



Annual Report
2010/2011





higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Annual Report of the CTFL SETA 1 April 2010 to 31 March 2011

Publisher	CTFL SETA 3rd Floor Umdoni Centre 28 Crompton Street Pinetown 3600 Tel: +27 (0) 31 702 4482 Fax: +27 (0) 31 702 4113 E-mail: info@ctflseta.org.za Website: www.ctflseta.org.za
Layout and Design	Candy Ads
Printer	Fishwicks Printers
Report No.	RP183/2011
ISBN No.	978-0-621-40290-2

Minister Blade Nzimande, MP,
Minister of Higher Education
and Training



It is my pleasure and privilege to present to you the
Annual Report of the Clothing, Textiles, Footwear and Leather
Sector Education and Training Authority (CTFL SETA),
for the financial year ended 31 March 2011.



PK Naicker, CTFL SETA CEO
Durban
5 August 2011

Contents

MISSION AND VISION STATEMENT	4
REPORT FROM THE CHAIRPERSON OF THE CTFL SETA COUNCIL	5
REPORT FROM THE CHIEF EXECUTIVE OFFICER	6 – 10
REPORT FROM THE ETQA MANAGER	11 – 12
CTFL SETA OFFICES AND STAFF	13
REPORT ON PERFORMANCE VS TARGETS	14 – 25
REPORT FROM THE CHIEF FINANCIAL OFFICER	26
REPORT FROM THE CHAIRPERSON OF THE AUDIT COMMITTEE	27
REPORT OF THE AUDITOR-GENERAL	28 – 29
INDEX FOR ANNUAL FINANCIAL STATEMENTS	30
CTFL SETA ANNUAL FINANCIAL STATEMENTS	31 – 64
ANNEXURES	65 – 71

Mission & Vision

CTFL SETA Annual Report 2010/11

For submission in terms of the Public Finance Management Act, 1999
(Act No 1 of 1999).

Mission of the CTFL SETA

The Clothing, Textiles, Footwear and Leather (CTFL) SETA will develop and enlarge the skills base of all employed within the Clothing, Textiles, Footwear and Leather economic sector. It will do this through the promotion and implementation of effective learning programmes and skills planning which will advance workplace security and productivity. There will be a particular focus on skills acquisition leading to qualifications, career planning, the latent demands of small firms and the unemployed in satisfying the national skills development needs.

Vision of the CTFL SETA

To become the leading sector in skills development in South Africa and thereby create a highly skilled workforce that will contribute to workplace security, increased business viability and employment growth in the country.



Report from the Chairperson of the CTFL SETA Council

I am very proud to have been part of the CTFL SETA Council for the past three years as a labour representative nominated by SACTWU. I am especially proud when looking at the continued partnership between organised labour, organised business and government.



In November 2010, the Minister of Higher Education and Training, Dr. Blade Nzimande, announced the new 2011-2016 SETA Landscape in Parliament, with various changes to the current landscape.

Sub-sectors of the Media, Advertising, Publishing, Printing and Packaging (MAPPP) SETA, namely Publishing, Printing and Packaging (the triple Ps), will be amalgamated with the industries falling under the CTFL SETA as well as those falling under the Forestry Industries SETA (FIETA), resulting in the formation of a new SETA to be known as the Fibre Processing and Manufacturing SETA (FP&M SETA).

Being elected as the chairperson of the CTFL SETA in this transitional phase was a very exciting and challenging period. It was the beginning of a new era and a further opportunity to strengthen skills development and address skills gaps within the industry.

With the implementation of the NSDS III, it is clearly not business as usual. In addition to its emphasis on integration with other national strategies such as the new Industrial Policy Action Plan (IPAP2) and the government's New Growth Path (NGP), there is a move away from the narrow focus on quantitative measures. Importantly, the implementation of the strategy will measure the quality, relevance and sustainability of skills development and training interventions.

The CTFL stakeholders support Minister Nzimande's assertion that implementing NSDS III is a collective responsibility of all stakeholders.

In October 2010 we conducted a successful strategic planning workshop, which gave clear direction to stakeholders.

An important highlight recently was the signing off of the learnership policy. It is in line with the NSDS III and our aim of creating decent jobs within our industry.

In 2010/11, 489 learners have successfully completed NQF Level 2 learnership programmes. 959 new learners were enrolled on learnership programmes and commenced their training during the period under review. Although this is a commendable achievement there is still significant room for improvement. Moving forward we would like to see thousands more workers be placed on learnership programmes annually.

The establishment of the Quality Council for Trades and Occupations (QCTO) and related Occupational Qualifications Framework (OQF) have brought new direction to training and service delivery. The OQF makes provision for a national career path which will ensure occupational qualifications designed in line with labour market needs. For workers, this development will add value as recognition of prior learning (RPL) will be given the attention it deserves. The CTFL SETA's pro-active engagement in development of occupational qualifications for the sector, led to the submission of 24 occupational qualifications to the QCTO for registration.

Government's Training Layoff Scheme which was introduced in 2009 has seen some success in our industry. Four (4) companies have successfully participated in the programme providing adult education programmes and skills programmes (including team leader development, technical skills and computer skills) to more than 1,270 learners situated in the metro and non-metro areas of the Western Cape, Eastern Cape, Kwazulu-Natal and Gauteng. As a result of these interventions approximately a thousand jobs were saved. This is an important success for the industry and, with a few adjustments, could see even more jobs saved and increased training received by workers.

For the new FP&M SETA the immediate emphasis should be on assisting industry to at least maintain employment at current levels in the CTFL sector. It should contribute to the efforts of industry to save jobs, to promote local procurement, to ensure appropriate trade policies, to increase the performance and innovation in industry with smart factories and well-trained workers, and to develop our country as a leading design and manufacturing base.

Moving forward the role of the SETA should include improved monitoring and implementation of skills and workplace equity programmes linked to training. Jointly (labour, employers and the SETA) should ensure that production workers in metro and non-metro areas are offered more opportunities for training and skills development.

I would like to bid farewell to the CTFL SETA staff and council members and welcome the new FP&M SETA. The road ahead is not going to be easy but with application and dedication, skills development can be taken to another level.

I wish to thank the CTFL SETA staff, labour, government and employer representatives who served so diligently (without any payment) on our structures and ensured that we remain true to our objective of bringing skills to our sector.

A handwritten signature in dark ink, appearing to read 'A. ABRAHAM'.

ABIEDA ABRAHAMS

Report from the Chief Executive Officer

Introduction

2010 will forever be etched in the minds of South Africans for the hosting of a successful Soccer World Cup tournament, but for the CTFL sector the year in question will be remembered for the fact that it was a destiny determining year. By the time you read this report the CTFL SETA would only exist as a memory in the minds of CTFL stakeholders – an organization that achieved many goals. This report highlights the overall performance, the milestones achieved and key skills development challenges of the CTFL SETA during the reporting period of 2010/11. Although the achievements of the CTFL SETA pales against the successes of the 2010 Soccer World Cup tournament, the CTFL SETA remained focused and committed to its vision, mission and mandate to build a competent and skilled workforce towards a sustainable and competitive workforce for the benefit of economic growth and development.



The performance of the CTFL SETA will attest to the fact that the CTFL SETA has performed above the expected standards, despite financial viability challenges.

Re-Establishment

At the end of NSDS II, the CTFL Council expressed pressing questions regarding the financial viability of the organization to deliver on the skills development strategy of NSDS III, thus it was fait accompli that the CTFL SETA would cease to exist as a “standalone” organization with effect from 01 April 2011. During the public hearing process conducted by the NSA, the CTFL SETA made a compelling argument for incorporation with the W&R SETA, although the National Skills Authority (NSA) recommended to the Minister of Higher Education and Training that the CTFL SETA be amalgamated into a new Manufacturing SETA. The NSA was of the view that this new dispensation would result in enhanced focus on product manufacturing, supply-chain value-add and increased financial base and enhanced sustainability.

The CTFL SETA Council took a bold strategic decision to accept the determination announced by the Minister of Higher Education and Training, Dr. Blade Nzimande, in November 2010 and to amalgamate with the Forestry Industry Education and Training Authority (FIETA) and the printing, publishing and packaging sub-sectors of MAPPP SETA to form the new Fibre Processing and Manufacturing Sector Education and Training Authority (FP&M SETA).

NSDS III (2011 – 2016)

NSDS III was finally launched by the Minister of Higher Education and Training in January 2011. NSDS III heralds a new beginning. The key driving force of NSDS III is improving the effectiveness and efficiency of the skills development system. The strategy represents an explicit commitment to encouraging the linking of skills development to career paths, career development and promoting sustainable employment and in-work progression.

The CTFL SETA commenced with a series of consultative initiatives, including regional training forums and stakeholder workshops to obtain input and inform stakeholders of the objectives, key outputs, outcomes, performance indicators and targets for the CTFL sector.

CTFL stakeholders were capacitated on the establishment of the new post-schooling education and training system. The goals, objectives and key strategic outcomes of NSDS III were unpacked at strategic planning workshops to ensure that the skills development priorities of the sector are aligned to the President’s delivery of Outcome 5 that relates to the outputs of creating a skilled and capable workforce to support an inclusive growth path.

Sector Skills Plans

In terms of skills planning, much of the year focused on the development and finalisation of the Sector Skills Plan (SSP) for NSDS III (2011-2016). As part of the CTFL SETA consultation process, the CTFL SETA held discussions with the DTI to discuss the draft SSP, NSDS III targets and alignment of industrial strategy (IPAP2) and the Clothing and Textiles Customized Sector Programme (CSP) and Footwear and Leather CSP to the SSP. Through a CTFL SETA consultative process the CTFL developed the first draft SSP aligned to NSDS III, Medium Term Strategic Plan Framework (2009-2014), President’s Outcome No.5 and other government and sectoral strategies. Survey questionnaires were forwarded to FETs/HEIs to update information on CTFL programmes for input into the first draft SSP. The first draft SSP was evaluated by the Expert Review Panel and comments reflected that there was a clear need for the SETA to have a dedicated research unit that would become an authority on labour market intelligence economic profiling of the sector. The report by the Expert Review Panel emphasized a conceptual shift in the SSP process – focus is on where growth is anticipated.

The CTFL SETA was one of the SETAs that was significantly affected by the SETA landscape changes and as a result, the first draft CTFL SSP was used as input into the integrated and consolidated SSP for the FP&M SETA submitted to the DHET in February 2011.

Strategic Plans

The 2010/11 CTFL SETA Service Level Agreement (SLA) was approved by the Director-General for implementation. A Draft CTFL SETA Strategic Plan Framework for 2011/12 was developed in compliance with the requirements of the Public Finance Management Act (PFMA), SLA Regulations and Section 30 of Treasury Regulations. In consultation with stakeholders the CTFL SETA compiled and formulated SLA indicators, targets and performance measures aligned to budget, sources of funding and key strategic objectives of NSDS III. The Strategic Plan was aligned to the SSP and incorporated the SLA targets and indicators. This document also laid the foundation for the Strategic Plan Framework and Annual Performance Plan for the new FP&M SETA.

Regional Training Forums

Regional Training Forums were held in the six (6) main CTFL regions during 2010/11. Training forums were attended by skills development facilitators, training providers and ETDP practitioners and topics engaged with were the submission of WSP/ATRs, the CTFL SETA SSP development, the opening of the grant funding windows for discretionary grants and the announcement by the Minister of the finalization of NSDS III and the establishment of the new FP&M SETA.

Training Layoff Scheme

Given huge job losses, retrenchments, short-time and company closures in the CTFL sector, uptake of the training layoff scheme (TLS) was a key priority to defend jobs. Amendments to the TLS, more especially the de-linking of distress of companies to the global economic crisis, resulted in an increase in the number of requests for participation in the scheme.

For the 2010/11 reporting period four (4) CTFL companies have participated successfully in the TLS, providing adult education programmes and skills programmes (including team leader development, technical skills and computer skills) to more than 1270 learners situated in the metro and non-metro areas of the Eastern Cape, Kwazulu-Natal and Gauteng. The training interventions afforded the employees to become more employable and multi-skilled should they be faced with retrenchments. CTFL companies and workers benefited to the tune of approximately R10,3 million for training costs and training allowances, whilst at the same time keeping workers in employment.

Education, Training and Quality Assurance

The QCTO was officially launched and came into effect on 01 April 2010. It is envisaged that the QCTO will support improvement in the quality assurance for learning in and for the workplace and be a centralized body for the development, monitoring and quality assurance of occupationally-related learning. In terms of QCTO qualification and curricula development the main challenge is capacity and skills needed in terms of curriculum development. The CTFL SETA held workshops that focused on the QCTO and the Occupational Qualifications Frameworks (OQF) and the QCTO model of assessment and moderation covering the role of the assessment quality partner and the external assessment of qualifications.

HEQF Re-Curriculation

During the reporting period of 2010/11 the CTFL SETA was involved in ongoing discussions on the framework and contents of CTFL higher education technologist programmes – the thinking is to develop a suite of programmes for clothing and textiles and to align offerings with global developments. The CTFL sector has prioritized the revision of existing qualifications, especially Clothing Management and Textile Technology offerings. The key proviso of re-curriculation is that it must ensure training for relevance. Training must be linked to industry needs and IPAP2.

Research and Development

The CTFL SETA continued participation as a member of the Management Committee of the CSIR: Textile and Clothing Centre of Excellence (TCCoE). The primary objective of the Centre of Excellence is to provide relevant training, guidance and technical consultation to the industry, collaborate with tertiary education institutions in relevant human capital development and attract world class skills and capability aligned to the strategic plan. In collaboration with the CTFL SETA, the CSIR: TCCoE conducted a skills audit of the clothing and textile sectors – from top management to technician levels, with a particular emphasis on high and technical textiles. The audit is intended to focus on sector specific Science, Engineering and Technical skills gap analysis.

Participation in Workplace Skills Planning

In order to broaden workplace skills planning in the CTFL sector, the CTFL SETA deployed Sector Skills Facilitators to assist companies (especially those employing less than 50 employees) to complete their WSPs/ATRs. The CTFL SETA received a total of 582 approved WSPs/ATRs (251 small companies, 173 medium companies and 158 large companies) during the period under review. As a result,

the CTFL SETA disbursed mandatory grants to CTFL companies valued at R29,1 million, representing a mandatory grant payout of 77%. Although electronic submissions have improved very slightly, the rate of electronic WSP/ATR submissions remains a challenge.

Uptake of Discretionary Grants for 2010/11

Discretionary grants and bursaries are delivered through funding windows aligned to targeted skills priorities. During the period under review the CTFL SETA Council approved discretionary grants in the following categories:

Learnerships: The CTFL SETA Council actively supported learnership implementation and in the last financial year the CTFL SETA allocated 518 grants valued at approximately R10,3 million for the implementation of learnerships in the CTFL sector. 70 small, medium and large companies benefited from this intervention.

ABET: Challenges with regard to the uptake and completions of ABET programmes in the CTFL sector in the previous financial year, saw the CTFL Council adopt a different strategy by deciding to fund ABET programmes on a modular basis in order to broaden participation by companies. The CTFL SETA approved 646 ABET applications and grants were allocated to the tune of R1 million to companies in the CTFL sector.

Management: The training and upskilling of managers and shop floor workers targeted for management development in the scarce skills areas of production management, logistics, quality, health and safety, education and training and warehousing and distribution was prioritized by the CTFL SETA, resulting in the awarding of 181 grants to the value of R1,1 million to 74 companies in the sector.

Technologists Training: Given the scarcity of high level technologist skills in the CTFL manufacturing environment, the CTFL SETA committed an amount of R 1,9 million for the training of 79 learners on higher education clothing and textile technologist programmes.

Technical Skills: The critical shortage of technical skills, more especially, mechanics, patternmakers and work study officers resulted in the CTFL SETA committing an amount of R825,000 towards technical training. Approximately 165 learners in the CTFL industry will draw benefit from this intervention.

Work Experience: Work experience provides structured bridges to the world of work. 49 participants in 23 companies were allocated work experience grants to the tune of R153,000 affording learners an opportunity to combine institutional and workplace learning.

Special Collaboration Projects: In pursuit of creating a skilled and capable workforce to support an inclusive growth path and advancing the skills revolution in the CTFL sector, the impact we make through our myriad project interventions is critical. The many successes we can report on this year through our flagship projects are proof of the value we are able to add to the sector.

During 2010/11 SETA synergy became a reality with the implementation of a R5 million joint collaboration project with the W&R SETA that targeted workforce development in the CTFL sector through learnerships and the development of team leaders and supervisors. The objective of this project is to support the drive to increase the competitiveness of the local CTFL manufacturing industry. Training programmes have been selected that concentrate on the development of the requisite skills to ensure a pool of qualified people ready for employment in existing and future employment activities that will be beneficial to both the CTFL manufacturing and retail sectors.

The project was implemented during 2010/11 during which time 150 learners received learnership grants to the value of R3 million and 150 supervisors and employees earmarked for development received grants amounting to R1,5 million for Team Leader Development Programmes. The learners will graduate by mid-2011.

The CTFL SETA's collaboration projects with the provincial government of KZN: Department of Economic Development and Tourism (KZN DEDT) and the Technical University of Liberec in the Czech Republic reaped just rewards for the CTFL sector:

MSC Intervention: 18 second year MSc students completed their credit dissertations and passed their final examinations. The CTFL SETA actively engaged with MSc graduates to get them placed/employed within the industry by setting up interviews for students with large textile manufacturing and retail companies and higher education and research institutions that have a CTFL focus. A further 11 students were recruited nationally and departed our shores to register for the MSc programme in textile engineering science at an approximate cost of R 7,5 million.

Experiential learning for first year students returning to South Africa commenced in July 2010. Eight (8) first year MSc students were placed in KZN textile companies to complete a structured work experiential programme for a period of four (4) weeks. Students were placed in textile companies aligned to their area of specialization.

Continuous Professional Development Programme: During August – September 2010, a total of 22 clothing and textile industry-based applicants, staff from academic institutions and co-operatives, fashion design and high-performing clothing and textile final year students were given an opportunity to attend the CPD programme in the Czech Republic. The programme included visits to companies and businesses with advanced technologies and manufacturing processes. The total cost of this intervention was R1,5 million.

Seminar Series: A large part of the seminar series focused on small businesses and co-operatives. Representatives from government departments, local municipalities, training and research institutions (CSIR, Universities, Universities of Technology, FET Colleges, fashion design departments) and retailers that have a clothing and textile focus were invited for the seminar series. 1,080 people attended the seminar series held in KZN, Gauteng and the Western Cape. The approximate cost of this intervention was R1 million. A special workshop for co-operatives was held in the Ladysmith/Newcastle area. Approximately 100 participants from co-operatives and SMMEs attended this workshop.

Performance on Targets

It gives me immense pleasure to announce that we have excelled in most success indicators, with certain areas requiring a different approach, such as ABET provisioning, BEE and New Venture Creation.

Collaboration with Government Departments

Gauteng Employment, Growth and Development Strategy (GEDS) identified the CTFL sector as a potential sector for engagement with social partners and support of labour-intensive sector through clustering models to support SMMEs. CTFL SETA held meetings with the Gauteng MEC for Economic Development and it was agreed to formulate a common response to understand the challenges of the growth prospects of the CTFL sector in Gauteng. Discussions outlined the common role of the Gauteng Provincial Government and its commitment to sustain jobs, to create decent jobs and to improve the competitiveness of the sector.

