CCTC
CAPE CLOTHING AND TEXTILE CLUSTER

INVEST CAPE TOWN

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Building a globally competitive Western Cape CTFL Industry

CCTC Annual Report 2024

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HISTORY

The Cape Clothing And Textile Cluster (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. The CCTC is formally established as a Not-for-Profit Company.

ABOUT THIS REPORT

The annual report for the year ended December 2024 is an integrated financial and progress report. The Cape Clothing and Textile Cluster (CCTC) is a public-private partnership (Partners) 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), where additional information pertaining to the cluster may also be accessed.

Why Clustering?

In the context of South Africa's exposure to intense global competition, it is imperative that local firms adopt innovative strategies to strengthen their competitiveness.

One such strategy is clustering, a proven approach that leverages collaboration among firms facing similar industry challenges to drive collective efficiency and growth. International research by scholars such as Kaplinsky, Morris, Barnes and Porter have consistently demonstrated the link between clustering, collective efficiency, and firm-level upgrading. Clusters serve as a platform for improvement across key competitive dimensions including process efficiency, product quality, functional capabilities, and even upgrading across value chains.

In a liberalised trading environment, clustering has proven essential to providing firms with the architecture to evolve, compete and thrive in increasingly demanding global markets.

Our clustering methodology delivers the following key benefits:

- Rapid identification of shared challenges, systemic weaknesses, opportunities, and areas of best practice
- Reduced costs through joint problem-solving and pooled resources
- Enhanced growth potential through coordinated capability building
- Improved data collection and insights into both internal operations and the external market environment.

Our Vision

By 2030, the CCTC aims to support:

R2billion

The CCTC aims to support R2 billion in investment unlocked for the CTFL value chain

30million

The CCTC aims to support 30 million additional garments localised

12,500

The CCTC aims to support 12,500 new direct manufacturing jobs

Letter from The Chairperson

This year marks the 20th anniversary of the Cape Clothing and Textile Cluster. Founded in 2005, the value chain united to leverage our collective strengths and undertake initiatives that fostered global competitiveness and ensured alignment with customer demand. In 2025, our mission endures: to continue building global competitiveness and maximising value for retail partners.

Local Growth
2024 showed continued appetite from our retailers to source locally, with South African R-CTFL Masterplan data reporting 390 million units were procured from local manufacturers, a 5% unit growth from 2023.

Key to further growth will be our ability to meet the price, quality and speed standards of our customers. It is our hope that the cluster's actions and activities this year provide the value chain with the ability to improve firms' "value -add!".

The CCTC will do all it can to facilitate access for its members to manufacturing best practices at home and abroad. We remain focused on assisting our members to rebuild their manufacturing and technical capabilities, supporting firms to apply the tools required for upgrading and upskilling.

Tackling Absenteesim
It was encouraging to see cluster members tackle a key hurdle to cost competitiveness in 2024 – absenteeism. Working closely with our social partners at SACTWU and the National Bargaining Council for Clothing Manufacturing, we added 1.2 million minutes back on the clock while building a healthier and more engaged workforce. Furthermore, the cluster continued its commitment to collaboration, bringing over 250 stakeholders together across 12 shared learning sessions.

In the year ahead, we're focused on getting closer to retail, ensuring the local industry can offer globally competitive products to buyers. As retailers look to the Western Cape as a strategic sourcing destination to support their agility goals, our value chain must be ready to meet the moment. To do this, we're refocusing on executive leadership development, global best practice exploration and nurturing SMEs with sector-specific development to integrate into larger supply chains.

Our CCTC Connect programme aims to provide a platform for value chain connection. This will provide the industry with a much needed networking opportunity by bringing our members, retail, manufacturing and industry stakeholders together.

Furthermore, the CCTC has partnered with the Localisation Support Fund (LSF) in a demand feasibility study. Thus far, we have mapped over 75 million additional garments

“In 2025, our mission endures: to continue building global competitiveness and maximising value for our retail partners.”

with localisation potential and have mapped capacity from 192 CTFL manufacturers across South Africa. This is an opportunity for manufacturers to participate in the meaningful work of the R-CTFL Masterplan, with your insights used to build localisation business cases, productivity and skills development initiatives.

A special vote of thanks goes to our outgoing Chairperson, Andy Thorvaldsen. Under his leadership, the CCTC made significant strides in a particularly challenging post-COVID environment—expanding its membership to represent the full breadth of the value chain and driving meaningful impact through skills development, the Accelerator, and shared learning initiatives.

I look forward to all our planned activities this year! The CCTC Executive Committee and I wish all a productive and positive year ahead.

Graham Choice
CCTC Chairperson and Director

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 expectations, 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.

