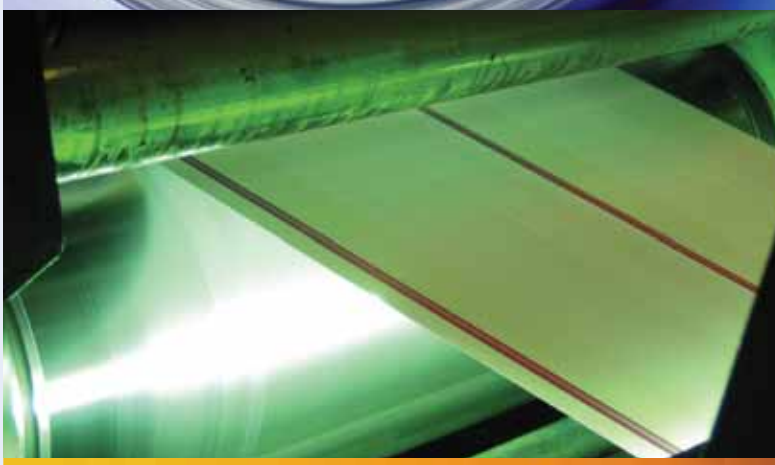
Sector Education Training Authority



media
advertising
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MAPPP seta

media | advertising | publishing | printing | packaging | sector education training authority

ANNUAL REPORT 2010 - 2011

Minister BN Nzimande

MP, Minister of Higher Education and Training

Honourable Minister

It is my pleasure and privilege to present to you this Annual report of the Media, Advertising, Publishing, Printing and Packaging Education and Training Authority for the period 1 April 2010 to 31 March 2011.

I thank you and your Ministry for the support we have received during the reporting period and trust you will find this report in order and share in our successes for the reporting period.

Ingrid Louw
Chairperson

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VISION

"We lead our people to their destiny through skills development, transform and empower our sectors by creating opportunities for all."

MISSION

We at MAPPP-SETA create:
Powerful people through quality skills provision:
Empowered people for the future through lifelong learning, and
Opportunities for all.

for the year ended 31st March 2011

Annual Report
2010 – 2011

MAPPP-SETA

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ISBN No: 978-0-621-40291-9
RP No: 184/2011

CHAIRPERSON'S REPORT

Ingrid Louw Chairperson

Overview

The presentation of the 11th and last annual report of the MAPPP-SETA is indeed an exercise that fills one with both elation and sadness. The cause for elation arises not only from the scale of the work and ground covered particularly during the 2010/2011 financial period but also the algorithmic journey that took the Seta from post administration in 2007 to where it is today. This joyous milestone is also tinged with sadness seeing an organisation that despite its fair share of trials and tribulations over the past few years, particularly between 2006 and 2008, was able to leapfrog itself into a stable, vibrant and service delivery-oriented organisation.

Due to this turnaround, MAPPP-SETA managed to once again endear itself to individuals and organisations within the print media, film and electronic media, advertising and visual arts, performing arts, cultural heritage, publishing, printing and packaging industries. Of course we understand that it is only change that is a guaranteed constancy in life and thus hope that all the improvements and learnings from within the MAPPP-SETA will be transferred to the improved and more prolific organisations that will take the baton and advance the goals that MAPPP-SETA was set up to achieve for the benefit of its constituencies and the country at large.

Board Performance

As a result of SETAs being granted a one-year extension of their licence, MAPPP-SETA kicked off 2010/2011 with a newly appointed board, comprised of a mix of new members as well as members who had served in the previous structure. The five (5) board members representing labour and seven (7) representing business presented opportunities for both continuity and an injection of new and fresh ideas. The enthusiasm, intention and commitment displayed by the MAPPP-SETA Board members is commendable and is definitely one of the key factors that saw the SETA improving its performance and customer service.

The following committees worked consistently throughout the year in their respective areas of responsibility, thereby enhancing the effectiveness and efficiency of the Board's ability to provide strategic direction and oversight on the various activities that Management were assigned and required to execute:

- Audit Committee;
- Finance Committee;
- Human Resource and Remuneration Committee; and
- Communications Committee.

In addition to the above mentioned committees, the seven (7) industry based Advisory Committees proved to be an invaluable cog in the MAPPP-SETA skills development machinery as they strengthened our ability to provide more responsive, relevant and fit-for-purpose service offerings to our diverse but yet interdependent stakeholders.

The effectiveness of the collective efforts of the Board and its committees manifests itself in the performance of the SETA during the 2010/2011 financial year as testified in the management reports and the performance scorecard that follow below.

Challenges

It is important to commend the efforts made by all critical stakeholders of MAPPP-SETA in ensuring the improved performance and service delivery – albeit under very challenging circumstances.

One of the challenges that the Board had to grapple with for the better part of 2010/2011 was the expressed intention of the Department of Higher Education and Training to place the SETA under administration. This put a strain on the Board, staff and stakeholders who had to face an uncertain future.

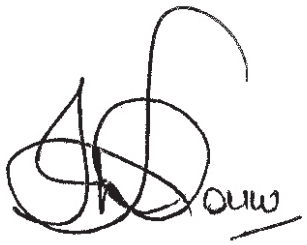
On another front, the Board was confronted with the impending dissolution of MAPPP-SETA as envisaged in the 2011/2016 SETA landscape. The Board chose to proactively engage with the proposed new Seta landscape and its strategic planning fortuitously accommodated the possibility of the dissolution of the SETA. The engagement with and support given by the other affected SETAs and the Department went a long way towards minimizing the burden of splitting the SETA into three areas, i.e. the transfer of media and advertising sub-sectors to ISETT SETA to form the MICT SETA; the transfer of culture and arts sub-sectors to THETA to form the CATHSSETA; and the merging of publishing, printing and packaging sub-sectors with the CTFL SETA and FIETA to form the FP&M SETA.

This meant that the noteworthy progress that had been made in getting the SETA back on track could be transferred with confidence to the newly formed SETAS.

Appreciation

I wish to thank the Minister of Higher Education and Training, Dr Blade Nzimande, for the leadership and direction he has provided SETAs including ours during the past financial year, the officials of the National Skills Authority and the Department of Higher Education and Training for their guidance and support, our stakeholders for their active participation and selfless contribution towards skills development activities we facilitated for the print media, film and electronic media, advertising and visual arts, performing arts, cultural heritage, publishing, printing and packaging industries, and Management and Staff of the MAPPP-SETA for their dedication and sterling work.

As the MAPPP-SETA Board, we step down from the role we played in the 2010/2011 financial year with our heads held up high for a job that we think was done with the greatest of commitment and responsibility. But, we also do so with the great hope that the current leadership at the helm of SETAs is equal to the task of taking the skills development revolution to greater heights.



Ingrid Louw
Chairperson

CHIEF EXECUTIVE OFFICER'S REPORT

Bheki Zulu Chief Executive Officer

Introduction

Inspired by finally getting the ship stable and being on course towards which signalled that our efforts during 2008/2009 and 2009/2010 were beginning to pay the desired dividends, the MAPPP-SETA fraternity started the year with great gusto. We now had reason to believe that taking this SETA to a level where it can be acclaimed as one of the best performing ones was no longer a pipe dream, but an achievable goal – only if we could put our minds and all our might into it!

Whilst this continued to be the mantra that most Board members, staff and stakeholders strived to pursue, the threats of the SETA being placed under administration and subsequently being disbanded conspired to dampen the zest and confidence that had begun to hold sway amongst many role players within the MAPPP-SETA community.

What is admirable though, is that in spite of these trying circumstances, the MAPPP-SETA Board, staff and stakeholders did not falter on their level of commitment and optimism that things would eventually pan out for the better and pinned their confidence in the wisdom of their principals to take decisions that would be in the best interest of the country and its citizenry.

It is to the combination of these positive forces that we owe what we regard as yet another good performance by an organisation given our improved performance against the Service Level Agreement signed with the Department of Higher Education, disbursement of a higher amount of discretionary grants as compared to the 2010/2011 financial year and enhanced rapport between the SETA and its stakeholders.

Financial Performance

MAPPP-SETA was on track to work within the available administration budget of R21,5 million owing to the fiscal discipline instilled through the whole organisation having become part of our organisational culture. However, the various activities related to the threat of the SETA being placed under administration and the announcement of its dissolution such as the sudden increase in the number of Board meetings and participation in new structures set up for the restructuring of SETAs in line with the 2011-2016 landscape threw a spanner in the works and resulted in a budget over-run of just R473,000. Nevertheless, the marginal budget over-run in spite of having to attend to a myriad of unplanned for activities still bears testimony to the efforts made by the Board and Management to manage our finances with great care and diligence.

The disbursement of mandatory and discretionary grants is another area where strides were made with mandatory grants worth R74 million and discretionary grants amounting to R49,9 million disbursed.

Human Resources

Whereas the efforts made to ensure that a robust human resource management and development system took root within the organisation during the last financial year gained momentum during 2010/2011, the organisation however faced staff turnover on a much bigger scale. This resulted in relative disruption of some areas of the MAPPP-SETA business. The proposed 2011-2016 SETA landscape which gave an indication of the possibility of MAPPP-SETA being dissolved made most staff members feel insecure about future prospects of remaining employed under the auspices of MAPPP-SETA, hence quite a sizable number of the staff started looking for alternative employment and left the SETA. This called for the Management to employ various ways and means to ensure business continuity and prevent disruption to service delivery.

Operations

The SETA showed improvement with regards to the allocation of discretionary grants when R28 millions was approved by the Board for the funding of various skills development programmes.

A remarkable development regarding funding allocation for the 2010/2011 financial year was the approval by the Board of additional mechanisms for allocation of discretionary funds, which was that of engaging in joint strategic skills development initiatives with a number of entities to jointly deliver programmes critical to the mandates of these organisations and directly linked to the skills development priorities set by Government. This was done in a bid to enhance the impact of the funded training programmes by supporting the initiatives already scoped by the various organisations and for which plans were already put in place for the placement of the graduates, thereby making a contribution towards addressing the scourge of unemployment as well as improving the service delivery levels of those organisations.

The performance of MAPPP-SETA against the NSDS targets set for 2010/2011 showed remarkable improvement across the board. The only targets where we fell short were those of assisting employed individuals to enter into various training programmes and that of providing support to Non Levy-paying Organisations (NLPs), Non Governmental Organisations (NGOs) and Community Based Organisations (CBOs), which were under-achieved by a margin of 20% each.

Finally, one of the outstanding milestones achieved in 2010/2011 was MAPPP-SETA's direct contribution towards the 2010 FIFA World Cup legacy. This was realized through funding of R120 000.00 allocated for 20 interns hosted by Till Dawn, a member of the consortium that provided project management services to FIFA with respect to the soccer tournament from start to finish. The interns were deployed to various activities including filming, performance during the opening and closing sessions and technical production.

The other flagship project was a culmination of the partnership entered into with the South African Broadcasting Corporation (SABC) involving 262 beneficiaries drawn from all provinces as part of the FIFA World Cup legacy. This project which is worth R12 million was co-funded by the National Skills Fund for an amount of R9,2 million and MAPPP-SETA for R2,9 million. The programmes being offered to the 262 learners range from learnerships in journalism, film, broadcast engineering and human resource management, to internships in the various business units of SABC.

Challenges

Our biggest challenge during the year under review was that of trying to keep the MAPPP-SETA staff and external stakeholders focused on the business at hand, given the prospects of the organisation being placed under administration and its possible dissolution at the end of the financial year. Though this was a daunting task, the performance of the organisation shows that to a large extend the efforts put in place in this regard delivered the desired outcomes.

Ensuring staff prospects for future employment when the announcement of the dissolution of MAPPP-SETA was made also proved to be a big challenge. To this end, ISETT SETA and THETA, the two organisations that have taken over some of the MAPPP-SETA industries, were engaged and proposals made to them to take over some of the staff members. This exercise culminated in 14 and 6 staff members being transferred to ISETT SETA and THETA respectively. It is hoped that the majority of the remaining 18 staff members will be placed within the FP&M SETA.

Lastly, the SETA restructuring process posed a myriad of challenges, particularly due to there being no clear guidelines or a blue print to direct this process. As a result, a lot of time was lost in the initial stages of this process although at the time of reporting a lot of ground had been covered with a few problematic areas having to be sorted out mainly through negotiations.

Appreciation

I take this opportunity to thank the Board of MAPPP-SETA for providing good leadership and much needed support during the difficult times that characterised the 2010/2011 financial year for our organisation, the Management and Staff for their resilience and hard work as well as our stakeholders for joining hands with us in realizing the goals of our skills development mandate.

I wish all individuals and organisations that were involved in shaping MAPPP-SETA from its infancy in 2000 to its disbandment in 2011 great success in their respective new SETAs and trust that their efforts will continue to deepen the delivery of the skills development agenda.

Bheki Zulu
Chief Executive Officer

OPERATIONS

Sekgana Makhoba
Chief Operations Officer

PERFORMANCE AGAINST NSDS II

The delivery of the 2010/2011 targets contained in the Service Level Agreement (SLA) signed with the Department of Higher Education and Training vested mainly in the Operations Section. This section's main objectives included the facilitation of strategic planning and the implementation of the SLA which entailed learning programme management, monitoring and quality assurance, statutory reporting, communication and stakeholder liaison, human resources management and development and marketing and communication.

The structure put in place to enable the Operations Section to execute its mandate comprised the following six divisions:

- Skills Development and Administration;
- Learnerships and Apprenticeships;
- Projects;
- Education and Training Quality Assurance;
- Human Resources; and
- Communications.

Though the SETA's performance against the targets that were agreed to with the DHET for 2010/2011 is commendable, the main challenge that persisted was that of limited discretionary grants to address the vast range of critical and scarce skills needs within the print media, film and electronic media, advertising and visual arts, performing arts, cultural heritage, publishing, printing and packaging industries.

Following is a report that reflects the performance of MAPPP-SETA as indicated above.

No	NSDS 2005 – 2010 Objectives	NSDS 2005 - 2010 Success Indicators (National Targets)	SETA Target 2010/2011	Achieved	Variance	Comments
1	Prioritising and communicating critical skills for sustainable growth, development and equity.	Indicator 1.1Skills development supports national and sectoral growth, development and equity priorities.	1	1	None	The SETA developed the Sector Skills Plan in accordance with the DHET requirements and met the set deadline for its submission.
		Indicator 1.2 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.	120	227	+107	The over-achievement of this target stems from the strategy that was developed in the previous year to improve our performance regarding this target which had proven to be a challenge in the past.

No	NSDS 2005 – 2010 Objectives	NSDS 2005 - 2010 Success Indicators (National Targets)	SETA Target 2010/2011	Achieved	Variance	Comments
2	Promoting and accelerating quality training for all in the workplace.	Indicator 2.1 By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.	Large firms: 114 Medium firms: 212	146 240	+32 +28	The SETA developed a strategy to encourage WSP submission to support the development of skills within the workplace.
		Indicator 2.2 By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.	Small firms: 285	410	+125	The SETA developed a strategy to encourage WSP submission to support the development of skills within the workplace.
		Indicator 2.5 Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.	30	33	+3	The over-achievement of this target stems from the strategy that was developed in the previous year to improve our performance regarding this target which had proven to be a challenge in the past.
		Indicator 2.7 By March 2010 at least 700 000 workers have achieved at least ABET Level 4.	Entries: 200 Completions: 100	342 305	142 +205	The late registration of the employed learners particularly for apprenticeships due to amongst other factors lack of suitable learners during the recruitment phase led to the underachievement of this target.
		Indicator 2.8 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.	Entries: 460 Completions: 230	392 325	-68 +95	The late registration of the employed learners particularly for apprenticeships due to amongst other factors lack of suitable learners during the recruitment phase led to the underachievement of this target.
3	Promoting employability and sustainable livelihoods through skills development.	Indicator 3.2 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.	30	8	-22	The nature of MAPPP sectors is such that many do not have institutions that are to be supported through this indicator. As a result, most of the beneficiaries that were supported are from the Arts and Culture industries.

No	NSDS 2005 – 2010 Objectives	NSDS 2005 - 2010 Success Indicators (National Targets)	SETA Target 2010/2011	Achieved	Variance	Comments
4.	Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment.	Indicator 4.1 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.	Entries: 330 Completions: 165	1517 720	1187 555	The MAPPP sectors are characterized by the interest and large numbers of the unemployed, hence the over-achievement of this target, which is underpinned by a large number of the beneficiaries being placed on decent jobs.
		Indicator 4.2 100% 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.	Entries: 50 Placements: 35	57 11	7 -24	The SETA put together a programme that assisted companies that were willing to take in learners for workplace experience to also absorb them into full time employment. This did not work as planned as the SETA omitted to put a clause in the memorandum of agreement with the employers.
		Indicator 4.3 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 in operation 12 months after completion of programme.	Entries: 50 Sustainable ventures: 35	131 74	+81 +39	The SETA procured the services of a training that mentored the learners from the theoretical phase of the New Venture Creation programme to the point of starting up and sustaining their business enterprises.
5.	Improving the quality and relevance of provision.	Indicator 5.1 By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence within public & private institutions and through Public Private Partnerships where appropriate, spread geographically for the development of people to attain identified critical occupational skills.	3	4	+1	The marginal over-achievement of this target stems from the strategy that was developed in the previous year.

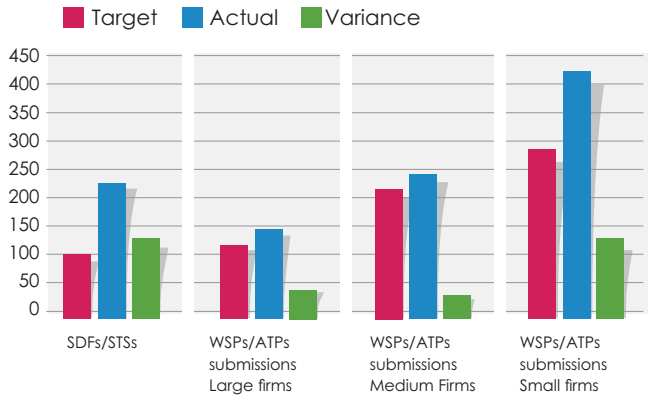
No	NSDS 2005 – 2010 Objectives	NSDS 2005 - 2010 Success Indicators (National Targets)	SETA Target 2010/2011	Achieved	Variance	Comments
		Indicator 5.2 By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.	2	3	+1	The three institutions were contracted to train for New Venture Creation through the nine provinces. All three are accredited by Services Seta.
		Indicator 5.3 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.				The SETA obtained full accreditation from SAQA and constantly maintained its green status NLRD Status which implies full compliance with the quality assurance data upload and maintenance.

SKILLS DEVELOPMENT AND ADMINISTRATION

The Skills Development and Administration Division's direct contribution towards the achievement of the targets contained and described in detail in the 2010/2011 Performance Report above was with respect to the following:

Table 2: SKILLS DEVELOPMENT AND ADMINISTRATION

Objective Number	Indicator Number	Description of the Target	Actual Divisional Performance against the Target	Variance
1.	1.1	Development of a Sector Skills Plan (SSP) according to DHET requirements.	The SSP developed by MAPPP-SETA was approved by DHET.	None
	1.2	Training of 100 Skills Development Facilitators (SDFs) and/or Sector Training Specialist (SS's) against the 2010/2011 version of the MAPPP-SETA Sector Skills Development Guide.	227 SDFs and SS's were trained against the against the 2010/2011 version of the MAPPP-SETA Sector Skills Development Guide.	An additional 127 SDFs and SS's to the set target of 100 were trained.
2.	2.1	Submission respectively by large and medium firms of 114 and 212 Workplace Skills Plans (WSPs) for 2010/2011 and Annual Training Reports (ATRs) for 2009/2010.	146 and 240 WSPs and ATRs respectively submitted by large and medium firms.	An additional 32 and 28 WSPs and ATRs respectively submitted by large and medium firms.
	2.2	Submission by small firms of 285 Workplace Skills Plans (WSPs) for 2010/2011 and Annual Training Reports (ATRs) for 2009/2010.	410 WSPs and ATRs respectively submitted by small firms.	An additional 122 WSPs and ATRs respectively submitted by small firms.



Graph 1: SDA achievements

Detailed or additional activities that were carried out by the Skills Development and Administration Division in a bid to achieve the targets that underpinned its mandate are briefly stated below.

Monitoring and evaluation of workplace training

Employers within the MAPPP-SETA scope of coverage planned and implemented training in their workplaces in line with MAPPP-SETA scarce and critical skills contained in the SSP, ensuring alignment to the Organising Framework for Occupations (OFO). In order to track compliance against this requirement, the SETA monitored and evaluated WSPs received in June 2010 to review progress and build companies' capacity towards the implementation of planned training. Many lessons were learnt and the SETA is using those lessons learnt to put in place better systems and processes to ensure better end results. Some of the systems and measurement tools the SETA developed were the Monitoring and Evaluation Data Gathering Tool as well as an Impact Measuring Tool to assess the impact of the learning programmes. In future, these new developments will guide the process towards the approval of mandatory payments.

Development and updating of the Sector Skills Plan (SSP)

The MAPPP-SETA regarded the Sector Skills Plan (SSP) process as core to identifying skills deficiencies and addressing them through provision of targeted programmes thereby supporting the State's objective, ie. addressing the challenges of poverty and inequality in the country through high levels of education and training interventions. Because of the imminent disbandment of the MAPPP-SETA a decision was made to adopt an approach of compiling mini SSPs with targeted sub-sectoral focus. Through that approach, the MAPPP-SETA industries' insight into alignment of industry needs to workplace training necessitating industry ownership, grew tremendously and yielded qualitative and credible SSPs'.

The MAPPP-SETA sectoral SSPs were developed against the background of a shifting SETA landscape, extremely challenging timeframes and an ambiguous SSP framework. The MAPPP-SETA nevertheless complied and delivered separate and focused sectoral skills plans for all its constituent sub-sectors. The MAPPP-SETA understood the skills planning process to be a strategy making process, facilitated by the SETA but driven by its economic industries. The process was thus planned and managed as such. Included in the SSPs were findings flowing from desktop research reports, industry-specific reports, focus group sessions, interviews with key identified individuals and public sector employers. The SSP provided sub-sectoral strategies that demonstrated innovative and creative forward thinking in growing the individual sectoral economy.

The MAPPP-SETA used a mix of models for the different sub-sectors, i.e. skills forecasting, labour market signalling, qualitative and cost-benefit models due to the sub-sectoral uniqueness. The data constraints and weak sectoral organisation of the largest part of the MAPPP-SETA constituents limited forecasting and had to be strengthened through qualitative approaches. Innovative industry strategies were developed through this process, opening up new possibilities to discover and strengthen value chain linkages.