During the reporting period the CTFL SETA was actively involved in marketing and promotion of the Government's Industrial Policy Action Plan (IPAP2). Support programmes for Clothing and Textiles industry aimed at upgrading competitiveness, such as the Clothing and Textiles Production Incentive and Competitiveness Programme was aligned to the Skills Development Programme aimed at the upgrading of skills in order to facilitate the finalization of funding arrangements with the National Skills Fund.

The CTFL SETA in partnership with the Department of Trade and Industry (DTI) and Footwear, Leather and General Goods sector stakeholders formulated the DTI Footwear and Leather Sector Skills Development Project Plan, which provided an implementation approach to operationalize the Customized Sector Programme. The CTFL SETA co-ordinated discussions, which focused on sector skills development priorities and possible structural requirements and competitive pressures to deliver on the development needs of the sector. The DTI in collaboration with CTFL SETA and with input of the CSP skills working group, has developed a skills matrix, which identifies skills required to ensure future sustainability of the Footwear, Leather and General Goods sectors. Skills were identified for which employment opportunities will be available in the future, and which would stimulate the growth and competitiveness of the sector.

In partnership with the DTI, the CTFL SETA submitted skills development project proposals to the NSF aligned to the Clothing and Textiles and Footwear and Leather Customized Sector Programmes. CTFL stakeholders were extremely disappointed at the failure of the sector to access funding for these high level projects for the sector from the NSF.

ISOE Strategy for CTFL Sector

The CTFL Council formally approved a framework for the recognition of Institutes of Sectoral or Occupational Excellence (ISOE) in the CTFL sector. Applications were evaluated by an ISOE Evaluation Panel and recommendations were forwarded to the CTFL Council. Four (4) Higher Education Institutions and two (2) Further Education and Training colleges with a CTFL focus were accorded ISOE recognition.

RPL

The development of a coherent CTFL Recognition of Prior Learning (RPL) strategy and creating viable funding mechanisms, standardized RPL techniques and bridging and expanding RPL practices received much attention during the CTFL SETA Strategic Planning Workshop held in October 2010. Presentations focused on RPL in its current context and the roles of ETQAs, SETAs and training providers. It was acknowledged that a disconnect exists between intentions of RPL policy and implementation and that there is a need to ensure that the CTFL SETA delivers on RPL.

Staff Administration

Staff training interventions for the reporting period were aligned in accordance with their occupational profiles and career path within the organization. In pursuit of good corporate governance and capacity building, CTFL managers attended the King III workshop conducted by KZN: Treasury and NSF Constituency Capacity Building Programme on NSDS III organized by BUSA.

During the reporting period external students were recruited on ETDP internship bursaries, which proved invaluable in assisting students to acquire experiential learning, whilst also assisting the CTFL SETA with regional administrative duties.

Amalgamation Discussions

The latter part of the reporting period focused exclusively on amalgamation discussions and the establishment of an Amalgamation Committee to drive this process. Two (2) task teams, namely the Constitution Task Team and the Human Resources Task Team were mandated to address the development of an FP&M SETA Constitution, as per the standard constitution of the Department of Higher Education and Training and to propose an organogram with a human resources selection and recruitment strategy for the FP&M SETA. The efforts of the FP&M SETA Amalgamation Committee culminated in the adoption of an interim constitution and the appointment of an FP&M SETA Interim Board consisting of 23 members for the period 01 April 2011 up until 30 September 2011. Despite the various challenges of the amalgamation process, the process is very much on track. I am positive that the good work of the CTFL SETA will continue and set the trend of the new organization to perform and deliver on the demanding strategy and mandate of NSDS III. The senior leadership of the CTFL sector, both employers and labour, must be commended for their astute negotiation skills during the initial amalgamation discussions, which firmly secured a sustainable future of the CTFL industry from a skills development perspective. The CTFL industry owes a huge debt to these individuals who have made tremendous sacrifices to ensure that there is a better life for all in the CTFL industry.

My appreciation goes to the Chairperson, Deputy Chairperson and Council Members, whose guidance and support carried us through some very trying circumstances and challenges, more especially during the amalgamation discussions. The successes of the CTFL SETA is attributed to the dedication and hard work of a joint effort by all stakeholders, management and staff through their unselfish commitment to the realization of our goals and objectives to improve the lives of workers and the creation of decent jobs in the CTFL sector. Without you the CTFL SETA would not have achieved and recorded the successes it did!



PK NAICKER

Report from the ETQA Manager

Objective of the ETQA

The primary objective of the Education, Training and Quality Assurance (ETQA) department is to ensure quality education & training in the CTFL sector. To achieve this objective, the CTFL ETQA focused on the following aspects:

- Accreditation and annual monitoring of training providers;
- Registration of assessors and moderators;
- Development and registration of new unit standards and qualifications with SAQA;
- Development and registration of new Learnerships with DoL;
- Quality assuring and certification of all qualifications within the CTFL SETA Qualifications Framework; and
- Maintaining a national database of all learner achievements, as per the reporting requirements of SAQA and the NLRD.



New Qualifications

The CTFL ETQA was one of the few SETAs that lead the way and embraced the development of occupational qualifications for the new SETA landscape. The new occupational qualifications are the result of the formation of the QCTO as promulgated by the Skills Development Amendment Act, 2008 (Act 37 of 2008). The CTFL ETQA initiated the development process in April 2009 and during 2010, 24 qualifications linked to the occupations listed below were submitted to the QCTO for registration:

- Clothing, Textile and Leather Goods Production Operator
- Footwear Production Machine Operator
- Leather Processing Machine Operator
- Textile Dry Process Production Operator
- Textile Wet Process Production Operator

The CTFL SETA developed an assessment strategy that required the standardisation of the assessment tools used to conduct assessments on these qualifications. This standardisation will ensure that the outcomes achieved by learners on any of these qualifications are assessed nationally in a consistent manner.

ETQA Audits

The ETQA audits all providers and applicant providers. The total number of organizations that are accredited with the CTFL ETQA per qualification are:

QUALIFICATION ID NUMBER	NQF LEVEL	PRIVATE FET COLLEGES	PUBLIC FET COLLEGES	SKILLS PROGRAMS	APPROVED WORK EXPERIENCE PROVIDERS
50584	1	8	7	5	0
58227	2	71	0	1	51

New Accreditation

The ETQA conducted audits of all new applications for accreditation. The process flow and criteria have been updated and posted on the CTFL SETA website.

Re-Accreditations

The ETQA re-accreditation policy required accredited providers to be audited before being re-accredited, and to then complete a self evaluation report every second year. The ETQA has standardized the report and auditing process and criteria by using the same tool for both audit and self evaluation. The results of the ETQA audits conducted during the period under review, is as follows:

ETQA AUDITS FOR PERIOD 2010/2011				
NEW ACCREDITATIONS		RE-ACCREDITATION		
FULL ACCREDITATION	SKILLS PROGRAMME ACCREDITATION	FULL ACCREDITATION	APPROVED WORKPLACE ACCREDITATION	CHANGE OF STATUS EXTENSION OF SCOPE
4	14	5	27	33

ETQA Committees

The CTFL ETQA was assisted by two (2) advisory committees that met four (4) times during the year. The functions of these committees were to make recommendations on quality matters to the CTFL Council.

- **Apprentice Committee**

This committee comprised industry and technical specialists that advised the ETQA on matters pertaining to the management of the Textile Apprenticeship program.

- **ETQA Committee**

This committee was constituted by the CTFL SETA Council as a requirement of the SAQA Act 58 of 1995. This committee made recommendations to the CTFL SETA Council on matters pertaining to quality assurance of skills development provision in the CTFL sector.

Both committees were wound up and dissolved at the end of March 2011 as a result of the amalgamation of the CTFL SETA with FIETA and the PPP sectors of MAPPP SETA. A Quality Learning Committee will be constituted by the FP&M SETA to administer and review all aspects of FP&M sector occupationally-directed programmes (technical, learnership and apprentice training), which includes approval of apprenticeship and learnership contracts, advising on learner allowances and wage rates, monitoring of results, advising on disciplinary matters and arranging for trade tests to be conducted.

Management Information System (MIS)

The CTFL SETA ETQA implemented the use of the MIS in 2010 for the management of learners registered on learnership programmes from January 2010 onwards. This meant that training providers were responsible for the uploading of assessment and moderation details per learner on to the MIS. This process greatly improved the tracking of progress with regard to learnerships. The learners were also issued certificates and a statement of unit standards achieved directly of the MIS. At first, there was some resistance to this approach, but the ETQA staff provided the users with personal, telephonic and written media support which facilitated the easy transition to the electronic method.

Registration of Assessors and Moderators

With the implementation of the MIS and the implementation of qualification 58227 – National Certificate in CTFL Manufacturing Processes, the registration of assessors and moderators became imperative to ensure quality uploading of achievements.

The challenge faced by the ETQA in 2010/2011 was the process of registering all constituent assessors against qualification 58227 – National Certificate in CTFL Manufacturing Processes on the MIS.

The ETQA undertook a marketing strategy to drive the promotion of the assessor registration process. This process will be further developed under the auspices of the FP&M SETA to ensure effective registration of qualified assessors and moderators on a comprehensive database for the FP&M sector.

NUMBER OF CONSTITUENT ASSESSORS AND MODERATORS REGISTERED UP TO MARCH 2011	
CONSTITUENT ASSESSORS	CONSTITUENT MODERATORS
355	73

Workshops

The ETQA held various workshops during the course of the year to provide the CTFL sector with information on the latest developments in the provision of education and training. Workshops conducted during the period 2010/2011 included.

- A National Learnership Induction workshop; and
- National workshops to promote the use of the MIS.



LENNY PALTU

CTFL SETA Offices



CTFL SETA HEAD OFFICE & KZN REGIONAL OFFICE

From left to right: Ashika Benjamin (ETQA Administrator), Elmine Baumann (Marketing & Communications Manager), Louise Anthony (Regional Administrator: KZN), P.K. Naicker (Chief Executive Officer), Anusha Baijnath (MIS Administrator), Charmaine Hansraj (Supply Chain Officer), Samkelisiwe Ngwira (Grant Disbursement Assistant), Chereece Balkisson (Projects Coordinator), Gina Layzell (Chief Financial Officer), Tarryn Fynn (Project Administrator).

In the back (left to right): Lenny Paltu (ETQA Manager), Marcia Mothielall (Financial Administrator), Avinash Gangoo (Assistant Accountant). **Absent:** Razia Iyob (Grant Disbursement Administrator), Timothy Canham (Regional Manager: KZN), Mayvis Madlala (General Worker).



GAUTENG REGIONAL OFFICE

Ansie Nagel (Manager), Debrah Kadi (Administrative Assistant)



WESTERN CAPE REGIONAL OFFICE

Judy Porter (Administrator), Alan Taylor (Manager), Suraya Abrahams (Administrative Assistant), Bongwiwe Skempers (General Worker)

Performance Report of the CTFL SETA

Report on Performance vs Targets

The schedule below reflects the achievements of the CTFL SETA against the targets set in its SLA with the DHET for the period April 2010 – by the CTFL SETA Council for the period April 2010 – March 2011 were in excess of the original 5-year targets. The CTFL SETA diligently continued to national priorities as described in NSDS II. In addition to projects/grants that were funded from the CTFL SETA Discretionary Fund, the CTFL SETA grant expenditure/commitments refer to Note 21 of *Notes to the Annual Financial Statements*.

NSDS 2005 – 2010 Success Indicators and National Targets	CTFL SETA Target for 2010 – 2011	CTFL SETA Performance against Targets for 2010 – 2011
<p>Indicator 1.1</p> <p>Skills development supports national and sectoral growth, development and equity priorities.</p>	<p>The SSP Annual Update is signed by the SETA Board Chairperson and SETA/DHET agreed growth, development and equity strategy driver/s.</p> <p>The SSP or Annual update submitted on time as per DHET Guidelines and uploaded to ESSA.</p>	<p>The SSP Annual Update for 2010/11 was compiled through a consultative process and the updated document was signed by the relevant stakeholders and submitted as per DHET guidelines. The SETA also uploaded an updated scarce skills list to the national scarce skills database (ESSA). The DHET approved the SSP update in December 2009.</p>
<p>Indicator 1.2</p> <p>Information on critical skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.</p>	<p>Annual guide on critical skills needs for the sector developed and available to learners.</p> <p>70 SDFs or Sector Specialists trained in the use of the guide for the sector for the year.</p>	<p>Regional Training workshops were held nationally and 161 SDFs and Sector Specialists were trained on the use of the CTFL SETA Careers Guide/Scarce & Critical Skills Guide.</p>
<p>Indicator 2.1</p> <p>By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development.</p> <p>Impact on overall equity profile assessed.</p>	<p>The TARGET for large firms is 159 firms (baseline is 199)</p> <p>The TARGET for medium firms is 142 firms (baseline is 237).</p>	<p>158 large firms received mandatory grants as a result of their submission of mandatory grant applications by 30 June 2010.</p> <p>173 medium firms received mandatory grants as a result of their submission of mandatory grant applications by 30 June 2010.</p>
<p>Indicator 2.2</p> <p>By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.</p>	<p>The TARGET for the different number of small levy paying firms receiving WSP/ATR grants, free courses and support is 302 (baseline 755).</p>	<p>251 small firms benefited from mandatory grants.</p>

March 2011. The year under review was an extension to NSDS II which was due to conclude on 31 March 2010. As a result, some targets set deliver focussed programmes and interventions during the period under review to address skills development priorities in the CTFL sector aligned also entered into collaboration agreements with other funding partners such as the KZN DEDT and the W&R SETA. For more details on discretionary

National Strategic Priority Supported	Reasons for Variance	CTFL SETA Projects	Budget v Utilised R'000
<ul style="list-style-type: none"> Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. Strengthen our skills and human resources base. Build cohesive, caring and sustainable communities. Sustainable Resource Management and use. 	No variance		Budget: NIL Utilised: NIL SSP Annual Update was compiled in-house and costs related to the process was absorbed in the administrative budget.
<ul style="list-style-type: none"> Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. Strengthen our skills and human resources base. Build cohesive, caring and sustainable communities. Sustainable Resource Management and use. 	Positive variance of 91	SDF training was conducted during Regional Training Forums which were funded from the budget item "Promotion of skills development in the CTFL Sector" reported under Indicator 5.4.	Budget: R133 Utilised: NIL Committed: R73 Not Committed: R60 Variance: NIL
<ul style="list-style-type: none"> Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. Strengthen our skills and human resources base. Build cohesive, caring and sustainable communities. Sustainable Resource Management and use. 	Negative variance of 1 on large firms Positive variance of 31 on medium firms. The employment profile of many firms in the sector changed during the period under review mainly due to retrenchments. Current statistics show a decrease of 10% in the number of large firms and an increase of 8% and 2% respectively for medium and small firms.		Budget: NIL Utilised: NIL Regional office costs pertaining to the promotion of mandatory grant submissions by medium and large firms were absorbed in the administrative budget.
<ul style="list-style-type: none"> Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. Strengthen our skills and human resources base. Build cohesive, caring and sustainable communities. Sustainable Resource Management and use. Massive programme to build economic and social infrastructure. 	Negative variance of 51 on small firms. Although the CTFL SETA makes available the services of SSFs to assist small firms with their submissions, many small firms indicated that the grants they would receive in return (50% of levies paid) did not make it viable for them to participate.	Projects for Small Firms including: <ul style="list-style-type: none"> Workplace Skills Planning Support ETDP grants for small companies 	Budget: R4 921 Utilised: R1 120 R1 112 R8 Committed: R3 801 Variance: NIL

NSDS 2005 – 2010 Success Indicators and National Targets	CTFL SETA Target for 2010 – 2011	CTFL SETA Performance against Targets for 2010 – 2011
<p>Indicator 2.5</p> <p>Annually increasing number of small BEE firms and BEE co-operatives supported by skills development.</p> <p>Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards.</p> <p>Impact of support measured.</p>	<p>The TARGET for the sector is 30 small BEE firms.</p> <p>The target for the sector is NIL BEE co-operatives.</p>	<p>NIL achieved.</p>
<p>Indicator 2.7</p> <p>By March 2010 at least 700 000 workers have achieved at least ABET Level 4.</p>	<p>TARGET for the sector is 700 learners to register for ABET or Foundational Learning Certificate or relevant AET:</p> <p>ABET Level 1 = 140 ABET Level 2 = 210 ABET Level 3 = 210 ABET Level 4 = 140</p> <p>TARGET for the sector is 700 learners to achieve ABET or Foundational Learning Certificate or relevant AET:</p> <p>ABET Level 1 = 140 ABET Level 2 = 210 ABET Level 3 = 210 ABET Level 4 = 140</p> <p>Note: Foundational Learning Certificate still under development</p>	<p>359 learners registered on ABET Programmes or Foundational Learning Certificate or relevant AET:</p> <p>ABET Level 1 = 109 learners ABET Level 2 = 158 learners ABET Level 3 = 77 learners ABET Level 4 = 15 learners</p> <p>242 Learners Completed ABET Programmes or Foundational Learning Certificate or relevant AET:</p> <p>ABET level 1 = 102 learners ABET level 2 = 104 learners ABET level 3 = 36 learners ABET level 4 = NIL learners</p>

National Strategic Priority Supported	Reasons for Variance	CTFL SETA Projects	Budget v Utilised R'000
<ul style="list-style-type: none"> • Build cohesive, caring and sustainable communities. • Comprehensive rural development strategy linked to land and agrarian reform and food security. • Massive programme to build economic and social infrastructure. • Strengthen our skills and human resources base. 	<p>Negative variance of 30 small BEE firms.</p> <p>Non-performance against the set target was due to inadequate uptake on available grants for skills development of owners/managers of small BEE firms and a lack of information on the BEE status of firms in the CTFL sector.</p>	<p>A research project to establish the BEE profile of the CTFL sector have been concluded.</p> <p>Participation in the research initiative was limited which made it difficult to obtain a clear understanding of the sector's BEE profile. More information on the BEE status of firms in the sector would have to be obtained by means of other information sources such as WSP/ATR submissions.</p>	<p>Budget: R630 Utilised: R17 Committed R613 Variance: NIL</p>
<ul style="list-style-type: none"> • Build cohesive, caring and sustainable communities. • Sustainable Resource Management and use. • Strengthen our skills and human resources base. 	<p>Registrations: Negative variance of 341.</p> <p>Completions: Negative variance of 458.</p> <p>646 grants for ABET Programmes or relevant AET have been approved in November 2010. Firms were very slow in submitting claims in this regard, therefore the low registration rate.</p> <p>Training conducted under the TLS scheme in a number of CTFL firms included ABET interventions. These numbers have been included here.</p>	<ul style="list-style-type: none"> • ABET grants at ABET levels 1 – 4 • Training Layoff Scheme 	<p>Budget: R5 065 Utilised: R312 Committed R4 753 Variance: NIL</p>

NSDS 2005 – 2010 Success Indicators and National Targets	CTFL SETA Target for 2010 – 2011	CTFL SETA Performance against Targets for 2010 – 2011
<p>Indicator 2.8</p> <p>By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.</p>	<p>Target for the sector is 480 workers to enter learning programmes:</p> <ul style="list-style-type: none"> • 100 workers to enter learnerships. • 200 workers to enter bursary programmes. • 160 workers to enter skills programmes. • 20 workers to enter (MTA Section 13) Apprenticeships. <p>Target for the sector is 240 workers to complete learning programmes:</p> <ul style="list-style-type: none"> • 50 workers to complete learnerships. • 100 workers to complete bursary programmes. • 80 workers to complete skills programmes. • 10 workers to complete (MTA Section 13) apprenticeships. 	<p>1400 workers entered learning programmes:</p> <ul style="list-style-type: none"> • 374 workers were registered on learnerships. • 49 workers received bursaries for management skills development programmes/technology programmes. • 977 workers entered skills programmes. • NIL workers were registered on (MTA Section 13) Apprenticeships. <p>249 workers completed learning programmes:</p> <ul style="list-style-type: none"> • 178 workers completed their learnerships. • 20 workers completed their bursary programmes. • 51 workers completed their skills programmes. • NIL workers completed (MTA Section 13) Apprenticeships.
<p>Indicator 3.2</p> <p>By March 2010, at least 2000 non-levy paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.</p>	<p>Target for the sector is NIL NLPs. Target for the sector is NIL NGOs. Target for the sector is 4 CBOs. Target for the sector is NIL CBO Co-ops. Total target is 4. This target will be measured against the total number of enterprises as listed above.</p>	<ul style="list-style-type: none"> • 3 CBOs were supported.

