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Vision

We are the Premier Authority in Skills Development, exceeding stakeholder expectations in the Wholesale and Retail Sector.

Mission

To contribute to the social and economic development and growth of the country by enabling education and training of the highest quality in the Wholesale and Retail Sector, to the benefit of employers, employees and learners.

Objectives

As part of its overall strategy to foster a life-long learning culture in the sector, W&RSETA pursues the following objectives, which are in line with ASGISA and JIPSA:

- The development of a trained, educated and content employee component, leading to improved productivity;
- Halving poverty and unemployment by the year 2014;
- Fast-tracking the provision of priority skills required within the Wholesale and Retail Sector to support accelerated and shared growth in South Africa;
- Continually communicating and facilitating the flow of information between the relevant stakeholders;
- Transforming the workplace and facilitating affordable and accessible training to meet the needs of the sector and the country;
- Addressing historic imbalances in the development of the people in our sector;
- Developing the capacity of companies to implement Skills Development Strategy and policies;
- Focusing on the development of Small, Medium and Micro Enterprises (SMMEs) to provide future employment opportunities in the sector;
- Aligning the W&RSETA's skills development strategy to the National Skills Development Strategy (NSDS) and sector requirements; and
- Encouraging the participation of more employers.

Values and Principles

- Strong ethics, integrity and trustworthiness
- Continually treating each other with dignity and respect
- Corporate discipline
- Zealously coresponsible and accountable for the team's efforts
- Thriving on positive and constructive feedback
- Redress and courtesy
- Access to information
- Service standards

1. Chairperson's report

It's almost a decade since the government elevated skills development from the bottom of the agenda of most South African companies to an issue of national importance, by instituting the concept of Sector Education and Training Authorities (SETAs). Most would agree that the decision was a wise one.

Skills development, not being a perfect science, has pitfalls and problem areas, but the positive effects on the people of South Africa in recent years cannot be denied.

The SETAs were born of the need to redress the inadequacies of the past and I believe they have gone a long way in achieving this.

W&RSETA had some remarkable successes in giving those whom the education system marginalised a chance to build esteem and a quality of life that comes only through self improvement.

Our projects have benefited a wide cross-section of deserving individuals, from unemployed school leavers to rural craftspeople as well as people living with disability.

The SETA ended the year on a high note, having received an outstanding rating by the Department of Labour for performance against National Skills Development Strategy targets. The department's decision to present W&RSETA with the Good Practice in Skills Development Award for 2008 was phenomenal. W&RSETA was the only SETA to earn this prestigious accolade.

These achievements are evidence of the standard of management we have in our SETA. The team does not pay lip service to its goals, but continues to prove its depth and commitment to the betterment of the sector.

Naturally there are targets that elude us, such as those of Adult Basic Education and Training (ABET) and people



Chairperson - Vikashnee Harbhajan

living with disability. These are universal areas of concern for SETAs that are going to need some innovative thinking. Plans are being explored to overcome these challenges.

We closed the books this year with sizeable discretionary reserves, which is not an ideal situation. This issue has been acknowledged and we have allocated these reserves to innovative programmes.

With one year of NSDS II remaining, we submitted on 31 March 2009 our application for re-establishment for NSDS III, from 2010 to 2015. We are confident that our application will be favourably considered, in the realisation that great strides have been made in the skills race and that the pace needs to be maintained as the journey to create a globally competitive South Africa continues.

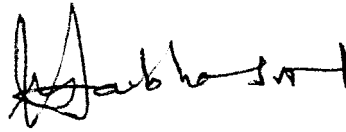
In terms of the anticipated demands that will be placed on SETAs in future, we have commenced a review of our constitution to ensure that it is as efficient as possible and that it is structured optimally to allow rapid decision-making and absolute representivity.

As this is my final report as Chairperson of W&RSETA, I would like to acknowledge the role played by my fellow Board Members in providing the strategic leadership and expertise needed to steer a ship as complex as W&RSETA.

To the Chief Executive Officer, Joel Dikgole, his management team and staff, your support has been unwavering and your efforts untiring. Congratulations on all of the successes achieved during this year.

In conclusion, I believe skills development will fulfil its potential if we bear in mind the words of former President Nelson Mandela, who, speaking at the Damelin Business College in Johannesburg in 1997, said: "The more

effective and productive you become at work, and the more you become employable through education, the more the country benefits."



Vikashnee Harbhajan
Chairperson

2. Chief Executive Officer's Report

W&RSETA's performance in 2008/09 reflects not only a continuation of the momentum founded on NSDS I, from 2001 – 2005, and built on during the first four years of NSDS II, but a major step towards achieving the five-year target on which we will be judged in 2010.

The figures speak for themselves – against most success indicators we have excelled, with certain areas, notably ABET, needing a new approach. However, new strategies are in place this year to address all the key challenges experienced with ABET.

In recognition of the SETA having exceeded almost all of its objectives against Success Indicators, the Department of Labour (DoL) pegged its assessment of our 2008/09 performance at 4.6 out of 5, which positions us among the top performers and is a source of great pride.

However, we at W&RSETA are not content merely to play the numbers game. Numbers are only one aspect of skills development and in many cases not the most important. What is significant is the impact we make on the advancement of the Wholesale and Retail Sector, its employers and, most importantly, its employees, through our initiatives and innovations. The many successes we can report this year are proof of the value that we are able to add to the sector.

We are particularly pleased to have received another unqualified audit report from the Auditor-General for the ninth successive year, which speaks to the seriousness with which we view our role as custodian of public funds.

Impact through projects

This impact is delivered through diverse, finely focused projects tailored to meet the real skills development needs of our stakeholders. Learnerships occupied much time this year, with Pick 'n Pay, Edcon, Boxer and Score progressing well with their campaigns to take 5 489



CEO - Joel Dikgole

people through learnerships and learning programmes. The Smollan Group recently enrolled more than 348 employed and unemployed learners on learnerships.

The Grassroots project, as the name suggests, is providing basic wholesaling and retailing skills to unemployed youngsters in Alexandra and Diepsloot. Three major New Venture Creation (NVC) programmes are setting up some 250 individuals for business success.

We have also cast our eye internationally and have pioneered an International Leadership Development Programme (ILDLP) within the sector with The Immersion Lab in Canada. The project exposes middle Managers of local leading retailers earmarked for promotion to senior positions to the international wholesale and retail world. The 15 learners in our first intake travelled to the United States and Canada for a study tour in March 2009, during which they familiarised themselves with best practice overseas.

The programme will ensure that the sector has a pool of highly talented individuals, help to create an attractive sector capable of retaining key people, develop young leaders who will positively influence their peers, establish international relationships that will create new business opportunities and create awareness of the sector internationally.

Whilst our ILDP candidates felt that the South African sector compares well to its international counterpart, all

agreed that it was an invaluable exercise. One candidate, from Smollan Group, has already been promoted from regional to divisional manager.

Our association with The Immersion Lab has also enabled us to meet Objective 5.1 of the NSDS II, in that the organisation has been selected as an Institute of Sectoral or Occupational Excellence (ISOE) by virtue of the nature of the project, which meets DoL criteria.

Going the extra mile

The Chairperson has touched on our Good Practice Award in her report, but it is worth mentioning that the award was made not only for our compliance with all legislation in the skills development arena, but for proving that we have gone the extra mile in our own people development. Speaking at the National Skills Conference in October 2008, where

he presented the SETA with the award. Minister of Labour Honourable Membathisi Mdladlana lauded recipients of the awards for demonstrating their awareness that the skills strategy is a win-win proposition for all parties involved. "You have demonstrated what we have been saying; that training is an integral part of the way business should be done...that our country is indeed alive with possibilities."

This recognition is reason to be optimistic about what lies ahead for us.

That aside, there is no doubt that SETAs face formidable challenges in the coming years, but they will not be insurmountable. Change is, after all, good, as it keeps us on our toes. Without it, mankind would not have survived thus far.



ILDP SA closing function

QUALITY MANAGEMENT SYSTEMS (QMS)

As we prepare for an International Standards Organisation (ISO) assessment, our systems and procedures are being refined and constantly reviewed to keep them current. During the year, the processes and policies of the Human Resources Management System were bedded in and the cornerstones of employee development, reward, performance management and wellness entrenched.

HUMAN RESOURCES DEVELOPMENT (HRD)

After years of being committed to promoting the Investors in People standard among our employers, W&RSETA achieved its own recognition in May 2008, the culmination of a process spearheaded by the Human Resources department.

Investors in People is a recognised and internationally respected standard of people development that has become a leading business improvement tool. Its impact on productivity, communication, return on human capital investment and staff retention, to name but a few, is well publicised.

The year also saw the submission of a Workplace Skills Plan (WSP), the first in the SETA's history, giving structure to training and development plans.

We have a wealth of human capital in our organisation, both at Head Office and in the Regions. Each of our staff members has a personal development plan and is offered training according to his or her aptitude and career ambitions. Key interventions included the Advanced Management Development Programme (AMDP), which was attended by nine managers, and the Management Development Programme (MDP), through which executives worked with mentors to formulate and implement action plans. All managers completed Industrial Relations, Risk Prevention and Management courses.

The SETA's top ten achievers were honoured again this year and an incentive scheme remains in place for those who perform above the set standards.

SUPPLY CHAIN MANAGEMENT (SCM)

Our Supply Chain Management (SCM) unit continued to ensure compliance with the Public Finance Management Act (PFMA) and the Preferential Procurement Policy Framework Act (PPPFA) and to safeguard the SETA's tradition of clean audit reports from both internal and external auditors.

FUTURE ACTIVITY

What awaits all of us in the skills development arena beyond 2010 is not entirely clear, but the need to advance people and spur them through skills development onto greater productivity, professionalism and personal achievement is undeniable.

On the topic of change, the SETAs will be moving home soon, from DoL to the Department of Higher Education and Training, under the Ministry of Honourable Dr Blade Nzimande. There is general consensus that company-based training and development must be integrated with tuition and curricula at universities and other higher education institutions if skills development is going to be meaningful and relevant in the workplace.

Such work is already underway for W&RSETA through its discussions with various Higher Education and Training (HET) and Further Education and Training (FET) colleges in building a workplace component into academic qualifications. The relationship is further strengthened by projects involving the placement of graduates for workplace experience. One such initiative will provide hands-on experience to more than 600 students during 2009/10.

The impending launch of Quality Council for Trades and Occupations (QCTO) will bring a new dimension to the quality assurance of learning across the economy and it is our responsibility to integrate with it as soon as it becomes a reality. At present, though, there remains some uncertainty about how its role and that of the SETAs will dovetail.

Should we be called on to work more closely with our fellow SETAs during NSDS III we are prepared, having already identified synergies with the Clothing, Textile, Footwear and Leather (CTFL) SETA and having worked closely with other SETAs that are responsible for quality assuring qualifications of certain employees in our sector. Examples are FoodBev SETA, which quality assures and awards certificates to our Retail Butchery and Bakery learners.

Appreciation

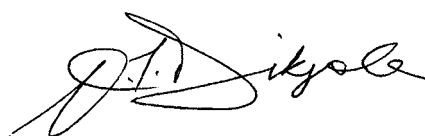
To my colleagues in management and the team of dedicated people around the country, your energy and efforts have put W&RSETA where it is today, among the most stable and best performing SETAs. Thank you and keep up the good work.

On behalf of all the staff members of the SETA, I would also like to thank the Board for providing strategic leadership

at all times. Your guidance and support, for which we are appreciative, has allowed management the space to implement our mandate without any hindrance.

I would like to pay tribute to the many employers in our sector, without whom all the innovations and interventions in the world would be mere words on paper. Finally, our appreciation goes to the learners, those willing to put in the hours and effort needed to develop a meaningful career and contribute to a more professional sector.

Woza NSDS III and beyond.



Joel Dikgole
Chief Executive Officer



**Builders Warehouse graduation
19 March 2009**

I would like to begin by briefly explaining the objective of the Learnership programme – which is to develop essential business skills, enhance talent, and ultimately increase the company's talent pool, which in turn will increase the opportunity of promoting staff to higher positions internally. This has numerous positive spin-offs, and assists in maintaining high staff morale, which ultimately contributes to running a profitable business entity.

I was a sales consultant in 2006, and was identified as an individual with potential and nominated to the Learnership programme in 2006. During the duration of the Learnership, I was promoted to a Head of Department position.

The Learnership enabled me to become more focused and improved my leadership qualities. As a result of the focus from the Learnership and my aspirations to become a leader within the business, I applied what I was taught through the Learnership and subsequently was promoted to a Trainee Sales Manager position in 2007, and ultimately to a fully fledged Sales Manager in 2008.