In 2024, we were incredibly proud to see the cluster tackle a R560 million handbrake for Cape Town's CTFL industry – absenteeism. The successful seven-month "Project Present" initiative underscores Cape Town's prioritisation of its people, particularly the significant female workforce in the clothing and textile sector. This data-led and collaborative

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.”

project focused on employee well-being to combat absenteeism, resulting in practical resources like the CCTC Toolkit, 600 hours of leadership training, strengthened industry partnerships, and tangible benefits such as 627 worker vaccinations. These investments in the workforce have demonstrably improved productivity, evidenced by an 11.2% reduction in absenteeism, 1.2 million recovered production minutes, and a R1.11 million cost saving, reinforcing the City’s commitment to its citizens as the foundation of its success.

Our alliance with the CCTC remains stronger than ever, as we sharpen our focus on developing the wealth of SMEs across this industry to become the next manufacturing giants in Cape Town, connect and inspire the entire value chain in our CCTC Connect programme and actively explore global best practice with our members in local and international study tours, executive development courses as well as our manufacturing meetups.

I urge all member firms to actively engage with and support our programmess, 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

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The Cape Clothing and Textile Value Chain

The City of Cape Town has a rich and storied history in clothing manufacturing, with key industrial hubs in areas such as Salt River, Woodstock, Maitland, Epping, Paarden Eiland, and Atlantis. Once one of the city's largest employers, the sector supported over 40,000 jobs in 2000 (DTIC, 2001), before experiencing a sharp decline following the influx of trade-liberalised Chinese imports. Despite these challenges, the clothing, textile, footwear, and leather (CTFL) value chain remains deeply interwoven with Cape Town's economy and communities. Its legacy is evident not only in the strong cultural and familial ties many Capetonians maintain with the industry, but also in the continued breadth of its presence– Cape Town is home to the headquarters of six leading national retailers, alongside major manufacturers, textile mills, and a wide network of SMEs spread across the city.

Cape Town's Economy

The Clothing, Textile, Footwear and Leather (CTFL) industry is a significant contributor to Cape Town's economy, generating an annual contribution of R6.24 billion[1] to the city. Given the value chain is made up of both formal and informal manufacturing operations it is difficult to assess exactly how many jobs are sustained by the value chain.

1 Source: S&P IHS Regional Markit (2024)

A Prestige factory

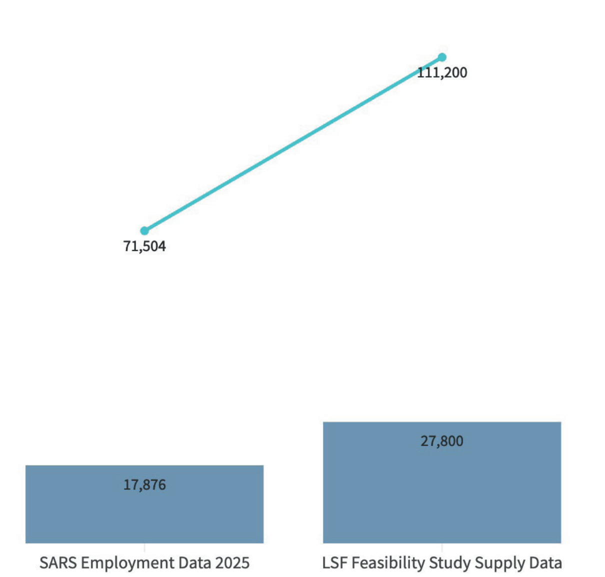
According to SARS (2025) 17,876 people are formally employed in the City's CTFL value chain. However our recent analysis with the Localisation Support Fund indicated that of the 53 manufacturers surveyed in Cape Town, total employment was 18,864. Extrapolating this to the CCTC's full membership base suggests that approximately 27,608 people are formally employed in Cape Town's CTFL value chain. Furthermore, industry analysis indicates that each formal position within the sector supports an additional 4-7 individuals, amplifying the industry's impact to benefit approximately 110,000-180,000 Cape Town residents.

A Crucial Hub

The CTFL manufacturing industry serves as a crucial hub for inclusive employment, with workforce demographics showing 95% of employees are people of colour, 45% have less than a matric qualification, and over 80% are women.[2] Moreover, the CTFL sector is inherently labour-intensive. The City of Cape Town's Market Intelligence Report (2024) demonstrates that CTFL manufacturing has the highest sub-sectoral return to jobs among manufacturing industries, indicating that economic growth in this sector primarily translates to job-led growth.

Employment dynamics in the City of Cape Town

Each formal job in the clothing industry supports four to seven individuals in the City.



Building on this economic foundation, localisation efforts since the inception of the R-CTFL Masterplan have shown noteworthy uptake, increasing by 59% from 2019. Cape Town, as the second largest manufacturing hub in South Africa, currently supplies an estimated 105 million garments to the 13 signatories of the Masterplan.

