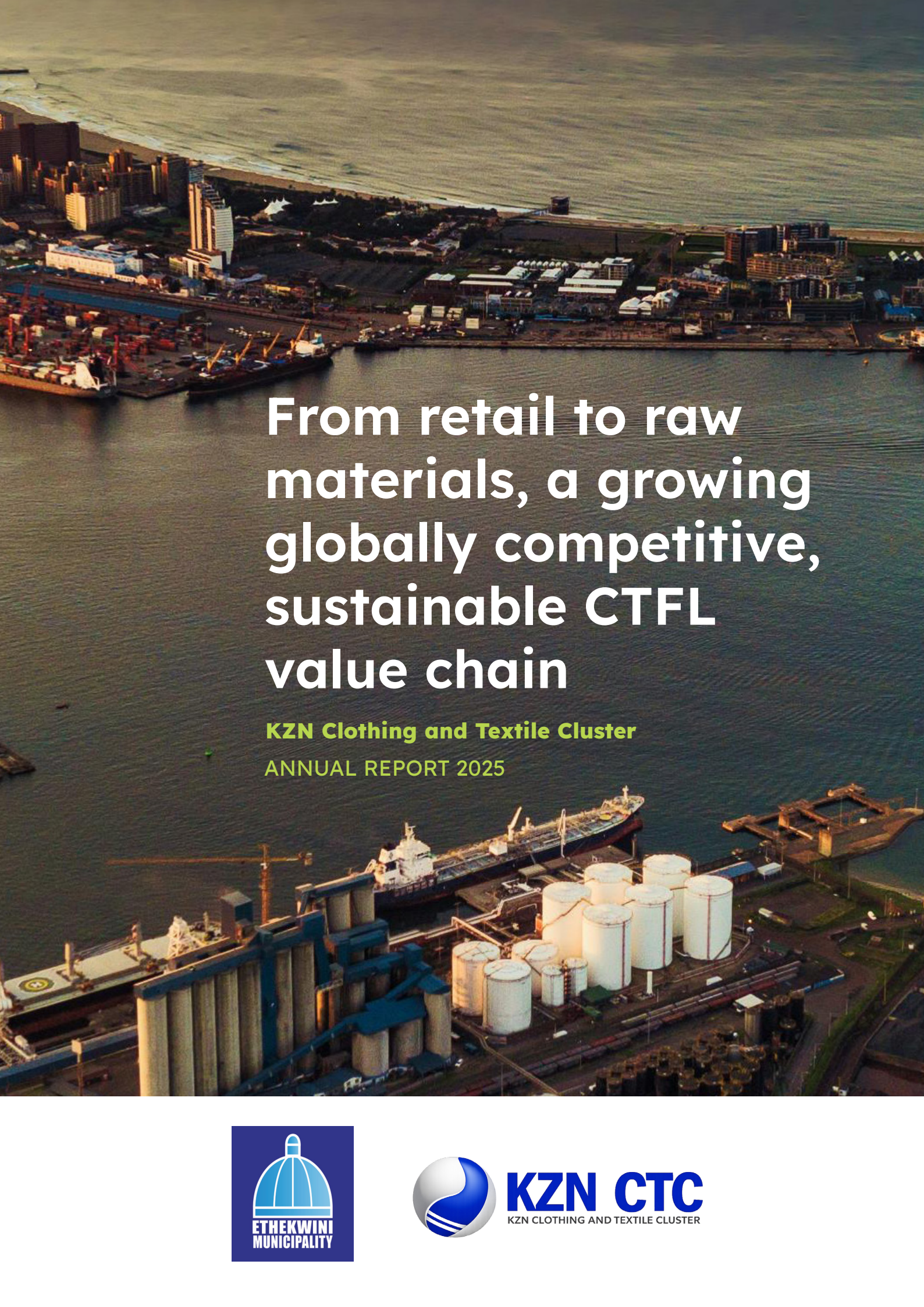




From retail to raw materials, a growing globally competitive, sustainable CTFL value chain

KZN Clothing and Textile Cluster
ANNUAL REPORT 2025



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Who We Are

ABOUT US

The KwaZulu-Natal Clothing and Textile Cluster (KZNCTC) is an industry-led, not-for-profit organisation established in 2005 to strengthen the competitiveness and sustainability of the clothing, textile, footwear and leather (CTFL) manufacturing sector in KwaZulu-Natal.

Founded through collaboration between industry and government, the Cluster operates as a public-private partnership that brings together manufacturers, retailers and key sector stakeholders across the regional value chain.

The Cluster provides a platform through which firms can collectively address structural industry challenges that cannot easily be solved at the level of individual companies. Through coordinated programmes and industry collaboration, the KZNCTC supports improvements in

manufacturing productivity, operational capability, leadership development and value chain coordination.

By facilitating shared learning, industry collaboration and alignment between firms and policy stakeholders, the Cluster plays an important role in supporting the long-term upgrading and resilience of the regional clothing and textile sector. In 2025, the KZNCTC marks its 20th anniversary, reflecting two decades of partnership and collective action aimed at strengthening South Africa's clothing and textile manufacturing base.

ABOUT THIS REPORT

This Annual Report provides an overview of the activities, programmes and strategic priorities of the KZNCTC during the 2025 financial year, which coincides with the Cluster's twentieth year of operation.

The report outlines the broader context within which the Cluster operates, and reviews key programme areas implemented during the year. These initiatives are designed to support sector competitiveness through productivity improvement, capability development and strengthened value chain collaboration.

In addition to reviewing programme implementation, the report highlights

developments within the KwaZulu-Natal clothing and textile value chain and reflects on the role of collaborative industry platforms in supporting long-term industrial upgrading. As the Cluster enters its third decade, the report provides insight into both the progress achieved and the priorities that will guide future sector development.

OUR VISION is to create a globally competitive, sustainable value chain that drives inclusive economic growth.

KwaZulu-Natal remains one of South Africa's key hubs for clothing and textile manufacturing, supporting more than 28 000 formal jobs and providing an important pathway to employment for semi-skilled workers. The sector plays a significant role in inclusive economic participation, with most jobs held by women and African workers. Strengthening the competitiveness of this industry therefore remains central not only to regional industrial development, but also to broader socio-economic outcomes.

To guide its work over the medium term, the Cluster launched **Project Assegai**, the KZNCTC's 2024–2027 strategy to drive competitiveness, inclusion and growth in the regional clothing and textile industry. The strategy sets out a coordinated approach to strengthening firm capabilities, supporting sector investment and improving the resilience of the regional value chain. Through this strategy, the Cluster aims to

contribute to the creation of **5 000 new clothing and textile jobs in KwaZulu-Natal. Project Assegai**

Project Assegai is supported by a set of core cluster functions that enable effective industry coordination. These include maintaining strong governance and operational infrastructure, ensuring the Cluster continues to serve as a community and voice of industry, and supporting data-driven decision-making through performance benchmarking, applied research and the investigation of international best practices. Together, these efforts support the Cluster's broader mission: to foster collaboration, strengthen firm capabilities and drive continuous improvement across the clothing and textile value chain, while expanding opportunities for emerging and high-potential firms to participate more fully in regional and national markets.

ENABLING ACTIVITIES



PRIMARY ACTIVITIES



LETTER FROM THE CHAIRPERSON

As the cluster marks its 20-year anniversary, we reflect on what an industry can achieve through shared purpose.