The important thing about the Builders Warehouse Learnership initiative is that it is a team effort. What I mean is that individuals must work hard and extra effort is required to eventually graduate.

Someone once said that "Your attitude determines your altitude". For those of you who are not familiar with the term altitude, please allow me to explain. In aviation the height at which the aircraft flies is called altitude.

I leave you guys today with one message – always make sure that you have the right attitude that will make you fly high and will set you apart from the rest.

Churchill Jaffa
Graduate of NQF 2 Learnership 2005 speaking at Builders Warehouse NQF 2 Graduation Ceremony, Megawatt Park Sunninghill, 19 March 2009

3. PERFORMANCE AGAINST NSDS OBJECTIVES



Taking Skills Development in the
Wholesale & Retail Sector to

THE NEXT LEVEL

Performance Against NSDS Objectives

SETA Achievements: 2008/09

Reporting information required	Service-Level Agreement (SLA) target	Achievement actual	Variance	Comments
Success Indicator 1.1				
Skills development supports national and sectoral growth, development and equity priorities				
To update the Sector Skills Plan (SSP).	Submit SSP by 31 August 2008	SSP submitted to DoL on 31 August 2008	N/A	SSP submitted on time and accepted by DoL.
Success Indicator 1.2				
Information on critical skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners				
No. of persons who carry out skills development facilitation in the use of the guide.	800	1 033	+233	In addition to sending updates to all persons who had previously received the guides, the W&RSETA capacitated Career Guidance Counsellors (Teachers) in all provinces, with the result that this target was exceeded.
Success Indicator 2.1				
By March 2010, at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed				
No. of large firms having received Workplace Skills Plan/Annual Training Report (WSP/ATR) Grants for 2008/09 financial year.	290	349	+59	The SETA agrees on baseline figures with DoL each year. In this case the participating numbers exceeded the actual baseline numbers agreed in the SLA.
No. of medium firms received Workplace Skills Plan/Annual Training Report Grants for 2008/09 financial year.	545	676	+131	

Reporting information required	Service-Level Agreement (SLA) target	Achievement actual	Variance	Comments
Success Indicator 2.2				
By March 2010, skills development in at least 40% of small levy paying firms supported and the impact of the support measured				
No. of small levy-paying firms supported by SETAs for 2008/09 financial year.	3 307	4 031	+724	This indicator was exceeded due to the successful completion of special projects such as the WSP/ ATR project (Independent Skills Development Facilitators assist small levy paying firms).
Success Indicator 2.5				
Annually increasing number of small Black Economic Empowerment (BEE) firms and BEE cooperatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE cooperatives within the sector from the second year onwards. Impact of support measured				
No. of small BEE firms and BEE cooperatives supported by skills development.	66	93	+27	The overachievement of this target was due to the craft project, which skilled 90 small BEE organisations.
Success Indicator 2.7				
By March 2010, at least 700 000 workers have achieved ABET levels 1-4.				
No. of workers registered for ABET levels.	5 000	1 168	(668)	ABET for employed learners is very challenging for all the SETAs and W&RSETA has experimented with various models over the last six years with limited success.
No. of workers who have achieved ABET levels.	2 500	375	(2 125)	
Success Indicator 2.8				
By March 2010, at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured				
No. of workers who have entered learning programmes.	1 250	3 659	+2 409	The numbers were exceeded with the assistance of stakeholders via training employees on Learnerships and Skills Programmes.

Reporting information required	Service-Level Agreement (SLA) target	Achievement actual	Variance	Comments
No. of workers who have completed learning programmes.	2 500	4 518	+2 018	The numbers were exceeded due to a carry-over from the previous year in which learners were registered, but due to the Learnership programmes being 12 months and longer the learners completed their learning only in 2008/09.
Success Indicator 3.2 By March 2010, at least 2000 non-levy paying enterprises, Non-Governmental Organisations (NGOs), Community-Based Organisations (CBOs), and Community-Based Cooperatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.				
No. of organisations supported by SETAs (NGOs, CBOs, Co-ops).	1 000	1 963	+963	This target was exceeded due to the training of small BEE organisations via the NAFCOC project.
Success Indicator 4.1 By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured				
No. of unemployed people who have entered learning programmes.	2 000	2 442	+442	The SETA enrolled more 18.2 learners than expected, which assisted in achieving the target.
No. of unemployed people who have completed learning programmes.	2 000	1 014	(986)	The participation of employers was not as expected.
Success Indicator 4.2 100% of learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment				
No. of learners assisted to gain workplace experience (FET and HET).	500	465	(35)	There was a difference in interpretation and initial understanding of this indicator, which has been clarified and agreed upon with DoL.
No. of learners to become self-employed or employed.	350	320	(30)	The target was not achieved as not all the learners who were registered accepted employment offers

Reporting information required	Service-Level Agreement (SLA) target	Achievement actual	Variance	Comments
Success Indicator 4.3 By March 2010, at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme				
No. of young persons trained and mentored to form new ventures.	50	66	+16	The applications received exceeded expectations.
No. of new ventures that are sustainable and in operation 12 months after completion of programme.	35	34	(1)	W&RSETA uses a Learnership to implement the NVC programme, which takes about 15 months to complete. The learner's new venture starts only when training has been completed. The training and sustainability takes about 27 months before the new venture can be counted sustainable.
Success Indicator 5.1 By March 2010, each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOEs) within public and private institutions and through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training				
No. of Institutions of Sectoral or Occupational Excellence recognised and supported by SETAs.	2	3	+1	The target was exceeded through successful implementation of projects which organisations identified as Institutions of Excellence.
Success Indicator 5.2 By March 2010, each province has at least two provider institutions accredited to manage the delivery of the New Venture Creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success				
No. of institutions accredited to manage delivery of New Venture Creation qualification.	5	7	+2	This number corresponds with providers participating in Success Indicator 4.3, which exceeded the target.

Reporting information required	Service-Level Agreement (SLA) target	Achievement actual	Variance	Comments
<p align="center">Success indicator 5.3</p> <p align="center">By March 2010, there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the National Qualifications Framework (NQF) in support of the NSDS</p>				
To meet all SAQA performance audit requirements.	To comply with the criteria as per the guidelines for the ETQAs	2.55 (at end-March 2009)	N/A	The final SAQA score of 2.55 out of 3 is an excellent result.



Regional Management team

4. CORE FUNCTIONS



Taking Skills Development in the
Wholesale & Retail Sector to

THE NEXT LEVEL

Provincial linkages

Given the geographic spread of the Wholesale and Retail Sector, regional representation has always been a priority for W&RSETA. The six Regional Offices, in Gauteng, KwaZulu-Natal, Western Cape, Eastern Cape, Mpumalanga (covering Limpopo) and Free State (covering North West and Northern Cape), are responsible for the implementation of projects, overseen by the Executive Manager based at Head Office.

Several stakeholder forums are in place to strengthen the regional and provincial skills development efforts. W&RSETA attends the provincial skills development forums, a strategic and advisory body for skills and human resources development matters coordinated by the provincial DoL offices and the Premiers' offices.

Inter-SETA clusters are active in many provinces, giving participants a forum to share ideas and discuss matters of common interest, and a united SETA platform for liaison with business, social and government partners.

In addition, W&RSETA has set up a stakeholder forum in each region to bring together employers, Skills Development Facilitators (SDFs) and training providers to debate pertinent training and development issues and to streamline implementation of projects through shared experiences of lessons learnt and challenges. The initiative has greatly enhanced work relationships between the SETA and sector representatives.

Future regional coverage plans include the establishment of agencies in areas such as Polokwane and Umtata, to reduce the distances stakeholders would normally have to travel to reach the SETA and to increase SETA visibility.

Sector Skills Planning and Research

Chief among the Sector Skills Planning and Research department's priorities is the development and yearly

review of the Sector Skills Plan (SSP), the blueprint for skills development activities in the sector. The SSP takes into account market growth, trends and the status of Scarce and Critical Skills in the Wholesale and Retail Sector. This version of the SSP, which was supported by extensive data on the sector that was not available previously, was submitted to DoL at the end of August 2008 and approved in January 2009.

Skills Programme Matrix

A key achievement during the year was the development of the first Skills Programme Matrix for the Wholesale and Retail Sector to complement the new Qualifications Framework. The matrix, based on the clustering of unit standards aligned to specific career paths, is tailored for stakeholders who use shorter programmes to develop employee skills. Programmes may be delivered individually, in groups or as a Learnership.

The process was undertaken in consultation with the sector's Standards Generating Body (SGB) and stakeholders.

Scarce and Critical Skills

The Scarce and Critical Skills guide and its accompanying DVD were updated for the second successive year, incorporating the Qualifications and Skills Programme Matrix. The kit was distributed to all SDFs and Sector Specialists who had received the first edition of the guide, and was workshopped with a further 300 individuals, mostly Career Guidance Counsellors. An additional 600 people will be capacitated in the coming year.

The top ten categories of Scarce Skills in the sector remain:

- Retail Managers
- Assistant/General/Company Buyers
- Merchandisers, referred to as Visual Merchandisers
- Sellers – Salespersons and Assistants, Representatives
- Store persons – Packers/Shelf packers/Drivers
- Merchandise Planners
- Cashiers
- Training and Development Professionals – Assessors

- Training and Development Professionals – Moderators
- Supply and Distribution Managers.

Institutes of Sectoral or Occupational Excellence (ISOE)

In terms of NSDS Objective 5.1, the SETA is required to recognise five ISOEs by 2010, selecting organisations with a record for high-quality provision, and the capacity and commitment to play a meaningful training role in the sector.

Three training providers with which W&RSETA has entered into partnerships to deliver special projects were awarded ISOE status during the year for meeting the criteria set out by DoL. They were Employ and Empower Deaf (eDeaf) for deaf people, the Thabo Mbeki Development Trust for people with physical disabilities and The Immersion Lab for leadership development.

Assessor Pilot Project

A fresh approach was adopted for the capacitation of Assessors, which moved away from the traditional, academically based training to a more practical format, contextualised with the Wholesale and Retail Sector knowledge base, taking into account Scarce and Critical Skills, and using DVD facilitation.

The pilot took 69 potential Assessors through the process, achieving a 90% competence rate.

Quality Management System

Internally, focus was on the review of the SETA's Quality Management System (QMS), including an update of policies and procedures with a view to earning accreditation against ISO 9001: 2000. By year-end, two internal audits had been performed in preparation for the ISO external audit in 2009/10.

Education and Training Quality Assurance (ETQA)

The Education and Training Quality Assurance (ETQA) department is responsible for the quality assurance of learning material and the provision of high-quality learning through accredited training providers.

Certification

A total of 955 learners received nationally recognised certificates in qualifications ranging from Distribution to Retail Supervision and Retail Operations.

Accreditation

During the year, 15 new providers were accredited and a further 22 provisionally accredited. The database of registered Assessors reached 2 980, with 545 Assessors registered in 2008/09. Some 62 Moderators were registered, taking the total to 477.

Qualifications and Learning Programmes (QLP)

The Qualifications and Learning Programmes (QLP) department facilitates the development and implementation of Skills Programmes and Qualifications that focus on Scarce and Critical Skills.

The Qualifications Matrix was completed and went live on the website. Users viewing programmes on levels 1 to 5 can connect directly to the qualification specifications on the SAQA website.

Qualifications registered 2008/09	
Name	NQF level
National Certificate: Wholesale and Retail Operations	3
General Education and Training Certificate: Generic Management: Wholesale and Retail Operations	4
National Certificate: Generic Management: Wholesale and Retail Management	5

Learnerships developed 2008/09	
Name	NQF level
National Certificate: Wholesale and Retail Helpdesk	2
National Certificate: Wholesale and Retail: Operations	2
National Certificate: Wholesale and Retail: SME Operations	2
National Certificate: Wholesale and Retail: Chainstore Operation	2
National Certificate: Wholesale and Retail: Merchandising Operations	2
National Certificate: Informal and Small Business Practice	3
National Certificate: Retail Perishable Food	3
National Certificate: Further Education and Training Certificate: Generic Management	4
Further Education and Training Certificate: Generic Management	4
National Certificate: Wholesale and Retail: Buying Planning	5

In addition, the General Education and Training Certificate (NQF level 1): Adult Basic Education and Training is with SAQA for registration, after which it will be launched as a learnership.

Special projects

Being a projects-driven organisation, much emphasis was placed during the year on programmes tailored to enable W&RSETA to satisfy its NSDS responsibilities.

Pick 'n Pay, Score, Boxer and Edcon continued the initiatives launched in 2007 to train almost 6 500 learners on various learning programmes, with R29-million funding from W&RSETA.

One of the organisations achieved a success rate of 86% and many of the unemployed learners have already secured permanent positions in the sector.

