



Fibre Processing & Manufacturing Sector Education and Training Authority

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ANNUAL REPORT

2024/25





PRESENTATION OF ANNUAL REPORT FOR 2024/25

Honourable Minister, Mr Buti Kgwaridi Manamela (MP) and Honourable Deputy Ministers Dr Mimmy Gondwe (MP) and Dr Nomusa Dube-Ncube (MP), it is my pleasure and privilege to present to you the Annual Report of the Fibre Processing and Manufacturing Sector Education and Training Authority (FP&M SETA), for the financial year ended 31st March 2025.

On behalf of the FP&M SETA Board and Staff, I want to thank you and the Department of Higher Education and Training for your support during the reporting period.



Dr Felleng Yende

Chief Executive Officer: FP&M SETA



Mr Buti Kgwaridi Manamela (MP)

Minister: Higher Education



**Dr Nomusa
Dube-Ncube (MP)**

Deputy Minister:
Higher Education



**Dr Mimmy
Gondwe (MP)**

Deputy Minister:
Higher Education



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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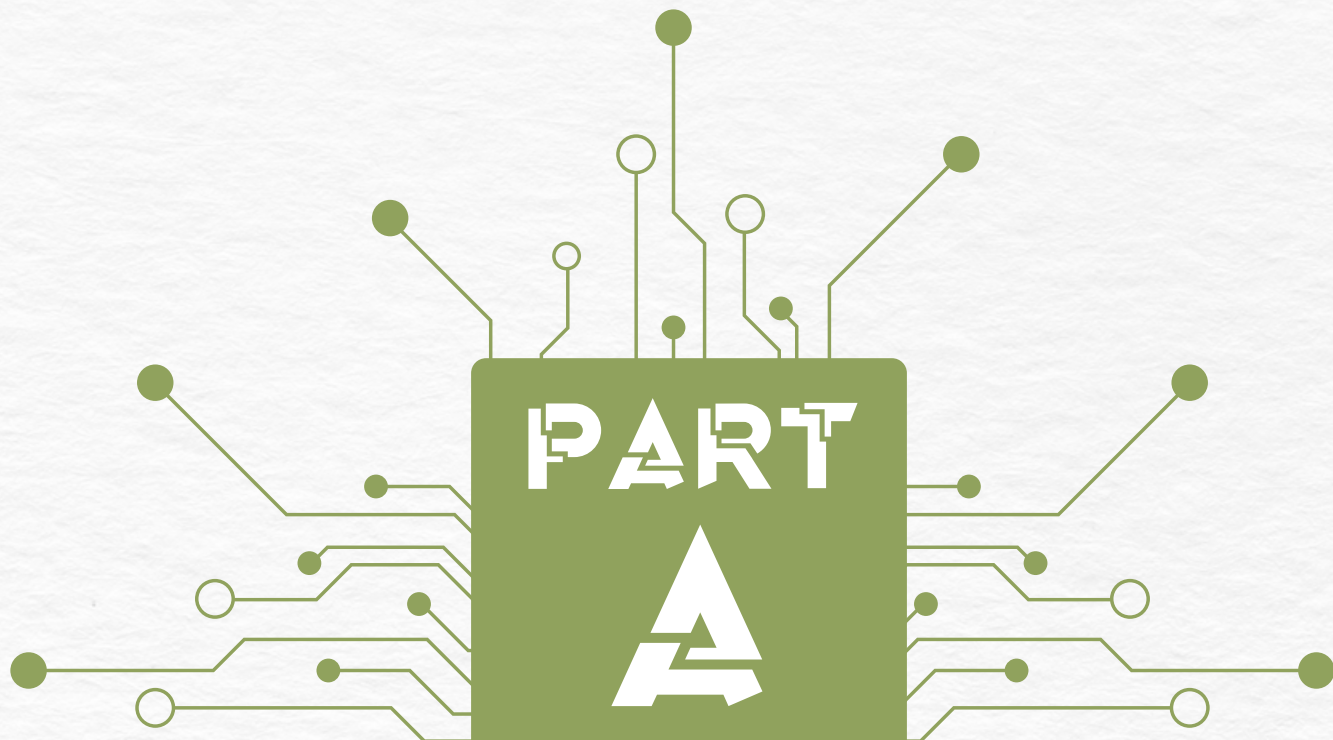
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GENERAL INFORMATION



Fibre Processing & Manufacturing Sector Education and Training Authority

FUTURE SKILLS • EMPLOYABILITY • GROWTH

REGISTERED NAME:

Fibre Processing and Manufacturing Sector Education and Training Authority (FP&M SETA)

PHYSICAL ADDRESS:

Thynk Park, 1st Floor, 8 Summit Road, Dunkeld West, Randburg, Johannesburg, 2196

POSTAL ADDRESS:

PO Box 31276,
Braamfontein, 2017



+27 (0) 11 403 1700



+27 (0) 11 403 1718



info@fpmseta.org.za



www.fpmseta.org.za

AUDITORS

Auditor-General South Africa,

4 Daventry Street,
Lynnwood Bridge Office Park,
Lynnwood Manor, Pretoria, SA

BANKERS:

Nedbank:

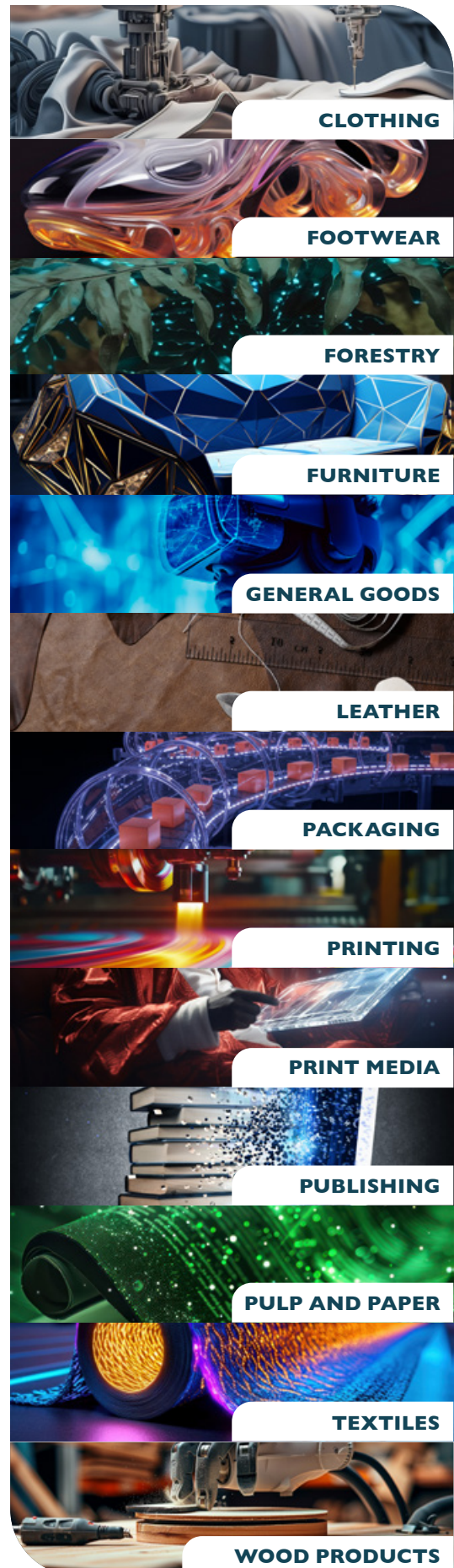
90 Bram Fischer Road,
Kingsmead, Durban, 4001

Corporation for Public Deposits (CPD):

C/o South African Reserve Bank, 370 Helen Joseph Street,
Pretoria, 0002

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LIST OF ABBREVIATIONS AND ACRONYMS

AET	Adult Education and Training	DUT	Durban University of Technology
AGM	Annual General Meeting	EISA	External Integrated Summative Assessment
AGSA	Auditor-General of South Africa	ERP	Enterprise Resource Planning
AFS	Annual Financial Statements	ERRP	Economic Recovery and Reconstruction Plan (ERRP)
ALP	Action Learning Programmes	ETD	Education, Training and Development
APP	Annual Performance Plan	EXCO	Executive Committee
AQP	Assessment Quality Partner	EXP	Expenditure
AR	Augmented Reality	FIETA	Forest Industries Education and Training Authority
ATR	Annual Training Report	FP&M	Fibre Processing & Manufacturing
AVG	Average	GNU	Government of National Unity
CBD	Central Business District	GRAP	Generally Recognised Accounting Practice
CBO	Community-Based Organisation	HEI	Higher Education Institution
CEO	Chief Executive Officer	HET	Higher Education and Training
CFO	Chief Financial Officer	HR	Human Resources
CIA	Certified Internal Auditor	ILD	International Leadership Development Project
CIMA	Chartered Institute of Management Accountants	LMIS	Labour Market Information System
CoE	Centre of Excellence	IPAP III	Industrial Policy Action Plan III
COSATU	Congress of South African Trade Unions	ISSA	Independent Sector Skills Advisor
CoS	Centre of Specialisation	ISOE	Institutes of Sectoral and Occupational Excellence
CPD	Corporation for Public Deposits	IT	Information Technology
CSTO	Coordinating SETA-TVET Office Model	JET	Just Energy Transition
CTFL	Clothing, Textiles, Footwear and Leather	KZN	KwaZulu-Natal
DAC	Department of Arts and Culture	LMIP	Labour Market Intelligence Partnership
DAFF	Department of Agriculture, Forestry and Fisheries	MAPPP	Media, Advertising, Publishing, Printing and Packaging
DHET	Department of Higher Education	MIS	Management Information System
DQPs	Development Quality Partners	MOA	Memorandum of Agreement

MOU	Memorandum of Understanding	SABDC	South African Book Development Council
MTDP	Medium Term Development Plan	SACPO	South African College Principals' Association
MTSF	Medium-Term Strategic Framework	SACTWU	Southern African Clothing and Textile Workers Union
NAMB	National Artisan Moderating Body	SADC	South African Development Community
NDP	National Development Plan	SAGDA	South African Graduates Development Association
NEET	Not in Employment, Education or Training	SAQA	South African Qualifications Authority
NGO	Non-Governmental Organisation	SARS	South African Revenue Service
NLPE	Non-Levy Paying Entity	SATU	South African Typographical Union
NPO	Non-Profit Organisation	SCM	Supply Chain Management
NQF	National Qualifications Framework	SDL	Skills Development Levy
NSA	National Skills Awards	SDP	Skills Development Provider
NSDP	National Skills Development Plan	SETA	Sector Education and Training Authority
NSDS	National Skills Development Strategy	SLA	Service Level Agreement
NSFAS	National Student Financial Aid Scheme	SMME	Small, Medium, and Micro Enterprises
NC	National Certificate	SQMR	SETA Quarterly Monitoring Report
NCV	National Certificate Vocational	SSA	Sector Skills Advisor
OFO	Organising Framework for Occupations	SSP	Sector Skills Plan
PASA	Publishers Association of South Africa	TVET	Technical and Vocational Education and Training
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)	UIF	Unemployment Insurance Fund
PIVOTAL	Professional, Vocational, Technical and Academic Learning	VR	Virtual Reality
PSET	Post-School Education and Training	W&R SETA	Wholesale and Retail Sector Education and Training Authority
QAC	Quality Assurance Committee	WCM	World-Class Manufacturing
QCTO	Quality Council for Trade and Occupations	WEF	World Economic Forum
RPL	Recognition of Prior Learning	WIL	Work-Integrated Learning
SAAA	South African Apparel Association	WSP	Workplace Skills Plan
SABC	South African Broadcasting Corporation		

FOREWORD BY THE CHAIRPERSON



I begin this foreword with a quote by Henry Ford:

“If everyone is moving forward together, then success takes care of itself.”

Under the guidance of the Board during the reporting period, the FP&M SETA has achieved remarkable results. Yet, there remains much to learn and improve upon. It is essential that we continue to act as trustworthy custodians of the resources entrusted to us, while supporting business and community focused initiatives that uplift the youth.

Each Annual Report produced by the Fibre Processing & Manufacturing Sector Education and Training Authority (FP&M SETA) serves as a vital communication tool for our stakeholders, summarising the organisation's performance over the previous financial year. This report is especially significant, as it not only reflects on our performance during the 2024/25 financial period, but also marks the conclusion of the five-year strategic cycle that began on 1st April 2020 and concluded on 31st March 2025.

Throughout this period, our decisions and actions have been shaped by the skills development needs of the Fibre Processing and Manufacturing sector, as well as broader national development imperatives.

As we reach the end of this strategic cycle, we are presented with an opportunity to reflect on and celebrate our achievements, critically assess our journey, and prepare for the future with renewed purpose.

A key guiding policy has been the National Skills Development Plan (NSDP) 2030, which defines the roles and responsibilities of stakeholders within the Post-School Education and Training (PSET) sector, including the country's 21 Sector Education and Training Authorities (SETAs). Developed as a ten-year strategic framework, the NSDP now stands at its halfway mark, a pivotal moment to evaluate our progress and reaffirm our commitment to its goals. The mission of the National Skills Development Plan (NSDP) is clear:

To improve access to occupations in high demand and priority skills aligned to supporting economic growth, employment creation, and social development, whilst also seeking to address systemic considerations.

With this in mind, we must ask ourselves: How have we done?

The most effective way to reflect on our performance is by reviewing our progress against the 2020–2025 Strategic Plan. Throughout this report, we have provided insights into our performance over the past five years.

While this period has seen the FP&M SETA grow from strength to strength, it has also presented significant challenges. South Africa's triple challenge of unemployment, poverty, and inequality continues to exert immense socio-economic pressure on the country and its people.

These challenges were further compounded by the COVID-19 pandemic, which devastated communities across the globe and claimed the lives of more than seven million people. The necessary lockdown measures, though vital for public health, resulted in far-reaching socio-economic consequences.

Fortunately, the FP&M SETA entered this period with a solid foundation. We were able to weather the storm thanks to the strong leadership of the Executive Team, who kept the organisation focused and cohesive, even as staff worked remotely. Their efforts were further supported by the strategic oversight of the Accounting Authority and its various sub-committees.

In addition to the pandemic, loadshedding, which peaked in 2023, severely impacted the country, the sector we serve, and our operations. Moreover, the effects of climate change and geopolitical tensions have also made their presence felt, adding complexity to our operating environment.

In the face of a challenging period for the country, the team at FP&M SETA has demonstrated remarkable agility mastering the art of pivoting and finding creative solutions to complex problems. This resilience, supported by a robust framework of operational, governance, and risk policies and practices, has enabled the organisation to emerge stronger, more focused, and well-prepared to embark on the new five-year strategic period, which commenced on 1st April 2025 and will conclude on 31st March 2030.

During the final two quarters of the 2024/25 financial year, significant effort was dedicated to developing a new Strategic Plan for the SETA. This plan is responsive to sector priorities and places strong emphasis on 'future-proofing' the industry particularly through the advancement of digital skills, which are poised to grow substantially within our sector.

Our Strategic Plan aligns with several national transformational priorities, including but not limited to:

- The National Skills Development Plan (NSDP) 2030
- The National Development Plan (NDP) 2030

- The Economic Reconstruction and Recovery Plan (ERRP)
- The Government of National Unity's (GNU) Medium-Term Development Plan (MTDP), which highlights three key priorities:
 - Inclusive growth and job creation
 - Reducing poverty and addressing the high cost of living
 - Building a capable, ethical, and developmental state

Throughout most of the strategic period, the SETA worked closely with the Honourable Minister Professor Blade Nzimande (MP) and his team at the Department of Higher Education, Science and Innovation. We remain deeply grateful for their guidance and support.

The 7th Administration has introduced key portfolio changes, including within the Department of Higher Education and Training (DHET). We welcome the appointment of the Honourable Mr Buti Kgwaridi Manamela as Minister of DHET, alongside the Honourable Dr Mimmy Gondwe (MP) and Ms Nomusa Dube-Ncube (MP) as Deputy Ministers in this critical government portfolio.

South Africa's transformation agenda is further supported by the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEAF). In alignment with this framework, FP&M SETA remains committed to actively promoting gender equality and inclusivity within the sector we serve.

STRONG WORK ETHIC

I wish to acknowledge and pay homage to all who have contributed to the success of the FP&M SETA over the past five years that has been defined by innovation, resilience, and transformation.

As the Interim Accounting Authority, we salute those who embody a strong work ethic, unwavering commitment, and passion for their roles. These individuals have consistently demonstrated reliability, accountability, and a proactive approach often going above and beyond to meet goals and deadlines, propelling the SETA to greater heights.

Throughout this strategic period, the FP&M SETA has consistently exceeded expectations, achieving an average of 96% of its Annual Performance Plan (APP) targets in the last 5 years. Notably, during the most recent review period, the organisation achieved an impressive 96,3% against its APP targets.

I am especially proud to highlight that the FP&M SETA has secured its 12th unqualified audit opinion, including its 8th clean audit opinion from the Auditor-General of South Africa. This achievement not only reflects sound governance and financial discipline but also boosts morale, strengthens team cohesion, and reinforces our shared sense of purpose as we prepare for future challenges and opportunities.

RAPID TECHNOLOGICAL ADVANCEMENT

The FP&M SETA believes that it is only through skills development that our country can have better-skilled manpower to cater to the ever-changing needs of the job market ushered by the Fourth Industrial Revolution (4IR).

Throughout my tenure, I have been inspired by how the FP&M SETA has embraced the 4IR, integrating digital technologies into every facet of skills development. This forward-thinking approach ensures that we remain relevant, agile, and impactful in a rapidly evolving landscape.

The past five years have been a period of rapid technological advancement that required every one of us to adapt to new ways of working and learning and our SETA has been and remains a beacon in the skills development sector.

Over the last five years, the skills development sector witnessed a strong momentum in demand and ongoing innovation driven by the 4IR. The FP&M SETA continued to build capacity to manage the steadily increasing number of training demands.

This positive evolution reaffirms the sector's historic resilience and highlights the benefits of skills development, including improved employee engagement, higher retention rates, and enhanced competitiveness. We anticipate this momentum will continue in the years ahead.

MULTI-DIMENSIONAL SKILLS

To align our country's workforce with futuristic trends, our nation needs to re-emphasise technical education, maximum extraction of the benefits of information communication technology and hands-on training of multi-dimensional skills.

That is why the FP&M SETA has consistently formulated skills development strategies and action plans to prepare capable manpower for local markets and strengthening industry linkages through appropriate programmes.

FP&M SETA STRENGTHENING PARTNERSHIPS

Over the past five years, the FP&M SETA has made significant strides in fostering enhanced social dialogue and strengthening partnerships across its 13 key sectors: clothing, footwear, forestry, furniture, general goods, leather, packaging, print media, printing, publishing, pulp and paper, textiles, and wood products.

Our unwavering commitment to developing skills aligned with industry needs has been central to our success. As highlighted in the CEO's report, we have sustained consistently high operational performance, building on the solid foundation laid since our establishment in 2011.

The growing number of trainees is a testament to the increasing demand for our programmes driven by workers' strong desire for employability and career advancement. This demand has enabled us to expand our reach and deepen our impact.

We have also made substantial progress in integration efforts, including the early realisation of synergies with stakeholders and other SETAs. These collaborations have allowed us to broaden our training portfolio, diversify our programmes, and reinforce our commitment to customer-centricity and sustainability.

I would like to take this opportunity to commend the FP&M SETA for its exemplary performance. During the reporting period, the Board's dedication to sound financial governance, strategic oversight, and compliance has not only ensured institutional stability but has also played a pivotal role in achieving our broader developmental objectives.

During the reporting period, the Board has consistently upheld the principles of transparency, accountability, and excellence in financial management. Their professionalism and steadfast commitment have been instrumental in strengthening the integrity and operational efficiency of the organisation.

As the outgoing Board concluded its 5-year term, it left behind a strong foundation for the incoming Board to build upon. I am confident that the Executive Team, and dedicated staff of the FP&M SETA will continue to provide unwavering support as the organisation embarks on its next five-year strategic journey.

I am sure it was an honour and a privilege for the outgoing Chairperson to serve the FP&M sector over the past five years. I extend my heartfelt thanks to every stakeholder who has contributed to the success of the FP&M SETA during this period and beyond.

ACKNOWLEDGE OUR CHALLENGES

As we celebrate our achievements, we also take a moment to acknowledge the challenges we have faced not because they were easy or enjoyable, but because they offered valuable opportunities for growth and learning.

“After climbing a great hill, one only finds that there are many more hills to climb.”

– Nelson Mandela

This quote resonates deeply with our journey, reminding us that each milestone is but a stepping stone toward greater progress.

We continue to provide a wide range of support measures to ensure that more young people are equipped with the skills needed to compete in today’s job market. Our efforts are aligned with the broader goal of promoting sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

However, we have learned that many young people are not emerging from education fully “work-ready.” This challenge calls for a fresh and innovative approach. One that addresses the root causes affecting employability and embraces the opportunities that lie ahead.

By remaining positive, proactive, and committed to continuous improvement, we can turn these challenges into catalysts for transformation and ensure that our skills development initiatives remain relevant, impactful, and inclusive.

THANKING OUR STAKEHOLDERS

As the Interim Accounting Authority, my role has been to set the tone for the organisation’s work and to lead it in service of the FP&M SETA’s mission. Together, we have remained deeply committed to the institution’s purpose, knowledge and insight to its work, and conducted meetings that made effective use of our collective expertise.

On behalf of the entire Interim Accounting Authority, I extend our sincere gratitude to our stakeholders most notably the Department of Higher Education and Training (DHET), led by the Honourable Minister, Mr Buti Kgwaridi Manamela (MP), Deputy Ministers Honourable Dr MM Gondwe (MP) and Honourable Dr Nomusa Dube-Ncube (MP), and Director-General Dr Nkosinathi Sishi for their unwavering support and guidance.

To the Minister and his team, we are deeply appreciative of your consistent leadership and policy direction, which have enabled us to implement our mandate in alignment

with both the higher education and training system and broader national government imperatives. Your continued support and belief in the FP&M SETA have been a source of inspiration, driving us to innovate, collaborate, and achieve more. Through collective effort, dedication, and ingenuity, we have accomplished a great deal.

Our staff and management teams have played an integral role in these achievements. Their unwavering commitment, collaborative spirit, and professionalism have been instrumental in delivering the results outlined in this report and echoed in the CEO’s message. To every employee of the FP&M SETA, our stakeholders, and suppliers thank you for your support, motivation, and dedication. Your contributions have helped shape a responsive and resilient organisation.

I also extend my appreciation to our teams across the country for their exceptional service to stakeholders. Their adaptability, teamwork, and willingness to embrace new ways of working have laid the foundation for realising our vision to revolutionise the skills development sector.

Finally, I wish to express my sincere gratitude to our training partners and to the Executive Team for their visionary leadership and steadfast focus on strengthening collaboration and partnerships.

In conclusion, I wish the incumbent Board all of the best as it takes up the baton. To the Executive team of the FP&M SETA, keep up the excellent work. Your performance over the strategic period has proved what can be achieved with focus, hard work and dedication.

Very specifically, to our stakeholders in the sector, you are an important extension of the FP&M SETA as it works to drive skills development in the Fibre Processing and Manufacturing sector, whilst at the same time achieving key national transformational imperatives.

Everyone involved at FP&M SETA, from the Accounting Authority to management and employees should be proud of their accomplishments in skills development.



Dr Felleng Yende

Accounting Authority
FP&M SETA

Date: 31st May 2025

CHIEF EXECUTIVE OFFICER'S REPORT

DR FELLENG YENDE

The much-loved and respected President Nelson Mandela once said:

“Young people must take it upon themselves to ensure that they receive the highest education possible so that they can represent us well in future as future leaders.”

It is our responsibility as current leaders to pave the way for our young people to become the leaders of tomorrow. It will require hard work and dedication, but I have absolutely no doubt that we are up to the task.

ACKNOWLEDGING THE HARD WORK, RESILIENCE AND THE MILESTONES REACHED WHILE SETTING THE STAGE FOR AN EVEN BRIGHTER FUTURE

“The only way to do great work is to love what you do,” said Steve Jobs.

During the past five years, I have observed the passion, perseverance and innovation in our staff and management as we achieved the success of enhancing workers abilities, knowledge and competencies, taking the FP&M SETA to new heights.

As we reflect on and celebrate the collective achievements that have defined the past five years, let us acknowledge the hard work, resilience, and the milestones reached while setting the stage for an even brighter future.

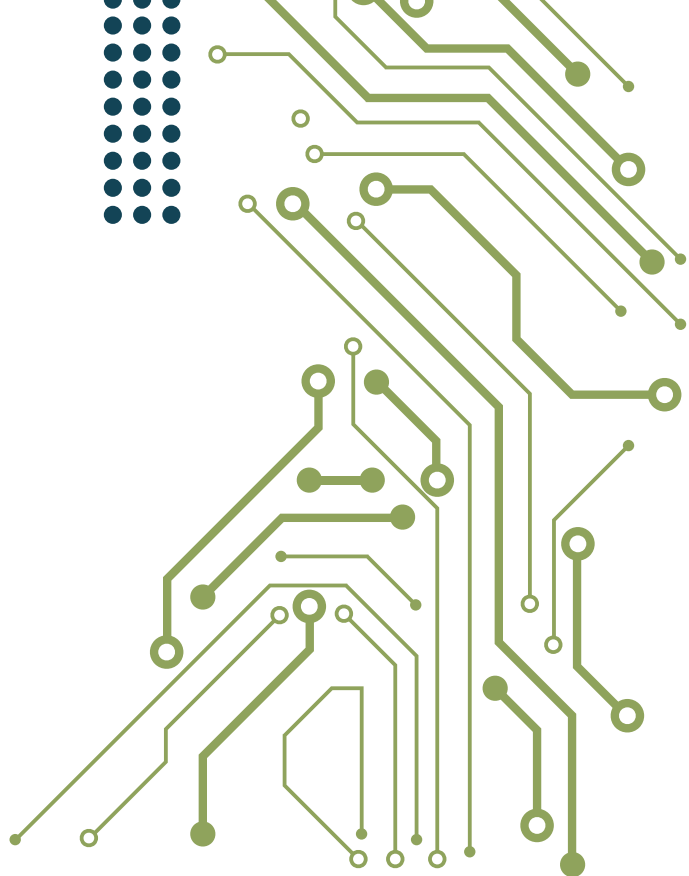
One may ask, why five years? Because half a decade offers us an opportunity to look at the journey travelled, achievements made, learning from challenges, and focusing on the future that can create a sense of pride and anticipation that fuels long-term growth.

As we reflect on the past five years, we are overwhelmed with gratitude for the incredible journey we have travelled.

We have taken advantage of those opportunities which support skills for employees. We have worked with stakeholders to maximise training opportunities and embraced personal development to motivate employees, as well as boost staff morale, recruitment and retention.

The past five years have been a validation of the importance of skills development.





Research has shown that countries, such as Singapore, Taiwan, Thailand, Korea, Malaysia and many more have achieved place in the global workplace, as well as social and economic gains, after they have invested heavily in human resource development during the initial stages of development.

We have showcased how training benefits employers by helping their businesses to become more efficient and competitive while boosting their career opportunities and earning potential.

CLEAN AUDIT OPINIONS

My role as a skills development executive is not only about celebrating what we have achieved, but also supporting initiatives that highlight the importance of training.

Our success is demonstrated by multiple clean audit opinions from the Auditor General of South Africa (AGSA).

AGSA audits offer 'big-picture' insights and reveal opportunities for increasing efficiencies and improving organisational operations for the FP&M SETA success.

A clean audit demonstrates our fight against fraud, an attitude of zero tolerance towards corruption, a focus on compliance, excellent service and professional business conduct which avoids fruitless and wasteful expenditure. Achieving this calls for constant vigilance.

A clean audit opinion is a remarkable accomplishment. It principally indicates that our governance and financial records did not contain any significant material misstatements and that those who relied on them to make decisions, were confident that they had been reasonably accurate.

Key Factors Contributing to Successful Audits

- **Robust Internal Controls:** The FP&M SETA has implemented strong internal control systems to ensure accuracy and reliability in financial reporting.
- **Compliance with Regulations:** The organisation strictly adheres to the Public Finance Management Act (PFMA) and other relevant regulations, which is crucial for achieving favourable audit outcomes.
- **Transparent Financial Practices:** Transparency in financial practices and regular monitoring of financial activities have been pivotal in maintaining clean and unqualified audit statuses.

The key audit successes and challenges for the 2024/25 financial year are as follows:

- The reported performance information for learning programmes and projects was found to be useful and reliable and in accordance with the applicable criteria as developed from the performance management and reporting framework.
- Overall presentation of the performance information in the annual performance report is comparable and understandable.
- No material findings were identified.
- No instances of material non-compliance with selected specific requirements of applicable legislation.
- The Accounting Authority has maintained effective, efficient financial and risk management systems, transparent financial and risk management systems and internal control.
- No fraud was identified during the current year audit.
- Annual financial statements that were free from material misstatement.
- Improved internal controls relating to document management and record keeping.

At the FP&M SETA, we are testimony to the fact that an organisation cannot lose the ability to achieve a clean audit opinion if it has a clear and implementable strategy that addresses critical and scarce skills and consistently develops effective financial management, strong financial management controls, efficient supply chain management systems, and good corporate governance infrastructure with embedded performance information controls and clinical project protocols.

FOURTH INDUSTRIAL REVOLUTION (4IR)

Over the past five years, the fourth industrial revolution (4IR) technologies became our drive to upskill learners and employees. The tech and innovation-driven future has highlighted our successes in the 4IR and innovation spaces. As part of our 4IR strategy, we have harnessed the power of technology to revolutionise the learning experience and meet the demands of an interconnected world. To reap the benefits of digital transformation, we need to embrace opportunities, skills and tools afforded by modern technology.

Here are a few skills development programmes we are using to advance the digital transformation:

- Coaching and mentoring digital start-ups.
- Organising digitisation workshops to help entrepreneurs adopt digital technologies.
- Training in advanced technologies such as 3D printing, Internet of Things, drone technology, robotics, others and their uses.
- Organising tech events and co-creative workshops.

OPERATING ENVIRONMENT AND MANDATE

Since the 2011 amalgamation of various sectors, including Clothing, Footwear, Forestry, Furniture, General Goods, Leather, Packaging, Printing, Print Media, Publishing, Pulp and Paper, Textiles, and Wood Products into the FP&M SETA to strengthen value-chain linkages across related industries, the SETA has shown consistent year-on-year improvement.

Despite the poor economic performance of the manufacturing sector and the economy as a whole, the FP&M sector managed to grow in employment, a sure sign that skills development is making a tangible difference to the growth of FP&M sub-sectors. As a contributor to economic development to the country, in 2025 the FP&M sector employs approximately 539 643 people. This is 32.2% of the 1.677 million people employed in the manufacturing sector and 3.2% of those employed in South Africa (16.787 million).

The NSDP 2030 has served as one of the guiding tenets for the FP&M SETA since its implementation at the beginning of the 2020-2025 strategic period. Principle 5.4 of the plan focuses on greater inclusivity and collaboration. If any part of the NSDP summarises the strategic intent of the FP&M SETA over the past five years, this would be it.

The principle underscores the importance of collaboration and partnerships, both within the public sector and between the public and private sectors, to strengthen skills development. It calls for a strong focus on quality education and training provision, with clear articulation between programmes and qualifications to enable effective learning-to-work pathways.

Equally important is the promotion of workplace-based learning opportunities across both sectors, supported by inclusive partnerships that bring together public and private providers. Finally, the principle highlights the need for meaningful stakeholder engagement to foster ownership and participation among social partners, individuals, employers, labour, providers, prospective learners, and the broader public.

When one considers that the country's 21 SETA's have been in existence for 25 years, five years might not be seen as a particularly long time, what is of key importance though is the challenges the country, and hence the FP&M SETA, has faced over this period. In her foreword, the Chairperson of the Accounting Authority has detailed these challenges but has also highlighted how the FP&M SETA, working in close collaboration with its numerous partners and stakeholders, has risen to the challenge and emerged as a success story.

FP&M SETA is an agile organisation that continues to respond to the socioeconomic challenges facing the country, mainly inequality, poverty, and unemployment. Through collective efforts and stewardship, the SETA continues to achieve and be aligned with the purpose of the SETA and why it exists.

COLLABORATION AND PARTNERSHIPS

In the South African context, where youth unemployment and skills mismatch are major challenges, multi-stakeholder partnerships are not just beneficial, they are essential for the success of skills development and the achievement of national development goals.

Through its partnerships, the FP&M SETA has worked to bridge the skills gap, create workplace-based learning opportunities, share resources to achieve maximum efficiency, improve access and promote equity, strengthen innovation and research, enhance monitoring and evaluation, as well as promote entrepreneurship and SMME development.

We are fortunate to have the support of government and industry partners. The incredible work that the FP&M SETA does for disadvantaged people and communities

across the country would not be possible without these key supporters.

We have implemented several far-reaching and impactful collaborations with industry partners and other SETAs to enhance skills development and support sector growth.