National Strategic Priority Supported	Reasons for Variance	CTFL SETA Projects	Budget v Utilised R'000
<ul style="list-style-type: none"> • Build cohesive, caring and sustainable communities. • Sustainable Resource Management and use. • Strengthen our skills and human resources base. • Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. 	<p>Positive variance of 920 workers on learning programmes:</p> <ul style="list-style-type: none"> • Firms in the industry have exhibited their continued support of learnership implementation. • Uptake on management skills development grants and technology bursaries declined significantly during the reporting period. • In addition to learners who received grants for technical skills programmes allocated in November 2010, firms participating in the TLS have also registered employees on skills programmes in order to equip them with employable skills. • Apprentices that were registered during the period under review, were previously unemployed and are reported on under Indicator. 4.1. <p>Positive variance of 9 workers who completed learning programmes:</p> <ul style="list-style-type: none"> • Learnership completions include learners registered in previous years. • Completions in terms of bursary/skills programmes will be followed up and reported on in future reports. <p>Although a number of apprentice trade tests were successfully completed, delays were experienced in the issuing of certificates.</p>	<ul style="list-style-type: none"> • Learnership grants • Management Skills Development grants • Technical Skills grants • Technologist bursaries • Apprenticeship grants • KZN DEDT/CTFL TUL Seminar Series • TUL Masters Programme (JIPSA) <p>Apprenticeship grants were allocated to unemployed learners and are reported on under Ind. 4.1.</p>	<p>Budget: R32 485 Utilised: R6 058</p> <hr/> <p>R3 028 R152 R220 R50 R365 R2 146</p> <hr/> <p>R97 Committed: R26 327 Re-allocated: R100 Variance: NIL</p>
<ul style="list-style-type: none"> • Massive programme to build economic and social infrastructure. • Comprehensive rural development strategy linked to land and agrarian reform and food security. • Strengthen our skills and human resources base. • Build cohesive, caring and sustainable communities. 	<ul style="list-style-type: none"> • 3 CBOs accredited to provide sector specific skills programmes were assisted and their accreditation extended during the period under review. 	<p>Project to assist Community Providers to become accredited (including training workshops, accreditation visits).</p>	<p>Budget: R30 Utilised: NIL Committed: R22 Re-allocated: R8 Variance: NIL</p> <p>Costs were absorbed by the ETQA function that engaged with the providers and assisted them to achieve provisional accreditation.</p>

NSDS 2005 – 2010 Success Indicators and National Targets	CTFL SETA Target for 2010 – 2011	CTFL SETA Performance against Targets for 2010 – 2011
<p>Indicator 4.1</p> <p>By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.</p>	<p>Target for the sector is 200 unemployed learners to enter programmes:</p> <ul style="list-style-type: none"> • 200 unemployed people to enter learnerships. • NIL unemployed people to enter (MTA Section 13) Apprenticeships. <p>Target for the sector is 100 unemployed learners to complete learning programmes:</p> <ul style="list-style-type: none"> • 100 unemployed people to complete learnerships. 	<p>596 unemployed people were registered on learning programmes.</p> <ul style="list-style-type: none"> • 585 unemployed learners were registered on learnerships. • 11 unemployed people were indentured as (MTA Section 13) Apprentices. <p>311 unemployed learners completed their learning programmes.</p> <ul style="list-style-type: none"> • 311 learners completed learnership programmes.
<p>Indicator 4.2</p> <p>100% of learners in critical skills programmes covered by sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.</p>	<p>Target for the number of learners assisted to gain work experience is 80 Learners.</p> <p>Target for the number of learners to become self employed or employed is 56 learners.</p>	<p>42 learners benefited from the work experience grants made available to firms for work experience gained as part of their clothing/textile technology diploma programmes, and other FET/HET programmes.</p> <p>23 learners were placed with firms during their studies.</p>
<p>Indicator 4.3</p> <p>By March 2010, at least 10,000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme.</p>	<p>Target for the sector is 40 young persons trained and mentored to form new ventures.</p> <p>Target for the sector is 28 young persons are still in their new ventures 12 months after the programme has been completed.</p>	<p>23 young entrepreneurs were registered on New Venture Creation (NVC) Programmes.</p> <p>37 young entrepreneurs established registered new ventures.</p>

National Strategic Priority Supported	Reasons for Variance	CTFL SETA Projects	Budget v Utilised R'000
<ul style="list-style-type: none"> • Build cohesive, caring and sustainable communities. • Sustainable Resource Management and use. • Strengthen our skills and human resources base. • Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. 	<p>Positive variance of 396 on registrations of unemployed learners:</p> <ul style="list-style-type: none"> • Registration of unemployed learners in the sector is testimony to the sector's commitment to learnership implementation. • Applications were received from firms to indenture unemployed people on apprenticeships. <p>Positive variance of 211 on completions of unemployed learners on learning programmes:</p> <ul style="list-style-type: none"> • Completions include learners registered in previous years. • Learners at HTPIs completed their learnership programmes within 12 months. 	<p>Projects for unemployed people included:</p> <ul style="list-style-type: none"> • Learnership grants • Technologist Bursaries <p>Apprenticeship Grants were budgeted under Ind. 2.8.</p>	<p>Budget: R15 352 Utilised: R5 020</p> <hr/> <p>R4 440 R580</p> <hr/> <p>Committed: R10 332 Variance: NIL</p>
<ul style="list-style-type: none"> • Build cohesive, caring and sustainable communities. • Sustainable Resource Management and use. • Strengthen our skills and human resources base. • Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. • Pursuing African advancement and enhanced international co-operation. 	<p>Negative variance of 36.</p> <p>Bursaries for students to enter technology diploma programmes at the Universities of Technology and other work experience programmes were allocated in November 2010 but firms have not yet submitted their claims and student registration details to the SETA.</p> <p>Negative variance of 31.</p> <p>A tracer study will be conducted to establish the status of learners who completed their studies to establish their absorption into the workplace post completion of their studies.</p>	<ul style="list-style-type: none"> • Work Experience grants allocated to firms that took on learners requiring experiential training as part of their course curriculum. 	<p>Budget: R2 194 Utilised: R50 Committed: R2 144 Variance: NIL</p>
<ul style="list-style-type: none"> • Build cohesive, caring and sustainable communities. • Massive programme to build economic and social infrastructure. • Strengthen our skills and human resources base. • Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. 	<p>Negative variance of 17 on young persons trained.</p> <p>Positive variance of 9 on the number of young entrepreneurs in sustainable ventures.</p> <p>The CTFL SETA allocated funding for a mentorship programme to further assist learners who completed the NVC programmes in previous years, to develop their technical production skills and to establish new ventures. 23 new learners were also recruited onto the programme.</p>	<p>Projects implemented in 2010/11 included:</p> <ul style="list-style-type: none"> • NVC Management Programme (DUT). 	<p>Budget: R961 Utilised: R181 Committed: R780 Variance: NIL</p>

NSDS 2005 – 2010 Success Indicators and National Targets	CTFL SETA Target for 2010 – 2011	CTFL SETA Performance against Targets for 2010 – 2011
<p>Indicator 5.1</p> <p>By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public & private institutions and through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.</p>	<p>Target for the sector is 2 institutes</p>	<ul style="list-style-type: none"> • The CTFL SETA Council recognised 6 institutions as ISOEs during the period under review namely: • DUT (Clothing & Textile Dept) • CPUT (Clothing & Textile Dept) • UJ (Clothing Dept) • Aranda Learnership College • Eddels Shoes • Technical University of Liberec (Czech Republic) Department of Textiles
<p>Indicator 5.2</p> <p>By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.</p>	<p>Target for the sector is NIL institutes.</p>	<p>NIL new agreements were entered into.</p>
<p>Indicator 5.3</p> <p>By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS.</p>	<p>Target for the SETA is to meet SAQA Audit and SAQA NLRD upload requirements.</p>	<p>The CTFL SETA ETQA met SAQA Audit requirements during the audit conducted in May 2008.</p> <p>The CTFL SETA regularly uploads learner information to the NLRD.</p>

National Strategic Priority Supported	Reasons for Variance	CTFL SETA Projects	Budget v Utilised R'000
<ul style="list-style-type: none"> • Build cohesive, caring and sustainable communities. • Sustainable Resource Management and use. • Strengthen our skills and human resources base. • Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. • Pursuing African advancement and enhanced international co-operation. • Building a Developmental State including improvement of public services and strengthening democratic institutions. 	<p>Positive variance of 4 institutions: The CTFL SETA Council developed an ISOE evaluation matrix during the period under review and called for applications from providers in the sector to be recognised as ISOEs. The institutions received support through interventions such as bursaries, learnership grants, discretionary project funding and collaboration project funding.</p>	<ul style="list-style-type: none"> • Support to ISOEs (CPUT and DUT). 	<p>Budget: R703 Utilised: R380 Committed: R190 Not Committed: R133 Variance: NIL</p>
	<p>NIL Variance</p>		<p>Budget: NIL Utilised: NIL Variance: NIL</p>
<ul style="list-style-type: none"> • Strengthen our skills and human resources base. 	<p>NIL Variance</p>	<p>Projects to improve the quality of provision included:</p> <ul style="list-style-type: none"> • Apprenticeship Programme: alignment to Unit Standards • Footwear Occupational Qualification: Pilot Project • NQF Level 1 Sewing Learnership Programme (Aranda Learnership College) • Tracer Study 	<p>Budget: R4 148 Utilised: R2 612</p> <hr/> <p>R12</p> <p>R2 222</p> <p>R240</p> <hr/> <p>R138</p> <p>Committed: R1 248 Not Committed: R175 Re-allocated: R113 Variance: NIL</p>

NSDS 2005 – 2010 Success Indicators and National Targets	CTFL SETA Target for 2010 – 2011	CTFL SETA Performance against Targets for 2010 – 2011
<p>Indicator 5.4</p> <p>By March 2010, there is an NSA constituency based assessment of an improvement in stakeholder capacity and commitment to the NSDS.</p>	<p>The CTFL SETA will continue with established projects to build the capacity of stakeholders in the sector to ensure service delivery to the sector.</p>	<p>The measurement criteria for this indicator have not yet been finalised.</p>

Special Projects (not included under NSDS Targets reported on above)

<p>Special Projects implemented in 2010/11 included:</p>	<p>Budget: R13 071</p>
<ul style="list-style-type: none"> • QCTO Conversion of qualifications • Training Layoff Scheme • W&R SETA Collaboration projects • Sactwu Edupeg Project • Patternmaking Course (DUT) • Work Study Cluster Training Project (DUT) • NQF Level 1 Clothing Manufacturing Programme (Aranda Learnership College) • Capacity building workshop: Misconduct & Incapacity (CCA) • Sector Skills Plan 2011 – 2016 • Annual NSA Good Practice Award 	<p>Utilised: R7 750</p> <hr/> <p>R40</p> <p>R2 437</p> <p>R3 372</p> <p>R1 306</p> <p>R50</p> <p>R160</p> <p>R207</p> <p>R38</p> <p>R140</p> <p>R100</p>
	<p>Committed: R5 303</p>
	<p>Re-allocated: R394</p>
	<p>Variance: NIL</p>

National Strategic Priority Supported	Reasons for Variance	CTFL SETA Projects	Budget v Utilised R'000
<ul style="list-style-type: none"> • Sustainable Resource Management and use. • Strengthen our skills and human resources base. • Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods. 	No variance	Projects aimed at increasing the capacity of the CTFL stakeholders included the following: <ul style="list-style-type: none"> • Cape Town Fashion Festival (Sactwu) • Labour capacity building initiatives (Sactwu) • Promotion of skills development in the CTFL Sector • NBC Project on Absenteeism • Stakeholder Capacity Building - Strategic Planning Workshop • Women in Leadership 	Budget: R4 716 Utilised: R4 004 <hr/> R1 400 R1 403 R355 R340 R156 R350 <hr/> Committed: R612 Re-allocated: R100 Variance: NIL

Report from the Chief Financial Officer

Financial Performance

Income

- Levy income in the financial year under review amounted to R61 million (this was a 3% increase from the previous year's income of R59 million). The substantial low increase from prior years is mainly due to closure of firms during the current financial year as a result of the challenges faced by the companies in the clothing, textile, footwear and leather industry. Another contributing factor is that the Receiver of Revenue (SARS) can no longer pay over 80% of the skills development levies of companies to CTFL SETA if these companies have not submitted the EMP201 forms with their payment to SARS.
- Investment income mainly comprised of interest income of R3,7 million (2009/10 : R3,8 million). CTFL SETA transferred the investment income in October 2010 from commercial banks into the Corporation for Public Deposits (CPD) in line with the Treasury regulations. The interest earned on the CPD account showed a higher percentage than the interest rate offered by the commercial banks.
- Penalties and interest have increased by 48%, from R584,000 in the previous year to R868,000 in the year under review as a result of firms delaying payment of skills development levies to SARS.
- Other revenue of R385,000 in the current financial year comprised income from unclaimed Duty Credit Certificate (DCC) funds that were lodged with the CTFL SETA of R383,000 and R2,000 which was received from SAQA for the sale of holograms.
- R2,5million (2009/10 : R957,000) was received from the KZN DEDT for the Liberec CPD programme and clothing/textile seminar series, projects co-funded by the CTFL SETA and the KZN DEDT during 2010/11. R235,000 was received from foreign exchange gains on funds spent on this project in 2008/09. R2,1 million was spent on the project during 2010/11 financial year, the balance of R637,000 was disclosed as funds received in advance on the Statement of Financial Position until the conditions are met.
- R2 million was received from W&R SETA for a joint collaboration project with the CTFL SETA in 2010/11. R1,9 million was carried over as unspent funds from the previous financial year. R3,4 million was expensed during the current financial year, the balance of R621,000 has been disclosed as income received in advance on the Statement of Financial Position until the conditions are met.
- R1 million was received from the Unemployment Insurance fund (UIF) for the wage component of the TLS. R51,000 of these funds were paid out to companies participating in the TLS, the balance of R992,000 has been disclosed as income received in advance on the Statement of Financial Position until the conditions are met.
- R2,4 million was received from the W&R SETA for the training component of the TLS. R2,1 million of these funds were paid out to companies participating in the TLS, the balance of R319,000 has been disclosed as income received in advance on the Statement of Financial Position until the conditions are met.



Administration Expenditure

There has been a total increase of 7% in administration expenditure in relation to the previous financial year. The CTFL SETA will be amalgamating with FIETA and part of MAPPP SETA to form the FP&M SETA from the 1 of April 2011 and the costs incurred for meetings to facilitate the amalgamation process, added to the increase in administration costs of the CTFL SETA. Furthermore, the 3% increase in skills development levy income which is below inflation, resulted in reduced administration income available for administration expenses. In light of this the CTFL SETA endeavoured to keep costs to a minimum. The administration expense have exceeded the legislative provision of 10% of income for administration expenses by R725,000 (0.9%). A request for permission to exceed the legislative provision was sent to the Minister of Higher Education and Training and permission has been granted by DHET.

Mandatory Grant Payments

The MIS system purchased by the CTFL SETA in 2007 has ensured that our systems and processes are more efficient and effective to offer better service delivery in terms of mandatory grant disbursements. In the current year the CTFL SETA paid and accrued mandatory grants amounting to 76% of total mandatory grant levy income to large, medium and small firms in the sector. CTFL SETA has not received the skills development levy downloads from the DHET which detail levies received per individual company for the last four months. This has resulted in the delay of mandatory grant tranche payments to companies.

Discretionary Grant Expenses

In the financial year under review, discretionary grant expenses amounted to R28 million including the amount spent of conditional funds received from W&R SETA, UIF and KZN DEDT. This is 40% more than the previous year, which totalled R20 million. The delay on discretionary spending is mainly due to the payment of discretionary grants in tranches. Although this slows down the discretionary grant disbursement process it minimises the CTFL SETA's overall risk.

Tranches were structured as follows:

- Host Training Providers and Sites of Delivery: Three (3) tranches of 40%, 40% and 20%, first tranche on registration and remaining two (2) tranches on achievement of specified deliverables).
- Learnership payments to Workplace Providers and Sites of Learning: 40% upfront, 40% on completion of 80 credits, 20% on final verification. The three (3) tranche payment arrangement has been applied to all learnership grants allocated from January 2011 onwards. Prior to January 2011 the prior year tranche allocation was applied.
- ABET management and technical skills grants: 70% on registration of learner, 30% on completion.
- Technologist bursaries: 50% on registration and 50% on completion of first semester.

R56,2 million of the SETA discretionary reserves have been committed.

All of CTFL SETA's assets and liabilities will be transferred over to FP&M SETA on the 1 of April 2011.

A handwritten signature in black ink, appearing to read 'Gina Layzell'.

GINA LAYZELL

Report from the Chairperson of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder, none of whom are employed by the CTFL SETA. Invited members of the Audit Committee are: representatives of the Auditor General, Internal Auditors (KZN Provincial Treasury) and the Chairperson of the Council, Chief Executive Officer and the Chief Financial Officer of the CTFL SETA. The Audit Committee met four (4) times during the period under review as per its approved terms of reference.



Audit Committee Member	Number of Meetings Attended
RA Kinnear (Chairperson)	4 of 4
RJ Whiteford	1 of 4
Z Suder	4 of 4
RP Hirsch (Alternate)	3 of 4

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 38(1) (a) of the Public Finance Management Act, No. 1 of 1999 and Treasury Regulation 3.1. We further report that we conducted our affairs in compliance with this charter.

The Effectiveness of Internal Control

We are satisfied that the system of internal controls applied by the CTFL SETA over financial and risk management is effective, efficient and transparent.