Dear Valued Members, Funders and Stakeholders,

As we reflect on 2025, it is with a genuine sense of what this cluster has become and what it continues to make possible for KwaZulu-Natal's clothing and textile industry. The KwaZulu-Natal Clothing and Textile Cluster was founded as a collective response to an industry under siege from import competition, structural decline, and a loss of confidence in local manufacturing's future. Today, we are proof of what an industry can achieve when it commits to shared purpose, transparency, and the relentless pursuit of improvement.

Responsible manufacturing as a commercial differentiator

Our mission remains unchanged: from retail to raw materials, the cluster aims to grow a globally competitive and sustainable regional value chain. But the context in which we pursue it has sharpened considerably. The exposure of illegal manufacturing operations in Newcastle, defined by labour exploitation and unsafe conditions, is a stark reminder of what unregulated, unsupported industry looks like. As retailers deepen their commitments to sustainable development and manage supply chain risk with greater scrutiny, KZNCTC membership signals something increasingly valuable: audited,

compliant, responsible manufacturing. That is not a peripheral benefit. For our members, it is becoming a decisive commercial differentiator.

Building commercial acumen

In 2025, the cluster delivered meaningfully against that promise. Over 200+ stakeholders came together across 3 networking events, study tours and 15 shared learning sessions, including a Western Cape study expedition and a KZN best-practice tour that gave members direct sight of what operational excellence looks like at the frontier. Executives were trained in lean strategy, sustainable practices and future technology. Frontline workers in eThekweni and Ladysmith were introduced to lean manufacturing principles. More than 13 member firms had their productivity and utilities performance benchmarked against industry standards, generating the data needed to identify real improvement opportunities. And our SME programme continued to close the gap between emerging manufacturers and the retail market, linking businesses to customers, building commercial acumen, and equipping owners with the financial literacy to run sustainable operations.

Taken together, these are not isolated interventions. They represent a cluster doing what clusters do best: reducing the cost and complexity of improving, so that no firm must solve the same problem alone.

Looking ahead

Looking ahead, we are focused on deepening value chain integration, getting closer to retail, accelerating localisation, and ensuring our members are positioned as the partners of choice for responsible sourcing. We are investing in global learning through planned exposure visits to competitive manufacturing hubs. We continue to advocate for the sector in provincial economic policy, where CTFL manufacturing's contribution to KZN's economy makes this industry not a footnote but a cornerstone of the province.

To our ExCo, our facilitation team at BMA, and every member firm: what has been built here is worth building on. I look forward to what we do together in the year ahead.

Natasja Ambrosio

Chairperson

KwaZulu-Natal Clothing
and Textile Cluster



LETTER FROM THE CITY

The clothing and textile industry in KwaZulu-Natal is not just economic - it underpins livelihoods and opportunity for thousands of people.

Dear Valued Members and Stakeholders,

As we reflect on another year of partnership with the KwaZulu-Natal Clothing and Textile Cluster, we do so with genuine pride in what this collaboration continues to produce for the people and communities of this province. eThekweni Municipality is honoured to stand alongside the cluster in this work, and encouraged by the momentum the past year has demonstrated.

The fabric of Kwa-Zulu Natal

The clothing and textile industry is woven into the fabric of KwaZulu-Natal in ways that go far beyond economics. Behind every production line and every factory floor are people: mothers, fathers, young women and men for whom this sector represents dignity, stability, and a better future. That human reality is what drives our continued commitment to this partnership, and it is what makes inclusive growth within the CTFL value chain so important to us as a municipality.

Connecting retail customers with commercial opportunities

Inclusion is not simply a principle we endorse. It is something we have watched the cluster pursue with practical intent. The

SME development work of the past year is a clear demonstration of this. Over 75 SMEs were capacitated across programmes covering finance negotiation, fundamentals of funding and garment costing, giving business owners the tools to negotiate effectively, price accurately, and operate with greater commercial confidence. Ten SMEs were directly linked to retail customers, with four commercial opportunities actively facilitated on their behalf. These are not abstract outcomes. They represent real businesses taking meaningful steps into formal retail supply chains.

Raising membership performance

This work reflects a broader truth about what the KZNCTC has built: a platform that does not only serve established manufacturers, but actively invests in the next generation of competitive firms. Alongside the SME programme, more than 200 stakeholders came together through networking and shared learning events, 83 frontline workers were introduced to lean manufacturing principles, and 13 member firms had their operational performance benchmarked against industry standards. The cluster's commitment to pulling emerging businesses closer to the market, while simultaneously raising the performance floor across its

membership base, is precisely the kind of structural support that creates lasting economic inclusion.

As the cluster looks ahead, eThekweni Municipality stands ready to support that ambition. We believe in what this cluster is building, and we believe that KwaZulu-Natal's clothing and textile industry has a competitive and inclusive future ahead of it. To the KZNCTC leadership, ExCo, facilitation team and every member firm: thank you for your continued commitment to this industry and to the communities it serves. The work you do matters, and we look forward to everything still to come.

Takalani Rathiyaya

The Economic Development Directorate,
eThekweni Municipality



KZN'S CLOTHING AND TEXTILE VALUE CHAIN



KEY TAKEAWAYS

37 457

Employed
in KZN's CTFL
industry

766

registered
CTFL firms
in KZN

70%

of employees
are female

5170

livelihoods
supported

The South African clothing, textile, footwear and leather (CTFL) sector continues to operate under sustained structural pressure. Over the past decade, the industry has experienced a measurable contraction in formal employment alongside persistent volatility in production performance. Data from the StatsSA Quarterly Employment Survey indicates that formal employment in R-CTFL manufacturing declined from approximately 92,145 workers in 2016 to around 73,800 by the third quarter of 2025. This represents a loss of more than 18,000 jobs over nine years, equating to a contraction of close to 20 percent¹.

Lack of sustained growth trend

This national trajectory reflects

the cumulative effect of structural competitiveness constraints that have weighed on domestic manufacturers over an extended period. These include sustained pressure from illegal and under-declared imports, rising logistics and infrastructure costs, and escalating utilities tariffs that have increased the operating cost base of local firms. Although national production and sales figures have shown intermittent recovery following the COVID-19 disruption, quarterly manufacturing output has fluctuated between approximately R16.6 billion and R21.1 billion between 2022 and 2025, with no sustained growth trend evident in the most recent reporting periods².

¹ Statistics South Africa, Quarterly Employment Survey, Series P0277 (Pretoria: Statistics South Africa, 2025), formal employment in clothing, textile, footwear and leather manufacturing, Q3 2025

² Department of Trade, Industry and Competition, Retail-Clothing, Textile, Footwear and Leather Masterplan: Monitoring and Evaluation Report (Pretoria: DTIC, 2025), CTFL manufacturing production and sales, Q1 2022–Q3 2025.

KZN firms record measurable expansion

Within this challenging national context, the KwaZulu-Natal Clothing and Textile Cluster (KZNCTC) presents a notably different trajectory. Concentrated primarily within the eThekweni metropolitan manufacturing base, with additional production capacity located throughout the province, the cluster has demonstrated counter-cyclical performance in both employment and production activity. Rather than contracting in line with national trends, participating firms have recorded measurable expansion across the most recent benchmarking cycle.