2 Trade and Industrial Policy Strategies (2024). Industry Study: Clothing and Textiles.

Cape Town financial and industrial centres

Mapping Demand

The CCTC, working with the LSF, has undertaken an exercise to map projected retail demand at the product level through 2030, identifying potential appetite from 5 major retailers to localise an additional 75 million garments, subject to market conditions and continued industry development. This initiative has engaged 192 suppliers across the country, with 28% from the Western Cape participating in the supplier mapping exercise to match their production capacity with retail demand. This mapping exercise provides a valuable platform for building export readiness by optimizing the domestic market value proposition as a foundation for future export-led growth.

The value chain boasts robust capabilities, with physical proximity to 6 of South Africa's leading retailers that have headquarters based in Cape Town. With a functioning port, the city could serve as a gateway for increased exports to Europe and emerging markets in Africa, offering competitive lead times comparable to major global sourcing destinations such as Turkey.

Below is a assessment of the industry's strengths, weaknesses, opportunities, and threats:

STRENGTHS

- Large scale outwork capabilities
- Large scale, compliant manufacturing in key products such as denims and knits which improves full-ear capacity utilisation
- Dyeing, finishing and washing capabilities at scale
- Rapid shift into renewable energy use
- Head offices of 5 large retailers

WEAKNESSES

- Weak enabling environment (energy, water security, ports and crime) constraining productivity and investments
- Macroeconomic instability
- Rigid labour laws that prevent assets from being adequately sweated and utilised
- Lack of sustainability measurement and reporting

OPPORTUNITIES

- Domestic market localisation
- Hub for Southern Africa with emerging potential for African markets and direct shipping line to the EU
- Increasing investment into renewable energy singlas greater sustainability opportunities
- Mitigate risks of importing into South Africa
- In-season trading for local retailers, and into the European Market Area

THREATS

- Currency fluctuations and volatility
- Further degradation of South Africa's energy grid
- Productivity and skill of an aging labour force
- Competition from cheaper exports
- Emigration of skilled management
- and technical personnel
- Onboarding suppliers to Higg Index and the Social and Labour Convergence Program

2024 Key Events

JANUARY

- CCTC Strategy Meeting
- Manufacturing Meet up: Practical steps for successfully implementing renewable energy solutions within your organisation

FEBRUARY

- Launch of Project Present
- Manufacturing Meet up: Supply chain management and port disruptions

MARCH

- Project Present Capacity Building Workshops
- Manufacturing Meet up: Attendance Excellence

- Executive Committee meeting

APRIL

- Project Present: CCTC Toolkit Distributed
- Manufacturing Meet up: Bell's war on waste lean journey

- GreenCape Circularity Conference
- CCTC Skills Graduation

MAY

- Project Present: Deployment, Monitoring and Evaluation
- Manufacturing Meet Up: 4P Culture Series with Mike Hoseus 'Purpose'

- Executive Committee meeting

JUNE

- Manufacturing Meet Up: 4P Culture Series with Mike Hoseus 'Process'

- Executive committee meeting

JULY

– Project Present Return-to-Work absenteeism workshops

– Manufacturing Meet Up: 4P Culture Series with Mike Hoseus 'People'

AUGUST

– CCTC 2025-2030 Strategy Meeting

– Manufacturing Meet Up: 4P Culture Series with Mike Hoseus 'Problem Solving'

SEPTEMBER

– Project Present: Closeout Event

– Manufacturing Meet up: Net Zero webinar

– 11 CCTC members sponsored stands at Messe Frankfurt Allfashion Sourcing Exhibition

– Executive committee meeting

OCTOBER

– Manufacturing Meet up: Lost time reduction webinar

– Manufacturing Meet up: 4P Culture Framework

NOVEMBER

– Manufacturing Meet up: Project Present lessons

– 75 million garments of demand mapped with retailers in LSF Feasibility Study

– Executive Committee meeting

Our Impact

2024 in numbers

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.

ABSENTEEISM	11.3%	Reduction in absenteeism over 14 CCTC members in Project Present group from 2023 to 2024.
PRODUCTION TIME	1.2million	Minutes of production time regained through absenteeism reduction
RECOVERED COSTS	R1.1million	Costs recovered through improved attendance
TRAINING	104	Senior human resources officers and frontline employees trained with attendance management tools
SPONSORSHIP	11	CCTC members sponsored to exhibit at Allfashion Sourcing Exhibition through partnership with DTIC
SHARED LEARNING	+250	CCTC stakeholders brought together through our shared learning programme
SHARED LEARNING	12	Manufacturing Meet Ups
DEMAND MAPPING	75million	Additional garments of demand mapped with leading national retailers in partnership with the Localisation Support Fund

Project Present

Tackling a R560 million annual challenge

Attendees at Project Present close out event

In 2024, the CCTC adopted a continuous improvement model. Namely, the cluster poised to harness all its resources to tackle thematic challenges across industry that constrained cost competitiveness.

