



Building a globally competitive Western Cape CTFL Industry

CCTC Annual Report 2025



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Who We Are

About Us

HISTORY	ABOUT THIS REPORT
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.	The annual report for the year ended December 2025 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), 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 trade environment, clustering is not optional—it is essential. It provides the architecture for firms 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 achieve:**



R2 billion

Unlock R2 billion in investment
for the sector

30million

Localise an additional
30 million garments per annum



12,500

Create 12,500 new
direct manufacturing jobs



Letter from The Chairperson

Our strategic and operational focus – now and into the future – is one of visibility. Making the Western Cape’s clothing and textile industry visible to itself, through our Connect sessions, conversations with industry partners, and regular communication to membership.

Making it visible to our local customers – both the retail partners whose sourcing decisions shape our members’ growth trajectories, and the niche product value chains whose appetite for locally manufactured product remains largely untapped. And making it visible to the international community, which has not engaged with South African CTFL at any meaningful macro level for decades, and to which our value chain has far more to offer than it has yet had the platform to demonstrate.

Mapping the Opportunity

2025 was the year in which that visibility agenda took its most concrete and consequential form to date. Through our contribution to the R-CTFL Localisation Feasibility Study – perhaps the most comprehensive demand-side analysis of the South African CTFL sector ever undertaken –

we worked alongside the Localisation Support Fund and five retail groups representing 19 chains to map up to 81 million additional garments of annual local sourcing appetite across 32 product categories by 2030. The Western Cape contributed meaningfully to the national supply-side survey, ensuring that Cape Town’s manufacturing capabilities were accurately represented in a study that now provides the clearest picture we have ever had of where the opportunity lies, what it requires, and what the value chain must do to claim it.

The outcome of this study provides the demand architecture around which the CCTC’s programme of work through to 2030 will be built. Manufacturers in our cluster can see – at a product level, by category, by season, and by price point – the specific commercial opportunities available to them if they can meet the standards required. The question we must ask ourselves, year by year, is whether we are building the capacity to convert that mapped demand into local production, jobs, and investment.

Building the Capability to Compete

That question is the frame for everything the CCTC does. And it demands that we build



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the operational and leadership capability to convert mapped demand. This is why our Global Best Practice Exploration programme was not an adjunct to strategy in 2025 – it was central to it.

Through Cape Elevate, we gave 43 of our members' senior leaders direct engagement with the management thinking that global competitiveness demands – digital transformation, lean manufacturing, and the supply chain philosophy that connects firms into a coherent, high-performing value chain rather than leaving them as isolated islands of effort. Through our local study tour to KwaZulu-Natal, 16 members returned with observable proof that the principles of lean, people-centred manufacturing are not abstract ideals but operational realities – built into the daily rhythms of world-class factories in automotive and apparel alike. The CCTC has also continued to work closely with TWIMS – Africa's only manufacturing-focused business school – ensuring that its resources and expertise are accessible to our members as they build the management depth the sector needs. As we strengthen our own ecosystem, we are creating alignment between the CCTC and the KZN Clothing and Textile Cluster – because a nationally coherent manufacturing sector is ultimately stronger for all of us.

Looking to 2026: SLIM

As we look to the year ahead, we are partnering with the Cape Chamber of Commerce to explore one of the most consequential ideas in South African industrial development: Scaled Labour Intensive Manufacturing, or SLIM – the development of manufacturing plants with the capacity to

employ thousands of workers, built around tradeable, light-assembly products where cost competitiveness is sensitive to scale. CTFL is a natural fit for this model, and the demand feasibility study has shown us the volumes to support it.

We are in the process of proofing the concept of how a suitable operating environment can be built – the right industrial infrastructure, the required policy considerations, and the right labour market flexibility. What is at stake is significant. Successfully deployed, SLIM offers a legal, dignified, and high-employment alternative to the sweatshop models and non-compliant manufacturing operations that persist in other geographic locations across our country, where value add is low and worker protections are weak. This is the model we want to prove is possible – here, in the Western Cape, on our terms.

Gratitude

Everything the CCTC delivers is a team effort, and nothing is possible without the commitment of our Executive Committee, our member firms, and the public and private partners who continue to invest in our shared mission. To our team – thank you for another year of dedication and delivery. To our members – the insight you bring from the factory floor is what keeps our work grounded and purposeful. The opportunity before this value chain is in our reach. Let us build the capability to meet it.

Graham Choice
CCTC Chairperson



Letter from The City of Cape Town

Cape Town's clothing, textile, footwear and leather industry is not a legacy sector in the sentimental sense of the word. It is a living, working ecosystem – one of the most labour-intensive, inclusive, and employment-generative manufacturing sub-sectors in the city's economy, and one that the City of Cape Town remains deeply committed to supporting, strengthening, and growing.

Our partnership with the Cape Clothing and Textile Cluster reflects that commitment in practical terms. Through the CCTC, the City channels its investment in CTFL competitiveness through an established, industry-led platform with the credibility, relationships, and implementation capacity to translate public funding into measurable firm-level and sector-wide impact. In 2025, that partnership delivered results that speak directly to the City's economic development priorities.

Investing in the Next Generation of Manufacturers

Of particular significance this year was the CCTC's expanded focus on SMME

development. Through Origin8 and the newly launched Cape Acceler8 programme, the cluster has invested deliberately in the layer of the value chain that carries the greatest promise for inclusive growth: black-owned, women-led, Cape Flats-based businesses with genuine production capability but limited access to the commercial networks, operational knowledge, and technical skills required to participate in formal retail supply chains.

The scale of demand for these programmes – 238 applications for 30 Origin8 placements, and 40 businesses enrolled in Cape Acceler8 against a target of 30 – tells us something important about the latent entrepreneurial energy in this sector. The City's investment through the CCTC is not creating demand for development support; it is responding to demand that already exists. What Origin8 and Cape Acceler8 provide is structure, rigour, and connection – the 6C framework, direct retail panel engagement, lean manufacturing fundamentals, accredited technical training, and the peer networks through which these businesses can continue to learn and grow beyond the formal programme.



The scale of demand for CCTC's SMME development programmes tells us something important about the latent entrepreneurial energy in this sector."

Inclusive Growth Agenda

The cohort profiles of these programmes are a direct expression of the City's inclusive growth agenda. More than 70% of Cape Acceler8 businesses are women-led. Forty percent are based on the Cape Flats. Over 600 employees are represented across the cohort, the vast majority of whom are Black, Coloured, or Indian South African women. These are not peripheral beneficiaries of an industrial policy programme, they are its primary purpose.

Between Policy and Reality

The CCTC's value to the City extends well beyond the delivery of individual programmes. As Cape Town's only formally constituted CTFL cluster, the CCTC functions as the primary interface between the City's industrial development objectives and the reality of the value chain on the ground. It provides evidence – through the State of the Value Chain 2025 report, that is rigorous enough to inform policy and specific enough to guide investment. It convenes – through CCTC Connect – the full breadth of the ecosystem in a format that gives government officials, industry leaders, and SMME entrepreneurs access to the same conversations at the same table. And it deploys – through its programming – the practical, firm-level interventions that turn policy intent into operational change.

A Sector To Invest In

Cape Town's CTFL sector employs an estimated 17,876 people in formal employment, with considerably more in the informal economy, and supports up to 180,000 residents through the multiplier effects of each formal job. It is a sector with 66 jobs created per R1 million invested – the second-highest labour intensity of any manufacturing sub-sector in South Africa.

For a city whose growth agenda is centred on job-led, inclusive economic development, this is not a sector to manage into decline. It is a sector to invest in, strategically and consistently, through the institutional architecture the CCTC provides.

We look forward to deepening our partnership with the CCTC in the year ahead, and to seeing the demand, talent, and capability programmes of 2025 bear fruit in the commercial and employment outcomes that Cape Town's communities deserve.