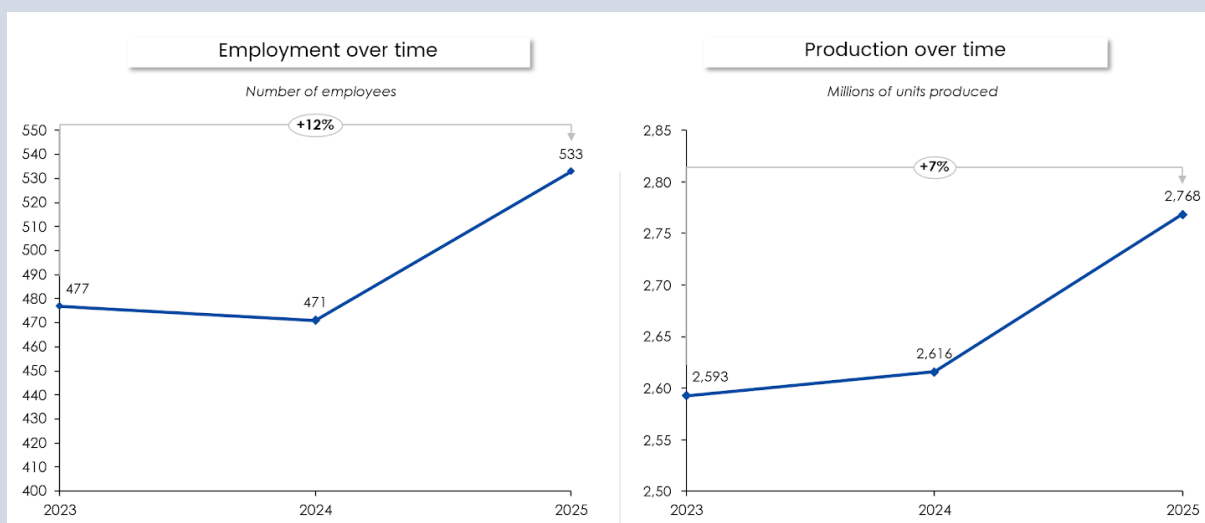
The manufacturing base of the cluster represents a material productive node within the provincial economy. Based on the KZNCTC Productivity and Utilities Benchmarking Programme, thirteen of the eighteen manufacturing members provided detailed operational and financial data. These benchmarked firms collectively recorded approximately R2.27 billion in annual revenue.

Positive employment trends

Employment trends within the benchmarked cohort reinforce the cluster's counter-cyclical position relative to national industry performance. Across the thirteen participating firms, direct employment increased from 477 workers in 2023 to 533 workers in 2025, representing a net addition of 56 jobs over a two-year period and an employment expansion of 11.7 percent. When extrapolated across the full manufacturing membership base, this suggests that the cluster currently sustains approximately 738 direct formal manufacturing jobs, up from an estimated 660 in 2023.

Production performance mirrors this employment trajectory. Benchmarking participants increased total unit output from 2,592,677 units in 2023 to 2,768,352 units in 2025, representing an increase of 175,675 units or 6.8 percent over the period. The simultaneous expansion of both employment and production volume indicates that the

Cluster members outperformed a challenged industry, growing employment 12% and production 7% over 3 years





cluster's growth is being driven by increased order volumes and production throughput rather than by labour-saving efficiency adjustments alone. In practical terms, this signals that firms within the cluster are successfully securing work and expanding productive capacity in a national sector otherwise characterised by contraction.

Supporting livelihoods

The broader economic contribution of this activity extends beyond the direct employment footprint of the manufacturing firms themselves. Consistent with established CTFL sector multiplier estimates, each formal manufacturing job supports between four and seven additional individuals through indirect and induced economic activity. This includes upstream input suppliers, logistics providers, service firms, and household consumption effects within local communities. Applying this multiplier range suggests that the cluster's estimated 738 direct manufacturing jobs support between approximately 2,950 and 5,170 livelihoods within the wider regional economy³.

Taken together, these indicators position KwaZulu-Natal as a strategically important node within the national CTFL productive base. While the Western Cape remains the country's largest clothing manufacturing

hub, the KZNCTC's demonstrated ability to sustain employment growth and expand output within a contracting national sector signals an emerging centre of industrial resilience. The cluster's productive capacity, estimated revenue base of more than R3 billion, and embedded retailer-manufacturer relationships provide a platform for accelerated localisation and value chain coordination within the domestic apparel economy.

The performance trajectory of the KZNCTC highlights the role that coordinated cluster platforms can play in stabilising and strengthening industrial capability within structurally pressured sectors. By enabling systematic benchmarking, shared capability development, and direct value chain engagement with major retail actors, the cluster contributes to strengthening operational competitiveness, reinforcing value chain coordination, and expanding domestic production capacity. Over the medium term, this positioning creates the potential for the province to play a larger role in South Africa's localisation agenda, translating retailer demand proximity into sustained manufacturing growth and deeper productive capability within the CTFL value chain.

³ Cape Town Clothing and Textile Cluster, City of Cape Town CTFL Market Intelligence Report (Cape Town: CCTC, 2024).

Our Impact

2025 IN REVIEW

In 2025, KZNCTC strengthened competitiveness, capability, and collaboration across the value chain, laying foundations for sustainable growth.

In 2025, the KwaZulu-Natal Clothing & Textile Cluster (KZNCTC) continued to advance its mission of building a globally competitive, sustainable, and inclusive CTFL value chain. This progress was made possible through the ongoing commitment of our members, ecosystem partners, and the valued support of the eThekweni Municipality.

The year unfolded against a challenging operating environment, characterised by sustained cost pressures and a constrained market. Despite this, the industry demonstrated resilience and a strong willingness to adapt embracing new ways of working and actively engaging in initiatives aimed at improving cost competitiveness.

In response, the cluster prioritised strengthening collaboration across the value

chain, deepening community networks, and creating platforms for shared learning. Key focus areas included the practical adoption of lean manufacturing principles, growing awareness and uptake of green manufacturing practices, and targeted capacity building to support both firms and individuals within the ecosystem.

The progress achieved in 2025 underscores the value of collective action in addressing shared industry challenges. Through a more connected and capability-driven cluster, we have laid a strong foundation for continued growth and impact.

We look forward to building on this momentum in 2026.



YEAR AT A GLANCE

3x
in-person

networking events
with 200 attendees
in total



+15
shared learning

opportunities, including a
Western Cape Study tour
and a KZN best-practice tour

83
people

introduced to lean
manufacturing
principles through two-
day bootcamps

13
members

productivity,
utilities efficiency
and operational
practices
benchmarked



10
SMEs

linked to retail
customers and
commercial
opportunities
identified

42
SMEs

capacitated on finance negotiation and
35 SMEs provided capacity building on
Fundamentals of Funding, Finance and
Grant Costing



CTFL GP application submitted,
programme in development with IDC

34
executives

capacitated on lean
strategy and future
technology dynamics in
partnership with TWIMS