Internal Audits, as required by the PFMA and the King III Report on Corporate Governance, are conducted according to an agreed audit plan and provides the Audit Committee and management with assurance that the internal controls are appropriate and implemented effectively. Risks are assessed and managed continuously, and action plans are put into place that contain appropriate corrective actions and recommendations for improvement.

No indication of material deficiencies in the system of internal control or any divergence from policies or procedures, was reported by the Internal Auditors or the Auditor-General of South Africa as a result of audits conducted during the period under review.

We therefore can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Evaluation of Annual Financial Statements

We have:

- Reviewed and discussed the audited Annual Financial Statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer.
- Reviewed the Auditor-General South Africa's management report and management's response thereto;
- Reviewed the CTFL SETA's compliance with legal and regulatory provisions.

We concur with and accept the Auditor-General of South Africa's report on the Annual Financial Statements, and are of the opinion that the audited Annual Financial Statements should be accepted read together with the report of the Auditor-General South Africa.

Internal Audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to CTFL SETA in its audits.

Auditor-General South Africa

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues.



RICHARD KINNEAR

Chairperson of the Audit Committee

Date: 19/07/2011

Report of the Auditor-General

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON CLOTHING TEXTILE FOOTWEAR & LEATHER SECTOR EDUCATION TRAINING AUTHORITY (CTFL SETA)

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the CTFL SETA, which comprise the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 31 to 64.

Accounting Authority's responsibility for the Financial Statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's Responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) section 14(6) (a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the CTFL SETA as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

ADDITIONAL MATTER PARAGRAPHS

Amalgamation of the SETA

8. The SETA's were established for a five-year period until 31 March 2010. This SETA's license was renewed by the Department of Higher Education and Training until 31 March 2011. Changes to the SETA landscape were publically announced in November 2010, whereby CTFL SETA, FIETA and the MAPPP SETA are to be amalgamated and form the new Fibre Processing and Manufacturing SETA from 1 April 2011.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 14 to 25 and material non-compliance with laws and regulations applicable to the schedule 3A public entity.

Predetermined objectives

10. There are no material findings on the annual performance report.

Compliance with laws and regulations

11. There are no findings concerning material non-compliance with laws and regulations applicable to the public entity.

INTERNAL CONTROL

12. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. There are no significant deficiencies in internal control that resulted in a qualification of the auditor's opinion on the financial statements and/or findings on predetermined objectives and/or material non-compliance with laws and regulations.

Auditor-General

Pretoria
29 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Index for Annual Financial Statements

STATEMENT OF RESPONSIBILITY	31
REPORT OF THE ACCOUNTING AUTHORITY	32 – 36
STATEMENT OF FINANCIAL PERFORMANCE	37
STATEMENT OF FINANCIAL POSITION	38
STATEMENT OF CHANGES IN NET ASSETS	39
CASH FLOW STATEMENT	40
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS	41 – 45
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	46 – 64

Statement of Responsibility by the CTFL SETA Council

Statement of Responsibility by the CTFL SETA Council for the period ending 31 March 2011

It is the CTFL SETA Council's responsibility to oversee the preparation of the SETA's Annual Financial Statements and to ensure that the Annual Financial Statements fairly present the SETA's financial position at 31 March 2011 and the financial transactions conducted during the period under review. The Annual Financial Statements have been prepared in accordance with the Statement of Generally Accepted Accounting Practice (GAAP) and Generally Recognised Accounting Practice (GRAP) as prescribed in the Treasury Regulations and the Public Finance Management Act, 1999 (Act No 1 of 1999) and relevant guidelines issued by the National Treasury.

During the period under review the activities and conduct of Council, Committee and staff members were governed by approved policies and procedures and conducted within the set parameters. The main objective of the CTFL SETA remained the implementation of sector and national skills development priorities in the CTFL sector. The Council regularly evaluated the policies and procedures to ensure alignment with good corporate governance principles. The implementation of the policies and procedures were continuously monitored to ensure ethical conduct, fair practice and sound financial management across all governance structures and SETA departments. Regular internal audits were conducted to keep the Council informed of any risks and to monitor compliance.

The CTFL SETA Council is confident that the financial management of the CTFL SETA has been conducted in accordance with the SETA Financial Policies and Procedures that comply with the Public Finance Management Act, 1999 (Act No 1 of 1999).

Although the CTFL SETA will be amalgamated with Forestry SETA (FIETA) and the Publishing, Printing and Packaging sectors of MAPPP SETA with effect from 1 April 2011, the Council deems the CTFL SETA to be a going concern in the following financial year as part of the new FP&M SETA structure and operations and therefore adopts the going concern basis in preparing the Annual Financial Statements. The current license period for the CTFL SETA expired on 31 March 2011.

The CTFL SETA Council is not aware of any matters or circumstances arising since the end of the financial year not otherwise dealt with in the Annual Financial Statements, which will have a significant effect on the operations or financial position of the SETA.

The CTFL SETA Annual Financial Statements for the year ending 31 March 2011 as set out on page 32 to 64 were approved by the CTFL SETA Council on 27 May 2011 and signed on its behalf by:



ABIEDA ABRAHAMAMS
Chairperson



PK NAICKER
Chief Executive Officer

Report of the Accounting Authority of the CTFL SETA

Report of the Accounting Authority of the CTFL SETA to the Department of Higher Education and Training and Parliament of the Republic of South Africa for the year ended 31 March 2011

The Clothing, Textiles, Footwear and Leather Sector Education and Training Authority (CTFL SETA) has been established in terms of Section 9(1) of the Skills Development Act, 1998 (Act No 97 of 1998) as amended, as a Sector Education and Training Authority with effect from 1 April 2000 to March 2005. It was re-established by the Minister of Labour for the period April 2005 – March 2010 in March 2005. The Minister of Higher Education and Training has in terms of Notice 52 of 2010, published in Government Gazette No 32917 of 5 February 2010, extended the period of establishment of all SETAs to 31 March 2011.

Business Address

3rd Floor, Umdoni Centre, 28 Crompton Street, Pinetown, 3601 or PO Box 935, Pinetown, 3600.

The CTFL SETA is governed by:

1. Section 9 of the Skills Development Act, 1998 (Act No 97 of 1998) as amended;
2. Skills Development Amendment Act, 2008 (Act No 37 of 2008);
3. The South African Qualifications Authority Act, 1995 (Act No 58 of 1995);
4. The Skills Development Levies Act, 1999 (Act No 09 of 1999);
5. The Public Finance Management Act, 1999 (Act No 01 of 1999) as amended;
6. Treasury Regulations for departments, constitutional institutions and public entities; and
7. The Preferential Procurement Policy Framework Act, 2000 (Act No 05 of 2000)

General review of the state of financial affairs

The total income received by the SETA comprised R61 million which was 3% higher than the amount of R59 million received in 2009/10.

Administration expenses exceeded the legislative provision of 10% levy income received by 0,9%. The CTFL SETA requested permission from the DHET to exceed the provision.

Mandatory grants amounting to 77% (2009/10 : 80%) of total mandatory levy income were paid to large, medium and small firms in the sector during the year. Discretionary grant expenses increased by 40% and totalled R28 million (2009/10 : R20 million) for the period under review.

Total reserves in the Statement of Financial Position amounted to R57 million (2009/10 : R49 million) of which R37,000 has been set aside in the administration reserve. R102,000 has been set-aside for new firms that joined the SETA after the cut-off date for WSP submissions. R57,3 million (2009/10 : R48,7 million) of discretionary reserves has been allocated (R56,2 million already contractually committed) to various discretionary projects.

Services rendered by the CTFL SETA

- Promote the concepts of strategic planning for training, linked to company workplace skills plans.
- Develop and implement an effective and efficient Sector Skills Strategy.
- Promote and register learnerships.
- Promote high quality technologist level learning for the Sector.
- Specifically promote skills training and development in small firms through a skills strategy and an implementation plan focused upon their particular needs.
- Ensure the most effective and efficient disbursement of grants from the skills development levies to the sector.
- Provide an efficient accreditation and quality assurance service to the sector, via the ETQA process.
- Develop and strengthen links with provinces, providers, professional bodies and NGOs.

Corporate Governance

The CTFL SETA Council supports the principle of good corporate governance as contained in the King III report.

The SETA professional staff executes their duties in line with SETA policies and procedures and acceptable practices and was assisted by the SETA Council and Committee members in matters where additional expertise is required.

The CTFL SETA Council and Committees are governed by its Constitution (the term of which was also extended to March 2011). Meetings were conducted in line with the procedures set out in the Constitution and duties were carried out in a fair and responsible manner.

The Code of Conduct contained in the Constitution guided the conduct of members of Council, Committees and professional staff and provided an ethical framework for the functioning of the CTFL SETA Council and Committees. Policies and procedures for disclosure of interest and gifts were implemented.

The CTFL SETA complied with the relevant laws and regulations of the country as constituted.

Risk Management and Fraud Prevention

The CTFL SETA has a comprehensive Risk Management Framework in place, which ensured early identification of risk and risk management through the implementation of effective internal controls.

Risk assessment exercises were conducted regularly to identify new inherent and external factors that could pose a threat to the organisation. Action plans have been developed and implemented to address perceived risks.

A Fraud Prevention Plan is in place to protect the SETA's revenue, expenditure, assets and reputation from attempts by any person to gain financial or other benefit in an unlawful, dishonest or unethical manner.

Internal Auditors

KZN Treasury, the appointed Internal Auditors of the SETA, has conducted regular internal audits at the SETA's premises. The Internal Auditors attended Audit Committee meetings and reported to the Audit Committee who oversaw the financial management of the SETA to ensure that adequate and consistent financial controls were in place and implemented.

The CTFL SETA Audit Committee operated independently from other governance structures (a report from the Chairperson of the Committee is included in this report).

Governance Structures

The CTFL SETA Council and Committees have been established in line with the CTFL SETA Constitution as approved by the Minister of Labour in September 2005.

The CTFL SETA Council comprised of 12 employer representatives (four (4) from each sub-sector and regionally representative) and 12 labour representatives (11 from Sactwu and one (1) from Nulaw – also regionally representative). The Council, as the Accounting Authority, governed the SETA on a strategic level. The CTFL SETA Council met four (4) times during the period under review. An Executive Committee (Exco), appointed from members of the Council, oversaw operational matters related to the day-to-day functioning of the CTFL SETA. The Exco comprised six (6) employer representatives (two (2) from each sub-sector) and six (6) labour representatives (five (5) from Sactwu and one (1) from Nulaw). The CTFL SETA Exco met twice during the period under review. (*See Annexure 1 for an equity profile of Council and Exco members*).

On 31 March 2011, the CTFL SETA will cease to exist in its current form and the CTFL SETA Council will be responsible to finalise the year-end activities pertaining to CTFL SETA business during the period April – July 2011.

The new FP&M SETA to be established with effect from 1 April 2011, as a result of the amalgamation of CTFL SETA, FIETA and identified sectors of MAPPP SETA, will be governed by an Interim Board and Constitution until September at which time the new FP&M Board will be established.

Three (3) Specialist Advisory Committees (SACs) namely - Skills Planning, ETQA and Projects - met regularly during the period under review to discuss issues related to their fields of expertise. An Apprentice Committee oversaw the management and implementation of apprenticeship training in the sector. The SACs gave direction to SETA staff and made recommendations to Council and Exco for consideration. The activities of the SACs were wrapped up in March 2011 and the Committees were dissolved.

Remuneration of Accounting Authority and Key Management

Constituency representatives served on the SETA governance structures without receiving remuneration. In the case of the Audit Committee (which operated independently from the other structures), the Chairperson of the Audit Committee and individual Audit Committee members who are retired and are serving in their personal capacity and not as firm representatives, received remuneration.

Report of the Accounting Authority of the CTFL SETA cont.

In the period under review, three (3) members of the Audit Committee received remuneration and the total amount paid in this regard was R8,506 (2009/10 : R6,544).

Date	RP Hirsch	RA Kinnear	RJ Whiteford	Total
21-May-10	R1 145	R1 145		R2 290
29-Jul-10	R1 145	R1 145		R2 290
25-Oct-10		R1 145	R491	R1 636
22-Mar-11	R1 145	R1 145		R2 290
				R8 506

The CTFL SETA made most of the flight and accommodation arrangements when members of the Council/Committees were required to travel for SETA meetings and strategic planning workshops. In some cases, members made their own travel arrangements and the SETA reimbursed them or their organisations for these expenses. The total amount paid in this regard was R11,236 (2009/10 : R12,870).

Member	Date	Meeting	Amount paid	Details
Cape Clothing Association (J Baard)	26 – 27 January 2011	Amalgamation Task Team	R4 945	Refund: Flights and Accommodation
Cape Clothing Association (J Baard, G Choice)	27 – 29 October 2011	Strategic Planning Workshop	R4 124	Refund: Flights
M Ngwenya	26 – 27 January 2011	Amalgamation Task Team	R508	Travel re-imburement
Watson Shoes (R Oosthuizen)	19 March 2011	CTFL SETA Council Meeting	R1 659	Refund: Accommodation
			R11 236	

The CTFL SETA Staff operated successfully in this year under the guidance of the Council and leadership of key management. The key managers, being the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have been remunerated on a cost to company basis as follows:

	Basic Salary	13th Cheque	Contributions: Pension Fund, Medical Aid, UIF, Insurance	Leave pay	Allowances: Car, Computer	Total 2010/11	Total 2009/10
PK Naicker CEO	R472 297	R38 798	R60 663	–	R41 820	R613 578	R576 153
G Layzell CFO	R404 865	R33 496	R53 205	–	R23 099	R514 665	R486 009
Total 2010/11	R877 162	R72 294	R113 868	–	R64 919	R1 128 243	
Total 2009/10	R831 426	R66 602	R101 533	–	R62 601	R1 062 162	

The CTFL SETA did not outsource any of its core functions to consultants. Consultants were utilised for specialist services such as payroll and audit consulting services. The total amount paid to consultants was R34,438 (2009/10 : R35,445).

Safety, health and environmental management policies and practices

The Council and management of the SETA remain committed to the protection of all its assets, both human and material, from exposure to risk that could arise from sub-standard practices, procedures or conditions. This is managed through the implementation of comprehensive health (including HIV Aids), safety and security policies and procedures, the training and education of staff to prevent exposure to risk and the maintenance of procedures to ensure the safety of staff and assets.

Social investment prioritisation and spending

The CTFL SETA Supply Chain Management Policies and Procedures encompass the maintenance of good corporate governance through compliance to the relevant legislation and regulations, the promotion of procurement from BEE and SMME suppliers, the application of procurement to achieve the strategic objectives as stipulated in the strategic plan and the SSP and ensuring value for money when procuring goods and services.

Human capital development

The CTFL SETA committed itself to the implementation of employment equity, the elimination of unfair discrimination and the creation of a diverse team in line with the demographic realities of South Africa. This was achieved by recruiting, training, developing and accelerating the promotional opportunities of employees from designated groups.

The senior management ensured equal employment opportunity and supported affirmative action objectives. The CTFL SETA established an Employment Equity Steering Committee, representative of all groupings, to address issues pertaining to employment equity.

A Skills Development Committee analyzed the skills development needs of the organisation and individual staff members and developed a workplace skills plan to align and address the needs effectively. The Skills Development Committee was responsible for the submission of the SETA's mandatory grant application to ETDP SETA. The CTFL SETA has successfully accessed mandatory and discretionary grants during the period under review.

A detailed report on Human Resources has been included as Annexure 2 on pages 66 to 69.

Discontinued Activities and New Projects

Projects that were successfully concluded during 2010/11

Description	Actual Beneficiaries	Conducted in conjunction with:
Work Study Project	20 learners	DUT
Aranda: NQF Level 1 Project 2	25 learners	Aranda Learnership College
SACTWU Edupeg Project 1	1039 pupils	SACTWU
Continuous Professional Development Project	22 learners	KZN DEDT
DUT: Pattern Making Short Course	18 learners	DUT
Work Experience: Stellenbosch Master Students	8 students	Stellenbosch University

New projects/activities to commence in 2011/12

Description	Planned Beneficiaries	Planned in conjunction with:
Cape Clothing Association: Misconduct Workshops	50 participants	Cape Clothing Association
Aranda: NQF Level 1 Project 3	30 learners	Aranda Learnership College
SACTWU Edupeg Project 2	225 schools	SACTWU
Work Experience: Stellenbosch Master Students	8 students	Stellenbosch University
New venture Creation Project	20 learners	Western Cape Learnership College
Team Leader Development Project	20 learners	Western Cape Learnership College
TUL Seminar Series 2011	1500 participants	KZNEDET/FP&M SETA
Continuous Professional Development Project	30 learners	KZNEDET/FP&M SETA
Women in Leadership	All stakeholders	SACTWU
Fashion Festival	All stakeholders	SACTWU
Enhancing Shop Stewards Skills	1000 shop stewards	SACTWU

Continuing Projects Description

Description	Actual Beneficiaries	Planned in conjunction with:
New Venture Management Project	48 learners	DUT
Footwear Occupational Qualification Pilot Project	34 learners/all Footwear companies	SAFLIA

Training Layoff Scheme Projects that were successfully concluded during 2010/11

Description	Actual Beneficiaries	Conducted in conjunction with:
Mario Levi	61 employees	UIF/W&R SETA
Trubok	834 employees	UIF/W&R SETA
Stroud Riley	33 employees	UIF/W&R SETA
Traffic Clothing	7 employees	UIF/W&R SETA
Gemtex	40 employees	UIF/W&R SETA

Training Layoff Scheme Continuing Projects

Description	Actual Beneficiaries	Conducted in conjunction with:
Beaches Clothing	38 employees	UIF/W&R SETA
Aranda Textiles	126 employees	UIF/W&R SETA

Performance Information

The CTFL SETA has made grants, bursaries and skills development support available to firms in the CTFL sector in line with its Strategic Plan and in an effort to reach its agreed upon targets. A detailed report on the CTFL SETA's performance against NSDS II targets have been included on pages 14 to 25.

Amalgamation Process

The amalgamation process of the CTFL SETA with FIETA and the PPP sub-sectors of MAPPP SETA has commenced and an Amalgamation Task Team, comprising organised business and labour representatives, representatives from the DHET and legal council has been engaged in intensive discussions since the Minister's announcement of the new SETA landscape in November 2010. The first order of business was the signing of a Memorandum of Understanding between the sub-sectors containing the principles guiding the amalgamation process, an outline of activities to be addressed and timelines for implementation/finalisation. One of the first activities of the Amalgamation Task Team was to develop a constitution for the FP&M SETA. An Interim Constitution was signed on 28 March 2011, giving effect to the appointment of an Interim Board to govern the FP&M SETA for the period April – September 2011. The Minister of Higher Education and Training issued a certificate of establishment for the FP&M SETA on 31 March 2011. The FP&M SETA will be fully operational with effect from 1 April 2011.

Events after reporting date

The CTFL SETA's license has expired on 31 March 2011 and all business relating to the CTFL SETA as a legal entity will be wrapped up after the year-end process has been completed. All assets of the CTFL SETA (including human resources) have been transferred to the FP&M SETA and all business will be conducted under the auspices of the FP&M SETA with effect from 1 April 2011.