Through the SSP process, it became apparent that there was an inherent need across all the sub-sectors for the development of more middle and high level skills, and shorter, demand driven training interventions, i.e. industry driven skills programmes that were not necessarily aligned to the NQF. Towards the end of the SSP process, the new SETA landscape and the NSDS III were approved, requiring the MAPPP-SETA to merge its sectoral SSPs as dictated by the new landscape. Though that was challenging, the MAPPP-SETA, in collaboration with the other SETAs succeeded in complying with that requirement because of its forward-thinking approach of compiling the sub-sectoral SSPs enabling this process to merge with ease.

Development and updating of the Skills Development Facilitator / Sector Specialist Guide

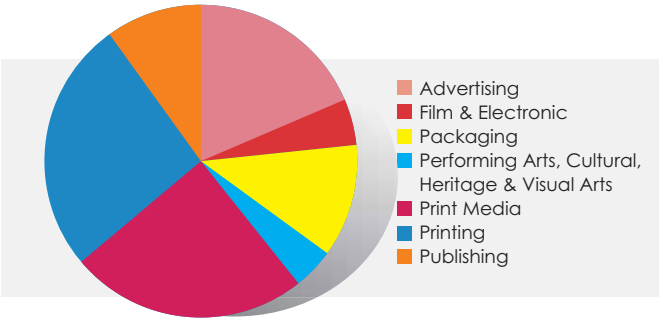
The MAPPP-SETA successfully developed and published the guide for skills development facilitators (SDFs) or sector specialists (SSs) and exceeded the target number of SDFs/SSs trained during 2010/2011 fiscal year. The MAPPP-SETA also succeeded in training the SDFs/SSs on credit-bearing skills training to ensure the availability of appropriately trained practitioners that could lend assistance to constituent employers. The role of the SDFs/SSs has grown substantially over the last few years and the MAPPP-SETA felt duty-bound to deliver in its commitment of supporting its constituents through this intervention.

Workplace Skills Plan (WSP) and Annual Training Report (ATR) Management

During 2010/2011 financial year, MAPPP-SETA received 818 electronic WSPs and ATRs from levy-paying companies across the eight sub-sectors as per the table below:

Table 3: Workplace Skills Plan (WSP) and Annual Training Report (ATR) Management

Sector	Number of WSP/ATR submission
Advertising	160
Film and Electronic Media	35
Packaging	97
Performing Arts, Cultural Heritage and Visual Arts	36
Print Media	188
Printing	208
Publishing	94
Total	818



Graph 2: Breakdown of the Number of WSPs/ATRs submitted per sector

WSP and ATR Alignment

The SETA revised the WSP and ATR templates as a way of obtaining maximum and meaningful data for incorporation into the SSP process. That process included information in relation to:

- Provision of the baseline measurement whereby workplaces align their skills development plans to their organizational strategies.
- Economy, efficiency, effectiveness and equity for the development of skills within workplace.
- Achievement of the Skills Development Act mandate through targeted workplace training programmes that brought about productivity and competitiveness.

The WSP and ATR data was analysed and complemented the data obtained through comprehensive research processes to provide a fuller picture of the industry skills needs, strategies and the necessary plans that were supposed to be put in place.

Inter-SETA transfers

The number of companies transferring in increased more than the numbers transferring out. The SETA had 39 companies transferring in and 19 transferring out during the financial year under review.

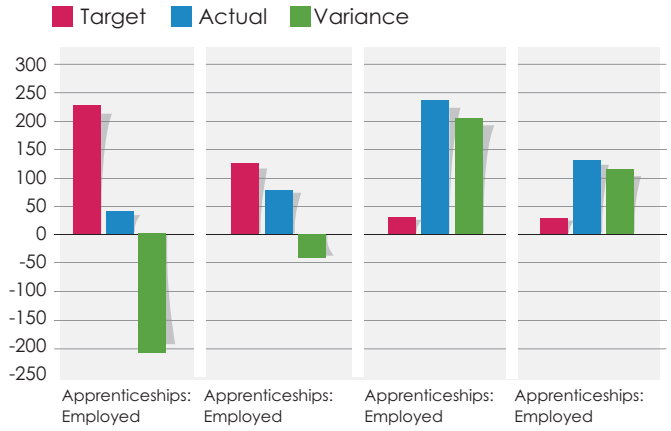
APPRENTICESHIPS

The Learnerships and Apprenticeships Division's direct contribution towards the achievement of the targets contained and described in detail in the 2010/2011 Performance Report above was with respect to the following:

Objective Number	Indicator Number	Description of the Target	Actual Divisional Performance against the Target	Variance
2.	2.8	Entries Allocation of funding towards learning programmes thereby enabling 460 employed learners to be enrolled.	392 employed learners enrolled.	A shortfall of 68 employed learners enrolled.
		Completions Facilitation of completion of learning programmes by 230 enrolled learners.	325 employed learners completed learning programmes.	An additional 95 employed learners completed the learning programmes.

4.	4.1	Entries Allocation of funding towards learning programmes thereby enabling 330 unemployed learners.	1517 unemployed learners completed learning programmes.	An additional 1187 unemployed learners enrolled on learning programmes.
		Completions Facilitation of completion of learning programmes by 165 enrolled learners.	720 unemployed learners completed learning programmes.	An additional 555 unemployed learners completed learning programmes.

Note: Above targets shared with the Projects Division.



Graph 3: L&A Achievements

Detailed or additional activities that were carried out by the Learnership and Apprenticeships Division in a bid to achieve the targets that underpinned its mandate are briefly stated below.

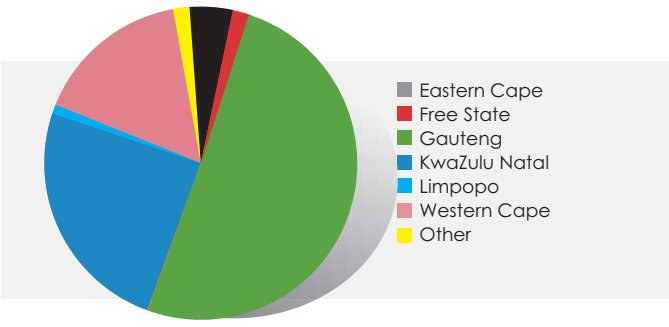
Registered Apprentices

During the year under review a total of 211 apprentices were registered as follows:

Table 5: Registered Apprentices

	Qualification/Trade Title	Apprentices	Province
1.	Bag Making	3	Western Cape
2.	Bookbinding Mechanized -Cutting	14	Gauteng
3.	Bookbinding Mechanized -Cutting	1	Western Cape
4	Can Making	4	Western Cape
5.	Can Making	4	Gauteng
6.	Carton Making	2	Gauteng
7.	Carton Making	2	Western Cape
8.	Carton Making	1	Eastern Cape
9.	Continuous Stationery Machine Minding	2	Gauteng
10.	Corrugated Board Manufacturing Machine Minding	3	Outside of South Africa
11.	Corrugated Board Manufacturing Machine Minding	6	Gauteng
12.	Corrugated Board Manufacturing Machine Minding	2	KwaZulu Natal
13.	Corrugated Board Manufacturing Machine Minding	1	Western Cape
14.	Corrugated Board Printing and Finishing Machine Minding	1	Western Cape
15.	Corrugated Board Printing and Finishing Machine Minding	4	KwaZulu Natal
17.	Corrugated Board Printing and Finishing Machine Minding	2	Western Cape
18.	Corrugated Board Printing and Finishing Machine Minding	4	Gauteng
19.	Corrugated Board Printing and Finishing Machine Minding	4	Eastern Cape
20.	Electronic Origination	3	KwaZulu Natal
21.	Electronic Origination	15	Gauteng
22.	Electronic Origination	3	Western Cape
23.	Electronic Origination	1	Limpopo
24.	End Making	6	Gauteng
25.	Gravure Machine Minding	3	Gauteng
26.	Gravure Machine Minding	1	KwaZulu Natal
27.	Lithography (Metal Decorating)	2	Gauteng
28.	Lithography (Metal Decorating)	1	KwaZulu Natal
29.	Lithography(Paper Section)	2	Gauteng
30.	Lithography(Paper Section)	1	Western Cape
31.	Lithography(Paper Section)	1	KwaZulu Natal
32.	Lithography(Paper Section)	1	Western Cape
33.	Lithography(Paper Section)	6	Gauteng
34.	Lithography(Paper Section)	1	Eastern Cape
35.	Lithography(Paper Section)	1	KwaZulu Natal
36.	Lithography(Paper Section)	3	GAUTENG
37.	Lithography(Paper Section)	1	KwaZulu Natal
38.	Lithography(Paper Section)	1	Western Cape
39.	Lithography(Paper Section)	1	Gauteng
40.	Lithography(Paper Section)	2	Gauteng

41.	Paper Sack Making	1	KwaZulu Natal
42.	Photo-Gravure Cylinder Processing	4	KwaZulu Natal
43.	Printers Electrician	1	Gauteng
44.	Printers Electrician	4	Western Cape
45.	Printers Mechanic	5	Western Cape
46.	Printers Mechanic	5	Gauteng
47.	Printers Mechanic	1	KwaZulu Natal
48.	Printers Mechanic	1	Eastern Cape
49.	Roll Label Machine Minding	5	Gauteng
50.	Roll Label Machine Minding	11	Western Cape
51.	Rotary Offset Machine Minding	16	Gauteng
52.	Rotary Offset Machine Minding	7	Western Cape
53.	Rotary Offset Machine Minding	1	Eastern Cape
54.	Rotary Offset Machine Minding	4	KwaZulu Natal
55.	Rotary Offset Machine Minding	3	Free State
56.	Rotary Printing and Re-Reeling - Flexography	7	KwaZulu Natal
57.	Rotary Printing and Re-Reeling - Flexography	6	Western Cape
58.	Rotary Printing and Re-Reeling - Gravure	1	KwaZulu Natal
59.	Rotary Printing and Re-Reeling - Gravure	1	Gauteng
60.	Screen Printing	1	Western Cape
61.	Stationary and Envelope Machine Adjuster	7	KwaZulu Natal
62.	Stationary and Envelope Machine Adjuster	3	Gauteng
	Total	**211**	



Graph 4: Provincial breakdown of registered Apprentices

It is interesting to note that during 2010/2011, there has been a steady increase of female apprentice in-takes, in particular in the field of Electronic Origination where female apprentices constituted 75% of the overall in-takes.

Of the 22 trades that had apprentice in-takes, only six did not have female in-takes. This is a positive step in the right direction in terms of changing the complexion of the printing and packaging industries from a male dominated one to one that begins to reflect the transformation that taking root at the workplace.

Certified Apprentices

During the year under review, a total of one hundred and thirty five (135) apprentices were certified, fifteen (15) of whom were females and the breakdown is as follows:

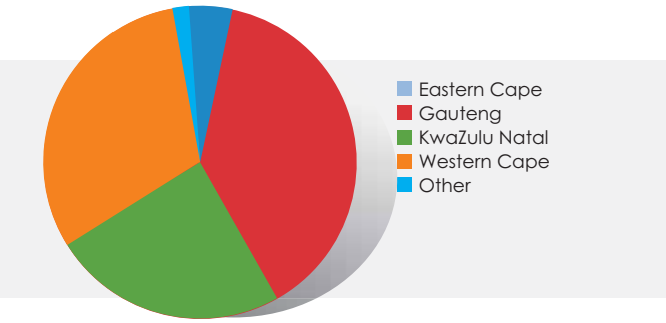
Table 6: Certified Apprentices

	Qualification Title	Apprentices	Province
1.	Bag Making	1	Eastern Cape
2.	Bookbinding Craft - Cutting	1	Western Cape
3.	Bookbinding Mechanized - Cutting	1	Western Cape
4.	Bookbinding Mechanized - Cutting	1	Eastern Cape
5.	Bookbinding Mechanized - Cutting	2	Western Cape
6.	Bookbinding Mechanized - Cutting	1	KwaZulu Natal
7.	Can Making	7	Gauteng
8.	Can Making	1	Western Cape
9.	Carton Making	3	Eastern Cape
10.	Carton Making	1	KwaZulu Natal
11.	Continuous Stationery Machine Minding	1	KwaZulu Natal
12.	Corrugated Board Manufacturing Machine Minding	1	Outside of South Africa
13.	Corrugated Board Manufacturing Machine Minding	1	Western Cape
14.	Corrugated Board Manufacturing Machine Minding	3	Gauteng
15.	Corrugated Board Manufacturing Machine Minding	1	Eastern Cape
16.	Corrugated Board Printing and Finishing Machine Minding	3	Gauteng
17.	Corrugated Board Printing and Finishing Machine Minding	1	Western Cape
18.	Corrugated Board Printing and Finishing Machine Minding	1	KwaZulu Natal

19.	Corrugated Board Printing and Finishing Machine Minding	1	Outside of South Africa
20.	Electronic Origination	4	Gauteng
21.	End Making	4	Gauteng
22.	Gravure Machine Minding	7	Western Cape
23.	Gravure Machine Minding	1	KwaZulu Natal
24.	Gravure Machine Minding	1	Gauteng
25.	Lithography (Metal Decorating)	1	Western Cape
26.	Lithography (Metal Decorating)	2	Gauteng
27.	Lithography (Metal Decorating) Dry Litho Monoblock	3	Gauteng
28.	Lithography(Paper Section)	4	KwaZulu Natal
29.	Lithography(Paper Section)	5	Western Cape
30.	Lithography(Paper Section)	2	Eastern Cape
31.	Lithography(Paper Section)	5	Gauteng
32.	Paper Sack Making	2	KwaZulu Natal
33.	Photo-Gravure Cylinder Processing	2	KwaZulu Natal
34.	Photo-Gravure Cylinder Processing	5	Western Cape
35.	Printers Electrician	2	Gauteng
37.	Printers Mechanic	2	Gauteng
38.	Printers Mechanic	4	Western Cape
39.	Printers Mechanic	1	KwaZulu Natal
40.	Roll Label Machine Minding	5	Western Cape
41.	Roll Label Machine Minding	1	Gauteng
42.	Rotary Offset Machine Minding	8	Western Cape
43.	Rotary Offset Machine Minding	4	KwaZulu Natal
44.	Rotary Offset Machine Minding	7	Gauteng
45.	Rotary Printing and Re-Reeling - Flexography	4	Gauteng
46.	Rotary Printing and Re-Reeling - Flexography	1	Eastern Cape
47.	Rotary Printing and Re-Reeling - Flexography	10	KwaZulu Natal
48.	Rotary Printing and Re-Reeling - Flexography	1	Western Cape
49.	Rotary Printing and Re-Reeling - Gravure	1	Gauteng
50.	Stationary and Envelope Machine Adjuster	4	Gauteng
	Total	135	

Table 7: entered theory total for 2010/2011

ENTERED THEORY TOTAL FOR 2010/2011									
MONTH	TT	PIFSA GAUTENG	PIFSA CAPE	PIFSA DURBAN	IMPI	NISSI	Male	Female	TOTAL
10-Mar	TT2	31	19	35	44		125	4	129
10-May	TT3	23	9	3	23		55	3	58
10-Aug	TT1	59	23	31	22		133	3	135
10-Sep	TT2	54	13	20	51	3	136	5	141
10-Nov	TT3	52	15	32	28	4	128	3	131
11-Feb	TT1	51	28	12	33	18	138	4	142
								SUB TOTAL	**736**



Graph 5: Provincial breakdown of certified apprentices

Entries for Technical Theory

A total of seven hundred and thirty seven (736) learners were registered for Technical Theory at the various Technical Theory Training Providers and the breakdown is as follows:

Certification for Technical Theory

Two hundred and seventy six (276) learners were declared competent for the Technical Theory training, and the breakdown is as follows:

Table 8: Certification for Technical Theory

	Qualification Title	Number of Appren-tices
1.	Roll Label Machine Minding	21
2.	Paper Sack Making	8
3.	Continuous Stationery Machine Minding	10
4.	Rotary Printing and Re-Reeling - Flexog-raphy	22
5.	Can Making	22
6.	Lithography(Paper Section)	29
7.	Rotary Offset Machine Minding	33
8.	Lithography (Metal Decorating)	12
9.	Carton Making	9
10.	Gravure Machine Minding	13
11.	End Making	11
12.	Corrugated Board Printing and Finishing Machine Minding	19
13.	Photo-Gravure Cylinder Processing	5
14.	Lithography (Metal Decorating)Dry Litho Monoblock	3
15.	Electronic Origination	14
16.	Bookbinding Mechanised -Cutting	10
17.	Stationary and Envelope Machine Ad-juster	1
18.	Rotary Printing and Re-Reeling -Gravure	9
19.	Printers Mechanic	7
20.	Corrugated Board Manufacturing Ma-chine Minding	15
21.	Lithography (Metal Decorating)	3
		276

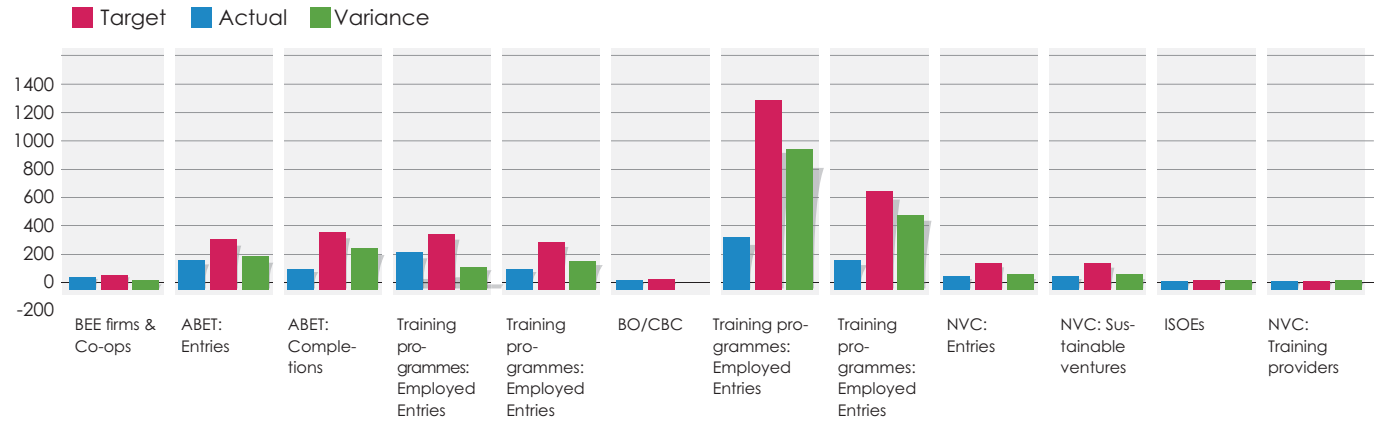
PROJECTS

The Projects Division's direct contribution towards the achievement of the targets contained and described in detail in the 2010/2011 Performance Report above was with respect to the following:

Objective Number	Indicator Number	Description of the Target	Actual Divisional Performance against the Target	Variance
2	2.5	Provision of funding related to skills development interventions to support 30 constituent small BEE firms and co-operatives.	34 constituent small BEE firms and co-operatives supported.	An additional 4 small BEE firms and co-operatives to the set target supported.
	2.7	Entries Allocation of funding towards an ABET programme thereby enabling 200 employed learners to be enrolled for this programme.	342 employed learners enrolled for the ABET programme.	An additional 142 employed learners to the set target enrolled for the ABET programme.
		Completions Facilitation of completion of the ABET programmes by 100 enrolled learners.	305 employed learners completed the ABET programme.	An additional 205 employed learners completed the ABET programme.
	2.8	Entries Allocation of funding towards 460 employed learners to be enrolled for learning programmes.	392 employed learners enrolled for training programmes.	An additional 115 employed learners enrolled as follows: 22 learnerships, 120 - skills programmes, 15 - internships and 2 - bursaries.
		Completions Facilitation of completion of training programmes by 230 employed learners.	325 employed learners completed the various programmes.	An additional 95 employed learners completed the various programmes.
3.	3.2	Provision of funding related to skills development interventions to support 30 constituent Non-Governmental Organisations (NGOs), Community Based Organisations (CBOs) and Community Based Co-operatives (CBCs).	8 constituent NGOs, CBOs and CBCs supported.	A shortfall of 22 of the supported NGOs, CBOs and CBCs recorded.
4.	4.1	Entries Allocation of funding towards 330 unemployed learners for various training programmes.	1517 unemployed learners enrolled for various training programmes.	An additional 1187 unemployed learners enrolled for various training programmes.
		Completions Facilitation of completion of training programmes by 165 unemployed learners.	720 unemployed learners completed the various programmes.	An additional 555 employed learners completed the various programme.
	4.3	Entries Allocation of funding towards the training and mentoring of 50 young people to establish sustainable new business ventures/enterprises.	131 young people trained and mentored to establish sustainable new business ventures/ enterprises.	An additional 81 young people trained and mentored to establish sustainable new business ventures/enterprises.
		Sustainable Ventures Ensuring that 35 of the new business ventures / enterprises set up by young people are viable and still in operation 12 months after establishment.	74 of the new business ventures / enterprises set up by young people are viable and still in operation 12 months after establishment.	An additional 39 new business ventures / enterprises set up by young people are viable and still in operation 12 months after establishment.

Objective Number	Indicator Number	Description of the Target	Actual Divisional Performance against the Target	Variance
5.	5.1	Recognition and funding of 4 organisations as Institutes of Sectoral or Occupational Excellence (ISOEs).	4 organisations recognized and funded as ISOEs.	1 additional organisation recognized and funded as an ISOE.
	5.2	Allocation of funding and support to 2 provi er institutions to enable them to become accredited to deliver the New Venture Creation qualification.	3 provider institutions funded and supported to become accredited for the New Venture Creation qualification.	1 additional organisation funded and supported to become accredited for the New Venture Creation qualification.

Note: Targets 2.8 and 4.1 are shared with the Apprenticeships Division



Graph 6: Projects achievements

Detailed or additional activities that were carried out by the Projects Division in a bid to achieve the targets that underpinned its mandate are briefly stated below.

2008/2009 Discretionary Grant Call

The projects division successfully completed 96% of projects funded during 2008/2009. The remaining projects falling within this category are due to be completed in July 2011 by the new SETAs to which MAPPP-SETA has transferred its various business activities.

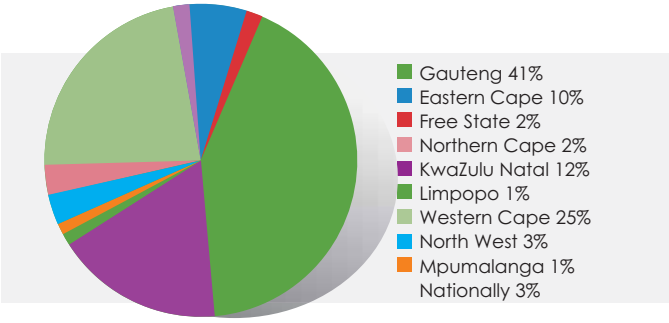
2010/2011 Discretionary Grant Call

During the 2010/2011 financial year, the SETA made two Discretionary Grant Allocations for R35.6 million in July 2010 and R28 million for strategic projects in November 2010 resulting in a total funding allocation of R63.6 million. This excludes approved joint NSF and MAPPP-SETA funding for the 2010 FIFA World Cup Legacy Project where MAPPP-SETA contributed R2.9 million toward the project and the NSF R9.2 million.