2025 KEY EVENTS

JANUARY

Shared Learning:
Made in Thailand Webinar



FEBRUARY

Shared Learning:
Discover Operational Excellence

KZNCTC Origin8:
Finance & Negotiation Workshop



MARCH

Shared Learning:
A Review of the Current State
of Local Steel Supply

KZNCTC Breakfast



APRIL

Shared Learning: The Renewable Energy



MAY

Capacity Building workshop

Competitiveness Workshop

KZNCTC AGM

KZNCTC Dragon's Den

Shared Learning:
How to build a vibrant Lean Culture

2025

KEY EVENTS

JUNE

Launch of Productivity Programme

Mr Price DC Tour

Bootcamp1 Durban

Local Study tour



JULY

Bootcamp2 Ladysmith

Filtec Automation Competitive in-person event

ACA Threads Sustainability Webinar

Bootcamp3 Durban



AUGUST

CI In Action Hybrid Event



SEPTEMBER

KZNCTC Connect Session

Executive Development Course

SME Finance, Funding and costing workshop



OCTOBER

Launch of KZNCTC ELDP Course

Wastewater Management Event

NOVEMBER

Launch of Textile Project

AI Road mapping Event

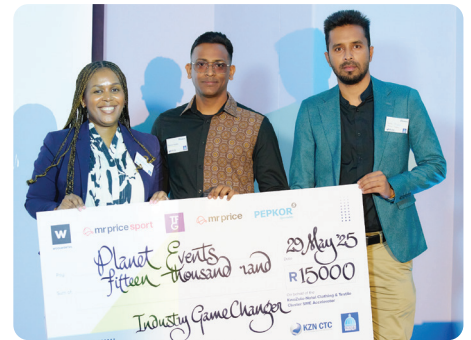
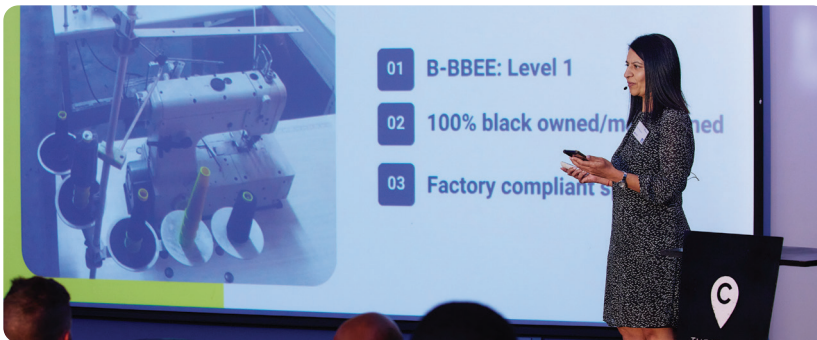
2024 KZNCTC ANNUAL GENERAL MEETING



The KZNCTC's Annual General Meeting was held at the Royal Durban Golf Club, bringing together over 85 stakeholders from across the value chain, including retail, provincial and municipal representatives. Anchored by the theme "The State of the R-CTFL Masterplan and the Road to 2030," the event featured a panel discussion with Michael Lawrence, Executive Director of the NCRF, and Simon Eppel, Research Director of SACTWU, offering candid reflection on the Masterplan's progress, the structural challenges that remain, and what the

industry must do to meet its 2030 ambitions. The AGM also served as an occasion to recognise outstanding contributions to the cluster and the broader sector, with the Industry Champion Award presented to Shunnon Tulsiram, Head of Economic Development and Investment Promotion at eThekweni Municipality, in acknowledgement of his sustained commitment to KwaZulu-Natal's CTFL industry. Several member firms were further recognised for their performance in the previous financial year.

KZNCTC DRAGON'S DEN



Launching in March 2025 in partnership with six leading retailers and manufacturers including Woolworths, Mr Price Group, TFG Retail and Manufacturing and Pepkor Speciality, the SME Accelerator set out to identify and develop high-potential KZN businesses as strategic suppliers to major enterprises. The response was immediate: 126 applications were received, from which 26 SMEs were shortlisted for a capacity building workshop where participants were immersed in the “6Cs” framework of retail-readiness and guided through developing a compelling customer-facing pitch. Twenty-three SMEs were subsequently onboarded as associate cluster members, fifteen were invited to refine their pitches through a dry-

run process, and the top ten were selected to compete at the Dragons’ Den. Held before an audience of over 40 public and private sector stakeholders, the event gave emerging manufacturers a direct platform to pitch to a panel of major retail and manufacturing customers, with R50,000 in cash prizes awarded to three standout businesses: SNLS Clothing, recognised for the Best Overall Business Case; 7 Trees Clothing for Most Potential; and Planet Events for the Industry Gamechanger award. The programme generated significant media coverage across BizCommunity and East Coast Radio, and demonstrated what becomes possible when structured preparation meets direct market access.

STUDY TOUR TO THE WESTERN CAPE

In May 2025, a delegation of KZNCTC member firms and eThekweni Municipality representatives travelled to the Western Cape for an intensive three-day study tour, visiting five of South Africa's most advanced clothing and textile manufacturing operations spanning thread manufacturing, apparel production, marine fabrication and commercial printing. Selected for the depth and consistency of their operational and sustainability practices, these businesses offered participants first-hand exposure to what lean and sustainable production looks like when it is genuinely embedded into how an organisation operates. The learning that emerged was consistent across every site: the firms performing at the highest level had made a real, resourced commitment to their people, treated measurement as routine, structured improvement as a discipline, and built sustainability into their decision-making rather than managing it as a compliance obligation. Beyond the learning itself, the tour created a focused environment for peer engagement among manufacturers who rarely have the opportunity to reflect collectively on shared challenges, and the conversations it generated continued well beyond the three days in the Western Cape.



THE LAUNCH OF KZNCTC CLUSTER CONNECT SESSIONS

On 21 August 2025, the KZNCTC hosted the inaugural Cluster Connect session, bringing together over 60 members and industry stakeholders for an afternoon of networking and knowledge exchange, marking the launch of what the cluster intends to be an ongoing platform for direct value chain engagement. The session featured a presentation by Matthew Warriner, Director of Investor Relations and Stakeholder Engagement at the Mr Price Group, offering members an informed and optimistic reading of the South African retail landscape and the opportunities it presents for local manufacturers. Participants were also invited to share feedback, propose topics for future engagements and identify areas where additional cluster support would be most valuable, reflecting the intention that Cluster Connect function as a conversation rather than a broadcast. The session received an overall satisfaction rating of 91.4%, with members consistently highlighting the value of in-person networking and expressing strong appetite for more frequent engagements, confirming both the appetite for genuine value chain connection and the cluster's ability to meet it.



KZNCTC SME FINANCE, FUNDING AND COSTING WORKSHOP



The KZNCTC hosted a focused two-day workshop equipping 35 SME participants with the practical financial knowledge needed to operate more sustainably and compete more effectively for both funding and retail business, covering three core areas: preparing for business funding, financial management for CTFL entrepreneurs, and the fundamentals of garment costing. Representatives from IDC's SME Connect and First National Bank participated directly in the sessions, giving attendees structured access to financing

institutions in an environment rarely available to emerging manufacturers. Beyond the content itself, participants were surveyed on where they believed the cluster could add the most value within the SME ecosystem, providing the KZNCTC with direct, ground-level input to inform how its small business support programmes are prioritised going forward. The response was overwhelmingly positive, reflecting both the relevance of the material and the appetite among KZN's emerging manufacturers for this kind of targeted, practical support.

PRODUCTIVITY AND UTILITIES PROGRAMME

Cost competitiveness is the defining challenge facing KwaZulu-Natal's clothing and textile manufacturers. In a sector where margins are under constant pressure and the case for localisation rests on the ability to meet retail price points, the gap between what a factory produces and what it costs to produce it is not an abstract concern. It is the difference between growth and contraction.