Our online learning portal is allowing learners from across the country to benefit from the organisation's training and upskilling offerings.

We have initiated and continued learnership-focused programmes that teach fibre processing and manufacturing skills to people in disadvantaged and, often, underserved communities.

We are not only a skills development contributor. We are a catalyst for change, a SETA that uplifts South Africans who had been denied opportunities by providing them with the knowledge and tools to find employment or become employers themselves.

An important partnership development during the review period was the launch of the SETA integrated high impact programmes that seeks to increase public sector institutional delivery capacity; reduce unemployment; drive sustainable entrepreneurial, SMME, and cooperatives development; advance technological infrastructure, research and development; implement effective and efficient shared information and communication technology services; as well drive rural development to achieve community impact.

Whereas the current strategic period has reached its conclusion, the FP&M SETA is planning for the next five-year strategic period that commenced on 1st April 2025. Key focus areas will be economic reconstruction and recovery, innovation, technology, employability and entrepreneurship. Identifying suitable collaboration partners will form part and parcel of strategic discussions so that we are able to 'hit the ground running' and implement projects and programmes. To this end, the SETA will foster collaborative strategic partnerships with TVET colleges, employers, trade unions, government entities, SMMEs and other SETAs.

FUTURE SKILLS REMAIN IMPORTANT

FP&M SETA's skills development programmes contribute to structural transformation and economic growth by enhancing employability and labour productivity and by helping companies embrace the skills of the future.

As 4IR and technological advancements continue to have an impact on all sectors and industries, future skills are those that are required to adapt to 'new' ways of working. Future skills improve employees' career prospects and are important for companies.

Technology is a great blessing in the skills development sector. Due to e-learning systems, practical and effective learning has ushered in an enhancement of skills development.

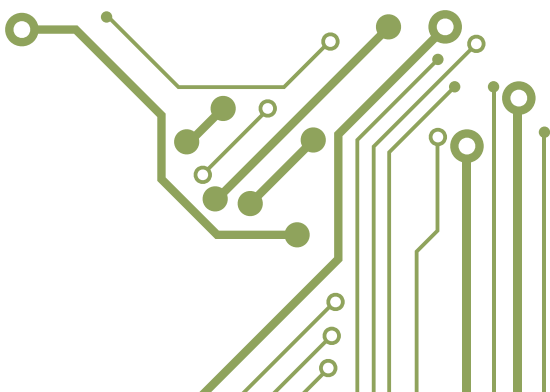
EMPOWERING EDUCATION: HONOURABLE DR MIMMY GONDWE (MP) VISITS FP&M SETA

On 8th October 2024, FP&M SETA proudly welcomed the Honourable Deputy Minister of Higher Education, Dr Mimmy Gondwe (MP), to our offices. Accompanied by a delegation from the Department of Higher Education, Honourable Dr Gondwe (MP) engaged in an impactful discussion with the Chairperson, Adv Michelle Odayan, CEO Dr Felleng Yende, Board Members, Executive Management, and Staff.

This visit marked a significant milestone in our ongoing mission to drive excellence in education and training within the Fibre Processing and Manufacturing Sectors. Honourable Dr Gondwe's presence reaffirmed the importance of strong collaboration between government and SETAs in enhancing the quality and accessibility of education in South Africa.

During her engagement, Honourable Dr Gondwe (MP) shared her vision for the future of higher education and emphasised the vital role SETAs play in bridging the skills gap and fostering economic growth. Her insights aligned closely with our strategic goals, reinforcing our commitment to delivering industry-relevant, inclusive, and transformative training programmes.

As part of her oversight responsibilities, Honourable Dr Gondwe (MP) has been entrusted with several key portfolios, including FP&M SETA. She also champions gender equity, addresses gender-based violence in higher learning institutions, oversees private universities and supports work-based learning and legal frameworks in the sector.



We were honoured by her commendation of our efforts to integrate innovative training methods and promote inclusivity, especially our initiatives aimed at empowering women and addressing gender-based violence in education. Her walkabout, where she personally engaged with our staff, was a heartfelt gesture that left a lasting impression on our team.

Honourable Dr Gondwe (MP) outlined three strategic priorities for work-based learning:

1. Inclusive Growth – Ensuring all communities benefit from economic progress.
2. Job Creation – Equipping learners with skills that lead directly to employment.
3. Economic Relevance – Aligning training with market demands to ensure youth are not only skilled but also employable.



Her message was clear:

"It's not enough to upskill the youth; we need to equip them with skills that are in demand by the economy and ensure they are absorbed into the labour market."

The visit concluded with a tour of our facilities, where Honourable Dr Gondwe (MP) and her delegation witnessed the tangible impact of our programmes and the dedication of our staff. Her positive feedback and encouragement continue to inspire us to strive for excellence.

Strengthening Partnerships for Youth Employability

On 28 November 2024, Honourable Dr Gondwe (MP), accompanied by our CEO Dr Yende, visited Beier Group, one of our valued industry partners. This visit highlighted Beier Group's commitment to skills development and youth employability.

Since 2021, FP&M SETA has funded 72 learners at Beier Group, reflecting our shared dedication to empowering graduates with practical experience. A recent agreement

between FP&M SETA, Beier Group, and Elangeni TVET College aims to bridge skills gaps and provide unemployed graduates with meaningful work exposure.

Beier Group proposed a Graduate Development Programme to FP&M SETA, targeting 25 unemployed engineering and artisan graduates. Upon completion, these graduates may be absorbed into permanent roles, an initiative that aligns with our mission to create sustainable employment pathways.

To support its transition to a lean production model, Beier Group has also developed a programme to strengthen its engineering and safety management teams. This initiative will not only support the company's growth but also empower young professionals to contribute meaningfully to their communities and the broader economy.

In her remarks, Honourable Dr Gondwe (MP) stated:

"I was impressed by the Group's dedication to youth development, having successfully absorbed numerous young learners who completed apprenticeship and internship into their workforce."

Supporting SMMEs and Entrepreneurship

On 29 November 2024, the Honourable Deputy Minister (MP), accompanied by our CEO and Board members, visited Umkhumbane Industrial Park in Mayville to engage with SMME and Entrepreneurship learners from our training provider, My Space Academy.

The delegation was warmly welcomed and toured the learners' showcase, where innovative products, particularly in furniture making, were on display. We were proud to see that several learners have already launched their own businesses, a testament to the effectiveness of our entrepreneurship programmes.

Honourable Dr Gondwe's interaction with the learners further demonstrated her commitment to supporting youth development and entrepreneurship.

Her encouragement reinforces our belief that with the right support, young South Africans can become job creators and leaders in their communities.

With the visionary leadership of Honourable Dr Mimmy Gondwe (MP) and the strategic direction of our CEO Dr Yende, FP&M SETA remains committed to transforming the education and training landscape. Together, we are building a future where skills development drives inclusive growth, innovation, and opportunity for all.

A major strategic partnership was initiated between the National Skills Fund (NSF) and the FP&M SETA resulting in an additional R 432 million becoming available to FP&M SETA stakeholders for implementation of discretionary grant projects addressing employability, entrepreneurship and the disability mandate.

Mondi Zimele Artisan Skills Development Project – Richards Bay

Mondi Zimele (MZ) is proud to be driving a skills development project in Richards Bay, aimed entirely at advancing unemployed youth through quality artisan training. Born from the need to upskill local labour to cover the shortage of skills that large industries face over periods of Shuts and Major Works, MZ has committed to training 100 local work seekers to become semi-skilled artisans in the four trades that are deemed as most lacking in Umhlathuze: namely, welder, boilermaker, electrical and fitter/turner.



The first cohort of 25 learners that completed their training with Mondi

In this ambitious project, Mondi Zimele partnered with the FP&M SETA, as well as Umfolozi TVET College, to deliver on its mandate of training four cohorts of 25 students, totalling 100, at their Richards Bay Campus, by mid-2026.

The first cohort of 25 students, comprising 12 welders and 13 fitters/turners, began their training at Umfolozi College on 3rd February 2025 and graduated on 23rd May 2025 with no dropouts or failures, achieving an impressive group average test score of 95%. All trainees are now actively seeking temporary or permanent employment, with Mondi's support in securing work placements.

The second cohort, comprising of 25 aspiring electricians, started their learnership in mid-April and graduated in July, 2025. The balance of the fitters and welders, as well as 25 boilermakers will all complete their courses and graduate by end of project completion, being June 2026.

Mondi has also committed to facilitating, as best they can, securing as many job opportunities as possible, for each group, as and when they graduate, by pledging to download their respective CVs onto preferential databases amongst the Mondi contractors, and other industrial players in Umhlathuze. Mondi will also undertake to track the progress of the trainees in their attempts to seek employment and aim for a 70% placement score within six months of them graduating from their respective courses; being a unique feature of this project, as most projects of this nature close once training is complete.



Learners were exposed to practical training in a well equipped workshop



The first class of fitters and welders that graduated on 23rd May, 2025



Electricians gaining much needed workshop experience at the high quality Umfolozi TVET College facilities. These students will be graduating in July 2025

All students were selected for their high work ethic and commitment to their various trades and will most certainly add value to any organisation they might have the privilege of joining. All are historically disadvantaged individuals (HDI's) and reside in the Umhlathuze (Richards Bay) Municipality. The skills development project, once complete, will result in a larger pool of semi-skilled artisans for contractors to choose from, when assigned tenders, and therefore localises employment opportunities for unemployed youth, and contributes to Mondi's growth.

Although this bold project concludes in June 2026, the aim is to make the project sustainable by training a further 100 students, hopefully more, until the skills shortage amongst skilled and semi-skilled artisans in

Richards Bay, is significantly tackled. Subject to funding, Mondi hopes that this project will continue to grow, and they will also seek to collaborate with other large companies in Richards Bay to maximise the number of vacancies filled by locally trained youth.

SAPPI: From Apprenticeships to Automation – A Journey of Empowerment and Innovation

In the heart of South Africa's industrial landscape, SAPPI Southern Africa Ltd is not just producing paper it's shaping futures. Over the past financial year, SAPPI, in partnership with the FP&M SETA, has become a beacon of transformation, investing in people, skills, and the promise of a more technologically advanced tomorrow.

It began with a bold commitment: to empower young South Africans with the skills needed to thrive in a rapidly evolving economy. With funding from the FP&M SETA, SAPPI launched a series of high-impact learning programmes that reached deep into communities and pulled talent into the light.

41 apprentices were enrolled in electrical trade programmes one of the most in-demand and scarce skills in the country. 66 students from higher education institutions were placed in Work-Integrated Learning (WIL) programmes, bridging the gap between theory and practice. 44 interns gained invaluable workplace experience, stepping confidently into the world of work.

These programmes were made possible through a total investment of R2.25 million specifically allocated to the electrical apprenticeship programme. This funding enabled learners to gain hands-on experience in fault finding, maintenance, repair, and installation skills that are essential for modern industry and infrastructure.

But SAPPI's vision doesn't stop at today's needs. As the world pivots toward the 4IR, SAPPI is already laying the groundwork for tomorrow. The company is now focusing on Mechatronics Technician training, a field that fuses mechanical engineering, electronics, and computing.

This strategic shift is more than a curriculum change; it's a declaration. SAPPI is not just participating in the 4IR it is leading it. By investing in mechatronics, SAPPI is preparing a new generation of technicians who can operate, maintain, and innovate within smart factories and automated systems.

SAPPI's journey with the FP&M SETA is a powerful example of what's possible when industry and education align with purpose. From traditional trades to cutting-edge technologies, SAPPI is building a workforce that is skilled, adaptable, and ready for the future.

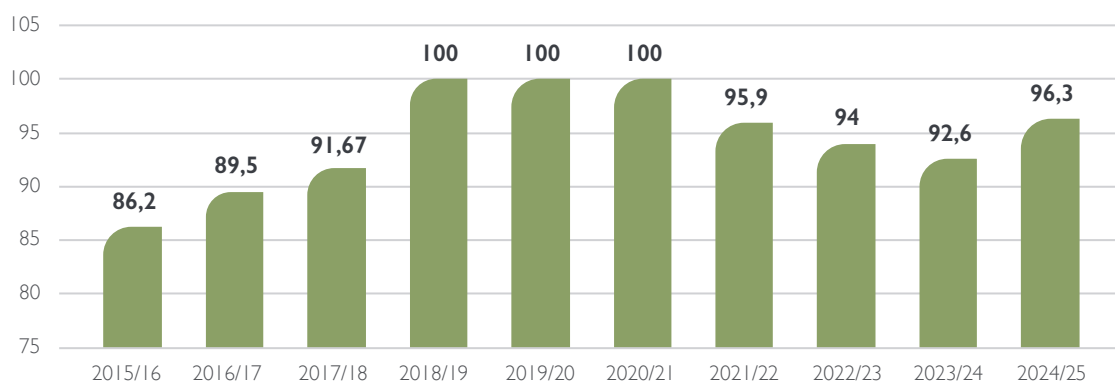
As we look ahead, SAPPI stands tall not only as a leader in manufacturing but as a pioneer in people development, proving that when you invest in skills, you invest in a nation.

OVERALL PERFORMANCE

The SETA endeavours to deliver on its mandate, as well as adhere to and exceed delivery targets as set out in its Annual Performance Plan.

During the review period, FP&M SETA not only achieved another clean audit outcome from the Auditor-General of South Africa, its fourth clean audit opinion in the last five years, but it also recorded an overall performance of 96,3% achievement for SETA-funded learners by meeting 52 of its 54 performance indicators and targets as contained in the Annual Performance Plan for 2024/25.

Overall FP&M SETA Performance 2015/16 – 2024/25
FP&M SETA Funded-Achievements



KEY PERFORMANCE ACHIEVEMENTS – 2024/25



18 636

unemployed learners supported



9 017

males supported



6 143

workers supported



19 344

youth (below 35 years) supported



8 868

learners participated in skills programmes



1.1%

persons with disabilities supported



15 762

females supported

TVET AND HET WIL

Work Integrated
Learning
TVET Colleges
(entered)

759



Work Integrated
Learning
TVET Colleges
(completed)

648

Work Integrated
Learning
Universities HET
(entered)

333



Work Integrated
Learning
Universities HET
(completed)

266

LEARNERSHIPS

Unemployed
(entered)

2 819



Unemployed
(completed)

2 571

Workers
(entered)

1 196



Workers
(completed)

977

SKILLS PROGRAMMES

Unemployed
(entered)

3 010



Unemployed
(completed)

2 205

Employed
(entered)

1 761



Employed
(completed)

1 908

ARTISAN PROGRAMMES

Entered

801



Completed

687

5-Year Strategic Period Performance Achievement: 2019/20 – 2024/25



4 out of 5
Clean Audit Outcomes
in the last 5 financial years



96%
overall performance
achievement in the last
5 financial years



GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

	2023/24	2024/25	% Increase/Decrease
Revenue	R 425.5 m	R 454.4 m	7%
SDL Income	R 387.8 m	R 420 m	8%
Administration Expenditure	R 44.1 m	R 54 m	22%
MG Expenditure	R 70.9 m	R 77 m	9%
DG Expenditure	R 391.3 m	R 370.4 m	-5%
Penalties and interest income received for late payments made to SARS	R 4 m	R 4.6 m	15%
Other Revenue	R 47 000	R 27 000	-42%
Investment Income *	R 33.4 m	R 29.6m	-11%

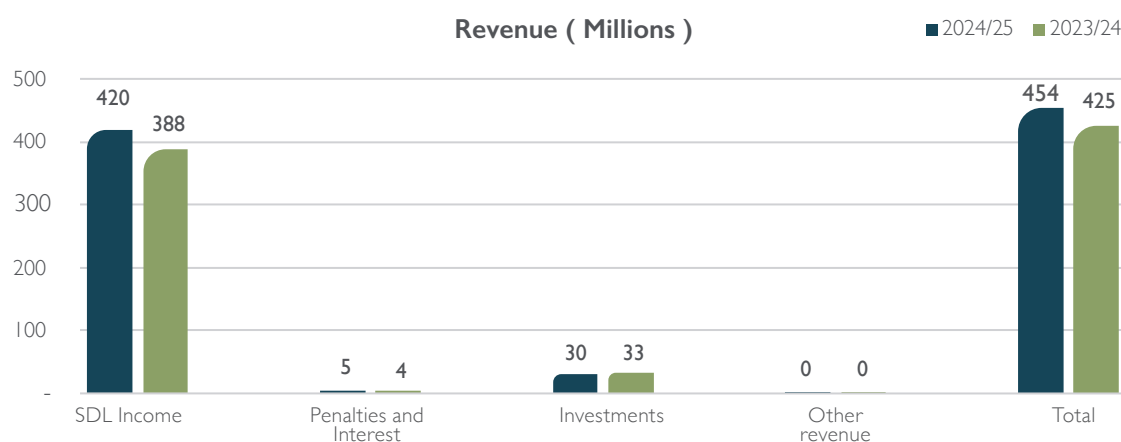
FP&M SETA invested excess funds with the Corporation of Public Deposits (CPD) as per Section 31.3.3 of Treasury Regulations. The average interest rate for the year was 7.99%.

I can report that due to the SETA's stringent adherence to financial management best practices, our finance division ensured financial prudence and no major challenges were reported during the period under review. The

Annual Financial Statements (AFS) for FP&M SETA have been prepared as a going concern.

FP&M SETA's financial performance has improved steadily, with significant strides being made in ensuring adequate financial and administrative controls to deliver prudent financial management, with strict adherence to generally accepted accounting practices and National Treasury regulations.

REVENUE TRENDS



Revenue received in 2024/25 was reported at R 454.4 million (2023/24: R425.4 million)

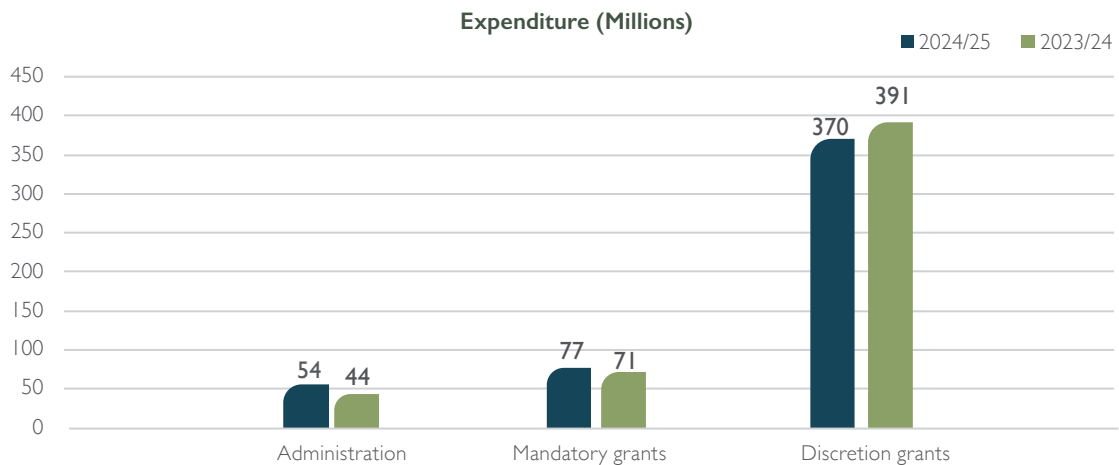
SDL income amounted to R 420 million (2023/24: R387.8 million) and was allocated in line with the SETA Grant Regulations, which came into effect on 1st April 2013.

- Administration expenditure – R54 million (2023/24: R44.1 million).
- Mandatory grants expenditure – R77 million (2023/24: R70.9 million).
- Discretionary grants expenditure – R370 million (2023/24: R391 million).

- Penalties and interest income received for late payments made to SARS amounted to R4.6 million (2023/24: R4 million).
- Other revenue amounted to R27000 (2023/24: R47 000).
- Investment income earned totalled R29,6 million (2023/24: R33.4 million).

FP&M SETA invested excess funds with the Corporation of Public Deposits (CPD) as per Section 31.3.3 of Treasury Regulations. The average interest rate for the year was 7.99%.

SPENDING TRENDS OF FP&M SETA



The disbursement of both administrative and grant expenditure was conducted in a responsible manner and in line with the budget approved by the Board for the period under review.

Administrative expenditure totalled R54 million (2023/24: 44.1 million). Administration expenditure was contained within the 10.5% threshold because of stringent financial management and the implementation of cost-saving measures.

Mandatory grant expenses totalled R77 million (2023/24: R70.9 million). Disbursements totalled R35 million. The amount is lower than the previous year as a result of the delay in receiving SDL files from DHET (2023/24: R70 million). Discretionary grant and special projects expenses totalled R370 million (2023/24: R391 million).

At the end of March 2025, discretionary reserves totalled R 255.6 million, of which R 255 million was contractually committed. An amount of R 600 000 was uncommitted at year-end and approval to retain these funds has been submitted to National Treasury.





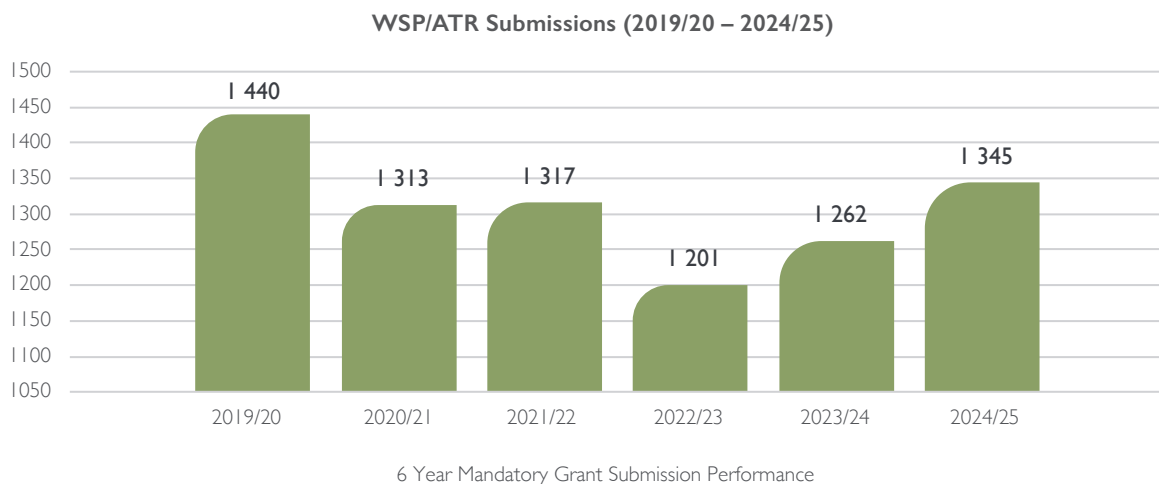
SKILLS PLANNING: SUBMISSION OF WSPs & ATRs

The annual submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) are essential tools that directly support the development of a skilled, capable, and employable workforce for the Fibre Processing and Manufacturing sector.

There are numerous benefits associated with the submission of WSPs and ATRs. These include:

- Strategic skills development planning
- Access to SETA funding
- Identification of skills gaps
- Monitoring and evaluation
- Sector skills planning
- Transformation and compliance
- Organisational development

During the review period, FP&M SETA received 654 applications from small firms, 364 from medium firms and 327 from large firms. The total of 1345 is a 6.6% increase on the 1262 during the 2023/24 period.



The increase can be attributed to robust stakeholder interaction and extensive training and capacitation on the process of submitting WSPs and ATRs. The financial period under review concluded with a series of face-to-face and online workshops to assist stakeholders with submissions for the 2025/26 period.

Whilst there has been an increase in WSP/ATR submissions on the previous year, much more needs to be done to get back to the level of submission achievements of the pre-COVID period of 2019/20.

Mandatory grant submissions contributed to the improvement of the quality and quantity of labour market information to add value to the FP&M SETA Sector Skills Plan.

FP&M SETA needs to monitor mismatches in the sectoral labour market continually by communicating with employers about their recruitment experiences and their success in

finding the skills they require. The annual mandatory grant applications (WSPs) provide the SETA with the opportunity to obtain this type of information from employers across the whole sector systematically and consistently. For this reason, the grant applications include a table outlining hard-to-fill vacancies (HTFV) that employers need to complete.

FP&M SETA supported 1345 companies through paid mandatory grants, from which data was sourced and analysed to provide a sector overview and labour market information for the Sector Skills Plan.

Our career awareness programme forms another important part of our skills development pipeline and is operated at optimum momentum with the production and dissemination of an updated career guide and an enhanced and functional career portal that is an invaluable tool for youngsters considering their career choices or preparing for the challenges of the job market.

QUALITY ASSURANCE

The FP&M SETA's Quality Assurance Department continues to function optimally. Accredited Skills Development Providers (SDPs) are routinely monitored to verify that SAQA, QCTO and Industry related legislative and compliance standards are met. As the SETA's quality assurance system grew, the focus of accreditation activities shifted from compliance to continuous improvement thus enhancing quality learning provision. The quality assurance team continues to support and motivate SDPs to enhance the quality of their training delivery.

The stakeholders in the FP&M SETA sectors are also harmonising with current FP&M SETA, QCTO, SAQA, NAMB, and DHET national policies by participating in the development of occupational qualifications, part-qualifications, skills programmes and trades, including learnerships through various subsector-based scoping, profiling and workgroups

Accreditations

In alignment with the national shift towards a more centralised quality assurance system, the accreditation of SDPs and assessment centres for newly developed QCTO-aligned occupational qualifications is now the sole responsibility of the QCTO. SDPs are strongly encouraged to apply directly via the QCTO online portal to obtain or renew their accreditation status. In addition, applications for trade test centre accreditation must be submitted to the National Artisan Moderation Body (NAMB).

Although the responsibility for accreditation has officially transitioned to the QCTO, the FP&M SETA continues to play a crucial support role. This includes participating in QCTO accreditation site visits, ensuring that workplaces are appropriately registered to provide workplace-based learning and advising stakeholders on compliance with the new requirements.

To ensure stakeholder alignment and readiness, the FP&M SETA has maintained regular sub-sectoral engagement with industry partners across its 13 industrial sub-sectors. These meetings serve as a platform to:

- Present and review project plans for QCTO-aligned occupational qualifications, skills programmes and trades development;
- Monitor progress on the development of learning resources and assessment tools;
- Address and clarify the new accreditation processes and requirements introduced by the QCTO.

The development of Occupational Qualifications, skills programmes and trades remains a strategic focus of the FP&M SETA. The SETA is committed to working closely with industry stakeholders to ensure that the transition to the QCTO framework strengthens the quality and relevance of occupational training within the fibre processing and manufacturing sectors.

We urge all FP&M SETA stakeholders to engage proactively with the QCTO by submitting their accreditation applications for the newly registered occupational qualifications, skills programmes through the QCTO website: www.qcto.org.za.

STATUS ON ACCREDITATIONS WORKPLACES, ASSESSMENT CENTRES, TRADE TEST CENTRES

As part of ongoing commitment to quality assurance and the transition from unit standard based qualifications (legacy/historical) to the development of modular based occupational qualifications (in full or part), the FP&M SETA continues to expand the network of accredited SDPs, Workplaces, Assessment Centres and Trade Test Centres whilst maintaining accreditations related to legacy or historical qualifications until the lapse on 30th June 2027. During the reporting period, a total of 254 accreditations were issued across various FP&M SETA occupational qualifications, skills programmes and trades in compliance with the QCTO standards.

The accreditations support the transition from legacy qualifications to the implementation of occupational qualifications across the fibre processing and manufacturing value chain, ensuring delivery of learning programmes that are aligned with industry and national scarce needs and critical skills priorities. The process of accreditation remains a critical mechanism for quality assurance, serving to uphold the integrity of learning programmes and facilitate the development of competent and work-ready learners.

The FP&M SETA continues to collaborate closely with the QCTO and other stakeholders to ensure that accredited SDPs are supported through regular engagements, compliance monitoring, and capacity building initiatives. This effort contributes meaningfully to the national agenda of skills development and economic growth through a capable and skilled workforce.

PROGRESS ON OCCUPATIONAL QUALIFICATIONS DEVELOPMENT

During the reporting period, the FP&M SETA, as a Quality Partner (QP) of the QCTO, continued to drive

the development of occupational qualifications, skills programmes and trades across all its sub-sectors. The focus remained on finalising outstanding work, ensuring alignment to the QCTO requirements and supporting the accreditation of SDPs through the availability of approved learning materials and assessment tools.

Overall Progress

- A total number of 130 occupational qualifications, including trades, have been developed across the 13 FP&M sub-sectors.
- Of the 130, 76 qualifications have learning material ready for use by SDPs. FP&M SETA is focusing on the development of the QAS, RPL toolkits and EISA tools for qualifications with learners enrolled.
- 254 accreditations were recorded from 1st April 2024, indicating a growing uptake and implementation readiness of the occupational qualifications, skills programmes and trades.

Learning Material Development (Including QAS Addenda and EISA Tools)

- A significant number of occupational qualifications and skills programmes progressed to full learning material packages, including facilitator guides, learner guides, logbooks, assessor and moderator guides.
- Material development exceeded 80% completion across several sub-sectors, positioning the FP&M SETA to support SDPs implementation and learner delivery.
- Continuous work was undertaken to finalise QAS addenda for occupational qualifications.
- This process supports broader access and acknowledgment of informal skills within the sector.

A key highlight of the reporting period was the strong collaboration between the FP&M SETA and industry stakeholders, which ensured that occupational qualification development timelines and priority areas remained aligned with sectoral needs. The FP&M SETA also implemented a robust system of tracking and follow-up to monitor progress, ensure timely submission of deliverables and uphold quality assurance standards throughout the development process.

Looking ahead, the focus will be on finalising and securing QCTO approval for the remaining learning materials and EISA components. The FP&M SETA will continue to support both industry and SDPs in preparing for accreditation and the implementation of occupational qualifications, skills programmes and trades. This will culminate in the full rollout of newly developed occupational qualifications across the sector, enhancing the quality and relevance of training in the FP&M value chain.

EXTENSION OF DEADLINE FOR IMPLEMENTATION OF TRANSITIONAL ARRANGEMENTS

Legacy Qualifications

During the 2024/25 National MG and DG Workshops, the stakeholders present were again made aware of the published *Guidelines on the Implementation and Transitional Arrangements for Pre-2009 Qualifications (Under SAQA Act, 1995)* in line with the Ministerial Directive published on 3rd June 2024. The Minister of Higher Education stated that:

“In support of the Determination of 24th December 2020 and the Directive of 3rd June 2024, I urge the education and training sector to transition in the interest of a skilled and capable workforce and the benefit of learners. In consultation with the Quality Council for Trades and Occupations (QCTO), and the South African Qualifications Authority (SAQA) we acknowledge that enrolments for certain pre-2009 qualifications must be extended due to:

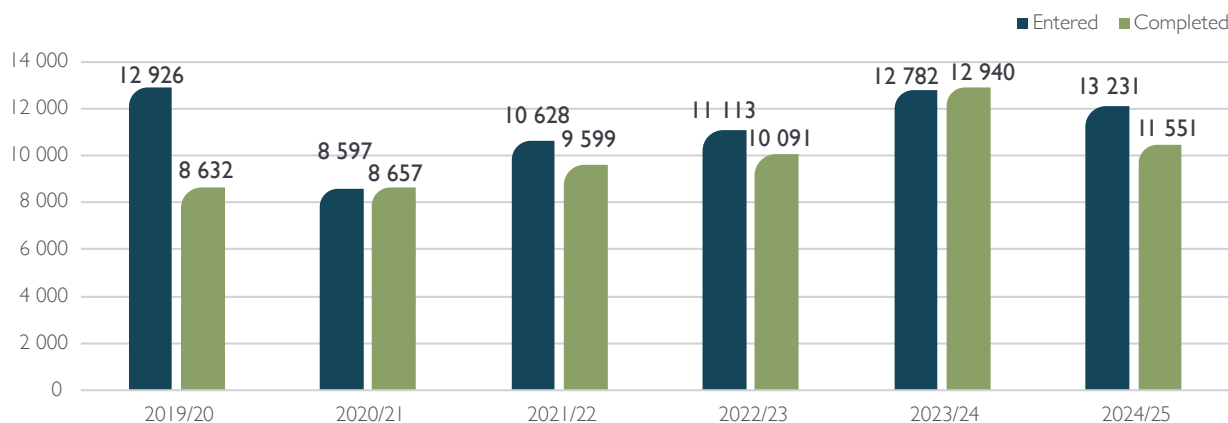
- No new replacement qualifications are registered;
- Current learnerships are registered against pre-2009 qualifications;
- Inadequate learnerships have been registered against Occupational Qualifications;
- Qualifications are still being realigned;
- Pre-2009 qualifications are linked to regulatory requirements; and
- The funding regime that is still linked to pre-2009 qualifications (2024-2025 performance targets).

We acknowledge that there are several qualifications identified that have challenges and that need their enrolment and achievement date extended. In light of the above *the Directive on the implementation and transitional arrangements for the pre-2009 qualifications* published in the Government Gazette 50742 on 33rd June 2024 extends the last date of enrolment for particular categories of qualifications for a minimum of one (1) year and a maximum of two (2) years for qualifications that are in the process of realignment, development, evaluation and recommendation to SAQA”.