The model thus aimed to incubate for operational innovations using collective efficiency, test for proof-of-concept and thereafter deploy across broader industry and sectors.

Through engagement with the executive committee, absenteeism emerged as the most urgent cost competitiveness hurdle. In fact, Project Present's diagnosis revealed that absenteeism is estimated to cost the clothing industry - in Cape Town alone – R560m a year. Given a lack of coordination and collective knowledge regarding attendance management, absenteeism was a fertile challenge for knowledge transfer and standardisation.

The CCTC began with extensive stakeholder consultation. Absenteeism is intimately connected to socio-economic circumstance and is thus a sensitive realm. Critical insight and theoretical underpinning were drawn from the South African Apparel Association (SAAA), who had undertaken a similar program with its members in 2007, as well as the South African Clothing and Textiles Workers' Union (SACTWU) and the South African National Bargaining Council for Clothing Manufacturing (NBC). The latter would become valuable partners for the duration of Project Present.

In February, Project Present launched with 14 CCTC members, representing over 6500 employees across the CTFL industry – an estimated 42% of total employment in the City of Cape Town.

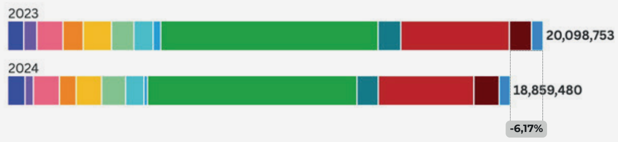
The model's first phase was diagnosis. We wanted to understand what was causing absenteeism and who absenteeism affected most. Consultations were held with each participating firm to gather baseline data and high-level dynamics. Consequently, we were able to benchmark the group's average absenteeism rate at 6.35% and a total financial cost of R58 million.

Project Present proceeded to its next phase – Capacity Building, utlising lean methodology. Taking place over two days, we gathered the Project Present group and industry partners for intensive workshops to firstly undertake root-cause analysis to clearly identify the problem statements underpinning absenteeism, and then on the following day with a wider group of participants including shop stewards, the group applied lean problem-solving tools to the identified issues.

The outputs of these sessions were codified into the CCTC Toolkit, a best-practice manual for absenteeism management, covering data management, return-to-work interviews, incapacity counselling, winter illness prevention, communication and awareness, and incentive schemes.

Absentism rate in firms drops in one year

Minutes lost to absenteeism by firm
March - Sept 2023 vs March - Sept 2024



Thereafter, Project Present looked to deploy, monitor and evaluate the prescribed tools from capacity building. Each month, the group would meet online to discuss progress, challenges and successes relating to absenteeism, allowing the group to continue to collaborate with each other. Not only between firms, but the connection with industry partners also proved fruitful. The Health Care Fund, an existing industry partner, was able to distribute 627 vaccinations to Project Present members free of charge through the improved relations fostered in the program.

In May, a prevailing need for return-to-work training emerged. Given the tool's importance for managing attendance at the firm-level, the CCTC procured the services of Jeremy Chennells, a nationally recognized labor law expert, to deliver return-to-work training for the Project Present group over June and July. His insight and material proved invaluable as 62 leaders and frontline workers were provided with full-day workshops covering labour law, return-to-work procedural training, incapacity counselling insight and communication skills to enhance emotional intelligence given the sensitive plight ailing a vast amount of the CTFL workforce.

In anticipation of the project's close, each Project Present member was consulted to review their journey over 7 months. Here, each member was graded according to their level of

KEY LEARNING:
Absenteeism must be tracked and resourced with the same discipline as any other manufacturing KPI. Its impact on operational efficiency and the bottom line is too significant to ignore. Without focused attention and a committed process, absenteeism will continue to behave like a force of nature–unpredictable, disruptive, and firmly outside the control of management.

application of the CCTC Toolkit. While pockets of excellence exist, it was found that the majority of members still have plenty leeway to apply management techniques more faithfully. Overall however, the participants expressed their gratitude to Project Present for the CCTC Toolkit and the opportunity to learn from their industry peers.

In September, the program closed out with an event, celebrating the achievements and progress of the members. Ultimately, the average absenteeism of the group reduced by 11.34%, resulting in 1.2 million minutes of production time recovered for the factories, equating to a R1.2m in cost saved and over 600 hours of training dispensed to industry leaders and frontline workers on absenteeism management. The CCTC Toolkit is available on the CCTC website and is agnostic to any industry.