The KZNCTC Productivity Programme was designed to address this directly. Launched in 2025, the programme engaged 13 member firms in a structured process of measurement, benchmarking and improvement, built on the understanding that meaningful productivity transformation requires two things working together: the right data and the right culture. Data without culture produces academic truths. Culture without data misdirects resources. The programme was designed to develop both simultaneously.

The first phase established each participating firm's performance baseline through a rigorous productivity benchmark,

measuring the efficiency with which the business converts its inputs into value across labour, capital, materials, energy and water. These results were then positioned against SA CTFL and broader manufacturing averages, giving each firm a clear picture of where it stands relative to its peers and where the largest improvement opportunities lie. Alongside the quantitative benchmark, an operational maturity assessment evaluated each firm's culture and practices across dimensions including production planning, quality management, continuous improvement, standards and people systems. Together, these two lenses gave participating firms an honest, evidence-based account of their current state.

The Productivity Programme represents the cluster's most direct intervention in the operational performance of its members. By combining industry benchmarking with hands-on improvement methodology, it gives manufacturers the foundation they need to compete on cost without compromising on quality, and to pursue greener production as a business imperative rather than a compliance obligation.



SHARED LEARNING



Made in Thailand Webinar

20 January 2025

The cluster recently engaged in a webinar exploring key lessons from Thailand for South African manufacturers. The session provided valuable insights from a study tour undertaken in November 2024, shedding light on Thailand's cost advantages while also highlighting South Africa's leadership in areas such as automation, decarbonisation, and advanced Lean systems.

The Thailand webinar had 152 attendees and received an 83% value rating.



Discover Operational Excellence

6 February 2025

The cluster conducted an in-person factory tour at the Mr Price Distribution Centre (DC) in Hammersdale, KwaZulu-Natal. The visit reinforced the importance of operational excellence and the need for continuous improvement across the entire value chain, particularly in logistics and distribution. Adopting best practices in these areas is essential for driving efficiency across industries.

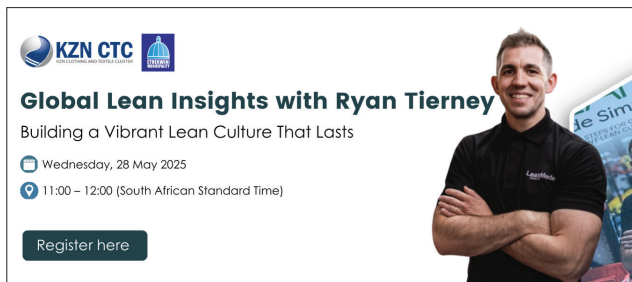
The in-person DC visit received a value rating of 95% and 91% of attendees were able to find one new idea they can implement within their own companies.



A Review of the Current State of Local Steel Supply

18 March 2025

The cluster hosted a strategic webinar with industry experts on the impact of ArcelorMittal South Africa's closure. The shutdown of its Longs steel facility threatens 3,500 jobs and wider economic damage. Panellists discussed urgent interventions, mitigation strategies, and lessons to protect South African manufacturing and employment.



How to build a vibrant Lean Culture 28 May 2025

The Global Lean Insights webinar took place this month with Ryan Tierney, Director at Seating Matters and author of Lean Made Simple. Over 150 attendees participated in the session, which focused on building sustainable Lean cultures and embedding Continuous Improvement (CI) into daily business practices, rather than treating it as a one-off project. Ryan's interactive session concluded with an insightful Q&A, answering a broad range of questions on Lean transformation.

93% satisfaction rating in post-event feedback, showcasing the value and relevance of the content shared.



The Renewable Energy 16 April 2025

The renewable webinar was successfully held in mid-April, providing businesses with practical insights into renewable energy adoption. The event featured Ian Perry (Homewood) and Gary Royston (Webroy), who shared detailed case studies on their renewable energy journeys—from motivations and challenges to costs, benefits, and technical solutions deployed. Spha Ntombela from Absa presented various financing structures, addressing the common barrier of upfront capital for businesses exploring renewable energy options.

The session emphasised key drivers for renewable energy adoption in South Africa: tackling energy security, managing electricity cost increases, and addressing sustainability demands. Attendees received valuable, real-world perspectives on navigating renewable energy projects—from planning through to operational phases.



Mr Price DC Tour 10 June 2025

A second tour of the Mr Price Distribution Centre (DC) in Hammersdale was undertaken, provided participants with a deeper insight into its world-class logistics facility. Participants were able to observe firsthand how the Mr Price DC drives operational excellence through cutting-edge logistics, efficiency improvements, and cost reductions. The tour also emphasised the importance of innovation and continuous improvement across the value chain, reinforcing how best practices are key to long-term success and maintaining a competitive edge.

A key highlight from the tour was the outstanding 94.7% satisfaction rating received. Additionally, 86.9% of participants shared that they were able to take away at least one new idea or insight from the experience. The cluster had 18 members attended this factory visit.



Filtec Automation Competitive in-person event 16 July 2025

Filtec has made significant strides in adopting Lean over the past two years, achieving a strong culture shift and integrating key practices such as 5S, waste reduction, PDCA, and standardisation to drive Continuous Improvement. The visit provided participants with direct exposure to Lean in action on the shopfloor, reinforcing practical application across multiple departments.

The Filtec Automation visit attracted 38 attendees, with 88% rating the session positively. Additionally, 91% of participants identified at least one new idea they could apply in their own businesses. The event featured open engagement on the shopfloor, allowing for hands-on learning and direct observation of Lean principles in practice.



ACA Threads Sustainability Webinar 29 July 2025

ACA Threads has embedded sustainability into its core operations, focusing on energy and water savings and reducing Heavy Fuel Oil (HFO) use. Their approach combines strong leadership, data-driven decision-making, and innovation to achieve measurable sustainability improvements while lowering costs.

The ACA Threads Sustainability webinar was attended by 116 participants and received an overall value rating of 88%. The session provided a clear roadmap for manufacturers to advance their sustainability goals through practical steps and strong leadership.



CI In Action Hybrid Event 27 August 2025

The Durban Automotive Cluster's SME members: Webroy, Enormous Tapes, and Thekwini Wire, have implemented targeted Continuous Improvement projects. These include reducing scrap through smarter management, rolling out visual performance management, and improving flow to ease bottlenecks, demonstrating practical and impactful CI applications.

The CI in Action hybrid event had 30 in-person and 23 online attendees. Among the in-person participants, 89% rated the event as valuable, and 95% confirmed they gained new ideas to implement in their companies. The event included project videos and site visits, which enhanced practical learning and networking opportunities.



Wastewater management Event 28 October 2025

The Wastewater Management Manufacturing Meetup, with contributions from Brenton Pooley (Dyefin Textiles), Jason Vardy (PuraPlan), and Russell Stowe (eThekweni Transformative River Management Programme), showcased practical steps taken by companies like Dyefin Textiles in on site water recovery, alongside PuraPlan's strategies for wastewater reuse economics and eThekweni's citywide river management initiatives. This demonstrated tangible progress in sustainable practices and community partnerships.

This event had 100 attendees and achieved an 88% value rating.



AI Roadmapping Event 21 November 2025

The AI RoadMapping Webinar emphasized that AI is no longer a future consideration but a strategic necessity. Dr. Kruschen Govender presented an agile approach to AI adoption, focusing on "Hybrid Intelligence" that combines human expertise with AI's power, moving manufacturers from uncertainty to impactful implementation. Both events underscored a shift from theoretical understanding to practical application and strategic integration of advanced solutions within the manufacturing sector.