SETA PERFORMANCE IN LEARNING PROGRAMME IMPLEMENTATION

In line with the above expenditure trend, FP&M SETA recorded approximately 13 231 learner registrations and 11 548 learner completions during the 2024/25 financial year. Learner entries and completions have remained high over the years.

Learning Programmes Implementation Since 2019/20 - 2024/25



The National Development Plan (NDP) emphasises the importance of workplace-based training in job creation and the need for TVET colleges to become preferred institutions for vocational education and training. Our country has an acute shortage of skills at mid-level and technician levels. Universities of Technology have a particularly important role to play in this regard, especially given the shortage of skills in engineering and other related fields.

These occupationally directed programmes promote skills development in the workplace, enhancing their skills, enabling better productivity, and addressing scarce and critical skills within the FP&M sector through pivotal interventions. Approximately 4 265 young people registered for FP&M SETA's learnership programmes, while a further 913 completed Work-Integrated Learning (WIL) programmes and 1 363 participated in internships.

RESEARCH: BROADENING THE SKILLS PIPELINE

During this period, research was once again provided as the foundation for all other initiatives. It is imperative that we remain at the forefront of research to analyse labour

market changes and future skills through the sectoral priority occupations and interventions list.

Research plays a key role in the FP&M SETA's operations. It is vital for aligning skills development with the needs of the country, the Fibre Processing and Manufacturing Sector, as well as the specific needs of the 13 sub-sectors we serve.

It serves to identify industry demands and skills needs, monitor employment trends, and inform the development of Sector Skills Plans (SSPs). It also guides the design of learnerships, apprenticeships, and skills programmes, while assessing whether these initiatives are effective or require improvement. In addition, it helps to understand employer requirements, supports partnerships with training providers, government, and industry, and contributes to shaping sector-specific policy development.

Year-on-year, there has been a marked improvement in the overall quality and alignment of FP&M SETA's Strategic Plan, Annual Performance Plan, and Sector Skills Plan (SSP). The SSP enables effective skills planning for the sector and provides a sound analysis of the sectors we serve.

Name of the Research Organisation	Description of the Project
Beracah Economic Consulting	Update of Strategic Plan, APP, Sector Skills Plan Economic Update & Presentation at Board strategy Session and Final report
Paper Manufacturers Association of South Africa – PAMSA	Forestry Value Chain Sector Skills Plan (SSP)
Mzabalazo Advisory Services	Updated Sector Skills Plan 2026-27 submission
The University of Johannesburg (UJ) – Johannesburg Business School (JBS)	Research Instrument – Bi Tool and to Support WSP/ATR Research Analysis Addressing Occupations in High Demand and Future and Emerging Occupations
The University of Johannesburg (UJ) – Johannesburg Business School (JBS)	Transforming South Africa's Workforce: A Strategic Framework for Digital Skills Development and Job Investment (Skill Up Digital)
Tshwane University of Technology (TUT)	Research Chair – FP&M SETA Chair in Sustainable Value Chain, Entrepreneurship, and Climate Resilience (SERS)
Mzabalazo Advisory Services	TVET Partnership Interventions Implemented by the FP&M SETA
Mzabalazo Advisory Services	Conduct Impact Study (Tracking & Tracing) On Skills

Other key research activities were undertaken during the reporting period, including sector-specific research commissioned by the sector and funded by FP&M SETA.

KEY OUTCOMES OF THE FP&M SETA IMPACT STUDY CONDUCTED IN 2024/25

The findings indicate that the FP&M SETA learning programmes (learnerships, internships, short skills programmes, apprenticeships, bursaries, and wil programmes) are effective and are making a positive impact on participants' lives.

Key outcomes for those completing FP&M SETA programmes are improved skills and knowledge that increase participants' chances of finding meaningful employment (set-up for success) and access to further education. For those employed, the outcomes are positive, most participants have occupations that are related to their qualifications and are employed full-time. Substantial numbers of participants have changed jobs or been promoted since doing their learning programmes.

During the period under review, three FP&M SETA Impact Study Research Reports were completed addressing employability, entrepreneurship and further studies.

	Skills Programmes	Learnerships	Apprenticeships
2019/20	71%	50%	65%
2020/21 and 2021/22	62%	68%	59%
2022/23 and 2023/24	71%	60.5%	65%

TRANSFORMATIONAL IMPERATIVES AND EQUITY

Based on the baseline impact study conducted by the FP&M SETA, the SETA has largely ensured increased access to training and skills development opportunities to achieve the fundamental transformation of inequities linked to class, race, gender, age and disability in our society.

- The profile of learners demonstrates a fair balance between people from rural and urban areas
- There is a high level of female representation in learning programmes apart from apprenticeship programmes – 63.61% across programmes
- Blacks in general have had expanded access to learning opportunities – 99.6% across programmes
- The learning programmes provided opportunities to people younger than 35 years of age across programmes – 78% across all programmes.
- Disability – People with disabilities also had access to learning opportunities (1.1%). This remains a low proportion and needs to increase to 4-5%

INFORMATION AND COMMUNICATION TECHNOLOGY

The implementation of a robust IT infrastructure continues to serve as a backbone for the business to operate effectively. FP&M SETA's IT infrastructure consists of servers, connectivity links, telecommunication devices, physical and cybersecurity enhancements, disaster recovery, and business continuity solutions.

Significant investment in digital transformation, including cloud-based solutions for scalability and flexibility have enabled the digitisation of historical records and electronic filing systems to improve data accuracy and accessibility. Virtual collaboration tools like Zoom and MS Teams have continued to facilitate remote work and stakeholder interaction.

System automation has reduced manual workload and improved efficiency with automated reporting and electronic document management. FP&M SETA developed online learning platforms and digitised occupational qualifications. Innovative training methods using virtual reality and augmented reality were also explored for immersive learning experiences.

The Learner Management Information System (LMIS) and an Enterprise Resource Planning (ERP) system have enhanced financial and human resource management. The career portal, accessible via a mobile app, continues to provide easier access to learning resources and SETA services.

FP&M SETA has deployed a value-add e-Qualifications solution that will assist stakeholders conducting blended learning, online assessment, moderation, and content upload. In collaboration with service providers and industry experts, registered occupational qualifications are being digitised and uploaded on the platform, allowing more content to be revised and uploaded continually.

The e-Qualifications portal is live and can be accessed through the FP&M SETA website on the e-Qualifications tab. Accredited SDPs who request access have been granted login access and training on how to use the platforms for free.

The IT Department employs skilled personnel to assist with technical issues and ensure smooth system operation. Regular IT training programmes were conducted to equip staff and stakeholders with the skills to use new technologies effectively.



Fibre Processing & Manufacturing Sector Education and Training Authority

FUTURE SKILLS • EMPLOYABILITY • GROWTH

REVAMP OF FP&M SETA CORPORATE IDENTITY

An exciting development during the review period was a revamp of the FP&M SETA's corporate identity. This was a strategic move to reflect the transformation of the SETA in a rapidly changing environment.

The new logo has used similar colours to the previous logo to create continuity during the transition from the existing logo to the new logo. The design element comprising the lines and dots are an indication of stitching, and the crescent shape serves as an element to link these elements together. The name of the SETA is bolder and more visible than the previous logo. The use of a solid bar in the logo indicates that the SETA operates off a solid base and the inclusion of the words 'future skills – employability – growth' highlight key strategic focus areas for the SETA.

The main font used is modern and futuristic. It supports the fact that the FP&M SETA is operating in an environment that is embracing 4IR and digital developments. Overall, the logo is bold and makes a strong visual statement.

GOOD CORPORATE GOVERNANCE AND RISK MANAGEMENT

The FP&M SETA continues to foster a strong culture of ethical leadership and sound corporate governance, underpinned by the development, approval, and implementation of comprehensive governance frameworks, policies, and procedures. This approach reinforces accountability, transparency, and alignment with the principles of King IV.

In recognition of emerging and residual risks, the organisation has undertaken targeted risk assessment exercises in collaboration with key operational divisions. These exercises

form part of an ongoing commitment to proactive risk management and early risk detection, aimed at enhancing organisational resilience.

Capacity-building workshops were facilitated for senior and middle management to deepen their understanding of risk governance. These sessions focused on strengthening competencies in early warning signal identification, root cause analysis, risk escalation protocols, and the design and implementation of appropriate internal controls.

The Governance, Risk, Compliance and Legal (GRCL) division implemented strategic, risk-informed interventions to mitigate potential threats to operational efficiency and service delivery. These measures support the achievement of the SETA's mandate and ensure continuity in delivering high-impact skills development initiatives.

Adherence to sound corporate governance practices is recognised as a fundamental enabler of organisational performance and stakeholder confidence. A mature Monitoring and Evaluation function plays a critical role in ensuring that performance is measured, tracked, and reported in line with strategic objectives and good governance principles.

Our integrated Enterprise Risk Management (ERM) Framework continues to serve as a key enabler in identifying, assessing, and managing risks that may impede the realisation of the SETA's strategic objectives. Through this framework, we are able to maintain a well-calibrated risk appetite and tolerance, ensuring that risk responses are proportionate, agile, and aligned with value creation.

PROJECTS DELIVERY

To streamline discretionary grant project implementation, measures were taken that included an improved discretionary grant online application and contracting system, improved payment processes, monthly reconciliations on commitments and the streamlining of policy to ensure alignment with discretionary grant processes and regulations.

At a projects and operational level, the shift to online environments improved our reach in terms of stakeholder engagement previously done through roadshows or location-based training, because more people could access these events online. Going forward, these platforms will be used for capacity-building programmes to improve the uptake of grants and other interventions to invigorate the skills pipeline.

Continuous improvement of processes also included the periodic review of contracts and projects to ensure the validity and completeness of the information. Where contracts were deemed non-performing, funds were reallocated to areas of critical need.

The Projects Division has implemented optimised internal controls to ensure maximum impact is derived from activities of the Division. Efficient utilisation of the Monitoring and Evaluation Division to vet project applicants before approval assists in high-quality partnerships with stakeholders and providers.

MONITORING & EVALUATION

In recent financial years, the FP&M SETA has prioritised the implementation of a robust and effective Monitoring and Evaluation (M&E) strategy. This initiative has been key in strengthening project management for Discretionary Grant (DG)-funded projects, ensuring compliance of skills development providers with accreditation standards, and alignment with the overall strategic direction of the organisation.

The M&E division has adopted a holistic, enterprise-wide approach that encompasses the monitoring of multiple operational units, including Quality Assurance, Projects, and Skills Planning and Reporting. This integrated approach has been supported by the development and implementation of a comprehensive Corporate Governance Framework.

To reinforce the integrity of the M&E process, the division engaged Independent Sector Skills Advisors (ISSAs) to conduct objective site visits to both DG project sites and accredited training providers. These visits focused on evaluating the effectiveness of project implementation and assessing provider compliance with accreditation criteria.

Where discrepancies were identified, ISSAs conducted follow-up visits to verify the implementation of corrective actions within defined timeframes. These advisors also played a crucial role in risk identification, supporting the broader organisational risk management processes.

The division continues to receive positive feedback from stakeholders, who commend the high performance standards achieved through M&E interventions. During the reporting period, approximately 390 companies with DG-funded projects were monitored nationally, reflecting the SETA's commitment to excellence in skills development.

In line with the Enterprise Risk Management (ERM) Framework, the division has implemented a systematic risk identification and assessment process. This process is designed to:

- Align with the organisational strategy
- Evaluate the strength of internal controls, systems, procedures, and processes
- Manage operational risks systematically

A robust risk management process is implemented, which takes into cognisance both the impact and likelihood of potential risk events that could hinder the achievement of strategic objectives. This exercise led to the identification of the top 20 risks – 95% of which were assessed as moderate to low in magnitude, which can be attributed to the effectiveness of the organisation's internal controls and their alignment within the acceptable risk tolerance thresholds.

INDUSTRY IMPACT ON STRATEGIC OUTLOOK

The annual strategic planning workshop of the Governing Authority sets the organisation's objectives and overall direction, where the Board gives valuable input into the SSP, skills planning, and the organisation's strategy. Specific skills and needs, developed through FP&M SETA's involvement with government departments, have been factored into the SSP. Over and above sector needs, these include skills needed to support the DFFE and those related to the FP&M sector.

The coming year will be another challenging year for the SETA, as well as for the sector and all its stakeholders. Let us embrace this time as one for innovation, creating a space to develop cutting-edge programmes and projects to equip more South Africans with the skills they need. At the same time, we will use this time to work smarter and more effectively to become a thought leader in the FP&M manufacturing sector.

The ERRP lays a firm foundation for ending the endemic structural constraints that have blighted our nation. We are proud to be an integral part of economic growth.

This plan directly creates immediate economic impact by driving job creation, innovation and SMME development. Interventions to be undertaken by the FP&M SETA to provide the skills for the implementation of the ERRP will be:

- SMME development.
- Incubation – entrepreneurship and business coaching and mentoring for township and rural development.
- Employability - addressing occupations in high demand in FP&M industrial sectors.
- Innovation and technology
- Just Energy Transition (JET)

During the reporting period, FP&M SETA participated in the implementation of the following industry masterplans focusing on key skills development activities, action plans and implementation of skills audit recommendations:

- Retail, Clothing, Textile, Footwear and Leather (R-CTFL) Masterplan

- Forestry Masterplan
- Furniture Industry Masterplan
- Creative Industries Masterplan (Publishing)

We look forward to continuing our vital work in delivering forward-looking skills development initiatives that are aligned with future industry demands, under the leadership of the FP&M SETA

FP&M SETA's plans moving forward are to create immediate economic impact by driving job creation, innovation, and SMME development and to pave the way for young people to become leaders of tomorrow.

The following interventions but not limited to, will be implemented by the SETA: Training for employment, SMME development; incubation-entrepreneurship, Just Energy Transition (JET) and business coaching and mentoring for township and rural development.

PERFORMANCE AGAINST APP TARGETS AND AUDIT OUTCOMES (2014/15 - 2024/25)



Transformation Imperatives

	2020/21	2021/22	2022/23	2023/24	2024/25
Female representation in learning programmes	63%	63%	62%	67%	63.61%
Black representation	99%	86%	98%	96%	99.6%
Youth (below 35 years)	73%	75%	75%	77%	78%
People with disabilities	Below 2%	2%	2%	1.62%	1.1%

Revenue and Expenditure Trends (R millions)

	2020/21	2021/22	2022/23	2023/24	2024/25
SDL Income	220.6	341.7	368.6	387.8	420
Administration Expenditure	35.5	38.6	42.6	44.1	54
Mandatory Grants	42.3	65.9	68	71	77
Discretionary Grants	254.9	281	272	391.3	370.4

WSP/ATR Submissions

	2020/21	2021/22	2022/23	2023/24	2024/25
Small Firms	593	608	548	593	654
Medium Firms	371	381	353	363	364
Large Firms	349	328	300	306	327
Total	1 313	1 317	1 201	1 262	1 345

Learning Programmes Implemented

	2020/21	2021/22	2022/23	2023/24	2024/25
Entered	8 597	10 628	11 113	12 064	13 231
Completed	8 657	9 599	10 091	12 246	11 551

TO THE FUTURE

We embrace the challenge posed by the National Skills Development Plan (NSDP) 2030 whose central mission is to **“improve access to occupations in high demand and priority skills to support economic growth, employment creation and social development.”**

According to a World Economic Forum report, skills development plans for the future should focus on both soft and hard skills, with a particular emphasis on adaptability, critical thinking, and technology-related skills, as well as continuous learning and upskilling.

The FP&M SETA is up to the task of focusing on enhancing existing skills and acquiring new ones to keep employees relevant in the workforce.

We look forward to skills development programmes incorporating Artificial Intelligence to help employees stay ahead of the curve. Data analysis will improve decision-making and problem-solving and help employees develop essential digital skills, including online communication. Cybersecurity and information management will prepare the workforce for the future and ensure that they have the skills they need to succeed in a rapidly changing world.

THANK YOU

Our success as a SETA relies on robust collaboration with our many stakeholders who share our dedication to capacitate the fibre processing and manufacturing sector with the skills it requires. I extend my heartfelt thanks to our skills development partners who have played a key role in our performance during the period under review.

Our Accounting Authority and the various governance sub-committees have during the period under review guided the organisation and assisted the management team in the execution of the organisation's strategic goals. I wish to express my deepest gratitude to our Chairman, Advocate Michelle Odayan and our Board for their unwavering support, vision, commitment and guidance. Your leadership has been instrumental in our success.

We are eternally grateful for the opportunity to work with such an amazing leader.

The constitutional and legislative framework within which we operate requires frequent guidance and input from the AGSA, National Treasury and our internal Audit Committee. For their input, we are most grateful, as operating within the bounds of the legislation that govern SETAs is important to our operations.

To the management and staff of FP&M SETA who are committed to achieving the vision, mission and objectives of the SETA, thank you for your hard work and dedication, which at times sees you going beyond the call of duty. Your commitment does not go unnoticed.

To our employers, who have contributed to our skills development initiatives through the provision of places of training, research activities, and numerous other activities where employers in the sector are able to assist with the implementation of projects and programmes, we are grateful for their contribution.

At the same time, they have come together, forming new teams, and embracing new ways of working and laying the foundation for the realisation of our vision to revolutionise the skills development sector.

Together, we have taken the SETA to new heights. I am excited about the journey ahead and have no doubt we will keep pushing forward with the same spirit.

As Winston Churchill once said, **“Success is not final, failure is not fatal: It is the courage to continue that counts,”** I look forward with confidence and optimism to future journeys together.



Dr Felleng Yende

Chief Executive Officer
FP&M SETA

Date: 31st May 2025

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa.
- The Annual Report is complete, accurate, and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the Human Resources (HR) information, and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the HR information, and the financial affairs of the public entity for the financial year ended 31st March 2025.

Yours faithfully,



DR FELLENG YENDE

Chief Executive Officer

Date: 31st May 2025



DR FELLENG YENDE

Chairperson

Commenced: 1st April 2025

Date: 31st May 2025



STRATEGIC OVERVIEW

VISION

“To be an innovative skills development partner supporting high-quality learning and development interventions towards global competitiveness, an inclusive economy, and decent work.”

MISSION

“To evolve as an agile and ethical institution that facilitates an efficient and effective skills development process contributing to the achievement of sector competitiveness, transformation and economic growth.”

VALUES

FP&M SETA is committed to living its values, which include:

- Integrity – Honouring our mandate and doing what is right.
- Accountability – Clarifying and accepting responsibility and delivering on our commitments.
- Respect – Driving delivery with respect to all our stakeholders; embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial.
- Service Excellence – Striving for the best service and delivering it with pride.
- Inclusive, Sustainable, Socio-Economic Transformational Interventions – Driving and supporting interventions that are meaningful and that will impact positively on the realisation of economically independent individuals and communities.

STRATEGIC FOCUS OF THE INSTITUTION OVER THE FIVE-YEAR PLANNING PERIOD

FP&M SETA'S STRATEGY IS BEING DRIVEN BY THE FOLLOWING SKILLS DEVELOPMENT FOCUS AREAS:

Expanding the Economic Contribution of the FP&M Sector / Addressing Demand Side Challenges

- Sustainable entrepreneurial, SMME and Cooperatives development
- Research and Development to inform Innovation and Advanced Technologies
- Partnerships and Collaboration with Employers, Labour and Government
- Infrastructure development and public sector institutional delivery capacitation – Growth of TVET Colleges
- Industry Master Plans
- Addressing Transformation and Gender Empowerment
- Focus on youth and people living with disabilities
- Work-based Learning – Learner absorption post training/reduction of unemployed people including graduates
- Developing occupationally directed-qualifications that are relevant and fit-for-purpose to industry needs and aligned to QCTO framework
- Inclusive growth and job creation – drive employability of TVET/HET/SETA graduates in the sector – Focused engagements with industry for employment-based training
- Reduce poverty and tackle the high cost of living – focus on improving the township economy and rural development
- Addressing energy and climate change challenges – Just Energy Transition (JET) and promote environmental sustainability
- Accelerating digital-based skills development systems and strategies - 4IR holistic digitisation and advancement of technological infrastructure

Measures to Support National and Sectoral Strategies and Plans

- Interventions in support of:
 - The ERRP
 - Presidential Youth Employment Initiatives (PYEI)
 - MTDP Priorities
 - Industry Masterplans
- Focused engagements with industry for employment-based training
- Accelerating digital-based skills development systems and strategies
- Promoting environmental sustainability
- Promoting world-class manufacturing

MTDP Priorities of Government

- A capable, ethical and developmental state – continuous professional development of employees
- Inclusive growth and job creation – drive employability of graduates in the sector
- Reduce poverty and tackle the high cost of living – focus on improving the township economy and rural development

LEGISLATIVE AND OTHER MANDATES

LEGISLATION

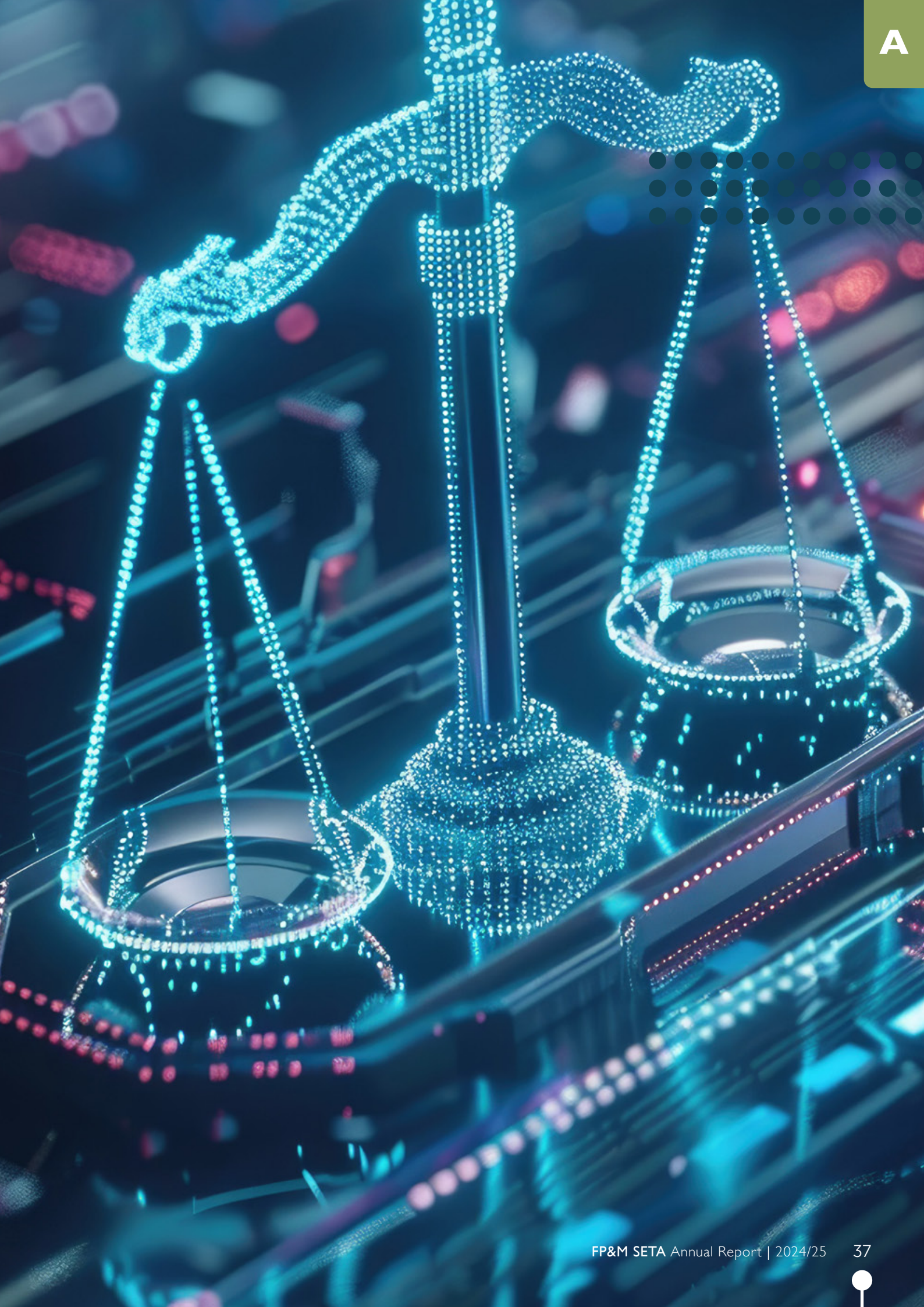
FP&M SETA is a Public Entity under **Schedule 3A of the Public Finance Management Act (PFMA) No. 01 of 1999**. FP&M SETA is governed by:

- The *Constitution of the Republic of South Africa* (No. 108 of 1996).
- Section 9 of the *Skills Development Act* No. 97 of 1998, as amended in 2008.
- *Skills Development Amendment Act* No. 37 of 2008.
- *Skills Development Amendment Act* No. 26 of 2011.
- *Skills Development Levies Act* No. 9 of 1999, as amended as Act No. 24 of 2010.
- *National Qualifications Framework Act* No. 67 of 2008.
- *South African Qualifications Authority Act* No. 58 of 1995.
- *The Public Finance Management Act* No. 01 of 1999, as amended.
- Treasury Regulations for departments, constitutional institutions and public entities.
- Sector Education and Training Authorities (SETAs) Grant Regulations regarding monies received by a SETA and related matters (Regulation No. 990 of 3rd December 2012).
- *Disaster Management Act* No.57 of 2002 – Covid-19 Direction on Health and Safety in the Workplace.
- Government Gazette No. 42589, Vol. 649, 22nd July 2019, the Honourable Minister of Higher Education and Training, after the public consultation process, under Section 9(1) of the *Skills Development Act* No. 97 of 1998, as amended, re-established the Fibre Processing & Manufacturing Sector Education and Training Authority, within a new SETA Landscape from 1st April 2020 to 31st March 2030.
- Government Gazette No.75: Promulgation of the National Skills Development Plan (NSDP).
- *National Minimum Wage Act*, 2018 – Gazette No. 42060, Vol.641.
- Generic National Artisan Workplace Data, Learner Grant funding and Administration System Policy, June 2015 – Occupational Health and Safety Act No.85 of 1993.

OTHER MANDATES

- Medium-Term Development Plan (MTDP).
- Medium-Term Expenditure Framework of Government (MTEF).
- New Growth Path.
- Industrial Policy Action Plan.
- Industry Masterplans.
- Economic Recovery and Reconstruction Plan (ERRP).
- Human Resource Development Strategy.
- National Development Plan (NDP) Vision 2030.
- National Skills Accord.
- Integrated Growth and Development Plan.
- Youth Development Strategy.
- Rural Growth and Development Strategy.
- Provincial Growth and Development Strategy.

The FP&M SETA continues to foster a strong culture of ethical leadership and sound corporate governance, underpinned by the development, approval, and implementation of comprehensive governance frameworks, policies, and procedures. This approach reinforces accountability, transparency, and alignment with the principles of King IV.



PART B



PERFORMANCE INFORMATION

AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA performed the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives for Programme 2 – Skills Planning and Programme 3 – Learning Programmes and Projects, is included in the paragraph in the Auditor General's Report (Reporting on other legal and Regulatory requirements) published as Part F (Annual Financial Statements) of this Annual Report.

SITUATIONAL ANALYSIS AND SERVICE DELIVERY ENVIRONMENT

The FP&M SETA is very stable regarding its overall performance. For the period under review, the FP&M SETA recorded an overall performance of 96,3%, having achieved 52 of its 54 performance indicators against the FP&M SETA Annual Performance Plan 2024/25.

During the period under review, the FP&M SETA registered 13 231 employed and unemployed learners on learning programmes including learnerships, bursary programmes, internships, skills programmes, apprenticeship programmes and adult education and training programmes. During the same period, 11 551 learners completed learning programmes relating to scarce and critical skills in the FP&M sector.

The achievement of outcomes, outputs and output indicators and targets would not have been possible without the availability of an organisational performance-monitoring and evaluation framework. This ensured optimal delivery to our stakeholders that enabled timeous grant disbursements, as well as accurate and reliable performance reporting.

The continuous improvement in performance by FP&M SETA can be attributed to more efficient processes implemented at regional office level, as well as the cultivation of good relationships with our stakeholders. This resulted in an increased awareness of stakeholders of the important role that they play in ensuring the timeous registration of learners on learning programmes, the effective implementation of learning programmes at workplaces and training institutions, and the submission of the required documentation to facilitate payment processes.

Increased monitoring and evaluation of projects enabled the SETA staff to identify pockets of excellence and high performing project beneficiaries. It also enabled the SETA to identify projects that needed additional assistance from the SETA team to ensure that they remained on track to perform in line with agreed deliverables.

ORGANISATIONAL ENVIRONMENT

FP&M SETA has continued to operate on a hybrid basis. All employees follow normal working hours and conditions and are sufficiently equipped with the latest technology and are monitored to ensure that service delivery to stakeholders is not compromised. The FP&M SETA has a stable organisational structure and all key positions are filled either in a permanent or acting capacity.

The FP&M SETA Board and its advisory committees place a high premium on good corporate governance by ensuring the implementation of effective policies and procedures and prudent financial management of the organisation. Matters of confidentiality and Declarations of Interest are emphasised during committee meetings. The FP&M SETA Board holds annual strategic planning sessions and provides strategic direction to the SETA.

An independent Audit Committee plays an oversight role ensuring that recommendations of both the internal and external auditors are actioned. An Executive Committee (EXCO) is responsible for monitoring the operational activities of the SETA, including the implementation of action plans.

COLLABORATIVE INTEGRATED EFFORTS WITH STRATEGIC PARTNERS FOR A SUSTAINABLE FUTURE READY WORKFORCE

SAI20 DRAFT DECLARATION MEETING

In her address at the SAI20 Draft Declaration Meeting, Dr Felleng Yende, CEO of FP&M SETA, highlighted the urgent and complex challenge of skills mismatch as a critical barrier to economic growth and workforce readiness in South Africa. She emphasised that while the global economy is evolving rapidly driven by technological change, demographic shifts, and the green transition South Africa continues to grapple with a structural imbalance between the supply of and demand for skills.

This mismatch manifests in various forms, including vertical mismatches (where workers are underqualified), horizontal mismatches (where workers are in roles unrelated to their training), and skills obsolescence. These gaps not only hinder productivity and innovation but also exacerbate youth unemployment, particularly among the 3.4 million young people not in employment, education, or training (NEET).

Dr Yende called for a demand-led, data-informed approach to skills development, urging policymakers and industry leaders to align education and training systems with the realities of the labour market. This approach directly supports the Medium-Term Development Plan (MTDP) priorities, particularly the goals of building a capable, ethical, and developmental state, driving inclusive growth and job creation, and reducing poverty through targeted skills interventions. By improving the responsiveness of the post-school education and training system, and aligning skills supply with occupations in high demand, the SETA's strategy contributes to a more competitive, future-ready workforce that is essential for sustainable economic transformation.

We extend our sincere gratitude to the Auditor-General of South Africa (AGSA) for organising and facilitating such insightful sessions, which continue to drive accountability, transparency, and strategic dialogue across the sector.



THE EASTERN CAPE BOOK FAIR 2024: A LITERARY JOURNEY

In the heart of the Eastern Cape, where rolling hills meet the vast Indian Ocean, a remarkable literary milestone was achieved in 2024. The inaugural Eastern Cape Book Fair, an ambitious, inspiring initiative, came to life through the FP&M SETA's discretionary grant funding of R800,000. More than just a book fair, it became a celebration of stories, a platform for empowerment, and a beacon of hope for local writers.

The event sought to spotlight the Eastern Cape's rich literary talent, cultivate a culture of reading and storytelling, and advance FP&M SETA's mandate to grow the publishing sector. Central to this mission was the publication of works by 20 local authors. Each author received 90 printed copies of their book as tangible proof of their creative journey and tools to connect with readers.

As the event approached, excitement grew. The fair drew significant media attention, with interviews and features on SAfm, uMhlobo Wenene FM, TruFM, Newzroom Afrika, and various SABC platforms. This exposure firmly positioned FP&M SETA as a key player in nurturing South Africa's literary landscape and supporting emerging voices.

The two-day book fair was a resounding success. The opening gala dinner was a memorable highlight, graced by the Deputy Minister of Cooperative Governance and Traditional Affairs, Honourable Zolile Burns-Ncamashe (MP), and the MEC for Sport, Recreation, Arts and Culture, Honourable Ms Sibulele Ngongo. The atmosphere pulsed with pride and possibility, as authors, dignitaries, and literary enthusiasts came together in celebration.

The fair's impact was multifaceted. Economically, it spurred job creation and entrepreneurship in the literary sector. Culturally, it celebrated linguistic diversity and contributed to national goals for social cohesion. Authors also gained practical skills in marketing and reader engagement through workshops and dialogues held during the event. Widespread media coverage ensured FP&M SETA's contribution received the recognition it deserved.