In November 2024, the CCTC presented the outcomes and key process learnings of Project Present to the wider manufacturing community in a Shared Learning Webinar, including representatives from automotive, chemical, and furniture manufacturing sectors.

The webinar's emphasis was that Project Present was a lean journey. Beginning with a comprehensive current state analysis driven by both production data and direct shopfloor observation ('going to gemba'), the CCTC deployed lean problem-solving tools, including 5-why root cause analysis and fishbone diagrams, which revealed the most critical challenges driving absenteeism. This led to a collaborative improvement workshop (kaizen event) with over 40 stakeholders, resulting in the CCTC Toolkit, a standardisation of the workshop's outputs.

A series of targeted kaizen implementation events unfolded over four months, establishing standardized work procedures and protocols. The initiative created a culture of continuous improvement among the participating companies, with the data-driven benchmarking system being a constant frame of reference for progress.

While high rates are often influenced by broader socio-economic realities beyond a firm's control, employee engagement and morale remain consistently–and stubbornly–correlated with absenteeism levels. This makes it not just an HR issue, but a core driver of cost competitiveness.

Project Present in action

From Top Left: Project Present Launch, Project Present Workshop, Project Present Close Out Event

Shared Learning Programme

Creating a culture of continous improvement

An attendee at a shared learning event

The foundation of clustering is the identification of best practice and shared learning within the collective. The programme is built to cover critical competitiveness themes such as green upgrading, lean manufacturing and critical topics relating to the macroeconomic environment.

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. Critically these meetups offer the opportunity for CCTC members to engage with CTFL firms in other parts of South Africa as well as across-industries, with events often including manufacturers from the automotive, chemical and furniture industries too.

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.

2024 Shared Learning Events

The CCTC delivered a comprehensive series of shared learning events addressing critical business challenges faced by member firms.

January

Our Renewable Energy webinar provided practical strategies to counter load-shedding challenges, covering regulatory compliance and financing options that helped manufacturers reduce energy costs while supporting sustainability objectives and securing long-term energy needs.

February

The Supply Chain Management & Port Disruptions event focused on proactive measures to mitigate disruptions through strategic collaboration and adaptability, resulting in enhanced supply chain resilience and improved logistical reliability.

March

Our employee engagement panel discussion featured companies with below-average absenteeism rates, showcasing how multifaceted strategies integrating data-driven methodologies with employee wellness initiatives led to measurable attendance improvements.

April

Bell Equipment showcased their transformative “War on Waste” Lean journey, which symbolised their commitment to enhancing operational efficiency and minimising wastage. Rooted in Lean methodologies, this initiative not only boosted productivity but also cultivated a culture of continuous improvement throughout the organisation.

With over **250 CCTC stakeholders** throughout the year, these events formed a strong platform for knowledge-sharing that continues to strengthen our manufacturing community.

May - August

The 4Ps Culture Framework series shared transformative insights across four sessions: shaping culture through guiding principles, using Lean tools to improve processes, aligning HR systems to foster growth, and embedding problem-solving throughout the organisation to drive continuous improvement and cultural alignment at all levels.

September

The Net Zero Business Strategy webinar highlighted the benefits of carbon reduction, offering practical tools for sustainable, profitable planning. It provided context for the carbon challenge, shared actionable insights, and emphasised the strategic value of Net Zero targets and effective monitoring to support meaningful progress.

October

In this session, Green Thread Manufacturers showed how they achieved a remarkable turnaround through LSF-funded operational improvements. Data-driven Lean interventions and employee engagement boosted efficiency from 45% to 60% in three months, transforming the loss-making factory into profitable enterprise.

November

Project Present reduced participating companies' absenteeism by 11% over seven months using Lean methodologies, strategic incentives, and management tools. Leaders shared successful strategies including performance-based leave incentives and counselling programs.

CCTC at Allfashion Sourcing

Showcasing local excellence

Allfashion Sourcing – hosted by the Messe Frankfurt Institute – is a premier global sourcing exhibition that connects, collaborates, and drives competition within the South African clothing and textile industry. In 2024, the CCTC elevated its presence by hosting its own stand and, in partnership with the DTIC, sponsoring 11 member companies to exhibit their products and capabilities to an international audience.

This initiative showcased the power of clustering, demonstrating how collaboration within the CCTC ecosystem amplifies individual firms' visibility and competitiveness on a global stage.

The tangible impact of the CCTC's involvement was evident. One member secured partnerships with European buyers, while a textile firm reported a surge in inquiries from leading South African retailers. Collectively, the CCTC's presence highlighted the innovation and quality of Cape Town's clothing and textile industry and demonstrated the significant benefits of a clustered approach to fostering growth and success.