Alderman James Vos

Mayoral Committee Member

City of Cape Town: Economic Growth

The Cape Clothing and Textile Value Chain



The Clothing, Textile, Footwear and Leather (CTFL) industry is a significant contributor to Cape Town's economy, generating an annual contribution of R6.24 billion¹ 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. 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.

¹ S&P IHS Regional Markit (2024)

CTFL and Cape Town's economy

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.

A “Triple Threat”

CTFL manufacturing is what UNIDO describes as a “triple-threat” against structural unemployment: it is job-rich, inclusive, and empowering. For a city in which unemployment is structural and concentrated among precisely the communities this sector employs, these are not marginal considerations – they are the central argument for treating CTFL competitiveness as a public priority.

The State of the Value Chain

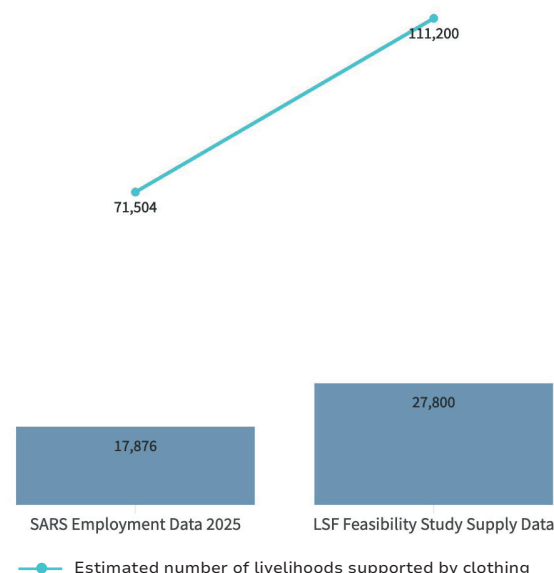
The sector’s current performance reflects a paradox that the CCTC’s 2025 *State of the Value Chain* report characterises with precision. On the positive side, retail sales are on a sustained upward trajectory and are expected to break R200 billion in the coming years. Manufacturing sales have grown 15% since 2019. Localisation volumes from Masterplan retail signatories have increased 59% over the same period. Labour productivity in CTFL outperforms every other manufacturing sub-sector nationally, registering an average productivity index above 2015 baseline levels for the past decade – including through the disruptions of COVID-19. When employed, CTFL workers are both efficient and competitive.

Becoming globally cost competitive

Yet this productive potential is being systematically under-leveraged. Capacity utilisation has declined since 2019, with 80% of underutilised capacity attributed to insufficient demand. Imports continue to grow – South Africa imported a combined R40 billion in apparel and textiles in 2023 alone – and a significant share of localisation growth is being absorbed by informal, non-compliant producers who undercut formal manufacturers on price at the expense of labour standards and quality. The challenge is not one of labour

Employment dynamics in the City of Cape Town

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



inefficiency or absent capability. It is one of cost competitiveness – the gap between what formal, compliant Cape Town manufacturers can produce and the price at which retail buyers can commercially justify sourcing locally rather than offshore.

This is the constraint that the CCTC’s programmes are designed to systematically close. Building a globally competitive Western Cape CTFL value chain requires addressing that constraint at every level simultaneously: linking demand more clearly to local supply, developing the talent and leadership required to operate at global standards, exposing the sector to the best manufacturing practice available domestically and internationally, and ensuring that the ecosystem of policy, investment, and institutional support is aligned and activated behind a coherent industrial upgrading agenda. The work described in this report is the CCTC’s contribution to that agenda in 2025.

Cape Town's structural advantages

Despite the pressures it faces, the Cape Town CTFL value chain holds structural advantages that few competing sourcing destinations can replicate. The co-location of seven major national retail headquarters with a deep, legacy-skilled manufacturing base creates the potential for quick-response, in-season production models that no offshore supplier can match on lead time. A functioning deep-water port and international airport facilitate both import of specialised inputs and the export ambitions that the value chain must increasingly pursue. The City of Cape Town's exceptional public service delivery – particularly its loadshedding curtailment programme and infrastructure reliability – has emerged

in stakeholder research as a critical, often underestimated enabler of industrial resilience, with manufacturers specifically citing Cape Town's operational stability as a key reason for maintaining and investing in local production.

The CCTC's conviction – shared by the sector's leadership and its public partners – is that this is a giant in need of reawakening. The productive capacity is present. The demand is real and mappable. The workforce is skilled, resilient, and capable of world-class output. What is required is the coordinated, sustained application of the cluster's full capabilities to close the gap between the sector's current state and its potential – one programme, one firm, one leader at a time.

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

SWOT

CAPE TOWN
CLOTHING
INDUSTRY

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



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Our Impact

2025 in review

JANUARY

CCTC Origin8

Manufacturing Meetup: Major Lessons to Emerge from the Thailand Tour for South Africa Firms



FEBRUARY

CCTC Connect Session

R-CTFL Demand Feasibility Study:
National Supply Side Mapping



MARCH

Cape Elevate Executive Development

CCTC Executive Committee Meeting

Manufacturing Meetup: A Review of the Current State of the Local Steel Sector



APRIL

CCTC Connect Session

Manufacturing Meetup: Lessons and Benefits from Webroy & Homewood's Journey: Practical Insights on Implementing Renewable Energy



MAY

The State of The Value Chain Sector Intelligence release

CCTC Executive Committee meeting

Manufacturing Meetup: How Ryan Tierney Builds Vibrant Lean Cultures: Insights from an International Lean Thinker & Enthusiast

2025 in review

JUNE

CCTC 20th Year AGM

Manufacturing Meetup: AI in Manufacturing



JULY

CCTC Study Tour to KwaZulu-Natal

Manufacturing Meetup: ACA Thread's Business Case for Sustainability



AUGUST

CCTC Executive Committee Meeting

Manufacturing Meetup: CI IN ACTION: A review of successful project interventions at Webaroy, Enernous and Thekwini Wire

SEPTEMBER

Launch of Cape Acceler8



OCTOBER

R-CTFL Demand Feasibility Study: Final Report Released

Manufacturing Meetup: Shared Water, Shared Responsivity: Safeguarding Our Environment Through Better Wastewater Management



NOVEMBER

Cape Acceler8: 6C Executive Development + Cape Acceler8: Lean Fundamentals

CCTC Executive Committee Meeting

Manufacturing Meetup: Navigating the AI Road Mapping Process for Manufacturing

2025 in numbers

In partnership with our 150 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 2025 we achieved:

GARMENTS MAPPED	81million	Additional garments of annual retail demand mapped across 32 product categories in the R-CTFL Localisation Feasibility Study
SURVEYED	192	Manufacturers were surveyed nationally, including 52 from the Western Cape, to map localisation production capacity
POTENTIAL NEW JOBS	34,000	Potential new jobs in the CTFL value chain if mapped demand is successfully localised
SMMEs UPGRADED	50	Through Origin8 and Cape Acceler8, gaining access to Executive Development, Technical Upskilling and Capacity Building
PEOPLE TRAINED	130	People trained across Cape Elevate, Origin8, the local study tour, and Cape Acceler8's Executive Development phase
TRAINING HOURS	2,184	Structured training hours delivered across all development programmes
FACTORY VISITS	4	factory visits provided direct exposure to world-class manufacturing practices
MEET UPS	10	manufacturing meet ups

2025 in numbers

CONNECTIONS	300+	value chain connections linked manufacturers, retailers, labour, skills institutions, and government
EMPLOYEES REPRESENTED	7,500+	Employees represented by CCTC members participating in cluster programmes
LEVELS OF GOVERNMENT	3	levels of government engaged in CCTC programmes – municipal, provincial and national



Linking Demand

Driving local competitiveness through demand-led industry intelligence



The CCTC's ability to create durable, scaled competitiveness in the Western Cape CTFL value chain is ultimately contingent on one foundational condition: a clear, granular, and commercially credible picture of what the market wants to buy locally. Without visibility into the nature, volume, and structure of retail demand, manufacturers cannot confidently invest in capacity, and retailers cannot confidently deepen local sourcing commitments. Linking demand is therefore not a peripheral function of the cluster – it is the precondition for meaningful industrial upgrading across every other programme the CCTC delivers.