The NSDS targets and the funding allocation approved by the MAPPP-SETA Board were used as the basis for evaluating the performance of the SETA regarding this aspect of its business.

Provincial Spread of Training Programmes

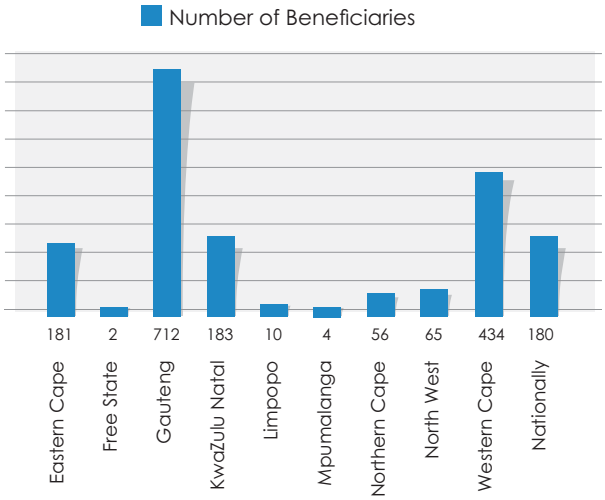
It was evident that Gauteng Providers and Western Cape dominated the allocation of funds for the programmes. This was due to a number of reasons such as the number of accredited providers available in those provinces hence most of them applied for Discretionary Grants. Free State, Northern Cape, Mpumalanga, Limpopo and North West were the most affected because there were few applications received from these provinces.



Graph 7: Provincial Spread of Training Programmes

Provincial Spread of Enrolled Learners

Gauteng and the Western Cape enrolled most of the learners compared to other provinces.



Graph 8: Provincial Spread of Enrolled Learners

Provider Accreditation

The following 60 training providers were accredited or granted programme approval.

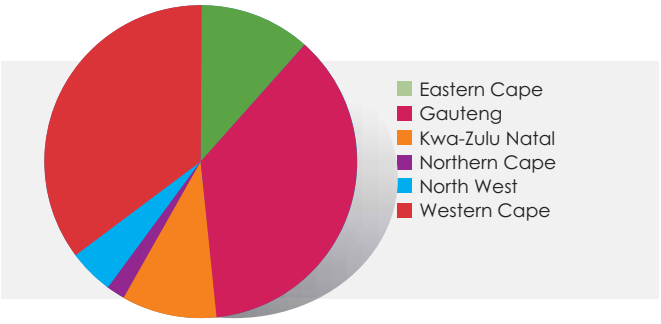
Table 15: Training providers accredited or granted programme approval

	PROVIDER	PROVINCE	QUALIFICATION	NQF LEVEL
1.	Zar Ceramics	Gauteng	NC: Arts and Culture Development Management	5
2.	Paarl Media	Western Cape	National Trade Certificate: Machine Minding, Rotary Off-set National Trade Certificate: Machine Minding, Lithography Paper Section National Trade Certificate: Machine Minding, Gravure National Trade Certificate: Machine Minding, Roll Label National Trade Certificate: Book Binding Mechanised National Trade Certificate: Origination (Cylinder Preparation)	5 5 5 4 5 4
3.	Nissi Training Centre	Gauteng	National Trade Certificate: Machine Minding, Rotary Off-set National Trade Certificate: Machine Minding, Lithography Paper Section National Trade Certificate: Electronic Origination National Trade Certificate: Machine Minding, Rotary Printing and Re-Reeling Flexography National Trade Certificate: Machine Minding, Rotary Printing and Re-Reeling Gravure National Trade Certificate: Machine Minding, Corrugated Board National Trade Certificate: Book Binding National Trade Certificate: Bag Making National Trade Certificate: Laminating National Trade Certificate: Paper Sack Making	5 5 5 4 5 4 4 4 5 5 4
4.	Gauteng Broadcast Institute	Gauteng	NC: Film and Television Production	5

	PROVIDER	PROVINCE	QUALIFICATION	NQF LEVEL
5.	Underpressure Agency	Gauteng	FETC: Heritage Practice NC: Heritage Resource Management	4 5
6.	IAJ	Gauteng	NC: Radio Station Management	5
7.	Nemisa	Gauteng	NC: 2D Animation NC: 3D Animation and Visual Effects NC: Radio Journalism (Skills Programme)	5 5 5
8.	Artist Proof Studio	Gauteng	NC: Craft Production FETC: Design Foundation	2
9.	Monyenyetsi	Gauteng	Journalism L5	4
10.	Multichoice Operations PTY	Gauteng	Broadcast Skills Programmes: Predict Broadcast Signal coverage	
11.	ABC Ulwazi	Gauteng	NC: Radio Production NC: Radio Station Management NC: Broadcasting Engineering NC: Music	5 5 5 5
12.	Promusica Theatre	Gauteng	FTEC: Performing Arts	4
13.	South African RoadiesAssociation	Gauteng	NC: Live Technical Production	4
14.	Mintek	Gauteng	NC: Craft Production	2
15.	Fuba School of Dramatic andVisual Arts	Gauteng	FETC: Performing Arts	4
16.	Moonyth Art House	Gauteng	FETC: Performing Arts	4
17.	IAJ	Gauteng	NC: Radio Station Management	
18.	River Media Training	Gauteng	FETC: Live Event Technical Production NC: Film and Television Production	4 5
19.	Sound of Sound	Gauteng	FETC: Sound Technology NC: Sound Technology	4 5
20.	Desto	Gauteng	NC: Radio Production	5
21.	Dream Beads	Gauteng	NC: Craft Production	2
22.	Healthwise	Gauteng	NC: Craft Production	2
23.	Ubomi Ngumzamo	Gauteng	NC: Craft Production	2
24.	Madosini	Gauteng	FETC: Performing Arts	4
25.	Artist Proof Studios	Gauteng	FETC: Design Foundation	4
26.	Cyan Development	Western Cape	FETC: Arts & Culture Administration FETC: Design Foundation	4 4
27.	Academy of Guilds	Western Cape	FETC: Design Techniques	5
28.	Cape Craft Design Institute	Western Cape	FETC: Craft Enterprise NC: Craft Production NC: Craft Operational Management	4 2 5
29.	College of Cape Town	Western Cape	NC: 2D Animation	5
30.	SAE Institute	Western Cape	NC: Film and Television Production NC: 3D Animation and Visual Effects	5 5

	PROVIDER	PROVINCE	QUALIFICATION	NQF LEVEL
31.	FILM Mentorship and Training	Western Cape	NC: Film and Television Production	5
32.	Concept Interactive	Western Cape	FETC: Design Foundation	4
33.	Invisible Card Company	Western Cape	Integrated Manufacturing (Skills Programme)	5
34.	Visual Impact Academy	Western Cape	Live Events Technical Operations (Skills Programme)	4
35.	False Bay College	Western Cape	NC: 2D Animation NQF 5 Credits 5	5
36.	Av Alliance	Western Cape	NC: Live Event Technical Production	4
37.	CAE College	Western Cape	FETC: Sound Technology	4
38.	FILM Mentoring	Western Cape	FETC: Film & Television Production Operations	4
39.	Speak Out Training	Western Cape	Skills Programme: Practice Physical Techniques for Communication in Performance.	4
40.	College of Cape Town	Western Cape	NC: Craft Production FETC: Craft Enterprise	2 4
41.	SAE Institute	Western Cape	NC: Film and Television Production NC: 3D Animation and Visual Effects	5 5
42.	Touchvision / Learn2	Western Cape	NC: 2D Animation	5
43.	Concept Interactive	Western Cape	NC: Design Techniques NC: Interactive Media NC: Advertising	5 5 5
44.	Dimensional Stunt School	Western Cape	Skills Programme: Stunt Training	4
45.	Boland College	Western Cape	NC: Craft Production NC: Craft Operational Management	2 5
46.	The Kraal Gallery	Western Cape	NC: Craft Production	2
47.	Panther Edge South Africa	KwaZulu Natal	FETC: Arts and Culture Development Support Skills Programme: NC: Craft Production (Skills Programme)	4 2
48.	Lincolnwood	KwaZulu Natal	FETC: Arts and Culture Development Support (Skills Programme)	4
49.	The Bat Centre	KwaZulu Natal	FETC: Design Foundation (Skills Programme)	4
50.	Engeza Training and Project Management	KwaZulu Natal	FETC: Arts and Culture Development Support	4
51..	Management and Leadership Academy	KwaZulu Natal	FETC: Design Foundation FETC: Performing Arts FET: Music Industry: Sound Technology FETC: Film and Television Production NC: Music Industry Practice	4 4 4 4 3
52.	Karen Isaacs and Associates	KwaZulu Natal	NC: Arts and Culture Enterprise	5
53.	Port Elizabeth FET College	Eastern Cape	FETC: Craft Enterprise	4
54.	Arts and Teaching Initiatives	Eastern Cape	FETC: Arts and Culture Development Support (Skills Programme)	4
55.	Radio Active Productions	Eastern Cape	NC: Music industry: Sound Technology	5

	PROVIDER	PROVINCE	QUALIFICATION	NQF LEVEL
56.	Arts and Teaching Initiatives	Eastern Cape	NC: Craft Production NC: Craft Operational Management FETC: Craft Enterprise FETC: Arts and Culture Administration	2 5 4 4
57.	Palm Springs	Eastern Cape	FETC: Arts and Culture Administration	4
58.	Edu-fix Training Institute	North West	FETC: Design Foundation:	4
59.	Artema	North West	FETC: Live Events Technical Production NC: Arts and Culture Administration	4
60.	Indigo Theatre	Northern Cape	FETC: Performing Arts	4



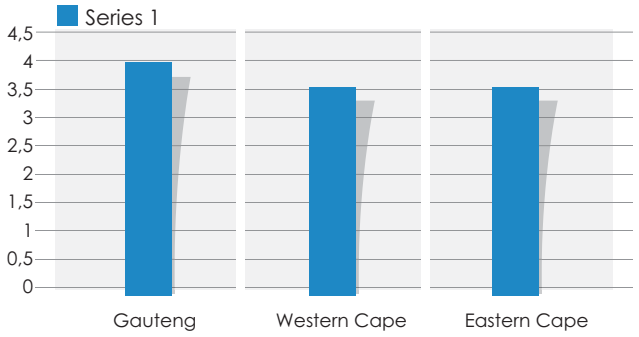
Graph 10: Training Providers awarded accreditation or programme approval in 2010/2011.

Approval of Workplaces

The following 10 organisations were approved to offer workplace training related to various learning programmes.

Table 16: Approval of Workplaces

	Workplace	Province	Field
1.	Primedia Face 2 Face	Gauteng	Design Foundation
2.	Draft FCB	Gauteng	Advertising
3.	Kena Media	Gauteng	Advertising
4.	Naledi Network BBDO	Gauteng	Advertising
5.	Native Design Studio	Western Cape	Advertising
6.	Concept Interactive	Western Cape	Design Techniques
7.	COPA/ GSF	Western Cape	Compliance of new premises
8.	Grocotts Mail	Eastern Cape	Journalism
9.	Algoa FM	Eastern Cape	Radio Production
10.	Mandela Bay Pictures	Eastern Cape	Film and Television Production Operations



Graph 11: Organisations for provision of workplace experience and internship programmes in 2010/2011.

Assessor Registration

77 assessors and 17 moderators were registered during the 2010/2011 financial period.

The assessors were registered as follows in accordance with their subject matter expertise:

Table 17: Assessor Registration

Qualification ID Number		Qualification / Unit Standards	Number of Assessors
1.	48818	FET Certificate: Arts and Culture Administration	4
2.	48809	FET Certificate: Craft Enterprise	3
3.	49127	FET Certificate: Design Foundation	4
4.	48812	FET Certificate: Heritage Practice	1
5.	48811	FET Certificate: Music Industry Sound Technology	4
6.	48808	FET Certificate: Performing Arts	8
7.	49119	National Certificate: Craft Operational Management	2
8.	48806	National Certificate: Craft Production	11
9.	61349	National Certificate: Heritage Resource Management	1
10.	58143	National Certificate: Music Industry Practice	5
11.	58144	National Certificate: Music Industry Practice	4
12.	48671	National Certificate: Music Industry Sound Technology	3
13.	65029	FET Certificate: Music	6
14.	65050	National Certificate: Music	2

15.	48792	National Certificate: Broadcast Engineering	2
16.	50479	FET Certificate: Advertising	1
17.	49122	National Certificate: Radio Station Management	1
18.	62069\ 49125	National Certificate: Radio Production	1
19.	58978	National Certificate: Journalism	3
20.	57611	National Certificate: 2D Animation	2
21.	57607	National Certificate: 3D Animation and Visual Effects	1
22.	61450	FET Certificate: Film and Television Production Operations	5
23.	49121	National Certificate: Interactive Media	1
24.	58394	National Certificate: Film and Television Production	1
25.	49138	National Diploma: Copywriting	1
Total			77

Verification of Learner Results

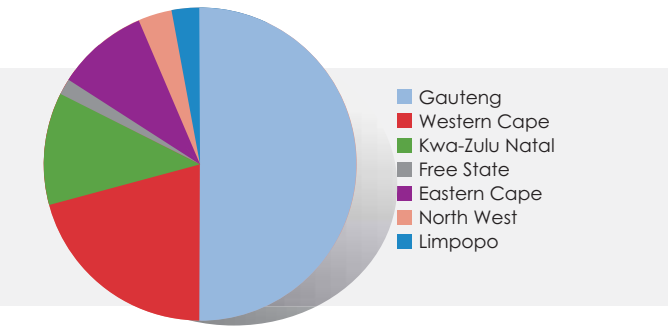
The following training providers were verified and most the learners whose results were verified had already received their certificates at the time of reporting:

Verification of Learner Results

The table below reflects some of the training providers who were verified, most of the learners whose results were verified had already received their certificates at the time of reporting:

Table 18: Training providers verified

PROVIDER		PROVINCE	LEARNERS
1.	CTU Training Solutions	Gauteng	240
2.	GSF Education	Gauteng	20
3.	Artist Proof Studio	Gauteng	20
4.	Music Academy of Gauteng	Gauteng	50
5.	Moving Into Dance Mophatong Trust	Gauteng	12
6.	Boston Multi Media & Boston Admin Services	Gauteng	66
7.	Feline Technology	Gauteng	311
8.	Nkoka Training	Gauteng	2
9.	River Media Training	Gauteng	5
10.	NEMISA	Gauteng	72
11.	Underpressure Agency - GP	Gauteng	17
12.	Campus of Performing Arts 8 reports	Gauteng	523
13.	Jeppe College	Gauteng	374
14.	Imagination Lab	Gauteng	170
15.	Healthwise Womens' Centre	Gauteng	10
16.	Sibikwa Arts Centre	Gauteng	55
17.	Cape Craft and Development Institute	Western Cape	15
18.	Integrated Business Solution	Western Cape	30
19.	Dimensional Stunt School	Western Cape	18
20.	FILM Mentorship and Training	Western Cape	4
21.	Invisible Card Company	Western Cape	11
22.	Concept Interactive 2 Reports	Western Cape	26
23.	Learn2	Western Cape	16
24.	Nombeko Training Consultants	KwaZulu Natal	17
25.	Palm Springs Consultants	Eastern Cape	13
26.	African Global	Eastern Cape	13
27.	Twin Peak Technologies	Free State	60
28.	Artema (Institute for Arts Management and Development) - North-West University	North West	16
29.	African Pathways	Limpopo	15



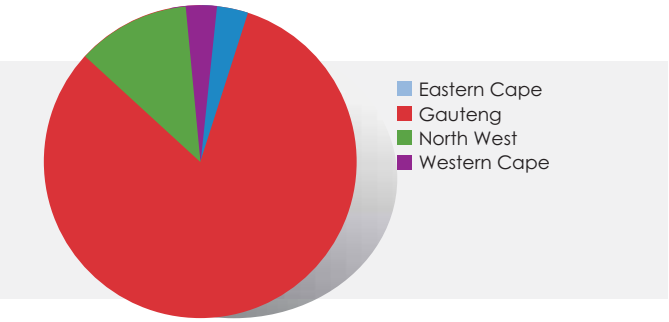
Graph 12: Provincial spread of training providers that had their learners results verified in 2010/2011

Learner Certification

One thousand and forty-two certificates were issued to learners during 2010/2011 as reflected below.

Table 19: Certificates issued to learners

Provider Name		Province	Qualification	No. of learners
1.	CTU Training Solutions	Gauteng	FETC: Design Foundation	144
2.	Port Elizabeth FET College	Eastern Cape	FETC: Craft Enterprise	11
3.	Cultural Development Trust	Gauteng	FETC : Arts and Culture Administration	19
4.	Academy of Guilds	Western Cape	FETC : Design Foundation	3
5.	MAPPP Learners	Gauteng	NC: Craft Production	4
6.	Fray Intermedia	Gauteng	NC: Journalism	4
7.	Academy @ Business	Gauteng	NC: Radio Production	17
8.	Avusa	Gauteng	NC: Journalism	23
9.	Music Academy of Gauteng	Gauteng	NC: Performing Arts	16
10.	Jeppe College of Commerce and Computer Studies	Gauteng	NC: Journalism	64
11.	Jeppe College of Commerce and Computer Studies	Gauteng	FETC: Advertising	86
12.	National Electronics Media Institute of South Africa	Gauteng	NC: Broadcast Engineering	14
		Gauteng	NC: Radio Production	72
		Gauteng	Certificate: Broadcast Engineering	8
13.	Cape Craft Design Institute	Western Cape	NC: Craft Operational Management	7
14.	Desto	Gauteng	NC: Radio Production	42
15.	Integrated Business Solutions	Western Cape	NC: Craft Production	11
16.	The Independent Institute of Education	Gauteng	FETC: Advertising	246
17.	Underpressure Agency	Gauteng	NC: Heritage Resource Management	50
18.	Jeppe College of Commerce and Computer Studies	Gauteng	FETC : Design Foundation	23
19.	Palm Springs Consultancy	Eastern Cape	FETC : Heritage Practice	19
20.	Institute for Arts Management and Development	North West	FETC: Arts and Culture Administration	113
21.	Boland FET College	Western Cape	NC: Craft Operational Management	13
22.	Faisit	Gauteng	FETC: Arts and Culture	17
23.	Interakt Development	Gauteng	NC: Live Technology	16
	Total			1 042



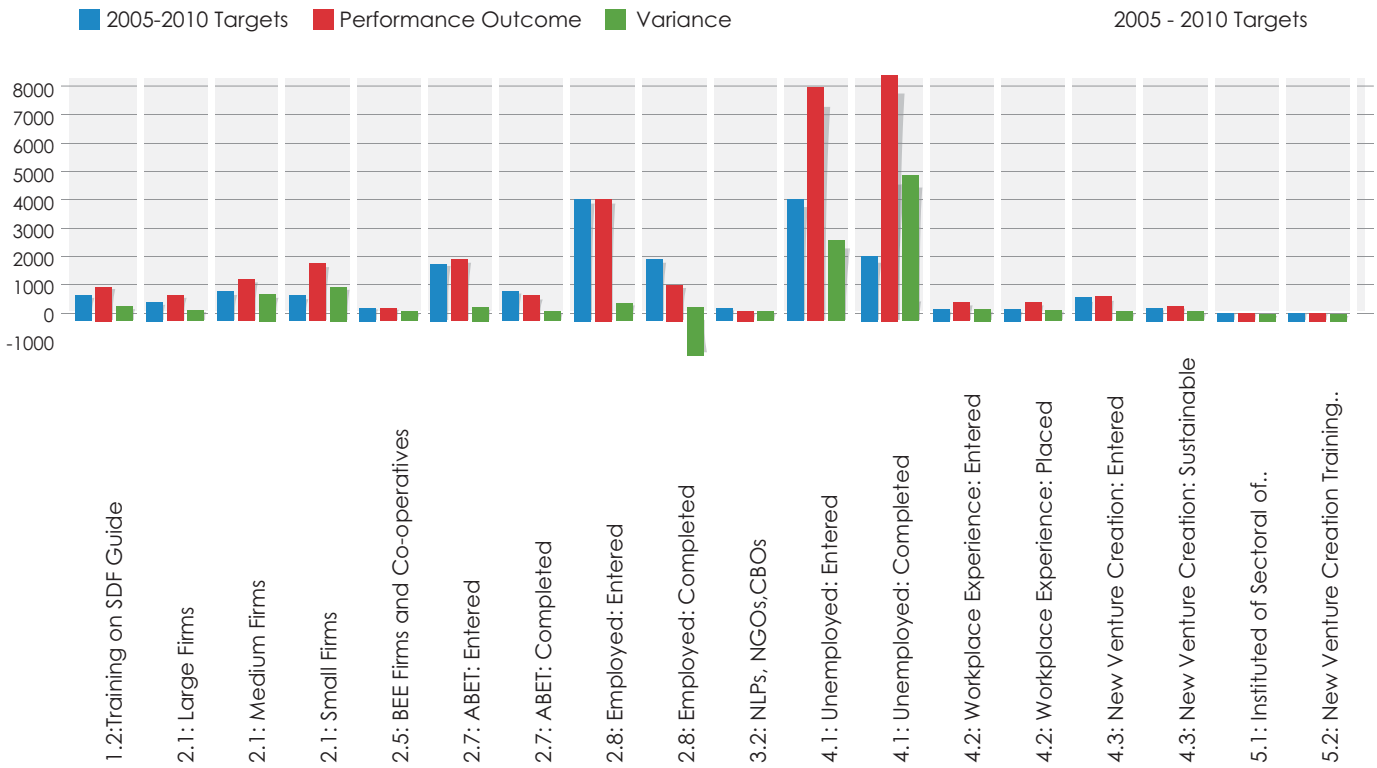
Graph 13: Certificates issued to learners

2005-2010 Performance

In addition to the achievements for the 2010/2011 financial year stated above, MAPPP-SETA met many milestones related to skills development and education and training quality assurance including being awarded full accreditation as an ETQA by SAQA in March 2010 as well as exceeding most of the 5 year NSDS II targets as reflected below:

Table 20: 2005-2010 Performance Report

NSDS Indicator	2005 – 2010 Targets	Performance Outcome	Variance
1.2: Training on SDF Guide	900	1112	212
2.1: Large Firms	541	612	71
2.1: Medium Firms	1062	1444	382
2.2: Small Firms	1195	2177	982
2.5: BEE Firms and Co-operatives	364	222	-142
2.7: ABET - Entered	2129	1998	-131
2.7: ABET - Completed	1350	863	-482
2.8: Employed: Entered	4600	4305	-295
2.8: Employed: Completed	2965	1501	-1462
3.2: NLPs, NGOs, CBOs	316	81	-235
4.1: Unemployed: Entered	5000	7828	2828
4.1: Unemployed: Completed	3100	8392	5292
4.2: Workplace Experience: Entered	235	458	223
4.2: Workplace Experience: Placed	169	286	117
4.3: New Venture Creation: Entered	505	501	-4
4.3: New Venture Creation: Sustainable	335	355	20
5.1: Institutes of Sectoral of Occupational Excellence (ISOEs)	12	7	-5
5.2: New Venture Creation Training Providers	19	13	-6
	24797	32155	7365



Graph 14: 2005-2010 Performance Report

HIGHLIGHTS OF STRATEGIC INITIATIVES

MAPPP-SETA participated in a number of strategic partnerships and projects that were aimed at addressing the needs of skills development during 2010/2011 including the following:

2010 London Book Fair

Funding for 20 budding publishers and 20 budding authors to the tune of R600 000.00 was allocated to the Publishers Association of South Africa (PASA) as a contribution to their participation in the 2010 London Book Fair where South Africa was to feature as the Country of Focus for that specific event. Whereas this event was disrupted by as volcanic ash that emanated from Iceland which prevented many flights around the period of the book fair from flying to many parts of Europe including England, 3 of the 20 interns made it to this event and together with the few staff members from PASA and Department of Arts and Culture and those from the Office of the South African British High Commissioner represented the country well and showcased its various activities related to the book industry including MAPPP-SETA's skills development offerings.