Importantly, the programmes have advanced the learning implementation experience for the sector, by identifying obstacles that can be avoided in future.

In Diepsloot and Alexandra, north of Johannesburg, 29 school leavers, not necessarily top performers in the classroom, are being prepared for a career in Wholesale and Retail, through the R1-million W&RSETA Grassroots project.

In August 2008, the learners completed the Investment in Excellence programme to equip them with the life skills needed to cope with a learnership programme. This phase set out to change the mindset of learners from low-level goals to purpose, direction and energy, which are seen as key to successful completion of a Learnership. Work-oriented training started early in October, with Shoprite Checkers as training provider.

The project, which has been run successfully for six years by Grassroots Development Trust in cooperation with various partners, is scheduled for completion in August 2009, whereafter the graduates will receive mentoring and coaching to ensure they put their new skills to best use.

The trust guarantees a 90% placement rate for graduates.

In addition, an ambitious R100-million project was launched during 2008 to train 5 250 learners, 1 000 employed and 1 250 unemployed learners on Learnerships, and 1 000 employed and 2 000 unemployed learners on Skills Programmes.

A second project in response to the NSDS stipulation that 4% of learners enrolled should be individuals with disabilities was the highly successful eDeaf programme in association with Shoprite Checkers. The four-month programme, which took 40 hearing impaired learners through a pilot project designed around Scarce and Critical Skills, focused on a Sales Skills Programme, as a prelude to a further three skills programmes, namely Fresh Foods, Administration and Fundamental Skills on NQF 3 and 4 levels.

From November 2008, the learners underwent theoretical training followed by practical experience in 11 Shoprite Checkers stores. All but two learners completed the programme and passed all assessments conducted.

The project's success can be attributed in part to the sensitisation of all participating store managers on communication with the deaf.

Small, Medium and Micro Enterprises (SMMEs)

As more than 90% of the Wholesale and Retail Sector comprises companies employing 50 staff or fewer, a dedicated division takes care of these stakeholders.

During the year under review, 4 031 small organisations, representing 50% of levy paying SMMEs, were assisted with the completion of WSPs and ATRs by Independent Skills Development Facilitators (ISDFs) who were contracted by the SETA to encourage participation and improve numbers in this area.

In line with NSDS targets, several keenly focused projects continued in the year under review.

These included three New Venture Creation (NVC) initiatives. The first is the Shield Wholesalers Project that was concluded by year-end, with 60 young people having completed training in the Western Cape and Eastern Cape. All but two were successful and are awaiting certification from Services SETA. Of these, 45 individuals have been trading for more than a year.

The second project, which was funded out of the approved R10-million 2006/07 Discretionary Grants, was run with five organisations (Pick 'n Pay, Global Village Retail Leisure, Italtile, Johannesburg Fresh Produce Market and College of Cape Town) and reached the halfway mark by year-end.

Pick 'n Pay has 17 learners, seven of whom now own franchise stores. Global Village Retail Leisure has 21 learners who have completed the certificate in New Venture Creation. Three are active traders involved in Techno Mart, a store at Bruma Market, Johannesburg, and two are running individual stalls at the Brightwater Commons Market, in Randburg. One learner has a thriving events management company in the North West Province, and two have business ventures in Daveyton. At Italtile, 22 learners recently completed two months of workplace experience in CTM stores and are now operating their own businesses. Fifteen learners at Johannesburg Fresh Produce Market were gaining workplace experience at year-end. From this group, ten learners have now established a co-operative as equal partners in the business.

The third project is a partnership between W&RSETA and the Small Enterprise Development Agency (SEDA), named the SEDA Shintsha W&RSETA project, which involves the funding of the skills development component of a new business incubation project through five FET colleges, each with 20 learners.

In support of NSDS Indicator 2.5 pertaining to development of black-owned enterprises (BEEs), a crafts project in partnership with Fetola Mmoho was initiated to address this type of developmental need in rural poverty nodes.

The project will increase the sustainability of existing small craft businesses, enhance the potential for development of new Wholesale and Retail businesses and upgrade skills to enable individuals to find employment in the sector.

Future projects

Following the success of the R2-million Training Voucher Pilot Project during 2007/08 which facilitated training of 1 342 learners in 466 companies, the W&RSETA Board has allocated a further R50-million to the project, which will benefit 8 000 companies from 2009/10.

The Power of Skills Development - Success Stories

Edcon's Ebrahiem excels

Edcon's Ebrahiem Samsodien is positive proof of the value of skills development. He started a W&RSETA learnership on NQF level 4 in April 2007, while he was a Stockroom Supervisor at CNA Canal Walk. After his appointment as Store Manager at Meadow Ridge six months later, the store met its budget, which it had never before done. Store growth was 33% over the 2007/08 festive season and Ebrahiem won a group award as Manager of one of the top ten stores. He repeated the successes at CNA Blue Route the following year and at Cape Gate, where he overcame staffing problems to again grow the business.

Ebrahiem is currently at CNA Parow, where he is exceeding targets once more.

Ikusasa stars

When the W&RSETA Ikusasa Pilot Project targeted 50 grade 12 pupils from Western Cape schools, it defined success as placement of at least 70% of the participants in the Wholesale or Retail Sector in 2009. All were offered an opportunity for placement, including Siminkiwe Ntingi, who has aspirations of becoming the next Patrice Motsepe, and Nonceba Quku, who described the project as 'having opened up a new world for me'.

Ikusasa has been particularly relevant in a province where 80% unemployed people are youth and have low expectations of securing employment.

The candidates were equipped with a range of skills, including Professional Behaviour, Understanding the Sector, Customer Care, Selling and Cash Management. Their gratitude for the opportunity to gain employable skills was evident in their willingness to sacrifice school holiday time, Friday afternoons and weekends to complete the programme.

“Excellent. A very good programme that empowers learners.” *Mapelo Ntshanga, principal, Kayamandi High School, Stellenbosch*

“I see myself achieving a lot with the help of the project.” *Ikusasa learner S Mauti*

“This project has opened many doors for me. I am honoured to be the receiver of this golden opportunity to nurture my goals and dreams. I can now rest easy knowing that my future is brighter than ever.” *Ikusasa learner Mfundo Mshuta*

“May God work with you all times to make changes to people’s lives. Ikusasa project and W&RSETA rock.” *Ikusasa learner Mawethu Magalela*

On the move



Nkosinati Ntelezi

Nkosinati Ntelezi was taken on by Empumalanga Wholesale Supermarket in Dutywa in rural Transkei as a Trolley Worker, but he was not content with that.

He was appointed Shelf Packer and to hone his skills in this area, he completed W&RSETA unit standards-based training in Merchandising and Shopfloor responsibilities. For Nkosinati, it was the start of greater things, as he was soon appointed to the Butchery Department, first as an Assistant, then as a Supervisor. He received more training, this time in Customer Service. His progress continues and he is currently an Assistant in the Administration department.

Pick ‘n Pay success

W&RSETA’s programmes are essential material for anyone working towards a rewarding career in Retail Management. One beneficiary was Mohau Mosai, who is now co-owner with his brother of a new Pick ‘n Pay franchise store in Sebokeng, Emfuleni.

Mohau, born and raised in Sebokeng, achieved a B Tech degree by attending classes in the morning, studying in the afternoon and working as a security guard at night.

He held a couple of jobs but nothing particularly stimulating. It was only when he heard of the Pick ‘n Pay Franchise Academy, which prepared black entrepreneurs

to manage Score stores that were to be converted into Pick 'n Pay Family stores that his career path took the right turn. He completed the two-year University of Johannesburg-run and W&RSETA-approved Certificate in Retail Management and the rest, as they say, is history.



Opening of Sebokeng Pick' n Pay

The Mosias' store employs 82 members of the community in the grocery, bakery, fruits and vegetables and butchery departments.

Under the brothers' leadership, Boitumelo Pick 'n Pay not only provides world-class service and product range, but has become involved in various community organisations, including a children's home and HIV/Aids home-based centres and donates food parcels to needy families in the community. It has also forged a partnership with a local community farm, by which the farm makes up special vegetable orders such as spinach.

Top of eDeaf class

Lithemba Thwala and **Johanna Mtsweni** were the top performers of the W&RSETA eDeaf programme. They were among 38 unemployed, hearing impaired learners who successfully completed the Sales Skills course on NQF level 2 and who so impressed their host employer, Shoprite Checkers that it offered all of them permanent jobs.



eDeaf's Lithemba - top performer

"Dealing with customers was difficult for me at the beginning," says Lithemba, who hails from Queenstown, Eastern Cape, "but I told myself that I have to put in a big effort to succeed." He expresses the wish that deaf people should learn from him that they can work well in the retail industry.



eDeaf's Lithemba - top performer

Alert Aleni a great asset

(a tribute to Themba Aleni from Michael Swanepoel, group Human Resources Manager: Alert Engine Parts).

A general worker by trade, Themba Aleni was chosen to undergo the NQF 2 Skills Programmes in Warehouse and Distribution. It soon became evident that Themba displayed strong leadership skills and pride and enthusiasm in his learning. He has been identified as a candidate for succession planning into the Supervisory

and Management levels. What makes this candidate stand out is that, due to his current living conditions, he had to complete his assignments by candlelight. Too proud to identify this as a learning barrier, he managed to complete all his assignments with pride, quality and enthusiasm.

In discussion with Themba regarding his experience at this learning initiative, he indicated that he has received no training since leaving school and is eager to broaden his knowledge and experience. Due to his family circumstances his parents could not afford to send him for further education. He said that his experience in this intervention has proven to him that he can and wants to continue learning and is keen to be nominated for further training at Alert.

To assist Themba with his assignments for the future, he was presented with a rechargeable camping light from his colleagues at the Goodwood branch.

The Facilitator, Lorna Paterson, had this to say about Themba: *'It has been a pleasure having Themba Aleni in my class in the recent W&RSETA level 2 Skills Programme. Themba maintained a positive attitude and clear sense of purpose during the Programme. He demonstrated an eagerness to learn through his class participation, consistently producing work of a high standard and achieving outstanding results in his knowledge tests. Themba is enthusiastic, reliable and hardworking. He diligently completed his portfolio tasks with a sense of pride. His likeable nature and newfound self-confidence will stand him in good stead in the future. I believe Themba is an asset to your organisation.'*

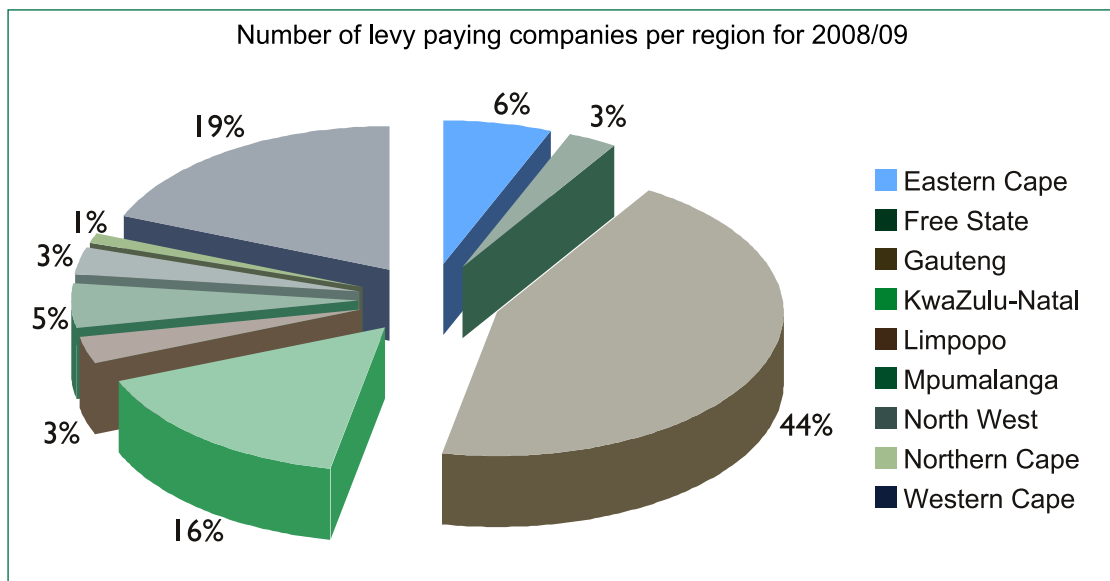
His Branch Manager, Alvon Carstens, added: *'The words that come to mind if I look at Themba's day-to-day functions are, trustworthy, reliable, thorough, always up for a challenge. If you had to ask me as to where I see him in the future I would say counter salesman or even a line manager in the warehouse or in charge of RFCs.'*

His mentor, Kevin Moore, Warehouse Manager at the Goodwood branch, commented: *'Themba is 29 years of age and joined Alert Engine Parts in May 2008; he is single and lives with his cousin in Mfuleni. Prior to joining Alert, Themba was a Caddy at Parow Golf Course, where he worked for one year.'*

Themba was raised in East London where his parents still live but was not able to get work. He had an aunt in Cape Town and decided to move here in order to secure employment. Themba takes great pride in his work as well as in his personal appearance, he is never late for work even though he has to catch a taxi at 06:45 from Mfuleni to Blackheath station and then a train to Elsies River. He has always been willing to learn and not afraid to tackle a new task.