In 2025, the CCTC advanced this agenda through two substantive interventions: its participation as a critical partner in a national localisation feasibility study, and the publication of The State of the Value Chain 2025 – a rigorous, publicly available

industry intelligence report that synthesises quantitative data with direct stakeholder insight to position Cape Town's CTFL sector within both a national and global framework.

LSF R-CTFL Demand Feasibility Study

The CCTC played an instrumental role in the national R-CTFL Demand Feasibility Study, conducted in partnership with the Localisation Support Fund (LSF). This study represents one of the most comprehensive demand-side analysis of the South African CTFL sector undertaken to date. Five retail groups, representing 19 retail chains, participated in a structured demand assessment that mapped localisation appetite across 32 product categories. The outcome was a quantified picture of significant scale: up to 81 million additional units of annual sourcing by 2030, representing approximately R7.9 billion in manufacturing sales at 2025 constant prices.

KEY FINDING:

The research confirmed that scale is the defining driver of competitiveness, highlighting the need for larger production capacity, stronger compliance support and targeted industry investment.

The Western Cape was a meaningful contributor to this national exercise. The CCTC facilitated the engagement and participation of its member base in the supply-side mapping component of the study, ensuring that Cape Town's manufacturing capabilities – the sector's second-largest production hub nationally – were accurately captured and represented. Of the 192 manufacturers surveyed nationally, the Western Cape contributed 52 respondents, with an average firm size of 180 employees. This participation reflects the CCTC's established role as a trusted intermediary between its membership and the national policy and investment architecture of the R-CTFL Masterplan.

The study's modelling also surfaced the decisive role of scale. Price competitiveness in basic knits, for example, cannot be achieved through productivity gains alone – the direct-to-indirect labour ratio only converges on internationally competitive benchmarks at factory sizes of approximately 800 employees or more. This finding has direct implications for how the cluster frames its supplier development, investment mobilisation, and capacity-building work going forward. It shifts the conversation from incremental firm-level improvement to a more ambitious systems-level question: what combination of commercial structure, policy support, and cluster coordination is required to unlock the scale at which Western Cape manufacturers become genuinely price-competitive in high-volume categories?

On the supply side, the study confirmed structural strengths in woven fashion – where 67% of firms surveyed have capability in mapped categories and 81% indicated they can scale – alongside a more nascent but growing denim capability concentrated in smaller, younger firms. Compliance remains a systemic gap: 62% of firms surveyed indicated they require assistance in meeting or maintaining National Bargaining Council compliance standards, reinforcing the cluster's long-standing argument that capability and compliance development must advance together, not sequentially.

The study's broader policy recommendations – enabling industrial-scale production, investing in upstream washing and dyeing infrastructure to unlock denim, revisiting the yarn and knit fabric duty rebate mechanism, and creating structured compliance pathways – align closely with the CCTC's own strategic priorities and provide an evidence-based platform for the cluster's policy advocacy in 2026 and beyond.

The State of the Value Chain 2025

The second major intervention under Linking Demand was the CCTC's publication of *The State of the Value Chain 2025: Clothing, Textiles, Footwear and Leather in Cape Town*. Commissioned to support the City of Cape Town's industrial policy and strategic planning for the CTFL sector, the report draws on desktop research conducted across StatsSA, SARS, Quantec, and sector bargaining council



The State of the Value Chain 2025 Report advances a clear and rigorous argument: South Africa's socio-economic trajectory demands labour-absorbing, inclusive growth, and the CTFL sector is structurally well-positioned to deliver it.

data, complemented by primary research through 11 in-depth stakeholder interviews conducted across the Cape Town value chain in May 2025.

The report advances a clear and rigorous argument: South Africa's socio-economic trajectory demands labour-absorbing, inclusive growth, and the CTFL sector is structurally well-positioned to deliver it. With 66 jobs created per R1 million invested – the second-highest labour intensity across South African manufacturing sub-sectors – and a workforce that is 81% women, 95% people of colour, and characterised by low barriers to entry, the sector constitutes what the report terms a “triple-threat” against structural unemployment. It is job-rich, inclusive, and empowering.

Yet the report does not rest on potential alone. It maps a current state under genuine strain: Cape Town's CTFL sector has lost 20% of its formal employment over the past decade, gross fixed capital formation has contracted by 34%, and capacity utilisation has declined in the context of reported insufficient

demand – even as retail sales, manufacturing sales, and localisation volumes have trended positively. The central diagnostic is clear: cost competitiveness is the most urgent and persistent constraint separating latent demand from local productive response.

Two firm-level case studies ground the analysis in demonstrable practice. Green Thread Manufacturers achieved a full turnaround from loss-making operation to profitable, dual-retail supplier within six months through data-led productivity diagnostics and a people-centred culture of continuous improvement. TFG Prestige Caledon demonstrates a viable non-metro model: operating outside the Metro A wage zone, the factory scaled from 8 to 866 employees through structured learnerships, strong community integration, and deliberate municipal partnership – a replicable blueprint for extending compliant, cost-competitive production beyond the Cape Town metro. The report positions these cases not as exceptional outliers but as proof of concept. It translates their learnings into seven actionable recommendations: firm-level productivity improvement through data-led diagnostics;

reigniting the yarn and knit fabric duty rebate; investing in executive development; promoting the sector to young people; developing modernised manufacturing incentives; exploring non-metro value chain expansion; and ensuring reliable transport and safety as foundational enabling conditions.

The publication of this report performs a function that extends beyond intelligence-gathering. It constitutes a public act of demand-linkage – making the sector's performance, constraints, and opportunity visible to policymakers, investors, retailers, and international partners in a form that is

analytically rigorous, accessible, and actionable. In doing so, it strengthens the value chain's collective capacity to mobilise the resources, policy responses, and commercial partnerships that industrial upgrading requires.

Taken together, the CCTC's Linking Demand activities in 2025 advanced a single coherent objective: ensuring that the Western Cape CTFL value chain is grounded in a clear-eyed understanding of where demand sits, what it requires, and what structural conditions must be met to capture it. This is the essential precondition for all that follows.



Prestige Caledon in its early days, 2008 (left image) and in 2025 (right image) after 17 years of growth and investment from The Foshini Group



The beginnings of Prestige Clothing in Caledon in 2008 (left image) and the Prestige Caledon factory in 2025 (right image). The factory employs 866 people.

Developing Talent

Skills, leadership and workforce capability remain the foundation of competitiveness



The competitiveness of Cape Town's CTFL value chain is ultimately a human capital question. Machinery can be procured, processes can be refined, and demand can be mapped – but none of these translate into sustained industrial upgrading without the people capable of executing and leading the work. The CCTC's Developing Talent programme recognises this explicitly: it targets two distinct but complementary capability gaps within the value chain – the development of high-potential SMMEs into viable, retail-ready manufacturers, and the structured acceleration of the next generation of CTFL entrepreneurs into the formal supplier ecosystem.

In 2025, the cluster delivered two programmes under this pillar: Origin8, which supports emerging SMME manufacturers on the journey from start-up to scale; and Cape Acceler8, a 12-month socio-economic development programme designed to build the business

fundamentals, operational readiness, and technical skills of CTFL entrepreneurs in Cape Town.

Origin8: From Start-Up to Scale-Up

A structurally healthy value chain cannot rest on its established firms alone. The long-term resilience of the Western Cape CTFL sector depends on a continuous pipeline of capable, commercially credible manufacturers capable of growing into the industry's next generation of anchor suppliers. This is the founding rationale for Origin8 – a programme designed to accelerate the readiness of high-potential SMMEs to meet the standards demanded by formal retail value chains.