The interns that missed the event were included in another internship programme for the Cape Town Book Fair.

2010 Cape Town Book Fair

An amount of R1 million was allocated to PASA to enroll 20 budding publishers and 20 budding authors on an internship programme linked to the Cape Town Book Fair. Through this initiative, the beneficiaries were exposed to various programmes and activities that characterized the 2010 Cape Town Book Fair such as the "rights buyers and sellers workshop", professional publishing workshops, interaction with Nobel Laureate for Literature Professor Wole Soyinka and Nobel Laureate Archbishop Emeritus Desmond Tutu, Education critics like Graeme Block and Nick Taylor. The participants were also able to interact with their counterparts from other parts of the world and the continent.

The Print Media Industry and the Poynter Institute Project

The PMSA and the Poynter entered into a partnership to enhance skills of the South African media practitioners through its master teachers. It order to make this happen and reduce the costs considerably, an accomplished and world acclaimed lecturer from The Poynter Institute was brought to South Africa to conduct the training. To this end, funding of R150 000 was given to the Print Media South Africa (PMSA) for the benefit of 20 media practitioners (senior editors and media executives) who were put on a structured internship programme.

World Cup Legacy Project

MAPPP-SETA's direct contribution toward the 2010 FIFA World was made possible through partnering with Till Dawn Entertainment, a sister organisation of the Lebo M Foundation. This partnership was aimed at leaving behind a legacy in relation to the 2010 FIFA World Cup by giving a few previously disadvantaged individuals an opportunity of a life time to participate in an event of this magnitude behind the scenes, contributing towards the production of the opening and closing ceremonies. To this end, 20 interns and 20 volunteers were trained in film making, technical production including stage management and application of make-up for which MAPPP-SETA allocated funding of R520 000. These beneficiaries were required to deliver a documentary and a calendar at the end of the project.

Joint NSF-MAPPP-SETA funded SABC Project

MAPPP-SETA was allocated R9,2 million by the National Skills Fund for a 2010 Soccer World Cup Legacy Project to be delivered by the SABC aimed at ensuring that a legacy of the soccer tournament was bestowed on some of the unemployed and marginalized youth in the rural and urban communities who would be accorded an opportunity to realize their dreams through sustainable skills development interventions.

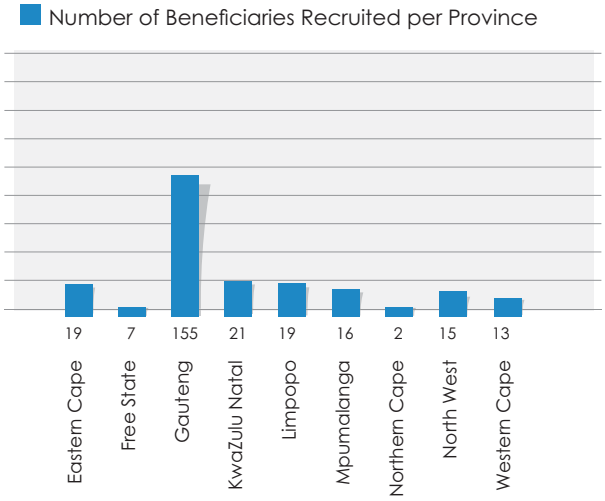
The project which is worth R12 million, with MAPPP-SETA having contributed R2,9 million towards it focused on learnership and internship programmes within the broadcasting sector for 262 beneficiaries, with the SABC serving as the preferred employer to facilitate this crucial skills development intervention. At the time of reporting, this project was well underway, with the completion thereof projected for July 2012.

Table 10: Internship Programme Breakdown

Focus Area	Beneficiaries
News	59
Technology	94
PCS	4
Communication Enterprises	6
Content Entertainment	27
Group Services	7
GCEO Regions	16
PBS Radio	29
TOTAL	242

Table 11: Learnership Programme Breakdown

Learning Programme	Beneficiaries
National Certificate: Film and Television Video Production NQF 5	18
Further Education and Training Certificate: HR & Practice NQF 4	12
Total	30



Graph 9: Provincial Breakdown of Beneficiaries

PARTNERSHIP BETWEEN UNDERPRESSURE AGENCY, GAUTENG PROVINCE DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION, GCRA AND MAPPP SETA

In December 2008, the Underpressure Agency, with the endorsement of the Gauteng Province Department of Sport, Arts, Culture and Recreation, applied to the MAPPP SETA for funding for the pilot implementation of the NQF 5 Heritage Resource Management Qualification.

While the original objective of the application was to upskill unemployed graduates in knowledge, skills and values around the issues of heritage resource management for the Provincial Heritage Resource Authority, amongst others, the limited budget of R525 000 the MAPPP SETA approved for the pilot implementation resulted in the programme not being feasible.

Instead, in 2009, it was arranged that the objectives of the programme be shifted to that of developing the capacity of unemployed graduates and Military Veterans in issues around heritage tourism management. In line with this, the Gauteng City Region Academy agreed to

come on board to fund the training costs of learners; the Gauteng Province Department of Sport, Arts, Culture and Recreation agreed to fund the research, assessment and learning material costs of five Military Veterans from the province (although six were eventually registered on the programme), the MAPPP SETA funded the allowances of the 15 unemployed youth graduates, while the Underpressure Agency funded the sectoral developments required as well as additional learning costs.

As a MAPPP SETA recognized Institute for Sectoral or Occupational Excellence (ISOE), the Agency, together with its partners, had the following objectives in terms of the Learnership:

1. To pilot the NQF Heritage Resource Management Qualification in order to evaluate its suitability for developments in terms of addressing the major skills challenges found across the museums, heritage and tourism sectors in the province and nationally.
2. To develop the capacity of unemployed youth graduates who had the potential to contribute towards the development of the aforementioned sectors and yet who lacked the critical content basis in order to do this.
3. To capture, nurture and develop the capacity of Military Veterans to participate meaningfully in the heritage and heritage tourism sector developments.

In order to provide appropriate workplace experience, the Department of Sport, Arts, Culture and Recreation (SACR), the Gauteng Tourism Authority (GTA), The Freedom Park and the Underpressure Agency ISOE were aligned to the programme that resulted in the following workplace interventions:

1. Under SACR, learners gained workplace experience in various events related to the Creative Industry Sub-Directorate of the Department, including the interaction with projects ranging from the Carnival to other World Cup Events.
2. Under the GTA, unemployed youth graduates received the opportunity to interact at a professional level with issues around tourism during the World Cup Event.
3. Under The Freedom Park, Military Veterans worked on researching, collecting, capturing and verifying the names of deceased cadres.
4. Under the Underpressure Agency ISOE, all learners worked on issues related to Career Guidance and Sectoral developments in the province, including a provincial Career Guidance Week implemented in partnership with the GTA, GCRA and the MAPPP SETA and reaching an audience of close to 2000 school learners, out of school youths and Military Veterans.

Of the 15 unemployed youth graduates who had initially registered on the Learnership, eleven of these learners have achieved the full qualification whereas of the original six Military Veterans, four of them have achieved the full qualification.

As a follow-up to this projects, Underpressure Agency was again awarded funding for eight of above mentioned graduates to be placed on an internship focusing on the establishment of the Chris Hani Baragwanath Hospital Museum as a means of providing learners with the opportunity to further deepen their knowledge by working at the Agency who is the appointed Curator of the Museum project.

The remaining learners have either continued in their studies, are seeking alternate opportunities or have found employment across a range of workplaces, including the Department of Education and the private sector.

The Gauteng Jazz Organisation was granted funding of R320,000 by MAPPP SETA to host eight interns who received mentoring from the senior artists in the Orchestra and also performed alongside these legendary musicians for the 2010/11 seasons.

The Gauteng Jazz Orchestra has been established through partnering with the Music Academy of Gauteng Jazz Orchestra; which will form the nucleus and base of the Gauteng Jazz Orchestra under the leadership of Dr Johnny Mekoa, whilst drawing in various musicians from all over Gauteng.

The establishment of a Jazz Orchestra will enable musicians to be drawn from all sectors of the community. The music will be representative of the people of South Africa and through jazz develop musicians that have national and international appeal. By supporting the establishment of the Gauteng Jazz Orchestra, MAPPP-SETA and the Gauteng Department of Sports, Arts, Culture and Recreation have contributed to efforts aimed at ensuring that this musical heritage is preserved and promoted through creative and innovative musicianship.

The Puisano – Performing Arts Skills Programme

The Puisano Live Performance Project is geared towards contributing to the development of a live performance circuit and the promotion and showcasing of emerging performers and artists, by hosting live performances in existing community facilities including music performance venues, restaurants and pubs that host live music, community halls and theatres. This Project is implemented in partnership with Municipalities and Metros as well Music Appreciation Associations to ensure that it impacts on all Gauteng regions. Some of the key objectives of the Department of Sport, Arts, Culture and Heritage that the

The Puisano – Performing Arts Skills Programme

Puisano Project achieves are to:

- To strengthen the Gauteng position as the hub of the Creative Economy and the Creative Industries
- To support creative sectors and creative workers
- To grow the live performance circuit in Gauteng and thereby creating work opportunities for local performers.

Participants were selected through auditions hosted in the six major municipalities of Gauteng viz. Joburg, Tshwane, Ekurhuleni, West Rand, Metsweding and Sedibeng.
As this programme was focused on actual and practical performance, a support training programme was granted by the MAPPP SETA to be implemented by the Music Academy of Gauteng. The following unit standards from the Performing Arts NQF 4 qualification were covered:

Table 12: Performing Arts Skills Programme

	ID	Unit Standard Title	NQF Level	Credits
Core	114546	Identify job opportunities within the performing arts industry	03	4
Core	116662	Rehearse performance form	03	8
Core	114543	Conceptualise performance texts and performances	04	8
Core	114542	Perform performance form	04	15
Core	114547	Practice physical techniques for communication in performance	04	20
Elective	114548	Create original performances	04	12

50 learners benefited from this project at a cost of R500 000 to MAPPP-SETA.

ARTéMA
MAPPP-SETA allocated funding of R780 000 to ARTéMA for training 26 learners in a FETC: Arts and Culture Administration learnership in Potchefstroom, Oudshoorn.

The highlights of this project included field trips that covered visiting arts, culture and heritage institutions such as the National Arts Council, Museum Africa, Dance Factory, Johannesburg Civic Theatre, Barnyard Theatre, AFDA Film School and ATKV for the Potchefstroom group and the Theatre on the Bay, PANSA, Arterial Network, District Six Museum, ArtsCape Theatre and the official launch of the 2011 Klein Karoo National Arts Festival programme for Oudshoorn.

Recognition of PIFSA as an ISOE

During the year under review MAPPP-SETA awarded R1 million to the Print Industries Federation of South Africa (PIFSA) as recognition of this entity as an Institute of Sectoral or Occupational Excellence (ISOE).

The funding allocated is to be used by PIFSA in the facilitation of the development of curriculums for 11 packaging trades following the model that has been put in place by the Quality Council for Trades and Occupations.

ETQA

The Education and Training Quality Assurance (ETQA) Division's direct contribution towards the achievement of the targets contained and described in detail in the 2010/2011 Performance Report above was with respect to the following:

Table 13: ETQA

Objective Number	Indicator Number	Description of the Target	Actual Divisional Performance against the Target	Variance
5.	5.3	Ensuring measurable improvements in the delivery of learning by constituent training providers.	Full ETQA accreditation attained by MAPPP-SETA and 100% compliance and performance recorded with respect to data upload on the National Learners Records Database (NLRD) presided over by SAQA.	None

Detailed or additional activities that were carried out by the ETQA Division in a bid to achieve the targets that underpinned its mandate are briefly stated below.

Qualification development and review
All qualifications on the NQF at SAQA have been reregistered across all the sectors, representing all SETAs. Unit standards have also been reregistered on the NQF. Many of the qualifications are over 5 years old and will need to be reviewed to keep up with the developments in the various sectors.

The Advertising and Visual Arts industry players requested the development of another visual arts qualification at NQF level 5. Some preliminary work had been done regarding this request at the time of reporting.

During the 2010/2011 financial year, the following qualifications were developed and the MAPPP-SETA scope was extended for their inclusion:

Table 14: Qualifications Developed

Qualification ID	Qualification Title	Credits	NQF Level
73298 -	Further Education and Training Certificate: Photography	128	4
78003	Further Education and Training Certificate : Visual Arts	156	4

MARKETING AND COMMUNICATIONS

Communications and Marketing continue to play an important role in ensuring that the industry, its stakeholders and the media are kept abreast of MAPPP SETA's skills development initiatives and achievements against the NSDS targets set out.

A high media profile, supported by a strong track record of delivery against the NSDS targets has ensured that the MAPPP SETA is sustainable and committed.

Marketing and Communications

The Marketing and Communication unit promotes the products and services of the MAPPP SETA using a wide range of channels and instruments to stakeholders and the general public.

During the financial year, the MAPPP SETA focused its publicity campaigns around the Ministerial priorities of Career Development and Graduate Training & placement using print, electronic and radio channels to learners to ensure that they make informed Career choices

General branding in targeted industry publications for stakeholders was also affected and we had advertised in the following magazines.
1. Learnership SA
2. Achiever Magazine
3. Black Business Directory
4. CEO Magazine

In addition more than 10 000 brochures were printed on the MAPPP SETA learnerships and Bursary opportunities and were distributed at the many Career exhibitions that the MAPPP SETA participated in.

Website
The unit was also responsible for content management and updating of the MAPPP SETA website, for updates and new documentation to be available to stakeholders.

The Communications Policy was developed and approved by the MAPPP SETA Board.

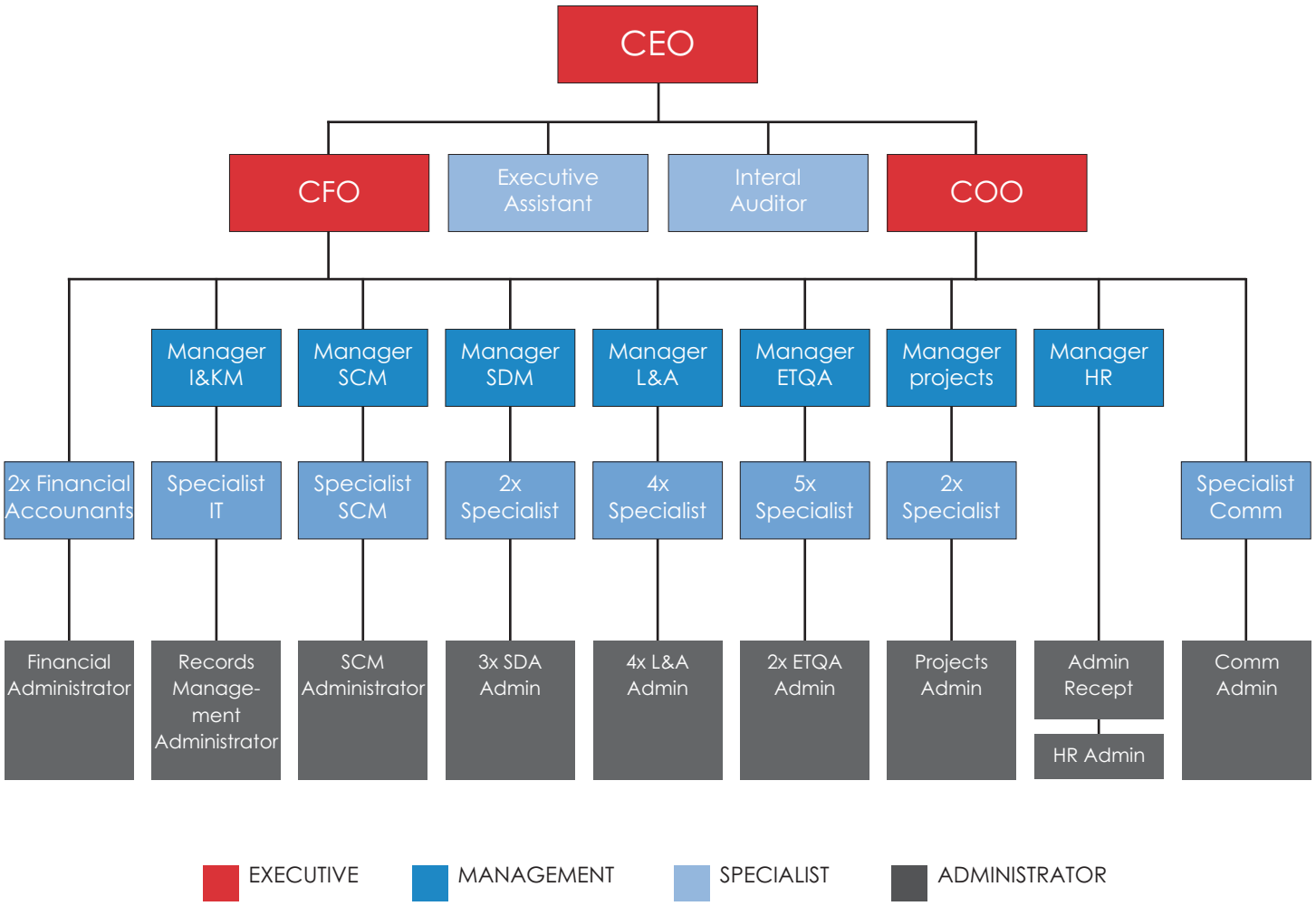
Events and Exhibitions
During the Financial year the MAPPP SETA participated in the following Career Exhibitions.

Table 20: Events and Exhibitions

Event		Venue	Province
1.	World Journalism Congress	Grahamstown	Eastern Cape

2.	Free State Career Focus Week	Bloemfontein	Free State
3.	Education Week Expo	Johannesburg	Gauteng
4.	Heritage & Tourism against Youth Unemployment Exhibition	East Rand, Soweto, Tshwane, Vaal, and West Rand.	Gauteng
5.	Jozi Book Fair	Newtown, Johannesburg	Gauteng
6.	Tomorrow's Leaders Conference	Sandton	Gauteng
7.	KZN Music Imbizo	Durban	Kwa-Zulu Natal
8.	World of Work Career Fair	Durban	Kwa-Zulu Natal
9.	Mandela Day Exhibition	Giyani	Limpopo
10.	Cape Town Book Fair	Cape Town	Western Cape
11.	Youth Skills Development Summit	Michelle's Plain, Cape Town	Western Cape

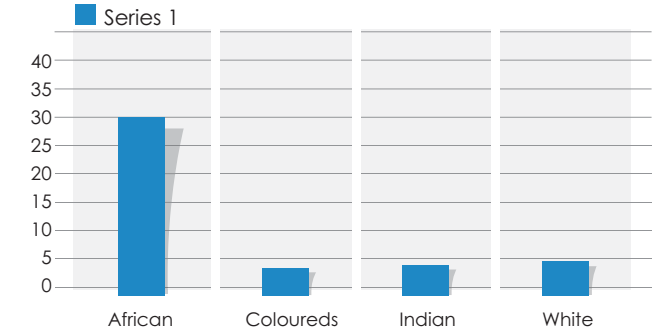
ORGANISATIONAL STRUCTURE

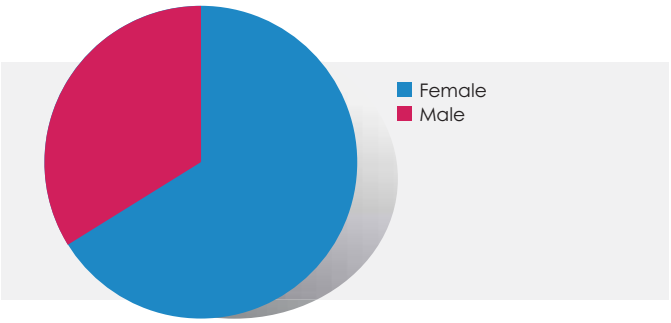


HUMAN RESOURCES

The primary role of the human resource department is to provide a centralised administrative and support service to the MAPPP-SETA head office in Johannesburg, as well as to the regional offices in Cape Town and Durban. The Human Resources division aims to deliver quality support through training, development and workplace relations, ensuring a positive organisational climate. The regional support was assured and enhanced through the shared monitoring and evaluation function within operational divisions and that ensured efficient resource usage, increased capacity and quality service delivery.

During the year under review MAPPP-SETA's strength fluctuated to 42 staff members (including temporary staff on the mandate of our organization short term projects).





Graphs 14: 2010/2011 MAPPP-SETA Staff Profile

The new SETA Landscape had a negative impact on the retention of staff. In the year under review no less than 12 employees left the organisation. By the end of the year 50% of staff were transferred to ISETT and THETA respectively. The rest has remained to become part of the FP&M SETA.

Staff members transferred to the MICT SETA formally known as ISETT SETA

Staff transferred to CATHSSETA with prospects of being absorbed into FP&M SETA

TRAINING AND CAPACITY BUILDING

During the course of the year, a variety of training programmes for different individual and collective needs were implemented as part of the organisation's training and development program. Ten bursaries were awarded to staff for the 2011 academic year.

Workplace Environment

The organisation is continually striving to develop a strong achievement, accountability and service culture to ensure that the MAPPP-SETA serves its constituencies and other stakeholders with pride and excellence, through ensuring the relevancy of human resource policies and procedures.

Achievements

Throughout 2010/2011 Human Resources Division has been very busy implementing new systems and procedures. Significant progress was made against planned strategies and targets. Human Resource staff continued to manage ongoing change and their workloads well, assisting divisions to cope with and adapt to new requirements.