KEY OUTCOMES FROM THE EVENT

- Enhanced Visibility: Members experienced high foot traffic, with inquiries from both local and international buyers
- Networking Opportunities: The event fostered valuable connections, paving the way for partnerships and contracts with long-term growth potential
- Knowledge Exchange: Members gained critical insights into market trends and buyer expectations, positioning them for greater competitiveness in global supply chains.

(L) Freudenberg Nonwovens' sponsored stand, (R) Tom Figl from Reliance Clothing with Justin Snelling, a CCTC facilitator

Localisation Feasibility Study

Mapping 75 million garments of additional retail demand

In 2024, the CCTC partnered with the Localisation Support Fund (LSF) to assess the feasibility of localising an additional 50 million units by 2030, accelerating progress toward the R-CTFL Masterplan's 2030 target of 65% local sourcing–up from the current 30%.

While forecasts suggest only a modest increase to 34% by 2026, achieving the Masterplan's goal requires an accelerated approach, which is currently hindered by a lack of visibility into detailed local demand profiles, including key commodities, volumes, seasonality, and price points.

While existing Masterplan reports provide high-level retail demand insights, they lack the granularity needed for suppliers to confidently invest in scaling capacity. To bridge this gap, the Feasibility Study is demand-led, aiming to map demand across South African retail at a product-category level while simultaneously assessing the capacity and capability of the local supply base.

What sets this study apart from previous localisation initiatives is its targeted focus on identifying high-potential commodity opportunities within retail and developing detailed business cases and feasibility studies to drive investment. The goal is to enhance local capacity in alignment with actual retail needs, ensuring commercial viability.

In 2024, through engagements with 4 leading national retailers, 75 million garments of additional demand were mapped across 32 products with localisation potential. Considerable surveying has been undertaken to map supply-side capacity to meet this demand.

Should this quantum of localisation be achieved, it is estimated to create **81,110 new jobs for the CTFL industry.**

In 2025, the project will move to phase 2: supply-side surveying. This phase aims to map the South African value chain's capacity to meet the indicative demand with the intention of shortlisting high-potential suppliers to develop business cases for these companies to integrate into the supply chains of the retailers mapped in phase 1.

Looking ahead to 2025

LOCALISATION & GROWTH	R-CTFL Masterplan Feasibility Study	Investigation to understand feasibility of ramped up localisation in South Africa
	CCTC Origin8	SME Development and Incubation program with 30 SMEs
GLOBAL BEST PRACTICE EXPLORATION	Cape Elevate	Executive Development cultivating the next generation of leaders in Cape Town's CTFL industry
	Local Study Tour	Study tour to visit local best practice in lean and green manufacturing
	International Study Tour	International study tour to explore global best practice
	CCTC Networking Sessions	In-person networking sessions with focused topics from industry experts and leaders
	Monthly manufacturing Meet-ups	10x manufacturing meet-ups with broader SA manufacturing community
SECTOR INTELLIGENCE AND POLICY SUPPORT	Cluster Performance Benchmarking	Gathering and benchmarking of cluster performance data
	State of Cape Town's CTFL Industry Report	State of Cape Town's CTFL Industry Report Thought leadership report codifying the unique importance of Cape Town's CTFL value chain and assessing pathways to overcome competitiveness hurdles.

Our Partners

The 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.

NAME	FIRM	DESIGNATION
Graham Choice	I Am Empowered	Chairperson and Director
Andy Thorvaldsen	Cape Union Mart Group	Exco Director
Fiona Shaw	Freudenberg Non-Wovens	Exco Director
Bobby Fairlamb	K-Way Manufacturers	Exco Member
Lawrence Pillay	Woolworths	Exco Member
Marthie Raphael	Pep Clothing	Exco Member
Johann Baard	South African Apparel Association	Exco Member
Ekkehard Oelz	South African Apparel Association	Exco Member
Martin Rohner	Rotex	Exco Member
Werner Terblanche	ITL Group	Exco Member
Sean Kirby	TFG Prestige	Exco Member

* 2025 update to board:
Graham Choice elected as new Chairperson
Andy Thorvaldsen from Exco Chairperson to Exco Director
Bobby Fairlamb Exco director to Exco member
Jacquii Moriarty (TFG Design and Manufacturing) elected as new exco member
Johann Baard and Ekkehard Oelz ended their office as Exco members

Our Partners

The CCTC wishes to thank the City of Cape Town and all supporting and strategic partners for 2024

CITY OF CAPE TOWN

The CCTC expresses gratitude to the City of Cape Town for its supportive partnership in 2024. 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

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SOUTH AFRICA 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 labour, training, trade, and industrial policy This includes involvement in labour 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.