The appetite for this kind of structured support is significant. The 2025 cohort of Origin8 drew 238 applications for just 30 available placements – a demand-to-supply ratio that speaks to the scale of the development gap in



this segment of the market, and to the absence of comparable programmes elsewhere in the ecosystem. Selecting 30 participants from this pool was itself a demanding exercise, requiring careful assessment of firm-level potential, commitment, and readiness to engage. The programme was designed around the recognition that SME growth constraints are rarely singular. Small manufacturers face overlapping challenges simultaneously: limited market access, underdeveloped commercial acumen, insufficient operational systems, and weak connections to the buyers whose standards they must meet. Origin8 addresses these constraints through a blended methodology that combines structured workshop learning with direct exposure to the value chain in practice.

Participants engaged with the 6Cs framework – a tool for systematically interrogating the core dimensions of business competitiveness – and applied it to their own firms in a facilitated environment. Critically, the programme moved beyond the classroom: participants toured TFG's Prestige Clothing factory in Epping, gaining firsthand exposure to world-class manufacturing practice and seeing the operational principles discussed in the workshops embodied at scale. This kind of



direct observational learning – seeing what formal, retail-ready manufacturing actually looks like from the inside – is a form of capability transfer that cannot be replicated in a training room alone.

The retail panel component of the programme was equally significant. Executives from TFG, Ackermans, and Woolworths engaged directly with participants, communicating the standards, requirements, and commercial expectations that govern sourcing decisions at scale. For SMEs operating at the margins of formal retail value chains, this kind of direct voice-of-the-customer engagement is transformative – it translates abstract quality and compliance requirements into concrete, actionable targets, and establishes a human connection between emerging manufacturers and the buyers they are working toward.

Participant feedback reflected both the depth of the programme's impact and the degree to which it met an unmet need. Comments pointed to the practical utility of the frameworks covered, the value of peer learning across firms at different stages of development, and the opportunity to reconnect with foundational business principles in a structured setting. Several participants indicated an immediate intent to apply what they had learned within their businesses – the clearest early signal that the programme is generating competitiveness-relevant behavioural change, not merely knowledge transfer.

Cape Acceler8: A 12-month competitiveness journey

The CCTC's second 'Developing Talent' intervention in 2025 addressed a gap that sits at the intersection of industrial upgrading and inclusive growth: the persistent difficulty faced by CTFL SMMEs in translating genuine production capability into formal retail supply





chain participation. Despite the talent, drive, and entrepreneurial energy present in this segment of the market, many businesses lack the business fundamentals, supply chain readiness, and accredited technical skills required to access and sustain commercial relationships with formal buyers. Cape Acceler8 was designed to close that gap in a structured, sequenced, and rigorously supported way.

The programme is built around three pillars, delivered across 12 months. The first pillar – Executive Development – focuses on strategic thinking and leadership capability, introducing participants to the 6C supplier readiness framework, lean manufacturing fundamentals, and best-practice manufacturing environments through direct factory exposure. The second pillar – Capacity Building – delivers intensive workshops covering practical business skills including cost engineering, financial management, competitor analysis, and customer negotiation. The third pillar – Technical Upskilling – provides accredited NQF-aligned training delivered by an accredited provider, covering productivity and quality management as well as machine repair and maintenance. Taken together, the three pillars build from strategic foundations through practical application to formal, certified competence – a progression designed to produce lasting, verifiable capability rather than event-level exposure.

The cohort's profile speaks directly to the CCTC's broader industrial upgrading mandate. More than 70% of participating businesses are women-led. Approximately 40% are based on the Cape Flats. Collectively, the 40 enrolled

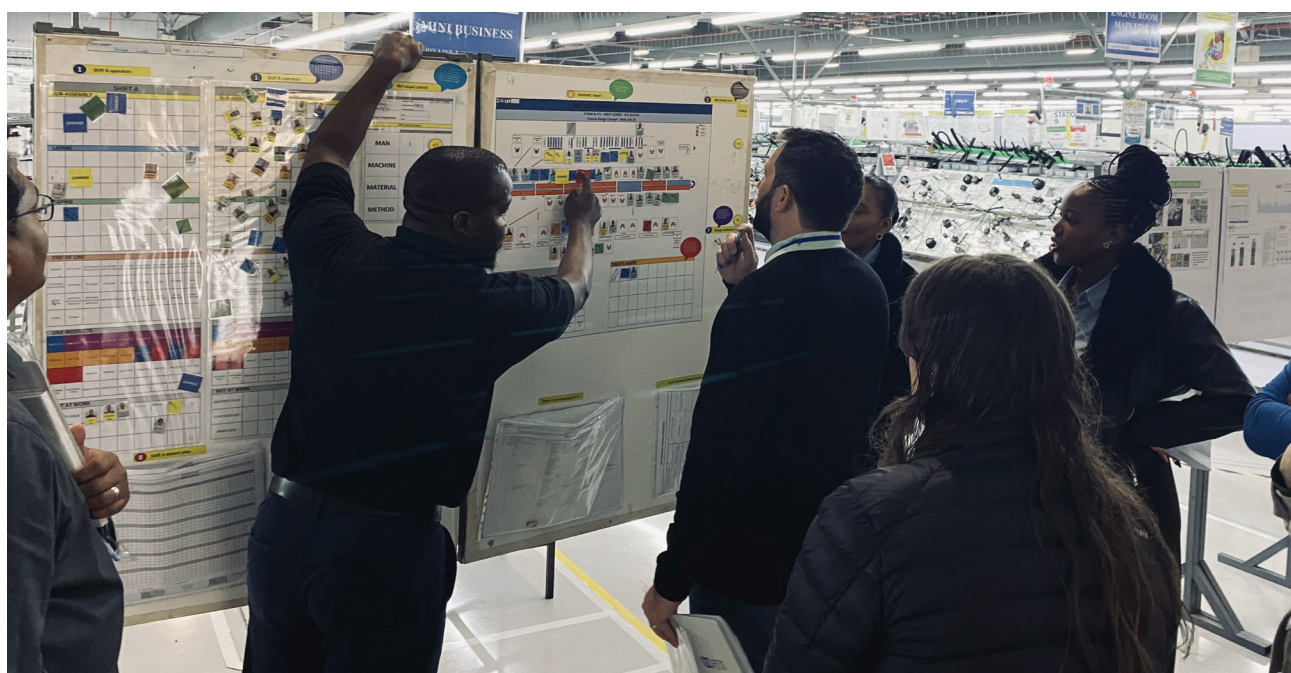
businesses employ over 600 people, more than 80% of whom are Black, Coloured, or Indian South African women. The programme spans five CTFL sub-sectors – clothing and apparel, leather goods and accessories, design and embroidery, home textiles, and technical wear – building not a narrow base of lookalike suppliers but a genuinely diversified local supply ecosystem with breadth across the value chain.

Within the 2025 reporting window, the Executive Development phase was delivered in full. The 6C Framework Workshop was rated 10 out of 10 for value by participants. A session on lean manufacturing fundamentals followed, introducing participants to value-stream mapping, 5S methodology, and kaizen simulation – tools that equip business owners to identify and eliminate waste in their own operations. The phase concluded with a factory tour of South Africa's largest clothing manufacturing facility, where the abstract principles of the workshops became tangible through direct observation.

Taken together, Origin8 and Cape Acceler8 represent complementary investments in the human architecture of a competitive and inclusive value chain – one building the capacity of emerging manufacturers across the sector, the other accelerating a targeted cohort of entrepreneurs toward formal supply chain participation. Both programmes reflect the CCTC's understanding that talent development is not a welfare function but a competitiveness imperative: the foundational precondition for durable industrial upgrading at scale.

Global Best Practice Exploration

Translating cluster collaboration into sustained learning and capability diffusion



The CCTC's industrial upgrading mandate is not fulfilled through internal reflection alone. A value chain that looks only inward risks developing a parochial understanding of competitiveness – one calibrated to local benchmarks rather than to the global standards its firms must ultimately meet. Global Best Practice Exploration is the cluster's structured response to this risk: a suite of programmes designed to systematically expose CTFL manufacturers, leaders, and entrepreneurs to best-in-class manufacturing thinking, technology, and culture – whether encountered across an industry boundary in KwaZulu-Natal, in a Cape Town boardroom, or on the factory floors of world-leading producers abroad.