Many areas have commented on the high quality of service they receive from Human Resources and the sound knowledge and expertise of staff. During 2010/2011 key highlights were:

- Enhanced HR reporting of data and analysis to support more informed decision-making;
- The HR strategy crafted and implemented;
- 13 Human resources policies were approved and implemented;
- All personnel files were audited and streamlined;
- Phase one of the organogram roll-out was implemented;
- Employment relations were stabilised and the number of grievances and disputes dropped significantly compared to the previous years;
- Staff received training;
- Performance management system was implemented successfully and reviews were conducted;
- Leave management was significantly improved and a new leave books with serial numbers was introduced to accurately track and record all leave taken;
- Induction and on-boarding processes were implemented;
- The recruitment and selection turnaround times improved exponentially;
- MAPPP-SETA concretised its relationship with the employees by signing a recognition agreement with NEHAWU;
- Collective agreement negotiations - signed a substantive agreement to improve the conditions of service of staff.

Challenges

Limited financial resources continue to handicap the efficiency and effectiveness of human resources. This has had a negative impact on recruitment campaigns and provision of training for staff.

MAPPP-SETA's value proposition is not attracting top talent in the market. A salary survey on SETA's that was conducted by 21st Century recently, places the organisation at the bottom of the scale.

MAPPP-SETA is not investing optimally on its very important asset, human capital. Efforts have to be made to improve on the status quo.

CHIEF FINANCIAL OFFICER'S REPORT

The financial management of the SETA has played a significant role in support of the reported highlights contained in the performance report. It has proven its commitment and ability to implement and maintain proper internal controls. Record keeping needs to be meticulous and strict adherence to prescribed financial standards and procedures treated as vital at all times. MAPPP SETA's internal accounting and administrative controls provide reasonable assurance to all stakeholders that their interests are safeguarded and that all transactions are executed and recorded with generally accepted business practices and strict internal policies and procedures.

The Finance Division comprises of a centralised function by means of which supply chain management and financial management services are rendered to the entity. Over the past financial year the Finance division has effectively supported the entity with a view to deliver on its key performance objectives. Support was focused on ensuring that mandatory and discretionary grants were paid to stakeholders timeously whilst also observing sound governance and compliance to applicable legislation.

In order for the Finance Division to prepare accurate information it needs to ensure that the financial systems and data processed are reviewed on an ongoing basis and that the operating systems are enhanced as required. The division is, inter alia, responsible for the processing of payments and data integrity of financial records including the preparation of financial statements.

Further, the division is responsible for the preparation and maintenance of annual budgets and budgetary controls and monthly and quarterly financial reports. It furthermore oversees and monitors cash management requirements of the entity.

Financial sustainability

All SETA's are established for a five-year period and are required to apply for re-establishment during the course of the final year of establishment. Although the second five year term was scheduled to end 31 March 2010, the Minister of Higher Education and Training extended the term to 31 March 2011 by proclamation in the Government Gazette.

MAPPP SETA was not successful in its application to the National Skills Authority for re-establishment. The Minister resolved that MAPPP SETA would be amalgamated with other SETA's to form a new SETA being FP&M SETA. The Act required in Section 9A (4) that when the condition for establishing the FP&M SETA are met that all assets, rights, liabilities and obligations of the amalgamating SETA's will dissolve upon and vest in the FP&M SETA. Although the MAPPP SETA will not continue to exist in its current format but that it continues to exist in a modified form that it is considered appropriate to continue preparing the financial statements on a going concern basis.

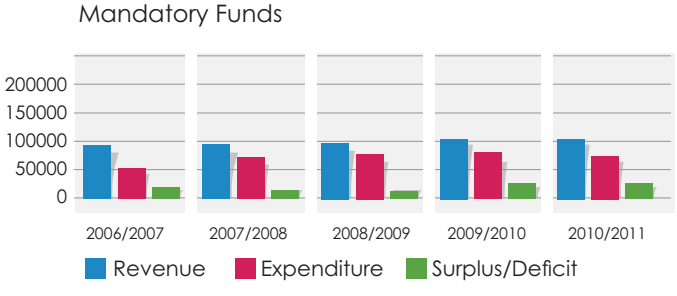
The Minister of the Department of Higher Education and Training, after consultation with the National Skills Authority, in terms of section 9A of the Skills Development Act, 1998 resolved in Government Gazette No. 33756 GNR 1056 that the Media, Advertising, Publishing, Printing and Packaging Education and Training Authority (MAPPP SETA), The Clothing, Textiles, Footwear and Leather Sector Education (CTFL) and Forest Industries Education and Training Authority (FIETA) shall be amalgamated on 1 April 2011 to become the Fibre Processing Manufacturing Sector (FP&M) Education and Training Authority subject to the approval of a constitution and confirmation of the Scope of Coverage for the amalgamated SETA.

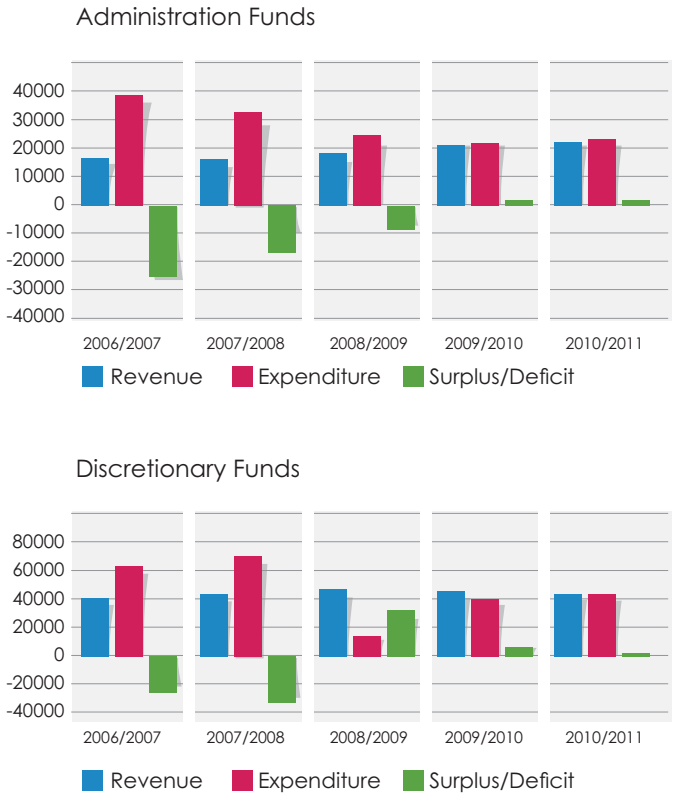
The long term sustainability of MAPPP SETA has been on the agenda of discussions between the Department of Higher Education and Training and the Accounting Authority, since it became evident in 2010/2011 financial year that a portion of the MAPPP SETA business was to be transferred to two other SETA's and for the publishing, printing and packaging component to be merged with the FIETA and CTFL SETA to form the FP&M SETA.

The announcement in November 2010 of the amalgamation of MAPPP SETA created instability within the Finance Division. The availability of resources were a challenge leading to the late submission of the Annual Financial Statements.

Revenue

The revenue generated by the SETA during this period amounts to R171,8 million in comparison to R164,6 million of last year which represents an increase of 4.4%. The table below reflects the annual revenue and expenditure for administrative, mandatory and discretionary funds over a five year period. Despite the weak revenue growth and the additional cost necessitated by the changes in the SETA landscape through proper financial management and the intent of the Board managed to limit the excess administration expenditure to R1,28 million.





Graphs 15: Increase in the annual revenue

The graphs above reflects a relatively small, but gradual, increase in the annual revenue of 4.4% and equally small increase in the actual administrative expenditure of 4.6 %

Investment income

The South African Reserve Bank cut rates, dropping its repurchase rate by 5,5% in all. By March 2010, the repo rate was 6,5%, the lowest level since 1981. Rates were also low in many international markets as government stimulated economies. The effect of low interest rates has significantly reduced the returns on the amounts deposited with financial institutions during the year. There was however a substantial increase in amounts held in cash and cash equivalents from R196 million as at 31 March 2010 to R256 million as at 31 March 2011.

Expenditure

Resources of the entity have been applied strictly in accordance with its approved budget. The actual administrative expenditure totalled R22,8 million.

MAPPP SETA places significant emphasis on its internal controls to ensure that it delivers on its key performance objectives within an environment conducive to sound corporate governance. To enable management to do so, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The internal accounting and administrative controls provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with Standards of Generally Recognised Accounting Practise (GRAP) and adopted policies. The year under review has been a period of further enhancing systems and procedures and ensuring that the root causes of matters posing significant risks to MAPPP SETA, are addressed and resolved.

The overall financial strategy is therefore to, in the short term, optimise working capital requirements by curtailing overhead expenditure where possible. Administrative expenditure was well contained in accordance with the budget approved by the Board for the 2010/2011 financial year which totalled R21,8 million. Actual expenditure on administrative expenses has been R22,8 million. This represents a variance of only 4.6% overspending on the budget for the reporting period.

The main contributor to the variance of R1,074 million is the expenditure incurred by the Board as a result of the change in the 2016 SETA landscape. This amount includes R496 000 required to fund various stakeholder roadshows, advertisements, meeting allowances and travelling cost. In addition performance bonuses were paid to staff amounting to R327 000 which was approved and paid in the financial year.

Had the unanticipated expenditure above not been incurred, the entity would have been in a favourable position of declaring a marginal admin surplus for the year.

However there were instances where certain budgeted line items under administration expenses were exceeded. The budget set for consultancy fees was exceeded three fold by an amount of R1,2 million as a result of costs being incurred for a forensic review on the fraud identified in the 2009/10 financial year, a review done on the organisation, and fees incurred for the further training and development on the MIS system. Savings were also achieved for example under salaries and wages which totalled R424 000 and others which cushioned the over expenditure on certain of the line items.

A letter was sent to the Department of Higher Education and Training requesting approval for the deficit that was initially anticipated. At the time of compiling the Annual Financial Statements, no response has yet been received from the Department of Higher Education and Training Authority.

AUDIT COMMITTEE REPORT

We are pleased to present our report in terms of the National Treasury Regulations and Guidelines, for the last financial year of the MAPPP-SETA, ended 31 March 2011.

Composition of the Committee

The Committee is made up of the members the majority of whom are independent and financially literate. The members are:

Name of Member	Designation	Date of appointment
Humphrey Buthelezi CA(SA)	Chairman, Independent Professional and member of the IoD	April 2009
Trevor Boltman	Independent Member and Chairman of the Risk Committee	July 2009
Patrick Lacy	Accounting Authority Representative	October 2010
Vuyiswa Manentsa	Accounting Authority Representative	October 2010

Attendance at Meetings

The terms of reference require the Committee to meet at least 4 times a year, as a minimum. For the year under review, the Committee met 6 times as indicated below:

Name of Member	Number of meetings attended
Humphrey Buthelezi CA(SA)	6/6
Trevor Boltman	6/6
Patrick Lacy	2/6
Vuyiswa Manentsa	1/6

Responsibility of the Audit Committee

The Audit Committee operated in terms of the formal charter (terms of reference) which was approved by the Accounting Authority (the Board). These terms of reference are in line with Section 38(1) (a) of the Public Finance Management Act, (Act 1 of 1999 as amended by Act 29 of 1999) and the National Treasury Regulation 3.1. We further confirm that we carried out our duties in compliance with this charter.

The Effectiveness of the Internal Control Systems

The system of internal control applied by the entity over the financial affairs and risk management is effective, efficient and reliable. Management has conducted robust risk assessment and ranked the identified risks according to their order of significance. The relevant risk register was also updated. The Risk Committee has been set up and provides an oversight over the risk management processes.

In line with the Public Finance Management Act, the Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management processes, as well as the identification of corrective actions and suggested enhancements to the controls and business processes. From the various reports of the Internal Audit, the Audit Report on the Annual Financial Statements and the management reports (interim and final) of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations there from. Accordingly, we report that the system of internal control over the financial reporting for the year under review was efficient and effective.
Evaluation of the Annual Financial Statements.
We have:

- discussed and reviewed the audited annual financial statements together with the relevant accounting policies, to be included in the annual report, with the Accounting Officer and the Auditor-General South Africa;
- reviewed management's assessment of the going concern status of the MAPPP-SETA and recommend to the Accounting Authority, the appropriateness of such;
- reviewed the Auditor-General South Africa's management report and the related management responses thereto;
- reviewed MAPPP-SETA's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments arising from the audit.

We concur and accept the Auditor-General South Africa's unqualified audit opinion on the annual financial statements for the year under review.

Internal Audit Function

We are satisfied that the internal audit function is effectively operating its risk based audit plan and has appropriately identified significant audit risks and related controls pertinent to the MAPPP-SETA.

Auditor General South Africa

We have met with the representatives of the Auditor General South Africa and confirm that there are no unresolved matters.

Humphrey Buthelezi
(Chairman: Audit Committee)
19 August 2011

REPORT OF THE ACCOUNTING AUTHORITY

INTRODUCTION

The period under review was presided over by a new Accounting Authority (Board). This comprised 12 members and 3 ex-officio members (i.e. the Chief Executive Officer, the Chief Financial Officer and the Chief Operations Officer). The fiduciary duties that were carried out by the Board during year of reporting were underpinned by the principles of good corporate governance and supported by structures and processes that are in compliance with the legislation that govern the mandate bestowed on MAPPP-SETA which are the Skills Development Act (Act No. 97 of 1998), the Skills Development Levies Act (Act No. 9 of 1999), the Public Finance Management Act (Act No. 1 of 1999) and the Treasury Regulations.

Accountability and Reporting

As a designated Schedule 3A Public Entity in terms of the Public Finance Management Act, Act No. 1 of 1999, MAPPP-SETA is required to report to the relevant Minister in his/her capacity as this entity's Executive Authority. During the year of reporting, MAPPP-SETA was accounting and reporting to the Minister of Minister of Higher Education and Training. To this end, all reporting compliance requirements principal of which were the financial and performance quarterly reports were met.

Roles and Functions of the Board

The Accounting Authority is the highest decision making structure of MAPPP-SETA. The roles and functions of the Accounting Authority include setting strategic direction, provision of effective control, governance, accountability, compliance with statutory requirements, management of institutional risk, and broad monitoring of SETA performance.

Stakeholder Representation

In compliance with the Skills Development Act, (Act 97 of 1998), the business of MAPPP-SETA is stakeholder driven. To this end, this organisation is required to be equally represented by both organised labour and organised employer. The Constitution of MAPPP-SETA that was put in place in 2008 makes provision for a maximum of 8 labour representatives, 8 employer representatives and one government and /or professional body representative.

During the year of reporting, the Board of MAPPP-SETA comprised twelve members, five (5) representing labour and seven (7) representing employers.

	Name	Designation	Race	Gender	Category	Organisation	Meetings Attended	Date
1.	Ingrid	Louw	Chairperson	Black	Female	Employer	Print Media South Africa (PMSA)	13/14
2.	Vuyiswa	Manentsa	Deputy Chairperson	Black	Female	Labour	Communication Workers Union (CWU)	13/14
3.	Nhlanhla	Ngubane	Member	Black	Male	Employer	Publishers Association of South Africa (PASA)	11/14
4.	Nina	Morris	Member	White	Female	Employer	Association for Advertising and Communication (ACA)	6/14
5.	Carolyn	Carew	Member	White	Female	Employer	South Africa Screen Federation (SASFED)	7/14
6.	Phillip	Myburgh	Member	White	Male	Labour	South African Typographical Union (SATU)	8/14
7.	Ken	Leid	Member	White	Male	Employer	Printing Industries Federation of South Africa (PIFSA)	9/14
8.	Ernest	Dlamini	Member	Black	Male	Labour	Media Workers Association of South Africa (MWASA)	11/14
9.	Derick	Fredericks	Member	Black	Male	Labour	South African Typographical Union (SATU)	9/14
10.	Oupa	Lebogo	Member	Black	Male	Labour	Creative Workers Union of South Africa (CWUSA)	2/14
11.	Patrick	Lacy	Member	White	Male	Employer	Printing Industries Federation of South Africa (PIFSA)	9/14
12.	Siphiwe	Hlabangani	Member	Black	Male	Employer	Professional Managers Association	12/14

Finances

Whereas the goal of the Board was to ensure that the organisations works within the allocated Administration Budget of R21,8 million and to this end, stringent measures were put in place for prudent utilization of the funds in this budget, this proved to be impossible towards the end of the financial year when MAPPP-SETA got involved in numerous unanticipated and thus unbudgeted for activities related to the 2011/2016 SETA landscape that heralded the dissolution of MAPPP-SETA at the end of March 2011 and the transfer of its various industries to three new SETAs. As a result, in anticipation of a possible over-spend situation, a letter was written to the Department of Higher Education Training, alerting them, to this possibility. And indeed, a over-expenditure of R1,28 million was incurred by the SETA for the 2010/2011 financial year. It is our view, though that our continuous efforts to encourage and ensure fiscal discipline, still paid off in a situation where the SETA could have overspend by a much larger margin.

An amount of R66 million was allocated for the various projects related to the 2010/2011 NSDS targets that MAPPP-SETA had committed itself towards achieving in the Service Level Agreement entered into with the Department of Higher Education and Training.

Our performance with regards to the disbursement of funds indicate an amount of R74 million disbursed for mandatory grants and R49,9 million for discretionary grants which is a manifestation of the level of maturity our project management and funds disbursements systems had reached during 2010/2011 with much improved turnaround times for payments.

Internal Audit

As had been the practice in the previous years, the internal audit function was once again contracted out to a firm of accountants for the 2010/2011 financial year. The internal auditors facilitated the risk assessment process during the year under review which culminated in the compilation of a list of top 20 risks that the SETA had to put more focus on.

Audit Committee

The Audit Committee played an active role throughout the financial period under review making discernible contribution in the review of the Audit Committee and Internal Audit Charters and the setting up of an internal Risk Management Committee which comprised management and was chaired by an independent Audit Committee member. The Risk Management Committee covered a lot of ground in entrenching the culture of risk assessment and management within the organisation and this went a long way towards improving the systems of the organisation and service delivery as well as better preparation for audits.

In addition, the Audit Committee directed Management to pay more attention towards enhancing the internal control environment with the committee expressing a vote of confidence in the effectiveness, efficiency and transparency of internal control environment at the end of the 2010/2011 financial year.

Service Level Agreement

The financial period 2010/2011 saw MAPPP-SETA building up on the foundation laid in 2009/2010 with respect to performance against the NSDS targets agreed to with the Department of Higher Education and Training.

Of the 20 targets, 18 were overshot by large margins. However, targets such as ABET training and ensuring sustainable ventures continued to prove to be a challenge to the SETA, affirming the need to devise different strategies of implementing them.

2005-2010 Performance

In addition to the achievements for the 2010/2011 financial year referred to above, MAPPP-SETA exceeding most of the 5 year NSDS II targets as reflected below:

Table 20: 2005-2010 Performance Report

NSDS Indicator	2005 – 2010 Targets	Performance Outcome	Variance
1.2: Training on SDF Guide	900	1112	212
2.1: Large Firms	541	612	71
2.1: Medium Firms	1062	1444	382
2.2: Small Firms	1195	2177	982
2.5: BEE Firms and Co-operatives	364	222	-142
2.7: ABET - Entered	2129	1998	-131
2.7: ABET - Completed	1350	863	-482
2.8: Employed: Entered	4600	4305	-295
2.8: Employed: Completed	2965	1501	-1462
3.2: NLPs, NGOs, CBOs	316	81	-235
4.1: Unemployed: Entered	5000	7828	2828
4.1: Unemployed: Completed	3100	8392	5292
4.2: Workplace Experience: Entered	235	458	223
4.2: Workplace Experience: Placed	169	286	117
4.3: New Venture Creation: Entered	505	501	-4

4.3: New Venture Creation: Sustainable	335	355	20
5.1: Institutes of Sectoral of Occupational Excellence (ISOEs)	12	7	-5
5.2: New Venture Creation Training Providers	19	13	-6
	24797	**32155**	**7365**

In addition, many milestones related to skills development and education and training quality assurance were met by MAPPP-SETA over the 2005-2010 five year period. These include the following achievements:

- Disbursement of Mandatory Grants to the value of R341,517 million of an total revenue of R448,665 million to qualifying constituent employer organisations in recognition of training efforts made by these entities, which reflects a 76% performance rate in this area.
- Disbursement of Discretionary Grants to the value of R226,974 million of a total revenue of R238,396 to qualifying constituent employer organisations and training providers for the projects implemented for training employed and unemployed individuals, which reflects a 95% performance rate in this area.
- Vast improvement in the turnaround times for grant disbursements which resulted in the enhancement of the quality of our servicer offering and customer satisfaction levels.
- Improved project delivery and quality assurance and promotion systems which impacted positively on the quality of learning offered by our constituent training providers.
- Obtaining full ETQA Accreditation status from SAQA as a vote of confidence in our full compliance with their requirements and having a quality assurance infrastructure that had a potential to ensure good performance by itself and its constituent stakeholders with regards to quality learning delivery.
- MAPPP-SETA facilitated the development of 21 qualifications that were subsequently registered with SAQA.
- 14 learnerships were registered with the Department of Labour, the then Executive Authority that regulated the SETAs.
- Constituent training providers in excess of 300 have been accredited, thereby beefing up the infrastructure required for the delivery of skills development mandate.
- MAPPP-SETA substantially increased its footprint in peri-urban and rural areas in its delivery of skills development covering areas such as the Isimangaliso Wetlands Park, Ulundi, Nkandla in KwaZulu Natal, Grahamstown and Cofimvaba in the Eastern Cape, Taba Nchu in the Free State and Mafikeng in the North West, to mention but a few. The impact and sustainability of these projects which covered traini from Craft Production, Performing Arts, Film and Electronic to New Venture Creation proved to be profound as the beneficiaries acquired skills for sustainable participation in economic opportunities available in their respective areas.
- Mutually benefitial partnerships were forged with various entities such as the Department of Arts and Culture for the delivery of various co-funded arts and culture training and new venture creation programmes and, the National Electronic Media Institute of South Africa (NEMISA) and the Media Diversity and Development Agency (MDDA) to explore opportunities for joint delivery of the three organisations' respective mandates, and the German Technical Co-operation (GTZ) for the enhancement of the MAPPP-SETA quality management system (QMS), impact study and facilitation of the alignment of qualification in accordance with the prescripts of the Quality Council for Trades and Occupations (QCTO).