This webinar attracted 133 attendees and received an 82% value rating

2026 CALENDAR

Activity	2026											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Textile strategy					Report Launch event							
Export market development					Local buyer's tour of KZN							
SME Accelerator	SME Dev Strategy Workshop		Funding support workshop									
Productivity & Utilities programme							Next round of benchmarking starts		All reports completed			
Lean Fundamentals			Bootcamp 1						Bootcamp 2			
Emerging Leadership Development Programme												
Cluster Connects	2026 Launch											
Manufacturing Meet-ups												
Local study Tour					Gauteng or Eastern Cape							
International Study Tour (location TBC)			Turkey/Germany Technology Show						Textile Exchange Conference or CiSMA			
AGM: 20 th Anniversary Celebration												



Our Partners

2025 EXECUTIVE COMMITTEE

**NATASJA AMBROSIO**

Mr. Price Group
Chairperson

**IMRAAN BUX**

Imraan Textile
Vice Chairperson & Director

**JOHN COMLEY**

Celrose
Director

**STEVE TANDY**

Durban Overall
Director

**TREVOR GOVENDER**

Durban Overall
Executive Member

**ABDULLA SHAIK**

Dyefin Textile
Executive Member

**ADRIAAN VERHAGEN**

Ninian & Lester
Executive Member

**STEVEN MABUGANA**

Khanyitex
Executive Member

**NELISIWE MAGUBANE**

eThekwin Municipality
Funder Representative

**TAKALANI RATHIYAYA**

eThekwin Municipality
Funder Representative

**COURTNEY GRANT**

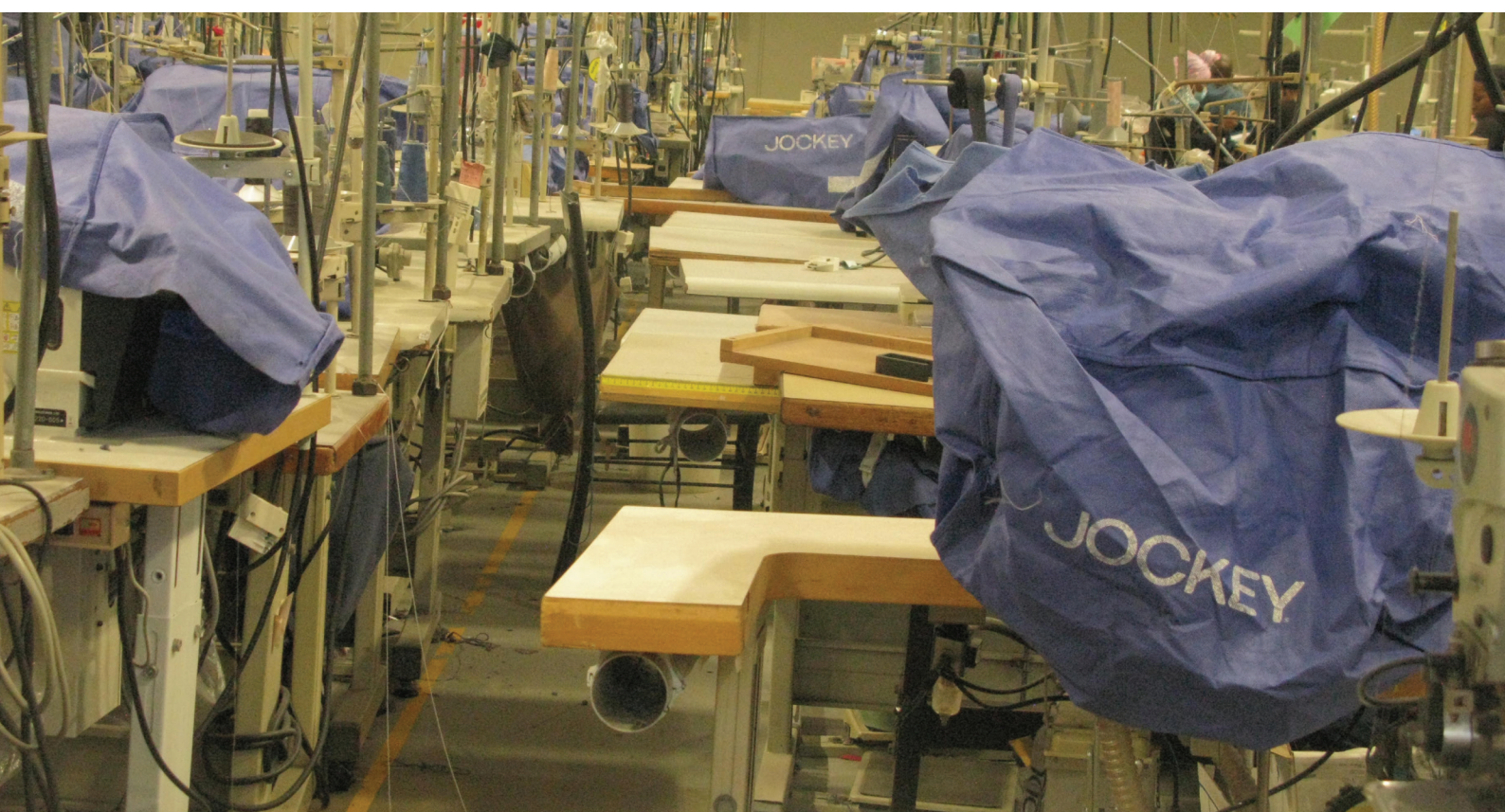
BMA
Chief Facilitator

OUR PARTNERS

eThekwini Municipality

eThekwini Municipality's public funding for the KZN CTC is overseen by the Economic Development and Investment Promotion Unit (ED&IPU), which is mandated to promote economic development, job creation, economic transformation and economic intelligence within the municipal region. The ED&IPU is guided by policies established by National and Provincial Government and articulates the approach to economic development through the Municipality's Integrated Development Plan (IDP) and an Economic Development Strategy (EDS) from which all activities are guided by, but not restricted to, as the Unit also responds to the broader challenges facing the greater region by endorsing other initiatives such as the Millennium Development Goals.

For more information on the eThekwini Municipality visit www.durban.gov.za



CLUSTER FACILITATION

BMA

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

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

Their strong foundation in policy development and firm-level performance benchmarking, combined with their history in Lean training and consulting, equips BMA with a comprehensive understanding of the macro and micro aspects of manufacturing.

Their expertise, along with their extensive experience in facilitating and managing industrial clusters, allows them to integrate data-driven insights with market-oriented strategies and collaborative approaches, producing exceptional results.



COURTNEY GRANT
KZNCTC Chief
Facilitator



WIAN KELLERMAN
KZNCTC Associate



SHAVON MCGOWAN
KZNCTC Coordinator



For more detailed information about our services and projects, visit our website at www.bmanalysts.com.