Looking to the future, the Eastern Cape Book Fair offers important lessons and opportunities. Expanding the publishing initiative to include more authors and diverse genres will deepen its reach. Increasing capacity-building for writers – especially around sustainable business models – will strengthen the literary ecosystem. Enhanced media partnerships and collaboration with financial institutions and private sector stakeholders will be vital in sustaining momentum and promoting Indigenous languages.

It stands as a powerful example of what is possible when vision, collaboration, and support converge. Its legacy will continue to inspire, empower, and elevate the voices of South African storytellers for years to come.

EMPOWERING DREAMS THROUGH FP&M SETA'S LEARNERSHIP PROGRAMME

In 2019, FP&M SETA awarded Udumo Training and Development a discretionary grant of R524 000 to support its Furniture Making and Upholstery Learnership Programme, a decision that would help transform the life of Nhlakanipho Ndovela.

Hailing from Port Shepstone in KwaZulu-Natal, Nhlakanipho enrolled at UDUMO Training & Development with a clear goal: to create a better future for himself. Armed with determination and fuelled by hope, he embraced the opportunity to gain practical skills and valuable industry knowledge.

Upon completing the programme, Nhlakanipho took a bold step forward and launched his own business, MVELISI Interior Designers and Construction. Drawing on the skills and insights gained through the learnership, he built a thriving enterprise, turning education into economic empowerment.

But Nhlakanipho's journey did not end with personal success. Inspired by the impact the programme had on his life, he chose to pay it forward. Today, his business offers in-service training and employment opportunities to other aspiring artisans, helping them build careers of their own. His commitment to uplifting others is reshaping lives and strengthening his community.

Nhlakanipho's story is a powerful reminder of what's possible when potential meets opportunity. It highlights the effectiveness of FP&M SETA's skills development initiatives and stands as an inspiring example of entrepreneurship, leadership, and social impact.

His success is more than an individual achievement, it is a beacon of hope, and a testament to the transformative power of education, determination, and community upliftment.



CELEBRATING AFRICAN HERITAGE AT THE 2024 PARIS OLYMPICS/ PARALYMPICS

In the vibrant city of Paris, amid the excitement of the 2024 Olympic and Paralympic Games, a powerful celebration of African heritage took centre stage. Nguni Shades, an FP&M SETA stakeholder was provided the opportunity to showcase their fashion collections, 'Queens of Africa' and 'My Africa Dream' in a landmark exhibition that blended culture, art, and storytelling.

This was more than a fashion show. It was a tribute to the enduring legacy of African royalty, a celebration of diverse cultural identities, and a moment of immense pride for South African creativity on a global platform.

In ancient times, Africa was home to legendary queens who ruled their kingdoms with wisdom, strength and grace. Their leadership, elegance, and strategic brilliance left a profound impact on African history, art, and fashion. These women were pioneers, and their influence continues to inspire generations.

The collections displayed honour these iconic figures by drawing inspiration from their regal attire and cultural

symbolism. Each garment tells a story by interweaving traditional African aesthetics with modern design to reflect the elegance and power of these historic queens.

The 'My Africa Dream' collection captures the vibrancy and resilience of African cultures. Featuring bold patterns, vivid colours, and intricate craftsmanship, the collection celebrates the continent's diversity, dreams, and creative spirit. It is a visual narrative of hope, pride, and identity.

Nguni Shades' participation in the Paris exhibition was a celebration of cultural preservation and innovation. It demonstrated the role of fashion as both an art form and a powerful medium to honour African heritage while inspiring future generations.

FP&M SETA proudly supported Nguni Shades with a discretionary grant of R200 000 that was instrumental in making this international showcase a reality. This investment reflects FP&M SETA's commitment to empowering local talent and promoting cultural storytelling through fashion. FP&M SETA is immensely proud of Nguni Shades and their achievements and will continue to champion the rich and diverse tapestry of African fashion. We are not only creating opportunities, but are telling stories, preserving heritage, and transforming lives through fashion.



FROM LEARNER TO LEADER: NDUMISO MTSHALI'S INSPIRING JOURNEY

FP&M SETA is proud to celebrate the remarkable journey of Ndumiso Mtshali, one of our exceptional learners whose story exemplifies resilience, determination, and the transformative power of inclusive skills development.

Ndumiso enrolled in the National Certificate in CTFL Manufacturing Processes: Fabric Inspection & Packaging learnership, facilitated by our valued stakeholder, African Blue Sky Investment Pty Ltd. Ndumiso had no prior experience in sewing or garment production. However, his eagerness to learn and unwavering determination quickly set him apart.

Living with dwarfism, Ndumiso encountered unique physical challenges in the training environment, including the need to adapt sewing machines to accommodate his height. Yet, he approached each hurdle with courage and tenacity, demonstrating extraordinary perseverance throughout the programme.

With time, dedication, and the guidance of skilled mentors, Ndumiso mastered the full process of garment creation from start to finish. His growth from a complete novice

to a proficient professional is a powerful testament to the impact of accessible, inclusive training.

FP&M SETA awarded African Blue Sky Investment Pty Ltd a discretionary grant of R157 200, which played a crucial role in enabling this transformative journey. This funding helped ensure that learners like Ndumiso received the tools, training, and support needed to thrive.

We are delighted to share that Ndumiso has been offered a permanent position at the institution, an acknowledgment of his talent, hard work, and valuable contributions. His success illustrates what is possible when individuals are empowered through education and inclusive opportunity.

At FP&M SETA, we remain committed to creating pathways that support diverse learners in unlocking their full potential. Ndumiso's story is not only a celebration of personal achievement, but also a shining example of how skills development can transform lives and foster meaningful inclusion in the workplace.

We are incredibly proud of Ndumiso and excited to watch his continued growth and success. His journey reminds us all that with the right support and opportunities, no challenge is too great to overcome.



THE POWER OF PARTNERSHIPS IN DRIVING PROGRESS

The coastal city of Durban is home to a transformative partnership that is reshaping the landscape of skills development and youth empowerment. FP&M SETA, in collaboration with Beier Group and Elangeni TVET College, is addressing critical skills gaps and equipping unemployed graduates with practical work experience, in so doing, empowering them to become active contributors to the economy.

Since 2021, FP&M SETA has funded 72 learners through this initiative, underscoring its long-term commitment to building a skilled, employable workforce. A recently signed agreement between FP&M SETA, Beier Group, and Elangeni TVET College reaffirms their shared vision of youth empowerment and community upliftment.

Looking to expand the impact, Beier Group has proposed a Graduate Development Programme to FP&M SETA, aimed at training 25 unemployed engineering and artisan graduates. Upon successful completion, these graduates stand to be permanently employed by Beier Group. The initiative highlights the company's dedication to nurturing talent and integrating it into its future workforce.

Aligned with Beier Group's transition to a lean production model and strategic growth ambitions, the programme also supports the upskilling of its engineering and safety management teams. This enables the company to manage a growing portfolio of projects while continuing to deliver excellence in environmental technology and local manufacturing.

The impact of this initiative is evident in the lives of learners, apprentices, and bursary recipients who have shared how Beier Group's commitment to training has changed their lives. From Personal Protective Equipment (PPE) to wound care dressings and technical textiles, the skills being developed are directly applied in local production to strengthen both individual livelihoods and industry capacity.

Warren Sachs, Group CEO of Beier Group, emphasised the significance of the collaboration: "Our technical plants are run by leaders who have been shaped by the training and support at the Hans Beier Centre for Learning, in partnership with Skills Development Partners. The guidance from FP&M SETA on sector skills planning has been instrumental in our delivery of industrialisation, transformation, and development."

On 28th November 2024, the Honourable Deputy Minister of Higher Education and Training, Dr Mimmy Gondwe (MP), joined by FP&M SETA CEO Dr Felleng Yende, visited Beier Group to witness firsthand its role in driving skills development.

"I was impressed by the Group's dedication to youth development, having successfully absorbed numerous young learners who completed apprenticeship and internship programmes," comments Dr Gondwe.

The Honourable Deputy Minister Dr Mimmy Gondwe (MP), Dr Yende and FP&M SETA Board members also visited the Umkhumbane Industrial Park in Mayville, where they met SMME and Entrepreneurship learners from My Space Academy, an FP&M SETA training provider. The learners proudly showcased their products and many having already launched small businesses in furniture making. This interaction underscored the SETA's commitment to supporting grassroots innovation and entrepreneurship.

To date, FP&M SETA has allocated discretionary grant funding of R7.6 million to Beier Group and R786 000 to My Space Interior, reflecting a strong alignment of priorities between the SETA and its partners.

FP&M SETA's approach to collaboration supports the concept of 'Better Together'. By working collaboratively with industry leaders, educational institutions, and training providers, the SETA is not just building careers, it is transforming lives, strengthening industries, and forging a brighter, more inclusive future for South Africa.



WOMEN IN PRINT 2024: A CELEBRATION OF POWER, PRINT AND PURPOSE

The 2024 edition of the Women in Print campaign, a collaboration between Printing SA and the Fibre Processing and Manufacturing SETA (FP&M SETA), marked a powerful moment in the journey toward gender equity in the printing and allied industries. With R750,000 in funding from FP&M SETA, the campaign reached new heights drawing over 850 delegates, more than 30 speakers, and for the first time, recognition from the Department of Women, Youth and Persons with Disabilities as the official launch of Women's Month under the Office of the Presidency.

Themed #Printspired, the campaign celebrated the resilience, creativity, and leadership of women in a sector once dominated by men. Events held in Cape Town, Durban, and Johannesburg brought together trailblazing professionals, emerging talent, and male allies to share insights and inspire the next generation.

A standout moment was the launch of the 30 Years of the Madiba Shirt – Legacy Leisure Collection by renowned designer Mr Sonwabile Ndamase, alongside young female designers from all three regions. This powerful fusion of fashion and print technology showcased the creative potential of women across the FP&M value chain.

The campaign's impact extended far beyond the venues, with media coverage reaching over 800,000 people through platforms like Africa Print, Sign Africa, Modern Marketing, and Impuls Radio. The message was clear: women are not just participating in the industry they are shaping its future.

FP&M SETA's support of this initiative reflects its commitment to transformation, inclusivity, and skills development. As the campaign looks ahead to 2025, plans are already in motion to expand its reach across the continent, ensuring that more women are empowered to lead, innovate, and thrive in the world of print.

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

Despite operating with a highly constrained budget, the FP&M SETA has made steady progress towards the achievement of the performance indicators and annual targets for the various programmes as outlined in its Strategic Plan 2020/21 to 2024/25. During the reporting period significant achievements were recorded.

LINKING PERFORMANCE WITH BUDGETS

Programme/ activity/ objective	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	47 567	44 132	3 435	53 857	54 290	(484)
Mandatory grants	76 897	70 935	5 962	72 024	77 163	(5 130)
Discretionary grants	668 611	392 751	275 860	624 253	363 813	231 502
Total	793 075	507 818	285 257	750 133	495 266	254 867

During the year there were significant budget constraints under the 10.5% administration and the FP&M SETA received permission to exceed the 10.5% threshold. The SETA remained within the approved threshold during the year. Mandatory grants were greater than the budget and all companies that had approved WSPs were paid a mandatory grant. Performance targets under Discretionary grants were met for the year.

REVENUE COLLECTION

During the current financial year, the FP&M SETA received R 420 million in Skills Development Levy (SDL) income that was monitored against the budget monthly. The SETA remained within the 10.5% administration budget threshold for the 2024/25 financial year.

SDL income was increased by R1 890 000 as a result of the reversal of the provision in the current financial year for firms that fall below the R500 000 threshold level, and receipt of these funds has now accumulated for 5 years.

Penalties and interest (R4,6 million) were received by the FP&M SETA because of the late payment of SDL by employers to SARS.

Investment income was below budget, as interest rates had significantly decreased in 2024/25. Other revenue (R47 000) was generated from fees paid by learners to re-write examinations relating to apprenticeship programmes and insurance refunds.

Sources of revenue	2023/2024			2024/2025		
	Budget	Actual Amount Collected	(Over)/ Under Collection	Budget	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
SDL levies	R 379 736	R 387 876	R (8 140)	R 411 654	R 420 066	R (8 412)
Penalties and interest	R 6 172	R 4 091	R 2 081	R 6 481	R4 631	R 1 850
Investments	R 25 068	R 33 469	R (8 401)	R 29 678	R 29 644	R 34
Other revenue	-	R 47	R (47)	-	R27	R (27)
Total	R 410 976	R 425 483	R (14 507)	R 447 813	R 454 430	R (6 617)

CAPITAL INVESTMENT

In terms of implementing the capital investment and asset management plan of the FP&M SETA, the following progress has been made during the reporting period:

- All excess funds were transferred monthly to the CPD account of the SETA that is held with the South African Reserve Bank. The excess funds were based on monthly cash flow reports. All interest has been capitalised monthly.
- Assets with a book value of R 12 000 were written off in the current financial year.
- All assets were in good condition.
- During the year the asset register was updated monthly and reconciled to Trial Balance monthly.



FP&M SETA PERFORMANCE REPORT FOR THE PERIOD 2024–2025

The below report is approved by:

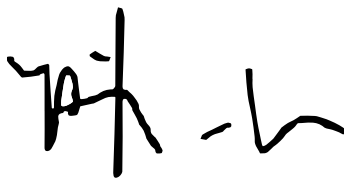


DR FELLENG YENDE

Chairperson

Commenced: 1st April 2025

Date: 28th July 2025



DR FELLENG YENDE

Chief Executive Officer

Date: 28th July 2025



FP&M SETA PERFORMANCE REPORT

PROGRAMME I: ADMINISTRATION

Purpose	To Improve the effectiveness and efficiency of the governance, human resources, corporate services and financial administration to enhance skills delivery. This programme addresses improvement in governance oversight, monitoring and evaluation mechanisms and capacity.
Explanation of the Planned Performance over the five year planning period	The outcomes of this performance indicator involve the implementation of effective policies, strategies and plans that comply with the applicable legislation and its ensuing regulations, good corporate governance, responsible citizenship and social justice. The rationale of the outcome indicator is to ensure effective and efficient financial, material and human resource planning and deployment of resources. In terms of overall impact, there will be a tangible improvement in governance oversight, monitoring and performance of the FP&M SETA.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR PROGRAMME I

During the period under review, FP&M SETA ensured good corporate governance, the implementation of relevant policies and procedures, and sound financial and human resource management, thus ensuring that FP&M SETA had full human resource capacity to implement its mandate. All key senior management positions were filled in either a permanent or acting capacity.

PROGRAMME/SUB-PROGRAMME: PROGRAMME I: ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Improved, effective and efficient SETA governance and skills delivery	Effective and efficient financial and human resource planning and implementation.	(i) Percentage of key positions filled.	100%	100%	100%	100%	Target achieved - no deviation	100% of target achieved
	Compliance with laws and regulations addressed	(ii) Number of Quarterly SETA Good Governance reports submitted to DHET	New KPI	4	4	4	Target achieved - no deviation	100% of target achieved

PROGRAMME 2: SKILLS PLANNING

Purpose	To ensure that appropriate skills-related research is conducted to identify and increase production of occupations in high demand to promote labour absorption. Accurate labour market analysis within the sector will improve enrolment and completion of priority occupations and qualifications. This would improve the responsiveness and planning processes of the sector's post- school education and training system.
Explanation of the Planned Performance over the five-year planning period	A credible institutional mechanism for research and skills planning will be established ensuring better forecasting of occupations in high demand leading to greater responsiveness and better skills planning processes within the FP&M sector. This will also result in the formation of effective partnerships and networks with key delivery partners among the provider community, labour market and learner communities. The rationale is that skills planning must be complemented with resources, better data and improved labour market analysis relating to sectoral skills gaps and priority occupations in demand. It is important for the FP&M SETA to develop capacity for this function because demand projections for labour depend on the economic growth rate and this is the single most important variable for skills planning in the sector. This would ensure that information sources for priority occupations and qualifications, regarding the demand and supply of occupations and qualifications in demand and identifying new and emerging occupations and qualifications in the sector are co-ordinated and integrated, thus increasing opportunities for employability and entrepreneurship. This programme also supports the implementation of different types of implementation studies to assess processes, systems and impact of FP&M SETA learning programmes.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR PROGRAMME 2

The targets for output indicators on WSP/ATR submissions for medium and large companies were not met due to industry challenges, which resulted in company mergers, closures and downsizing. FP&M SETA has concluded research agreements with credible research organisations to ensure that quality research is undertaken to address credible planning for Sector Skills Plan Updates, skills assessment research aligned to Masterplans, impact study research and SMME development and co-operatives. It must be noted that due to research undertaken during the period under review, the SETA was able to develop a credible Sectoral Priority Occupations and Intervention List (SPOI List) of occupations in high demand and a list of skills needs for co-operatives of small and emerging enterprises. These interventions guided the SETA in its submissions regarding the national list for occupations in high demand and skills needs for the ERRP.

PROGRAMME/SUB-PROGRAMME: PROGRAMME 2: SKILLS PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Quality research and skills planning activities to address occupations in high demand	Discretionary grants allocated for high, intermediate and elementary skills	(i) Percentage of discretionary grant budget allocated at developing high, intermediate and elementary skills	87%	85%	80%	86%	+6%	Positive variance: 108% of target achieved. The over-achievement was due to an increased demand for PIVOTAL skills aligned to high, intermediate and elementary skills. These occupational programmes lead to employability.
	WSP and ATRs of small firms approved for mandatory grant payment	(ii) Number of WSPs and ATRs approved for small firms	548	593	605	654	+49	Positive variance: 108% of target achieved. 90% of the FP&M sector comprises SMMEs. Increased participation can be attributed to capacity building of SMMEs.

PROGRAMME/SUB-PROGRAMME: PROGRAMME 2: SKILLS PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	WSP and ATRs of medium firms approved for mandatory grant payment	(iii) Number of WSPs and ATRs approved for medium firms	353	363	405	364	-41	Negative variance: 90% of target achieved. Company closures, retrenchments and downsizing resulted in the non-achievement of this target. Many companies also indicated that they were unable to complete an ATR as no training was conducted.
	WSP and ATRs of large firms approved for mandatory grant payment	(iv) Number of WSPs and ATRs approved for large firms	300	306	345	327	-18	Negative variance: 95% of target achieved. Company closures, retrenchments and downsizing resulted in the non-achievement of this target. Many companies also indicated that they were unable to complete an ATR as no training was conducted.

PROGRAMME/SUB-PROGRAMME: PROGRAMME 2: SKILLS PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Quality research and skills planning activities to address SSP occupations in high demand	Research reports completed and supported SSP development	(v) Number of research agreements signed	5	3	5	6	+1	Positive variance: 120% of target achieved. FP&M SETA Strategic Plan and Sector Skills Plan is informed and underpinned by research. This target was exceeded as there is an increase in demand for sector specific research.
	Research report completed addressing the impact of TVET partnership	(vi) Number of sector research agreements signed for TVET growth occupationally directed programmes	New KPI	1	1	1	Target achieved - no deviation	100% of target achieved
	SETA impact study research report completed	(vii) Number of research agreements signed to conduct SETA impact study	New KPI	1	1	1	Target achieved - no deviation	100% of target achieved

PROGRAMME/SUB-PROGRAMME: PROGRAMME 2: SKILLS PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	Cooperatives trained on sector and national priority occupational or skills	(viii) Number of established or emergent cooperatives trained on sector and national priority occupations or skills	New KPI	16	18	20	+2	Positive variance: 111% of target achieved. Attendance at the research and training workshop was excellent due to high demand for such training that focused on 4IR skills aligned to sector and national priorities
	(ix) Small and emerging enterprises trained on sector and national priority occupations or skills	(ix) Number of small and emerging enterprises trained on sector and national priority occupations or skills	New KPI	118	27	72	+45	Positive variance: 267% of target achieved. Attendance at the research and training workshop was excellent due to high demand for such training that focused on 4IR skills aligned to sector and national priorities
	Approved PIVOTAL List of priority occupations to be funded	x) An updated OFO-aligned pivotal list submitted to DHET by 31 st August 2024.	An updated OFO-aligned pivotal list was compiled and submitted to DHET by 31 st August 2022.	Approved OFO- aligned pivotal list was submitted to DHET by 31 st August 2023.	An updated OFO- aligned pivotal list submitted to DHET by 31 st August 2024.	Approved OFO- aligned pivotal list was submitted to DHET by 31 st August 2024.	Target achieved - no deviation	100% of target achieved

PROGRAMME/SUB-PROGRAMME: PROGRAMME 2: SKILLS PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	Employment absorption rates post training on WBL programmes determined	(xi) Number of unemployed learners who completed work-based-learning programmes (WBL) absorbed into employment or self-employment post-training	New KPI	381	400	451	+51	Positive variance: 113% of target achieved. Most employers were able to absorb more unemployed learners into employment post training adhering to the approximately 70% percent absorption rate post training.

PROGRAMME 3

LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME: I

Purpose	To link education and the workplace to develop a skilled and capable workforce for a sustainable, technologically advanced and productive FP&M manufacturing sector. Workplaces must implement occupationally-directed programmes and qualifications to address technical high level and middle level occupations and qualifications in demand, especially for priority occupations.
Explanation of the Planned Performance over the five-year planning period	Various learning programmes are implemented with an aim of re-skilling and upskilling of currently employed and skilling the unemployed to facilitate their entry into the FP&M labour market. It is critical to link education and the workplaces to implement occupationally-directed programmes and qualifications, such as apprenticeships, work- integrated-learning and internships to address technical high level and middle level occupations and qualifications in demand. While there are graduates being produced, the linkage to the workplace and labour market is critical realise the placements of graduates in the labour market to address priority occupations. The implication of this for the SETA is that we must have a much better understanding of the sector and its sub-sectors and in particular where future jobs will be created and that employers are identified to work with the SETA to create relevant workplace opportunities.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR SUB-PROGRAMME I

The achievement of output indicators and targets for this indicator is critical as this programme provides intermediate and high-level skills for unemployed learners and graduates, which could lead to employment placement opportunities. It is pleasing to note that most targets for this sub-programme were exceeded as it also addresses skills gaps aligned to the FP&M SETA Occupations in High Demand, Government's MTSF priorities and NDP Vision 2030.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME I								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Increased workplace-based learning opportunities to address priority occupations	Funded TVET Students for WIL	(i) Number of TVET students entered work-integrated-learning programmes	656 Funded learners: 656	752 Funded learners: 752	750	759 Funded learners: 759	+9	Positive variance, within expected range of 1-5%. 101% of target achieved.
	Work ready TVET Students	(ii) Number of TVET students completed work-integrated-learning programmes	527 Funded learners: 527	525 Funded learners: 525	600	648 Funded learners: 648	+48	Positive variance: 108% of target achieved. More TVET graduates were able to complete work-based learning programmes during the reporting period due to increased support for this programme.
	Funded HET Students for WIL	(iii) Number of university students entered work-integrated-learning programmes	276 Funded learners: 276	321 Funded learners: 321	330	333 Funded learners: 333	+3	Positive variance, within expected range of 1-5%. 101% of target achieved.
	Work ready HET students	(iv) Number of university students completed work-integrated-learning programmes	239 Funded learners: 239	249 Funded learners: 249	260	266 Funded learners: 266	+6	Positive variance, within expected range of 1-5%. 102% of target achieved.
	Funded unemployed learners for work experience/ internship programmes	(v) Number of unemployed learners entered work experience / Internship programmes	603 Funded learners: 603	672 Funded learners: 672	700	730 Funded learners: 730	+30	Positive variance, within expected range of 1-5%. 104% of target achieved.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME I

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	Work ready unemployed learners	(vi) Number of unemployed learners completed work experience / internship programmes	509 Funded learners: 509	529 Funded learners: 529	620	632 Funded learners: 632	+12	Positive variance, within expected range of 1-5%. 102% of target achieved.
	Funded unemployed learners on skills programmes	(vii) Number of unemployed learners entered skills programmes	1 805 Funded learners: 1805	2 413 Funded learners: 2 413	2 254	3 010 Funded learners: 3 010	+756	Positive variance: 134% of target achieved. The target was exceeded due to the upskilling of unemployed youth to increase employment potential. Therefore, reprioritisation of funding was made to support these programmes aligned to Masterplan Action Plans.
	Unemployed learners on skills programmes upskilled	(viii) Number of unemployed learners completed skills programmes	1 737 Funded learners: 1 737	2 801 Funded learners: 2 801	2 150	2 205 Funded learners: 2 205	+55	Positive variance, within expected range of 1-5%. 103% of target achieved.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 1								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	Funded unemployed learners on learnerships	(ix) Number of unemployed learners entered learnership programmes	2 365 Funded learners: 2 365	2 705 Funded learners: 2 705	2 550	2 819 Funded learners: 2 819	+269	Positive variance: 111% of target achieved. The target was exceeded. Learnerships unemployed are a priority programme as it addresses the issue of youth unemployment. Therefore, reprioritisation of funding was made to support these programmes.
	Unemployed learners on learnerships upskilled	(x) Number of unemployed learners completed learnership programmes	2 126 Funded learners: 2 126	2 446 Funded learners: 2 446	2 500	2 571 Funded learners: 2 571	+71	Positive variance, within expected range of 1-5%. 103% of target achieved.

SUB-PROGRAMME: 2

Purpose	To increase access of youth and adults to post-school education and training opportunities and to encourage further learning to improve their employability
Explanation of the Planned Performance over the five year planning period	Many South Africans are poorly educated and lack the basic foundational skills (communication and mathematical literacy) to undertake further learning when they leave school and cannot access post-school education and training opportunities. This outcome is focused on providing youth and adults with basic foundational skills to access adult education and training programmes that will enable them to access further learning to improve their employability.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR SUB-PROGRAMME 2

Achievements for output indicators for AET entries were exceeded, providing learners with elementary and foundational communication and mathematical literacy skills. It is also pleasing to note that many of the FP&M SETA workplaces have afforded employed learners an opportunity to improve their foundational skills.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 2

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Increased foundational learning opportunities	AET learners funded	(i) Number of learners who entered AET programmes	682 Funded learners: 682	718 Funded learners: 718	725	763 Funded learners: 763	+38	Positive variance, within expected range of 1-5%. 105% of target achieved.
	Improved foundational skills	(ii) Number of learners who completed AET programmes	580 Funded learners: 580	694 Funded learners: 694	650	672 Funded learners: 672	+22	Positive variance, within expected range of 1-5%. 103% of target achieved.

SUB PROGRAMME: 3

Purpose	To ensure the continuous upgrading of skills in the workforce to increase the skills pool especially in priority occupations and qualifications in demand. The purpose is to produce a highly skilled world-class workforce through various skills development interventions that will contribute to the achievement of sector competitiveness, transformation and economic growth.
Explanation of the Planned Performance over the five year planning period	This outcome encourages better use of workplace-based skills development opportunities annually to transform work-places through career pathing, improve productivity and to improve economic growth prospects and sustainability of the FP&M industrial sub-sectors. The rationale is to ensure the continuous upgrading of skills in the workforce in world class manufacturing principles and production methodologies in order ensure an increase in the skills pool more especially in occupations in high demand.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR SUB-PROGRAMME 3

Overachievement of output indicators and targets for this programme is critical to improve workplace productivity and career pathing of workers. Workers were exposed to intermediate level and high-level skills aligned to the occupations in high demand of the FP&M SETA. This programme is also critical to address key skills development action plans aligned to the industry Masterplans as outlined in the FP&M SETA Strategic Plan and Annual Performance Plan and the future competitiveness and sustainability of FP&M industrial sub-sectors. In terms of learner registrations and completions on this sub-programme most learners were female and belonged to the age category of youth, whilst a small number of disabled learners entered and completed learning programmes in this sub-programme.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 3

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Improved skills level of workers in occupations in high demand	Workers funded on learnership programmes	(i) Number of workers entered learnership programmes	1 014 Funded learners: 1 014	1 031 Funded learners: 1 031	1 100	1 196 Funded learners: 1 196	+96	Positive variance: 109% of target achieved. The target was exceeded. Learnerships unemployed are a priority programme as it addresses the issue of youth unemployment and strategic partnerships address Masterplan action plans. Therefore, reprioritisation of funding was made to support these programmes.
	Workers acquire middle level technical skills through learnerships	(ii) Number of workers completed learnership programmes	822 Funded learners: 812	958 Funded learners: 958	950	978 Funded learners: 978	+28	Positive variance, within expected range of 1-5%. 103% of target achieved.
	Workers funded on bursary programmes	(iii) Number of workers entered bursary programmes	136 Funded learners: 136	167 Funded learners: 167	120	164 Funded learners: 164	+44	Positive variance: 137% of target achieved. Employers were able to enter more learners on bursary programmes with allocated funding
	Workers acquire middle and high-level skills through bursary programmes	(iv) Number of workers completed bursary programmes	100 Funded learners: 100	106 Funded learners: 106	105	107 Funded learners: 107	+2	Positive variance, within expected range of 1-5%. 102% of target achieved.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 3

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	Workers funded on skills programmes	(v) Number of workers entered skills programmes	1 415 Funded learners: 1 415	1 959 Funded learners: 1 959	1 550	1 761 Funded learners: 1 761	+211	Positive variance: 114% of target achieved. Upskilling of workers on short impact programmes was prioritised due to industry Masterplan requirements.
	Workers acquire middle level technical skills through skills programmes	(vi) Number of workers completed skills programmes	1 392 Funded learners: 1 392	2 548 Funded learners: 2 548	1 826	1 908 Funded learners: 1 908	+82	Positive variance, within expected range of 1-5%. 105% of target achieved.

SUB PROGRAMME :4

Purpose	The purpose is to develop a skilled and capable workforce for a sustainable, technologically-advanced and productive FP&M sector through implementation of priority occupations and qualifications in partnership with higher education and training institutions and workplaces.
Explanation of the Planned Performance over the five year planning period	The workforce is not keeping pace with the skills required by industry to remain competitive in an increasingly knowledge-based economy. The rationale is that FP&M SETA must play a pro-active role in supporting the increased production of skills for intermediate and high level occupationally-directed programmes. The sector will develop a skilled and capable workforce by addressing priority occupations and qualifications in partnership with higher education and training institutions and workplaces.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR SUB-PROGRAMME 4

Apprenticeship and bursary programmes are priority interventions that address high level technical skills and advanced 4IR technologies in industry. The competitiveness and growth of the FP&M sector is highly dependent on the success of this programme with a key focus on strategic partnerships with TVET Colleges, Universities and Universities of Technology and Employer Organisations. The Recognition of Prior Learning (RPL) intervention must be prioritised so that the work experience, expertise and skills of workers can be fast-tracked through the achievement of a formal occupationally-directed qualification. The FP&M SETA partnership with the National Financial Aid Scheme (NSFAS) continues to thrive with the SETA funding a high number of learners. Implementation of this programme plays a pivotal role in addressing transformational imperatives and key priorities such as township and rural development, gender transformation and poverty alleviation aligned to key priorities of the Medium Term Development Plan (MTDP).