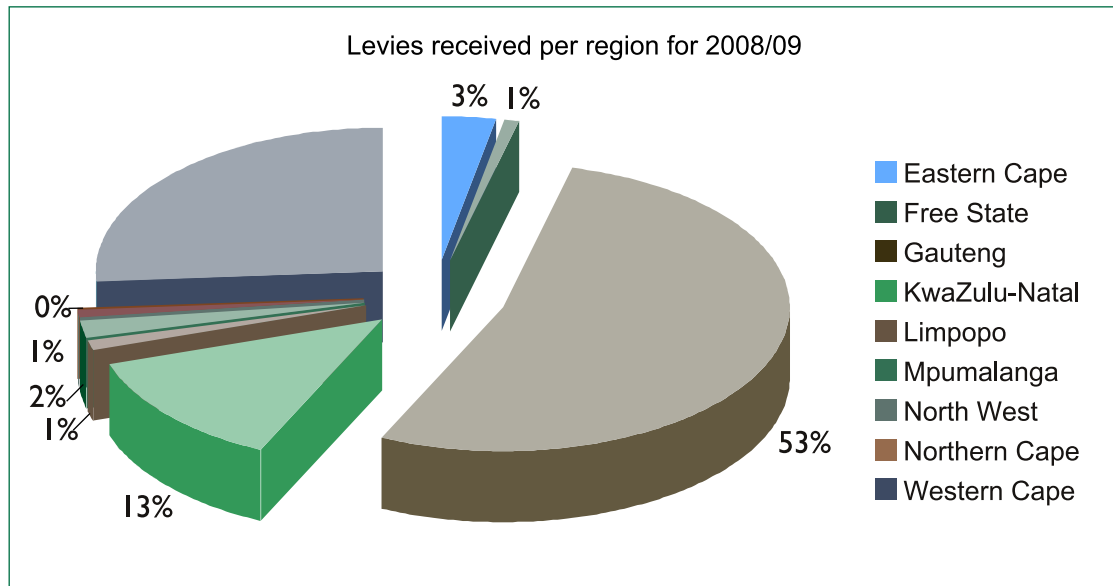
Themba started as a Parts Selector, moving on through our Receiving Department and is now a Checker in the Despatch department. He was identified for training due to his willingness to learn and track record with Alert. On completion of the course his results and standard of work have made us proud. Themba has a bright future ahead of him with Alert, he will be guided into a Supervisory position within the operational side of our business and then into Sales at a later stage. Themba was also involved in a programme called "Youth against crime".'

Number of levy paying companies per region for 2008/09



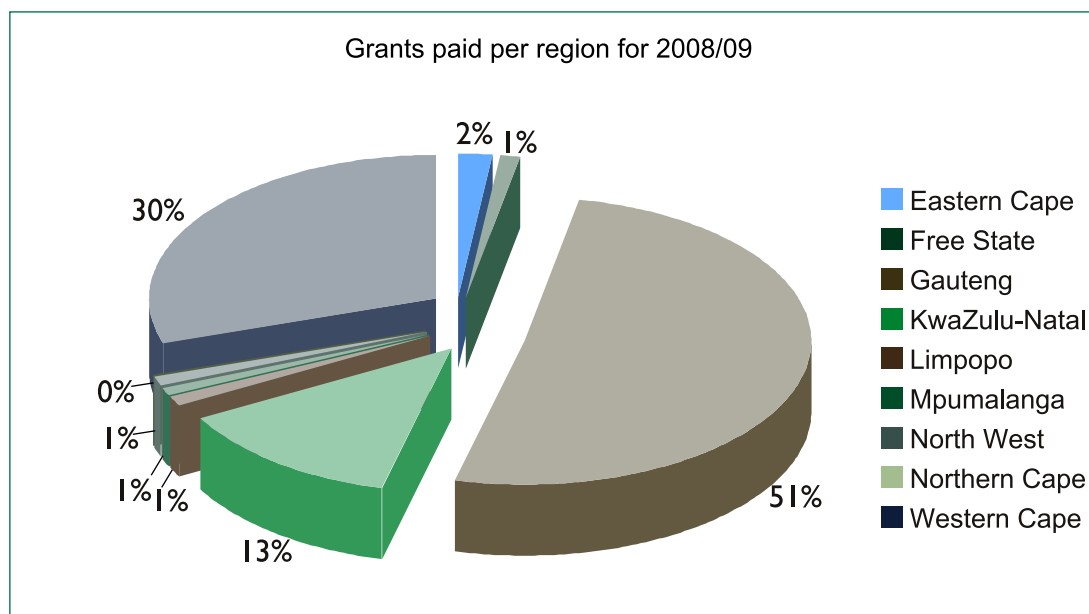
Region	Small (0-49)	Medium (50-149)	Large (150+)	Total
Eastern Cape	552	76	16	644
Free State	279	42	7	328
Gauteng	4 352	428	208	4 988
KwaZulu-Natal	1 512	189	79	1 780
Limpopo	326	33	14	373
Mpumalanga	515	58	10	583
North West	319	26	5	350
Northern Cape	144	11	3	158
Western Cape	1 867	225	84	2 176
Grand Total	9 866	1 088	426	11 380

Levies received per region for 2008/09



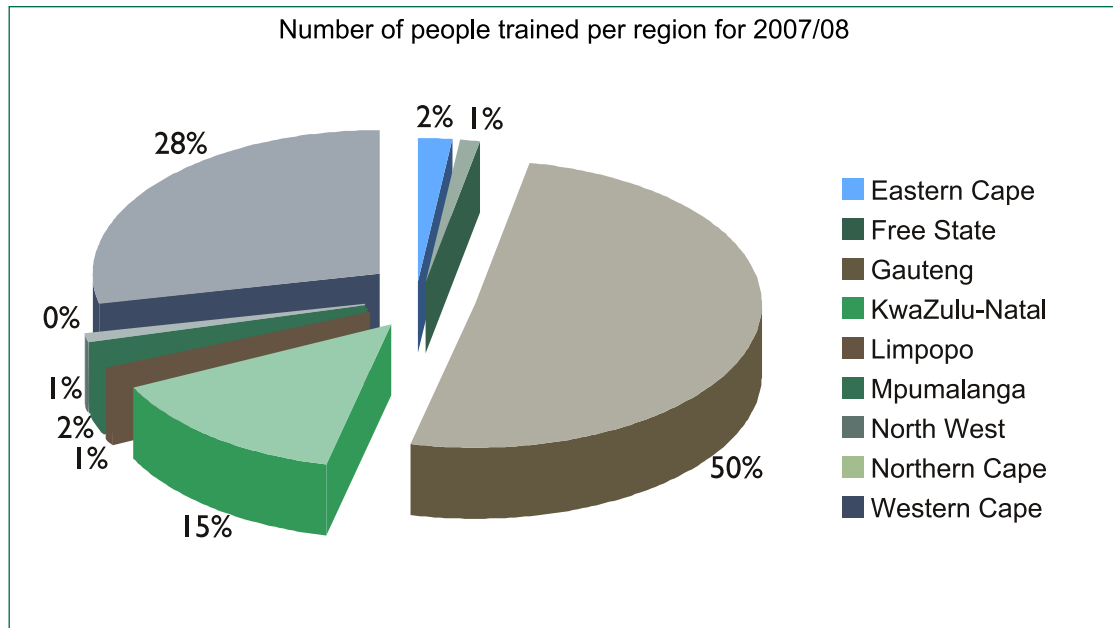
Region	Small (0-49) (R'000)	Medium (50-149) (R'000)	Large (150+) (R'000)	Grand total (R'000)
Eastern Cape	7 330	2 549	2 106	11 984
Free State	3 199	1 252	841	5 292
Gauteng	82 277	30 501	114 004	226 783
KwaZulu-Natal	21 756	7 588	26 903	56 247
Limpopo	3 175	1 258	816	5 249
Mpumalanga	5 548	2 393	1 506	9 447
North West	3 631	921	478	5 030
Northern Cape	1 475	255	151	1 881
Western Cape	28 740	10 681	76 048	115 469
Grand Total	157 131	57 398	222 853	437 382

Grants paid per region for 2008/09



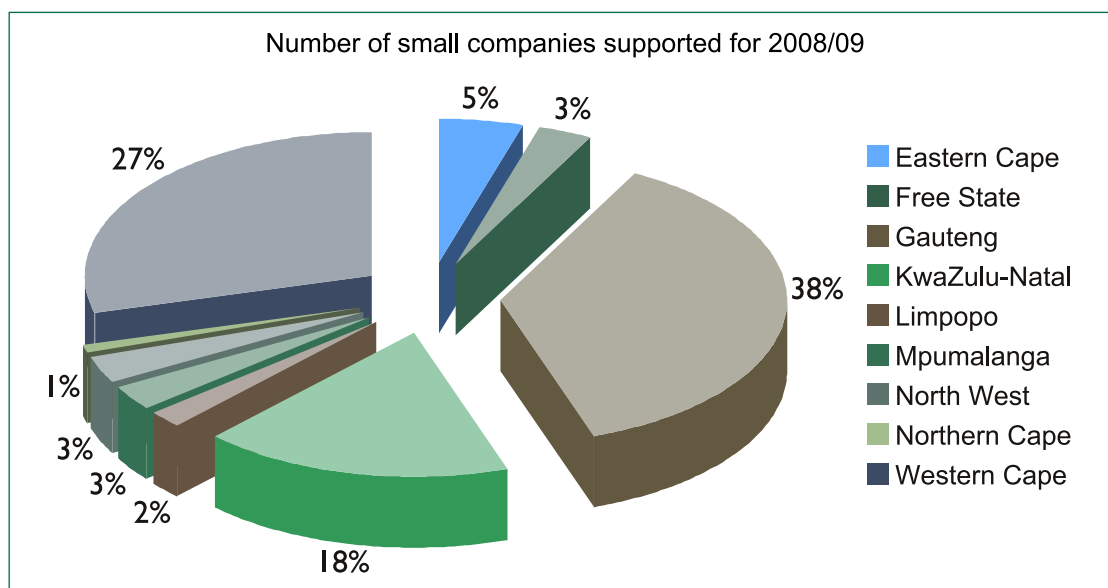
Region	Small (0-49) (R'000)	Medium (50-149) (R'000)	Large (150+) (R'000)	Grand total (R'000)
Eastern Cape	2 324	1 480	1 287	5 091
Free State	1 051	524	533	2 108
Gauteng	24 007	13 804	68 903	106 714
KwaZulu-Natal	7 719	3 675	16 214	27 608
Limpopo	651	505	242	1 398
Mpumalanga	1 003	785	746	2 534
North West	921	525	312	1 758
Northern Cape	243	129	97	469
Western Cape	11 818	4 858	46 684	63 360
Grand Total	49 737	26 285	135 018	211 040

Number of people trained per region for 2007/08



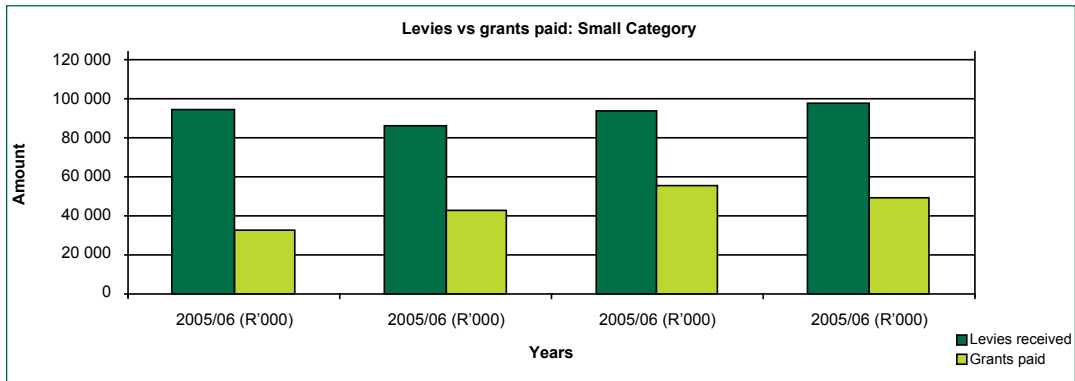
Region	Number of people trained
Eastern Cape	6 854
Free State	2 903
Gauteng	165 251
KwaZulu-Natal	49 859
Limpopo	2 928
Mpumalanga	4 962
North West	2 646
Northern Cape	1 272
Western Cape	91 480
Grand Total	328 155