It must be pointed out though, whilst that the milestones met above are something to be pleased about, there were however challenges that militated against an even better performance. Some of these challenges are as follows:

- Limited funding in the face of increased interest and demand for discretionary grant funding which constrained the SETA covering a much larger number of beneficiaries and thereby make an even much bigger impact with regards to its mandate.
- The quality of information gathered for our Sector Skills Plans was fraught with many gaps due to some of the industries falling within MAPPP-SETA having not been adequately organised and not being seen as important contributors to the Gross Domestic Product of the country, which in fact is further from the truth.
- A number of qualifications and trades were outdated and addressing this was difficult as the mandates for updating these qualifications and trades fell outside the scope of MAPPP-SETA. Given the nature of the evolution of the many industries falling within MAPPP-SETA, this posed a challenge with regards to sustaining the confidence of some of our constituents with respect to our service offering.
- The skewed spread of accredited training providers also created many challenges for the SETA as it made the cost of training in rural and far flung areas expensive and less accessible.
- Slow uptake and completion of apprenticeship programmes mainly and to a lesser extend other training programmes due to inadequate capacity for stringent monitoring of the delivery of these programmes by participating employer organisations and other economic challenges that were faced by our constituent industries from time to time. This led to the SETA remaining over a long period of time

with massive committed funds in its coffers which in many instances were interpreted as the inability of this entity to spend the funds allocated to and thus viewed as poor performance.
- Difficulties experienced in implementing the programmes such as Adult Basic Education and Training and New Venture Creation, particularly with respect to the uptake of these programmes the high learner drop-out rate.
- The limited financial resources on the administration budgets also militated against ensuring efficient recruitment and provision of training and development opportunities, thereby ensuring that their performance levels were enhanced and taken to the highest possible levels.

Levy Income

Despite the recent economic downturn which had wreaked havoc for a number of industries, resulting in the retrenchment of hordes of employees and in some cases even the shut-down of firms, our Skills Development Levy income, which is 80% of the amounts that are contributed by our constituent levy-payers, increased from R164,6 million for the 2009/2010 financial year to R172 million for the 2010/2011 financial year, which reflects a marginal increase of R7,4 million. This put the SETA in a better position to broaden its service offerings and enhance the quality of its administration, although had it not been for the economic meltdown that took place between 2008 and 2009 from which many of the MAPPP industries are still trying to recover, a much bigger slice of the increased revenue would have accrued to the SETA.

Board Performance

As part of good corporate governance and quest to gauge its own effectiveness and value-add to the business of MAPPP-SETA, the Board sanctioned a self-assessment exercise involving itself and the Audit Committee towards the end of 2010/2011. This activity which was conducted by the Internal Auditor culminated in the performance of the Board, its Chairperson and the Audit Committee being found to have been outstanding and having contributed immensely to putting MAPPP-SETA of good performance in many spheres of its operations as dictated by its skills development mandate.

Dissolution of MAPPP-SETA

The Minister of Higher Education and Training, Dr. Blade Nzimande, announced the 2011-2016 New Seta Landscape at a media briefing session held in Parliament on the 9th November 2010. This announcement implied the dissolution of MAPPP-SETA and the restructuring of its industries in the following manner:

a) the transfer of Media and Advertising sub-sectors to ISETT SETA to form the MICT SETA;
b) the transfer of culture and arts sub-sectors to THETA to form the CATHSSETA; and
c) the merging of publishing, printing and packaging sub-sectors with the CTFL SETA and FIETA to form the FP&M SETA.

At the time of reporting, progress had been made in realizing the new dispensation, with a few challenges requiring the attention of the relevant individuals and authorities.

Disclosure of Remuneration

The executive Managers were remunerated in accordance with the MAPPP-SETA 2010/2011 Salary Structure approved by the board.

In addition the members of the Accounting Authority (Board) and those of the Finance, Human Resource and Remuneration and Communications Committees were reimbursed for out of pocket travel expenses incurred and also received an allowance as follows:

Chairperson:	R1 500
Member:	R1 500

The members of the Audit Committee were also reimbursed for out of pocket travel expenses incurred and also received an allowance as follows:

Chairperson:	R3 500
Independent Member:	R3 000
Board Member:	R1 500

Full details of remuneration paid to members are disclosed in Note 33.3 of the Annual Financial Statements.

Events after Balance Sheet Date

As indicated in the various reports above, MAPPP-SETA ceased to exist at the end of March 2011 as a result of the 2011/2016 SETA landscape which implied the reallocation of the industries that hitherto fell within the jurisdiction of this entity to three new SETAs, the CATHSSETA, MICT SETA and FP&M SETA. The key activities that are geared towards realizing the new dispensation described above and which were underway at the time of reporting included the transfer of funds and projects related to arts and culture to CATHSSETA and those related to media and advertising to MICT SETA, whereas those funds and projects related to publishing, printing and packaging together with all MAPPP-SETA assets and liabilities were being transferred to the FP&M SETA as part of the amalgamation process involving the CTFL SETA and FIETA.

The Executives are required by the Public Finance Management Act (No 1 of 1999, as amended), Treasury Regulations applicable to Public Entities to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related performance information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the financial position of MAPPP SETA as at the end of the financial year and the results of their operations and cash flow for the financial

year, in conformity with South African Statements of Generally Recognised Accounting Practise and applicable legislation.

The annual financial statements are prepared in accordance with South African Statements of Generally Recognised Accounting Practice and applicable legislation and incorporate disclosure in line with the accounting policies of MAPPP SETA. The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

To enable Executives to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

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

King 3

The King Report on Governance in South Africa 2009 came into effect on 1 March 2010. Given the changes in the SETA landscape and the amalgamation of MAPPP SETA with others to form the FP&M SETA the Accounting Authority chose not to assess compliance with the principals of the King Code of governance for South Africa 2009 (King 3). Such an assessment will be more effective if performed within the new FP&M authority structures.

Going Concern

MAPPP SETA was not successful in its application to the National Skills Authority for re-establishment. The Minister resolved that MAPPP SETA would be amalgamated with other SETA's to form a new SETA being FP & M SETA. The Act required in Section 9A (4) that when the condition for establishing the FP&M SETA are met that all assets, rights, liabilities and obligations of the amalgamating SETA's will develve upon and vest in the FP&M SETA. Although the MAPPP SETA will not continue to exist in its current format but that it continues to exist in a modified form that it is considered appropriate to continue preparing the financial statements on a going concern basis.

The Minister of the Department of Higher Education and Training, after consultation with the National Skills Authority, in terms of section 9A of the Skills Development Act, 1998 resolved in Government Gazette No. 33756 GNR 1056 that the Media, Advertising, Publishing, Printing and Packaging Education and Training Authority (MAPPP SETA), The Clothing, Textiles, Footwear and Leather Sector Education and Training Authority (CTFL SETA) and Forest Industries Education and Training Authority (FIETA) shall be amalgamated on the 1st April 2011 to become the Fibre Processing and Manufacturing Sector (FP&M) Education and Training Authority subject to the approval of a constitution and confirmation of the Scope of Coverage for the amalgamated SETA.

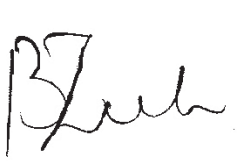
All assets, rights, liabilities and obligations of the MAPPP SETA will devolve upon and vest in the FP&M SETA, when the conditions for establishing the FP&M SETA are met.

Administrative expenditure

In terms of Section 14(3) of the Skills Development Act (No. 97 of 1998, as amended) the Minister must prescribe the limit within which the SETA shall pay its administration costs (currently 10%) of the skills development levies payable by the employers within the sector to fund the administration costs of the SETA. MAPPP SETA informed the Department of Higher Education and Training on the 7th March 2011 of the potential for the SETA to exceed the regulated 10% threshold. The process of disbandment requires substantial negotiations amongst the affected entities and communication with all affected stakeholders. This additional expenditure was never expected and was thus not included in the prevailing, authorised budget of the MAPPP SETA and resulted in MAPPP SETA exceeding the legislated administration budget allowance.

The Report of the Board on pages 34 to 41 and the Annual Financial Statements set out on pages 45 to 84 were approved by the Board on 27 July 2011 and signed on their behalf:

On behalf of the Accounting Authority of the MAPPP SETA.



Mr Bheki Zulu
CHIEF EXECUTIVE OFFICER

Ms Ingrid Louw
CHAIRPERSON OF THE BOARD

REPORT OF THE AUDITOR-GENERAL

MEDIA, ADVERTISING, PUBLISHING, PRINTING AND PACKAGING SECTOR EDUCATION AND TRAINING AUTHORITY (MAPPP SETA)

Audit Report

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE MEDIA, ADVERTISING, PUBLISHING, PRINTING AND PACKAGING SECTOR EDUCATION AND TRAINING AUTHORITY (MAPPP SETA)

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the MAPPP SETA, which comprise the statement f 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, and a summary of significant accounting policies and other explanatory information, as set out on pages 45 to 84

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 200)(PAA) and section 14(6)a of the Skills Development Act of South Africa, 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 statement. 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 MAPPP SETA as at 31 March 2011, and its financial performance and cash flows for the year than ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

Additional matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:

Amalgamation of the SETA

8. The SETAs were established for a five-year period until 31 March 2010. This SETAs licence was renewed by the Department of Higher Education and Training until 31 March 2011. Changes to the SETA landscape were publicly announced in November 2010, whereby the FIETA, CTFL SETA and MAPPP SETA were 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 our findings on the annual performance report as set out on pages 42 to 88 and material non-compliance with laws and regulations applicable to the MAPPP SETA.

Predetermined objectives

10. *There were no material finding on the annual performance report concerning the presentation, usefulness and reliability of the information.*

Compliance with laws and regulations

Annual financial statements, performance and annual reports

11. *The accounting authority did not submit the financial statements for auditing within two months after the end of the financial year as required by section 55(1)(c) of the PFMA.*

Procurement and contract management

12. Goods and services with transaction value between R30 000 and R500 000 were procured without following the bidding process as per requirements of National Treasury Practice Note 8 of 2007-08 and in terms of Treasury Regulation 16A6.1.

Expenditure management

13. The public entity incurred fruitless and wasteful expenditure as a result of late payment made to a service provider.

INTERNAL CONTROL

14. 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. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Financial and performance management

15. Inadequate review and monitoring of compliance with Treasury Regulation 16A.

OTHER REPORTS

Investigations

16. An investigation conducted by an independent consulting firm requested by the entity during the 2009/2010 financial year was completed during the 2010/2011 financial year. This was initiated to investigate the possibility that fraudulent invoice and banking details were used to effect payment, purportedly to one of the SETA's service providers in the prior year.

Pretoria
19 August 2011

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annual Financial Statements for the year ended 31 March 2011

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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Skills development levy Income	**6**	**171 886**	164 611
Skills development levy Penalties and interest		**1 278**	1 451
National Skills Fund Income	**22**	**679**	-
Donations for special projects	**23**	**736**	5 930
Investment income	**7**	**10 521**	9 536
Other income	**8**	**281**	258
Total revenue		**185 381**	181 786
EXPENSES			
Employer grant and project expenses	**9**	**(127 526)**	(121 329)
Administration expenses	**10**	**(22 856)**	(21 842)
Finance costs	**11**	**(83)**	(4)
National Skills Fund expenses	**22**	**(679)**	-
Special project expenditure	**23**	**(736)**	(5 930)
Total expenses		**(151 880)**	(149 105)
NET SURPLUS FOR THE YEAR		**33 501**	32 681

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Non-current assets			
Property and equipment	**12**	**737**	2 102
Intangible assets	**13**	**116**	185
		853	2 287
Current assets			
Prepayments and advances	**14**	**357**	381
Accounts receivable	**15**	**1 091**	1 123
Assets held for sale	**16**	**-**	23
Inventories	**17**	**27**	41
Cash and cash equivalents	**18**	**255 631**	195 712
		257 106	197 280
TOTAL ASSETS		**257 959**	199 567
LIABILITIES			
Non-current liabilities			
Finance lease obligation	**19**	**-**	27
Retirement benefit obligations	**20**	**3 058**	2 648
		3 058	2 675
Current liabilities			
Accounts payable	**21**	**45 340**	25 420
Non-exchange payables		**42 602**	22 616
Exchange payables		**2 738**	2 804
National Skills Fund received in advance	**22**	**3 079**	-
Government Grants and donor funding received in advance	**23**	**10 493**	9 738
Provisions	**24**	**8 297**	7 712
		67 209	42 870
TOTAL LIABILITIES		**70 267**	45 545
Net Assets		**187 692**	154 022
NET ASSETS			
Reserves			
Administration reserve		**853**	2 768
Discretionary reserve		**186 839**	151 254
		187 692	154 022

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Admin-istration reserve	Employer grant reserve	Discre-tionary reserve	Capital-isation reserve	Revaluation reserve	Unappropriated surplus	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2009		3 623	-	117 718	-	-	-	121 341
Net surplus per Statement of Financial Position		-	-	-	-	-	32 681	32 681
Allocation of unappropri-ated surplus	**5**	(855)	24 915	8 621	-	-	(32 681)	-
Excess reserves transferred to Discretionary reserve		-	(24 915)	24 915	-	-	-	-
Balance at 31 March 2010		2 768	-	151 254	-	-	-	154 022
Prior year adjustments	**33**	169	-		-	-	-	169
Restated balance as at 31 March 2010		2 937	-	151 254	-	-	-	154 191
Net surplus per Statement of Financial Position		-	-	-	-	-	33 501	33 501
Allocation of unappropri-ated surplus	**5**	(1 085)	33 240	1 345	-	-	(33 501)	-
Excess reserves transferred to Discretionary reserve		(999)	(33 240)	34 239	-	-	-	-
Balance at 31 March 2011		**853**	**-**	**186 838**	**-**	**-**	**-**	**187 692**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		**178 823**	168 916
Levies, interest and penalties received		**173 269**	166 602
Other cash receipts from stakeholders		**5 554**	2 314
Cash paid to stakeholders, suppliers and employees		**(129 168)**	(155 662)
Grants and project payments		**(106 121)**	(126 992)
Special projects		**(1 415)**	(5 930)
Compensation of employees		**(13 590)**	(13 216)
Payments to suppliers and other		**(8 042)**	(9 524)
Cash generated from operations	**25**	**49 655**	13 254
Investment income	**7 & 15**	**10 448**	10 059
Finance cost	**11**	**(83)**	(4)
Net cash inflow from operating activities		**60 020**	23 309
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	**12 & 13**	**(75)**	(374)
Proceeds from disposal of property and equipment	**12 & 13**	**-**	29
Net cash outflow from investing activities		**(75)**	(345)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings	**15**	**(27)**	-
Net cash outflow from financing activities		**(27)**	-
Net increase in cash and cash equivalents		**59 918**	22 964
Cash and cash equivalents at beginning of year	**18**	**195 712**	172 748
Cash and cash equivalents at end of year	**18**	**255 630**	195 712

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Media, Advertising, Printing, Publishing and Packaging Sector Education and Training Authority (MAPPP SETA) was established in accordance with Section 9(1) of the Skills Development Act (Act No. 97 of 1998 as amended) and is a Schedule 3A public entity as defined in the Public Finance Management Act (Act No. 1 of 1999, as amended) domiciled in South Africa. The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board and the Office of the Accountant General within National Treasury. The Accounting Standards Board has issued directive 5 determining that the GRAP reporting framework amongst others provides guidance on the application of other pronouncements. When there is no equivalent standard of GRAP or Internal Public Sector Accounting Standard (IPSAS), an International Financial Reporting Standard (IFRS) that is effective forms part of the GRAP reporting framework. Note, however, that this is only done to the extent that the requirements are not in conflict with the standards of GRAP or the framework for the preparation and presentation of financial standards. The financial statements have been drafted under the historical cost convention, except where specifically indicated otherwise in the accounting policies below.

1.2 UNDERLYING CONCEPTS

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting annual financial statements. Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively. However, if it is impracticable to apply the change retrospectively, the change is applied prospectively. Except as otherwise disclosed, these accounting policies are consistent with those applied in previous years.

The preparation of annual financial statements in conformity with Statements of Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the MAPPP SETA's accounting policies. For the areas where assumptions and estimates are significant further disclosure is made in the notes to the annual financial statements. These changes in accounting estimates are adjustments to assets or liabilities or the amounts of periodic consumption of assets that result from new information or new developments. Such changes are recognized through the Statement of Financial Performance in the period they occur.

Prior period errors are omissions from or misstatements in the annual financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when the annual financial statements for those periods were authorized for issue and could reasonably be expected to have been obtained. Such prior period errors are retrospectively restated unless it is impracticable to do so, in which case they are applied prospectively. Retrospective restatement is correcting the recognition, measurement and disclosure of amounts as if a prior period error had never occurred.

Accounting policies are not applied when the effect of applying them is immaterial, i.e. if individually or collectively they would not influence the economic decisions of the users of the annual financial statements.

The annual financial statements, including the notes, have been rounded off to the nearest thousand Rand except where stated otherwise in the body of the notes.

1.3 RECOGNITION OF ASSETS AND LIABILITIES

An asset, being a resource, controlled by MAPPP SETA, as a result of a past event, is recognized when it is probable that future economic benefits or service potential associated with it will flow to the MAPPP SETA and its cost or fair value can be measured reliably.

A liability, being a present obligation of the MAPPP SETA arising from a past event, is recognized when it is probable that future economic benefits or service potential associated with it will flow from the MAPPP SETA and its cost or fair value can be measured reliably.

1.4 DERECOGNITION OF ASSETS AND LIABILITIES

Financial assets are derecognized , i.e. removed from the Statement of Financial Position, when the contractual rights to receive the cash flows have been transferred or have expired or if substantially all the risks and rewards of ownership have passed.

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

All other assets are derecognised on disposal or when no future economic benefits or service potential are expected from their use.

Financial liabilities are derecognized when the relevant obligation has either been discharged or cancelled or has expired.

1.5 MEASUREMENT CURRENCY

The annual financial statements are presented in South African Rand, which is the measurement currency of the MAPPP SETA.

1.6 TRANSACTIONS AND BALANCES

Transactions in currencies other than the MAPPP SETA's measurement currency are recognized at the exchange rate ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the exchange rate ruling at the Statement of Financial Position date. Gains and losses on exchange differences are recognized through the Statement of Financial Performance.

1.7 NEW ACCOUNTING PRONOUNCEMENTS

At the date of the authorisation of these financial statements there are standards and interpretations in issue but not yet effective. These include the following standards and interpretations that are applicable to the SETA and may have an impact on future annual financial statements.

		Effective Date
Impairment of Non-cash-generating Assets	GRAP 21	1 April 2012
Revenue from Non-exchange Transactions (Taxes and Transfers)	GRAP 23	1 April 2012
Presentation of Budget Information in Financial Statements	GRAP 24	1 April 2012
Impairment of Cash-generating Assets	GRAP 26	1 April 2012
Segment Reporting	GRAP 18	No date determined
Employee Benefits	GRAP 25	No date determined
Financial Instruments	GRAP 104	No date determined
Transfer of Function between Entities Under Common Control	GRAP 105	No date determined
Transfer of Function between Entities Not Under Common Control	GRAP 106	No date determined
Mergers	GRAP 107	No date determined

An entity shall apply Standards of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1)(b) of the PFMA.

GRAP 21: Impairment of Non-cash Generating Assets

This standard prescribes the accounting treatment for the impairment of non-cash generating assets. It is not expected that this standard will significantly impact future disclosures.

GRAP 23: Revenue from Non-exchange Transactions (Taxes and Transfers)

The standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions. Accounting policies have been amended to clearly distinguish between exchange and non exchange transactions. It is not expected that the initial application will significantly impact the SETA's annual financial statements.

GRAP 24: Presentation of Budget Information in financial Statements

The standard prescribes the presentation of a comparison of budget and actual amounts in the annual financial statements of entities that are publicly accountable for the use of their funds. The presentation may be in the form of additional financial statement or additional budget columns in their financial statements. The standard becoming effective is not expected to significantly impact future disclosures since we have applied the principles outlined in GRAP 24 to inform our current disclosure.

GRAP 26: Impairment of cash Generating Assets

This standard prescribes the accounting treatment for the impairment of cash generating assets and does not significantly differ from IAS 36. It is not expected that this standard will significantly impact future disclosures.

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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GRAP 25: Employee Benefits

This standard prescribes the accounting treatment for employee benefits. The changes prescribed from the current applicable standard relate mainly to the accounting requirements of defined benefit plans and as such is not expected to significantly impact the current accounting policies or disclosures.

GRAP 104: Financial Instruments

GRAP 104 prescribes recognition, measurement, presentation and disclosure requirements for financial instruments and makes significant modifications to the principles in the previous standards applied in order to:

- Simplify the recognition, measurement and disclosure of financial instruments; and
- Accommodate the types of financial instru ments entered into in the public sector.

The definitions of the various categories of financial instruments in IAS 39 have been streamlined and replaced which will require us to change our accounting policy accordingly. The following disclosures required under IAS are encouraged but not required:

- The disclosure of fair values for financial instruments.
- Certain disclosures about the use of the fair value using the three tiered hierarchy.
- A market sensitivity analysis.

1.8 REVENUE RECOGNITION

1.8.1 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the MAPPP SETA, usually in accordance with a binding arrangement. When the MAPPP SETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that MAPPP SETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the MAPPP SETA are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised.

The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition. Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education, income from the National Skills Fund, and grants from the National Government.

1.8.1.1 Levy Income

The accounting policy for the recognition and measurement of skills development levy income is based on the Skills Development Act, Act No 97 of 1998, as amended and the Skills Development Levies Act, Act No 9 of 1999, as amended.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, 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), who collect the levies on behalf of the Department. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005.

Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and training (DHET) makes an allocation to the SETA as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

Eighty percent (80%) of skills development levies are paid over to the MAPPP SETA (net of the 2% collection cost to SARS and 18% contribution to the National Skills Fund).

Skills Development Levy (SDL) transfers are recognised when it is probable that future economic benefit will flow to the MAPPP SETA and these benefits can be measured reliably. This occurs at the earlier of the time the DHET makes the allocation or payment is made to the MAPPP SETA. SDL transfers are made in terms of Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999). The SDL transfer is measured at the fair value consideration received.

MAPPP 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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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been paid to certain employers that are in excess of the amount the MAPPP 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 losses resulting from levy reversal by SARS and allowance for losses resulting from levy reversals by SARS.

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 Procedure issued by the Department of Labour in June 2001. Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the MAPPP SETA and these benefits can be measured reliably. This occurs when the DHET makes an allocation to the MAPPP SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

1.8.1.2 Interest and penalties

Income from interest and penalties on skills development levies are recognised at the earlier of the time the DHET makes the allocation to the MAPPP-SETA.

1.8.1.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the annual financial statements of MAPPP SETA as a liability until the related eligible special project expenses are incurred. The liability is reduced by any project expenditure incurred and recognised as revenue. Property and equipment acquired for NSF Special Projects are capitalised in the annual financial statements of the MAPPP SETA, as the SETA controls such assets for the duration of the project. Such assets may however only be disposed of in terms of agreement and specific written instructions by the NSF.

1.8.2 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized only when the amount can be measured reliably, and it is probable that the economic benefits associated or service potential with the transaction will flow to MAPPP SETA. Revenue from exchange transactions comprise mainly Interest income and trade test assessment fees.

1.8.2.1 Interest 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.

1.8.3 Grants and project expenditure

1.8.3.1 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% of the total levies paid by the employer and comprises a workplace skills planning grant.

A provision is recognised for mandatory grants once the specific criteria set out in the Regulations to the Skills Development Act of 1998 has been complied with by the member companies, it is probable that the MAPPP SETA will approve the payment, and the amounts can be estimated reasonably and accurately.