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 4

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Increased access to occupationally-directed programmes through effective partnerships	Apprentices funded on apprenticeship programmes	(i) Number of learners entered apprenticeship programmes	605 Funded learners: 605	811 Funded learners: 811	770	801 Funded learners: 801	+31	Positive variance, within expected range of 1-5%. 104% of target achieved.
	Apprentices acquire middle level technical skills	(ii) Number of learners completed apprenticeship programmes	508 Funded learners: 508	682 Funded learners: 682	655	687 Funded learners: 687	+32	Positive variance, within expected range of 1-5%. 105% of target achieved.
	Unemployed learners on bursary programmes funded	(iii) Number of unemployed learners entered bursary programmes as first-time entry learners	182 Funded learners: 182	244 Funded learners: 244	235	235 Funded learners: 235	Target achieved - no deviation	100% of target achieved.
	Unemployed learners on bursary programmes acquire middle level technical skills	(iv) Number of unemployed learners entered bursary programmes as continuing learners	382 Funded learners: 382	325 Funded learners: 325	330	334 Funded learners: 334	+4	Positive variance, within expected range of 1-5%. 101% of target achieved.
	Unemployed learners on bursary programmes acquire middle level technical skills	(v) Number of unemployed learners completed bursary programmes	518 Funded learners: 518	456 Funded learners: 456	465	465 Funded learners: 465	Target achieved - no deviation	100% of target achieved.
	Learners funded for RPL programmes	(vi) Number of learners entered RPL programmes	117 Funded learners: 117	149 Funded learners: 149	120	120 Funded learners: 120	Target achieved - no deviation	100% of target achieved.
	Learners assessed through RPL methodology	(vii) Number of learners completed RPL programmes	126 Funded learners: 126	117 Funded learners: 117	118	142 Funded learners: 142	+24	Positive variance: 120% of target achieved. The target was exceeded as an increased number of learners were able to complete this fast-tracked programme

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 4

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	Strategic TVET/CET partnerships funded	(viii) Number of TVET and/or CET partnership agreements signed	25	27	25	32	+7	Positive variance: 128% of target achieved. Aligned to PSET strategy more funding made available to TVETs and CETs to promote growth of TVETs and CETs.
	Strategic HEI partnerships funded	(ix) Number of HEI partnership agreements signed	10	12	10	21	+11	Positive variance: 210% of target achieved. Additional strategic partnerships with HEIs were due to projects aligned to Industry Masterplans to support industry recovery and reconstruction
	Strategic SETA Employer partnerships funded	(x) Number of SETA Employer partnership agreements signed	8	6	6	38	+32	Positive variance: 633% of target achieved. Additional strategic partnerships with employers were due to projects aligned to Industry Masterplans to support industry recovery and reconstruction

SUB-PROGRAMME: 5

Purpose	To provide support to co-operatives, small enterprises, NGOs, CBOs, NPOs and community organisations to implement skills development training initiatives to address entrepreneurship and co-operative development.
Explanation of the Planned Performance over the five year planning period	Funded skills and entrepreneurial interventions will result in the establishment of new enterprises and co-operatives, thus increasing employment and new venture opportunities. Co-operatives, small enterprises, CBOs, NPOs, NGOs must be supported with skills training and capacity development in order to expand and contribute to sector economic and employment growth. The Sector Skills Plan / PIVOTAL List has identified several key areas of critical skills demand for co-operatives, small enterprises, NGOs and CBOs, all of which affect the efficacy and sustainability of these enterprises. Small, Medium and Micro- Sized Enterprises are a crucial part of South Africa's economic growth. The challenge of inculcating a culture and spirit of entrepreneurship and self-employment lies not only in making funding available but in developing the skills and competencies of the youth and potential entrepreneurs in general. The rationale is to encourage and support co-operatives, small enterprises, NGOs, CBOs, NPOs and community training initiatives to address poverty, inequality, disability and rural and township development and unemployment

COMMENTS ON ACHIEVEMENT OF TARGETS FOR SUB-PROGRAMME 5

The success of this sub-programme is critical to address the key transformational imperatives of the National Skills Development Plan (NSDP), the key priorities of the Medium Term Strategic Framework (MTSF) of Government and the Vision 2030 of the NDP. An increased number of projects addressed the key strategic outcome of entrepreneurship of the NSDP. Due to the economic decline resulting from the impact of Covid-19, an increased number of NGOs/CBOs/NPOs, SMMEs and co-operatives benefitted from funding to address the core focus of Economic Reconstruction and Recovery Plan (ERRP). SMME development is a key pillar of the industry Masterplans and is crucial for the future sustainability of the FP&M Sector. It is pleasing to note that several output indicators and targets in this programme were exceeded as it addresses the key transformational mandate of youth development, gender transformation, rural and township development, disability mandate and poverty alleviation within disadvantaged communities.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 5

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Increased funding support for co-operatives, small enterprises, NGOs, CBOs and NPOs to implement skills development programmes	Learners on entrepreneurial programmes and/or business coaching and mentoring programmes funded	(i) Number of learners entered entrepreneurial programmes and/or business coaching and mentoring programmes	180 Funded learners: 180	180 Funded learners: 180	190	777 Funded learners: 777	+587	Positive variance: 409% of target achieved. More learners were offered an opportunity to enrol on entrepreneurial business coaching and mentoring programmes as this is a strategic priority of the FP&M SETA to address youth unemployment.
	CBOs, NGOs and/or NPOs funded	(ii) Number of CBOs, NGOs and/or NPOs supported with training interventions or funding	36	71	40	48	+8	Positive variance: 120% of target achieved. Due to cluster capacity building and funding support, an increased number of NGOs, CBOs and NPOs benefitted from DG approvals to address the key transformational outcomes of the NSDP.
	Rural development projects implemented	(iii) Number of rural development projects funded	35	40	45	55	+10	Positive variance: 122% of target achieved. Due to cluster capacity building and funding support, an increased number of Rural benefitted from DG approvals to address the key transformational outcomes of the NSDP.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 5

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
	Co-operatives upskilled	(iv) Number of co-operatives supported with training interventions or funded	61	61	65	71	+6	Positive variance: 109% of target achieved. Due to cluster capacity building and funding support, an increased number of co-operatives benefitted from DG approvals to address the key transformational outcomes of the NSDP.
	Small businesses upskilled	(v) Number of small businesses supported with training interventions or funded	117	181	120	295	+175	Variance: 246% of target achieved. Due to cluster capacity building and funding support, an increased number of small businesses benefitted from DG approvals to address the key transformational outcomes of the NSDP.

SUB-PROGRAMME: 6

Purpose

To provide support and encourage worker-initiated training initiatives to address challenges experienced by FP&M sub-sectors.

Explanation of the Planned Performance over the five year planning period

Trade unions and their education programmes play an important role in the skilling of workers. Worker-initiated education and training must contribute to a workforce that is better able to understand the challenges facing the economic sectors in which they operate. Capacity building of the workforce is critical for the sustained economic growth of FP&M industries.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR SUB-PROGRAMME 6

An increased number of trade unions were supported to improve the understanding of workers on the challenges to economic growth of FP&M sub- sectors. During the period under review, it was critical to build capacity for workers and trade union representatives to understand the Temporary Employer/Employee Relief Scheme (TERS) and UIF benefits etc. due to an increased number of company closures and retrenchments.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 6								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Improved understanding by workers of their sector	Trade Union members upskilled about sectoral challenges	(i) Number of trade unions supported through skills training interventions or funding	3	5	5	6	+1	Positive variance: 120% of target achieved. Due to cluster capacity building and funding support, an increased number of trade unions benefitted from DG approvals to address the key transformational outcomes of the NSDP.

SUB-PROGRAMME: 7

Purpose	Career paths are communicated effectively and contribute to improved relevance of training and greater career and vocational awareness for learners.
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Explanation of the Planned Performance over the five year planning period	The rationale is to build career and vocational guidance capacity to expose learners and career development practitioners to FP&M sector occupations in demand through career events and exhibitions in both rural and urban areas. For FP&M sector learners to succeed, they need to be guided prior to enrolment on both best match of their interests and their abilities to occupational requirements, as well as best prospects for employment and decent remuneration. These programmes require input from the labour market, as well as vehicles for matching potential learners to opportunities. Career paths are mapped to qualifications in all sectors and sub-sectors, and communicated effectively, contributing to improved relevance of training and greater mobility and progression. The FP&M SETA needs to expose learners to occupations in high demand before they make final decisions on their career choices. FP&M SETA must provide information on steps taken to expose prospective learners to work in the FP&M sector.
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COMMENTS ON ACHIEVEMENT OF TARGETS FOR SUB-PROGRAMME 7

To promote economic growth of the FP&M sector, it is critical that the youth be exposed to FP&M SETA careers and occupations in high demand. Through increased career events in both rural and urban areas the FP&M sector will be able to attract the best talent amongst school learners, thus making FP&M sector occupations a career of choice. Exceeding targets in this sub-programme reflects an increase in market branding and exposure of the FP&M Sector to the youth and women, both in townships/informal settlements (urban areas) and rural areas.

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS SUB-PROGRAMME 7								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Improved exposure for learners and career development practitioners to FP&M sector priority occupations	Learners in urban areas exposed to occupation in high demand	(i) Number of career development events conducted in urban areas	20	26	30	30	Target achieved - no deviation	100% of target achieved
	Learners in rural areas exposed to occupation in high demand	(ii) Number of career development events conducted in rural areas	21	25	30	32	+2	Positive variance: 107% of target achieved. Events in rural areas were prioritised as per strategic mandate
	Career practitioners capacitated on occupations in high demand	(iii) Number of workshops on career development services implemented	4	4	2	4	+2	Positive variance: 200% of target achieved. This target was addressed during the MG/DG capacity building workshops

PROGRAMME 4: QUALITY ASSURANCE AND PARTNERSHIPS

Purpose	The purpose of the quality assurance programme is to develop, implement and monitor occupationally-directed qualifications in partnership with accredited skills development institutions.
Explanation of the Planned Performance over the five year planning period	The rationale is to ensure quality, relevant and fit-for-purpose education and training programmes through partnerships with post-school education and training institutions to improve the supply of priority occupations within the FP&M sector. To establish a sustainable post-school education and training system complimented by strategic partnerships to promote the growth of stronger TVET and community education and training colleges. The growth of stronger TVET colleges will expand the provision of mid-level technical and occupational qualifications aligned to industry needs, whilst community education and training colleges will offer programmes that are responsive to the needs of communities and that enable individuals to find work, start businesses, and develop sustainable livelihoods and progress into other education institutions.

COMMENTS ON ACHIEVEMENT OF TARGETS FOR PROGRAMME 4

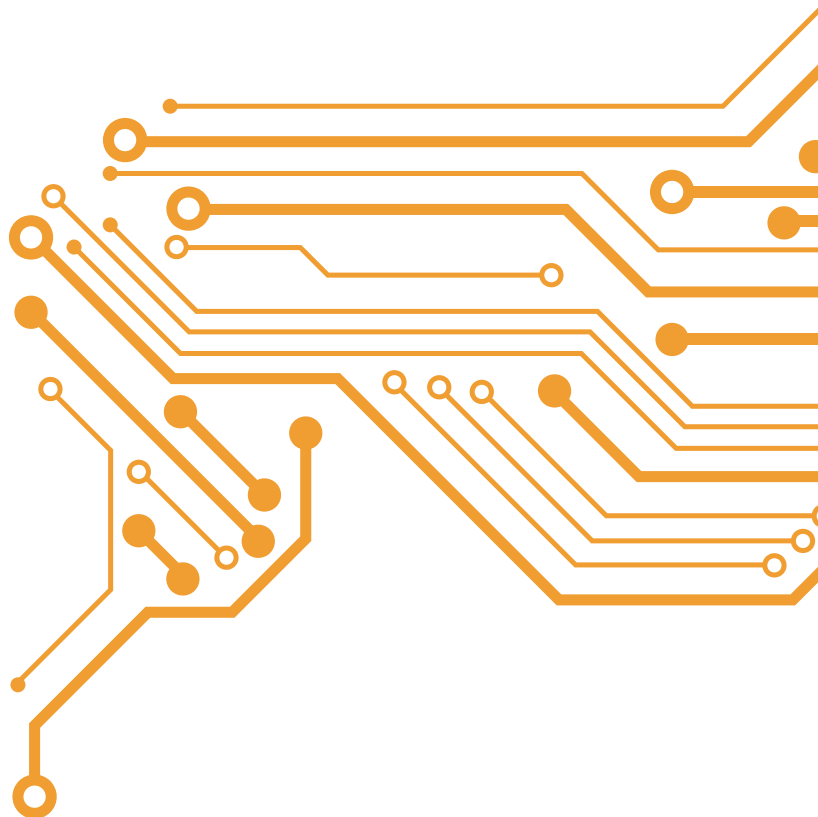
Achievement of output indicators and targets for this programme addresses quality education and training in the FP&M sector. The FP&M SETA is the Development Quality Partner (DQP) and the Quality Assurance Partner (QAP) for a number of occupationally-directed qualifications registered with the QCTO. To sustain the supply and demand for education and training in the FP&M sector; it is important for a registered QAP to submit relevant, updated and fit-for-purpose qualifications to address sector competitiveness and growth. Promotion and growth of TVET/CET colleges is paramount for sustaining the supply of FP&M SETA education and training provisioning within the post-school education and training system in the medium to long term. An increased number of TVET/CET lecturers must be exposed to FP&M Sector occupational qualifications for TVET/CET learners to manufacture to industry quality performance standards.

PROGRAMME 4: QUALITY ASSURANCE AND PARTNERSHIPS								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement for 2024/25	Reasons for Deviations
Increased supply of quality, relevant and fit-for-purpose education and training programmes	Functional CSTO Offices established	(i) Number of CSTO offices established in TVET colleges	1	1	1	1	Target achieved - no deviation	100% of target achieved
	Centres of Specialisation supported	(ii) Number of TVET Centers of Specialisation funded	3	5	5	5	Target achieved - no deviation	100% of target achieved
	TVET/CET lecturers upskilled on industry programmes	(iii) Number of TVET and/or CET Lecturers entered industry development programmes	22	30	30	30	Target achieved - no deviation	100% of target achieved
	Current and relevant SETA occupational qualifications registered with QCTO	(iv) Number of FP&M SETA occupational qualifications registered by QCTO during the year	15	16	10	10	Target achieved - no deviation	100% of target achieved

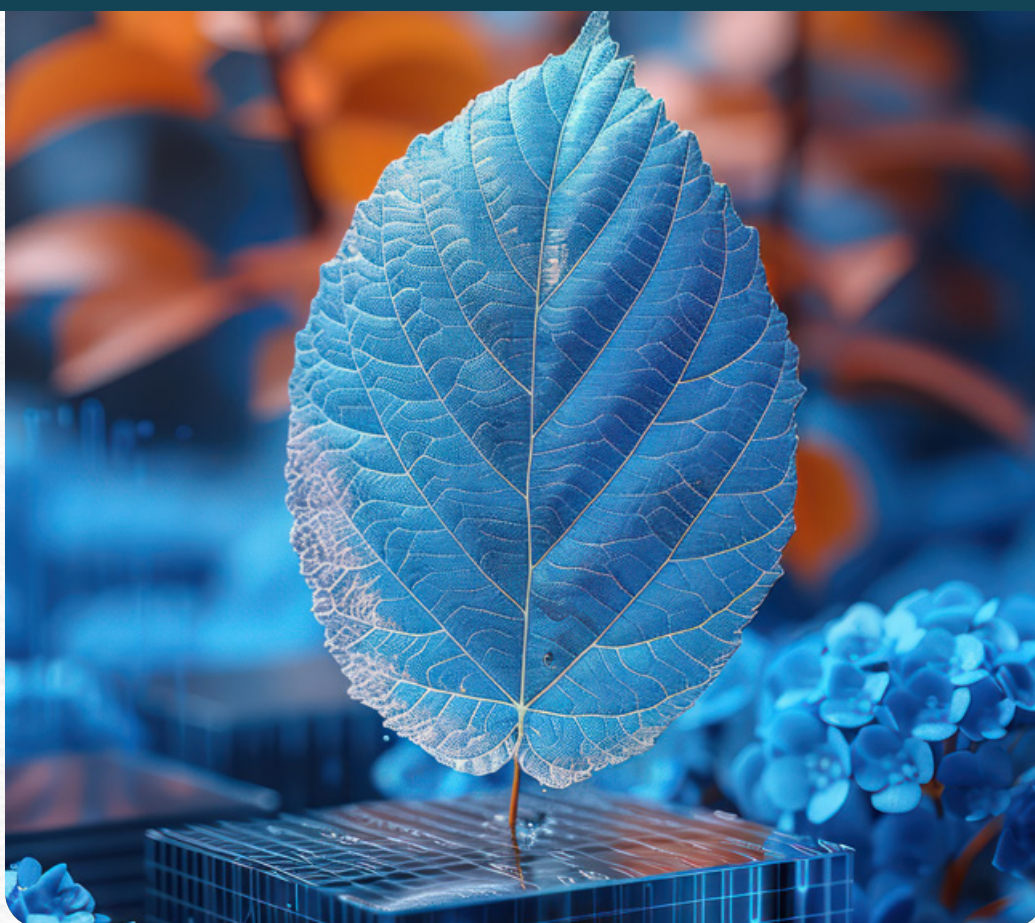
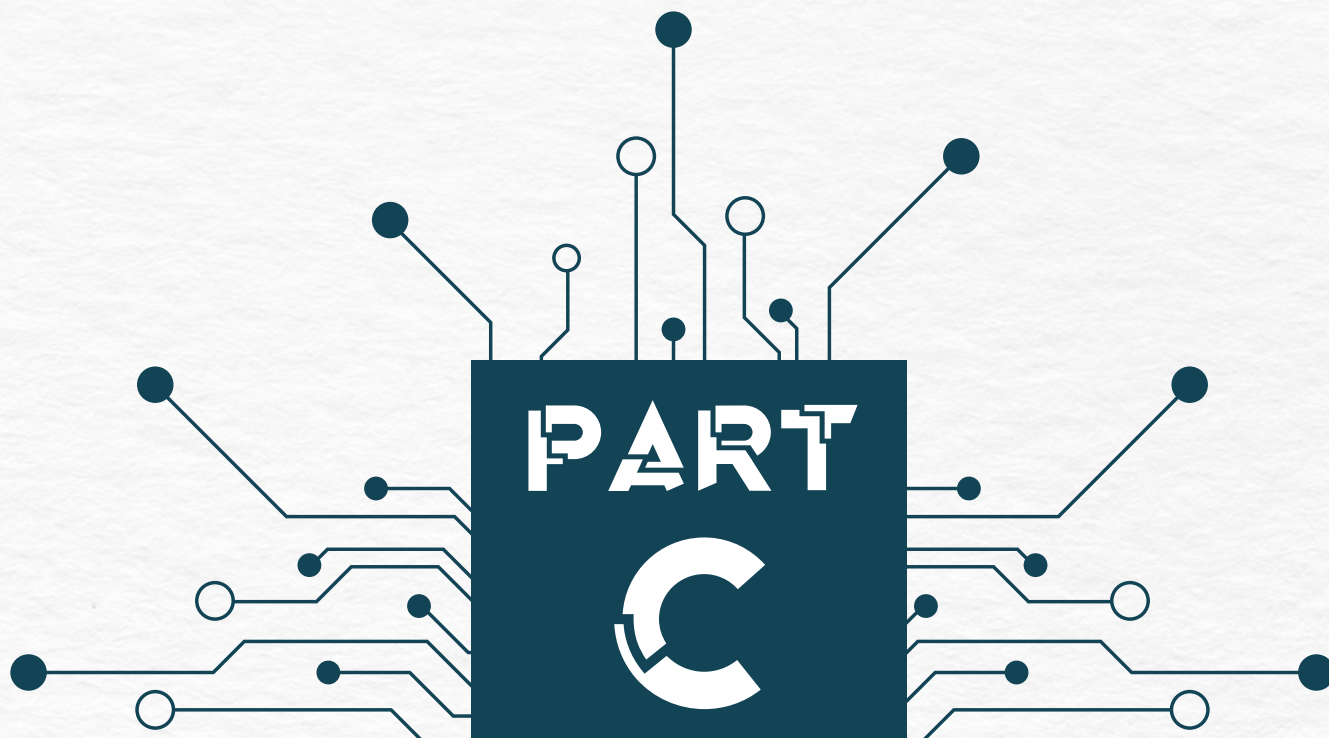
ADDITIONAL ACHIEVEMENTS FUNDED BY INDUSTRY.

Additional achievements relating to learners' registrations and completions that were funded by industry and contributed to the FP&M SETA's overall performance during 2024/25.

UNFUNDED LEARNERS PER PROGRAMME	2024/25 Unfunded Learners	Overall Performance (Funded and Unfunded Learners)
Number of unemployed learners entered skills programmes	31	Total achievement: 3 041 135% of target achieved
Number of unemployed learners completed skills programmes	70	Total achievement: 2 275 106% of target achieved
Number of unemployed learners entered learnership programmes	274	Total achievement: 3 093 121% of target achieved
Number of unemployed learners completed learnership programmes	15	Total achievement: 2 586 103% of target achieved
Number of employed learners entered learnership programmes	1	Total achievement: 1 197 109% of target achieved
Number of employed learners entered skills programmes	28	Total achievement: 1 789 115% of target achieved
Number of employed learners completed skills programmes	23	Total achievement: 1 931 106% of target achieved
Number of learners entered apprenticeship programmes	62	Total achievement: 863 112% of target achieved
Number of learners completed apprenticeship programmes	160	Total achievement: 847 129% of target achieved
Number of learners entered RPL programmes	2	Total achievement: 122 102% of target achieved
Number of learners completed RPL programmes	2	Total achievement: 144 122% of target achieved







GOVERNANCE

I. INTRODUCTION

Corporate governance embodies the processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on the enabling legislation of a public entity and the Companies Act, corporate governance is applied through the precepts of the Public Finance Management Act I of 1999 (PFMA). This is run in tandem with the principles contained in the King III "King Report on Governance Principles 2009" and the King IV "King Report on Governance Principles 2016".

Parliament, the Executive Authority, and the Accounting Authority of the public entity (the FP&M SETA Board) are responsible for corporate governance.

2. EXECUTIVE AUTHORITY

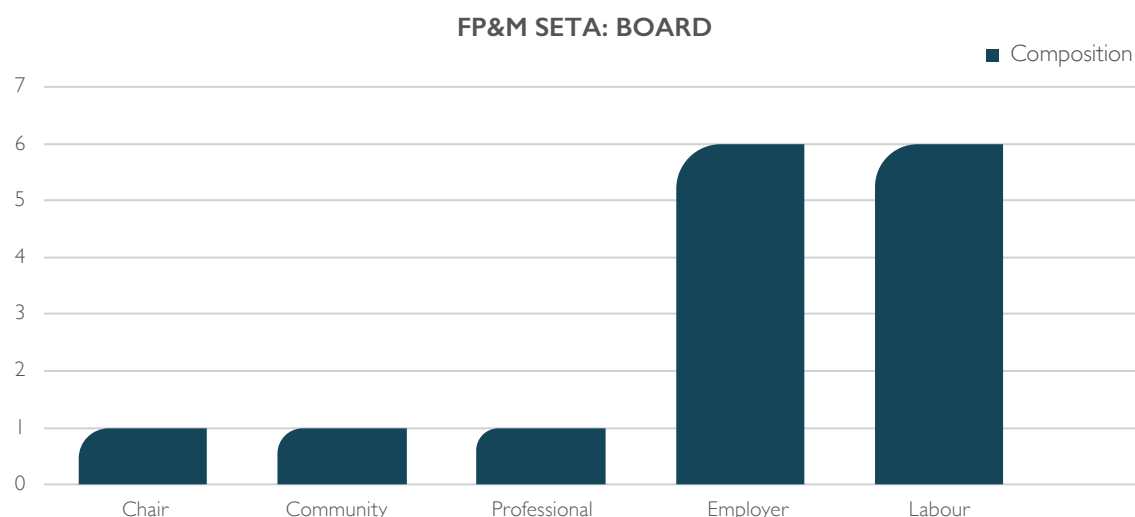
During the period under review, the FP&M SETA submitted the following documentation, within the stipulated timeframes, to the DHET and Parliament (where applicable):

NO. DOCUMENTS		ACTIONS
I	Four SETA Quarterly Monitoring Reports (SQMR) for 2024/25	Timeously submitted to the regulatory body
2	FP&M SETA Annual Report 2023/24	Timeously submitted to the regulatory body
3	FP&M SETA Strategic Plan for 2019/20 - 2024/25	Timeously submitted to the regulatory body
4	FP&M SETA Annual Performance Plan for 2024/25	Timeously submitted to the regulatory body
5	FP&M SETA / DHET Revised Service Level Agreement for 2024/25	Timeously submitted to the regulatory body
6	FP&M SETA Materiality Framework for 2024/25	Timeously submitted to the regulatory body
7	FP&M SETA Materiality Plan for 2024/25 (Annual Update)	Timeously submitted to the regulatory body
8	FP&M SETA PIVOTAL (SPOI) List 2024/25 Annual Update	Timeously submitted to the regulatory body
9	Four SETA Quarterly Governance Reports	Submitted to DHET on the 15 th of each Quarter
10	FP&M SETA Internal Policies	Several policies were reviewed during the 2024/25 financial year. All policies for the organisation are up to date
11	Legal Cases	No legal cases were instituted under the reporting period

3. THE ACCOUNTING AUTHORITY / BOARD

The FP&M SETA is governed by its constitution, which is aligned to the standard constitution provided to the SETAs by the DHET. The current FP&M SETA Board Committee members were appointed by the Honourable Professor Blade Nzimande (MP), then Minister of Higher Education, Science and Technology, effective 1st April 2020. The term of office for all Accounting Authorities of Sector Education and Training Authorities expired on 31st March 2025.

The structure of the FP&M SETA Board, as outlined in the constitution, is as follows:



LEGEND EXPLAINED

NAME	FULL EXPLANATION
Labour	Labour Representative
Employer	Employer Representative
Chair	Independent Chairperson
Community	Independent Community Organisation
Professional	Professional from interested professional body

During the year under review, 13 Accounting Authority members regularly participated in the meetings and activities of the FP&M SETA Board. The Board met five times during the period under review.

The Board operated according to the internal policies of the SETA and meetings were conducted in line with the procedures detailed in the constitution. The FP&M SETA subscribes to the principles of good corporate governance as set out in the King IV report and duties were conducted diligently, objectively, and without prejudice. The SETA is monitoring and keeping an eye on the upcoming King V on corporate governance that was published for public comments on the 24th February 2025 by IoDSA.

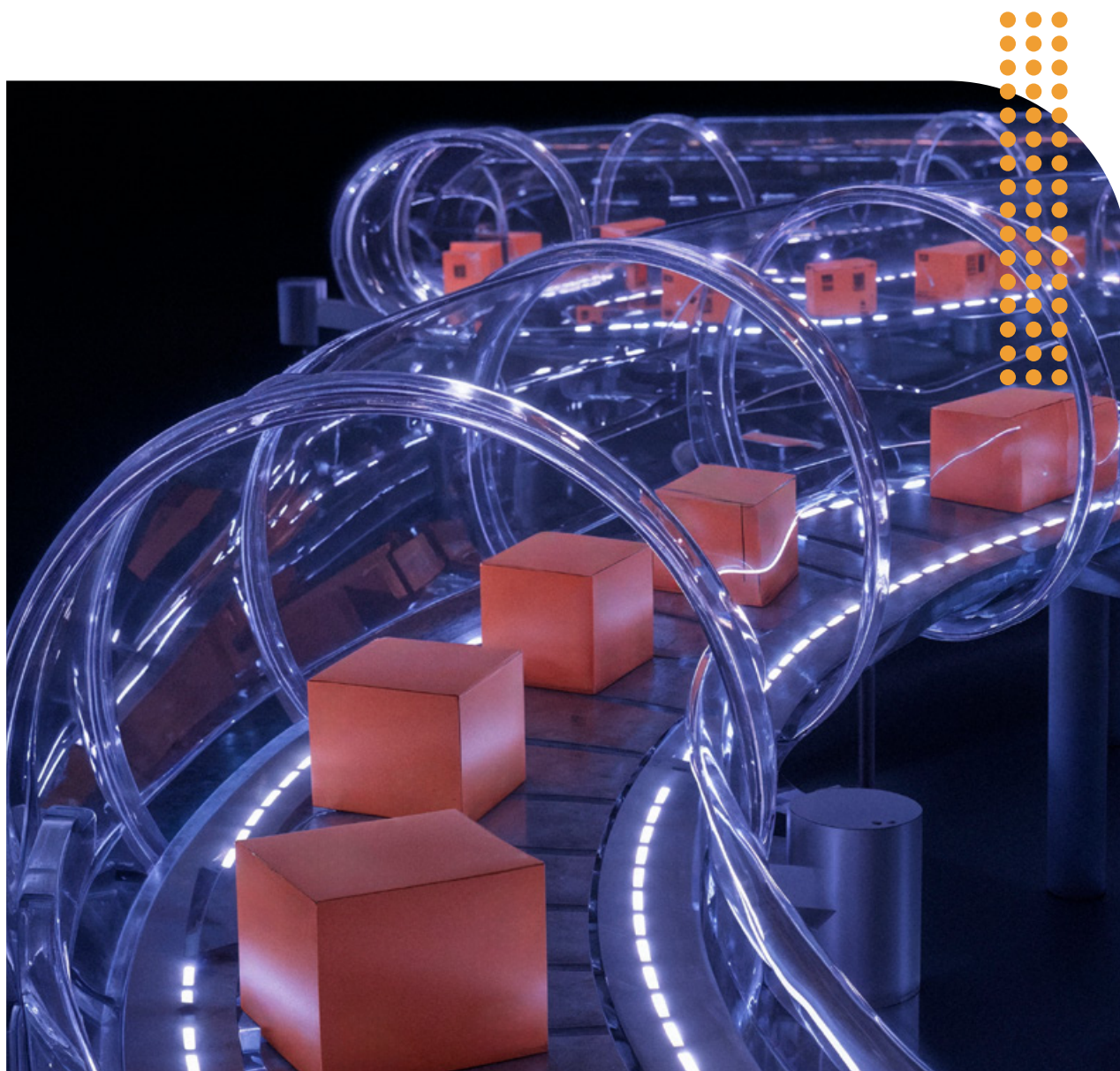
The FP&M SETA Board took into consideration the input and advice of the Standing Committees appointed by it, namely the Executive, Governance & Strategy, Finance, Projects, IT Governance, Quality Assurance, Audit and Risk, and HR and Remuneration Committees.

The independent Audit and Risk Committee played an oversight role to ensure the implementation of sound financial policies and procedures, as well as the maintenance of good corporate governance and adherence to National Treasury

Regulation 27.1. The Chairpersons of the Standing Committees reported to the Board on matters discussed and resolutions adopted in their respective committees.

The role of the FP&M SETA's Board includes inter alia the following duties:

- Govern and manage the SETA in accordance with the PFMA, the Skills Development Act, and any other applicable legislation
- Ensure that the SETA achieves its predetermined objectives and other targets
- Provide effective leadership and ensure that the SETA implements the goals of the NSDP and the Performance Agreement with the DHET Minister
- Provide strategic direction for the SETA
- Liaise at a leadership level with stakeholders
- Ensure that the SETA complies with the relevant statutory requirements and the requirements of its constitution
- Manage institutional risks
- Monitor the performance of the SETA
- Ensure that its members and the members of the Standing Committees, established by the Board, comply with the Code of Conduct set out in Annexure 2 of the FP&M SETA Constitution



COMPOSITION OF THE BOARD

**Adv. Michelle Odayan - Independent Chairperson**

Date appointed: 01/04/2020

Qualifications	Bachelor of Arts (Law); LLB; Advocate of the High Court of South Africa
Area of expertise	Law; Finance; Strategy; Governance; Project Management; HR Development; Organisational Development; Gender Mainstreaming
Board directorship	Court-Consult Africa (PTY) Ltd; Indaba-Africa Group (PTY) Ltd; MTR Investments (PTY) Ltd; Play Africa- Children's Museum NPO & People Opposing Women Abuse (POWA) NPO
Committees	Chairperson of Board; Chairperson of EXCO; Chairperson of Governance and Strategy Committee

**Ms Makhosi Jean Chiwashira - Community Representative**

Date appointed: 01/04/2020

Qualifications	Personnel & Training Management Diploma; Certificate in Public Relations (PRI); B-BBEE MDP through Unisa SBL (2017) MDP Legacy through Unisa SBL (2021); Assessor; Moderator; Qualified Trainer/Facilitator
Area of expertise	Training & Skills Development; B-BBEE expert Talent & HR; Management Strategy
Board directorship	N/A
Committees	Chairperson of Projects Committee.