In 2025, this pillar was delivered through three distinct but complementary interventions: Cape Elevate, a two-day executive development programme; a local best-practice study tour

to KwaZulu-Natal; and the CCTC Connect platform, the cluster's in-person convening and network activation series. Together, these programmes ensured that the learning agenda of the cluster extended well beyond what any individual firm could access on its own – translating the collective efficiency of clustering into a systematic mechanism for knowledge transfer and capability diffusion.

Cape Elevate: Executive Development in Digital and Lean Transformation

The competitive environment facing CTFL manufacturers is being reshaped by forces that require executive-level strategic response: the accelerating adoption of digital technologies, the growing sophistication of global supply chain models, and the intensifying cost pressure that makes operational excellence

The clustering model delivered a material cost advantage: by pooling the training investment across 23 firms, **the CCTC reduced the per-participant cost by more than 61% relative to the prevailing market benchmark**, providing access to world-class expertise that most individual firms could not justify procuring independently.

a condition of survival rather than a source of advantage. Cape Elevate was the CCTC's investment in the human capacity to navigate that environment – a high-intensity, two-day executive development programme held in March 2025, bringing together 40 executives from 23 member firms at a dedicated learning environment in Newlands.

The programme was led by Professor Justin Barnes, a global authority on industrial policy and manufacturing competitiveness, and was structured around two interdependent themes. The first day addressed digitalisation and future technologies – exploring how artificial intelligence, the Internet of Things, automation, big data, and renewable production technologies are reordering global manufacturing and what this means for firms in the Western Cape CTFL sector. The emphasis was not on passive awareness but on strategic positioning: equipping executives with the frameworks to assess the pace and scale of disruption, identify adoption pathways relevant to their own operations, and begin building transformation roadmaps grounded in their actual organisational contexts. A central and deliberately practical message of the day was that readiness is not a precondition for starting the digital journey – it is the product of starting it.

The second day turned to lean manufacturing and supply chain optimisation – the operational foundation upon which any technology adoption must rest. Research and practice consistently indicate that operational efficiency accounts for approximately 80% of

a firm's competitive position, with technology optimising the remaining 20%. The programme grounded this principle in the Japanese management concept of Hoshin Kanri – the alignment of organisational purpose with the behaviour of people at every level – and revisited foundational lean disciplines including waste identification, 5S methodology, and the continuous improvement cycle. Critically, the discussion extended beyond the boundaries of the individual firm: using global case studies from Toyota and Zara, participants explored how lean principles can be applied at the value chain level, and what supply chain partnership frameworks are required to ensure that firms become nodes of shared efficiency rather than isolated islands of optimisation in an otherwise fragmented system.

The programme was deliberately cross-sectoral in its composition. Clothing manufacturers, retailers, textile and trims suppliers, design houses, and leather manufacturers were all in the room simultaneously – which meant that discussions about supply chain alignment, technology adoption, and operational culture were enriched by perspectives from every segment of the value chain at once. The clustering model delivered a material cost advantage alongside this: by pooling the training investment across 23 firms, the CCTC reduced the per-participant cost by more than 61% relative to the prevailing market benchmark, providing access to world-class expertise that most individual firms – particularly mid-sized manufacturers – could not justify procuring independently.

Participant feedback was unambiguous. Ninety percent of attendees rated the programme a perfect 10 out of 10, with an average score of 95%. The 23 participating firms collectively employ over 7,500 people – approximately 43% of the formal Cape Town CTFL workforce – meaning that the executive-level capability built through this programme is positioned to cascade across a substantial portion of the industry as participants return to their organisations equipped with new frameworks, renewed strategic confidence, and a strengthened peer network across the value chain.

Local Study Tour: Best Practice in KwaZulu-Natal

If Cape Elevate was an exercise in building the conceptual architecture of manufacturing excellence, the CCTC's 2025 local study tour was its empirical counterpart – the opportunity to see that architecture in operation, at scale, in real factories. In July 2025, 16 CCTC members travelled to KwaZulu-Natal alongside an equal contingent from the KZN Clothing and Textile Cluster for a two-day programme of factory visits spanning four of South Africa's most instructive manufacturing environments: HESTO Harnesses, Celrose Clothing, Toyota South Africa Manufacturing, and the TWIMS Technology Sandbox.

The tour was designed around a coherent pedagogical logic: that exposure to excellence in adjacent industries and sectors – automotive and advanced manufacturing technology – accelerates the adoption of best practice in ways that within-industry benchmarking alone cannot. Each visit was selected not merely because its host firm was operationally strong, but because each embodied a distinct and transferable lesson relevant to the challenges facing Western Cape clothing manufacturers. HESTO, the automotive wiring harness manufacturer employing over 8,000 people





in KwaDukuza, offered a masterclass in lean as leadership philosophy. The factory demonstrated that operational discipline and employee empowerment are not in tension – they are mutually reinforcing. Every employee was treated as a decision-maker: the company guarantees the implementation of at least one new idea per three employees per year, and supervisors are evaluated not only on output but on how many people they have upskilled. The Operator Licence System standardises competence and creates structured pathways for learning and mastery across the shopfloor. For CTFL manufacturers grappling with absenteeism, skills gaps, and middle management development, HESTO offered a concrete, operational model of what it looks like to treat people as the primary driver of performance – not as a rhetorical commitment, but as a measurable, system-embedded practice.

Celrose Clothing, a resilient KZN apparel manufacturer that has navigated the collapse of EDCON, COVID-19, civil unrest, and the 2022 floods, presented a different but equally instructive lesson: that firm resilience is the product not of executive decision-making alone, but of distributed leadership and deep employee ownership. Thirty-two percent of

the company is owned by an employee trust. Attendance is incentivised through a peer-redistribution model that makes presence a shared team commitment rather than an individual obligation. The factory tour revealed a seamless integration of digital visibility tools with shopfloor-level continuous improvement – and Celrose's bold investment in sustainable denim processing, including significant reductions in water and energy consumption, positioned it as a model for the kind of green manufacturing transition that Western Cape firms will increasingly need to pursue.

Toyota South Africa Manufacturing in Prospecton offered the tour's most sobering and galvanising encounter. Participants observed the Hilux production line, where a finished vehicle emerges every 90 seconds – not through automation, but through the disciplined human application of lean thinking at extraordinary scale. The visit reinforced a lesson that travels well across industries: sophistication is not the enemy of lean, it is its outcome. Toyota's posture toward its supplier base – developmental rather than transactional, built on shared purpose and capability uplift – offered a direct challenge to the norms of the CTFL value chain, where buyer-supplier relationships are frequently arm's-length and

improvement resources rarely flow upstream from retailer to manufacturer.

The final visit, to the TWIMS Technology Sandbox, brought the tour into the frontier of manufacturing intelligence. Participants engaged with practical demonstrations of AI-assisted operator training, remote guidance systems, and the concept of building a unified organisational data foundation as the prerequisite for meaningful AI adoption. The central provocation of the session – that the competitive advantage in the AI era lies not in access to tools but in the discipline of data capture – was immediately legible to clothing manufacturers who routinely lose institutional

knowledge when experienced workers leave. For SMEs in particular, the message was accessible and actionable: AI does not require perfect data; it requires any data, consistently captured and centralised.

Sixty-five percent of tour participants rated the experience a full 10 out of 10 for value, with an average rating of 93%. Participant feedback consistently highlighted the transferability of insights observed: visual management systems, training centre models, attendance incentive structures, and data capture disciplines all generated immediate reflections on what could be replicated within participants' own operations.