Number of small companies supported for 2008/09

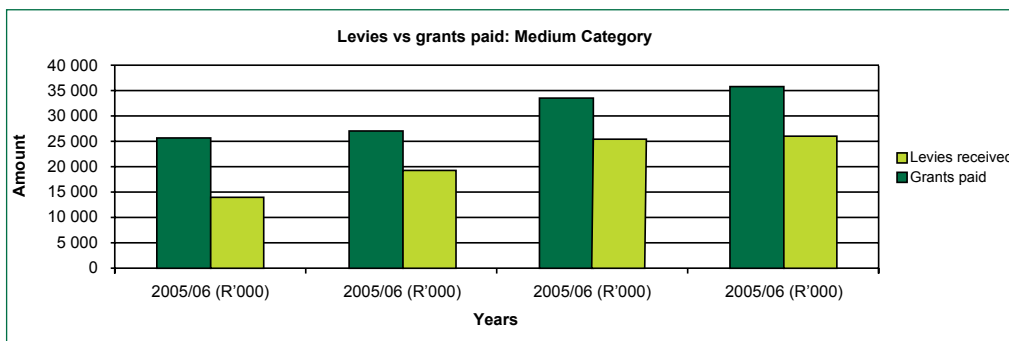


Region	Small (0-49)
Eastern Cape	217
Free State	119
Gauteng	1 538
KwaZulu-Natal	722
Limpopo	88
Mpumalanga	116
North West	113
Northern Cape	26
Western Cape	1 092
Grand Total	4 031

Mandatory Levy Income vs Mandatory Grants 2008/09

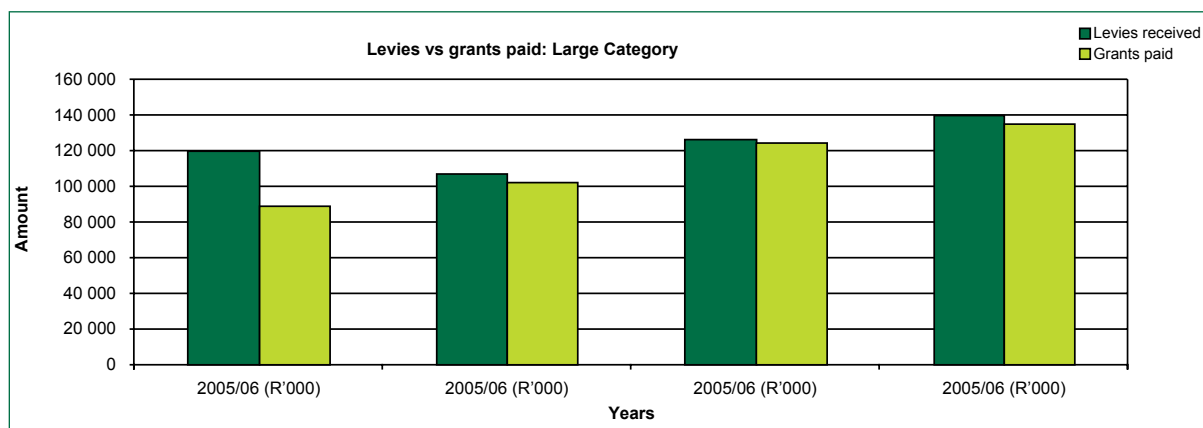


Category	NSDS II			
	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/09 (R'000)
Levies Income (Mandatory Grants)	94 627	86 316	93 592	98 207
Grants paid	32 398	42 869	55 077	49 736
%	34%	50%	59%	51%

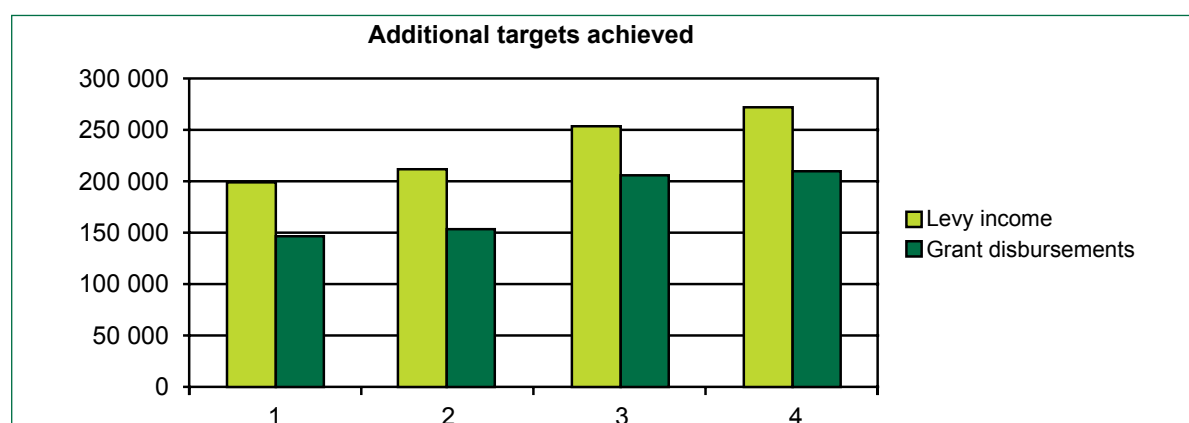


Category	NSDS II			
	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/09 (R'000)
Levies Income (Mandatory Grants)	25 755	27 038	33 627	35 874
Grants paid	14 059	19 212	25 582	26 285
%	55%	71%	76%	73%

Mandatory Levy Income vs Mandatory Grants 2008/09



Category	NSDS II			
	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/09 (R'000)
Levy Income (Mandatory Grants)	119 216	106 747	126 000	139 283
Grants paid	88 338	102 034	124 032	135 018
%	74%	96%	98%	97%



Category	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/9 (R'000)
	(R'000)	(R'000)	(R'000)	(R'000)
Levy Income (Mandatory Grants)	197 393	211 925	253 219	273 364
Grant disbursements	148 455	155 596	204 691	211 040
Percentage of grant/levy disbursed	75%	73%	81%	77%
Number of registered companies	44 209	53 985	56 713	59 530

5. REPORT OF THE AUDIT COMMITTEE



Taking Skills Development in the
Wholesale & Retail Sector to

THE NEXT LEVEL

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2009.

Audit Committee Members and Attendance

During the year under review, the Audit Committee met three times. The Audit Committee consists of the members listed hereunder:

Name of Member	Status of the Member	Date of Appointment	No. Meetings Attended
Pascal Mokupo	Independent External Member (Chairperson)	2 July 2008	3
Yaswant Gordhan	Independent External Member	2 July 2008	3
Churchil Mrasi	Board Member	10 October 2007	3
Themba Zulu	Board Member	10 October 2007	3
Masesi Malope	Independent External Member	2 July 2008	2
Protas Phili	Independent External Member	2 July 2008	2

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 77 of the Public Finance Management Act, No 1 of 1999 (PFMA) and Treasury Regulations 27.1.8. We further report that as follows:

- We conducted our affairs in compliance with the charter;
- We monitored compliance to the PFMA;
- We reported deficiencies and made appropriate recommendations to the Accounting Authority; and
- We monitored the audit coverage and follow-ups on internal audit activities.

The effectiveness of internal control and Risk Management

The system of internal control applied by W&RSETA over financial and risk management is effective, efficient and transparent.

In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, and the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditor, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General of South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Evaluation of Financial Statements

We have:

- Reviewed and discussed the audited Annual Financial Statements to be included in the annual report, with the Auditor-General of South Africa and the Accounting Authority;

- Reviewed the Auditor-General of South Africa's management report and management's response thereto;
- Reviewed W&RSETA's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

Internal audit

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

Auditor-General of South Africa

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

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



P Mokupo

Chairperson of the Audit Committee



Board Members (back from left): Mike Tau, Churchill Mrasi, Themba Zulu, Ivan Molefe (Deputy Chairperson), Geoffrey Mabote and Deon Strydom. (Front from left): Philemon Sito, Thami Skenjana, Vikashnee Harbhajan (Chairperson), Linky Kgosana, Andre Kriel and Joel Dikgole (CEO).

6. REPORT OF THE AUDITOR GENERAL OF SOUTH AFRICA



Taking Skills Development in the
Wholesale & Retail Sector to

THE NEXT LEVEL

Report of the Auditor-General

Report of the Auditor-General to Parliament on the financial statements and performance information of the Wholesale and Retail Sector Education and Training Authority for the year ended 31 March 2009

Report on the financial statements

Introduction

1. I have audited the accompanying financial statements of the Wholesale and Retail Sector Education and Training Authority (W&RSETA) which comprise the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 49 to 90.

The Accounting Authority's responsibility for the financial statements

2. The Accounting Authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) 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.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004)

(PAA) and section 14(6)(a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of W&RSETA as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting

determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the PFMA.

Emphasis of matter

Without qualifying my opinion, I draw attention to the following matters:

Basis of accounting

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury as set out in accounting policy note 1 to the financial statements.

Restatement of corresponding figures

9. As disclosed in note 20 to the financial statements, the corresponding figures for 31 March 2008 have been restated as a result of an error in the prior year financial statements. This error was identified during the year under review.

Fruitless and wasteful expenditure

10. As disclosed in note 18 to the financial statements, W&RSETA incurred fruitless and wasteful expenditure amounting to R123 000 as a result of a penalty for late submission of VAT returns relating to 2005.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Relicensing

11. SETAs were established for a five-year period until 31 March 2010. W&RSETA has applied for the renewal of its certificate of establishment. It is expected that the legislated renewal process will be concluded by 31 March 2010.

Non-compliance with applicable legislation

Treasury Regulations

12. Treasury Regulations 16A6.4 requires that the reasons for deviating from inviting competitive bids must be recorded and approved by the Accounting Authority. Although the Accounting Authority was aware of the deviation when approval was granted, the reasons for deviating from inviting competitive bids were not recorded as required by the regulation.

Governance framework

13. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the Accounting Authority and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

14. The PFMA tasks the Accounting Authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving these is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The Annual Financial Statements were submitted for auditing as per the legislated deadlines (section 55 of the PFMA).	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> W&RSETA had an audit committee in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	✓	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8. 	✓	
7.	Internal audit	✓	
	<ul style="list-style-type: none"> W&RSETA had an internal audit function in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	✓	
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2. 	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	✓	
12.	Powers and duties have been assigned as set out in section 56 of the PFMA.	✓	

No.	Matter	Y	N
Issues relating to the reporting of performance information			
13.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
14.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
15.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by W&RSETA against its mandate, predetermined objectives, outputs, indicators and targets of Treasury Regulation 30.1.	✓	
16.	There is a functioning performance management system and performance bonuses are paid only after proper assessment and approval by those charged with governance.	✓	

15. The overall governance framework of the W&R SETA is adequate.

Report on other legal and regulatory requirements

Report on performance information

16. I have reviewed the performance information as set out on pages 10 to 14.

The Accounting Authority's responsibility for the performance information

17. The Accounting Authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

The Auditor-General's responsibility

18. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008*.

19. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain

sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

20. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

Appreciation

21. The assistance rendered by the staff of W&RSETA during the audit is sincerely appreciated.

Auditor-General

Pretoria

31 July 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

7. Annual Financial Statements



Taking Skills Development in the
Wholesale & Retail Sector to

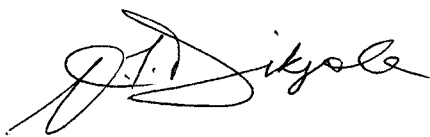
THE NEXT LEVEL

Financial Statements

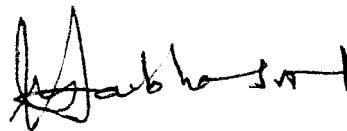
for the year ended 31 March 2009

Audited

The Annual Financial Statements for the year ended 31 March 2009, set out on pages 49 to 90, have been approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended on 31 May 2009, and are signed on their behalf by:



Joel Dikgole
Chief Executive Officer



Vikashnee Harbhajan
Chairperson of the Board

Annual Financial Statements

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Report of the Accounting Authority

Overview

The 2008/09 financial year was a year filled with exciting developments in the life of W&RSETA.

It was a year in which the SETA proved itself the premier authority in the sector in accordance with its vision statement.

Based on our successes, there is no doubt that our endeavour to live up to our vision has and will continue to benefit the Wholesale and Retail Sector and ultimately our economy.