SOUTH AFRICAN APPAREL ASSOCIATION

Cluster Facilitation

BMA

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 BMA's services visit www.bmanalysts.com.

bma

CLUSTER INFORMATION

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cctc@bmanalysts.com
www.capeclothingcluster.org.

Governance

- 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	TEL. NO	WEBSITE
ACA Threads	021 981 1133	www.acathreads.co.za
Alligator Manufacturing (Pty) Ltd	021 531 1854	www.alligator.co.za
Apparel Components Manufacturing (Pty) Ltd	021 590 1351	www.acm-sa.com
Berzacks	021 511 7044	www.berzacks.co.za
Cape Union Mart	021 464 5800	www.capeunionmart.co.za
Ciovita	021 461 3931	www.ciovita.co.za
Falke Eurosocks	021 951 2137	www.falke.co.za
Freudenberg Nonwovens	021 933 3501	www.freudenberg.com
Genuine Connection Promotions	021 872 0300	www.gencon.co.za
Green Thread Manufacturers	021 5112929	www.keedo.co.za
International Trimmings & Labels Pty Ltd	021 590 1100	www.itl-group.com
K-Way Manufacturers	021 704 1350	www.capeunionmart.co.za/c/brands-kway
Pep Clothing	021 937 2300	www.pepstores.com
Pepkorfin	021 929 4800	n/a
PepKor	021 937 2300	www.pepkor.co.za

Performance Brands	021 180 4036	www.performancebrands.co.za
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	www.reliance-clothing.com
Rotex Fabrics	021 577 1640	www.rotexfabric.com
Rogz	021 551 2839	www.rogz.com
SAAA	021 531 2130	www.atasa.org.za
Sheraton Textiles	087 470 0383	www.sheratontextiles.co.za
The Foschini Group	021 938 1911	www.tfg.co.za
Thandeka	021 510 2766	www.tvetsa.org.za
Woolworths	021 407 9111	www.woolworths.org

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	EmbroiCraft 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
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
Sockit Trading CC	Sunthings Trading CC
Suzi Trading CC	Sweet-Orr Trading CC
Technostitch Trading CC	The Hat Factory (Pty) Ltd
Tylerandtrent Trading CC	Vatoh Kouture Pty Ltd
Veso Services	WECBOF
Zuri and Imani Pty Ltd	

CAPE CLOTHING AND TEXTILE CLUSTER NPC
(Registration number 2005/034664/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of cluster based development and support to clothing and textile industry
Directors	G Choice F P Walther A Thorvaldsen
Registered office	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Business address	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Bankers	Investec Bank Limited
Auditors	Forvis Mazars Registered Auditor
Company registration number	2005/034664/08
Tax reference number	9810810144
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: Partner: MJ Cassan Chartered Accountant (S.A.)
Issued	04 April 2025

Index

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

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2024
Directors' Responsibilities and Approval

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 IFRS for SMEs® Accounting Standard, the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. 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 IFRS for SMEs Accounting Standard, the Companies Act of South Africa and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council 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 2025 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 16, which have been prepared on the going concern basis, were approved by the directors on 04 April 2025 and were signed on its behalf by:

Andy Thorvaldsen	Fiona Shaw
A Thorvaldsen	**F P Walther**

Forvis Mazars, Ridgeside Office Park
21 Richefond Circle, Umhlanga Ridge
Durban, 4319

Tel: +27 31 818 9000
Email: office.za.dur@forvismazars.com

forvismazars.com/za

Practitioner's compilation report

To the Directors of Cape Clothing and Textile Cluster NPC

We have compiled the accompanying financial statements of 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 as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 financial statements in accordance with IFRS for SMEs Accounting Standard. 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 financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS for SMEs Accounting Standard.

Forvis Mazars

Forvis Mazars
Partner: MJ Cassan
04 April 2025
Durban

Forvis Mazars, Ridgeside Office Park
21 Richefond Circle, Umhlanga Ridge
Durban, 4319

Tel: +27 31 818 9000
Email: office.za.dur@forvismazars.com

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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 16, which comprise the statement of financial position as at 31 December 2024, 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 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standard 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 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report 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 IFRS for SMEs Accounting Standard 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.

Forvis Mazars

Forvis Mazars
Partner: S Doolabh
Registered Auditor
04 April 2025
Durban

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 2024.

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 the IFRS for SMEs Accounting Standard, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. 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:

	Changes
R W T Fairlamb	Resigned 16 May 2024
G Choice	Appointed 16 May 2024
F P Walther	
A Thorvaldsen	

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

Forvis Mazars will continue in office as auditors for the company for the 2025 year end.