Shared Learning Programme

Creating a culture of continuous improvement

LESSONS	10	Ten sessions delivered (webinars, factory tours, hybrid events)
TOPICS	8	Lean manufacturing, sustainability/green manufacturing, renewable energy, AI adoption, steel supply chain, automation, wastewater management
PARTICIPANTS	150+	150+ participants at peak sessions Global Lean Insights webinar 28 May 2025
RATINGS	80%	Consistent satisfaction ratings above 80%
INTERNATIONAL PERSPECTIVE	1	Made in Thailand webinar (Lessons for SA manufacturing)



SHARED LEARNING IN FOCUS



Global Lean Insights 28 May 2025

The Global Lean Insights webinar, featuring Ryan Tierney (Director, Seating Matters and author of Lean Made Simple), attracted over 150 participants — the highest attendance of any 2025 session. Tierney’s approach to building lean culture resonated strongly with both large manufacturers and SMEs, with participants rating the session’s practical applicability particularly highly. The session reinforced the DAC’s role as a connector between global best practice and local implementation.

SHARED LEARNING IN FOCUS



CI In Action 27 August 2025

The CI in Action Hybrid Event showcased continuous improvement results from three DAC SME members — Webroy, Enormous Tapes, and Thekwini Wire. Webroy demonstrated an improvement in scrap metal pricing (from R5/kg to R8/kg) through smarter sorting and supplier negotiation. Enormous Tapes reduced daily management waste through structured problem-solving. Thekwini Wire cut its pickling process time from one hour to fifteen minutes. This event exemplified the DAC’s core value proposition: peer learning that generates real, measurable change on the factory floor.





CCTC Connect: Convening the Value Chain

The rationale for CCTC Connect is grounded in a well-documented feature of industrial clusters: the most consequential knowledge transfer between firms is rarely formal. It happens in conversation – in the exchange of operational experience between a production manager and a peer from another firm, in the direct question a small manufacturer asks a retail buyer in a setting that would not otherwise exist, in the shared recognition by competitors that they face the same systemic constraint and can address it more

effectively together than separately. Amongst the conversations facilitating the transfer of knowledge, business linkages are often cultivated in an environment unlike any other. It is these conversations that are particularly impactful for SMEs of the industry. The CCTC Connect is the architecture that makes those conversations possible at the scale and frequency required to sustain a learning-oriented value chain.

In 2025, the CCTC hosted three Connect sessions, each designed to bring together the full breadth of the Western Cape CTFL

Amongst the conversations facilitating the transfer of knowledge, business linkages are often cultivated in an environment unlike any other. It is these conversations that are particularly impactful for SMEs of the industry.

ecosystem – manufacturers, retailers, organised labour, skills institutions, and public sector partners – in a format built around direct engagement, knowledge exchange, and relationship activation across the value chain.

The first Connect session of 2025 set the tone for the year. Convened in the context of the CCTC's strategic programme to better understand and link retail demand, the session drew representatives from Cape Union Mart Group, Woolworths, Takealot, Pepkor Speciality, and TFG alongside design centres, manufacturers, CMTs, SMMEs, industry partners, and skills development leaders. The session introduced participants to the CCTC's updated strategic direction and to the ongoing LSF research into local demand patterns – providing a live, cross-tier forum in which the implications of that research could be interrogated collectively. Attendance exceeded 200 participants. Tshepo Marumule, Group Executive at Takealot, captured the spirit of the gathering: *"It was a melting pot of industry leaders and decision-makers, all committed to local sourcing and manufacturing. Seeing this cross-pollination of ideas reinforces the importance of working together to create jobs and grow South Africa's economy."*

The second Connect session, held in April, centred on one of the most strategically consequential conversations the value chain can have: a direct, candid exchange between manufacturers and the retail leaders who

source from them. A panel of senior retail executives – including the CEO of Cape Union Mart Group, the Managing Directors of Womenswear and Menswear at TFG, and a buying and creative lead from Pepkor Speciality – engaged over 110 assembled value chain stakeholders on the realities of global sourcing, the constraints facing local manufacturers, and where they believed genuine growth opportunities resided. The session surfaced four clear signals from the retail side: the intensifying competitive pressure of fast-moving online platforms on pricing expectations; the premium placed on technical product quality and design depth; the enduring strategic value of local lead time advantage; and the preference of high-performing retailers for long-term supplier partnerships over transactional relationships. For manufacturers in the room, this was not generic market intelligence – it was a direct brief from the buyers whose supply chains they are working to enter and sustain.

The third Connect session was hosted alongside the CCTC's milestone 20th Annual General Meeting, combining institutional reflection with forward momentum. The evening drew over 120 stakeholders from across the full value chain ecosystem – national and provincial government representatives, senior City of Cape Town officials, the Deputy Director General of the DTIC, the CEO of the FP&M SETA, a senior IDC delegation, the LSF, retailers, manufacturers of all sizes, mills, and

organised labour. The occasion was honoured by the address of the newly appointed Deputy Minister of Trade, Industry and Competition, Mr. Andrew Whitfield, whose remarks aligned national industrial policy intent directly with the CCTC's work: "The question is not whether we can reindustrialise, but how quickly and how boldly we can do so, together. This cluster is already demonstrating that this future is not only possible, it is within reach." The session also recognised outstanding firms and individuals contributing to the cluster's mission – embedding a culture of visible excellence within the broader ecosystem.

The platform's strategic importance extends beyond any individual session. By convening the full value chain spectrum in a single room, CCTC Connect creates conditions for the kind of cross-tier dialogue that is structurally absent in most value chains, where communication typically flows vertically through commercial relationships rather than horizontally across them. It is in these horizontal conversations – manufacturer to manufacturer, SME to retailer, supplier to skills institution – that the collaborative foundations of collective competitiveness are built and continuously renewed.



Ecosystem Engagement

Competitiveness is built through relationships, alignment and ecosystem coordination



A cluster's ability to drive industrial upgrading is only as strong as the ecosystem it operates within. Firm-level competitiveness cannot be built in isolation: it depends on the quality of the relationships between buyers and suppliers, on the alignment between industry needs and public policy, and on the visibility of the value chain's capabilities and challenges to the investors, institutions, and government partners whose decisions shape the environment in which firms operate. Ecosystem Engagement is therefore not a peripheral function of the CCTC – it is the connective tissue through which all other programmatic work translates into sector-wide impact.

The CCTC's ecosystem role operates across two dimensions. Vertically, it works to close the structural distance between retail buyers and the manufacturers and SMEs that supply them – creating the direct interfaces through

which commercial relationships are initiated, deepened, and aligned. Horizontally, it works across the value chain's constituent parts – manufacturers, mills, trims suppliers, design houses, skills institutions, and organised labour – building the peer relationships and shared intelligence through which collective competitiveness is constructed. And beyond the industry itself, the CCTC engages consistently with public sector partners at municipal, provincial, and national level – providing data, facilitating real-factory exposure, and bringing the pooled voice of the industry to bear on policy dialogue in a form that is grounded, credible, and actionable.

In 2025, this ecosystem role was expressed most visibly through the CCTC's participation in the Allfashion Sourcing Exhibition and through the sustained public sector engagement that characterised the cluster's year.



Allfashion Sourcing Exhibition

The Allfashion Sourcing Exhibition – hosted by Messe Frankfurt – is South Africa’s premier platform for connecting apparel buyers, sourcing professionals, and manufacturers in a single, market-facing environment. For Western Cape CTFL manufacturers, participation in Allfashion represents one of the most direct and commercially significant opportunities available in the domestic calendar: the chance to present their capabilities face-to-face to the retailers and buyers whose sourcing decisions determine the growth trajectories of local firms.

In 2025, the CCTC again facilitated and coordinated, alongside partnership with the DTIC, the participation of 5 sponsored SMMEs at Allfashion Sourcing – Cape Fringe Manufacturers, iMaterial, Producece CMT, Reliance and Tomotex. The cluster’s role at the exhibition went beyond logistics: it functioned as a convenor and guide, actively bridging the gap between manufacturers and buyers and helping member firms navigate the exhibition environment in a way that maximised the commercial value of their presence.