1.8.3.2 Discretionary Grants and Project Expenditure

MAPPP SETA may out of the surplus mandatory, admin or discretionary levies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the MAPPP SETA Board. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by MAPPP SETA.

MAPPP SETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met.

Project expenditure comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project;

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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 expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met.

1.9 PROPERTY AND EQUIPMENT

Property and equipment is initially measured at cost and subsequently measured at cost less accumulated depreciation and adjusted for any impairment. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

When plant and equipment comprise significant components in relation to the current asset with different useful lives, these components are accounted for as separate items and written off over their estimated useful life.

Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. Depreciation of an asset ceases at the earlier of, the date the asset is classified as held for sale or impaired and the date that the asset is derecognized. Depreciation is calculated on the straight-line method to write-off the cost of each asset to its residual values over its estimated useful life. The method of depreciation and useful lives are reviewed annually. The depreciation rates applicable to each category of property and equipment are shown below.

	2011	2010
- Computer equipment	3 years	3 years
- Computer software	3 years	3 years
- Office furniture and fittings	5 years	5 years
- Office equipment	5 years	5 years
- Motor vehicles	5 years	4 years

Property and equipment is tested for impairment whenever there is an indication that the asset may be impaired in accordance with the requirements of GRAP 17.

The gain or loss on disposal of Property and equipment is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

1.10 NON - CURRENT ASSETS HELD FOR SALE

Non current assets are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the non current assets are available for immediate sale in their present condition and Management is committed to the sale which should be expected to qualify for recognition as a sale within one year from the date of classification.

Immediately prior to being classified for sale, the carrying amount of the item is measured in accordance with the applicable standard. After classification as held for sale it is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognized in the Statement of Financial Performance for any initial and subsequent write-down of the asset to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognized in the Statement of Financial Performance to the extent that it is not in excess of the cumulative impairment loss previously recognized.

Held for sale assets comprise furniture, office equipment and computer equipment identified as surplus to the requirements of the MAPPP SETA pursuant to the restructuring of the entity during the period under review and are valued at the lower of fair value less cost to sell and carrying amount. These assets will be disposed of within six months of the reporting date.

1.11 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognized at historical cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortization shall begin when an asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. Amortization shall cease at the earlier of the date that the asset is impaired and the asset is derecognized. Assets are amortized over their useful lives using the straight line basis. The useful lives of the assets are reviewed at

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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each Statement of Financial Position date and tested for impairment if there is an indication that they may be impaired. Amortization is included in other expenses in the Statement of Financial Performance. MAPPP SETA doesn't have any assets with an indefinite useful life.

Amortisation is provided on intangible assets to write down the cost on a straight line basis over the estimated economic life as follows:

	2011	2010
Computer software	3 years	3 years

Research costs, being the original and planned investigation undertaken with the prospect of gaining new technical knowledge and understanding, are recognized in the Statement of Financial Performance as they are incurred.

1.12 INVENTORY

Consumables are recognised as an asset on date of acquisition and are measured at the lower of cost at acquisition or net realisable value. Cost is determined using the first in, first out (FIFO) method. They are subsequently charged to the Statement of Financial Performance when consumed.

1.13 IMPAIRMENT OF ASSETS

An impairment loss is the amount by which the carrying amount of an asset (i.e. the amount recognized on the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment losses), exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset.

At each reporting date the carrying amount of property, equipment and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. In assessing value in use the estimated future cash flows are discounted to their present value that reflects the current market assessment, condition and the expected lives of the assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Impairment losses are recognized in the Statement of Financial Performance. Subsequent to the recognition of an impairment loss, the depreciation or amortization charge for the asset is adjusted to allocate its remaining useful life.

If an impairment loss subsequently reverses, the carrying amount of the assets (or cash generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in the Statement of Financial Performance.

1.14 LEASES

1.14.1 Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in surplus of deficit, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

1.14.2 Operating leases

Leases of assets where a significant portion of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease costs are charged to the Statement of Financial Performance on a straight line basis over the period of the lease.

Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1.15 EMPLOYEE BENEFITS

Employee benefit costs include all forms of consideration given in exchange for services rendered by employees. The cost of providing employee benefits is recognized in the Statement of Financial Performance in the period they are earned by employees. The expected cost of bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Liabilities for wages and salaries and annual leave expected to be settled within twelve months of the reporting date, are recognised in other payables in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Termination benefits are recognised and expensed when such benefits accrue.

Post-employment retirement benefit costs

The MAPPP SETA offers retirement benefits (as an option) to permanent employees through a defined benefit plan that is subject to the Pension Funds Act, 1956 (as amended). In terms of this Act, the fund must be actuarially valued every three years.

Medical benefits

Post-employment healthcare benefits are extended to retired employees with more than ten years continuous service. These benefits are presently unfunded.

The cost of providing benefits is determined by using the projected unit credit actuarial valuation method.

Actuarial gains and losses are recognised as income or expense when the cumulative unrecognised actuarial gains or losses exceed 10% of the higher of defined benefit obligation and the fair value of plan assets. These gains or losses are recognised immediately.

1.16 PROVISIONS

Provisions are recognised when the SETA has a present legal or constructive 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. The provision is measured at the best estimate of expenditure required to settle the present obligation at the reporting date. Where the effect of the time-value of money is material, the present value of the provision shall be the present value of the expenditure expected to settle the obligation.

1.16.1 Provision for employee entitlements

The cost of other employee benefits (not recognised as retirement benefits - see note 1.15 above) is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

1.16.2 Provisions for grants

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulations have been complied with by member companies and it is probable that the SETA will approve the payment. The liability is measured at the present value of expected future cash flow as determined in accordance with the Act. The estimate involves an estimate, based on the levies received.

1.16.3 Projects

Where a project has been approved, but has not been accrued, it is disclosed as a commitment in the notes to the financial statements.

1.16.4 Onerous contracts

Provision for onerous contracts is recognised when the expected benefits to be derived are lower than the unavoidable cost of meeting the obligations under the contract.

1.16.5 Contingencies

MAPPP SETA discloses contingent liabilities based on pending matters under review in a court of law, but does not make any provision for these contingencies in the annual financial statements.

1.17 FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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recognised on the SETA's Statement of Financial Position when the Seta becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets of the SETA were categorised as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each year end.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

Financial Liabilities

All financial liabilities of the SETA were classified as other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

1.18 GRANTS

1.18.1 Mandatory Grant Payments

A liability is recognised for mandatory grant payments once the specific criteria set out in the SETA Grant Regulation has been complied with by member companies and it is probable that the SETA will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

1.18.2 Discretionary Grant Payments

A liability is recognised for discretionary grant payments once the specific criteria set out in the SETA Grant Regulation and any additional criteria as approved by the SETA Board has been complied with by member companies and it is probable that the SETA will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

1.18.3 Discretionary Projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to annual financial statements.

Commitments are disclosed where the SETA has, in the normal course of its operations, entered into

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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a contractual agreement with entities related to project expenses which are yet due for payment.

1.19 FINANCE EXPENSE

Finance expense includes interest and other expenditure incurred in connection with the borrowing of funds. Finance expenses directly attributable to the acquisition or production of qualifying assets are added to the cost of those assets. Finance expense not incurred on qualifying assets are expensed in the period in which they are incurred. Finance expenses comprise of interest on obligations under finance leases, and interest incurred on financial liabilities. Finance expense are recognized on a time-proportion basis using the effective interest method.

1.20 EVENTS SUBSEQUENT TO THE REPORTING DATE

Recognized amounts in the annual financial statements are adjusted to reflect events arising after the Statement of Financial Position date that provide evidence of conditions that existed at Statement of Financial Position date. Events after the Statement of Financial Position date that are indicative of conditions that arose after the Statement of Financial Position date are dealt with by way of a note.

1.21 RELATED PARTY TRANSACTIONS

Parties are considered to be related to the MAPPP SETA if either one party directly or indirectly has the ability to control or jointly control or exercise significant influence over the other party in making financial and operational decisions or is a member of the key management of the MAPPP SETA.

1.22 IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure means expenditure, other than unauthorized expenditure, incurred in contravention of, or that is not in accordance with, a requirement of any applicable legislation. It is charged to the Statement of Financial Performance.

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

1.23 CASH AND CASH EQUIVALENTS

Cash and cash equivalent are initially measured at fair value and subsequently measured at amortized cost. For the purposes of the Statement of Financial Position, cash and cash equivalents comprise cash-on-hand and deposits held on call with banks. For the purposes of the Statement of Cash Flow, cash and cash equivalents comprise cash-on-hand, deposits held on call with banks less bank overdrafts which form part of MAPPP SETA's cash management.

1.24 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 , 1962 (Act 58 of 1962).

1.25 COMPARATIVE FIGURES

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the annual financial statements. Comparative figures are restated in the event of a change in accounting policy or prior period error.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of MAPPP SETA accounting policies, which are described above, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates will, by definition, rarely equal the actual results achieved. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are discussed below. Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions do however affect the reported amounts of assets and liabilities at the Statement of Financial Position date, as well as the reported income and expenditure recorded in the Statement of Financial Performance. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical assumptions and judgements in applying accounting policies

The following are the key assumptions and judgements concerning the future, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities within the next financial year.

2.1. Key accounting judgements

MAPPP SETA depreciates or amortises its assets over their estimated useful lives, as more fully described in the accounting policies for property and equipment and intangible assets. The estimation of the useful lives of assets is based on historic performances as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and repair and maintenance.

During the review, Management determined that the useful lives of certain equipment should be lengthened, due to the condition and the continous use of certain of the assets. The financial effect of this assessment, assuming the assets are held until the end of their revised estimated useful lives, is to reduce the depreciation expense in the current financial year. The annual depreciation charge will be adjusted for any changes in these estimates (refer to note 12). These estimates are based on Managements experience, knowledge and current expectations.

2.2. Key sources of estimation uncertainty

The MAPPP SETA reviews the estimated useful lives of property and equipment at the end of each annual reporting period (refer Note 12). The SETA is currently established until 31st March 2011 (as a SETA).

In view of the above, management is required to consider how this impacts the period over which assets are expected to be available for use by the SETA. Management has consistently determined that the useful lives of the assets should not be limited by the MAPPP SETA establishment to March 2011. Management's determination of the useful lives of the assets also impacts the determination of the residual values of such assets.

MAPPP SETA has reviewed the residual values used for the purpose of depreciation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values will be reviewed annually.

2.3 Average discount rate used on financial assets and liabilities

In accordance with IAS 39, financial assets and liabilities are discounted at a present value using the weighted average return on monies held with financial institutions. MAPPP SETA has consistently used the weighted average return in previous financial years when discounting financial assets and liabilities.

2.4 Impairment of assets

Property and equipment and intangible assets are assessed for impairment at least annually, as more fully described in the accounting policy in respect of impairment and note 12 and 13. The market conditions and the expected lives of each of these assets are discussed in more detail in the notes to the annual financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

2.5 Fair value determination

The carrying values of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair value.

3 CATEGORIES OF FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expense) for each class of financial asset and financial liability are disclosed in the accounting policies above.

The carrying amounts reflected above represents MAPPP SETA's maximum exposure to credit risk for financial assets and financial liabilities.

Financia Assets	Classification	R'000	R'000
Trade and other receivables	Loans and receivable at amortized cost	1,091	1,123
Cash and cash equiva-lents	Loans and receivable at amortized cost	255,631	195,712
Financial Liabilities			
Finance leases	Financial liabilities at amortized cost	-	27
Trade and other paya-bles (includes accrued expenditure)	Financial liabilities at amortized cost	45,340	25,420

4 MANAGEMENT OF RISK

4.1 General

The MAPPP SETA has exposure to the following risks: Market, Interest rate, and credit risk.

The Board is responsible for strategic risk-management within MAPPP SETA and tasks the Audit Committee with ensuring effective risk-management. The purpose of the MAPPP SETA risk-management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk-management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed.

The MAPPP SETA risk policy sets out the minimum standards of risk-management to be adopted and adhered to within the MAPPP SETA. The risk policy are established to identify and analyse the risks faced by the MAPPP SETA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed on a regular basis to reflect changes in market conditions and MAPPP SETA activities. Risks that have been identified as having a potentially severe impact on the MAPPP SETA are regarded as unacceptable and, where possible, will be avoided.

4.2 Managements responsibilities

Management is responsible for the identification, assessment and control of all key risks facing the MAPPP SETA, functions and processes under their control. In addition, management is required to manage all risks under their control that contribute to the MAPPP SETA risk profile. A documented formal policy framework has been put in place in order to achieve the following:

- Place accountability on Management for designing, implementing and monitoring the process of risk management
- Place responsibility on Management for integrating the risk management process into the day to day activities and operations of the MAPPP SETA
- Ensure that the risk strategy is communicated to all stakeholders.

Management is required to monitor the status of each risk within the MAPPP SETA and to report on any material changes to the risk profile and any losses incurred as a result thereof. Management is expected to put in place appropriate controls for these risks and provide assurance that such controls perform as intended.

4.3 Financial risk profile

Risk management relating to each of these risks is discussed under the headings below. The financial risk the MAPPP SETA primarily faces are market risk (interest rate risk), and credit risk.

4.3.1 Market risk management

The MAPPP SETA's activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the MAPPP SETA's exposure to market risk or the manner in which it manages

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

and measures the risk.

4.3.2 Interest rate risk management

Interest rate risk arises primarily from MAPPP SETA's returns on monies placed on call . Money market instruments are invested in institutions which have at least an A+ rating to ensure capital preservation. The nature of MAPPP SETA's exposure to interest rate risk and its objectives, policies and procedures for managing interest rate risk have not changed significantly from the prior period.

	2011	2010
Returns for the year	%	%
Weighted average return	5,6	6,6

Sensitivity analysis

In managing interest rate risk, Management reviews the interest returns on a regular basis to ensure that the highest returns are achieved. The monies will only be deposited with financial institutions as specified by National Treasury guidelines. It is estimated that by increasing the returns by 100 basis points on the amounts invested will result in a further R1,9 million being earned in interest income in the Statement of Financial Performance.

4.3.3 Liquidity risk management

MAPPP SETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are also maintained. In case of liquidity problems, funding resources may be made available by the Department of Higher Education and Training and National Treasury.

Trade and other payable from exchange transactions	2,738	2,804
	6 months or less	6 months or less

4.3.4 Credit risk management

Credit risk is the risk of financial loss to the MAPPP SETA if a counterparty defaults on its contractual obligations to the MAPPP SETA. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. The carrying value for accounts receivables, net of impairment amount to R1,091 million (2010 R1,123 million) and for prepayments and advances R420 thousand (2010 R381 thousand). The MAPPP SETA does not have any significant credit risk exposure to any single counterparty having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Other SETA's have no independent rating, however based on historical experience and other factors none of the amounts due to the MAPPP SETA are impaired.

MAPPP SETA 's key areas of exposure to credit risk in the current financial year include:

Deposits for office rental R140 thousand.
Prepayments made to service providers R211 thousand.
Cash and cash equivalents held with financial Institutions R255,6 million.

The nature of MAPPP SETA's exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

Exposure to credit risk

	2011	2010
	R'000	R'000
Cash and cash equivalents	255,631	195,712
Accounts receivable	1,091	1,123
Prepayments and other advances	357	381

Cash and cash equivalents are deposited with financial institutions as specified by National Treasury guidelines.

The carrying values of the above financial assets are net of any impairment and approximate their fair value.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities nor have any amounts been renegotiated or have been defaulted on.

	Minimum stand alone rating
Deposits with and balances in current and money market accounts	A+1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

4.4 AGEING OF FINANCIAL ASSETS

Accounts receivables, prepayments and advances

		2011 R'000	2010 R'000
	%	Carrying amount	Carrying amount
Current	74%	1,078	1,201
30-60 Days	14%	210	286
Greater 90 days	12%	160	17
	100.0	**1,448**	**1,504**

MAPPP SETA does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current or prior year.

The carrying amount approximates fair value because of the short period of recovery.

4.5 ACCOUNTS PAYABLES

The maximum exposure to financial liabilities was:

The fair value of borrowings, together with the carrying amounts shown in the Statement of Financial Position is as follows:

	%	Carrying amount 2011 R'000	Carrying amount 2010 R'000
Current	97.31%	44,120	23,706
30-60 Days	0.08%	34	38
60-90 Days	0.03%	11	73
Greater 90 days	2.59%	1,175	1,603
	100.0%	**45,340**	**25,445**

The carrying amount approximates fair value because of the short period of recovery.

4.6 FAIR VALUE OF FINANCIAL ASSET AND LIABILITIES

Except as detailed in the table above, Management consider that the carrying amounts of financial assets and liabilities recognised at amortised cost in the financial statements approximate their fair value. The valuation techniques and assumptions applied for the purposes of measuring fair value are determined as follows:

Property, equipment and Intangible assets

The market values of assets are based on formal third party offers.

Receivables and payables

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash outflows and inflows at the weighted average return on monies invested.

Borrowings

For finance leases the market rate of interest is determined by reference to similar lease agreements.

Cash and cash equivalents held with financial institutions as specified by National Treasury guidelines.

The carrying values of the above financial assets are net of any impairment and approximate their fair value.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities nor have any amounts been renegotiated or have been defaulted on.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

5 ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES:

For the year ended 31 March 2011			Employer grants re-serve		Discretionary reserve		
	Total per Statement of Financial Performance	Administration reserve	Mandatory skills planning grant	Total	Discretionary grants	Special projects	Total discretionary
Total revenue	**185 380**	21 854	107 244	107 244	54 867	1 415	56 282
Skills development levy: income							
Admin levy income (10%)	21 573	21 573	-	-	-	-	-
Grant levy income (70%)	150 312	-	107 244	107 244	43 068	-	43 068
Skills development levy: penalties and interest	1 278	-	-	-	1 278	-	1 278
National Skills Fund income	679	-	-	-	-	679	679
Donations for special projects	736	-	-	-	-	736	736
Investment income	10 521	-	-	-	10 521	-	10 521
Other income	281	281	-	-	-	-	-
Total expenses	**151 880**	22 939	74 004	74 004	53 522	1 415	54 937
Administration expenses	22 856	22 856	-	-	-	-	-
Finance costs	83	83	-	-	-	-	-
National Skills Fund expenses	679	-	-	-	-	679	679
Special projects expenses	736	-	-	-	-	736	736
Employer grants and project expenses	127 526	-	74 004	74 004	53 522	-	53 522
Net surplus per Statement of Financial Performance	**33 500**	**(1 085)**	**33 240**	**33 240**	**1 345**	**-**	**1 345**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

5 ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES:

For the year ended 31 March 2010			Employer grants reserve		Discretionary reserve		
	Total per Statement of Financial Performance	Administration reserve	Mandatory skills planning grant	Total	Discretionary grants	Special projects	Total discretionary
Total revenue	181 786	20 991	102 764	102 764	52 101	5 930	58 031
Skills development levy: income							
Admin levy income (10%)	20 733	20 733	-	-	-	-	-
Grant levy income (70%)	143 878	-	102 764	102 764	41 114	-	41 114
Skills development levy: penalties and interest	1 451	-	-	-	1 451	-	1 451
Donations for special projects	5 930	-	-	-	-	5 930	5 930
Investment income	9 536	-	-	-	9 536	-	9 536
Other income	258	258	-	-	-	-	-
Total expenses	149 105	21 846	77 849	77 849	43 480	5 930	49 410
Administration expenses	21 842	21 842	-	-	-	-	-
Finance costs	4	4	-	-	-	-	-
Special projects expenses	5 930	-	-	-	-	5 930	5 930
Employer grants and project expenses	121 329	-	77 849	77 849	43 480	-	43 480
Net surplus per Statement of Financial Performance	**32 681**	**(855)**	**24 915**	**102 764**	**8 621**	**-**	**8 621**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

		2010/11 R'000	2009/10 R'000
6	**SKILLS DEVELOPMENT LEVY INCOME**		
	The total levy income per the Statement of Financial Performance is as follows:		
	Levy income Administration	**21 573**	20 733
	Levies received from SARS	**21 501**	20 647
	Below threshold employers	**-**	(92)
	Government Departments	**72**	163
	Interseta transfers in	**-**	23
	Interseta transfers out	**-**	(8)
	Levy income Employer Grants	**107 244**	102 764
	Levies received from SARS	**107 251**	103 172
	Below threshold employers	**-**	(459)
	Interseta transfers in	**1**	90
	Interseta transfers out	**(8)**	(39)
	Levy income Discretionary Grants	**43 069**	41 114
	Levies received	**43 070**	41 267
	Below threshold employers	**-**	(183)
	Interseta transfers in	**2**	46
	Interseta transfers out	**(3)**	(16)
		171 886	164 611

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

		2010/11 R'000	2009/10 R'000
7	**INVESTMENT INCOME**		
	Interest income earned from:		
	Monies held with Financial Institutions	**10 521**	9 536
	Actual gains derived on financial assets held with financial institutions at fair value through the Statement of Financial Performance.		
8	**OTHER INCOME**		
	Other income comprises:		
	Revenue from supporting services rendered by the SETA	**281**	258
9	**EMPLOYER GRANT AND PROJECT EXPENSES**		
	Mandatory grants	**74 004**	77 849
	Disbursed	**56 336**	86 479
	Movement in provisions and accruals	**17 668**	(8 630)
	Discretionary grants	**49 927**	39 547
	Disbursed	**47 481**	35 794
	Movement in provisions and accruals	**2 446**	3 753
	Project Expenditure Disbursed	**3 595**	3 933
		127 526	121 329
9.1	**Project expenditure consist of:**		
	Direct project costs		
	Direct salaries and wages	**1 305**	1 371
	Direct administration expenses		
	Travel expenses	**2 290**	2 562
	Total	**3 595**	3 933

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

		2010/11 R'000	2009/10 R'000
10	**ADMINISTRATION EXPENSES**		
	Depreciation	**1 485**	1 506
	Impairment of assets	**22**	-
	Amortisation of intangible assets	**94**	185
	Operating lease rentals (minimum lease payments)	**1 078**	1 158
	- Buildings	**1 047**	1 089
	- Equipment	**31**	69
	Maintenance, repairs and running costs	**98**	102
	- Property and buildings	**15**	74
	- Machinery and equipment	**73**	25
	- Motor vehicle	**10**	3
	Advertising, marketing and promotions	**517**	272
	Consultancy and service provider fees	**1 471**	639
	Legal fees	**237**	26
	Cost of employment	**12 285**	11 845
	Travel and subsistence	**551**	429
	Staff training and development	**40**	58
	Remuneration to members of the accounting authority	**510**	228
	Remuneration to members of the audit committee	**65**	57
	External auditor's remuneration	**1 499**	1 848
	- Audit fees	**1 499**	1 848
	- Fees for other services	**-**	-
	Other administration expenses	**2 904**	3 489
	- Internal audit fees	**684**	810
	- Bank charges	**40**	46
	- Telephones and communication	**886**	998
	- Postage and courier	**188**	150
	- Minor assets (below threshold)	**-**	1
	- Catering and refreshments	**120**	139
	- Workshops and venue hire	**200**	111
	- Insurance	**134**	108
	- Printing, stationery and publications	**140**	341
	- Security costs	**17**	14
	- Staff recruitment costs	**86**	40
	- Subscriptions	**10**	19
	- Sundry expenses	**147**	10
	- Municipal charges	**82**	71
	- Office cleaning	**168**	172
	- Loss on sale of assets	**2**	196
	- Loss due to fraud	**-**	263
		22 856	21 842

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

			2010/11 R'000	2009/10 R'000
10.1	**Cost of employment**			
	Salaries and wages		**12 915**	12 863
	Basic salaries		**11 506**	11 157
	Performance and Service awards		**342**	-
	Other non-pensionable allowance		**975**	1 217
	Severence packages		**-**	294
	Temporary staff		**-**	56
	Leave payments		**67**	78
	Overtime payments		**25**	61
	Social contributions		**109**	572
	Pension contributions: defined contribution plans		**-**	204
	UIF		**60**	55
	Insurance		**39**	237
	Workmens' Compensation Assurance		**10**	2
	Other salary related costs		**-**	74
	Other long-term employee benefits including long-service			
	leave, profit sharing, deferred compensation		**566**	(219)
			13 590	13 216
	Allocation of cost of employment			
	Administration expenses	**10**	**12 285**	11 845
	Project expenses	**9.1**	**1 305**	1 371
			13 590	13 216
	Average number of employees		**41**	48

Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the Accounting Authority, the Chief Executive Officer, the Chief Financial Officer and Chief Operations Officer.