Our appreciation goes to all our stakeholders who responded to various calls, from providing feedback on interventions to participation in our programmes.

We are most appreciative to those who challenged us to think innovatively to give relevance to our programmes.

Among notable successes was the Ikusasa Pilot Project aimed at 60 grade 12 learners who were offered an opportunity to explore and experience various career opportunities in the Wholesale and Retail Sector. The exposure of the Wholesale and Retail Scarce and Critical Skills to Career Guidance Practitioners at high school level is another key aspect that will ensure that a career in the Wholesale and Retail Sector is as highly regarded as any other.

The year under review ushered a new dawn in the history of the SETA in that it launched the International Leadership Development Programme (ILDLP), through which 15 middle managers from large, medium and small companies identified by their organisations were given international exposure to Wholesale and Retail best practices in Canada and North America. They received accolades from the local and international communities in which they worked.

As the Accounting Authority we are proud of the resounding success of this project, in particular the positive interest it has elicited from the sector.

We believe that with projects like these, we will continue to make the necessary impact.

Levy Income

The number of registered companies has increased by 7% from 56 030 to 59 869. Despite this increase, the number of levy paying companies decreased by 4,4%, from 11 900 to 11 380.

The levy income for the year under review increased by 10% from R399 million to R437 million. Although this appears to be a downward trend in comparison with the 18% recorded in the previous year, it should be noted that the SETA adjusted its revenue in line with the correct interpretation of the Skills Development Act and the Skills Development Levies Act, resulting in the restatement of prior year income.

Mandatory Grants

This year has recorded an increase of the disbursement of the grants by 2% from R207 million (2007/08 restated) to R211 million.

The SETA has always done well with the disbursement of mandatory grants, particularly in the large and medium category, achieving 80% and above. For the year under review, the SETA continued to perform at this rate.

We believe much more can still be done to increase the level of participation and to this end, the SETA reviewed its delivery model and plans to target 100% as a start in the medium and large categories, and strengthen the current strategy to encourage more small companies to participate.

Discretionary Grants

Total discretionary grant disbursements for this year amount to R82,9 million (2007/08 = R94 million). This represents a 12% decrease from the previous year. Challenges in the disbursement of funds are due to a

low uptake of projects by stakeholders, in particular for ABET and Workplace Experience Employment Grant. Furthermore, disbursements for several projects were impacted by delays in their completion. As a result, anticipated payments will be processed only in the new financial year.

To obviate the numerous challenges with ABET, the SETA has registered a new National Qualifications Framework (NQF)1 Qualification – General Education and Training Certificate for Adult Basic Education, the electives of which are Wholesale and Retail. It is hoped that this development will encourage better participation for employed learners in the sector.

In addition to the above, a plan has been put in place to improve on the project management process to mitigate the low rate of disbursement.

The plan also includes identification of projects aligned to the SLA as well as catering for region-specific skills development needs.

The total grant payments for the year under review stood at R294 million against R302 million in 2007/08 (3% decrease).

Administration Costs

Administration costs amounted to R45,8 million (2007/08 = R43,2 million) which is 84% of the legislated threshold. In comparison with the previous year, this represents a 6% increase.

Cash and Cash Equivalents

The cash and cash equivalents amount to R769 million. Of this, R240 million has been committed, with contracts signed and projects in progress.

The Board also approved new projects amounting to R69 million just after year end (refer note 17.2), which brings the total 'committed' amount to R309 million.

In December 2008, the Board held a strategic planning session during which the balance of funds was allocated

for new innovative projects to address the needs of the sector. These projects will be scoped and approved in the new financial year.

Highlights

DoL SLA Targets

As in the past, the SETA has yet again met and exceeded its targets, with the exception of ABET and New Venture Creation.

As the Accounting Authority, we are satisfied with the performance, despite challenges in various areas as mentioned earlier.

We believe that the past nine years provided sufficient time for us to learn and find our footing in the skills development arena, particularly around the question of meeting our mandate of making an impact on the country's economic growth.

Other Achievements

W&RSETA received a good practice in skills development award from the Honourable Minister of Labour, Membathisi Mdladlana at the Skills Conference in October 2008, for good practice. This was against the backdrop of a good report from the SAQA audit. Two of the SETA's stakeholders, Foschini and Cheap Cheap (small company), were honoured as well.

The SETA went further to hold workshops on the Wholesale and Retail's Scarce and Critical Skills for the Career Guidance Teachers in schools so that they can continue to create the appetite for learners to pursue a career in the sector.

The SETA has to date, met and exceeded its targets for Learnerships and learning programmes, specifically in terms of employed learners. However, difficulties were encountered with the decreased uptake of unemployed learners, as employers could not accommodate the numbers. This may persist due to the current economic climate.

Challenges

As indicated earlier, the SETA's challenges remain increasing the number of companies that claim mandatory grants, which is one way of determining whether companies are training their employees, as well as ensuring that all levy paying companies claim their grants to reduce the unclaimed amounts swept through to the discretionary grants.

In the year under review, there was an increase in the number of levy paying companies (medium and large), but a greater number of these 'new' entrants did not follow through with submission of their Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs).

As a result, the SETA has rolled out an action plan for the new year, to target all levy paying companies to ensure that they submit the necessary documentation and claim their mandatory grants accordingly.

The SETA has implemented several interventions to encourage as many levy paying and non-levy paying small organisations as possible to participate in skills development processes. However, progress has been slow towards achieving the target of 80% participation of small companies.

We are wary of the economic climate currently prevailing and this could result in reduction in the number of learners to be trained, due to retrenchments and lack of funds for training. We, therefore, appeal to our stakeholders to continue to train their employees through W&RSETA-sponsored programmes so that they maintain a strong pool of skilled workers to be available and ready for the next upswing.

Corporate Governance

For the year under review the SETA strengthened its Audit Committee by appointing new independent Audit Committee members. This was a welcome move that indicated the Board's determination to ensure good governance for the benefit of all stakeholders. The Risk Committee was also established to ensure the monitoring of risks throughout the year.

The Finance Committee gave oversight over the monthly management accounts.

The Board met seven times during the year under review and, in addition, other sub-committees meetings were held as outlined in Annexure A (page 92).

Board members are remunerated as per the Board remuneration policy. The fees were paid out as follows:

Name of Board Member		2008/09 Amount (R)	2007/08 Amount (R)
1	V Harbhajan (Chairperson)	55 600	3 000
2	I Molefe (Deputy Chairperson)	63 600	61 000
3	T Skenjana	31 900	71 000
4	T Zulu	35 100	42 250
5	C Mrasi	40 200	40 500
6	P Sito	51 000	36 500
7	A Kriel (SACTWU) (1)	15 000	7 500
8	M Tau	27 600	13 000
9	D Strydom	33 600	28 500
10	N Kehl (Foschini) (1)	33 000	5 200
11	L Kgosana	26 900	32 000
12	G Mabote (Woolworths) (1)	11 700	-
13	T Motlana (2)	-	30 000
14	D Kirsch (2)	-	10 000
15	L Nare (2)	-	33 250
16.	L Lincoln (Shoprite) (2)	-	7 500
17.	C Claasen (2)	-	9 500
	Total meeting attendance fees	425 200	430 700
	Travel expenses	203 935	81 672
	Grand Total	629 135	512 372

Some 67% of travel costs consist of air travel costs for Board Members in line with scheduled meetings as well as special meetings approved by the Board.

NB. The Board consists of 12 members:

- Attendance fees are paid directly to members' organisations
- (i) T Motlana - replaced by M Tau;
(ii) L Lincoln - not nominated for this term;
(iii) D Kirsch - not nominated for this term;

- (iv) L Nare - resigned on 28/02/2008 and replaced by V Harbhajan;
- (v) C Claasen - resigned on 11/02/2008 and replaced by G Mabote.

Remuneration of the Audit Committee (external members)

(The committee was appointed in the 2008/09 financial year)

Name of Member	2008/09 Amount (R)
1. P Mokupo (Chairperson)	29 000
2. M Malope	22 000
3. P Phili	22 000
4. Y Gordhan	27 500
Total attendance fees	100 500
Total travel claims	2 945
Total	102 945

Chief Operating Officer - JH Zwarts

	2008/09 Amount (R)	2007/08 Amount (R)
Salary	674 615	525 638
Travel allowance	120 000	120 000
Bonus	137 684	127 047
Medical aid and provident fund	72 374	64 308
Total	1 004 673	836 993

Chief Financial Officer - DM Matloa

	2008/09 Amount (R)	2007/08 Amount (R)
Salary	680 000	633 138
Travel allowance	50 400	50 400
Bonus	130 007	127 355
Medical aid and provident fund	54 870	51 022
Total	915 277	861 915

Remuneration for Senior Management

Chief Executive Officer - TJ Dikgole

	2008/09 Amount (R)	2007/08 Amount (R)
Salary	1 128 820	925 264
Travel allowance	120 000	120 000
Bonus	207 943	190 362
Medical aid and provident fund	98 595	90 027
Total	1 555 358	1 325 653

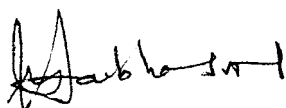
Conclusion

The SETAs have one more financial year before NSDS III. We believe that W&RSETA has become an important element in skills development for the sector and our intention is to continue to add value for our stakeholders through meaningful programmes.

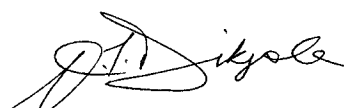
With the current economic downturn and recession, we believe that skills development becomes even more crucial to prepare for an economic recovery and urge our stakeholders to train more than ever.

Events Subsequent to the Statement of Financial Position

The Accounting Authority is not aware of any matters or circumstances arising since the end of the financial year not otherwise dealt with in the Financial Statements that will have a significant effect on the operations or the financial position of the SETA.



V Harbhajan
Chairperson



TJ Dikgole
Chief Executive Officer

WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

Statement of Financial Performance

For the year ended 31 March 2009

			Restated
		2008/09	2007/08
	Note	R'000	R'000
Revenue			
Skills development levy: income	2	437 382	398 642
National Skills Fund income	12	-	-
Skills development levy: penalties and interest		2 855	2 664
Other income	4	-	10
Total revenue		440 237	401 316
Expenditure			
Employer grant and project expenses	5	(293 897)	(301 956)
Administration expenses	6	(45 795)	(43 189)
Total expenditure		(339 692)	(345 145)
Surplus/(deficit) from operations		100 545	56 171
Interest income	3	77 364	50 446
Net surplus/(deficit) for the year	1	177 909	106 617

Statement of Financial Position

As at 31 March 2009

		2008/09	Restated
	Note	R'000	2007/08
		R'000	R'000
Assets			
Non-current assets		3 264	3 102
Property, plant and equipment	7.1	3 180	3 096
Intangible assets	7.2	84	6
Current assets		777 396	599 107
Inventory	13	20	5
Accounts receivable from exchange transactions	8	5 377	686
Accounts receivable from non-exchange transactions	9	2 365	1 881
VAT receivable		1 029	44
Cash and cash equivalents	10	768 605	596 491
Total assets		780 660	602 209
Liabilities			
Current liabilities		49 624	49 082
Accounts payable from exchange transactions	11.1	37 846	39 973
Accounts payable from non-exchange transactions	11.2	10 025	6 592
Funds advanced by National Skills Fund	12	34	759
Provisions	14	1 719	1 758
Net assets			
Capital and reserves		731 036	553 127
Administration reserve		3 264	3 102
Employer grant reserve		1 150	217
Discretionary reserve		726 622	549 808
Total net assets and liabilities		780 660	602 209

WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

Statement of Changes in Net Assets*For the year ended 31 March 2009*

		Administration reserve	Employer grant reserve	Discretionary reserve	Unappropriated surplus	Total
	Note	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2007		3 321	620	446 808	-	450 749
Net surplus per Statement of Financial Performance		-	-	-	109 447	109 447
Allocation of unappropriated surplus		6 621	44 330	58 496	(109 447)	-
Excess reserves transferred to discretionary reserve		(6 840)	(44 733)	51 573		-
Balance at 31 March 2008 as restated		3 102	217	556 877	-	560 196
Errors (prior period errors)	20			(7 069)		(7 069)
Balance at 31 March 2008 as restated		3 102	217	549 808	-	553 127
Net surplus per Statement of Financial Performance		-	-	-	177 909	177 909
Allocation of unappropriated surplus	1	8 820	62 276	106 813	(177 909)	-
Excess reserves transferred to discretionary reserve		(8 658)	(61 343)	70 001	-	-
Balance at 31 March 2009		3 264	1 150	726 622	-	731 036

Administration reserve consists of the carrying value of property, plant and equipment.