**Ms Linda Theresa Bremner - Organised Business**

Date appointed: 01/04/2020

Qualifications	Diploma in Nursing; Human Resources Diploma; NL General Textile Technology; Management Development Programme (NQF level 6) DUT Business Studies
Area of expertise	Human Resources and Training; Governance and Strategy Committee Member
Board directorship	N/A
Committees	Governance and Strategy Committee Member



Ms Fanisa Lamola CA (SA) - Independent Member

Date appointed: 01/04/2020

Qualifications	B. Com (Corp Fin & Investments); B. Com (Acc) & (Hons)/ CTA; Qualified Chartered; Accountant (CA) SA
Area of expertise	Finance and Audit
Board directorship	N/A
Committees	Chairperson of the Finance and IT Governance Committees



Mr Nduduzo Vilina - Organised Labour

Date appointed: 01/04/2020

Qualifications	Diploma in Labour Studies; Diploma in political studies; Bachelor's Degree in Social Science
Area of expertise	Labour relations
Board directorship	N/A
Committees	Finance and IT Governance, Projects, HRREMCO, Governance and Strategy and Quality Assurance Committee Member



Ms Bonita Natalie Loubser - Organised Labour

Date appointed: 01/04/2020

Qualifications	Diploma in Collective Bargaining; Adult Basic Education Certificate; Diploma in Human Resources; Certificate of Competence in Labour Court Litigation; Degree in Labour Law; Labour Market Laws, Pension Fund; Business Finance Management
Area of expertise	Labour relations
Board directorship	N/A
Committees	Governance & Strategy and EXCO Committee



Ms Keren Pearl Manuel (Coetzee) - Organised Labour

Date appointed: 01/04/2020

Qualifications	Diploma in Education/ Educator Development (adult education), (current) Trade Union Practice NQF Level 4 ETDP SETA, DITSELA Labour Institution 13 years, Trade Union Litigation Support & Capacity- Building, UWC Faculty of Law Labour Law & Collective Bargaining, Western Cape Workers College; Macro-Economic Module.
Area of expertise	Labour Relations
Board directorship	N/A
Committees	Audit and Risk Committee Members



Mr Kwazi Mlaba - Organised Labour

Date appointed: 01/04/2020

Qualifications	Intermediate Business Management (M+II) Certificate; Basic Business Management (M+I Certificate)
Area of expertise	Labour Relations
Board directorship	N/A
Committees	HRREMCO and Quality Assurance Committee Member



Ms Theresa Otto - Organised Business

Date appointed: 01/04/2020

Qualifications	Qualifications Development Facilitator (QDF). Quality Council Trades and Occupations; Advanced Project Management Course; International Leadership Development Programme, Certificate: Senior Management Development Programme; Post-Graduate Diploma Human Resource Management; B Soc Sc (Hons): Criminology
Area of expertise	Human Resources, Project Management, Teaching and Training
Board directorship	N/A
Committees	HRREMCO, Finance, Projects and IT Governance Committee Member



Mr Mpuka Radinku - Organised Business

Date appointed: 01/04/2020

Qualifications	BA Honours (University of the Witwatersrand); BA (University of the Witwatersrand); Secondary Teacher Diploma (Soweto College)
Area of expertise	Management; Publishing management; Research; Material development
Board directorship	South African Book Development Council Board (Deputy Chairperson); South African Book Fair Board (Executive Director)
Committees	Governance and Strategy, Finance, Projects and IT Governance Committee Members



Dr Abdool Mahomed - Organised Business

Date appointed: 20/10/2020

Qualifications	Masters in Business Administration (MBA); Doctorate and Masters in Education (D.Ed and M.Ed); Honours Degree, Dip TAFL, Teaching Diploma and Bachelor of Arts degree
Area of expertise	Communication, PR, media, and event management; procurement and supply chain
Board directorship	N/A
Committees	Only Board Member



Mr Francois Oberholzer - Organised Business

Date appointed: 01/04/2020

Qualifications	Master of Forestry: Forest Engineering - Oregon State University, Corvallis, Oregon, USA. Thesis topic: Optimisation of Timber Transport and Vehicle Routing. Advisor; B.Sc. (Hons): Forest Harvesting (Cum Laude); Stellenbosch, South Africa. Project topic: Compilation of the Southern African Cable Yarding Safety and Operating Handbook. Advisor: Prof. Dr Loren Kellogg; B.Sc. Forest Management - University of Stellenbosch, Stellenbosch, South Africa.
Area of expertise	Forestry engineering; Forestry management
Board directorship	N/A
Committees	Audit and Risk Committee Member



Mr Mike Truelock - Organised Business

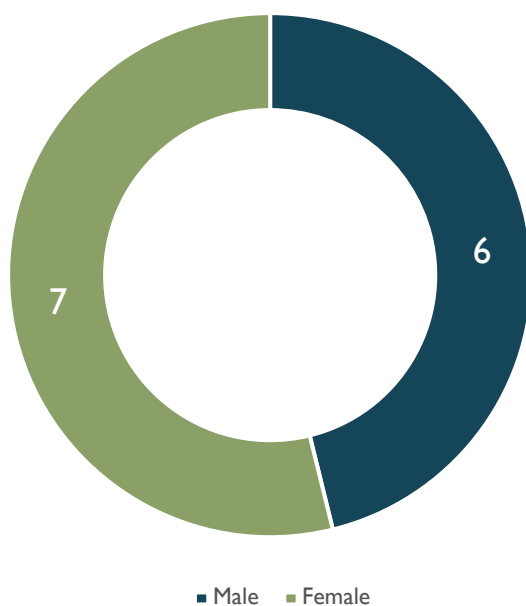
Date appointed: 01/04/2020

Qualifications	National Diploma in Organisation and Work-Study; National Diploma in Personnel Management; Industrial Relations; Diploma Programme; Management Development Programme
Area of expertise	Organisational Development; HR Management; Management Learning and Development
Board directorship	Santa Barbara Homeowners Association; Truelock Adventures cc Director: PROTEC
Committees	Chairperson of the HR and Remuneration Committee; Executive Committee Member; Governance and Strategy Committee Member

Two Vacancies

- I Position that needs to be filled by SATU
- I Position that needs to be filled by SACTWU

BOARD GENDER COMPOSITION



ACCOUNTING AUTHORITY AND COMMITTEE SITTINGS

During the year under review, the following sittings were convened including one Special Board meeting. The below Standing Committees furnished advice to the Accounting Authority on matters in their respective areas of expertise.

MEMBERS	BOARD (5)	EXCO (6)	G&S (1)	FINANCE (4)	IT (4)	PROJECTS (4)	HR REM & ETHICS (4)	QAC (2)	TOTAL MEETINGS (30)
Michelle Odayan	5/5	5/6	1/1	-	-	-	-	-	11/12 (91%)
Makhosi Chiwashira	5/5	-	-	-	-	3/4	-	-	8/9 (88%)
Fanisa Lamola	3/5	-	1/1	4/4	4/4	-	-	-	12/14 (85%)
Francois Oberholzer	3/5	-	-	-	-	-	-	-	3/5 (60%)
Theresa Otto	4/5	6/6	-	4/4	4/4	4/4	4/4	-	26/27 (96%)
Mike Truelock	4/5	6/6	1/1	-	-	-	4/4	-	15/16 (93%)
Linda Bremner	5/5	-	1/1	-	-	-	-	-	6/6 (100%)
Mpuka Radinku	4/5	-	0/1	4/4	4/4	4/4	-	-	16/18 (88%)
Bonita Natalie	5/5	6/6	1/1	-	-	-	3/4	2/2	17/18 (94%)
Alt: Abieda Abrahams									
Karen (Manuel) Coetzee	3/5	-	-	-	-	-	-	-	3/5 (60%)
Nduduzo Vilina	3/5	-	1/1	3/4	3/4	3/4	1/4	1/2	15/24 (58%)
Kwazi Mlaba	5/5	6/6	-	2/4	2/4	2/4	2/4	2/2	21/29 (72%)
Abdool Mahomed	4/5	-	-	-	-	-	-	-	4/5 (80%)
INDUSTRY EXPERTS									
Olga Bezuidenhout	-	-	-	-	-	-	-	2/2	2/2 (100%)
Frans Barnard	-	-	-	-	-	-	-	2/2	2/2 (100%)
Vaneshree Pinto	-	-	-	-	-	-	-	1/2	1/2 (50%)

NB: The sign in brackets means not a Committee Member (-)

The above sittings exclude the Audit and Risk Committee that is indicted below as an independent Committee, entailing that the grand total of sittings that were held in the reporting period amounts to about 34 including the independent Audit and Risk Committee.

BOARD	Accounting Authority
EXCO	Executive Committee
G&S	Governance and Strategy Committee
FINANCE	Finance Committee
IT	Information Technology Governance Committee
PROJECTS	Projects Committee
HR REM AND ETHICS	Human Resources and Remunerations Committee and Social and Ethics Committee
QAC	Quality Assurance Committee

AUDIT AND RISK COMMITTEE (ARC)

MEMBER	PLANNED (4)	HELD (4)
Chembe Phiri (Chairperson)	4/4	4/4
Karien de Villiers	4/4	2/4
John Raphela	4/4	3/4
Francois Oberholzer	4/4	4/4
Karen Pearl Manual (Coetzee)	4/4	4/4

REMUNERATION OF COMMITTEE MEMBERS

The FP&M SETA based its Standing Committee remuneration structure on the National Treasury guidelines as communicated to the SETAs for the financial year 2024/25.

Remuneration is reviewed on an annual basis and the policy updated accordingly as and when required.

Board members were remunerated as per the approved Board and Committee Remuneration policy.

All Board members are reimbursed for out-of-pocket expenses incurred in fulfilling their duties as Board members. This is in line with the financial policies and procedures of the FP&M SETA.

During the period under review, the following Board and ARC members received remuneration/reimbursements:

NAME & SURNAME	Remuneration (R'000)	Other Reimbursements (R'000)	Total (R'000)
Michelle Odayan	338		338
Makhosi Chiwashira	137		137
Fanisa Lamola	54		54
Mike Truelock	93		93
Linda Bremner	22		22
Mpuka Radinku	9		9
Karen (Manuel) Coetzee	2		2
Nduduzo Vilina	10		10
Kwazi Mlaba	62		62
Abdool Mahomed	46		46
Chembe Phiri	67		67
Karien De Villiers	3		3
John Raphela	8		8
TOTAL			851

NOTE:

- Adv Michelle Odayan was the Chairperson for the Board, the Executive Committee and the Governance and Strategy Committee under the reporting period
- Ms Makhosi Chiwashira was the Chairperson of the Projects Committee under the reporting period
- Ms Fanisa Lamola was the Chairperson of the Finance and IT Governance Committees under the reporting period
- Mr Mike Truelock was the Chairperson of the Human Resources and Remunerations Committee and Social and Ethics Committees under the reporting period
- Mr Chembe Phiri attended Board meetings in his capacity as Audit and Risk Committee Chairperson

RISK MANAGEMENT

The following risk management strategies have been put in place at the FP&M SETA:

- The dedicated Risk Division, managed by the M&E Manager implemented the mandate to identify risk and oversee the implementation of risk management strategies and risk-mitigating procedures.
- Legal and Board Secretariat were instrumental in the development of the Organisational Risk submissions to DHET on a quarterly basis.
- The Risk Management Policy defining the risk appetite and tolerance levels was implemented successfully.
- A comprehensive Risk Register that reflects both strategic, operational and external risks, with clear actions that need to be taken by assigned risk champions, was updated regularly on the electronic Risk Monitoring Module.
- Risk Assessments were done at Audit and Risk Committee meetings to identify emerging risks and to compile mitigating measures to address the identified risks.
- Internal Audit played an oversight role by evaluating the effectiveness of the risk management processes in place. It also recommended areas of improvement to ensure the efficient realisation of strategic and operational goals. The Internal Audit Coverage Plan is risk-based and addresses high-risk areas identified in terms of the FP&M SETA's Risk Profile.

PROGRESS MADE IN ADDRESSING THE RISKS IDENTIFIED

Risk mitigating measures and action plans were developed during the period under review to address identified risks, thereby increasing the efficacy of internal operations. This contributed to increased efficiencies in addressing external customer queries, a reduction in the response time to queries and an increase in customer satisfaction. The Audit and Risk Committee monitored the effectiveness of the Risk Management and the risk management function. It guided staff in the implementation of risk management strategies. The risks associated with not achieving organisational targets were monitored in a separate risk register and revised and updated in line with progress made.

INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Auditors, appointed by the FP&M SETA, successfully implemented the Internal Audit Three-Year Rolling Plan.

The internal audit function periodically reported to the Audit and Risk Committee in line with the Internal Audit Charter. The function provided objective assurance regarding the state of internal control, risk management, and governance processes within the FP&M SETA.

The extensive Internal Audits conducted and the subsequent recommendations made were instrumental in identifying risks and contributing to the effectiveness of the organisation and strengthened its internal control systems.

KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT

- Review the adequacy and effectiveness of internal control, risk management, and governance processes
- Provide reasonable assurance on the integrity of financial and operational information
- Evaluate the adequacy of management controls for the prevention and detection of fraud
- Provide a source of information, as appropriate, regarding instances of fraud, corruption, unethical behaviour, and irregularities
- Evaluate the effectiveness of the entire risk management system and make recommendations for improvement

AUDIT WORK CONDUCTED

The Internal Auditor function successfully conducted audits in line with the 2024/25 Internal Audit plan. The operational areas that were reviewed included:

1. Audit of predetermined objectives
2. SCM and Finance discipline Review
3. Human Resources reviews
4. Corporate Governance reviews
5. Review of Operations
6. ICT General Controls
7. AFS Review
8. Follow up Review



AUDIT AND RISK COMMITTEE

The independent Audit and Risk Committee of the FP&M SETA performed its duties during the period under review, according to its Audit and Risk Committee Charter. The Committee ensures that the organisation operates according to a strict ethical code, implements fair practices, and embodies good corporate governance.

Working with the Board and SETA, the Audit and Risk Committee met four times during the year and was chaired by an independent Chairperson. The Audit and Risk staff oversee the implementation of relevant and updated policies and procedures across all governance structures and SETA departments. The committee oversees the implementation of sound financial practices, effective risk management, and legal compliance.

KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT AND RISK COMMITTEE

- Monitor the performance of the Internal Audit function
- Review the Annual Risk Assessment process and prioritise the major risks identified
- Monitor the implementation of checks and balances to ensure compliance with pertinent laws and regulations
- Assist the Board in reviewing the integrated reporting and disclosure (sustainability reporting)
- Review the financial statements included in the integrated report and regard all factors and risks that may impact the integrity of the report

The table below discloses the relevant information on the Audit and Risk Committee members:

Chembe Phiri CA (SA), ACCA (UK), ACT, CIA - (Chairperson)

Qualifications	Masters in Business Administration (MBA) - Edinburgh School of Business (Scotland); CA (SA) - South African Institute for Chartered Accountants; Chartered Accountant (ACCA (UK); Certificate in Corporate Treasury Management - Association of Corporate Treasurers (ACT) (London); Certified Internal Auditor - CIA; Certificate in Corporate Treasury management; Member of the South African Institute of Chartered Accountant (SAICA) and the Institute of Internal Auditors (IIA)
Internal or External	External - Independent
Date of appointment	1 st December 2020

Karien de Villiers CA (SA)

Qualifications	Chartered Accountant
Internal or External	External - Independent
Date of appointment	Appointment Extended on 1 st December 2020

John Raphela

Qualifications	Bachelor of Science Honours Degree in Computer Science. University of the North, Sovenga, 0727; Master of Business Administration (MBA) Degree in Management. North-West University; Master of Information Technology (MIT) University of Pretoria; Member of Information Systems Audit and Control Association (ISACA)
Internal or External	External - Independent
Date of appointment	1 st December 2020

Francois Oberholzer

Qualifications	Bachelor of Science: Forest Management (University of Stellenbosch), Bachelor of Science (Honours): Harvesting (University of Stellenbosch), Master of Forestry: Forest Engineering (Oregon State University, USA)
Internal or External	External - Employer representative
Date of appointment	1 st December 2020

Karen Pearl Manuel (Coetzee)

Qualifications	Diploma in Education/ Educator Development (adult education) (current) Trade Union Practice NQF Level 4 ETDP SETA DITSELA Labour Institution 13 years I Trade Union Litigation Support and Capacity-Building Labour Law and Collective Bargaining; Macro-Economic Module.
Internal or External	External – Labour representative
Date of appointment	1 st December 2020

No resignations were tendered by any ARC Member during the reporting period.

COMPLIANCE WITH LAWS AND REGULATIONS

The FP&M SETA has developed policies and procedures to guide financial management, HR management, and the implementation of operational activities. These documents are regularly reviewed to ensure compliance with the relevant laws and regulations. Furthermore, the Internal Auditors continually review the compliance state of the SETA in terms of the approved Internal Audit Coverage Plan. Additional assurance is provided via compliance audits conducted by other government institutions such as the QCTO and the DHET.

The FP&M SETA complies with the reporting requirements as prescribed by the National Treasury and DHET. It has submitted its strategic and annual performance plans, the sector skills plan, and the SETA quarterly financial and performance reports within the regulated timeframes.

Internally, the FP&M SETA has undertaken training interventions to strengthen the capacity of staff to ensure continued compliance with acceptable practices. FP&M SETA staff have also attended meetings and workshops coordinated by DHET, the Quality Council for Trade and Occupations (QCTO) SAQA and the Department of Planning, Monitoring and Evaluation – DPME to receive information on the latest operational and reporting requirements.

Externally, the FP&M SETA has communicated new developments and changes about skills development legislation to its broader stakeholder base. This has been done through information and training workshops, bulk email and its website.

These communications have been designed to equip stakeholders with the necessary information to meet regulatory requirements, thereby encouraging compliance.

The FP&M SETA timeously submitted their quarterly compliance reports for the 2024/25 financial year to the DHET and DPME with evidence according to the SETA Governance standard and the DHET and DPME acknowledged receipt thereof.

FRAUD AND CORRUPTION

The FP&M SETA has a fraud prevention plan in place to guide the entity in its efforts to curb fraudulent behaviour that could lead to financial loss and reputational damage.

The FP&M SETA has a dedicated toll-free number, managed by an independent Service Provider that is accessible to internal and external stakeholders to report activities that may appear to be in contradiction with acceptable practices. The Service Provider sends monthly reports to the SETA according to protocols approved by the Board.

Internally, fraud awareness trainings were conducted upon on-boarding SETA staff members and upon contracting with ISSAs to increase the awareness of the process in the identification and reporting of fraudulent behaviours within the SETA.

MINIMISING CONFLICTS OF INTEREST

The FP&M SETA has 'Declaration of Interest' practices in place at all levels of the organisation. Staff members are required to disclose their financial interests annually. Additionally, staff in the SCM Division, also declare any interest in transactions entered with service providers. The declaration is printed on the purchase order.

Board and Committee members are required to declare any financial interest or commercial activities that may conflict with their functions at the SETA on an annual basis.

CODE OF CONDUCT

The Code of Conduct contained in the Constitution guides the conduct and performance of members of the Board and Standing Committees. It provides an ethical framework for the functioning of the governance structures of the FP&M SETA. The Code of Conduct is supported by policies and procedures relating to the disclosure of interest and gifts, as well as the confidentiality of information.

The Code of Conduct stipulates that Board and Standing Committee members must:

- Stand in a fiduciary relationship with the FP&M SETA
- Comply with all applicable laws and regulations that regulate the activities of the SETA
- Perform their functions fairly, honestly, and in good faith, giving full effect to the obligations and spirit of the Act and the Constitution
- Protect and promote the reputation of the SETA and promote goodwill towards it
- Perform their duties conscientiously and in the best interest of the SETA
- Conduct themselves ethically and in accordance with the principles of good governance
- Serious or continuous neglect of these duties, or any other misconduct, may result in a member being removed from office or his or her termination of membership of the particular committee of the SETA

HEALTH, SAFETY, AND ENVIRONMENTAL ISSUES

The safety and wellness of its employees are key priorities of the FP&M SETA. The FP&M SETA has implemented policies and procedures to ensure the safety of its employees, visitors, and any other person who may be affected by its activities. Productivity and efficiency of employees are closely related to their emotional and physical well-being, and it is therefore of utmost importance to maintain safe working conditions and a productivity-enhancing environment, compliant with all relevant legislation and approved codes of practice.

Measures have been put in place to protect the organisation's human resources, capital assets and intellectual property against exposure to risk that could arise from sub-standard practices, procedures, or conditions.

The FP&M SETA has a functional Health and Safety Committee in place that has complete oversight of overall health and safety measures in the organisation. Comprehensive health policies, including HIV / Aids policies and Covid-19 Health and Safety Workplace Regulations, Disaster Management and Pandemic Emergency Policy, and procedures have been developed to provide adequate control of health and safety risks arising from work activities. Safety and security policies and procedures have been implemented to ensure the safety of staff and assets.

The FP&M SETA Board and Management are committed to providing a safe and healthy work environment that is conducive to increased productivity and performance, and which contributes to the mental and physical well-being of its employees.

SOCIAL RESPONSIBILITY

The FP&M SETA is a public entity that operates within the public arena and manages public funding. As such, the FP&M SETA has a responsibility to act in a way that is socially responsible and to set an example for its partners with whom it engages in skills development activities. The FP&M SETA is dependent on the support of its constituent stakeholders and the community at large, and it is important for the SETA to be considered credible, fair and without prejudice.

As the leading partner in skills development in the fibre processing and manufacturing sector, it is the responsibility of the FP&M SETA to raise awareness amongst its constituent members and skills development partners of the need for an inclusive approach to skills development. The FP&M SETA is the liaison between previously disadvantaged groups (unemployed youth, women, people with disabilities, and people living in rural and township areas) and the providers of skills development (the institutions of higher and further

education). To meet the needs of these learners, the SETA has established partnerships with constituent stakeholders, levy paying members, educational institutions and government departments to implement innovative skills development initiatives in rural communities and townships.

The FP&M SETA has also funded, through its discretionary grant strategy, initiatives focused on the development of designated groups, who would ordinarily be excluded from these opportunities. These skills development interventions are implemented in partnership with community-based organisations, levy paying entities and public and private training providers, and provide beneficiaries with the necessary skills to become employable or self-sustainable through the creation of new ventures.

In line with its discretionary grant strategy and budget, the FP&M SETA allocates a special projects budget towards the implementation of skills interventions aimed at assisting people with disabilities, and towards the implementation of skills interventions in rural and township areas.

The FP&M SETA's goal is to make available "future perfect skills development" for all people involved in the broader FP&M community and to break down the barriers to education through focused and accessible skills development interventions.



AUDIT AND RISK COMMITTEE REPORT

Mr Chembe Phiri CA (SA), ACCA (UK), ACT, CIA
Chairperson of the Audit & Risk Committee

We are pleased to present our report for the financial year ended 31st March 2025.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter; has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices. The Charter is reviewed on an annual basis.

AUDIT AND RISK COMMITTEE MEMBERSHIP

The Audit and Risk Committee consists of three (3) external independent (non-executive) members and two (2) members representing Employer and Employee organisations respectively.

INTERACTION WITH OTHER STAKEHOLDERS IN GOVERNANCE AND OVERSIGHT

The Audit and Risk Committee ensured that an acceptable and productive relationship was maintained with other stakeholders in governance and oversight.

Audit and Risk Committee reports were submitted to the Board Accounting Authority. In addition, the Chairperson of the Audit and Risk Committee attended Board meetings during which he reported matters of significant importance to the Board. The Auditor General of South Africa - AGSA also attended Audit and Risk Committee meetings.

THE EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity for the period April 2024 to March 2025 revealed that the system of internal control is adequate and effective.

The following internal audit reviews were completed during the year under review:

- AOPO
- SCM
- ICT General Controls
- Operations

RISK MANAGEMENT

Management of the Governance, Legal, Risk and Compliance Management unit reported every quarter to the Audit and Risk Committee regarding the management of risks in the department.

All General Managers of FP&M SETA Divisions have risk management as one of their key responsibility areas in their performance agreements, thus instilling a culture of risk management, improving the maturity of the department in the risk management process and managing risk is a structured approach.

IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORTS

The public entity has reported monthly and quarterly to the Treasury as is required by the PFMA as well as quarterly to the Audit and Risk Committee.

EVALUATION OF FINANCIAL STATEMENTS

The Audit and Risk Committee's evaluation of the annual financial statements and annual performance report entailed:

- Review and discussions of the unaudited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and Accounting Officer
- Review of any changes in accounting policies and practices
- Review of the FP&M SETA's compliance with legal and regulatory provisions
- Review of the unaudited information on pre-determined objectives to be included in the Annual Report

AUDITOR'S REPORT

The Audit and Risk Committee has reviewed and discussed:

- The entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved
- Risk management
- Governance of the SETA
- The audited Annual Financial Statements to be included in the Annual Report with the Auditor-General and the Accounting Authority
- Management letter and Management's response thereto

The Audit and Risk Committee concurs with and accepts the conclusions of the Auditor-General on the Annual Financial Statements and believes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Mr Chembe Phiri CA (SA), ACCA (UK), ACT, CIA
Chairperson of the Audit and Risk Committee
FP&M SETA

31st May 2025



B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Criteria	Yes / No	Discussion
Determining qualification criteria for the issuing of licenses, concessions, or other authorisations in respect of economic activity in terms of any law?	No	The FP&M SETA does not issue licenses, concessions, or other authorisations in respect of economic activity.
Developing and implementing a preferential procurement policy?	Yes	The FP&M SETA has a Supply Chain Management Policy in place for procurement processes.
Determining qualification criteria for the sale of state-owned enterprises?	No	The FP&M SETA does not engage in sales of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	Yes	The FP&M SETA does partner with private sector organisations and provides discretionary grant funding to support large, medium, and small businesses for skills development initiatives aligned to the FP&M SETA Discretionary Grant Policy.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	The FP&M SETA awards discretionary grants for skills development initiatives to a number of small and medium-sized Black-owned enterprises. The Discretionary Grant policy is in place to determine the criterion for awarding grants.

B-BBEE COMPLIANCE

In terms of BBEE Compliance Act No 53 of 2003, as amended by the Act No. 46 of 2013, the FP&M SETA is measured on the Generic Specialised Scorecard as gazetted by the Department of Trade and Industry and Competition (DTIC).

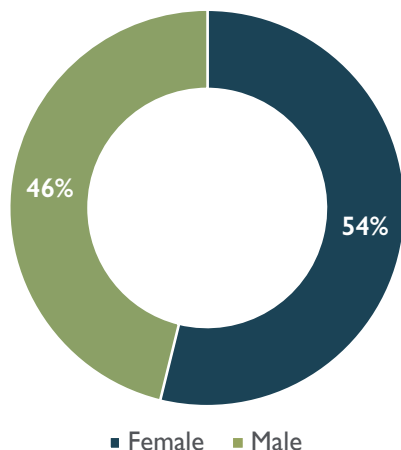
The entity maintained a B-BBEE level 4 status and its performance for Skills Development Element increased by 5.34 points. We strive to ensure meaningful participation of the fibre processing sector and to further create capacity within the broader economic landscape.



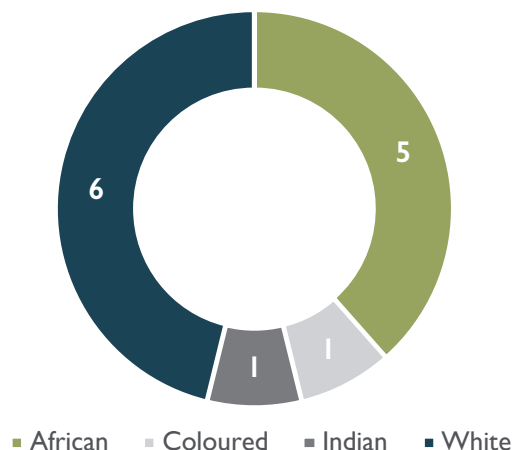
B-BBEE COMMISSION

Our organisation successfully submitted its B-BBEE Skills Development Compliance Report to the BBEE Commission as required by the BEE Act, Section 13G (Reporting) (3) which reads "All Sectoral Education and Training Authorities contemplated in the Skills Development Act 1998 (Act. 97 of 1998) must report on skills development reporting spending and programmes to the BEE Commission." Recommendations received from the Commission are implemented and we will continue to comply and monitor progress.

**Accounting Authority Gender Composition
as of 31 March 2025**



**Accounting Authority Race Composition as
of 31 March 2025**



The scores under this element have consistently been satisfactory over the years. We remain fully aware that equity must be reflected across all levels of our organisational structure. Our focus is on fostering a supportive and high-performing work environment, one that prioritises employee development, open communication, and regular, constructive feedback. This includes setting SMART goals, creating opportunities for growth, and recognising individual and team achievements.

SKILLS DEVELOPMENT

The SETA needs to focus on strategic training investments, particularly those that align with the National Skills Development Strategy. To create a learning culture, our employees are constantly encouraged to further their studies as part of their continuous professional development plan and to assist with succession planning.

PREFERENTIAL PROCUREMENT

Procuring goods and services from suppliers with higher B-BBEE ratings remains a priority within the entity.

DISCRETIONARY GRANT POLICY

The Discretionary Grant Policy makes provision for transformation, prioritising designated transformational groups (Black women, youth, rural areas, and townships, when awarding grants).

SUPPLIER ENTERPRISE AND DEVELOPMENT

The SETA engages on more initiatives that provide financial assistance, mentorship, and access to business networks.

SOCIO-ECONOMIC DEVELOPMENT

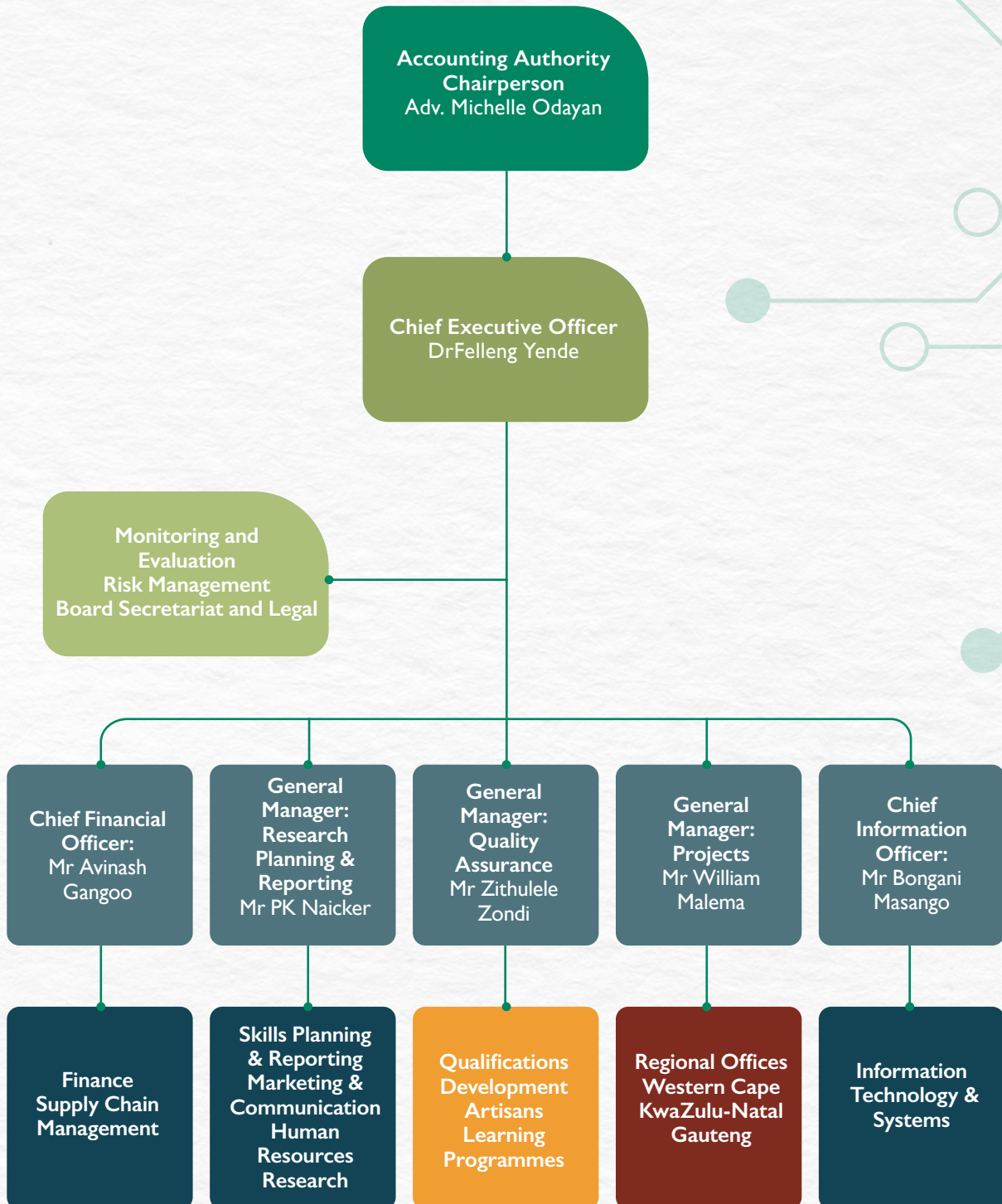
FP&M SETA has contributed towards implementing initiatives that promote sustainable economic participation for Black communities and individuals, particularly those with limited access to the economy. This is achieved through various methods like supporting development programs, skills development, and partnering with non-profit organisations.

PART D



HUMAN RESOURCES MANAGEMENT

ORGANOGRAM AS AT 31 MARCH 2025



I. INTRODUCTION

OVERVIEW OF HR MATTERS AT THE PUBLIC ENTITY

The objective of the Human Resources (HR) Division is to develop and maintain effective Human Resource management policies, processes, and systems. These policies, processes and systems will ensure that the FP&M SETA is adequately staffed and managed, and that staff members are trained, capacitated, and empowered with relevant skills and knowledge to enable the FP&M SETA to achieve its strategic mandate.

Additional to effective and efficient policies, processes and systems, harmonious employment relations within the organisation, the HR Division also plays a crucial role in creating a conducive work environment that yields an effective, productive and agile organisation capable of delivering on its strategic objectives.

As the nature and make-up of the 21st Century evolves, there is a growing need for organisations to review and revise their policies, structures, processes, and systems such that these can harmoniously align with the changing workforce demands. This is to ensure that organisations, and employees, extract maximum value from employment relationships they enter into, such relationships being mutually beneficial and complementary in nature, rather than adversary and biased.

The past financial year has been represented by implementing a number of achievements to align organisational human resources practices to best practice as outlined.

I.1. PRIORITIES FOR THE YEAR

During the period under review the HR Division focused on the following, as per the annual HR Operational Plan:

- Monitoring and managing the leave management system and procedures
- Successful implementation of the online leave module, which adds value to document and information storage, as well as processing data for analysis and reporting
- Recruitment and Selection of key personnel
- Implementing the Performance Management System as per the existing Policy
- Implementing an employee wellness service and programmes
- Supporting core-business in initiating, implementing, and monitoring the Internship Programme

- Facilitating conflict and dispute management
- Occupational Health and Safety
- Following up and finalising revision of critical HR Policies

Drawing from the above-outlined priorities, the following highlights are presented for the year under review.