This guiding role reflects a structural reality of the value chain that the CCTC is uniquely positioned to address. The distance between a capable local manufacturer and a retail buyer is rarely purely commercial – it is informational. Buyers often lack granular visibility into local supply capacity; manufacturers often lack insight into what buyers are specifically seeking, at what price points, and under what conditions. The exhibition creates a concentrated moment of proximity, but it is the cluster’s pre-existing relationships across both sides of the value chain that converts proximity into meaningful connection. By knowing what its member firms can produce and what retailers are actively sourcing, the CCTC is able to make introductions, broker conversations, and facilitate the kind of specific, productive engagement that generates real commercial follow-through rather than business card exchanges.

The participation of Cape Town’s manufacturers at Allfashion also serves a function beyond individual firm-level gain. Collectively, the Western Cape’s CTFL presence at the

exhibition communicates a proposition to the market: that Cape Town is a coherent, capable, and competitive sourcing destination – not a fragmented collection of individual suppliers, but a value chain with depth, breadth, and institutional support behind it. The CCTC's coordination role is what makes that collective proposition legible and credible.

Public Sector Engagement

The CCTC's ecosystem engagement in 2025 extended with consistent intent into the public policy arena. The cluster's relationship with government – at municipal, provincial, and national level – is not incidental to its mandate; it is a structural feature of how industrial upgrading at sector level actually happens. Policy decisions on tariffs, incentives, compliance frameworks, infrastructure investment, and skills funding shape the operating environment within which every firm in the value chain competes. The CCTC's responsibility is to ensure that those decisions are informed by an accurate, grounded, and evidence-based understanding of what the industry needs and what its firms are experiencing.

This responsibility was discharged in 2025 through several channels. The publication of *The State of the Value Chain 2025* provided the City of Cape Town with a rigorous, independently researched platform for industrial policy and strategic planning relating to the CTFL sector – synthesising employment data, investment trends, cost competitiveness analysis, and firm-level case studies into a single, publicly accessible resource. The report's recommendations – spanning productivity support, the yarn and knit duty rebate, executive development, youth attraction, manufacturing incentives, and non-metro expansion – constitute a direct policy brief, grounded in primary stakeholder engagement, that gives public sector partners

a clear and actionable agenda for CTFL sector support.

The three CCTC Connect sessions of 2025 served a complementary function in this regard. Each session brought public sector representatives into the same room as manufacturers, retailers, skills institutions, and organised labour – not as observers but as participants in a structured industry dialogue. City of Cape Town officials attended multiple sessions. The 20th AGM Connect drew a senior delegation from the IDC, the LSF, the FP&M SETA, and the Deputy Director General of the DTIC, alongside the newly appointed Deputy Minister of Trade, Industry and Competition, whose address directly aligned national industrial policy intent with the CCTC's on-the-ground programme of work. The cluster's factory tour component of the Connect platform extended this further, providing government partners with direct, unmediated exposure to the realities of manufacturing on the ground – translating data and policy abstractions into the lived experience of a working factory floor.

This model of public engagement – grounded in evidence, direct in its access, and consistent in its frequency – reflects the CCTC's conviction that effective industrial policy is not made in isolation from industry. It is made in sustained, informed dialogue with it. The cluster's role is to ensure that dialogue is possible, productive, and anchored in the specific, verifiable realities of the Western Cape CTFL value chain. The cumulative effect of this ecosystem engagement work – across Allfashion, the Connect platform, and sustained public sector partnership – is a value chain that is better coordinated, better understood by those with the power to support it, and better positioned to convert the demand opportunities identified through the cluster's other programmes into durable commercial and industrial outcomes.

2026 CCTC Annual Programme

Programme	Activity	Detail
Linking Demand	Scaled Labour Intensive Manufacturing (S.L.I.M) Proof of Concept	In partnership with the Cape Chamber of Commerce, the CCTC will support preliminary investigations to establishing a proof-of-concept industrial park in outlying Western Cape municipalities to pioneer cost competitive manufacturing.
Global Best Practice Exploration	Lean Leadership	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 Meetups	10x manufacturing meetups with broader SA manufacturing community
Developing Talent	Cluster Capacity Building Workshop Series	A series of workshops for CCTC members to provide exposure to world class manufacturing concepts such as cost engineering and lean training
	Cape Acceler8	Finalising its 12-month journey with 40 entrepreneurs to build competitiveness in a new layer of CTFL entrants
Ecosystem engagement and fundraising	City of Cape Town partnership facilitation	Site visits, member engagement and policy support
	Investor engagement	Public and private sector partnerships; Investment roadmap; funder engagement
	Marketing and communications	Quarterly communications; social media content; Allfashion Sourcing Exhibition
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

Governance & Partnerships

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	Thandeka	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
Sean Kirby	South African Apparel Association	Exco Member
Michael Lawrence*	National Clothing Retail Federation	Exco Member
Etienne Vlok*	South African Clothing and Textiles' Workers Union	Exco Member
Werner Terblanche	ITL Group	Exco Member
Jacquii Moriarty	The Foschini Group	Exco Member

*Joined Executive Committee in Q3 of 2025

Our Partners

The CCTC is deeply grateful to the City of Cape Town and all supporting and strategic partners for their dedication, insight and energy in 2025:

CITY OF CAPE TOWN

The CCTC expresses gratitude to the City of Cape Town for its supportive partnership in 2025. The City of Cape Town's public funding for the CCTC is overseen by the Department of Economic Development and Investment and partners with Special Purpose Vehicles (SPVs) to drive economic growth, job creation, and skills development in key high-growth industries. 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



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

DEDAT

Looking ahead to 2026, the CCTC will deepen its partnership with the Western Cape Department of Economic Development and Tourism through the Growth Coalition; a collaboration grounded in the recognition that the competitiveness of the provincial clothing, textile, footwear and leather value chain requires deliberate, coordinated investment in the connective infrastructure binding manufacturers, retailers, designers, and government into a functioning industrial ecosystem. The forthcoming programme will advance this on two fronts: deepening sector coordination and ecosystem linkages within the Western Cape CTFL community, and projecting provincial manufacturing capabilities outward to domestic and international markets while laying the foundations for a forward trade and investment agenda aligned to provincial priorities.



Our Partners

The CCTC is deeply grateful to the City of Cape Town and all supporting and strategic partners for their dedication, insight and energy in 2025:

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.

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.

The association's reach extends to national bodies like the National Bargaining Council for the Clothing Manufacturing Industry and



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 management consulting, equips BMA with a comprehensive understanding of the macro and micro aspects of manufacturing. This expertise, along with their extensive experience in facilitating and managing industrial clusters has ensured the CCTC can deliver on our mandate, deepening collaboration within the CTFL ecosystem supported by data-driven insights and strong, market-oriented strategy implementation.

For more detailed information about BMA's services visit www.bmanalysts.com.



CLUSTER INFORMATION

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South Africa

+27 21 552 0240

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
SAAA	021 531 2130	www.atasa.org.za
Sheraton Textiles	087 470 0383	www.sheratontextiles.co.za
Taking Care of Business	021 531 2134	www.tcb.org.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	Cape Mohair
Advanced Technical Sock	Crimson Catwalk Pty Ltd
African Compass Trading 682	East London Textiles
Arc Sportswear	Ecogift Protective Clothing CC
Basson Fabriek	EmbroidCraft CC (Pty) Ltd
Baywear Clothing	Ethekwini Clothing Manufacturers
Beta Stitch (Pty) Ltd	Ethne B SA (Pty) Ltd
BBF Safety Group Ltd T/A Daytona	Fabi Fashions CC
Beaches Clothing	Farbe Designs (Pty) Ltd
Bri-Clo CC	FG Uniforms CC
Future Females Foundation	Poly Nation Design CC
Iafrica Trading CC	Proudly Coloured
Imagemakers Trading CC	Reliance Clothing

