value plus transaction costs and subsequently at amortised cost.

**1.3 Revenue**

Revenue is measured at the fair value of the consideration received or receivable, excluding value added taxes and discounts.

The IDC's (Industrial Development Corporation of South Africa) contribution to the CTCIP (Clothing and Textile Competitiveness Improvement Programme) are accrued annually by reference to the amount specified in the agreement undertaken in respect of funding entered into between the funder and the cluster.

Government funding is accrued by referring to the amount specified in the agreement undertaken in respect of funding between the municipality and the cluster.

**1.3 Revenue (continued)**

Investment revenue is recognised, in surplus or deficit, using the effective interest rate method.

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**Annual Financial Statements for the year ended 31 December 2023**  
**Notes to the Annual Financial Statements**

| <b>Figures in Rand</b>                                      | <b>2023</b>      | <b>2022</b>        |
|-------------------------------------------------------------|------------------|--------------------|
| <b>2. Trade and other receivables</b>                       |                  |                    |
| Trade receivables                                           | 3,616            | -                  |
| Value added taxes                                           | 10,746           | 33,152             |
|                                                             | <u>14,362</u>    | <u>33,152</u>      |
| <b>3. Cash and cash equivalents</b>                         |                  |                    |
| Cash and cash equivalents consist of:                       |                  |                    |
| Bank balances                                               | <u>221,781</u>   | <u>55,762</u>      |
| <b>4. Trade and other payables</b>                          |                  |                    |
| Trade payables                                              | <u>80,681</u>    | <u>154,509</u>     |
| <b>5. Revenue</b>                                           |                  |                    |
| City of Cape Town                                           | 1,000,000        | 600,000            |
| Membership Fees                                             | 1,378,071        | 1,377,483          |
| Other project income                                        | 95,573           | -                  |
|                                                             | <u>2,473,644</u> | <u>1,977,483</u>   |
| <b>6. Operating surplus/(deficit)</b>                       |                  |                    |
| Operating surplus/(deficit) include the following expenses: |                  |                    |
| Diagnostics                                                 | 240,000          | 196,250            |
| Executive function                                          | 377,263          | 457,915            |
| Manufacturing leadership                                    | 679,898          | 802,975            |
| Peer learning                                               | 215,959          | 258,441            |
| SME Accelerator                                             | -                | 442,487            |
| Software for manufacturers                                  | -                | 1,601,952          |
| Stakeholder engagement and marketing                        | 297,470          | 511,627            |
| Value chain excellence                                      | <u>411,792</u>   | <u>319,688</u>     |
| <b>7. Investment revenue</b>                                |                  |                    |
| Interest revenue                                            |                  |                    |
| Investec Bank                                               | <u>7,803</u>     | <u>49,347</u>      |
| <b>8. Cash generated from (used in) operations</b>          |                  |                    |
| Net surplus / (deficit) before taxation                     | 221,057          | (2,760,518)        |
| Interest received                                           | (7,803)          | (49,347)           |
| <b>Changes in working capital:</b>                          |                  |                    |
| Trade and other receivables                                 | 18,790           | 132,630            |
| Trade and other payables                                    | (73,828)         | (200,174)          |
|                                                             | <u>158,216</u>   | <u>(2,877,409)</u> |