I.2. HR POLICY REVIEW

All HR Policies are up to date and those implicated by Legislation were reviewed. A new policy for Bursary of Employee Dependants has been developed and approved by the Board.

I.3. RECRUITMENT AND SELECTION

The process of recruiting for positions identified as critical and of great priority was an immense success. Attracting and retaining top talent ensured as the SETA welcomed the appointment of a General Manager Quality Assurance, Learning Programmes & Occupational Qualifications Development Manager, Artisan Manager, Occupational Qualifications Development Specialist, Business Systems Specialist, Projects Finance Specialist, Quality Assurance Specialist, and Learning Programmes Specialist. The SETA took pride in these appointments, as some were internal promotions.

The internship programme ensures that interns are trained and empowered with the necessary skills, competencies, and experience that prepares them for permanent roles.

In the financial year under review, the staff complement totalled 68.

I.4. EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

To ensure that the targets and priorities of the Annual Performance Plan are met, individual employee performance is monitored and reviewed through a balanced scorecard system. All employees signed their performance agreements for the year, which are aligned with the respective business units' performance outputs, as well as employees' individual job outputs as outlined in their job profiles. Bi-annual performance reviews were conducted and submitted to the CEO. Management ensures performance outputs focus on tangible deliverables for each employee, and that small work teams remain dynamic and streamlined to deliver on the business objectives.

1.5. EMPLOYEE WELLNESS PROGRAMME

In response to a high pressure and stressful work environment, the FP&M SETA has provided psycho-social support to employees and put in place impactful initiatives and events directed at employee wellness and morale upliftment. A service provider, Life Health Solutions, was sourced to partner with the SETA rendering to FP&M SETA employees and their immediate dependents psycho-social support on a 24-7 basis, while also providing a range of other programmes and initiatives.

1.6. ACHIEVEMENTS AND CHALLENGES

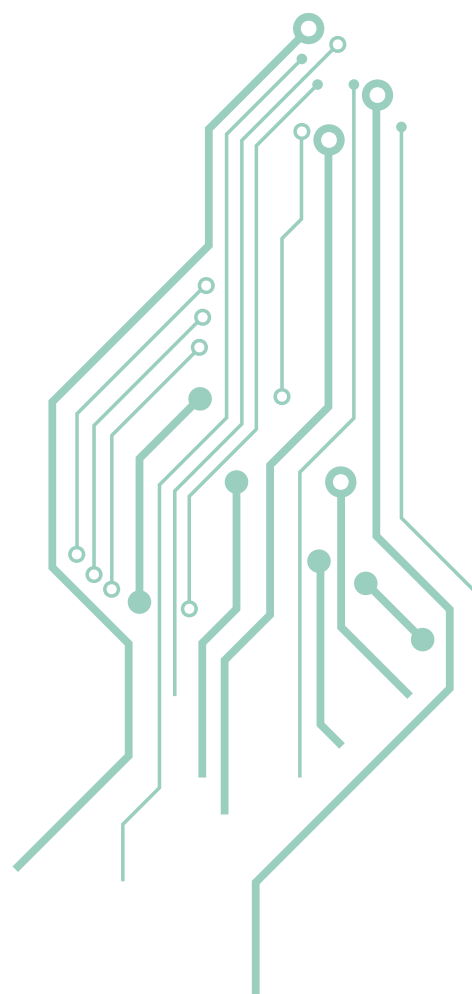
- During the period under review, two long-serving employees retired
- Approval of 100% of the revised and new HR policies
- A stable relationship between management and organised labour created a more conducive environment for focusing on organisational goals and strategy
- Successful implementation of employee wellness programmes and initiatives contributed to improved staff morale
- Revival of an engaged organisational culture, one based on mutual trust, teamwork, and collaboration
- An organisation-wide project of QMS, IMS and ERP re-engineering business processes for better efficiency and effectiveness
- Commitment to youth empowerment, skills and talent development, transformation, and strategic collaboration
- Absorption of two into full-time employment following a fair, competitive, and transparent recruitment process
- Maintenance of our Broad-Based Black Economic Empowerment (BBBEE) Level 4 contributor status, demonstrating continued compliance with transformation targets, particularly within the skills development element of the scorecard
- Strategic internal collaboration and impactful staff-led campaigns yielded successful outcomes. These included Nelson Mandela Day and a career readiness and job shadowing campaign that were rolled out across all three regional offices. The initiatives strengthened stakeholder engagement, promoted community involvement, and provided valuable workplace exposure to learners
- A significant milestone was the successful development and approval of the Education Bursary Scheme for

Employee Dependents, with a focus on supporting access to Higher Education. This programme reinforces the organisation's commitment to staff well-being and educational advancement

- The FP&M SETA has a healthy workforce with low staff turnover. Staff are dedicated to the organisation subscribing to the organisational values outlined earlier in the document. The organisational structure has increased employee capacity, and this progressively enables the SETA to perform optimally. A performance driven culture remains emphasised through re-scoping of certain roles and the revision of job descriptions

1.7. FUTURE PLANS

The HR Division will drive the process of harmonising the working environment, policies, business processes and systems as they are progressively established. The HR Unit will also drive the process of identifying and developing plans to fill skills gaps, followed by the placement of staff within key vacancies. Compliance is vital in the operations of the SETA and adequate time will be allocated to ensure conformity. Upholding a non-qualification on audit and striving towards a clean audit outcome is conscious among the entire workforce.



FP&M SETA EXECUTIVE TEAM



Dr Felleng Yende
Chief Executive Officer



Ms Khataza Khoza

Senior Manager:
Governance Risk &
Compliance

Mr PK Naicker

General Manager:
Research Planning
& Reporting

Mr William Malema

General Manager:
Projects

Mr Avinash Gangoo

Chief Financial
Officer

Mr Zithulele Zondi

General Manager:
Quality Assurance

Mr Bongani Masango

Chief Information
Officer



The FP&M SETA head office team operates from offices situated in Dunkeld, Johannesburg.



FP&M SETA's Team in Cape Town operates from offices situated in the Cape Town CBD.



FP&M SETA's KZN team operates from offices situated in Westville, Durban.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by programme/ activity/ objective

Programme/activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top management	50 505	3 801	10,1%	1	3 801
Senior Management	91 126	6 858	18,2%	6	1 143
Professional	127 745	9 614	25,4%	14	687
Skilled	169 006	12 719	33,7%	26	489
Semi-Skilled	55 299	4 162	11%	11	378
Unskilled	1 671	126	0,3%	1	126
Other	6 659	501	1,3%	9	56
	502 011	37 781	100%	68	556

Payroll reconciliation to Annual Financial Statements

Reconciliation item	
Amount AFS note 18	21 082
Amount AFS note 19.1	16 957
Intern salary allocated to training expense	177
NSF Project Expense	62
Add Actual Bonus Pay	2 507
Less Bonus Provision	2 711
Less Leave Accrual	243
Less ROE Payment	50
TOTAL	37 781

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	3 801	10,1%	1	3 801
Senior Management	6 858	18,2%	6	1 143
Professional qualified	9 614	25,4%	14	687
Skilled	12 719	33,7%	26	489
Semi-skilled	4 162	11%	11	378
Unskilled	126	0,3%	1	126
Other	501	1,3%	9	56
TOTAL	37 781	100 %	68	556

Performance Rewards

Programme//activity/ objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	289	3 801	8%
Senior Management	420	6 858	6%
Professional qualified	737	9 614	8%
Skilled	818	12 719	6%
Semi-skilled	234	4 162	6%
Unskilled	9	126	7%
Other	0	501	0%
TOTAL	2 507	37 781	7%

Training Costs

Programme//activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee
Office of the CEO	4 376	0,5	0,01%	1	0,5
Research, Planning & Reporting	7 733	30	0,39%	10	3
Projects	9 466	55	0,58%	16	3
Quality Assurance	5 749	19	0,34%	9	2
Finance	5 462	26	0,47%	7	3,6
IT and Systems	2 129	129	6,04%	4	32
Governance/Risk/ Compliance/ Legal and M&E	2 365	19,5	0,85%	3	7
Other	501	183	36,55%	10	18
Total	37 781	462	1%	60	8

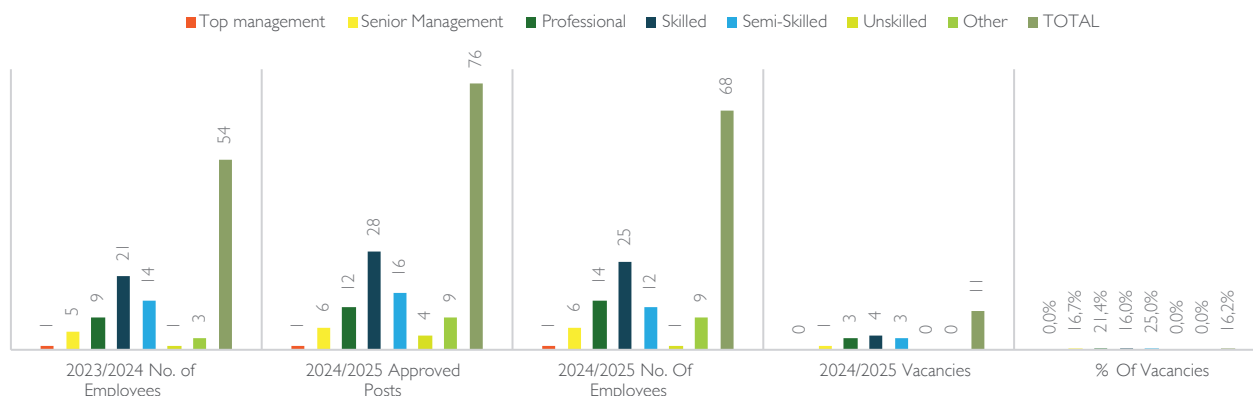
Training Expenditure Cost Breakdown

Formal Staff Training	R372 071.55
In-House Training	R89 965.04
TOTAL	R462 036.59

Breakdown of a Training Ledger/TB

Formal Training Ledger	R372 071,55
Less ETDP seta MG	R60 897,44
Less Bursary Refund	R5 400,00
Formal Training Per TB	R305 774,11

EMPLOYMENT AND VACANCIES



Employment changes

Occupational Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	1	0
Senior Management	5	1	1	5
Professional qualified	9	3	3	11
Skilled	21	2	2	23
Semi-skilled	14	0	0	12
Unskilled	1	0	0	1
Other (interns)	3	8	1	9
Total	54	14	8	61

Professionally Qualified Category

Two (2) internal promotions occurred within this category. The employees were previously classified under the Skilled occupational category and, as such, their progression to Professionally Qualified does not reflect as new appointments but rather as upward movement within the organisation.

Skilled Category

Three (3) internal promotions took place from the Semi-Skilled category. These changes represent internal career progression and are not reported as new appointments, given they were movements within existing staff from one occupational level to a higher one.

Other Category

Two (2) interns were successfully absorbed into permanent roles at different occupational levels. One intern was placed within the Skilled category and the other within the Semi-Skilled category, contributing to internal capacity building and youth development.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	4	50%
Dismissal	1	13%
Retirement	2	25%
Ill health	0	0%
Expiry of contract	1	13%
Other	0	0%
Total	8	100%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	1

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	3	3	0	0	2	2	0	0
Professional qualified	2	2	0	0	0	0	1	1
Skilled	8	8	0	0	0	0	0	0
Semi-skilled	3	3	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	16	16	0	0	2	2	1	1

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	0	1	0	0	0	0	0	0
Professional qualified	6	7	0	0	0	0	1	1
Skilled	13	14	0	0	1	1	1	2
Semi-skilled	4	4	1	1	3	3	1	1
Unskilled	1	1	0	0	0	0	0	0
TOTAL	25	28	1	1	4	4	3	4

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	1	2	2
Semi-skilled	0	0	1	1
Unskilled	0	0	0	0
TOTAL	0	1	3	3



PART E



PFMA COMPLIANCE REPORT

SUPPLY CHAIN MANAGEMENT

FP&M SETA met all the prescribed SCM legislative requirements; aligned to National Treasury regulations. I am pleased to report that the SCM division has the controls in place to ensure zero tolerance on non-compliance, fraud and corruption concerning the procurement of all goods and services for the organisation.

During the year under review, the following bids were concluded positively:

- Appointment of a service provider for Internet and Connectivity services.
- Appointment of a service provider for the Cape Town lease premises

National Treasury issued Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework and related documents. The details of the unauthorised, irregular, fruitless and wasteful expenditure are detailed on the following page:

IRREGULAR EXPENDITURE DISCLOSURE

Description	2024/25 R'000	2023/24 R'000
Opening Balance		
Add: irregular expenditure confirmed	4 016	4 599
Less: irregular expenditure condoned	-3 678	-3 427
Less: irregular expenditure not condoned and removed	-338	-229
Less: irregular expenditure recoverable		
Less: irregular expenditure not recovered and written off		
Closing balance	0	943

Reconciling notes to the annual financial statement disclosure

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure for the current year	4 016	4 599
	4 016	4 599

Details of current and previous year irregular expenditure

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure under assessment		
Irregular expenditure under determination		943
Irregular expenditure under investigation		
	0	943

Details of current and previous year irregular expenditure condoned

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure condoned	3 678	3 427
	3 678	3 427

Details of current and previous year irregular expenditure removed - (not condoned)

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure not condoned and removed	338	229

Fruitless and wasteful expenditure

Description	2024/25 R'000	2023/24 R'000
Opening Balance	108	
Add: fruitless and wasteful expenditure confirmed	100	108
Less: fruitless and wasteful expenditure recovered	-39	
Total	169	108

Information on late and / or non-payment of suppliers

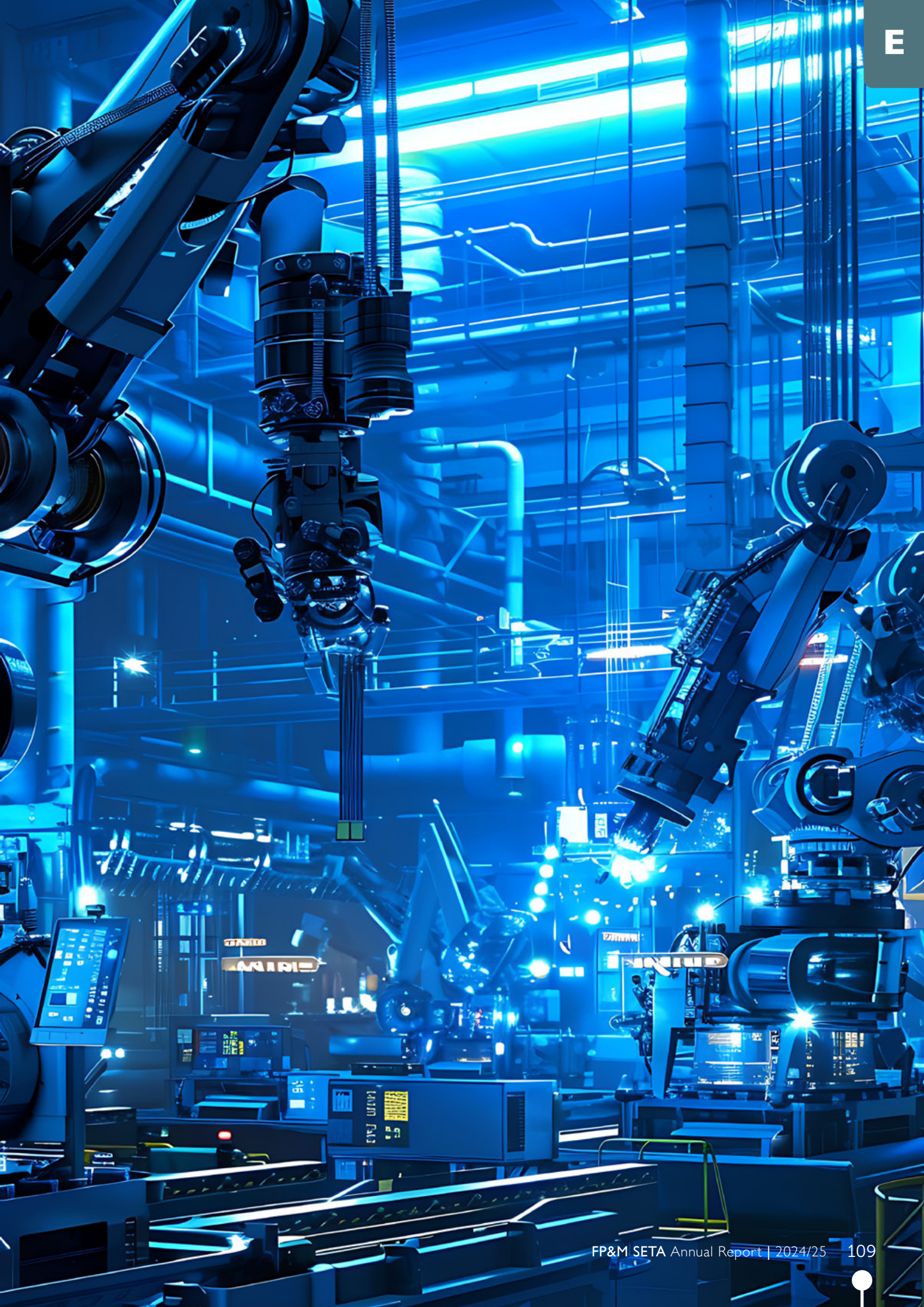
Description	Number of invoices	Consolidated Value R'000
Valid invoices received	3 747	378 051
Invoices paid within 30 days or agreed period	3 747	378 051
Invoices paid after 30 days or agreed period	0	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	-

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Visa Application	Nexus Travel	Deviation	n/a	4
Learnership certificates	Tantus Trading 157	Deviation	n/a	42
Total				46

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Extension of MTN contract	MTN	Variation	n/a	3 760	-	1 046
Extension of Cape Town lease	HCI - The Palms	Variation	n/a	1 858	2 806	848
Extension of Travel Management	Atlantis Corporate Travel	Variation	n/a	2 000	-	550
Total						



PART F



FINANCIAL INFORMATION

INDEX

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

Report of the Auditor-General to Parliament on the Fibre Processing and Manufacturing Sector Education and Training Authority.....	112 -117
Statement of Responsibility.....	118
Statement of Financial Position.....	119
Statement of Financial Performance.....	120
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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FIBRE PROCESSING AND MANUFACTURING SECTOR EDUCATION AND TRAINING AUTHORITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Fibre Processing and Manufacturing Sector Education and Training Authority set out on pages 119 - 154, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fibre Processing and Manufacturing Sector Education and Training as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' . International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

RESTATEMENT OF CORRESPONDING FIGURES

7. As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the entity at, and for the year ended 31 March 2025.

Responsibilities of the Accounting Authority for the financial statements

8. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and the SDA, and for such internal control as the Accounting Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the financial statements

10. My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 116 to 117, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.
13. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

PROGRAMME	PAGE NUMBERS	PURPOSE
Programme 2: Skills planning	50 - 55	To ensure that appropriate skills-related research is conducted to identify and increase production of occupations in high demand to promote labour absorption. Accurate labour market analysis within the sector will improve enrolment and completion of priority occupations and qualifications. This would improve the responsiveness and planning processes of the sector's post- school education and training system.
Programme 3: Learning programmes	55 - 61	To link education and the workplace to develop a skilled and capable workforce for a sustainable, technologically advanced and productive FP&M manufacturing sector. Workplaces must implement occupationally directed programmes and qualifications to address technical high level and middle level occupations and qualifications in demand, especially for priority occupations.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable

- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
 17. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

18. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements. This information should be considered in the context of the material findings on the reported performance information.
20. The tables that follow provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. They are included in the annual performance report on pages 50 to 55.

PROGRAMME 2: SKILLS PROGRAMME

Targets achieved: 82%		
Budget spent: 100%		
KEY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
Number of workplace skills plans (WSPs) and annual training reports (ATRs) approved for medium firms	405	364
Number of WSPs and ATRs approved for large firms	345	327

MATERIAL MISSTATEMENTS

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 2: skills planning. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

REPORT ON COMPLIANCE WITH LEGISLATION

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the public entity's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

26. The Accounting Authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

27. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

INTERNAL CONTROL DEFICIENCIES

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.

Auditor General

Pretoria
30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I 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 my 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the public entity financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

COMPLIANCE WITH LEGISLATION - SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 51(1){b}{i}; 51(1){b}{ii}; 51(1)(e)(iii); 53 (4); Section 54(2)(c); 54(2){d}; 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1. Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112{2}(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction note. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction note. 5 of 2020/21	Paragraph 2
National Treasury instruction note 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury instruction note 1 of 2021/22,	Paragraph 4.1
National Treasury instruction note 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction note 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction note 03 of 2021/22	Paragraph 4.1; 4.2{b}; 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM instruction note 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice note 11 of 2008-9	Paragraph 2.1; 3.1 (b)
Practice note 5 of 2009-10	Paragraph 3.3
Practice note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

ANNUAL FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF RESPONSIBILITY

The Accounting Authority is responsible for the preparation of the FP&M SETA's annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

The external auditors are engaged to express an independent opinion on the financial statements of FP&M SETA.

The annual financial statements of the FP&M SETA set out on page 119 to page 154 have been approved by the Board on 28 July 2025.

**Dr FELLENG YENDE**

Chairperson

Commenced: 1st April 2025Date: 28th July 2025**Dr FELLENG YENDE**

Chief Executive Officer

Date: 28th July 2025

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Assets			
Current Assets			
Cash and cash equivalents	5	429 498	397 729
Receivables from non-exchange transactions	6	27	21
Receivables from exchange transactions	7	765	509
Inventories	8	125	49
		430 415	398 308
Non-Current Assets			
Property, plant and equipment	3	1 519	1 175
Intangible assets	4	831	615
		2 350	1 790
Total Assets		432 765	400 098
Liabilities			
Current Liabilities			
Payables from exchange transactions	11	6 999	5 368
Trade and other payables from non-exchange transactions	10	128 634	78 438
Government grants and Donor funding received in advance	9	27 853	-
Provisions	12	11 202	10 634
		174 688	94 440
Total Liabilities		174 688	94 440
Net Assets		258 077	305 658
Reserves			
Admin Reserve	32	2 350	1 790
Discretionary Reserve	32	255 727	303 868
Total Net Assets		258 077	305 658

* See Note 24

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF FINANCIAL PERFORMANCE

		2025	2024
	Note(s)	R '000	Restated* R '000
Revenue			
Revenue from exchange transactions			
Other revenue	14	27	47
Finance income	15	29 644	33 469
Total revenue from exchange transactions		29 671	33 516
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and donor funding	21	62	-
Skills development levy (SDL) revenue	16	420 066	387 896
SDL penalties and interest received	17	4 631	4 091
Total revenue from non-exchange transactions		424 759	391 987
Total revenue	13	454 430	425 503
Expenditure			
Employee related costs	18	(21 082)	(18 970)
Depreciation and amortisation	3	(6 488)	(4 658)
Lease rentals on operating lease	22	(4 037)	(3 871)
Employer grants and project expenses	19	(447 659)	(462 277)
Government grants and donor funding	21	(62)	-
Loss on disposal of assets and liabilities	3	(12)	(64)
General Expenses	20	(22 671)	(16 569)
Total expenditure		(502 011)	(506 409)
Surplus/(deficit) for the year		(47 581)	(80 906)

NB. As at 31 March 2024, the Discretionary grant reserve amount comprised R 302.4 million Discretionary grant commitments. The Seta obtained the necessary approvals to retain the Discretionary grant reserves and disburse the funding in subsequent periods as and when Projects reach certain milestones for payments. Any deficit for the current year is as a result of disbursement of prior approved Discretionary grant reserves.

* See note 24

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF CHANGES IN NET ASSETS

	Administration reserve	Employer grant reserve	Discretionary Grant reserve	Total reserves	Accumulated surplus	Total net assets
	R '000	R '000	R '000	R '000	R '000	R '000
Balance at April 1, 2023	1 554	-	385 010	386 564	-	386 564
Changes in net assets						
Allocation of unappropriated surplus / (deficit) - note 26	6 780	26 028	(113 714)	(80 906)	80 906	-
Transfer to Discretionary reserves: excess funds	(6 544)	(26 028)	32 572	-	-	-
Net income (losses) recognised directly in net assets	236	-	(81 142)	(80 906)	80 906	-
Surplus / (Deficit) for the year	-	-	-	-	(80 906)	(80 906)
Total recognised income and expenses for the year	236	-	(81 142)	(80 906)	-	(80 906)
Total changes	236	-	(81 142)	(80 906)	-	(80 906)
Opening balance as previously reported	1 790	-	-	1 790	-	1 790
Adjustments						
Opening Balance as previously reported	-	-	302 459	302 459	-	302 459
Prior year adjustments (Note 24)	-	-	1 409	1 409	-	1 409
Restated* Balance at April 1, 2024 as restated*	1 790	-	303 868	305 658	-	305 658
Changes in net assets						
Allocation of unappropriated surplus / (deficit) - note 26	841	27 989	(76 411)	(47 581)	47 581	-
Transfer to Discretionary reserves: excess funds	(281)	(27 989)	28 270	-	-	-
Net income (losses) recognised directly in net assets	560	-	(48 141)	(47 581)	47 581	-
Surplus / (Deficit) for the year	-	-	-	-	(47 581)	(47 581)
Total recognised income and expenses for the year	560	-	(48 141)	(47 581)	-	(47 581)
Total changes	560	-	(48 141)	(47 581)	-	(47 581)
Balance at 31 March 2025	2 350	-	255 727	258 077	-	258 077
Note(s)			32	32		

* See Note 24

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CASH FLOW STATEMENT

		2025	2024
	Note(s)	R '000	Restated* R '000
Cash flows from operating activities			
Receipts			
Cash receipts from stakeholders		424 441	391 945
Other cash receipts from stakeholders		89	47
Interest income		29 644	33 469
		454 174	425 461
Payments			
Grants and project payments		(369 314)	(427 624)
Compensation of employees		(20 878)	(18 841)
Payments to suppliers and other		(25 155)	(19 792)
		(415 347)	(466 257)
Net cash flows from operating activities	25	38 827	(40 796)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(973)	(813)
Purchase of other intangible assets	4	(6 085)	(4 142)
Net cash flows from investing activities		(7 058)	(4 955)
Net increase/(decrease) in cash and cash equivalents		31 769	(45 751)
Cash and cash equivalents at the beginning of the year		397 729	443 480
Cash and cash equivalents at the end of the year	5	429 498	397 729

* See Note 24

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
Budget on Accrual Basis	R '000	R '000	R '000	R '000	R '000	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other revenue	-	-	-	27	27	
Finance Income	25 945	3 733	29 678	29 644	(34)	33.1
Total revenue from exchange transactions	25 945	3 733	29 678	29 671	(7)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	-	-	-	62	62	
SDL revenue	411 564	-	411 564	420 066	8 502	33.2
SDL penalties and interest received	6 481	-	6 481	4 631	(1 850)	33.3
Retained Surplus	-	302 410	302 410	-	(302 410)	
Total revenue from non- exchange transactions	418 045	302 410	720 455	424 759	(295 696)	
Total revenue	443 990	306 143	750 133	454 430	(295 703)	
Expenditure						
Administration	(50 061)	(3 733)	(53 794)	(54 278)	(484)	33.5
Employer grant and project expenses	(393 866)	(302 410)	(696 276)	(447 659)	248 617	33.4
Expenditure on conditional grants	-	-	-	(62)	(62)	
Total expenditure	(443 927)	(306 143)	(750 070)	(501 999)	248 071	
Operating deficit	63	-	63	(47 569)	(47 632)	
Loss on disposal of assets	(63)	-	(63)	(12)	51	33.6
Surplus / (Deficit) for the year	-	-	-	(47 581)	(47 581)	
Actual amount on comparable basis as presented in the budget and actual comparative statement				(47 581)	(47 581)	

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FOR THE YEAR ENDED 31 MARCH 2025

ACCOUNTING POLICIES

I. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

I.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the entity and rounding has been made to the nearest thousand (R'1000).

I.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including leasehold improvements) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and is subsequently carried at cost less accumulated depreciation and any impairment losses

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office furniture and fittings	Straight line	1-5 years

1.2 Property, plant and equipment (continued)

Motor vehicles	Straight line	1-3 years
Office equipment	Straight line	1-4 years
Computer equipment	Straight line	1-3 years
Lease hold improvements	Straight line	Over lease term
Artwork and signage	Straight line	1-5 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate. The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	Term of Licence

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Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

1.4 Financial instruments

Definitions

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity;
- or a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables exchange	Financial liability measured at amortised cost
Trade and other payables non exchange	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition**Financial assets**

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses, are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished – i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity

by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-Exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.5 Tax

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.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.7 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

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Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity. Inventory primarily comprise of consumables and office stationery that is not used at year end.

1.8 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity are sub-classified in the statement of financial position between the following funds and reserves:

- Administration reserve
- Employer grant reserve
- Discretionary reserve

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

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

Purpose of total SDL payments from employer	% Allocation 24/25	% Allocation 23/24
Administration costs of the SETA	10.50 %	10.50 %
Mandatory grants	20.00 %	20.00 %
Discretionary grants and projects	49.50 %	49.50 %
	80.00 %	80.00 %

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

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

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

Surplus funds in the employer grant reserve are transferred to the discretionary reserve at the end of the financial year. An amount is retained in the employer grant reserve to pay for projects that are committed at year end as per the commitments register.

1.9 Employee benefits**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

1.11 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements and these include discretionary grant contracts that are non-cancellable or only cancellable at significant cost.

The commitment value is calculated using the contract value less any payments or adjustments. Contracts are removed in the commitments register when the FP&M Seta has no contractual obligation to another party due a cancellation, expiry of contract or discharge of contractual obligations under the contract.

1.12 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

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

1.13 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Levy Income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies of the SETA pay a skills development levy (SDL) of 1% of the total payroll cost to the South African Revenue Services (SARS). 80% of SDL are paid over to the SETA (net of the 20% contribution to the National Skills Fund).

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

Revenue is adjusted for inter SETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as inter SETA transfers. The amount

of the inter SETA adjustment is calculated according to the Standard Operating Procedures issued by the Department of Higher Education & Training (DHET) on 15th May 2007.

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

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

Penalties and Interest

Interest and penalties on SDL is recognised on the earlier of the time the DHET makes the allocation or payment of the funds in the bank account of the SETA.

Government grants and other donor income

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

1.14 Accounting by principals and agents Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the

agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP. The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.15 Comparative figures

Where necessary, comparative figures have been re-stated, adjusted or reclassified to achieve fair presentation and to conform to changes in presentation that arise due to changes in accounting policies, errors, reporting standards and legislation

1.16 Unauthorised expenditure Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditures relating to fruitless and wasteful expenditure is recognised as an expense in the

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statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Irregular expenditure

Irregular expenditure as defined in Section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year-end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or Accounting Authority may write off the amount as debt impairment and disclose such in the relevant note to the financial

statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.19 Budget information

The Entity is typically subject to budgetary limits in the form of appropriations or budget authorisation's (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024-04-01 to 2025-03-31.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.20 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.

All transactions with the related parties are disclosed whether or not they at arms length or in the ordinary course of business.

1.21 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.22 Significant judgements

Segment reporting

FP&M SETA does not have an activity or unit that meets the definition of a 'segment' as defined, as FP&M SETA administrative units and functional departments do not undertake activities that generate economic benefits or services potential separately from the SETA. Management has assessed that FP&M SETA operates as one segment both from a service and geographical point of view. Management has not divided the financial information into different segments as required by GRAP 18. We draw the reader's attention to Note 6, 9, 10, 23 where revenue, expenses, trade and other receivables and trade and other payables are allocated into administration, mandatory and discretionary grant activities.

1.23 Grants and project expenditure

Grants and project expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory employer grant (excluding interest and penalties) by complying with the grant criteria in accordance with the Skills Development Act, 1998 as amended SETA Grant Regulations regarding monies received and related matters (The SETA Grant Regulations).

Mandatory grants expenditure

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut off period and the application has been approved. Grants are equivalent to 20% of the total levies contributed by employers to the SETA during the corresponding financial period. Any utilised mandatory grant income is swept to Discretionary grant reserves.

Discretionary project expenditure

A SETA may out of surplus monies 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 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 the SETA. A 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; 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 cost having similar characteristics.

Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies

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collected, it may result in grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

Adjustments to revenue already recognised, arise from the completion of a South African Revenue Services (SARS) internal review process, and/or the outcome of an external appeal or objection process undertaken by employer companies. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition.

Commitments

Commitments are disclosed where FPM SETA, in the normal course of operations, entered into contractual agreement with entities relating to grants or where there is a contractual letter of award. Commitments are measured at the amount the entity would pay to settle future obligations as per contractual relationship with the beneficiaries. Commitments are included in the disclosure note to the financial statements. Commitments are derecognised when either the grant programmes are terminated through a signed termination agreement, or when the contractual obligation is fully paid.