Imaterial Textile Printers CC	Sabafuraha Pty Ltd
Integrated Apparel Services (Pty) Ltd	Saisha Trading CC
Jobb Pty Ltd	Seagullindustries Trading CC
Jacqui Couture CC	Sips Mehana Couture
JNB Sportswear	Socket Trading CC
KDCD Group of Companies	Sunthings Trading CC
Kingsgate Clothing (Pty) Ltd	Suzi Trading CC
Kingsgate Trading CC	Sweet-Orr Trading CC
Kingspark Manufacturers CC	Technostitch Trading CC
Kinross Clothing (pty) Ltd	The Hat Factory (Pty) Ltd
Lontana Fabrication (Pty) Ltd	Tideway Trading
Luspin Manufacturer	Trimtique International
Luxxe Clothing	Tylerandtrent Trading CC
Maestro Rugby CC	Vatoh Kouture Pty Ltd
Maze Clothing (Pty) Ltd	Veso Services
Midnight Spark Trading T/A RS Clothing	WECBOF
Mizpah Clothing CMT	Zuri and Imani Pty Ltd
National Cap Factory CC	
Pamadrie Vervardiging (EDMS) BPK	

SME MEMBERS	
ABC Clothing	Khosie Creations
Antonicornellius	Khozaland
Brown Girl Kreations	Lindo Leather
Cape Cobra (Pty) Ltd	LS CREATIONS
Colours of a Kind	LUSPIN MANUFACTURERS
Creative Noxion	Mactavish Clothing
Crystal's Designs	MLEHLE Pty Ltd
Dale Raine	Mr Loafy Entertainment
Davis Clothing	Nkosisive Business Enterprises
Design26	Pepper Street Apparel
Deuce Online Pty Ltd trading as Prodeuce Garment Manufacturing	Petor Creatives Youth Development
F AND P CLOTHING	Rea'Nubia
Fishtank Clothing	Renovo Textiles
Gcogco Clothing Studio	RISE APPAREL PTY LTD
Genderwear South Africa	RT Beauty
Glendzodesigns	SHAMBROWN
House of Joslyn	Sibulelo Dimanda Investments
Ikasi Krate Enterprise	Sirdicks
Ivilitex	ZHA SOTAKA PTY LTD
Jordi B	ZINAS DESIGNS

Audited Financial Statements

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
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
Banker	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	28 May 2026

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
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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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Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
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 the 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 set 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 2026 and, in the light of this review and the current financial position, they are satisfied that the company has or 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 pages 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 28 May 2026 and were signed on its behalf by:

Andy Thorvaldsen

A Thorvaldsen

Fiona Shaw

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 Board of Management of Cape Clothing and Textiles Cluster NPC

We have compiled the accompanying annual financial statements of Cape Clothing and Textiles Cluster NPC based on information you have provided. These financial statements comprise the statement of financial position of Cape Clothing and Textiles Cluster NPC based as at 31 December 2025 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 conformity with the basis of accounting as set out in conformity with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act of South Africa. 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 conformity with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act of South Africa.

A handwritten signature in black ink that reads "Forvis Mazars" in a cursive style.

Forvis Mazars
MJ Cassan
28 May 2026
Durban

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Durban, 4319

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Independent Auditor's Report

To the Board of Management of Cape Clothing and Textiles Cluster NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cape Clothing and Textiles Cluster NPC set out on pages 9 to 16, which comprise the statement of financial position as at 31 December 2025, 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 Textiles Cluster NPC as at 31 December 2025, 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Cape Clothing and Textiles Cluster NPC Annual Financial Statements for the year ended 31 December 2025”, 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.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor’s report. This description, which is located at [indicate page number or other specific reference to the location of the description], forms part of our auditor’s report.

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
Partner: Shaneal Doolabh
Registered Auditor
Date: 28 May 2026
Durban

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
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 2025.

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:

G Choice
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

The directors are currently reviewing the appointment of auditors for the next financial year-end. No formal appointment has yet been made.

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Financial Position as at 31 December 2025

Figures in Rand	Notes	2025	2024
Assets			
Current Assets			
Trade and other receivables	2	201,240	11,350
Cash and cash equivalents	3	2,551,871	595,819
		2,753,111	607,169
Total Assets		2,753,111	607,169
Equity and Liabilities			
Equity			
Accumulated surplus		1,596,688	521,875
Liabilities			
Current Liabilities			
Trade and other payables	4	1,156,423	85,294
Total Equity and Liabilities		2,753,111	607,169

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue	5	4,538,639	2,601,379
Operating expenses		(3,470,804)	(2,241,934)
Operating surplus	6	1,067,835	359,445
Investment revenue	7	6,978	6,968
Surplus for the year		1,074,813	366,413

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2024	155,462	155,462
Surplus for the year	366,413	366,413
Balance at 01 January 2025	521,875	521,875
Surplus for the year	1,074,813	1,074,813
Balance at 31 December 2025	1,596,688	1,596,688

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Cash Flows

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operations	10	1,949,074	367,070
Interest income		297	6,380
Net cash from operating activities		1,949,371	373,450
Cash flows from investing activities			
Interest Income		6,681	588
Total cash movement for the year		1,956,052	374,038
Cash and cash equivalents at the beginning of the year		595,819	221,781
Total cash at end of the year	3	2,551,871	595,819

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.

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
2. Trade and other receivables		
Value added taxes	201,240	11,350
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	2,551,871	595,819
4. Trade and other payables		
Trade payables	1,156,423	85,294
5. Revenue		
City of Cape Town	1,650,000	1,300,000
Membership Fees	1,295,639	1,301,379
Other project income	1,593,000	-
	4,538,639	2,601,379
6. Operating surplus		
Operating surplus include the following expenses:		
Cluster management	576,877	434,618
Ecosystem engagement and fundraising	706,765	-
Global best practice exploration	741,752	-
Localisation and growth	324,972	-
Manufacturing excellence	-	944,978
Pepkor speciality SED project	686,267	-
SME development	-	217,860
Sector intelligence and Policy Support	334,595	346,643
Stakeholder engagement	-	216,486
Talent pipeline	-	29,807
	3,371,228	2,190,392
7. Investment revenue		
Interest revenue		
Investec Bank	6,978	6,968
8. Taxation		
Non provision of tax		
No provision has been made for 2025 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	37,946	33,611

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
10. Cash generated from operations		
Net surplus before taxation	1,074,813	366,413
Interest received	(6,978)	(6,968)
Changes in working capital:		
Trade and other receivables	(189,890)	3,012
Trade and other payables	1,071,129	4,613
	1,949,074	367,070

11. Related parties

Relationships
Common management B and M Analysts Proprietary Limited

Related party balances and transactions with other related parties

Related party balances

Amounts included in trade payable regarding related parties

B and M Analysts Proprietary Limited 1,156,421 85,294

Trade payables are paid within 30 days.

Related party transactions

Amounts paid to related parties

B and M Analysts Proprietary Limited 3,371,228 2,190,392

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. Categories of financial instruments

Financial assets at amortised cost

Cash and cash equivalents 2,551,871 595,819

Financial liabilities at amortised cost

Trade and other payables 1,156,423 85,293

Cape Clothing and Textile Cluster NPC
(Registration number: 2005/034664/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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14. 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.

15. 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.

Cape Clothing and Textile Cluster NPC**(Registration number: 2005/034664/08)****Annual Financial Statements for the year ended 31 December 2025****Detailed Income Statement**

Figures in Rand	2025	2024
Revenue		
City of Cape Town	1,650,000	1,300,000
Membership Fees	1,295,639	1,301,379
Other project income	1,593,000	-
	4,538,639	2,601,379
Operating expenses		
Auditor's remuneration	37,946	33,611
Bad debts	43,180	-
Bank charges	2,380	2,279
Cluster management	576,877	434,618
Ecosystem engagement and fundraising	706,765	-
Global best practice exploration	741,752	-
Insurance	16,070	15,652
Localisation and growth	324,972	-
Manufacturing excellence	-	944,978
Pepkor speciality SED project	686,267	-
SME development	-	217,860
Sector intelligence and Policy Support	334,595	346,643
Stakeholder engagement	-	216,486
Talent pipeline	-	29,807
	3,470,804	2,241,934
Operating surplus	1,067,835	359,445
Investment income	6,978	6,968
Surplus for the year	1,074,813	366,413