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| <b>Figures in Rand</b>                                                                                                                                    | <b>2023</b>                          | <b>2022</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------|
| <b>9. Auditor's remuneration</b>                                                                                                                          |                                      |             |
| Fees                                                                                                                                                      | 30,676                               | 28,483      |
| <b>10. Taxation</b>                                                                                                                                       |                                      |             |
| <b>Non provision of tax</b>                                                                                                                               |                                      |             |
| No provision has been made for 2023 tax as the company is exempt from South Africa normal tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act. |                                      |             |
| <b>11. Related parties</b>                                                                                                                                |                                      |             |
| Relationships                                                                                                                                             |                                      |             |
| Common management                                                                                                                                         | B and M Analysts Proprietary Limited |             |
| <b>Related party balances and transactions with other related parties</b>                                                                                 |                                      |             |
| <b>Related party balances</b>                                                                                                                             |                                      |             |
| <b>Amounts included in trade payables owing to related parties</b>                                                                                        |                                      |             |
| B and M Analysts Proprietary Limited                                                                                                                      | 75,266                               | 154,509     |
| Trade payables are paid within 30 days.                                                                                                                   |                                      |             |
| <b>Amounts paid to related parties</b>                                                                                                                    |                                      |             |
| B and M Analysts Proprietary Limited                                                                                                                      | 2,222,381                            | 2,989,383   |
| B and M Analysts Proprietary Limited acts as an anchor service provider distributing a portion of funds to additional third party contractors.            |                                      |             |
| <b>12. Directors' and prescribed officer's remuneration</b>                                                                                               |                                      |             |
| No emoluments were paid to the directors or any individuals holding a prescribed office during the year.                                                  |                                      |             |



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**Notes to the Annual Financial Statements**

| Figures in Rand | 2023 | 2022 |
|-----------------|------|------|
|-----------------|------|------|

**13. Financial assets by category**

The accounting policies for financial instruments have been applied to the line items below:

**2023**

|                             | Financial assets at amortised cost | Total          |
|-----------------------------|------------------------------------|----------------|
| Trade and other receivables | 14,362                             | 14,362         |
| Cash and cash equivalents   | 221,781                            | 221,781        |
|                             | <b>236,143</b>                     | <b>236,143</b> |

**2022**

|                             | Financial assets at amortised cost | Total         |
|-----------------------------|------------------------------------|---------------|
| Trade and other receivables | 33,152                             | 33,152        |
| Cash and cash equivalents   | 55,762                             | 55,762        |
|                             | <b>88,914</b>                      | <b>88,914</b> |

**14. Financial liabilities by category**

The accounting policies for financial instruments have been applied to the line items below:

**2023**

|                          | Financial liabilities at amortised cost | Total  |
|--------------------------|-----------------------------------------|--------|
| Trade and other payables | 80,680                                  | 80,680 |

**2022**

|                          | Financial liabilities at amortised cost | Total   |
|--------------------------|-----------------------------------------|---------|
| Trade and other payables | 154,509                                 | 154,509 |

**15. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**16. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

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**Detailed Income Statement**

| <b>Figures in Rand</b>                | <b>2023</b>        | <b>2022</b>        |
|---------------------------------------|--------------------|--------------------|
| <b>Revenue</b>                        |                    |                    |
| City of Cape Town                     | 1,000,000          | 600,000            |
| Membership Fees                       | 1,378,071          | 1,377,483          |
| Other project income                  | 95,573             | -                  |
|                                       | <b>2,473,644</b>   | <b>1,977,483</b>   |
| <b>Operating expenses</b>             |                    |                    |
| Accounting fees                       | -                  | 1,200              |
| Auditors remuneration                 | 30,676             | 28,483             |
| Bad debts                             | -                  | 164,300            |
| Bank charges                          | 2,115              | 2,030              |
| Diagnostics                           | 240,000            | 196,250            |
| Executive function                    | 377,263            | 457,915            |
| Insurance                             | 5,217              | -                  |
| Manufacturing leadership              | 679,898            | 802,975            |
| Peer learning                         | 215,959            | 258,441            |
| SME Accelerator                       | -                  | 442,487            |
| Software for manufacturers            | -                  | 1,601,952          |
| Stakeholder engagement and marketing  | 297,470            | 511,627            |
| Value chain excellence                | 411,792            | 319,688            |
|                                       | <b>(2,260,390)</b> | <b>(4,787,348)</b> |
| <b>Operating surplus/(deficit)</b>    | <b>213,254</b>     | <b>(2,809,865)</b> |
| Investment income                     | 7,803              | 49,347             |
| <b>Surplus/(deficit) for the year</b> | <b>221,057</b>     | <b>(2,760,518)</b> |