SCOPA resolutions

None.

Annual Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2011

	Notes	2010/11 R'000 Actual	2009/10 R'000 Actual
REVENUE			
Non Exchange Skills Development Levy Revenue	2.1	60 990	59 039
Non Exchange Skills Development Levy Revenue: Penalties and Interest	2.2	868	584
Kwazulu Natal Department of Economic development and tourism: Special project	15	2 146	957
W&R SETA – joint collaboration project	16	3 372	7
Training layoff scheme – UIF	17	51	–
Training layoff scheme – W&R SETA	18	2 132	–
Investment income	3	3 741	3 793
Other Revenue	4	385	–
Total revenue		73 685	64 380
EXPENSES			
Employer grant and project expenses	5	(49 047)	(48 578)
Administration expenses	6	(8 362)	(7 798)
KwaZulu-Natal Department of Economic development and tourism: Special project	15	(2 146)	(957)
W&R SETA – joint collaboration project – Funds expensed	16	(3 372)	(7)
Training layoff scheme – UIF	17	(51)	–
Training layoff scheme – W&R SETA	18	(2 132)	–
Total expenses		(65 110)	(57 340)
NET SURPLUS/(DEFICIT) FOR THE PERIOD		8 575	7 040

STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

	Notes	2010/11 R'000	2009/10 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	35	131
Intangible Assets	8	2	5
		<u>37</u>	<u>136</u>
Current assets			
Receivables from non-exchange transactions	9.1	253	324
Receivables from exchange transactions	9.2	99	73
Inventories	10	30	28
Cash and cash equivalents	11	78 419	59 363
		<u>78 801</u>	<u>59 788</u>
TOTAL ASSETS		<u>78 838</u>	<u>59 924</u>
LIABILITIES			
Current liabilities			
Trade and Other Payables non-exchange transactions	14.1	18 408	8 531
Trade and Other Payables – exchange transactions	14.2	538	418
Kwazulu Natal Department of Economic development and tourism: Special project received in advance	15	637	235
W&R SETA funds received in advance	16	621	1 993
Training layoff scheme – UIF funds received in advance	17	992	–
Training layoff scheme – W&R funds received in advance	18	319	–
Total Liabilities		<u>21 515</u>	<u>11 177</u>
NET ASSETS		<u>57 323</u>	<u>48 747</u>
NET ASSETS			
Administration reserve	20	37	136
Employer grant reserve	20	102	34
Discretionary reserve	20	57 184	48 577
		<u>57 323</u>	<u>48 747</u>
TOTAL NET ASSETS AND LIABILITIES		<u>57 323</u>	<u>48 747</u>

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2011

	Notes	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Unappropriated surplus R'000	Total R'000
Balance at 31 March 2009		238	273	41 197	–	41 708
Restated balance		238	273	41 197	–	41 708
Net surplus per Statement of Financial performance		–	–	–	7 040	7 040
Allocation of unappropriated surplus	1	(418)	7 461	(3)	(7 040)	–
Excess reserves transferred to Discretionary reserve		316	(7699)	7 383	–	–
Balance at 31 March 2010		136	34	48 577	–	48 748
Net surplus per Statement of Financial performance		–	–	–	8 575	8 575
Allocation of unappropriated surplus	1	(725)	8 974	326	(8 575)	–
Excess reserves transferred to Discretionary reserve		626	(8 906)	8 281	–	–
Balance at 31 March 2011		37	102	57 184	–	57 323

CASH FLOW STATEMENT

for the year ended 31 March 2011

	Notes	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		70 266	64 378
Levies, interest and penalties received	2	62 187	60 413
Other cash receipts from stakeholders		8 079	3 965
Cash paid to stakeholders, suppliers and employees		(54 897)	(59 294)
Grants and project payments		(39 756)	(51 544)
Special projects		(7 701)	(964)
Compensation of employees	6.1	(4 442)	(4 179)
Payments to suppliers and other		(2 998)	(2 607)
<i>Cash generated from operations</i>	19	15 369	5 084
Investment income	3	3 741	3 793
Movement on reserves		–	–
Net cash outflow from operating activities		19 110	8 877
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and Intangibles	7 & 8	(60)	(19)
Proceeds from disposal of property, plant and equipment	7	6	–
Net cash (outflow) from investing activities		(54)	(19)
Net increase in cash and cash equivalents		19 056	8 858
Cash and cash equivalents at beginning of year	11	59 363	50 505
Cash and cash equivalents at end of year	11	78 419	59 363

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

1. Basis of preparation

The annual financial statements have been prepared on a going concern and on the historical basis unless otherwise stated in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).

Standard of GRAP

GRAP 1:	Presentation of annual financial statements
GRAP 2:	Cash flow statements
GRAP 3:	Accounting policies, changes in accounting estimates and errors
GRAP 4:	Effects of changes in Foreign Exchange Rates
GRAP 5:	Borrowing Costs
GRAP 9:	Revenue from Exchange Transactions
GRAP 12:	Inventories
GRAP 13:	Leases
GRAP 14:	Events after the Reporting Date
GRAP 17:	Property Plant and Equipment
GRAP 19:	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100:	Non-current Assets held for sale and Discontinued Operations
GRAP 102:	Intangible assets

- 1.1 The cash flow statement can only be prepared in accordance with the direct method.
- 1.2 Specific information has been presented separately on the statement of financial position such as:
 - (a) receivables from non-exchange transactions, including taxes and transfers;
 - (b) taxes and transfers payable;
 - (c) trade and other payables from non-exchange transactions
- 1.3. Amount and nature of any restrictions on cash balances is required.

The principal accounting policies adopted in the preparation of the annual financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

2. Currency

The annual financial statements are presented in South African Rands since that is the currency in which the majority of the entity transactions are denominated.

3. Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be reliably measured.

3.1 Levy income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies of the SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS).

80% of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund).

Levy income is recognised on the accrual basis in the SETA's financials.

The SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected it may result in grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant over payment, net of bad debts and provision for irrecoverable amounts.

Revenue is adjusted for Inter SETA transfers due to employers changing SETA's. Such adjustments are separately disclosed as Inter SETA transfers. The amount of the Inter SETA adjustment is calculated according to the Standard Operating Procedures issued by the Department of Higher Education & Training (DHET) on 15 May 2007.

When a new employer is transferred to the SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity. The SDL transfer is measured at the fair value of the consideration received.

Skills Development Levy (SDL) income is recognized when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education & Training (DHET) either makes an allocation or payment, whichever comes first, to the SETA, as required by section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999).

3.2 *Interest and penalties*

Interest and penalties on the skills development levy is recognised on the earlier of the time the Department of Higher Education & Training (DHET) makes the allocation or payment of the funds in the bank account of the SETA.

3.3 *Funds allocated for SPECIAL PROJECTS*

Funds transferred to the SETA on all special projects are accounted for in the Annual Financial Statements of the SETA as a liability until the related eligible special projects expenses are incurred, when the liability is extinguished and revenue recognised.

3.4 *Government grants and other donor income*

Conditional government grants and other conditional donor funding received are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the period necessary to match the grants with the related costs which they are intended to compensate. Unconditional grants received are recognised when the amounts have been received.

3.5 *Investment income*

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

4. *Grants and project expenditure*

A registered company may recover its total levy payment by complying with the grant criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Act 1999 (Act No 9 of 1999).

Mandatory grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the agreed upon cut-off period and the application has been approved as the payment then becomes probable. The grant is equivalent to 50% (2009/10 : 50%) of the total levies paid by the employer during the corresponding financial period for the skills grant respectively.

Discretionary grants

A SETA may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. The grant payable and the related expenditure are recognised when the application has been approved to the extent that the conditions of the grant have been met.

Project expenditure

Project expenditure comprises:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Project costs are recognised as expenses in the period in which they are incurred and to the extent that conditions are met. A receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

5. Commitments

Commitments are disclosed where the SETA has in the normal course of its operations, entered into a contractual agreement with entities either related to discretionary grants or project expenses which have not yet become due for payment.

6. Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA,
- The Skills Development Act,
- Skills Development Levies Act

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which it is incurred.

7. Property, plant and equipment

Property, plant and equipment are stated at historical cost less any subsequent accumulated depreciation and adjusted for any impairment. An impairment, residual and useful life review is done annually. The cost model is used as the basis of measurement after initial recognition of the asset. Depreciation is calculated on the straight-line method to write off the cost of each asset to estimated residual value over its estimated useful life as follows:

- | | |
|---------------------------------|-----------|
| – Computer equipment | 20% – 33% |
| – Office furniture and fittings | 20% – 33% |
| – Office equipment | 20% – 33% |

The estimated useful life of the assets are limited to the remaining period of the licence issued to the SETA by the Minister of Labour. For the current year the remaining period is 0 year (2009/10 : 1 year).

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

8. Intangible assets

Computer Software and Licences

Acquired computer software and licences are carried at cost less any accumulated amortisation and any impairment losses. Amortisation on these costs is provided to write down the intangible assets, on a straight-line basis, over their useful life.

Software	End of CTFL SETA licence – 2011
Licence	Term of licence

9. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less any costs of completion and costs to be incurred in marketing, selling and distribution. Cost is determined on the following basis: Inventory is valued on invoiced cost.

10. Provisions

Provisions are recognised when the SETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Long-term provisions are discounted to net present value. There were no provisions accounted for in the annual financial statements.

11. Accruals for employee entitlements

Bonus and leave accruals are recognised during the period in which the employee renders the related service. Bonus and leave accruals are recognised when they accrue to employees. An accrual is made for the estimated liability as a result of services rendered by employees up to the reporting date.

12. Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the SETA's Statement of Financial position when the SETA becomes a party to the contractual provisions of the instrument.

All ordinary purchases and sales of financial assets are initially recognised on transaction date.

Measurement

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The SETA's principle financial assets are accounts and other receivables and cash and cash equivalents.

Accounts and other receivables

Accounts and other receivables are stated at amortised costs and reduced by appropriate allowances for estimated irrecoverable amounts which are written off.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and subjected to an insignificant risk of changes in value, these are initially and subsequently recorded at fair value.

Financial liabilities

The SETA's principal financial liabilities are accounts payables. Financial liabilities are measured initially at fair value but subsequently at amortised cost.

13. Reserves

Equity are sub-classified in the Statement of Financial position between the following funds and reserves:

- Administration reserve
- Employer grant reserve
- Discretionary reserve

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).

Member employer company levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

	2010/11 %	2009/10 %
Administration costs of the SETA	10	10
Employer Grant Fund Levy	50	50
Mandatory Workplace Skills	50	50
Discretionary grants and projects	20	20
	80	80

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to pay for its administration costs.

Interest and penalties received from SARS are utilised for discretionary grants. Other income received is utilised in accordance with the original source of the income.

The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above. The amount retained in the administration reserve equates to the net book value of property plant and equipment and intangible assets. Excess cash reserves are transferred to the discretionary reserve.

Surplus funds in the employer grant reserve are transferred to the discretionary reserve at the end of the financial year. An amount is retained in the employer grant reserve, after consideration is given to new companies, which in terms of the regulations, has six months after joining to submit their work place skills plan.

14. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

15. Taxation

No provision has been made for taxation, as the SETA is exempt from income tax in terms of Section 10 of the Income Tax Act.

16. Operating Leases

Payments made under operating leases are deducted in arriving at net profit/loss on the straight line basis over the period of the lease.

17. Contingencies

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury, should an application for retention of surplus funds be denied. We have on the 31 May 2011 submitted an application to the Department of Higher Education & Training (DHET) for retention of surplus funds. As in the previous year CTFL SETA expects that National Treasury will approve the retention of surplus funds.

In terms of the PFMA, all new companies which have registered with SARS in the last six months of the financial year were still able to submit a work place skills plan and receive mandatory grants, this resulted in a contingency liability of R102 000 in the mandatory grant reserves on the statement of Financial position.

18. Related Party transactions

Transactions are disclosed as other related party transactions where the SETA has in the normal course of its operations, entered into certain transactions with entities either related to the Department of Higher Education & Training (DHET) or which had a nominated representative serving on the SETA accounting authority.

Transactions are disclosed as other related party transactions where Inter SETA transactions arise due to the movement of employees from one SETA to another.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2011

1. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES:

2010/11	Notes	Employer Reserve					Total Discretionary
		Total per Statement of Performance	Administration Reserve	Mandatory Grants	Discretionary Grants	Special Projects	
		R'000	R'000	R'000	R'000	R'000	
Total revenue		73 685	7 637	38 118	20 229	7 701	27 930
Skills development levy: income	2.1						
Administration levy income (10%)		7 637	7 637	-	-	-	-
Grant levy income (70%)		53 353	-	38 118	15 235	-	15 235
Skills development levy: penalties and interest	2.2	868	-	-	868	-	868
KZN DED & Tourism: Special project	15	2 146	-	-	-	2 146	2 146
W&R SETA – joint collaboration project	16	3 372	-	-	-	3 372	3 372
Training layoff scheme – UIF	17	51	-	-	-	51	51
Training layoff scheme – W&R SETA	18	2 132	-	-	-	2 132	2 132
Investment income	3	3 741	-	-	3 741	-	3 741
Other revenue	4	385	-	-	385	-	385
Total expenses		65 110	8 362	29 144	19 903	7 701	27 604
Administration expenses	6	8 362	8 362	-	-	-	-
Finance costs		-	-	-	-	-	-
KZN DED & Tourism: Special project	15	2 146	-	-	-	2 146	2 146
W&R SETA – joint collaboration project	16	3 372	-	-	-	3 372	3 372
Training layoff scheme – UIF	17	51	-	-	-	51	51
Training layoff scheme – W&R SETA	18	2 132	-	-	-	2 132	2 132
Employer grants and project expenses		49 047	-	29 144	19 903	-	19 903
Net surplus per Statement of Performance allocated		8 575	(725)	8 974	326	-	326
			#				
2009/10	Note						
Total revenue		64 380	7 380	36 912	19 124	964	20 088
Skills development levy: income	2.1						
Administration levy income (10%)		7 380	7 380	-	-	-	-
Grant levy income (70%)		51 659	-	36 912	14 747	-	14 747
Skills development levy: penalties and interest	2.2	584	-	-	584	-	584
KZN DED & Tourism: Special project	15	957	-	-	-	957	957
W&R SETA – joint collaboration project	16	7	-	-	-	7	7
Investment income	3	3 793	-	-	3 793	-	3 793
Other revenue		-	-	-	-	-	-
Total expenses		57 340	7 798	29 451	19 127	964	20 091
Administration expenses	6	7 798	7 798	-	-	-	-
Finance costs		-	-	-	-	-	-
KZN DED & Tourism: Special project	15	957	-	-	-	957	957
W&R SETA – joint collaboration project	16	7	-	-	-	7	7
Employer grants and project expenses		48 578	-	29 451	19 127	-	19 127
Net surplus/(deficit) per Statement of Performance allocated		7 040	(418)	7 461	(3)	-	(3)
			#				

Approval was granted by the Minister of Higher Education and Training to exceed the 10% administration income due to the decrease in skills levies and the high increase in Audit fees.

2. NON-EXCHANGE SKILLS DEVELOPMENT LEVY REVENUE AND INTEREST AND PENALTIES

2.1 NON-EXCHANGE SKILLS DEVELOPMENT LEVY REVENUE

The total levy revenue, excluding interest and penalties, per the Statement of Performance is as follows:

	2010/11 R'000	2009/10 R'000
Levy Revenue: Administration	7 637	7 380
Levies received	7 678	7 479
Levies received from SARS	7 656	7 486
Inter SETA transfers in	22	5
Inter SETA transfers out	–	(12)
Levies accrued for levies and Inter SETA transfers	(41)	(99)
Levy revenue: Employer Grants	38 118	36 912
Levies received	38 324	37 406
Levies received from SARS	38 212	37 441
Inter SETA transfers in	112	27
Inter SETA transfers out	–	(62)
Levies accrued for levies and Inter SETA transfers	(206)	(494)
Levy revenue: Discretionary Grants	15 235	14 747
Levies received	15 317	14 944
Levies received from SARS	15 272	14 952
Inter SETA transfers in	45	11
Inter SETA transfers out	–	(19)
Levies accrued for levies and Inter SETA transfers	(82)	(197)
	60 990	59 039
2.2 NON-EXCHANGE SKILLS DEVELOPMENT LEVY REVENUE: PENALTIES AND INTEREST		
Interest and Penalties		
Interest and Penalties received	868	584
	868	584
3. INVESTMENT INCOME		
Interest income	3 741	3 793
Interest income received	3 708	3 777
Accrued Interest	33	16
	3 741	3 793
4. OTHER REVENUE		
Other	385	–
Duty Credit Certificate (DCC)	383	–
Saqa holograms	2	–
	385	–

	Notes	2010/11 R'000	2009/10 R'000
5. EMPLOYER GRANT AND PROJECT EXPENSES			
Mandatory grants		29 144	29 451
Disbursed		21 451	28 607
Movement in provisions and accruals		7 693	844
Discretionary grants		19 903	19 127
Disbursed		18 306	22 937
Movement in provisions and accruals		1 597	(3 810)
Movement in provisions and accrual		49 047	48 578
6. ADMINISTRATION EXPENSES			
Depreciation		135	102
Amortisation		16	12
Loss/(profit) on disposal of property, plant and equipment		(3)	6
Operating lease rentals (minimum lease payments)	22	828	868
Buildings		828	868
Maintenance, repairs and running costs		3	2
Machinery and equipment		–	–
Other repairs		3	2
Advertising, marketing and promotions, communication		–	3
Consultancy and service provider fees		34	37
Legal fees		4	–
Cost of employment	6.1	4 442	4 179
Travel and subsistence		476	272
Staff training and development	6.2	–	(15)
Research and development costs		520	520
Remuneration to members of the audit committee		9	7
External auditor's remuneration		1 137	1 304
Audit fees		1 137	1 304
Specialised Audit fees		66	–
Bad debts written off		67	13
Other		628	488
Workshops and Functions		71	43
Sundry		371	272
Computer Expenses		16	12
Staff workshops		2	27
Electricity		24	17
Bank Charges		31	32
Insurance		37	35
Motor expenses		37	17
Office Expenses		29	23
Postages		34	24
Printing and Publications		30	32
ETQA		94	23
Stationery		25	18
Subscriptions and Memberships		12	13
Telephone		186	172
		8 362	7 798

	Notes	2010/11 R'000	2009/10 R'000
6.1 Cost of employment			
Salaries and wages		3 942	3 743
Basic salaries		3 930	3 769
Leave payments/adjustment of accruals		12	(26)
Social contributions		500	436
Medical aid contributions		49	37
Provident fund contributions: defined contribution plans	12	317	262
UIF		25	25
Insurance		60	55
Other salary related costs		49	57
		4 442	4 179
<i>Allocation of cost of employment</i>			
Administration expenses	6	4 442	4 179
		4 442	4 179
Average number of employees		19	19
6.2 Staff Training and Development			
Grants Received from ETDP SETA		(2)	(34)
Staff Training expenditure		2	19
		-	(15)