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Financial Position as at 31 December 2024

Figures in Rand	Notes	2024	2023
Assets			
Current Assets			
Trade and other receivables	2	11,350	14,362
Cash and cash equivalents	3	595,819	221,781
		607,169	**236,143**
Total Assets		**607,169**	**236,143**
Equity and Liabilities			
Equity			
Accumulated surplus		521,875	155,462
Liabilities			
Current Liabilities			
Trade and other payables	4	85,294	80,681
Total Equity and Liabilities		**607,169**	**236,143**

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Comprehensive Income

Figures in Rand	Notes	2024	2023
Revenue	5	2,601,379	2,473,644
Operating expenses		(2,241,934)	(2,260,390)
Operating surplus	6	**359,445**	**213,254**
Investment revenue	7	6,968	7,803
Surplus for the year		**366,413**	**221,057**

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2023	**(65,595)**	**(65,595)**
Surplus for the year	221,057	221,057
Balance at 01 January 2024	**155,462**	**155,462**
Surplus for the year	366,413	366,413
Balance at 31 December 2024	**521,875**	**521,875**

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
Cash generated from operations	10	367,070	158,216
Interest income		6,380	7,803
Net cash from operating activities		**373,450**	**166,019**
Cash flows from investing activities			
Interest Income		588	-
Total cash movement for the year		**374,038**	**166,019**
Cash and cash equivalents at the beginning of the year		221,781	55,762
Total cash at end of the year	3	**595,819**	**221,781**

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 IFRS for SMEs Accounting Standard, the Companies Act of South Africa and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. 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 and other 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.

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

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

Figures in Rand	2024	2023

2. Trade and other receivables

Trade receivables	-	3,616
Value added taxes	11,350	10,746
	11,350	**14,362**

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	595,819	221,781

4. Trade and other payables

Trade payables	85,294	80,681

5. Revenue

City of Cape Town	1,300,000	1,000,000
Membership Fees	1,301,379	1,378,071
Other project income	-	95,573
	2,601,379	**2,473,644**

6. Operating surplus

Operating surplus include the following expenses:

Diagnostics	-	240,000
Cluster management	434,618	377,263
Manufacturing leadership	-	679,898
Manufacturing excellence	944,978	627,751
SME development	217,860	-
Sector intelligence	346,643	-
Stakeholder engagement	216,486	297,470
Talent pipeline	29,807	-
	2,190,392	**2,222,382**

7. Investment revenue

Investec Bank	6,968	7,803

8. Taxation

Non provision of tax

No provision has been made for 2024 tax as the company is exempt from South African normal tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act.

9. Auditor's remuneration

Fees	33,611	30,676

Figures in Rand	2024	2023

10. Cash generated from operations

	2024	2023
Net surplus before taxation	366,413	221,057
Interest received	(6,968)	(7,803)
Changes in working capital:		
Trade and other receivables	3,012	18,790
Trade and other payables	4,613	(73,828)
	367,070	**158,216**

11. Related parties

Relationships	
Common management	B and M Analysts Proprietary Limited

Related party balances and transactions with other related parties

Related party balances

	2024	2023
Amounts included in trade payables owing to related parties		
B and M Analysts Proprietary Limited	85,294	75,266

Trade payables are paid within 30 days.

Related party transactions

	2024	2023
Amounts paid to related parties		
B and M Analysts Proprietary Limited	2,190,392	2,222,382

B and M Analysts Proprietary Limited acts as an anchor service provider distributing a portion of funds to additional third party contractors.

12. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

13. 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.

14. 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.

15. Financial assets by category

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

2024

	Financial assets at amortised cost	Total
Cash and cash equivalents	595,819	595,819

2023

	Financial assets at amortised cost	Total
Trade and other receivables	3,616	3,616
Cash and cash equivalents	221,781	221,781
	225,397	**225,397**

16. Financial liabilities by category

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

2024

	Financial liabilities at amortised cost	Total
Trade and other payables	85,294	85,294

2023

	Financial liabilities at amortised cost	Total
Trade and other payables	80,681	80,681

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2024
Detailed Income Statement

Figures in Rand	2024	2023
Revenue		
City of Cape Town	1,300,000	1,000,000
Membership Fees	1,301,379	1,378,071
Other project income	-	95,573
	2,601,379	**2,473,644**
Operating expenses		
Auditor's remuneration	33,611	30,676
Bank charges	2,279	2,115
Cluster management	434,618	377,263
Diagnostics	-	240,000
Insurance	15,652	5,217
Manufacturing leadership	-	679,898
Manufacturing excellence	944,978	627,751
SME development	217,860	-
Sector intelligence	346,643	-
Stakeholder engagement	216,486	297,470
Talent pipeline	29,807	-
	2,241,934	**2,260,390**
Operating surplus	**359,445**	**213,254**
Investment income	6,968	7,803
Surplus for the year	**366,413**	**221,057**