Get in Touch

+27 (0)31 764 6100

hello@kznctc.org.za

Block B, Bellevue Campus, 5 Bellevue Road,
Kloof, 3610



GOVERNANCE AND COMPLIANCE

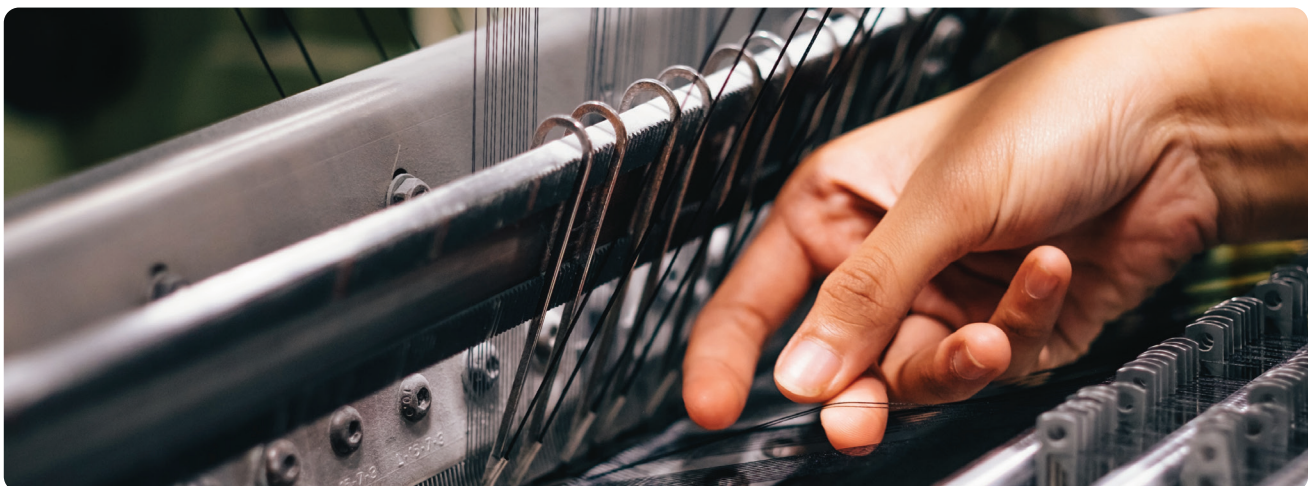


- Registered as a non-profit company.
- The KZN CTC Memorandum of Incorporation (MOI) entrenches the Public-Private Partnership (PPP) model of transparent governance and clear accountability.
- Clear business plan and accompanying implementation plan, updated annually.
- Memorandum of Agreement (MOA) in place governing the relationship with eThekweni as the primary funder.
- Effective and efficient performance management and reporting systems in place.
- Financial control systems are effective, efficient and transparent.
- Adequate solvency and liquidity provisions in place.
- Clean, unqualified annual financial audit – complete upon audit.
- Risk management practices in place that are effective, efficient and transparent.
- Competition Law checklist and related safeguards complied with effective, efficient and transparent procurement processes and systems in the Cluster.
- Service Level Agreement (SLA) in place governing the relationship with our facilitation service provider.
- Compliance with funding agreements.
- Compliance with the Companies Act; The Income Tax Act; Consumer Protection Law; the Public Finance Management Act; the Municipal Finance Management Act and the POPI Act.
- Broad-Based Black Economic Empowerment (B-BBEE) level 4 contributor. 100% of expenditure can therefore be claimed as Preferential Procurement.

MEMBER LISTING

Ackermans	Corinth Clothing (Pty) Ltd	Good Cap 24 C C
7 Trees Clothing Pty Ltd	Cover-Up Trading (Pty) Ltd	Green Route Hemp Industries (Pty) Ltd
Abby Joseph Trading (Pty) Ltd	DanESCO Clothing	Hannah Grace Maternity
Aliwal Manufacturers (Pty) Ltd	Deemas International Tracing	Hot Pants Underwear Cc
Amafuto Group	Dirose Enterprise Cc	Idols
Amaziai Leatherwork	Dk And Kids Clothing	Igoda Incubator Pty Ltd
Antex CC	Dromex Globale (Pty) Ltd	Imraan Textile Mills
Apple Blossom	Durban Overall	Inangs Clothing
Argento Trading 117cc	Dyefin Textiles	Inangs Clothing (Pty) Ltd
Aspire Fashions	Dyr Designs	Instyle Linen
Beetoo Trading Cc	Elmford Investments	J.J. Fashions Cc
Bidywooddesign	Enigmatic Cotton	Jaba Holdings
Bonwit	Eps Clothing	Juanre Clothing Mnfrs Cc
Bridglab	Equator Belts	Juneco
Brightshadow Fashion Brand	Exodus	Juneco Pty Ltd
Caliber Clothing	Fashion Palette Pty Ltd	Junit Manufacturing Cc
Canada Clothing Contractors	Fine Threads Apparel Pty Ltd	KhanyiTex (Mabugana Group)
Cape Heart Trading Enterprise	Fq Manufacturers (Pty) Ltd	Leo Garments Pty Ltd
Celrose Clothing	Freudenberg Nonwovens (Pty) Ltd (Kzn)	Limitless Expression Designs
Charnaud and Company (Pty) Ltd	G Man Leather Manufacturing	Lynxwear Pty Ltd
Chatsworth Apparel (Pty) Ltd	Glodina (Pty) Ltd	Madwingdwang
Magnificent Bagz	Inangs Clothing (Pty) Ltd	Pixie Dust

Market Demand Trading 9990 (Pty) Ltd	Powerhouse	Planet Events Pty Ltd
Mbww (Pty) Ltd	Prestige Durban	Plastech Industrials
Missplendour Designs	Prikell Clothing Cc	Prilla 2000
Mm Sisonke Trading Enterprise	Prilla 2000	Thafiso Industries
Morewood Clothing (Pty) Ltd	Radical Sports Gear Cc	The Fashion Co
Mr Price Group	Reapso Sa	Top Heat Trading (Pty) Ltd
Ninian & Lester Clothing / Jockey	Royal Commerce Trading (Pty) Ltd	TOWER CITY TRADING 319 (PTY) LTD
Ninian & Lester Textile	Sa Workwear Solutions (Pty) Ltd	Trade Call Investments Apparel (Pty) Ltd
Nkosi Yamakhosi International (Pty) Ltd	Santon Workwear (Pty) Ltd	Turbo Horse Clothing
Nonhlanhla Couture	Sbfo Consulting	TWIN CLOTHING MNFRS. PTY LTD
Novita Shoes	School Gear C.C	Uniforms And Safety Gear
Numoode (Pty) Ltd	Scuti	V. S. Manufacturing
Pharmhands	Seasons Find 1063 C C T/A Basic Marketing	Waneswa Embroidery
Pixie Dust	Sekay Trading Pty Ltd	Westside Apparel Trading
Planet Events Pty Ltd	Sentinel (Eza Clothing)	Xo Collection
Plastech Industrials	Sesha Fashions Clothing Mnfrs. C.C.	Yatsar Clothing Manufactures



Audited Financial Statements

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Clustering programme for clothing and textile manufacturers in Kwazulu Natal
Directors	Abulla Shaik Imraan Bux John Motley Comley
Registered office	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Business address	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Postal address	Postnet Suite 10139 Private Bag X7005 Hillcrest 3650
Banker	Investec Bank Limited
Auditor	Forvis Mazars Registered Auditor
Company registration number	2005/035347/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: MJ Cassan Chartered Accountant (South Africa)
Issued	22 May 2026

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Index

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	18

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Directors' Responsibilities and Approval

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

The annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard, the Companies Act of South Africa and financial Reporting Pronouncements as issued by the Financial Reporting Standard Council and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

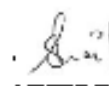
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for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

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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2026 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 8 to 17, which have been prepared on the going concern basis, were approved by the board on 22 May 2026 and were signed on its behalf by:





Imraan Bux

Practitioner's Compilation Report

To the Board of Management of KwaZulu-Natal Clothing and Textile Cluster NPC

We have compiled the accompanying annual financial statements of KwaZulu-Natal Clothing and Textile Cluster NPC based on information you have provided. These financial statements comprise the statement of financial position of KwaZulu-Natal Clothing and Textile Cluster NPC based as at 31 December 2025 the statement of comprehensive income, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in conformity with the basis of accounting as set out in conformity with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence, and due care.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in conformity with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act of South Africa.