7. PROPERTY, PLANT AND EQUIPMENT

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing Carrying Amount R'000
For the year ended 31 March 2011			
Computer equipment	309	(307)	2
Office furniture and fittings	297	(272)	25
Office equipment	255	(247)	8
Balance at end of March 2011	861	(826)	35
For the year ended 31 March 2010			
Computer equipment	330	(281)	49
Office furniture and fittings	297	(246)	51
Office equipment	261	(230)	31
Balance at end of March 2010	888	(757)	131

Movement summary 2011

Computer equipment
Office furniture and fittings
Office equipment
Balance at end of March 2011

Notes

Carrying Amount 2011 R'000	Additions R'000	Disposals R'000	Depreciation Amortisation charge R'000	Accumulated Depreciation on Disposals R'000	Marketing Discretionary Depreciation exp R'000	Carrying Amount 2011 R'000
49	25	(46)	(67)	45	(4)	2
51	3	(3)	(29)	3	–	25
31	19	(25)	(39)	23	(1)	8
131	47	(74)	(135)	71	(5)	35

Movement summary 2010

Computer equipment
Office furniture and fittings
Office equipment
Balance at end of March 2010

27
27
27

Carrying Amount 2010 R'000	Additions R'000	Disposals R'000	Depreciation Amortisation charge R'000	Accumulated Depreciation on Disposals R'000	Marketing Discretionary Depreciation exp R'000	Carrying Amount 2010 R'000
95	5	(87)	(49)	86	(1)	49
76	1	–	(26)	–	–	51
60	3	(81)	(26)	75	–	31
231	9	(168)	(101)	161	(1)	131

8. INTANGIBLE ASSETS

For the year ended 31 March 2011

Computer software
Software licences

Cost R'000	Accumulated amortisation R'000	Closing carrying amount R'000
16	(16)	–
38	(36)	2
54	(52)	2

For the year ended 31 March 2010

Computer software
Software licences

Cost R'000	Accumulated amortisation R'000	Closing carrying amount R'000
11	(9)	2
30	(27)	3
41	(36)	5

Movement summary 2011

Computer software
Software licences
Balance at end of March 2011

Carrying amount 2010 R'000	Additions R'000	Amortisation charge R'000	Carrying amount 2011 R'000
2	5	(7)	–
3	8	(9)	2
5	13	(16)	2

Movement summary 2010

Computer software note
Software licences
Balance at end of March 2010

26.2
26.2

Carrying amount 2009 R'000	Additions R'000	Amortisation charge R'000	Carrying amount 2010 R'000
5	–	(3)	2
2	10	(9)	3
7	10	(12)	5

	Notes	20010/11 R'000	2009/10 R'000
9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS AND EXCHANGE TRANSACTIONS			
9.1 Receivables from non-exchange transactions		253	324
Inter SETA debtors	25.1	1	63
Employer receivables overpayments due to SARS Reversals	9.1.1	252	261
		253	324
9.1.1 Employer receivables overpayments due to SARS Reversals			
Employer receivable		503	476
Overpayment to employers		503	476
Allowance for doubtful debts		(251)	(215)
Open carrying amount		(215)	(329)
Increase/(decrease) in current year provision		(36)	114
Net effect of SARS retrospective adjustments on affected employers		252	261
R503,000 (2009/10 : R476,000) was recognised as a receivable relating to the overpayment to the employer in earlier periods and is based on the amount of such grant overpayments.			
9.2 Receivables from exchange transactions			
Deposits		23	13
Interest receivable		33	16
Prepaid expenses		–	12
Sanlam/staff training		43	32
		99	73
10. INVENTORIES			
Opening carrying amount		28	30
Purchases		47	38
Amounts utilised		(45)	(40)
Inventory sold		–	–
		30	28
Inventories comprises a bulk purchase of photostat paper for office use.			
11. CASH AND CASH EQUIVALENTS			
Cash at bank and in hand		78 419	59 363
Cash at bank		78 414	59 358
Cash on hand		5	5
Cash and cash equivalents at end of year		78 419	59 363

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held.

Cash includes cash on hand and cash with banks. Cash equivalents are short term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and that are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

	Notes	2010/11 R'000	2009/10 R'000																																
12. DEFINED CONTRIBUTION PLAN																																			
Contributions Made	6.1	317	262																																
		<u>317</u>	<u>262</u>																																
<p>CTFL SETA specifies that not more than 10% of the employees' salary package be contributed to Sanlam Investments pertaining to the staffs' provident fund. The employees future benefits depend on the operating efficiency and investment earnings of the fund. Returns of the fund was between 13% and 32% for the current year (2009/10 : 13% – 32%) No obligation for any post retirement benefits exists in the future.</p>																																			
13. SURPLUS FUNDS TRANSFERABLE TO NATIONAL TREASURY																																			
Open carrying amount		–	–																																
Transfers of excess funds from:																																			
SDL: Administration reserve		–	–																																
SDL: Employer Grant reserve		102	34																																
Discretionary reserve		57 184	48 577																																
Amounts transferred to Administration reserve		37	136																																
Application for approval for accumulation		(57 323)	(48 747)																																
Closing carrying amount		<u>–</u>	<u>–</u>																																
14. TRADE AND OTHER PAYABLES NON-EXCHANGE AND EXCHANGE TRANSACTIONS																																			
14.1 Trade and Other Payables non-exchange transactions		18 408	8 531																																
Trade and Other Payables non-exchange transactions:																																			
Mandatory Grants		11 964	4 281																																
Trade and Other Payables non-exchange transactions:																																			
Discretionary Grants		2 573	976																																
Sars Payable	14.3	3 219	2 889																																
Inter SETA payables	25.1	–	2																																
Duty Credit Certificate (DCC) Holdings Account		652	383																																
14.2 Trade and Other Payables – exchange transactions		538	418																																
Sundry payables		416	308																																
Bonus and leave payable		122	110																																
		<u>18 946</u>	<u>8 949</u>																																
<table border="1"> <thead> <tr> <th></th> <th>Opening balance R'000</th> <th>Additions R'000</th> <th>Closing Balance R'000</th> </tr> </thead> <tbody> <tr> <td>14.3 SARS Payables</td> <td></td> <td></td> <td></td> </tr> <tr> <td> For the year ended 31 March 2011</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Levies incorrectly received</td> <td>2 889</td> <td>330</td> <td>3 219</td> </tr> <tr> <td></td> <td><u>2 889</u></td> <td><u>330</u></td> <td><u>3 219</u></td> </tr> <tr> <td> For the year ended 31 March 2010</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Levies incorrectly received</td> <td>2 037</td> <td>852</td> <td>2 889</td> </tr> <tr> <td></td> <td><u>2 037</u></td> <td><u>852</u></td> <td><u>2 889</u></td> </tr> </tbody> </table>					Opening balance R'000	Additions R'000	Closing Balance R'000	14.3 SARS Payables				For the year ended 31 March 2011				Levies incorrectly received	2 889	330	3 219		<u>2 889</u>	<u>330</u>	<u>3 219</u>	For the year ended 31 March 2010				Levies incorrectly received	2 037	852	2 889		<u>2 037</u>	<u>852</u>	<u>2 889</u>
	Opening balance R'000	Additions R'000	Closing Balance R'000																																
14.3 SARS Payables																																			
For the year ended 31 March 2011																																			
Levies incorrectly received	2 889	330	3 219																																
	<u>2 889</u>	<u>330</u>	<u>3 219</u>																																
For the year ended 31 March 2010																																			
Levies incorrectly received	2 037	852	2 889																																
	<u>2 037</u>	<u>852</u>	<u>2 889</u>																																

	2010/11 R'000	2009/10 R'000
15. KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT & TOURISM: SPECIAL PROJECTS		
Opening balance	235	–
Receivable during the year	2 548	1 192
Committed to KZN DEDT & CTFL SETA project seminar & CPD programmes	2 146	957
Committed to KZN DEDT & CTFL SETA project seminar & CPD programmes but not spent	402	235
	2 783	1 192
Course fees	(2 146)	(957)
Closing Balance	637	235
16. W&R SETA AND CTFL SETA JOINT COLLABORATION PROJECT		
Opening balance	1 993	–
Received during the year	2 000	2 000
W&R SETA joint collaboration project – learnership	2 000	2 000
	3 993	2 000
Utilised and recognised as revenue – conditions met:	(3 372)	(7)
Closing balance	621	1 993
During the current year conditional funds of R2 000 000 (2009/10 : R2 000 000) were received from W&R SETA. This amount was recognised as a liability until the conditions attached are met.		
17. TRAINING LAYOFF SCHEME – UIF		
Opening balance	992	–
Received during the year	1 043	–
Company disbursements	(51)	–
Closing balance	992	–
18. TRAINING LAYOFF SCHEME – W&R SETA		
Opening balance	319	–
Received during the year	2 451	–
Utilised and recognised as revenue – conditions met:	(2 132)	–
Closing balance	319	–
19. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS/(DEFICIT)		
Net surplus as per Statement of Financial performance	8 575	7 040
Adjusted for non-cash items:		
Depreciation and Amortisation	151	114
(Profit)/loss on disposal of property, plant and equipment	(3)	6
Bad debts written off	67	13
Adjusted for items separately disclosed:		
Investment income	(3 741)	(3 793)
Adjusted for working capital changes:		
(Increase)/decrease in receivables	(26)	1 563
Increase/(decrease) in payables	10 338	139
(Increase)/decrease in Inventory	(2)	2
Cash generated from/(utilised in) operations	15 369	5 084

2010/11 R'000	2009/10 R'000
------------------	------------------

20. CONTINGENCIES**Surplus Funds**

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. As at year-end, this amount could not be quantified as National Treasury has not defined any surplus funds. No formal approval has been obtained from National Treasury to retain these surplus funds. However the application to retain these funds has been submitted to Treasury on 31 May 2011.

Administration Reserve	37	136
Employer Grants Reserve	102	34
Discretionary Grants Reserve	57 184	48 577
	<u>57 323</u>	<u>48 747</u>

21. COMMITMENTS

Of the balance of R 57,184 million available in the Discretionary Reserve at the end of March 2011, R 56,198 million has been approved and contractually committed. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury on the 31 May 2011. At the time of compiling the annual financial statements, no reply had been received.

COMMITMENTS

Funded from Discretionary Funds Reserves

Closing balance of Prior year commitments 2009/10 R'000	Prior year Error R'000	New commitments Voted & Approved by Accounting Authority R'000	Adjustments to Project Commitments R'000	Balance after Reallocation R'000	Expenditure 2010/11 R'000	Voted & Contractually Committed 2010/11 R'000
---	------------------------	--	--	----------------------------------	---------------------------	---

NSDS 2 PROJECTS**OBJECTIVE 1:**

Indicator 1.1

Project 1

Indicator 1.2

Ind 1.2A: Design and print critical skills guide and distribute to learners.

73	–	60	(60)	73	–	73
					–	
<u>73</u>	<u>–</u>	<u>60</u>	<u>(60)</u>	<u>73</u>	<u>–</u>	<u>73</u>

SUBTOTAL OBJECTIVE 1**OBJECTIVE 2:**

Ind 2.2: Support to Small Companies

Ind 2.2A: Skills Development Projects for small companies

Project 3: Mechanician: Small Companies

Project 7: CTFL SMME : Small Companies

Project 9 :SITT Mechanician Operators Project 2

Project 10–SITT modular training course on sewing machine repairs & maintenance of industrial machines

Project 11 – Sew Africa

Ind 2.2B: ETDP Bursaries for Small Companies

Ind 2.2C: Learnership Grants for small companies

Ind 2.2D: Management Bursaries for small Co's

Ind 2.2E: Sector Skills Facilitation (WSPs)

Project 2 : Annual NSA Good Practice Award

Ind 2.5 Support to small BEE firms and co-operatives

Ind 2.7 Bursaries support to workers to achieve ABET

Ind 2.8A: Learnership grants for workers (18.1 learners)

Ind 2.8B: Technologist Bursaries for Workers

Ind 2.8C: Management Bursaries for workers

Ind 2.8D: UCT Adult Education Project for workers (ETDP)

Ind 2.8E Sewing Machine Mechanics

187	–	1 925	(1 333)	779	–	779
30	–	–	–	30	–	30
147	–	–	–	147	–	147
53	–	–	–	53	–	53
50	–	–	–	50	–	50
148	–	–	(148)	–	–	–
118	–	100	58	276	(8)	268
840	–	400	(380)	860	–	860
210	–	120	(54)	276	–	276
654	–	1 797	–	2 451	(1 112)	1 339
–	–	150	(50)	100	(100)	–
182	–	180	268	630	(17)	613
4 296	–	1 400	(631)	5 065	(312)	4 753
7 584	–	2 000	3 662	13 246	(3 028)	10 218
1 696	–	1 600	(160)	3 136	(50)	3 086
5 177	–	960	(826)	5 311	(152)	5 159
–	–	500	(500)	–	–	–
653	–	–	450	1 103	(113)	990

COMMITMENTS cont.

Notes	Closing balance of	Prior year Error R'000	New commitments Voted & Approved by Accounting Authority R'000	Adjustments to Project Commitments R'000	Balance after Reallocation R'000	Expenditure 2010/11 R'000	Voted & Contractually Committed 2010/11 R'000
	Prior year commitments 2009/10 R'000						
Ind 2.8 F Work Study Bursaries	223	–	100	–	323	(39)	284
Ind 2.8 G Textile Apprentices	1 043	–	1 600	982	3 625	(365)	3 260
Ind 2.8 H: Liberec (JIPSA) masters programs	70	–	–	30	100	(97)	3
Ind2.8I: Patternmaking Grants	274	–	–	195	469	(68)	401
Ind2.8I: Project 1a Computer Patternmaking – Dut	–	–	200	(200)	–	–	–
Ind2.8I: Project 4 CPUT High Level Operator	9	–	–	–	9	–	9
Ind2.8I: Project 5 CPUT Atlantis Cluster	100	–	–	–	100	–	100
Ind: 2.8I Project 9: KZN DED & CTFL SETA project – seminar & CPD programs	269	–	5 096	(402)	4 963	(2 146)	2 817
SUBTOTAL OBJECTIVE 2	24 013	–	18 128	961	43 102	(7 607)	35 495
OBJECTIVE 3:							
Ind 3.2: Support to NLPs, CBOs and NGOs (accreditation & grant support)	22	–	8	(8)	22	–	22
SUBTOTAL OBJECTIVE 3	22	–	8	(8)	22	–	22
Ind 4.1A: Technologist Bursaries for Unemployed learners	1 064	–	1 495	–	2 559	(580)	1 979
Ind 4.1B: Learnership grants for unemployed learners (18.2 Learners)	8 793	–	4 000	–	12 793	(4 440)	8 353
Ind 4.2 Work experience grants (includes technologist bursaries for R1635 000)	2 132	–	125	(63)	2 194	(50)	2 144
Ind 4.3: New venture creation grants	367	–	200	193	760	(181)	579
Ind 4.3 : Project 1 : DUT NVC Mgt Programme	201	–	–	–	201	–	201
SUBTOTAL OBJECTIVE 4	12 557	–	5 820	130	18 507	(5 251)	13 256
OBJECTIVE 5:							
Ind 5.1: Recognise and Support ISOEs (CoEs)	–	–	703	(513)	190	–	190
Project 3: COE administration support: DUT	–	–	–	190	190	(190)	–
Project 5: COE administration support: CPUT	–	–	–	190	190	(190)	–
Project 2: Apprenticeship Project Proposal: Unit Standards Project	13	–	–	–	13	(12)	1
Project 6 : Learnership Verification	15	–	–	–	15	–	15
Ind 5.3D: Improve training provision for the F & L Sector (FITF)	2 716	–	–	(2 222)	494	–	494
Project 7: Footwear Occupational Qualification Pilot Project	–	–	–	2 222	2 222	(2 222)	–
Project 8 : Leather Bursary Fund	85	–	–	–	85	–	85
Ind 5.3E: Implement NQF level 1 learnerships at identified FET Colleges	–	–	–	155	155	–	155
Project 1: ETQA NOF Level 1	10	–	–	–	10	–	10
Aranda –NQF 1 clothing qualification	15	–	–	–	15	–	15
Project 4: FET College: NQF Level 1 Rollout – Umgungungdlovu College	113	–	–	–	113	–	113
Project 5: Aranda – NQF 1 Clothing manufacturing processes	–	–	–	600	600	(240)	360

Annual Financial Statements cont.

COMMITMENTS cont.

	Notes	Closing balance of Prior year commitments 2009/10 R'000	Prior year Error R'000	New commitments Voted & Approved by Accounting Authority R'000	Adjustments to Project Commitments R'000	Balance after Reallocation R'000	Expenditure 2010/11 R'000	Voted & Contractually Committed 2010/11 R'000
Ind 5.3 H: Tracer Study	26.1	129	9	–	–	138	(138)	–
Ind 5.4A: Cape Town Fashion Festival		1 200	–	1 408	(1 200)	1 408	(1 400)	8
Enhancing Shop Stewards Competency on Skills Development Matters		–	–	–	1 200	1 200	(1 200)	–
Ind 5.4B: Marketing	26.1	225	(9)	500	–	716	(355)	361
Project 1: SACTWU: Monthly Payment: Labour support		9	–	233	–	242	(203)	39
Project 3: Sundry: Bursary for employee		–	–	–	–	–	–	–
Project 5 : NBC for clothing absenteeism		340	–	–	–	340	(340)	–
Project 2: Strategic Planning		–	–	282	77	359	(156)	203
Project 3: Women In Leadership Proposal		–	–	–	350	350	(350)	–
SITT Cross skills training for industrial sewing machines (NQF2)		145	–	–	–	145	–	145
QCTO Conversion of unit stds (R175000 special projects R200000 –FITF FUND)		56	–	–	–	56	(40)	16
Inter SETA Summit		89	–	–	–	89	–	89
W&R SETA Merger		137	–	–	(137)	–	–	–
TLS – Project administration costs CTFL SETA		146	–	–	–	146	(66)	80
TLS – Project costs CTFL		1 850	–	–	–	1 850	(188)	1,662
TLS - W&R SETA		–	–	–	2 132	2 132	(2 132)	–
TLS - UIF		–	–	–	51	51	(51)	–
W&R SETA learnership funds – Project administration costs		–	–	–	119	119	(119)	–
W&R SETA learnership funds to be allocated to companies		–	–	–	3 253	3 253	(3 253)	–
Sactwu – Edupeg Project		–	–	–	1 306	1 306	(1 306)	–
DUT Pattern making Course		–	–	–	100	100	(50)	50
Work study: Cluster training		–	–	–	160	160	(160)	–
Technical Training		–	–	–	150	150	–	150
Aranda -NQF 1 clothing manufacturing processes NQF 1		–	–	–	259	259	(207)	52
Cape Clothing Association: Capacity building workshop: misconduct & incapacity		–	–	–	96	96	(38)	58
University of Stellenbosch: Internship for BSC students		–	–	–	35	35	–	35
Western cape learnership college: Team leader supervisory training – subject to outcome of bench mark report as part W&R SETA collaboration project		–	–	–	200	200	–	200
Rewrite and update SSP		–	–	–	140	140	(140)	–
The Sactwu Edupeg Project		–	–	–	2,316	2,316	–	2 316
Nu law – Global Economy workshop		–	–	–	450	450	–	450
SUBTOTAL OBJECTIVE 5		7 293	–	3 126	11 679	22 098	(14 746)	7 352
TOTAL COMMITMENTS NSDS 2		43 958	–	27 142	12 702	83 802	(27 604)	56 198
TOTAL COMMITMENTS NSDS 1 & NSDS 2		43 958	–	27 142	12 702	83 802	(27 604)	56 198

2010/11 R'000	2009/10 R'000
------------------	------------------

22. OPERATING LEASES

Total of future minimum lease payments under non-cancellable leases:

Not later than one year	–	821
Later than one year and not later than five years	–	–
	–	821

The operating leases relates to building premises used as office accommodation. The current lease agreements in Durban, for 2nd and 3rd floor office premises in Umdoni Centre, Pinetown, expire on 31 March 2011. The Cape Town office lease in Premier Center, Mainroad Observatory, expires on the 31 March, 2011. The Gauteng office lease in Sewafrica House, expires on the 31 March 2011.

23. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

To the best of our knowledge, no material losses through criminal conduct, or irregular, fruitless and wasteful expenditure occurred during the period ended 31 March 2011.

24. FINANCIAL INSTRUMENTS

In the course of the SETA operations it is exposed to interest rate, credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Interest rate risk

The SETA manages its interest rate risk by investing in the financial institutions approved by National Treasury. The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at Statement of Financial Position date are as follows:

	Floating rate		Non-interest bearing	TOTAL R'000
	Amount R'000	Effective Interest rate	Amount R'000	
Year ended 31 March 2011				
Assets				
Investments	–	–	–	–
Loans	–	–	–	–
Cash and cash equivalents	78 414	6%	5	78 419
Receivables from non-exchange transactions	–	–	253	253
Receivables from exchange transactions	–	–	99	99
Total financial assets	78 414	6%	357	78 771
Liabilities				
Borrowings	–	–	–	–
Trade and Other Payables non – exchange transactions	–	–	(18 408)	(18 408)
Trade and Other Payables – exchange transactions	–	–	(538)	(538)
KZN DEDT – special project – funds received in advance	–	–	(637)	(637)
W&R SETA – joint collaboration project	–	–	(621)	(621)
Training layoff scheme – UIF	–	–	(992)	(992)
Training layoff scheme – W&R SETA	–	–	(319)	(319)
Bank overdraft	–	–	–	–
Total financial liabilities	–	–	(21 515)	(21 515)
Year ended 31 March 2010				
Total financial assets	59 358	8%	5	59 363
Receivables from non-exchange transactions	–	–	324	324
Receivables from exchange transactions	–	–	73	73
Total financial liabilities	–	–	–	–
Note 24.7	59 358	8%	402	59 760

Credit Risk

Financial assets, which potentially subject the SETA to the risk of non performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable. The maximum exposure to credit risk is equal to the carrying amount of the financial instruments.

	2010/11 Gross	2009/10 Gross
The ageing of Trade & Other Receivable from non-exchange transactions:		
Past due 31 – 120 days	253	324
More than one year	–	–
The ageing of Trade & Other Receivable from exchange transactions:		
Past due 0 – 30 days	33	16
Past due 31 – 120 days	43	33
More than one year-deposits	23	13
Cash and Cash Equivalents:		
Not past due	78 414	59 358

The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulation. The SETA's exposure is continuously monitored by the Executive Committee.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party. The SETAs concentration of credit risk is limited to the industry in which the SETA operates. No significant events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt.

Liquidity Risk

The SETA manages liquidity risk through proper management of working capital, capital expenditure. Adequate reserves and liquid resources are maintained.

2010/11	Carrying Amount	Contractual Cash Flows	6 months or less	1 – 2 years	More than 2 years
Trade and other Payables from exchange transactions	538	538	416	122	–
2009/10	Carrying Amount	Contractual Cash Flows	6 months or less	1 – 2 years	More than 2 years
Trade and other Payables from exchange transactions	418	418	308	–	109

Market risk

The SETA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the SETA are aware of.

Fair values

The SETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of its fair value.

No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts receivable

The carrying amount of accounts receivable, net of allowance for impairment, approximates fair value due to the relatively short-term maturity of these financial assets. Interest is levied at the prescribed rate as determined by the Act should Employers pay Skills Development Levy late. This interest is then transferred to the SETA via DoL.

Accounts payable

The carrying amount of account and other payables approximates fair value due to the relatively short-term maturity of these financial liabilities. (Includes possibilities that are available in case of liquidity problems eg: funding resources etc).

Foreign Exchange Risk

The SETA is exposed to foreign exchange risks arising from contracts with the KZN DED project where payments are made to the University of Liberec.

25. RELATED PARTY TRANSACTIONS

25.1 Transactions with other SETAs

Inter SETA transactions and balances arise due to the movement of employers from one SETA to another. No other transactions occurred during the year with other SETAs. The parent entity of all SETAs is the Department of Higher Education and Training (DHET).

The balances at year-end included in receivables and payables are:

	Notes	2010/11 R'000		2009/10 R'000	
		Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable (payable)
Receivables	9	178	1	–	63
Services SETA		178	–	–	–
W&R SETA		–	–	–	62
MAPPP SETA		–	1	–	1
Payables	14	(2)	–	–	(2)
MAPPP SETA		(2)	–	–	(2)
Total		176	1	–	61

25.2 Transactions with other related parties

During the year members of the accounting authority and employees were required to disclose their interest in any contracts that the SETA is entering into with an outside party. As a result the SETA entered into the following transactions with related parties:

Related party	Nature of relationship	Transaction type	2010/11 R'000		2009/10 R'000	
			Amount of the transaction	Amount receivable/payable	Amount of the transaction	Amount receivable/payable
Payables			10 048	1 833	8 231	561
Frame Textiles	D Bowen (Authority Member)	Discretionary Grant	-	-	195	-
Frame Textiles	D Bowen (Authority Member)	Mandatory Grants	467	265	887	57
Associated Spinners & Aranda	F Barnard (Authority Member)	Discretionary Grant	389	37	3 110	30
Associated Spinners & Aranda	F Barnard (Authority Member)	Mandatory Grants	137	66	220	18
Aranda Leatherships College	F Barnard (Authority Member)	Discretionary Grant	4 152	-	-	-
Zenzeleni	A Kriel (Authority Member)	Discretionary Grant	-	-	68	-
Sactwu	A Kriel (Authority Member)	Discretionary Grant	-	-	147	-
Prestige Clothing	Graham Choice (Authority Member)	Discretionary Grant	221	32	68	-
Prestige Clothing	Graham Choice (Authority Member)	Mandatory Grants	86	45	114	7
Western Cape Learnership College	Graham Choice (Authority Member)	Discretionary Grant	878	149	-	-
Eddels Shoes	Jai Deepnarain (Authority Member)	Mandatory Grants	76	40	64	-
Eddels Shoes	Jai Deepnarain (Authority Member)	Discretionary Grant	-	20	180	130
Bibette(Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	17	-	158	17
Bibette(Seardel Group)	David Bowen (Authority Member)	Discretionary Grant	42	-	130	-
Cape Underwear (Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	211	89	315	33
Cape Underwear (Seardel Group)	David Bowen (Authority Member)	Discretionary Grant	-	-	90	-
Bonwit(Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	401	240	290	21
Bonwit(Seardel Group)	David Bowen (Authority Member)	Discretionary Grant	80	-	370	-
Desiree Quilted (Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	-	-	2	-
Monviso Knitwear (Seardel Group)	David Bowen/ Debbie Arends (Authority Member)	Mandatory Grants	228	141	289	14
Monviso Knitwear (Seardel Group)	David Bowen/ Debbie Arends (Authority Member)	Discretionary Grant	1 381	116	208	165
Charmfit (Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	-	-	13	-
Cygnat (Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	-	111	17	-
Romatex (Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	177	-	243	20
Prestige Lingerie (Seardel Group)	David Bowen (Authority Member)	Mandatory Grants	290	151	315	35
Promo Bag	Sharah Singh (Authority Member)	Mandatory Grants	7	6	12	1
Promo Bag	Sharah Singh (Authority Member)	Discretionary Grant	29	28	6	7
Midlands Weaving (Zorbatex Group)	Mike Wood (Authority Member)	Mandatory Grants	17	8	19	2
Midlands Weaving (Zorbatex Group)	Mike Wood (Authority Member)	Discretionary Grant	27	-	12	-
Nambithi Dyehouse (Zorbatex Group)	Mike Wood (Authority Member)	Discretionary Grant	14	-	6	-
Nambithi Dyehouse (Zorbatex Group)	Mike Wood (Authority Member)	Discretionary Grant	-	3	-	-
Neat Packaging (Zorbatex Group)	Mike Wood (Authority Member)	Mandatory Grants	17	9	20	2
Panga Techserve (Zorbatex Group)	Mike Wood (Authority Member)	Mandatory Grants	16	8	19	2

/cont.

Transactions cont.

Payables

Related party	Nature of relationship	Transaction type	2010/11 R'000		2009/10 R'000	
			Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
Mario Levi	Anna Marie Hiscock (Authority Member)	Mandatory Grants	31	-	53	-
Mario Levi	Anna Marie Hiscock (Authority Member)	Discretionary Grant	26	-	-	-
SRF Industex	Anna Marie Hiscock (Authority Member)	Mandatory Grants	203	50	-	-
DB Apparel	Lize van Zyl (Authority Member)	Discretionary Grant	30	-	42	-
DB Apparel	Lize van Zyl (Authority Member)	Mandatory Grants	244	124	310	-
Prima Toys	David Bowen (Authority Member)	Mandatory Grant	123	64	216	-
Brits Textiles	David Bowen (Authority Member)	Mandatory Grants	31	19	23	-
Mossop Western Leather	Julie van Blerk (Authority Member)	Discretionary Grant	-	12	-	-
Levies			7 420	-	6 500	-
Frame Textiles	D Bowen (Authority Member)	Levies	1 170	-	1 512	-
Associated Spinners & Aranda	F Barnard (Authority Member)	Levies	325	-	381	-
Zenzeleni	A Kriel (Authority Member)	Levies	-	-	33	-
Prestige Clothing	Graham Choice (Authority Member)	Levies	199	-	194	-
Pals Clothing	Graham Choice (Authority Member)	Levies	260	-	158	-
Eddels Shoes	Jai Deepnarain (Authority Member)	Levies	176	-	160	-
Bibette (Seardel Group)	David Bowen (Authority Member)	Levies	27	-	281	-
Cape Underwear (Seardel Group)	David Bowen (Authority Member)	Levies	445	-	561	-
Bonwit(Seardel Group)	David Bowen (Authority Member)	Levies	992	-	497	-
Desiree Quilted (Seardel Group)	David Bowen (Authority Member)	Levies	1	-	4	-
Monviso Knitwear (Seardel Group)	David Bowen/Debbie Arends (Authority Member)	Levies	591	-	485	-
Charmfit(Seardel Group)	David Bowen (Authority Member)	Levies	11	-	32	-
Cygnnet(Seardel Group)	David Bowen (Authority Member)	Levies	12	-	39	-
Romatex(Seardel Group)	David Bowen (Authority Member)	Levies	462	-	421	-
Prestige Lingerie (Seardel Group)	David Bowen (Authority Member)	Levies	706	-	560	-
Promo Bag	Sharah Singh (Authority Member)	Levies	21	-	18	-
Siyaphambili	Ronnie Govender (Authority Member)	Levies	-	-	14	-
Midlands Weaving (Zorbatex Group)	Mike Wood (Authority Member)	Levies	40	-	34	-
Neat Packaging (Zorbatex Group)	Mike Wood (Authority Member)	Levies	41	-	34	-
Panga Techserve (Zorbatex Group)	Mike Wood (Authority Member)	Levies	39	-	35	-
Mario Levi	Anna Marie Hiscock (Authority Member)	Levies	82	-	86	-
SRF Industex	Anna Marie Hiscock (Authority Member)	Levies	405	-	-	-
Romatex Ltd	Jackie Bakkes	Levies	462	-	-	-
DB Apparel	Lize van Zyl	Levies	562	-	491	-
Prima Toys	David Bowen (Authority Member)	Levies	284	-	347	-
Brits Textiles	David Bowen (Authority Member)	Levies	96	-	113	-
SA Clothing	David Bowen (Authority Member)	Levies	11	-	10	-
Mossop Western Leather	Julie van Blerk (Authority Member)	Levies	-	-	-	-

The above transactions occurred under terms that were no less favorable than those available in similar arm's length dealings.

25.3 Transactions with other Government departments within National sphere

	2010/11 R'000		2009/10 R'000	
	Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable (payable)
Receivables	9	13	34	–
ETDP SETA Mandatory grants	9	13	34	–
Total	9	13	34	–

26. PRIOR YEAR ERROR

26.1 In the prior year part of the discretionary grants were misallocated

EFFECT

Ind 5.3H: Tracer Study

– 9

Ind 5.4B: Marketing

– (9)

– –

26.2 In prior year intangible assets were incorrectly stated

EFFECT

Statement of Financial position

Computer Software – Carrying amount

– (2)

Software Licences – Carrying amount

– 2

Computer Software – Accumulated amortisation

– 2

Software Licences – Accumulated amortisation

– (2)

– –

27. CHANGE IN ACCOUNTING ESTIMATES

During the year CTFL SETA's licence was extended until 31 of March 2011, the remaining useful life of the property, plant and equipment was revised in the current financial year resulting in a change of accounting estimate for depreciation.

EFFECT

Depreciation

– (93)

Accumulated depreciation – Computer equipment

– 43

Accumulated depreciation – Office furniture

– 26

Accumulated depreciation – Office Equipment

– 24

– –

28. RELICENSING

The CTFL SETA submitted its application for the re-establishment and re-certification on 27 March 2009. The licence was renewed by the Department of Higher Education and Training until the 31 of March 2011. Changes to the SETA Landscape were publicly announced in November 2010. CTFL SETA will be amalgamating with FIETA and part of MAPPP SETA to form the Fibre Processing and Manufacturing SETA (FP&M SETA) from 1 of April 2011. CTFL SETA will continue as a going concern in a modified form as part of FP&M SETA.

29. EVENTS AFTER REPORTING DATE

CTFL SETA will be amalgamating with FIETA and part of MAPPP SETA from the 1 of April 2011 to form the Fibre Processing and Manufacturing SETA (FP&M SETA). All assets and liabilities will be carried over to the FP&M SETA at the value as at 31 of March 2011.

30. BUDGET VERSES ACTUAL FIGURES

The financial statements and the budget were prepared on the same basis of accounting.

CTFL SETA budget comparison with actual figures

	Notes	2010/11 Actual R'000	2010/11 Budget R'000	2010/11 Variance R'000
Statement of Financial Performance				
Non Exchange Skills Development Levy Revenue		60 990	61 882	(892)
Admin income		7 637	7 734	(97)
Mandatory grant income		38 118	38 677	(559)
Discretionary grant income		15 235	15 471	(236)
Non Exchange Skills Development Levy Revenue:				
Interest & Penalties		868	540	328
KZN DEDT – special project		2 146	2 548	(402)
W&R SETA – joint collaboration project		3 372	5 000	(1 628)
Training layoff scheme – UIF		51	–	51
Training layoff scheme – W&R SETA		2 132	–	2 132
Investment income		3 741	3 600	141
Other revenue		385	383	2
Total		73 685	73 953	(268)
Mandatory grant expenses		(29 144)	(30 942)	1 798
Discretionary expenses	1	(19 903)	(44 500)	24 597
KZN DEDT – special project		(2 146)	–	(2 146)
W&R SETA – joint collaboration project – funds expended		(3 372)	–	(3 372)
Training layoff scheme – UIF		(51)	–	(51)
Training layoff scheme – W&R SETA		(2 132)	–	(2 132)
Administration expenses		(8 362)	(8 757)	395
Depreciation		(135)	(135)	–
Amortisation		(16)	(17)	1
Loss on disposal of property, plant and equipment		3	(9)	12
Operating lease rentals (minimum lease payments)		(828)	(841)	13
Maintenance, repairs and running costs		(3)	(8)	5
Advertising		–	(4)	4
Consultancy and service provider fees		(34)	(42)	8
Legal fees		(4)	(5)	1
Cost of employment		(4 442)	(4 595)	153
Travel and subsistence		(476)	(565)	89
Remuneration to members of the audit committee		(9)	(9)	–
Audit fees		(1 137)	(1 137)	–
Specialised Audits		(66)	(66)	–
Bad Debts		(67)	(69)	2
Bank Charges		(31)	(36)	5
Computer expenses		(16)	(18)	2
Staff workshops		(2)	(10)	8
Electricity		(24)	(25)	1
Workshops & Functions		(71)	(90)	19
Insurance		(37)	(39)	2
Motor Expenses		(37)	(37)	–
Office Expenses		(29)	(30)	1
Postage		(34)	(35)	1
Printing and Publications		(30)	(44)	14
Research and development		(520)	(520)	–
Stationery		(25)	(34)	9
Subscriptions and Memberships		(12)	(18)	6
Telephone		(186)	(194)	8
ETQA expenses		(94)	(126)	31
Net surplus		8 575	(10 247)	(18 822)

Statement of Financial Position		2010/11 Actual R'000	2010/11 Budget R'000	2010/11 Variance R'000
	Notes			
Non-current assets	2	37	283	(246)
Property, plant and equipment and intangible assets				
Current assets				
Receivables from non-exchange transactions		253	300	(47)
Receivables from exchange transactions		99	170	(71)
Inventories		30	41	(11)
Cash and cash equivalents	3	78 419	46 189	32 230
Total assets		78 838	46 983	31 855
Funds and reserves				
Administration reserve		37	282	(245)
Employer grant reserve		102	124	(22)
Discretionary reserve		57 184	38 093	19 091
Current liabilities				
Trade and Other Payables non – exchange transactions	4	18 408	8 278	10 130
Trade and Other Payables – exchange transactions		538	206	332
Kwazulu-Natal Department of Economic development and tourism:				
Special project funds received in advance		637	–	637
W&R SETA funds received in advance		621	–	621
Training layoff scheme W&R UIF funds received in advance		319	–	319
Training layoff scheme W&R SETA funds received in advance		992	–	992
Total equity and liabilities		78 838	46 983	31 855

Note 1. The budget was calculated on the assumption that R44,5 million of discretionary reserves would be spent by year end, this was not achieved due to slow submission of documentation from companies and tranche payments of various funding windows.

Note 2. Budgeted fixed assets were calculated based on a new server and two photostat machines being purchased in the event that the existing assets had to be written off. This was not the case as the server and photostat machines continued to operate.

Note 3. The budget was calculated on the assumption that R44,5 million discretionary reserves would be spent by year end, this was not achieved due to slow submission of documentation from companies and tranche payments of various funding windows which resulted in the difference between actual cash and cash equivalents and budgeted cash equivalents.

Note 4. The variance is due to fewer invoices received for payment after the financial year end.

31. Any other material matters – Soccer World Cup clothing and tickets

World Cup Expenditure	Quantity	2010/11 R'000	2009/10 R'000
Tickets acquired	–	–	–
Purchase of other world cup apparel	–	–	–
Total world cup expenditure	–	–	–

Tickets acquired after year-end (30 June 2010)

– –

CTFL SETA did not purchase any world cup tickets or apparel during the financial year ending 31 of March 2011.