Commitments are disclosed where the SETA has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are yet due for payment. Commitments are accounted for as contingent liabilities in terms of GRAP 19.

2. NEW STANDARDS AND INTERPRETATIONS**GRAP 104 (amended): Financial Instruments**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office furniture and fittings	1 396	(1 119)	277	1 282	(1 238)	44
Motor vehicles	497	(474)	23	497	(466)	31
Office equipment	3 757	(3 309)	448	3 819	(3 167)	652
Computer equipment	4 098	(3 327)	771	3 653	(3 205)	448
Artwork	279	(279)	-	279	(279)	-
Total	10 027	(8 508)	1 519	9 530	(8 355)	1 175

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and fittings	44	279	(12)	(34)	277
Motor vehicles	31	-	-	(8)	23
Office equipment	652	64	-	(268)	448
Computer equipment	448	630	-	(307)	771
	1 175	973	(12)	(617)	1 519

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and fittings	81	-	-	(37)	44
Motor vehicles	47	-	-	(16)	31
Office equipment	668	397	(2)	(411)	652
Computer equipment	340	416	(62)	(246)	448
	1 136	813	(64)	(710)	1 175

4. INTANGIBLE ASSETS

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	17 327	(16 496)	831	11 241	(10 626)	615
Total	17 327	(16 496)	831	11 241	(10 626)	615

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Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	615	6 085	(5 869)	831
	615	6 085	(5 869)	831

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	418	4 142	(3 945)	615
	418	4 142	(3 945)	615

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2025 R'000	2024 R'000
Petty cash on hand	7	17
Bank balances	5 623	6 760
Donor funds held	27 918	-
Investments	395 950	390 952
	429 498	397 729

Investments are held with the Corporation of Public Deposits (CPD), is available on demand and is subject to an insignificant risk of change in value.

For the purposes of the cash and flow statement, cash and cash equivalents comprise of cash on hand, bank balances and deposits held on call with CPD.

Cash and cash equivalents includes donor funds held from the National Skills Fund amounting to R 27,9 million. Amounts held at Nedbank amounts to R 5.6m and amounts held at CPD amounts to R 423.8 million.

6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
Mandatory grant Receivables	27	2
Inter-SETA receivables	-	19
	27	21

7. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Deposits	560	435
Prepaid expenses	26	26
Sundry debtors	179	48
	765	509

8. INVENTORIES

Stationery and other consumables

Inventory comprises paper, kitchen items and other consumables. Amounts expensed are included under general expenses.

Inventories reconciliation

Opening balance	49	67
Purchases	308	44
Amount expensed	(232)	(62)
	125	49

9. GOVERNMENT GRANTS AND DONOR FUNDING RECEIVED IN ADVANCE

FP&M Seta received conditional grants as follows:

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipt	2025 R'000	2024 R'000
National Skills fund	27 853	-
Movement during the year		
	2025 R'000	2024 R'000
Balance at the beginning of the year	--	-
Additions during the year	27 915	-
Income recognition during the year	(62)	-
	27 853	-
	2025 R'000	2024 R'000
Non-current liabilities	--	-
Current liabilities	27 853	-
	27 853	-

Donor funding and other government grants are recognised as income when the conditions related to the grants are met and are based on qualifying expenditure incurred. Refer to note 21 for detailed movements of grants.

10. TRADE AND OTHER PAYABLES FROM NON EXCHANGE TRANSACTIONS

Trade payables from non-exchange transactions relate to mandatory and discretionary grant liabilities other than those that are accounted for as grants received in advance (conditional grants received).

Non-exchange payables are as follows:

	2025 R'000	2024 R'000
Mandatory grant payables	-	25
Discretionary grant payables	8 273	672
Inter-SETA payables - non-exchange	14	-
Discretionary grant accruals	72 533	71 823
Accrual for mandatory grants	47 814	5 918
	128 634	78 438

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FOR THE YEAR ENDED 31 MARCH 2025

11. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables
Accrued expense: Administrative expenses
Accrued expense: Salary deductions payable
Accrued expense: Operating lease straight lining

2025 R'000	2024 R'000
603	406
5 254	4 745
1 100	51
42	166
6 999	5 368

12. PROVISIONS**Reconciliation of provisions: 2025**

Opening balance
Amount paid
Additions

Performance bonus	Levies from exempt companies	Total
2 770	7 864	10 634
(2 507)	(1 526)	(4 033)
2 711	1 890	4 601
2 974	8 228	11 202

Reconciliation of provisions: 2024

Opening balance
Amount paid
Additions

2 641	7 541	10 182
(2 415)	(1 411)	(3 826)
2 544	1 734	4 278
2 770	7 864	10 634

During the financial year the SETA received SDL income from companies whose gross salary cost is less than R500 000. DHET issued guidance to all SETAs indicating that these funds must continue to be accounted for as liabilities for a period of 5 years unless the related companies claim back these funds during this 5 year period. Thereafter the SETA can recognise these funds as income if they are not claimed. At 31 March 2025 the amount claimable was R 8.2m (2023/24: R7.8m).

Bonus provision and subsequent payment is calculated on an annual basis inline with the Performance Management Policy/Procedure.

13. REVENUE

Other revenue
Interest received - investment
Government grants & subsidies
SDL revenue
SDL penalties and interest

2025 R'000	2024 R'000
27	47
29 644	33 469
62	-
420 066	387 896
4 631	4 091
454 430	425 503

The amount included in revenue arising from exchanges of goods or services are as follows:

Other revenue
Interest received - investment

27	47
29 644	33 469
29 671	33 516

The amount included in revenue arising from non-exchange transactions is as follows:**Taxation revenue****Transfer revenue**

NSF income
SDL revenue
SDL penalties and interest

62	-
420 066	387 896
4 631	4 091
424 759	391 987

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FOR THE YEAR ENDED 31 MARCH 2025

14. OTHER INCOME

Testing certificates - non-exchange
Insurance refund - exchange

2025 R'000	2024 R'000
27	28
-	19
27	47

15. FINANCE INCOME**Interest revenue**

Interest from deposits and bank

29 644	33 469
--------	--------

16. SKILLS DEVELOPMENT LEVY (SDL) REVENUE

Administration - SDL received from SARS
Administration - Inter SETA transfer in
Administration - Inter SETA transfer out
Employer grants - SDL grants received from SARS
Employer grants - Inter SETA transfer in
Discretionary grants - SDL received from SARS
Discretionary grants - Inter SETA transfers in
Discretionary grants - Inter SETA transfers out

55 133	50 909
-	3
(2)	-
105 152	96 958
-	5
259 795	240 009
-	12
(12)	-
420 066	387 896

17. SDL PENALTIES AND INTEREST RECEIVED

SDL interest income
SDL penalties income

2 233	1 600
2 398	2 491
4 631	4 091

18. EMPLOYEE RELATED COSTS

Basic
Bonus provision
Medical aid - company contributions
UIF
Workmens compensation
SDL
Leave pay provision charge
Short term benefit
Other short term costs
Cellphone allowances
Acting allowances
Car allowance

2025 R'000	2024 R'000
15 311	13 965
1 856	1 460
840	757
51	49
50	42
185	168
15	283
1 727	1 556
738	384
80	81
20	16
209	209
21 082	18 970

Note

Project payroll costs of R 16,9 million are disclosed in note 19.1. These costs relate to employees that administer projects.

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19. EMPLOYER GRANT AND PROJECT EXPENSES**Discretionary Grant Expenses**

Administrative project costs

Discretionary grant expenses

2025 R'000	2024 R'000
23 677	22 431
346 819	368 911
370 496	391 342

NB: Administrative project expenses relate to Discretionary grant expenditure. Included in Administrative project costs are payroll costs of R 16,9 million (2024: R 16 million). Refer to note 19.1.

Mandatory grant expenditure

Mandatory grant to employers

Employer grant and project expenses for the period

77 163	70 935
447 659	462 277
12 919	11 821
228	62
726	712
856	1 085
61	55
157	149
1 759	1 912
40	37
79	47
132	292
16 957	16 172

19.1 Administrative project salary costs

Basic Salaries

Leave accrual

Medical Aid

Bonus Accrual

UIF

SDL

Short term benefits

Cellphone allowances

Acting Allowance

Car Allowance

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20. GENERAL EXPENSES

	2025 R'000	2024 R'000
Internal audit fees (1)	639	467
Advertising	215	61
Auditors remuneration	3 480	2 782
Bank charges	44	49
Cleaning	444	372
Audit committee fees	49	43
Legal Fees	99	187
Board fees	803	395
Insurance	229	133
Fuel and oil	7	6
Consultant fees	741	1 111
Postage and courier	37	62
Printing costs	39	28
Management information systems (2)	7 932	3 752
Stationery	133	63
Security	647	536
Staff welfare	18	14
Subscriptions and membership fees	1 092	1 245
Telephone	728	676
Staff training and development costs	306	272
Travel costs	617	358
Electricity	1 133	1 038
QCTO expenses	2 784	2 549
Catering and refreshments	123	83
Office expenses	332	287
	22 671	16 569

1. Internal audit costs relate to costs aligned to the 3 year rolling plan.

2. Integrated management information system costs increased due to acquisition of a new IMIS system.

21. GOVERNMENT GRANTS AND SUBSIDIES**Operating grants**

National Skills Fund	62	-
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22. LEASE RENTAL ON OPERATING LEASE

The operating leases relates to building premises used as office accommodation in our two regional offices and head office. The capetown lease was extended to March 2025.

	2025 R'000	2024 R'000
Reconciliation of future minimum lease payments		
Not later than on year	654	3 459
	-	-
	645	3 459
Lease payments on operating leases		
Contractual payments made during the year	4 037	3 871

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23. RELATED PARTIES**Relationships**

Member	Refer to members' report note
DHET	Controlling Entity
TVETs	Under common control by DHET
Universities	Under common control by DHET
University of South Africa	Under common control by DHET
QCTO	Under common control by DHET
SAQA	Under common control by DHET
NSFAS	Under common control by DHET
NSF	Under common control by DHET
Department of Science and Technology and entities under its control	Under common control by DHET
SETAs	Under common control by DHET
Adv Michelle Odayan	Accounting Authority Chairperson
Ms Makhosi Chiwashira	Accounting Authority Member
Ms Linda Theresa Bremner	Accounting Authority Member
Ms Fanisa Lamola	Accounting Authority Member
Mr Nduduzo Vilina	Accounting Authority Member
Bonita Natalie Loubser	Accounting Authority Member
Ms Deight T Simelane	Accounting Authority Member
Ms Karen Pearl Manuel	Accounting Authority Member
Mr Kwazi Mlaba	Accounting Authority Member
Teboho Cosmas Maroele	Accounting Authority Member
Ms Theresa Otto	Accounting Authority Member
Mpuka Radinku	Accounting Authority Member
Mr Fancois Oberholzer	Accounting Authority Member
Mr Mike Truelock	Accounting Authority Member
Mr Cheme Phiri	Audit committee Chairperson
Ms Karien De Villiers	Audit committee member
Mr John Raphela	Audit committee member

Definition of controlling entity and entites under common control: As the Minister is the Executive Authority of the Department of Higher Education and Training this entity is related to all other entities (and their controlled/jointly controlled entities) for which the Minister of Higher Education and Training is the executive authority and, more broadly, to all other entities controlled by the national executive.

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Related party transactions

Related Party

2024/25	Nature of relationship	Transaction type	Transaction	Balances/ Commitments
TVET Colleges	Entity under common control	Discretionary Grant	48 975	(43 409)
Higher education Institutions	Entity under common control	Discretionary Grant	25 181	(8 548)
Community Colleges	Entity under common control	Discretionary Grant	1 110	(3 252)
Funding Institutions	Entity under common control	Discretionary Grant	991	(93)
Sector Education and Training Authorities	Entity under common control	Discretionary Grant	361	(14)
QCTO	Entity under common control	Administration	2 784	-
SAQA	Entity under common control	Administration	6	-
Subtotal			79 408	(55 316)
			79 408	(55 316)

2023/24 - Restated	Nature of relationship	Transaction type	Transaction	Balances/ Commitments
TVET Colleges	Entity under common control	Discretionary Grant	40 319	(39 273)
Higher education Institutions	Entity under common control	Discretionary Grant	13 125	(10 893)
Community Colleges	Entity under common control	Discretionary Grant	1 630	(3 052)
Funding Institutions	Entity under common control	Discretionary Grant	1 946	(1 084)
Sector Education and Training Authorities	Entity under common control	Discretionary Grant	75	(19)
QCTO	Entity under common control	Administration	2 549	-
SAQA	Entity under common control	Administration	6	-
Subtotal	-	-	59 650	(54 321)
			59 650	(54 321)

*SFP is the transaction value recognised in the statement of Financial performance.

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

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BOARD MEMBERS

2025	Attendance fee	Total
M Odayan (Chairperson)	338	338
Mike Truelock	93	93
F Lamola	54	54
C Phiri	31	31
M Chiwashira	137	137
Linda Bremner	22	22
AM Mohamed	46	46
Kwazi Mlaba	62	62
Membinkois Vilina	10	10
Karen Coetzee	2	2
Mpuka Radinku	9	9
AUDIT COMMITTEE		
C Phiri (Chairperson)	36	36
K De Villiers	3	3
John Raphela	8	8
	851	851

2024	Attendance fee	Total
M Odayan (Chairperson)	229	229
Mike Truelock	4	4
F Lamola	63	63
C Phiri	22	22
M Chiwashira	67	67
Linda Bremner	10	10
AUDIT COMMITTEE	-	-
C Phiri (Chairperson)	27	27
K De Villiers	11	11
John Raphela	5	5
	438	438

EXECUTIVE MANAGEMENT

2025	Basic salary	Bonuses and performance related payments	Other short-term employee benefits (medical, travel, cellphone allowances)	Post-employment benefits (retirement contribution)	Leave Pay	Total
CEO - Dr Felleng Yende (NB 1 and 2)	2 538	289	286	289	399	3 801
GM: Projects - Mr William Malema	1 073	87	62	136	-	1 358
GM: Research, planning and reporting - Mr PK Naicker	1 335	128	286	19	-	1 768
CFO - Mr Avinash Gangoo	1 181	107	141	52	-	1 481
GM: Projects - Ms SJ Kau (NB 3)	128	-	9	17	61	215
CIO - Mr Bongani Masango	1 045	97	185	16	-	1 343
GM QA - Mr Z Zondi (NB 4)	578	-	46	69	-	693
	7 878	708	1 015	598	460	10 659

NB.

1. Bonus and performance related payments for the Chief Executive Officer have been restated in 2024 to exclude a salary savings component amounting to R 429 000 and transferred to basic salary.
2. Leave pay for Chief Executive Officer was paid on end of contract term.
3. Ms Seipati Kau resigned on 31/05/2024.
4. Mr Z Zondi was appointed as GM: Quality Assurance on 12/08/2024.

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2024	Basic salary	Bonuses and performance related payments	Other short-term employee benefits (medical, travel, cellphone allowances)	Post-employment benefits (retirement contribution)	Acting Allowance	Total
CEO - Dr Felleng Yende	2 364	344	277	266	-	3 251
GM: Projects - Mr William Malema	500	-	29	64	19	612
GM: Research, planning and reporting - Mr PK Naicker	1 245	119	270	18	-	1 652
GM: Projects - Ms SJ Kau	1 098	29	73	138	-	1 338
CFO - Mr Avinash Gangoo	1 104	99	132	49	-	1 384
CIO - Bongani Masango	977	90	173	15	-	1 255
	7 288	681	954	550	19	9 492

24. PRIOR-YEAR ADJUSTMENTS

Presented below are those items contained in the statement of financial position, statement of financial performance that have been affected by prior-year adjustments. In the prior year discretionary grant accruals and expenditure was over stated by R 1 409 000. The commitments balance has also been restated. Refer to commitment note no 33. The effect of the restatement is disclosed below:

Statement of financial position

2024	Note	As previously reported	Correction of error	Restated
Trade payables from non exchange	10	(73 232)	1 409	(71 823)
Discretionary grant reserve	32	(302 459)	(1 409)	(303 868)

Statement of financial performance

2024	Note	As previously reported	Correction of error	Restated
Discretionary grant expenditure	19	392 751	(1 409)	391 342

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25. CASH GENERATED FROM (USED IN) OPERATIONS

	2025 R'000	2024 R'000
Deficit	(47 581)	(80 906)
Adjustment for:		
Depreciation and amortisation	6 488	4 658
Loss on disposal of fixed assets	12	64
Movements in provisions	568	452
Changes in working capital:		
Inventories	(78)	18
Receivables from exchange transactions	(256)	(45)
Other receivables from non-exchange transactions	(6)	11
Payables from exchange transactions	1 631	633
Trade and other payables from non-exchange	50 196	34 319
Government grants and Donor funding received in advance	27 853	-
	38 827	(40 796)

26. ALLOCATION OF NET SURPLUS / (DEFICIT)

2024/25	Administra- tion Reserve	Employer Reserve Mandatory Grants	Discretionary Reserve	NSF Project	Total per Statement of Performance
Total income					
Government grants and donor funding	-	-	-	62	62
SDL revenue	55 131	105 152	259 783	-	420 066
SDL penalties and interest received	-	-	4 631	-	4 631
Other revenue	-	-	27	-	27
Finance income	-	-	29 644	-	29 644
Total income	55 131	105 152	294 085	62	454 430
Total expenses					
Administration expenses	(54 290)	-	-	-	(54 290)
Expenditure on conditional grants	-	-	-	(62)	(62)
Employer grants and project expenses	-	(77 163)	(370 496)	-	(447 659)
	841	27 989	(76 411)	-	(47 581)

2023/24	Administration Reserve	Employer Reserve Mandatory Grants	Discretionary Reserve	Total per Statement of Performance
Total income				
SDL revenue		50 912	96 963	240 021
SDL penalties and interest received		-	-	4 091
Other revenue		-	-	47
Finance income		-	-	33 469
Subtotal		50 912	96 963	277 628
Total Expenses				
Administration expenses	(44 132)	-	-	(44 132)
Employer grants and project expenses	-	(70 935)	(391 342)	(462 277)
	6 780	26 028	(113 714)	(80 906)

27. SURPLUS FUNDS TRANSFERABLE TO NATIONAL TREASURY

Surplus funds due to National Treasury

	2025 R'000	2024 R'000
Cash and Cash equivalents	429 498	397 729
Receivables from non-exchange transactions	27	21
Receivables from exchange transactions	765	509
less current liabilities	(174 688)	(94 440)
	255 602	303 819

Notwithstanding the accumulated surplus above, FP&M Seta has at year end commitments in the form of contracts with various service providers as indicated in note 33, the below reflects the accumulated surplus after taking into account the impact of these commitments

Committed amounts as at 31 March 2025

Commitments - Refer to note	255 000	303 291
Net Surplus / (deficit) after commitments	602	528

NB. In the prior year the surplus was understated and has been restated together with the effect on the commitment balance.

28. FINANCIAL INSTRUMENTS DISCLOSURE**Categories of financial instruments****2025**

	At amortised cost	At cost
Financial assets		
Trade and other receivables from exchange transactions	739	509
Other receivables from non-exchange transactions	-	-
Cash and cash equivalents	429 498	397 729
	430 237	398 238

	At amortised cost	At cost
Financial liabilities		
Trade and other payables from exchange transactions	(2 671)	(2 341)
Taxes and transfers payable (non-exchange)	(80 806)	(72 495)
Government grants and donor funds received in advance	(27 853)	-
	(111 330)	(74 836)

	At amortised cost	At cost
Financial instruments in statement of financial performance		
Interest income (calculated using effective interest method) for financial instruments at amortised cost	29 644	33 469

29. RISK MANAGEMENT

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FINANCIAL RISK MANAGEMENT

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

LIQUIDITY RISK

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

2024/25	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years / More than 2 years
Trade and other trade payables from exchange transactions	(2 671)	(2 671)	(2 671)	-
Trade and other payables: Non-exchange	(80 806)	(80 806)	(80 806)	-
Government grants and donor funds received in advance	(27 853)	(27 853)	(27 853)	-
	(111 330)	(111 330)	(111 330)	-

2023/24	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years
Trade and other trade payables from exchange transactions	(2 341)	(2 341)	(2 341)	-
Trade and other payables: Non-exchange	(72 495)	(72 495)	(72 495)	-
	(74 836)	(74 836)	(74 836)	-

CREDIT RISK

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

Financial assets exposed to credit risk at year-end were as follows:

Financial instrument

	2025 R'000	2024 R'000
Receivables from exchange transactions	739	483
Cash and Cash equivalents	429 498	397 729

2024/25 Age Analysis	Current	30 to 60 days	60 to 90 days	90 to 120 days	More than 120	Carrying Amount
Receivables from exchange transactions	179	-	-	-	560	739
Cash and cash equivalents	429 498	-	-	-	-	429 498
Gross before impairment	429 677	-	-	-	560	430 237
	429 677	-	-	-	560	430 237

2023/24 Age Analysis	Current	30 to 60 days	60 to 90 days	90 to 120 days	More than 120	Carrying Amount
Receivables from exchange transactions	48	-	-	-	435	483
Cash and cash equivalents	397 729	-	-	-	-	397 729
Gross before impairment	397 777	-	-	-	435	398 212
	397 777	-	-	-	435	398 212

The SETA limits its Treasury counter-party exposure by only dealing with well-established financial institutions approved by

National Treasury through the approval of their investment policy in terms of Treasury Regulation. The SETA's exposure is continuously monitored by the Executive Committee. Credit risk with respect to SDL paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party. The SETA's concentration of credit risk is limited to the industry in which the SETA operates. No significant events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt. No receivables are held as security for Seta liabilities and also no collateral is held by the seta as security for receivables.

Interest rate risk

The SETA manages its interest rate risk by investing in the financial institutions approved by National Treasury.

The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

2024/25	Interest bearing amount	Effective interest rate	Non-interest bearing amount
Financial assets			
- Receivables from exchange transactions	-	-	739
- Cash and cash equivalents	429 498	7.99 %	-
Financial liabilities			
- Trade and other trade payables from exchange transactions	-	-	(2 671)
- Trade and other payables (non-exchange)	-	-	(80 806)
Government grants and Donor funding received in advance	-	-	(27 853)
	429 498	7.99 %	(110 591)

2023/24	Interest bearing amount	Effective interest rate	Non-interest bearing amount
Financial assets			
- Receivables from exchange transactions	-	- %	483
- Cash and cash equivalents	397 729	8.17 %	-
Financial liabilities			
- Trade and other trade payables from exchange transactions	-	- %	(2 341)
- Trade and other payables (non-exchange)	-	- %	(72 495)
	397 729	8.17 %	(74 353)

Fair value and market risk

Market risk

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

Fair values

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

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

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

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Cash and cash equivalents

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

Accounts receivable

The carrying amount of accounts receivable, net of allowance for impairment, approximates fair value due to the relatively short-term maturity of these financial assets. Interest is levied at the prescribed rate as determined by the Act should employers pay SDL late.

This interest is then transferred to the SETA via DHET.

Accounts payable

The carrying amount of account and other payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

30. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Minister of Higher Education and Training had approved the SETA licence until 31 March 2030.

31. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

National Treasury issued Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework and related documents. The details of the Unauthorised, Irregular, Fruitless and wasteful expenditure under investigation will be detailed in the Annual Report

Irregular expenditure - Refer to reconciling note in Annual report

Fruitless and wasteful expenditure - under investigation - refer to reconciling note in Annual report

2025 R'000	2024 R'000
4 016	4 599
100	108
4 116	4 707

32. CONTINGENCIES**Contingent liabilities****Outcome of the Minister of Higher Education and Training (DHET) and employers, represented by Business Unity South Africa ('BUSA') case**

Busa had challenged the fact that the Minister had reduced the mandatory grant payout from 50% to 20%. They went to court in October 2019 and there was a court ruling that the Minister's decision to reduce the mandatory grant payout is set aside. There was no further information provided in the court ruling for example there was no information about what rate to use if the Ministers decision is set aside and also no information about from which date should the ruling be applied. It cannot be determined what the amount of the contingency should be. The Minister is currently in discussion with Busa on this matter. Due to the uncertainty on the matter the amount cannot be determined.

Surplus funds

We have on the 31 May 2025 submitted an application to the DHET for retention of surplus funds and to retain funds used for internal projects.

	2025 R'000	2024 R'000
Administrative reserve	2 350	1 790
Discretionary reserve	255 727	303 868
	258 077	305 658

In terms of Section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. National Treasury issued Instruction No.12 of 2020/2021 to repeal the National Treasury Instruction No.6 of 2017/2018 on the retention of cash surpluses. This new Treasury Instruction takes effect from the date of issue for surpluses realised in the current financial year and subsequent financial years whichever is applicable. According to this Treasury Instruction the surplus is based on cash and cash equivalents plus receivables less current liabilities at the end of the financial year.

As at 31 March 2025 FP&M SETA had a surplus of R 255,6 million of which R 255 million is committed. Refer to Note 27 for the detailed calculation of the surplus.

33. COMMITMENTS

Of the balance of R 255,7 million(2023/24 , restated , R 303,8 million) available in the discretionary reserves at the end of March 2025, R 255 million (2023/24 , restated , R 303 million) (refer to annexure A) has been approved and contractually committed. Amounts for expenses that have already been contracted or incurred and therefore included in grant expenses in the statement of financial performance, are also indicated.

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ADDITIONAL INFORMATION

Contractual Commitments as at 31 March 2025										
Interventions	Opening Balance A/P Audited AFS	Cumulative Restatements	Restated Balance	Additions 24-25	Additions 24 - 25 Admin	Adjustments	Sweepings	Expenditure 24 - 25	Cumulative Restatements	Closing Balance
AET	922 300,00	21 000,00	943 300,00	2 607 500,00	-	-	-833 400,00	-2 496 900,00	-	220 500,00
Apprenticeships	89 253 328,89	69 866,50	89 323 195,39	67 670 110,00	-	5 878 524,90	-24 163 299,75	-55 408 937,80	-	83 299 592,74
Bursaries	15 987 201,00	35 000,00	16 022 201,00	28 792 047,07	-	2 472 380,00	-7 288 598,00	-29 019 272,60	-	10 978 757,47
Learnerships	74 621 198,00	234 060,00	74 855 258,00	98 445 600,00	-	-	-31 476 040,00	-92 395 810,50	-	49 429 007,50
Qualifications Development	16 788 564,71	-	16 788 564,71	6 000 000,00	-	-	-9 635 000,00	-5 339 870,22	-	7 813 694,49
Skills Programmes	31 117 536,81	95 440,00	31 212 976,81	44 299 700,00	250 000,00	-	-17 925 327,28	-38 195 388,71	-	19 641 960,82
Temporary Employer/ Employee Relief Scheme (TERS)	133 034,98	-	133 034,98	-	-	-	-	-	-	133 034,98
Work Integrated Learning (HET)	8 005 976,57	-	8 005 976,57	10 919 910,00	450 000,00	1 692 000,00	-4 345 448,57	-10 599 040,00	-	6 123 398,00
Work Integrated Learning (TVET)	23 993 605,00	-	23 993 605,00	39 582 000,00	1 598 400,00	2 629 950,00	-4 557 976,00	-42 090 429,00	-	21 155 550,00
Workplace Experience / Internship	16 416 032,50	558 000,00	16 974 032,50	38 319 015,00	549 000,00	342 000,00	-5 456 979,08	-22 847 634,67	-	27 879 433,75
Non Pivotal / Sectoral Priorities	24 644 047,48	395 200,00	25 039 247,48	52 144 472,00	-	350,00	-4 845 732,37	-43 969 880,89	-	28 368 456,22
Total	301 882 825,94	1 408 566,50	303 291 392,44	388 780 354,07	2 847 400,00	13 015 204,90	-110 527 801,05	-342 363 164,39	-	255 043 385,97

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Contractual Commitments as at 31 March 2024													
Interventions	Opening Balance A/P Audited/AFS		Cumulative Restatements	Restated Balance	Additions 23-24		Additions 23-24 Admin		Adjustments	Sweepings	Expenditure 23-24	Cumulative Restatements	Restated Balance
AET	1 537 400,00	28 000,00	28 000,00	1 565 400,00	2 635 500,00		-	-	-	-361 600,00	-2 917 000,00	21 000,00	943 300,00
Apprenticeships	122 928 413,09	740 500,00	740 500,00	123 668 913,09	37 579 746,00		-	5 494 889,00	-11 400 960,00	-66 089 259,20	-66 089 259,20	69 866,50	89 323 195,39
Bursaries	19 029 273,77	63 839,00	63 839,00	19 093 112,77	13 589 316,00		-	1 495 955,00	-2 448 086,00	-15 743 096,77	-15 743 096,77	35 000,00	16 022 201,00
Learnerships	93 147 940,00	901 033,33	901 033,33	94 048 973,33	89 520 650,00	100 000,00		2 378 000,00	-8 389 473,33	-103 036 952,00	-103 036 952,00	234 060,00	74 855 258,00
Qualifications Development	16 786 496,37	-	-	16 786 496,37	636 000,00		-	1 084 279,00	-	-1 718 210,66	-1 718 210,66	-	16 788 564,71
Skills Programmes	32 294 544,89	473 100,92	473 100,92	32 767 645,81	36 461 200,00		-	5 742 000,00	-2 488 498,00	-41 364 811,00	-41 364 811,00	95 440,00	31 212 976,81
Temporary Employer/Employee Relief Scheme (TERS)	312 034,98	-	-	312 034,98	-		-	-	-	-179 000,00	-179 000,00	-	133 034,98
Work Integrated Learning (HET)	10 824 442,49	14 400,00	14 400,00	10 838 842,49	12 290 400,00	518 400,00		253 000,00	-2 746 268,92	-13 148 397,00	-13 148 397,00	-	8 005 976,57
Work Integrated Learning (TVET)	27 276 346,00	233 064,00	233 064,00	27 509 410,00	40 368 000,00	1 058 400,00		810 000,00	-2 384 920,00	-43 367 285,00	-43 367 285,00	-	23 993 605,00
Workplace Experience / Internship	23 043 407,38	896 800,00	896 800,00	23 940 207,38	23 822 812,50	959 400,00		1 940 400,00	-3 048 287,38	-31 198 500,00	-31 198 500,00	558 000,00	16 974 032,50
Non Pivotal / Sectoral Priorities	28 941 978,25	-506 113,00	-506 113,00	28 435 865,25	38 437 341,00		-	5 916 291,04	-1 846 714,48	-46 298 735,33	-46 298 735,33	395 200,00	25 039 247,48
Total	376 122 277,22	2 844 624,25	2 844 624,25	378 966 901,47	295 340 965,50	2 636 200,00	25 114 814,04	-35 114 808,11	-365 061 246,96	1 408 566,50	-365 061 246,96	303 291 392,44	

Note 22

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34. CHANGE IN ESTIMATE**Property, plant and equipment**

The estimated useful life of property and plant assets was revised by management during the year taking into account the physical condition and expected usage of the asset. The impact of the change is a decrease in depreciation for the current year amounting to R 211 000 and the depreciation expense for future periods is expected to increase by the same amount.

Asset Class	Carrying Value before revision of estimate	Carrying Value after revision of estimate	Impact of change in estimate
Computer equipment	664	771	107
Furniture and Fittings	231	277	46
Office equipment	399	448	49
Motor Vehicle	14	23	9
	1 308	1 519	211

35. BUDGET DIFFERENCES

Variances between the approved budget amounts and actual amounts can be analysed as follows:

33.1 Interest Income (un-favourable)

Interest income decreased due to the increase in interest rate.

33.2 SDL Income (un-favourable)

The Levy revenue is 2% above budgeted as levies had shown an increasing trend in the current financial year. Levies were also 8% greater than the previous year.

33.3 SDL penalties and interest received

This typically varies depending on level of non-compliance by companies.

33.4 Employer grant and project expenses

Discretionary grant expenditure represents payments on tranches claimed by companies.

33.5 Administration expenses

Due to purchase of Intangibles assets and amortisation.

33.6 Loss on disposal of assets

Variance due to write off of assets during the year.

36. EVENTS AFTER REPORTING DATE

There were no matters identified post year end that will impact the Annual Financial Statements





GAUTENG

Thynk Park, 8 Summit Road, 1st Floor, Dunkeld West,
Randburg, Johannesburg
PO Box 31276, Braamfontein, 2196
Tel: 011 403 1700

WESTERN CAPE

Reserve Bank Building, 8th Floor
60 St. Georges Mall
Cnr Burg and Hout Street
Cape Town CBD, 8001
PO Box 351, Woodstock, 7915
Tel: 021 462 0057

KWAZULU-NATAL

Office 1001, BDO House, 7 Derby,
Downs Office Park, Westville, Durban, 4001
PO Box 935, Pinetown, 3600
Tel: 031 702 4482

info@fpmseta.org.za

www.fpmseta.org.za



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