Forvis Mazars

Forvis Mazars
MJ Cassan
22 May 2026
Durban

Independent Auditor's Report

To the Board of Management of KwaZulu-Natal Clothing and Textile Cluster NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KwaZulu-Natal Clothing and Textile Cluster NPC (the company) set out on pages 9 to 17, which comprise the statements of financial position as at 31 December 2025, and the statements of comprehensive income and statements of changes in for the year then ended, and notes to the financial statements, including significant accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position KwaZulu-Natal Clothing and Textile Cluster NPC as at 31 December 2025, and its financial performance for the year then ended in accordance with IFRS For SMEs Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "KwaZulu-Natal Clothing and Textile Cluster NPC Limited Financial Statements for the year ended 31 December 2025", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Forvis Mazars
Partner: S Doolabh
Registered Auditor
22 May 2026
Durban

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Kwazulu Natal Clothing and Textiles Cluster NPC for the year ended 31 December 2025.

1. Nature of business

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

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard, the requirements of the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies have been applied consistently compared to the prior year.

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

3. Directors

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

Directors	Changes
Abulla Shaik	Appointed 16 September 2025
Imraan Bux	
John Motley Comley	
Steve Robert Tandy	Resigned 16 September 2025

4. Events after the reporting period

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

5. Going concern

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

6. Auditors

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

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Financial Position as at 31 December 2025

Figures in Rand	Notes	2025	2024
Assets			
Current Assets			
Trade and other receivables	2	133,934	4,022,331
Cash and cash equivalents	3	3,491,019	288,208
		3,624,953	4,310,539
Total Assets		3,624,953	4,310,539
Equity and Liabilities			
Equity			
Accumulated surplus		3,284,317	4,174,643
Liabilities			
Current Liabilities			
Trade and other payables	4	340,636	135,896
Total Equity and Liabilities		3,624,953	4,310,539

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue	5	5,366,570	4,999,650
Operating expenses		(6,313,699)	(3,786,940)
Operating (deficit) / surplus	6	(947,129)	1,212,710
Investment revenue	8	56,803	28,105
(Deficit) / surplus for the year		(890,326)	1,240,815

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Changes in Equity

Figures in Rand	Accumulated surplus / (deficit)	Total equity
Balance at 01 January 2024	2,933,828	2,933,828
Surplus for the year	1,240,815	1,240,815
Balance at 01 January 2025	4,174,643	4,174,643
Deficit for the year	(890,326)	(890,326)
Balance at 31 December 2025	3,284,317	3,284,317

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Cash Flows

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash generated from/(used in) operations	10	3,146,008	(2,909,718)
Interest income		16,559	27,010
Net cash from operating activities		3,162,567	(2,882,708)
Cash flows from investing activities			
Interest Income		40,244	1,095
Total cash movement for the year		3,202,811	(2,881,613)
Cash and cash equivalents at the beginning of the year		288,208	3,169,821
Total cash at end of the year	3	3,491,019	288,208

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard, the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

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

1.2 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Trade and other receivables

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivables is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit within operating expenses. When the trade receivables is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other payables

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

1.2 Financial instruments (continued)

Cash and cash equivalents

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

1.3 Revenue

Revenue is measured at the fair value of membership fees received or receivable excluding value added taxes.

Government funding is accrued annually by reference to the amount specified in the agreement undertaking in respect of funding entered into between the government and the cluster.

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

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
2. Trade and other receivables		
Trade receivables	-	4,000,000
Value added taxation	133,934	22,331
	133,934	4,022,331
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	3,491,019	288,208
4. Trade and other payables		
Trade payables	340,636	135,896
5. Revenue		
Membership fees	836,570	874,650
eThekweni Municipality	4,280,000	4,000,000
Other project income	250,000	125,000
	5,366,570	4,999,650
6. Operating (deficit) / surplus		
Operating (deficit) / surplus include the following expenses:		
Attracting investment	1,612,103	-
Enhancing productivity	1,834,804	-
Manufacturing excellence	-	832,520
Sector intelligence	-	441,060
Small business accelerator	-	1,678,170
Strategy and governance	1,031,428	798,871
Supporting resilience	545,715	-
Sustainability	1,249,399	-
	6,273,449	3,750,621
7. Auditor's remuneration		
Fees	37,946	34,115
8. Investment revenue		
Interest revenue		
Interest income	56,803	28,105

9. Taxation

Non provision of tax

No provision has been made for 2025 tax as the company is exempt from South African normal tax in terms of Section (10)(1)(d)(iv)(bb) of the income Tax Act.

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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10. Cash generated from (used in) operations

Net (deficit) / surplus before taxation	(890,326)	1,240,815
Investment income	(56,803)	(28,105)
Changes in working capital:		
Trade and other receivables	3,888,397	(3,984,990)
Trade and other payables	204,740	(137,438)
	3,146,008	(2,909,718)

11. Related parties

Relationships	
Entity under common management	B and M Analysts Proprietary Limited

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Amounts included in trade payable regarding related parties

B and M Analysts Proprietary Limited	340,635	135,896
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Trade payables are paid within 30 days.

Related party transactions

Amounts paid to related parties

B and M Analysts Proprietary Limited	6,273,449	3,750,621
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B and M Analysts Proprietary Limited acts as an anchor service provider distributing a portion of funds to additional third party contractors.

12. Categories of financial instruments

Financial assets at amortised cost

Cash and cash equivalents	3,491,019	288,208
Trade and other receivables	-	4,000,000
	3,491,019	4,288,208

Financial liabilities at amortised cost

Trade and other payables	340,635	135,895
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13. Directors' and prescribed officer's remuneration

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

14. Going concern

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

15. Events after the reporting period

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

Kwazulu Natal Clothing and Textiles Cluster NPC
(Registration number: 2005/035347/08)
Annual Financial Statements for the year ended 31 December 2025
Detailed Income Statement

Figures in Rand	2025	2024
Revenue		
Membership fees	836,570	874,650
eThekweni Municipality	4,280,000	4,000,000
Other project income	250,000	125,000
	5,366,570	4,999,650
Operating expenses		
Attracting investment	1,612,103	-
Auditor's remuneration	37,946	34,115
Bank charges	2,304	2,204
Enhancing productivity	1,834,804	-
Manufacturing excellence	-	832,520
Sector intelligence	-	441,060
Small business accelerator	-	1,678,170
Strategy and governance	1,031,428	798,871
Supporting resilience	545,715	-
Sustainability	1,249,399	-
	6,313,699	3,786,940
Operating (deficit) / surplus	(947,129)	1,212,710
Investment income	56,803	28,105
(Deficit) / surplus for the year	(890,326)	1,240,815