Annexures

Governance Structures

Annexure 1

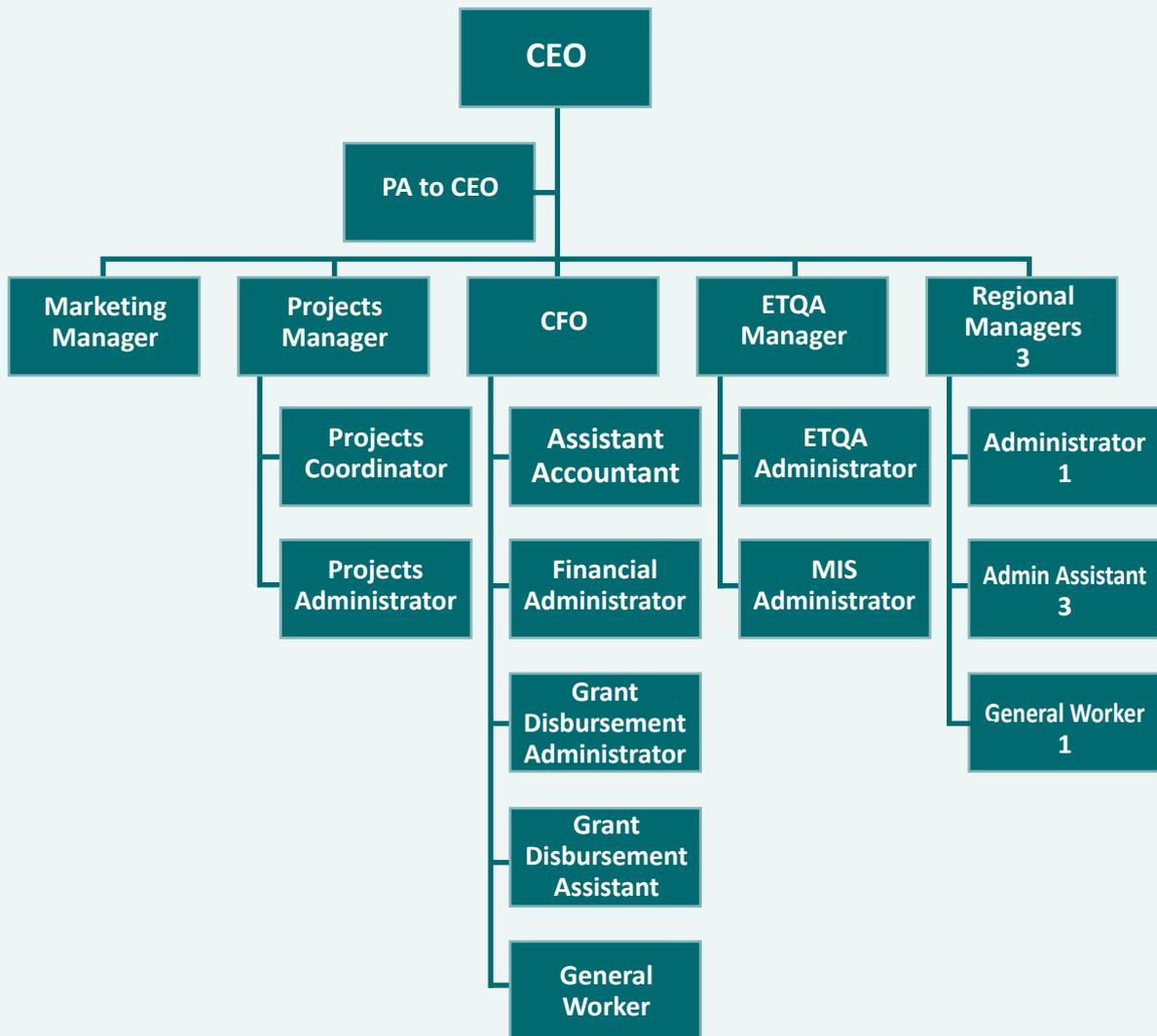
CTFL SETA COUNCIL MEMBERS	CONSTITUENCY	RACE & GENDER	MEETINGS ATTENDED
Abrahams, Abieda (appointed Chairperson w.e.f. Aug 2010)	Labour (Sactwu)	Coloured Female	4 of 4
August, Mary	Labour (Sactwu)	Coloured Female	4 of 4
Baard, Johann	Employers (Clothing)	White Male	2 of 4
Bakkes, Jacqueline	Employers (Textiles)	White Female	3 of 4
Barnard, Frans (Chairperson until Aug 2010)	Employers (Textiles)	White Male	4 of 4
Bowen, David (appointed Vice-Chairperson w.e.f. Aug 2010)	Employers (Textiles)	White Male	4 of 4
Choice, Graham	Employers (Clothing)	White Male	2 of 4
Hiscock, Anna-Marie (resigned Aug 2010)	Employers (Leather)	White Female	2 of 2
Van Blerk, Julie (appointed Oct 2010)		White Female	2 of 2
Jacobs, Wayne	Labour (Sactwu)	Coloured Male	3 of 4
Khumalo, Susan (appointed Aug 2010)	Labour (Sactwu)	African Female	3 of 3
Kodisang, Cornelius	Labour (Sactwu)	African Male	4 of 4
Lipali, Adeline	Labour (Sactwu)	African Female	1 of 4
Maliti, Thandile	Labour (Sactwu)	African Male	4 of 4
Naidoo, Devarani (Vice- Chairperson until Aug 2010)	Labour (Sactwu)	Indian Female	4 of 4
Ngwenya, Michael	Labour (Nulaw)	African Male	4 of 4
Oosthuizen, Ray	Employers (Footwear)	White Male	4 of 4
Oosthuysen, Freda	Labour (Sactwu)	Coloured Female	0 of 4
Represented by alternate Hughes, Frank		Coloured Male	1 of 1
Represented by alternate Lundall, Paul	Labour (Sactwu)	Coloured Male	3 of 3
Singh, Shara	Employers (General Goods)	Indian Female	4 of 4
Smart, Len (resigned Aug 2010)	Employers (Clothing)	White Male	1 of 2
Jai Deepnarain (appointed Oct 2010)		Indian Male	2 of 2
Theron, Paul	Employers (Footwear)	White Male	4 of 4
Van Zyl, Lize	Employers (Clothing)	White Female	1 of 4
Vlok, Etienne	Labour (Sactwu)	White Male	4 of 4
Wood, Mike	Employers (Textiles)	White Male	3 of 4
Yika, Ntombinkulu	Sactwu (Labour)	African Female	3 of 4
Invited Members			
Pupuma, Fikiswa	KZN DEDT	African Female	2 of 4
Tembo, Abisha	Department of Trade and Industry	African Male	2 of 4
Represented by alternate Mello, Simon		African Male	1 of 1

EXECUTIVE COMMITTEE MEMBERS	CONSTITUENCY	RACE & GENDER	MEETINGS ATTENDED
Abrahams, Abieda (appointed Chairperson w.e.f. Aug 2010)	Labour (Sactwu)	Coloured Female	2 of 2
Barnard, Frans (Chairperson until Aug 2010)	Employers (Textiles)	White Male	2 of 2
Bowen, David (appointed Vice-Chairperson w.e.f. Aug 2010)	Employers (Textiles)	White Male	2 of 2
Choice, Graham	Employers (Clothing)	White Male	0 of 2
Deepnarain, Jai	Employers (Clothing)	Indian Male	2 of 2
Freda Oosthuysen	Labour (Sactwu)	Coloured Female	0 of 2
Represented by alternate Lundall, Paul		Coloured Male	2 of 2
Kodisang, Cornelius	Labour (Sactwu)	African Male	2 of 2
Naidoo, Devarani (Vice-Chairperson until Aug 2010)	Labour (Sactwu)	Indian Female	2 of 2
Ngwenya, Michael	Labour (Nulaw)	African Male	1 of 2
Theron, Paul	Employers (Footwear)	White Male	2 of 2
Van Blerk, Julie	Employers (Leather)	White Female	2 of 2
Vlok, Etienne	Labour (Sactwu)	White Male	2 of 2

Human Resources Report

Annexure 2

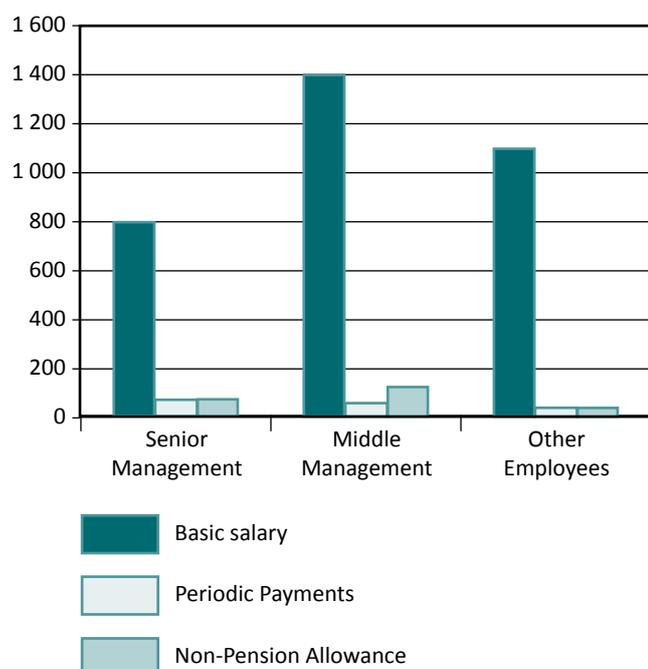
CTFL SETA ORGANISATIONAL STRUCTURE AS AT 31 MARCH 2011



Remuneration of CTFL SETA Staff

	2010/11 R'000
TOTAL EXPENDITURE APRIL 2010 – MARCH 2011	4 442
Senior Management	1 014
Basic salaries	877
Periodic payments	72
Other non-pensionable allowance	65
Middle management	1 656
Basic salaries	1 457
Periodic payments	61
Other non-pensionable allowance	138
Other employees	1 259
Basic salaries	1 177
Periodic payments	41
Other non-pensionable allowance	41
Social contributions	513
Termination Benefits	–
Medical aid contributions	49
Pension contributions	317
Unemployment contributions	25
Funeral Insurance	62
Bonus Provision	-6
Leave Provision	18
Workman's Compensation	3
Skills Development Levies	45
Total 2009/10 : R4 179	

Expenditure: Salaries excluding social contributions (R'000)

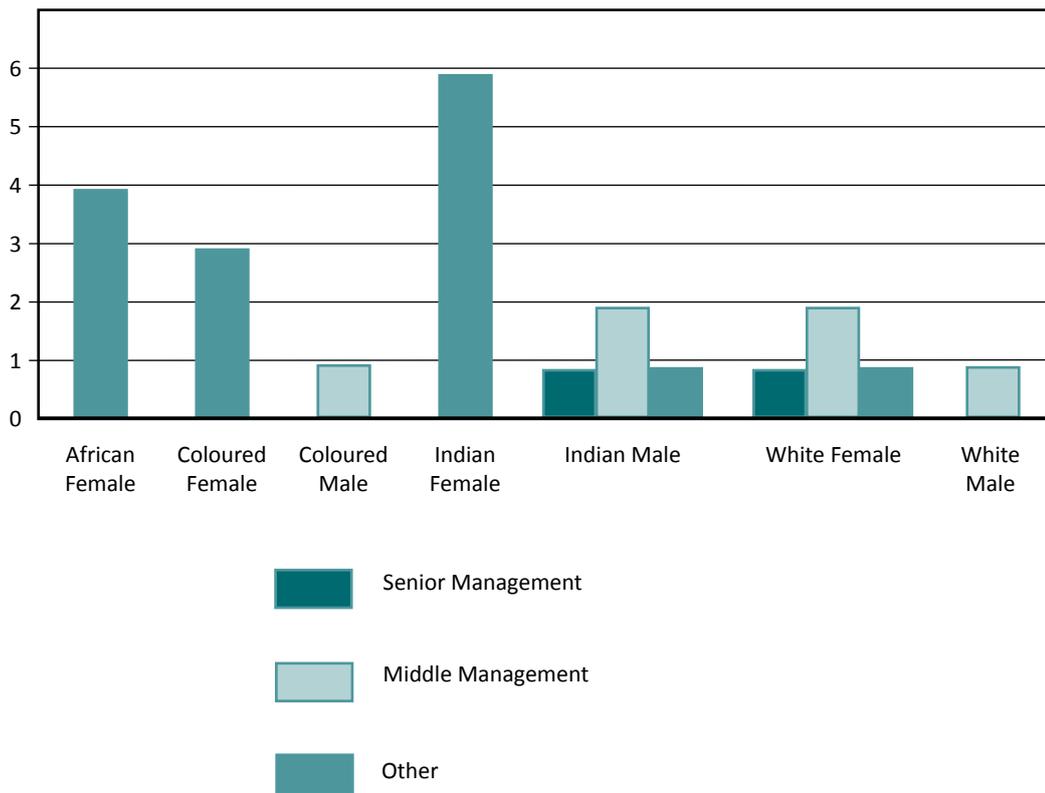


SALARY BANDS (R)	NUMBER OF STAFF at 31 March 2011
600 000 – 610 000	1
400 000 – 599 000	2
300 000 – 399 000	2
200 000 – 299 000	3
100 000 – 199 000	5
60 000 – 99 000	8

Employment and vacancies as at 31 March 2011

- 23 Posts on the establishment (including 1 fixed term contract)
- 23 Employees employed at year end
- NIL Vacancies
- NIL Vacancy Rate
- 2 Interns additional to establishment assisting with data-capturing

Equity breakdown of employees at 31 March 2011



Employment changes : April 2010– March 2011

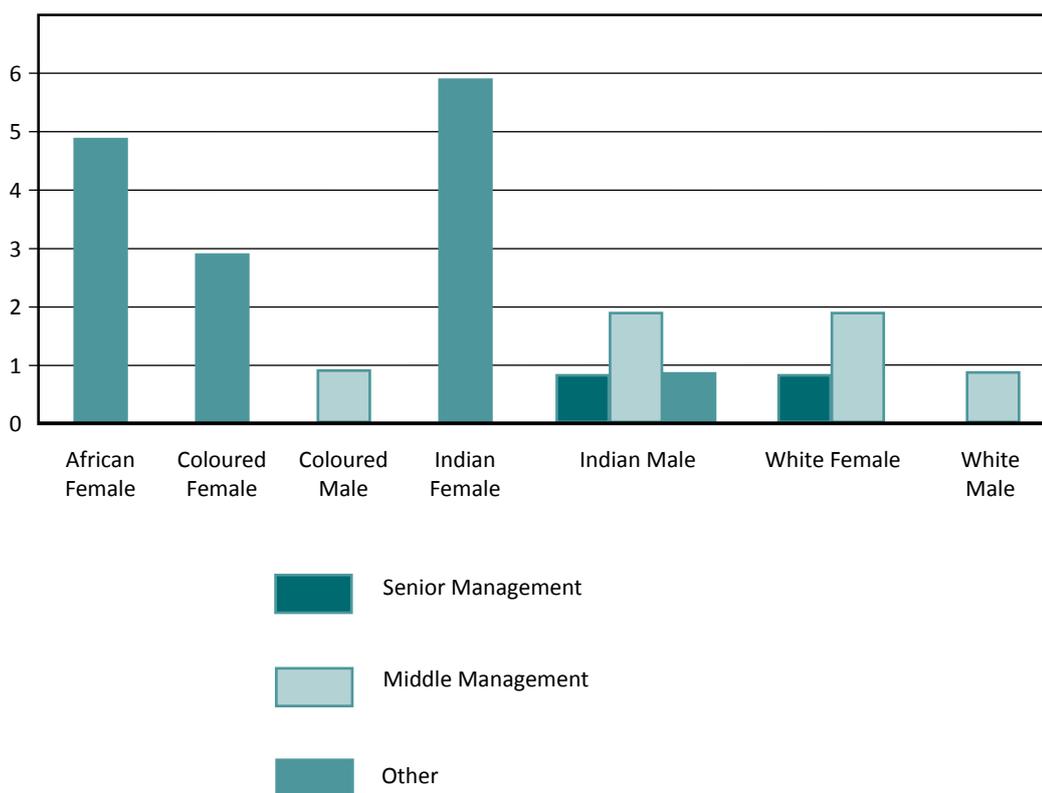
No changes occurred during the period under review.

Skills Development

The CTFL SETA submitted their mandatory grant application, which included a WSP and ATR to the ETDP SETA in June 2010, setting out the training requirements for the period under review and reporting on training conducted during the previous reporting period. The CTFL SETA supported staff to enrol on training programmes as per the skills plan. See breakdown of staff that benefitted from the interventions below.

The CTFL SETA was awarded 13 discretionary grants/bursaries from ETDP SETA

Beneficiaries of skills development interventions during 2010/11



Other HR Matters

Job Evaluation

Job and performance evaluations were conducted twice a year to ensure alignment with individual job profiles and annual SETA and NSDS targets.

Disciplinary Action

The ETQA Manager was charged with poor performance and insubordination. A disciplinary hearing was conducted to address the issues and a final written warning (valid for 6 months) was issued.

Performance Rewards

Performance based salary increments were applied.

HIV/AIDS & Health Promotion Programmes

HIV/AIDS policy in place.

Labour Relations

No incidents were reported.

Injury on Duty

No incidents were reported.

ABET	Adult Basic Education and Training
AET	Adult Education and Training
ATR	Annual Training Report
BEE	Black Economic Empowerment
CBO	Community Based Organisation
CPD	Continuous Professional Development
CPUT	Cape Peninsula University of Technology
CSIR	Council for Scientific and Industrial Research
CSP	Customised Sector Programme
CTFL	Clothing, Textiles, Footwear and Leather
DCC	Duty Credit Certificate
DEDT	Department of Economic Development and Tourism
DHET	Department of Higher Education and Training
DoL	Department of Labour
DUT	Durban University of Technology
ETDP	Education, Training and Development Practices
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FET	Further Education and Training
FITF	Footwear Industry Technology Fund
GET	General Education and Training
HET	Higher Education and Training
HTPI	Host Training Provider Institution
IPAP2	Industrial Policy Action Plan 2
ISOE	Institute of Sectoral or Occupational Excellence
KZN DEDT	Kwazulu-Natal Department of Economic Development and Tourism
MIS	Management Information System
NGO	Non-Governmental Organisation
NLRD	National Learner Record Database
NSDS	National Skills Development Strategy
NULAW	National Union of Leather and Allied Workers
PFMA	Public Finance Management Act, 1999 (Act No 1 of 1999).
QCTO	Quality Council for Trade and Occupations
SACTWU	Southern African Clothing and Textile Workers Union
SAQA	South African Qualifications Authority
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
TLS	Training Layoff Scheme
TUL	Technical University of Liberec in Czech Republic
W&R SETA	Wholesale and Retail SETA
WSP	Workplace Skills Plan
WTPI	Workplace Training Provider Institution

C

T

F

L

Report No. RP183/2011
ISBN No. 978-0-621-40290-2



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