11 FINANCE COSTS

		2010/11 R'000	2009/10 R'000
Interest expense:			
Obligations under finance leases		**2**	-
Other interest		**81**	4
		83	4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

Year ended 31 March 2011	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Computer equipment	1 662	(1 450)	**212**
Office furniture and fittings	5 900	(5 837)	**63**
Office equipment	2 226	(2 066)	**160**
Motor vehicles	141	(120)	**21**
Signage	170	(169)	**1**
Artwork	279	-	**279**
Balance at end of period	**10 378**	**(9 642)**	**736**
Made up as follows:			
- Owned assets	10 378	(9 642)	736
- Lease assets			23

Year ended 31 March 2010	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Computer equipment	1 739	(1 499)	240
Office furniture and fittings	5 878	(4 897)	981
Office equipment	2 057	(1 513)	544
Motor vehicles	141	(105)	36
Signage	170	(148)	22
Artwork	279	-	279
Balance at end of period	10 264	(8 162)	2 102
Made up as follows:			
- Owned assets	10 264	(8 162)	2 102
- Lease assets			59

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

12 PROPERTY AND EQUIPMENT

Movement summary 2011

	Carrying amount 2010	Transfer to Held for Sale & expense write-off	Additions	Disposals	Depreciation/ Amortisation charge	Impairment losses (recognised)/ reversed	Accumulated Depreciation on disposals	Carrying amount 2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	240	11	50	-	81	8	-	**212**
Office furniture and fittings	980	10	-	-	927	-	-	**63**
Office equipment	615	-	-	-	441	14	-	**160**
Motor vehicles	36	-	-	-	15	-	-	**21**
Signage	22	-	-	-	21	-	-	**1**
Artwork	279	-	-	-	-	-	-	**279**
Balance at end of period	2 172	21	50	-	1 485	22	-	**736**

Movement summary 2010

	Carrying amount 2009	Allocation corrections	Additions	Disposals	Depreciation/ Amortisation charge	Impairment losses (recognised)/ reversed	Accumulated Depreciation on disposals	Carrying amount 2010
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	298	-	190	21	242	-	15	**240**
Office furniture and fittings	1 890	-	-	19	912	-	22	**981**
Office equipment	844	-	16	46	314	-	44	**544**
Motor vehicles	56	-	-	-	20	-	-	**36**
Signage	40	-	-	-	18	-	-	**22**
Artwork	279	-	-	-	-	-	-	**279**
Balance at end of period	3 407	-	206	86	1 506	-	81	**2 102**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

12 PROPERTY AND EQUIPMENT

As required by GRAP 17, MAPPP SETA has reviewed the useful lives and residual values of equipment. The review resulted in an adjustment to the residual values and useful lives of equipment in the current year. The review led to the recognition of an impairment of R22 thousand (2010 RNil), that has been recognized in the Statement of Financial Performance.

Included in the amounts above for Office Equipment are assets held under finance leases with a net book value of R23 thousand (2010 - R59 thousand)

Estimates and judgments are evaluated annually and are based on historical experience and other factors. Management has considered the impact of GRAP 17 on the annual financial statements for the year ended 31 March 2011 and the assumptions made in respect to useful life on equipment are as follows;

- With the continuous changes in technology, computer equipment is replaced on average every three years. The straight line method is still deemed to be a true reflection of the write off period. However, computer equipment with a remaining useful life of less than 1 year, which is still currently being used by the MAPPP SETA will be extended by a further 1 year. Where computer equipment whose uselife was extended by a further 1 year and is still in use will be extended by a further 6 months.
- A significant portion of furniture and fittings have been on the asset register for a period exceeding its initial useful life expectancy. Furniture and fittings with a remaining useful life of less than 1 year, still in good condition and currently still being used by the MAPPP SETA will be extended by another 1 year. Where furniture and fittings whose uselife was extended by a further 1 year and is still in use will be extended by a further 6 months.
- Management has reviewed the useful life on both signage and motor vehicles and believe that the straight line method is still deemed to be a true reflection of the write off period.

Equipment is tested for impairment whenever there is an indication that the asset may be impaired in accordance with the requirements of GRAP 17. The impairment losses have been included in the line item other expenses in the Statement of Financial performance.

None of the property or equipment has been pledged as security or collateral for liabilities.

The estimation of the useful lives of equipment is based on historical performance as well as expectations about future use and therefore requires a significant degree of judgment to be applied by management. These depreciation rates represents Managements current best estimate of the useful lives of the assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

13 INTANGIBLE ASSETS

Year ended 31 March 2011	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Computer software	970	(854)	116
Balance at end of period	970	(854)	116
Made up as follows:			
- Owned assets	970	(854)	116
- Lease assets			-

Year ended 31 March 2010	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Computer software	945	(760)	185
Balance at end of period	945	(760)	185
Made up as follows:			
- Owned assets	945	(760)	185
- Lease assets			-

Movement summary 2011	Carrying amount 2010 R'000	Additions R'000	Disposals R'000	Depreciation/ Amortisation charge R'000	Accumulated Depreciation on disposals R'000	Carrying amount 2011 R'000
Computer software	184	25	-	94	-	115
Balance at end of period	184	25	-	94	-	115

Movement summary 2010	Carrying amount 2009 R'000	Additions R'000	Disposals R'000	Depreciation/ Amortisation charge R'000	Accumulated Depreciation on disposals R'000	Carrying amount 2010 R'000
Computer software	223	168	44	185	22	184
Balance at end of period	223	168	44	185	22	184

Computer software is amortized over it's useful life using the straight line method (finite useful life). The amortization expense has been included under the line item depreciation and amortization expense in the Statement of Financial performance.

Management has reviewed the useful life on computer software and believe that the straight line method of 3 years is still deemed to be a true reflection of the write off period. The estimation of the useful lives of software is based on historical performance as well as expectations about future use. The amortization rate represents Managements current best estimate of the useful lives of the assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

14 PREPAYMENTS AND ADVANCES

	2010/11 R'000	2009/10 R'000
Prepayments and advances		
Staff advances	**7**	14
Rental deposits	**140**	213
Prepayments	**210**	154
	357	381

15 ACCOUNTS RECEIVABLE

Interseta debtors	**24**	129
Interest receivable	**1 067**	994
	1 091	1 123

Accounts receivable disclosed above are classified as loans and receivables and are therefore measured at amortised cost. No interest is charged on any outstanding balance due.

Trade and other receivables disclosed above that are past due, are not impaired at year end as there is no significant change in credit quality and therefore are still considered recoverable.

None of the accounts receivables has been pledged as security or collateral for liabilities or contingent liabilities nor have any terms of any receivable been renegotiated. Although certain amounts are past due, Management is of the opinion that the amounts due are recoverable. The expected recovery period is not more than 6 months.

The carrying amount approximates fair value because of the short period to maturity. The quality of trade receivables are discussed further under note 4.4 above.

16 ASSETS HELD FOR SALE

Year ended 31 March 2010	Cost R'000	Accumulated depreciation/ impairment R'000	Disposals R'000	Closing carrying amount R'000
Computer equipment	11	-	(11)	-
Office equipment	12	-	(12)	-
Balance at end of period	**23**	**-**	**(23)**	**-**
Made up as follows:				
- Owned assets	23	-	(23)	-
- Lease assets				-

Held for sale assets comprise office equipment and computer equipment indentified as surplus to the requirements of the MAPPP-SETA pursuant to the restructuring of the entity during the prior period and are valued at the lower of fair value less cost to sell and carrying amount.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

17 INVENTORIES

	2010/11 R'000	2009/10 R'000
Opening carrying amount	**41**	64
Amounts utilised during the year	**(14)**	(23)
	27	41

18 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	**255 631**	195 712
Cash at bank	**255 627**	195 706
Cash on hand	**4**	6
Cash and cash equivalents at end of year	**255 631**	195 712

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 5,6% (2010: 6,63%).

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 purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position.

Cash and cash equivalents are placed with reputable financial institutions.

19 FINANCE LEASE OBLIGATIONS

Reconciliation between the total of the minimum lease payments and the present value:

Up to 1 Year		
Future minimum lease payments	-	29
Finance cost	-	(2)
Present value	-	27
1 to 5 years		
Future minimum lease payments	-	-
Finance cost	-	-
Present value	-	-
More than 5 years		
Future minimum lease payments	-	-
Finance cost	-	-
Present value	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	2010/11 R'000	2009/10 R'000
Analysed for financial reporting purposes:		
Non-current finance lease liability (recoverable after 12 months)	-	-
Current finance lease liability (recoverable within 12 months)	-	27
Finance lease liability	-	27

The weighted average interest rate applicable to the finance leases were approximately 14.1%

The underlying assets are considered to be security for the finance lease liability. There were no defaults or breaches of the contractual terms of the finance leases during the financial year. The carrying amounts of the finance lease were not materially different from the fair values of equipment at year end (refer to note 12)

20 RETIREMENT BENEFIT OBLIGATIONS

The MAPPP SETA provides post-employment healthcare benefits to its retired employees with more than ten years continued service.

The following tables summarise the components of the net expense recognised in the Statement of Financial Performance, the funded status and the amounts recognised in the Statement of Financial Position.

Net benefit expense

Current service cost	**12**	108
Interest adjustment	**233**	301
Expected employer benefit payments	**(152)**	(105)
Actuarial (gain)/loss recognised in the year	**317**	(762)
	410	(458)

Actuarial return on plan assets

Benefit liability		
Benefit obligation	**(3 058)**	(2 648)
Plan assets	**-**	-
Unrecognised net actuarial loss	**(3 058)**	(2 648)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

	2010/11 R'000	2009/10 R'000
Movement in the benefit liability during the year ended 31 March 2011, is as follows		
At 1 April 2010	**2 648**	3 106
Benefit expense	**410**	(458)
Balance at 31 March 2011	**3 058**	2 648

The current valuation is as per the actual valuation as at 31 March 2011 which has been based on the Projected Unit Credit Method prescribed by IAS19 with the following assumptions being adopted-

Interest rate	8.94%
Medical aid inflation	7.33%
Expected retirement age	60
Net effective discount rate	1.50%

21 ACCOUNTS PAYABLE

Non-exchange payables		**42 602**	22 537
Skills development grants payable - mandatory		**33 621**	15 953
Skills development grants payable - discretionary		**8 967**	6 521
Interseta payables	**34**	**14**	63
Service provider fees outstanding		**1 403**	509
Sundry payables		**1 335**	2 374
Accrued expenses		**1 312**	2 069
Operating lease creditor		**23**	305
		45 340	25 420

The MAPPP SETA recognizes trade payables at fair value and subsequently measures at amortized cost using the effective interest method. In accordance with IAS 39 trade payables are discounted at a present value of 5,1% (2010 6,6%) from the date of purchase by the MAPPP SETA to the date of expected payment. There were no defaults on any amounts payable nor were there any amounts re-negotiated with suppliers of the MAPPP SETA.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

22 NATIONAL SKILLS FUND: SPECIAL PROJECTS

	2010/11 R'000	2009/10 R'000
Opening balance	**-**	6 688
Received during the year		
NSF : SABC Project		
Utilised and recognised as revenue	**3 758**	-
Amount transfered to Creative SA	**-**	(6 688)
Once conditions met:	**(679)**	-
SABC	**(584)**	-
SABC - Administration	**(95)**	-
Closing balance	**3 079**	-

23 GOVERNMENT GRANTS AND DONOR FUNDING RECEIVED IN ADVANCE

Donor funding - CreateSA

Opening balance	**8 116**	1 967
Transfer received during the year	**-**	6 688
Interest received	**1 309**	1 742
Utilised and recognised as income conditions met	**(465)**	(2 281)
Learnerships	**(236)**	(436)
Internships	**-**	(37)
Skills programs	**(124)**	(63)
Administration	**(105)**	(1 745)
Closing balance	**8 960**	8 116
Non-current	**-**	-
Current	**8 960**	8 116

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	2010/11 R'000	2009/10 R'000
Department of Arts and Culture		
Opening balance	**1 622**	4 948
Interest received	**182**	323
Utilised and recognised as income conditions met	**(271)**	(3 649)
Learnerships	**(262)**	(3 599)
Administration costs	**(9)**	(50)
Closing balance	**1 533**	1 622
Non-current	**-**	-
Current	**1 533**	1 622
Summary		
Opening balance	**9 738**	6 915
Received during the year	**-**	6 688
Interest received	**1 491**	2 065
	11 229	15 668
Utilized during the year	**(736)**	(5 930)
Closing balance	**10 493**	9 738
Non-current	**-**	-
Current	**10 493**	9 738

24 PROVISIONS

	Employee bonus provision	SARS liability	2010/11 R'000	2009/10 R'000
Open carrying amount	-	7 712	**7 712**	6 978
(Utilised)raised during year	327	258	**585**	734
Change in estimate				
Closing carrying amount	**327**	**7970**	**8 297**	7 712
Non-current	-	-	-	-
Current	327	7970	8 297	7 712
Total	327	7970	8 297	7 712

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

25 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS

	2010/11 R'000	2009/10 R'000
Net surplus as per Statement of Financial Performance	**33 501**	32 681
Adjusted for non-cash items:		
Depreciation	**1 485**	1 506
Impairment of property and equipment	**22**	-
Amortisation of intangible assets	**94**	185
Loss on sale of assets	**2**	196
Increase in provisions	**585**	734
Adjusted for items separately disclosed		
Investment income	**(10 448)**	(10 059)
Finance costs	**83**	4
Proceeds from sale of assets	**-**	(29)
Adjusted for working capital changes:		
(Increase)/decrease in inventory	**14**	(9)
Decrease in receivables	**56**	1 087
Increase/(decrease) in payables	**24 092**	(13 042)
Reinstatement	**169**	-
Cash generated from operations	**49 655**	13 254

26 CONTINGENCIES

26.1 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 surplus funds. No formal approval has been obtained from National Treasury to retain surplus funds.

26.2 Other

Legal

There are no further contingencies known to be reported on at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

27 COMMITMENTS

27.1 Discretionary reserve

Of the balance of R186,8m available in the Discretionary reserve at the end of March 2011, R59m has been approved and allocated for future projects and skills priorities as set out below. At the date of reporting, contracts totalling R28.9m had been entered into between the beneficiaries and MAPPP SETA as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the statement of performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury. At the time of compiling the financial statements, no reply had been received.

	Reinstated Opening Balance	Approved by Accounting Authority	Savings	Utilised	Accual	2010/11	2009/10
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABET	1 961	960	-	(2 004)	(530)	**387**	2 318
Bursaries	4 209	3 406	(499)	(3 083)	(1 001)	**3 032**	1 304
Internships	2 586	6 458	(706)	(5 362)	(1 240)	**1 736**	1 884
Learnerships	4 130	8 943	(1 538)	(7 061)	(891)	**3 583**	6 576
Skills programs	28 311	311	(1 658)	(5 954)	(1 846)	**19 164**	25 892
Mentorships	2 791	3 208	(312)	(4 400)	(484)	**803**	(1 416)
Material Development	-	197	-	(197)		**-**	-
CEO Special fund	-	500	-	(500)	-	**-**	-
2010 Special Project	-	1 000	-	(900)	(100)	**-**	-
Capacity Building	40	-	-	(40)	-	**-**	
Training & development fund	7 417	-	(7 417)	-	-	**-**	7 418
Ability grants	105	-	(105)	-	-	**-**	105
ISOE	2 900	4 000	-	(2 727)	(1 000)	**3 173**	1 490
Apprecnticeships	29 155	-	-	(2 065)	-	**27 090**	912
	83 605	28 983	(12 235)	(34 293)	(7 092)	**58 968**	46 483
NSF Critical and Scarce Skills Project							
Learnership	42	-	-	(42)	-	**-**	96
Internship	-	-	-	-	-	**-**	138
	42	-	-	(42)		**-**	234
	83 647	28 983	(12 235)	(34 335)	(7 092)	**58 968**	46 717

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

28.2 OPERATING LEASES

	2010/11 R'000	2009/10 R'000
Total of future minimum lease payments under non-cancelable leases:		
Not later than one year	**262**	1 159
Later than one year and not later than five years	**22**	1 361
Later than five years	**-**	-
	284	2 520

The operating lease relates to building premises used for office accommodation in Durban, Cape Town and Rivonia. The leases have varying terms, escalations and clauses and renewal rights, but MAPPP SETA has no option to purchase the leased buildings at the expiry of the lease period. The basis on which rent is determined by the lessor is based on the existing rental market. There are no restrictions imposed by the lessors on any of the buildings leased. The lease expenditure is straight lined and charged to the Statement of Financial Performance. No provision was made for an option to renew the lease on expiry.

29 RECONCILIATION OF BUDGET SURPLUS WITH DEFICIT IN STATEMENT OF FINANCIAL PERFORMANCE

Net surplus per statement of financial performance	**33 501**	32 681
Adjusted for-		
Surplus revenue receipts	**(11 872)**	(8 014)
Mandatory grants exceed budget	**(4 328)**	29 489
Discretionary grants incomplete	**9 294**	(53 661)
Irregular expenditure and fruitless and wasteful expenditure	**582**	326
Deficit from fraudulent activity	**-**	263
Increase in provisions	**258**	734
Other	**-**	(281)
Net surplus per approved budget	**27 435**	1 537

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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30 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 were incurred during the year ended 31 March 2011.

Irregular expenditure

Irregular expenditure for the procurement of goods from suppliers without following the supply chain management requirements set out in the Treasury Regulations 16A.6.1	501	-

Fruitless and wasteful expenditure

Interest incurred on late payments made to service provider and submission of monthly EMP 501 returns	81	4

31 EVENTS AFTER REPORTING DATE

There are no significant events to report after the reporting date.

32 ERRORS

	2010/11 R'000
Adjustment in Statement of Changes in Net Assets	
Impact on prior period adjustments	
Difference in the opening balance on deposits held with Land Lord in prior years were corrected in the current financial year.	73
Increase in net assets	
Finance lease expenditure correctly classified in the in the current financial year	(23)
Decrease in net assets	
Operating lease incorrectly classified in prior year correctly classified in the current financial year	(219)
Decrease in net assets	
Decrease in statement of changes in net assets	(169)

33 RELATED PARTY TRANSACTIONS

MAPPP-SETA constitutes a Schedule 3A public entity in terms of the Public Finance Management Act. The related party disclosure is required in terms of IPSAS 20 Related parties disclosures and the specific guidance given by the South African Institute of Chartered Accountants.

The related parties of MAPPP-SETA consist mainly of government departments, state-owned enterprises and other public entities in the national sphere of government, as well as Board Members of MAPPP-SETA or its shareholder and close family members of these related parties.

Transactions with other SETAs

Interseta 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

	2010/11 R'000		2009/10 R'000	
The balances at year-end included in receivables and payables are:	**Transfers in/(out) during the year**	**Amount receivable/(payable)**	**Amount of the transaction**	**Amount receivable / payable**
Receivables	(105)	24	118	129
FASSET	-	-	14	-
FIETA	-	15	-	15
HWSETA	-	-	4	-
ISETT	(46)	4	8	50
SERVICES SETA	-	-	92	-
THETA	-	-	-	-
W&RSETA	(59)	5	-	64
Payables	50	(13)	(216)	(63)
	-	-		(63)
AGRISETA	63	-	-	-
CHIETA	-	-	(90)	-
FOODBEV SETA	-	-	(78)	-
ISETT	(13)	(13)	-	-
MERSETA	-	-	(12)	-
W&RSETA	-	-	(36)	-
Total	(55)	11	(98)	66

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:

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Related party	Nature of relationship	Transaction type	Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
Payables						
SABC	V. Manentsa (Accounting Authority member)	Mandatory grant	4 447	-	7 555	(576)
SABC	V. Manentsa (Accounting Authority member)	Discretionary grant	2 963	-	-	-
PASA	N. Ngubane	Discretionary grant	940	-	10	(590)
Print Media	I Louw	Discretionary grant	160	-	-	-
Total			8 510	-	7 565	(1 166)

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

Senior Management Emoluments

Executive Management	Fees for Services	Salary	Motor Vehicle Allowance	Total 2010/11	Total 2009/10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Chief Executive Officer - B Zulu	-	732	120	852	770
Chief Financial Officer - K Keys	-	774	30	804	746
Chief Operations Officer - S Makhoba	-	617	120	737	669
	-	2 123	270	2 393	2 185
Accounting Authority					
B Dlamini - Previous Chairperson of the Board	-	-	-	-	6
I Louw - Chairperson of the Board	54	-	-	-	60
V Manentsa	32	-	-	-	19
N Ngubane	77	-	-	-	39
P Myburgh	14	-	-	-	16
E Dlamini	32	-	-	-	28
D Fredricks	14	-	-	-	9
S Hlabangane	20	-	-	-	32
P Lacy	21	-	-	-	
K Leid	21	-	-	-	14
K Lebogo	9	-	-	-	3
N Morris	9	-	-	-	
B Mautloa	-	-	-	-	
C Carew-Maseko	20	-	-	-	
G Masokoane	-	-	-	-	
E Mthethwa	-	-	-	-	2
Aud**it Committee**		-	-	-	
H Buthulezi - Chairperson of the Audit Committee	25	-	-	-	25
T Boltman	40	-	-	-	15
G Jordaan	-	-	-	-	4
	388	-	-	-	272

Notes