The employer grant reserve is a mandatory grant provision for newly registered member companies participating after the legislative cut-off date.

Cash Flow Statement

For the year ended 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
Cash flows from operating activities			
Receipts			
Cash receipts from stakeholders		515 700	456 634
Levies		439 449	398 525
Penalties and interest		2 978	7 663
Interest received from short term investments		73 273	50 446
Payments			
Total payments		(342 633)	(349 021)
Grants		(215 799)	(302 319)
Project payments		(79 186)	-
Compensation of employees		(25 060)	(22 642)
Suppliers and other		(20 878)	(24 379)
NSF grants paid	12	(725)	3
VAT		(985)	316
Net cash inflow from operating activities	15	173 067	107 613
Cash flow from investing activities			
Purchase of property, plant and equipment		(1 138)	(887)
Purchase of tangible assets		(84)	-
Property, plant and equipment additions from assets previously not recorded		269	-
Proceeds from disposal of property, plant and equipment		-	10
Net cash outflow from investing activities		(953)	(877)
Net increase in cash and cash equivalents		172 114	106 746
Cash and cash equivalents at beginning of year		596 491	489 745
Cash and cash equivalents at end of year	10	768 605	596 491

Accounting Policies

For the year ended 31 March 2009

1. Basis of preparation

The Annual Financial Statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended, including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of financial statements
GRAP 2: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

AC101: Presentation of financial statements
AC118: Cash flow statements
AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following significant changes in the presentation of the financial statements:

1.1 Terminology differences:

Standard of GRAP

Statement of financial performance
Statement of financial position
Statement of changes in net assets
Net assets
Surplus/deficit for the period
Accumulated surplus/deficit
Contributions from owners
Distributions to owners
Reporting date

Replaced Statement of GAAP

Income statement
Balance sheet
Statement of changes in equity
Equity
Profit/loss for the period
Retained earnings
Share capital
Dividends
Balance sheet date

1.2 The cash flow statement can be prepared only in accordance with the direct method.

1.3 Specific information such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
- (b) taxes and transfers payable;
- (c) trade and other payables from non-exchange transactions must be presented separately on the Statement of Financial Position.

1.4 The amount and nature of any restrictions on cash balances is required to be disclosed

Paragraphs 11 – 15 of GRAP 1 have not been implemented due to the fact that the local and international budget reporting standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

In addition to the above, the following GRAP standards have been approved but are not yet effective as at 31 March 2009:

GRAP 9

Revenue from Exchange

GRAP 12

Inventories

GRAP 13

Leases

GRAP 14

Events after the Reporting Date

GRAP 17

Property, Plant and Equipment

GRAP 19

Provisions, Contingent Liabilities and Contingent Assets

GRAP 23

Revenue from Non-exchange Transactions (Taxes and Transfers)

GRAP 24

Presentation of Budget Information in Financial Statements

GRAP 100

Non-current Assets held for Sale and Discontinued Operations

GRAP 102

Intangible Assets

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

The Annual Financial Statements have been prepared on the historical cost basis except where adjusted for present/fair values as required by the respective accounting standards.

1.5 Judgements made by Management

In the application of the SETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on past experience and factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and further periods if the revision affects both the current and future periods.

2. Currency

These financial statements are presented in South African Rand since that is the currency in which the majority of the entity transactions are denominated.

3. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably.

The accounting policy for the recognition and measurement of skills development levy income was amended on the basis of a revised interpretation of the

the Skills Development Act, Act No 97 of 1998 and the Skills Development Levies Act, Act No 9 of 2001.

The accounting policy now recognises revenue on the receipt of the funds from the Department of Labour (DoL) in the bank account of the SETA or upon allocation of the income, whichever comes first.

The accounting policy is consistent with the previous year's policies and disclosures.

3.1 Levy income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) as amended, registered member companies of the SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Service (SARS), which collects the levies on behalf of DoL. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4 (b) of the Levies Act as amended, effective 1 August 2005.

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

Skills development levy transfers are recognized when it is probable that future benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the DoL makes either a payment or an allocation, whichever comes first, as required by Section 8 of the Skills Development Act, 1999 (Act No. 9 of 1999).

Revenue is adjusted for inter-SETA transfers due to employers changing from one SETA to another. Such adjustments are separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the most recent Standard Operating Procedure issued by DoL.

When a new employer is transferred to the SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

3.2 Interest and penalties

Interest and penalties on the skills development levy are recognised when received.

3.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the NSF are accounted for in the financial statements of the SETA as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue recognised.

3.4 Government grants and other donor income

Conditional government grants and other conditional donor funding received are recorded as deferred income when they become receivable and are then recognised as income as and when the conditions are met. Unconditional grants received are recognised when the amounts have been received.

3.5 Investment income

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

4. Grants and project expenditure

A registered employer may recover a maximum of 50% of its total levy payment as a mandatory grant (excluding interest and penalties) by complying with the criteria in accordance with the Skills Development Act, 1998 SETA Grant Regulations regarding monies received and related matters (the SETA Grant Regulations).

4.1 Mandatory grants

Grants equivalent to 50% of the total levies contributed by employers to the SETA during the corresponding financial period, if the employer meets the criteria in the SETA Grant Regulations.

4.2 Discretionary grant and 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 may allocate discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period.

Project expenditure comprises:

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

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

Discretionary grant and project costs are recognised as expenses in the period in which they are incurred.

4.3 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 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 overpayment, net of bad debts and provision for irrecoverable amounts.

5. Irregular and fruitless and wasteful expenditure

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

- The PFMA, as amended, and

- The Skills Development Act (the Act), 1998 (Act No. 97 of 1998), as amended.

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

All irregular, fruitless and wasteful expenditure is charged against the respective class of expense in the period in which it is incurred.

6. Property, plant and equipment

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses or reversals.

Item	Range
• IT equipment	3-6 years
• Office furniture and equipment	10 years
• Office equipment	5 years
• Leasehold improvements depreciated over the period of the lease.	

6.1 Intangible assets

Intangible assets are stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method. Useful lives are reviewed annually as required. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

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

The following rates are used for the amortisation of intangible assets:

- Intangible Assets 2 years

7. Leasing

Finance leases consistent with the definition set out in the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incident to ownership to the lessee and are recorded as a purchase of equipment by means of long-term borrowings. All other leases are classified as operating leases.

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

8. Provisions

Provisions are recognised when the SETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Long-term provisions are discounted to net present value.

8.1 Provision for employee entitlements

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to reporting date.

Termination benefits are recognised and expensed only when the payment is made.

SETA employees are members of a Defined Contribution Scheme and thus no provision for post retirement benefits is made.

9. Grants

9.1 Mandatory grant payments

A liability is recognised for mandatory grant once the specific criteria set out in the SETA Grant Regulations and any additional criteria as approved by the Seta Board has been complied with by member companies. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount payable on approved Workplace Skills Plans.

9.2 Discretionary grant payments

Accruals are made for costs incurred under approved projects at year-end. Projects are separately disclosed under approved and contracted for and those approved but not yet contracted for.

10. Financial instruments

10.1 Recognition

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

All 'regular way' purchases and sales of financial assets are initially recognised using trade date accounting.

10.2 Measurement

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

10.3 Financial assets

The SETA's principal financial assets are accounts receivable and cash and cash equivalents.

10.4 Accounts and other receivables

Accounts and other receivables are measured at amortised cost using the effective interest rate method. Impair losses are recognised in an allowance account where the carrying value exceeds the present value of estimated future cashflows discounted at the original effective interest rate.

10.5 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

10.6 Financial liabilities

The SETA's principal financial liabilities are accounts and other payables. All financial liabilities are measured at amortised cost, comprising original debts less principal payments and amortisations.

Accounts and other payables do not bear interest and are stated at their effective interest rate.

10.7 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in net surplus or deficit in the period in which they arise.

10.8 Derecognition

A financial asset or a portion thereof is derecognised when the SETA realises the contractual rights to the benefits specified in the contract, the rights expire, the SETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in the net assets are included in net surplus or deficit for the period.

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs and the amount paid for it, is included in net surplus or deficit for the period.

10.9 Fair value considerations

The fair value at which financial instruments are carried at Statement of Financial Position date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting expected future cashflows at prevailing interest rates. The fair values have been estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts the SETA could realise in the normal course of business. The carrying amounts of financial assets and liabilities with a maturity of less than one year are based on fair value due to the short-term trading cycle of these items.

10.10 Offsetting

Financial assets and financial liabilities are offset if there is an intention to realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

11. Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the SETA Grant Regulations as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus.

Employer levy payments are set aside in terms of the Act and the SETA Grant Regulations for the purpose of:

	2008/09	2007/08
	%	%
Administration costs of the SETA	10	10
Mandatory Workplace Skills Grant	50	50
Discretionary grants and projects	20	20
Received by the SETA	80	80

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund the SETA's administration costs.

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grant projects.

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Provision is made for mandatory grants payable to newly registered member companies participating after the legislative cut-off date. This mandatory grants provision is defined as an Employer Grant Reserve.

12. Inventory

Inventories are stated as the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis.

13. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year and restated where there is a change in accounting policy or correction of errors.

14. Taxation

No provision has been made for taxation, as the SETA is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

15. Contingencies

In terms of the PFMA, all surplus funds as at year end may be forfeited to National Treasury should an application for retention of surplus funds be denied. The SETA has on 31 May 2009 submitted an application to the Department of Labour for the retention of surplus funds.

16. Related party transactions

Transactions are disclosed as other related party transactions where the SETA has in the normal course of its operations, entered into certain transactions with entities either related to the Department of Labour or which had a nominated representative serving on the SETA Accounting Authority.

Transactions are disclosed as other related party transactions where inter-SETA transactions arise due to movement of employers from one SETA to another.

Notes to the Annual Financial Statements

1. Allocation of net surplus for the year to reserves

	Total per Statement of Financial Performance 2008/09 R'000	Total per Statement of Financial Performance 2007/08 R'000
Total revenue	517 601	451 762
Skills development levy: income		
• Admin levy income (10%)	54 615	49 810
• Grant levy income (70%)	382 767	348 832
Skills development levy: penalties and interest	2 855	2 664
Investment income	77 364	50 446
Other income	-	10
Total expenses	339 692	345 145
Administration expenses	45 795	43 189
Employer grants and project expenses	293 897	301 956
Net (deficit)/surplus allocated to discretionary reserve	177 909	106 617

Notes to the Annual Financial Statements

Administration reserve	Employer grants reserve	Discretionary reserve		
Administration reserve	Mandatory skills grant	Discretionary grants	Projects	Total discretionary
R'000	R'000	R'000	R'000	R'000
54 615	273 316	109 451	80 219	189 670
54 615	-	-	-	-
-	273 316	109 451	-	109 451
-	-	-	2 855	2 855
-	-	-	77 364	77 364
-	-	-	-	-
45 795	211 040	-	82 857	82 857
45 795	-	-	-	-
-	211 040	-	82 857	82 857
8 820	62 276	109 451	(2 638)	106 813

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2008 - RESTATED

	Total per Statement of Financial Performance 2006/07 R'000	Total per Statement of Financial Performance 2007/08 R'000
Total revenue	375 453	451 762
Skills development levy: income		
• Admin levy income (10%)	42 364	49 810
Grant levy income (70%)	296 716	348 832
Skills development levy: penalties and interest from non-exchange	2 891	2 664
National Skills Fund income	2 589	-
Investment income	30 891	50 446
Other income	2	10
Total expenses	313 504	345 145
Administration expenses	39 568	43 189
National Skills Fund expenses	2 589	-
Employer grants and project expenses	271 347	301 956
Net (deficit)/surplus allocated to discretionary reserve	61 949	106 617

Notes to the Annual Financial Statements

Administration reserve	Employer grants reserve	Discretionary reserve		
Administration reserve	Mandatory skills grant	Discretionary grants	Projects	Total discretionary
R'000	R'000	R'000	R'000	R'000
49 809	249 021	99 812	53 120	152 932
49 809	-	-	-	-
-	249 021	99 812	-	99 811
-	-	-	2 664	2 664
-	-	-	-	-
-	-	-	50 446	50 446
-	-	-	10	10
43 189	208 262	-	93 694	93 694
43 189	-	-	-	-
-	-	-	-	-
-	208 262	-	93 694	93 694
6 620	40 759	99 812	(40 574)	59 238

Notes to the Annual Financial Statements

2. Skills development levy income

The total levy income per the Statement of Financial Performance is as follows:

Levy income: Administration

Levies received

Levies received from SARS

Government levies received

Inter-SETA transfers in

Inter-SETA transfers out

Levy income: Employer grants

Levies received

Levies received from SARS

Inter-SETA transfers in

Inter-SETA transfers out

Levy income: Discretionary grants

Levies received

Levies received from SARS

Inter-SETA transfers in

Inter-SETA transfers out

Levies accrued

	Restated
2008/09	2007/08
R'000	R'000
54 615	49 809
54 615	49 809
54 591	49 350
-	-
217	418
(193)	41
273 316	249 021
273 316	249 021
273 140	246 881
1 089	1 932
(913)	208
109 451	99 812
109 451	99 812
109 398	98 734
435	995
(382)	83
-	-
437 382	398 642

Notes to the Annual Financial Statements

3. Interest income

	2008/09	2007/08
	R'000	R'000
Interest income	77 364	50 446
Accrued	4 449	324
Received	72 915	50 122
Total	77 364	50 446

4. Other (losses)/income

(Loss)/profit on disposal of property, plant and equipment

	-	10
Total	-	10

5. Employer grant and project expenses

		Restated
	Notes	R'000
Mandatory grants		211 040
Expenditure		211 040
Discretionary grants disbursed		-
Project expenditure/Discretionary funds	5.1	82 857
Expenditure		82 857
Total		293 897
		301 956

5.1 Project expenditure consists of:

Direct project cost	17.1	82 857	93 694
Total		82 857	93 694

Notes to the Annual Financial Statements

6. Administration expenses

		2008/09	2007/08
	Notes	R'000	R'000
Depreciation		1 060	1 107
Operating lease rentals (minimum lease payments)		3 359	2 847
Buildings		3 179	2 643
Plant, machinery and equipment		180	204
Maintenance, repairs and running costs		67	118
Property and buildings		54	38
Other		13	80
Advertising, marketing and promotions, communication		698	1 434
Consultancy and service provider fees		5 613	5 293
Legal fees		830	695
Cost of employment	6.1	25 078	22 642
Travel and subsistence		1 416	3 448
Staff training and development		825	362
Remuneration to members of the accounting authority		780	473
External auditor's remuneration		661	496
Audit fees		661	496
Allowance for doubtful debts		420	(12)
Other		4 988	4 286
Other expenses		3 258	2 520
Telephone and data lines		975	1 027
Insurance premiums		302	294
Postage and couriers		357	231
Cleaning contract and services		80	147
Workshops		16	67
		45 795	43 189

All administration expenditure is inclusive of VAT.

Notes to the Annual Financial Statements

6.1 Cost of employment

	2008/09	2007/08
Notes	R'000	R'000
Salaries and wages	23 219	22 207
Basic salaries	20 016	18 655
Performance awards	3 076	2 932
Temporary staff	-	361
Leave payments	113	232
Overtime payments	14	27
Social contributions	1 859	435
Medical aid contributions	690	-
Pension contributions: defined contribution plans	328	-
• UIF	106	120
• Insurance	664	315
• Other salary related costs	71	-
Total	25 078	22 642
Allocation of cost of employment		
Administration expenses	25 078	22 642
	25 078	22 642
Average number of employees	91	90

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

Notes to the Annual Financial Statements

7. Non-current assets

7.1 Property, plant and equipment

	Cost	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000
Year ended 31 March 2009			
Leasehold improvements	1 250	(1 188)	62
Computer equipment	3 390	(1 969)	1 421
Office furniture and fittings	2 659	(1 140)	1 519
Office equipment	540	(362)	178
Balance at end of period	7 839	(4 659)	3 180
Made up as follows:			
- Owned assets	7 839	(4 659)	3 180
Year ended 31 March 2008			
Leasehold improvements	1 195	(1 063)	132
Computer equipment	2 424	(1 277)	1 147
Computer software	10	(10)	-
Office furniture and fittings	2 647	(864)	1 783
Office equipment	436	(402)	34
Balance at end of period	6 712	(3 616)	3 096
Made up as follows:			
- Owned assets	6 712	(3 616)	3 096

Property, plant and equipment of R3 180 000 (2008: R3 096 000) at 31 March 2009 is stated at cost less accumulated depreciation and impairment losses. Estimates are used in the determination of the useful lives, residual values and the expected pattern of consumption of the future economic benefits embodied in the assets.

Notes to the Annual Financial Statements

Movement summary 2009

	Carrying amount 2008	Additions	Disposals	Depreciation charge	Impairment losses (recognised)/ reversed	Carrying amount 2009
	R'000	R'000	R'000	R'000	R'000	R'000
Leasehold improvements	132	45	-	(117)	-	60
Computer equipment	1 079	962	-	(624)	-	1 417
Office furniture and fittings	1 759	29	-	(261)	-	1 527
Office equipment	126	102	-	(52)	-	176
Balance at end of period	3 096	869	-	(1 054)	269	3 180

Movement summary 2008

Leasehold improvements	230	47	-	(145)	-	132
Computer equipment	1 197	451	-	(569)	-	1 079
Office furniture and fittings	1 758	296	-	(295)	-	1 759
Office equipment	131	75	-	(80)	-	126
Balance at end of period	3 316	869	-	(1 089)	-	3 096

Notes to the Annual Financial Statements

7.2 Intangible assets

Cost	Accumulated amortisation/ impairment	Closing carrying amount
R'000	R'000	R'000

Year ended 31 March 2009

Intangible assets	469	(385)	84
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Year ended 31 March 2008

Intangible assets	385	(379)	6
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Carrying amount 2008	Additions	Disposals	Depreciation/ Amortisation charge	Impairment losses (recognised)/ reversed	Carrying amount 2008
R'000	R'000	R'000	R'000		R'000

Year ended 31 March 2009

Intangible assets	6	84		(6)	-	84
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Cost	Accumulated depreciation/ impairment	Closing carrying amount	Disposals	Depreciation/ Amortisation charge	Impairment losses (recognised)/ reversed	Carrying amount 2008
R'000	R'000	R'000	R'000	R'000	R'000	R'000

Year ended 31 March 2008

Intangible assets	6	-	18		(18)	-	6
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Notes to the Annual Financial Statements

8. Accounts receivable from exchange transactions

	2008/09	2007/08
	R'000	R'000
Deposits	235	249
Interest receivable	4 450	324
Staff advances	86	99
Other	606	14
Closing balance	5 377	686

9. Accounts receivable from non-exchange transactions

		2008/09	2007/08
	Notes	R'000	R'000
Inter-SETA debtors	20	1 393	949
Employer receivables	9.1	2 263	1 812
Allowance for doubtful debts	9.1	(1 291)	(880)
Total		2 365	1 881

9.1 Employer receivable

Overpayment to employers	2 263	1 812
Allowance for doubtful debt	(1 291)	(880)
Net effect of SARS retrospective adjustments on affected employers	972	932

Notes to the Annual Financial Statements

10. Cash and cash equivalents

	2008/09	2007/08
	R'000	R'000
Cash at bank and on hand	28 129	27 658
• Cash at bank	28 123	27 644
• Cash on hand	6	14
Short term investments/instruments	740 476	568 833
Cash and cash equivalents at end of year	768 605	596 491

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 9,50% (2008: 8,40%).

The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the Public Finance Management Act, invest the moneys in accordance with the investment policy approved by the relevant SETA.

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the SETA as a public entity that is listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits.

As the SETA was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were invested in line with an investment policy as required by Treasury Regulation 31.3.5.

Notes to the Annual Financial Statements

11. Accounts payable

11.1 From non-exchange transactions

Skills development grants payable - mandatory

Project creditors

Inter-SETA payables

Amounts payable to small companies

Employer payable

Total

Notes	Restated	
	2008/09	2007/08
	R'000	R'000
	19 178	22 398
	4 616	6 357
20	1 124	872
11.3	11 783	9 403
11.4	1 145	943
	37 846	39 973

11.2 From exchange transactions

Service provider fees outstanding

Sundry payables

Trade creditors

Other - accrued expenses

Total

-	390
10 025	6 202
1 167	1 128
8 858	5 074
10 025	6 592

11.3 Amounts payable to small companies

Opening carrying amount

Change in estimate

Closing carrying amount

9 403	3 541
2 380	5 862
11 783	9 403

11.4 Employer payable

Provision for grant payable

1 145	943
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Notes to the Annual Financial Statements

12. Funds advanced by National Skills Fund

Opening balance
Interest received
Paid to NSF
Closing balance

2008/09	2007/08
R'000	R'000
759	756
34	3
(759)	-
34	759

13. Inventory

Consumables
Total

20	5
20	5

14. Provisions

14.1 Open carrying amount

Amounts utilised
Change in estimate
Closing carrying amount

		Restated
Employee bonus provision	2008/09	2007/08
	R'000	R'000
1 758	1 758	2 127
(1 799)	(1 799)	(2 074)
1 760	1 760	1 705
1 719	1 719	1 758

14.2 Non-current

Current
Total

1 719	1 719	1 758
1 719	1 719	1 758

The bonus provision is calculated using the cost of employment and is based on individual performance.

Notes to the Annual Financial Statements

15. Reconciliation of net cash flow from operating activities to net surplus/(deficit)

	2008/09	2007/08
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	177 909	109 447
Adjusted for non-cash movements:		
Depreciation	1 060	1 107
(Profit)/loss on disposal of property, plant and equipment	-	(10)
Impairment losses on property, plant and equipment recognised/(reversed)	(269)	-
Increase/(decrease) in provision for doubtful debts	411	(12)
Increase/(decrease) in provisions	-	-
• Relating to employment	(39)	(301)
Movement on NSF Fund	(725)	-
• (Increase)/decrease on inventories	(15)	-
• (Increase)/decrease on payables from non-exchange transaction	(2 127)	-
• (Increase)/decrease on payables from exchange transaction	3 477	2 701
• Increase/(decrease) on receivables from non-exchange transactions	(895)	(6 282)
• (Increase)/decrease on receivables from exchange transaction	(4 735)	647
Decrease in VAT receivable	(985)	316
Cash generated from/(utilised in) operations	173 067	107 613

16. Contingencies

1. A claim being made against the SETA for an alleged repudiation of ABET contract to the value of R2 500 000 inclusive of claims, costs and disbursements.
2. A VAT claim for which a tax invoice was not presented amounting to approximately R219 000 inclusive of costs.

Notes to the Annual Financial Statements

17. Commitments

17.1 Discretionary reserve

Of the balance of R726 622 000 available in the discretionary reserve at the end of March 2009, R240 457 000 has been approved and contracted for under skills priorities as set out below. An amount of R69,7million was approved before year end but had not yet been contracted for. This is set out in note 17.2 below.

	Opening balance 2007/08	Approved by Accounting Authority 07/08	Adjustment
Notes	R'000	R'000	
Recognition of Prior Learning	211	-	-
Accreditation of BEE Providers	1 892	-	-
Disability new	-	-	-
Contract SDFs	681	-	(611)
IT Based Project Management System	-	-	-
Sector Skills Audit	244	-	(199)
Learnerships Impact Assessment	139	-	(137)
Research non levy paying NGOs, CBOs and Co-ops	52	-	93
City of JHB	1 257	-	-
Ikusasa	-	-	-
Extended Public Works - New Venture Creation	-	9 000	(9 000)
ISDF Project - assisting SMME with completion of WSP	8 252	-	-
Research - Impact Assessment Study on Equity	-	571	-
Update of Scare and Critical Skills Guide	-	1 619	-
SMME Support	48 767	-	(18 767)
SSP Priorities	1 959	-	23 720
Cape Town Fashion Festival	500	-	-
Rural Project (SMME intervention)	-	342	-
Thabo Mbeki Fund	5 216	-	-
SMME	2 727	-	(2 631)
Project management	2 437	-	621
NAFCOC SMME Development Project	-	5 000	-
JIP	7 781	-	-

Notes to the Annual Financial Statements

Utilised	Opening balance 2008/09	Approved by Accounting Authority 08/09	Adjustment	Utilised	Closing balance 08/09
R'000	R'000	R'000	R'000	R'000	R'000
111	100	-	(100)	-	-
1 563	329	-	(329)	-	-
-	-	-	-	-	-
70	-	-	-	-	-
-	-	-	-	-	-
45	-	-	-	-	-
2	-	-	-	-	-
145	-	-	-	-	-
18	1 239	-	(816)	(423)	-
-	-	519	(260)	(259)	-
-	-	-	-	-	-
5 700	2 552	-	(2 471)	(81)	-
222	349	-	(212)	(137)	-
421	1 198	-	(122)	(1 076)	-
20 545	9 455	-	(8 955)	(500)	-
9 763	15 916	-	(15 446)	(470)	-
500	-	-	-	-	-
342	-	-	-	-	-
4 009	1 207	-	(1 196)	(11)	-
96	-	-	-	-	-
3 058	-	-	-	-	-
1 001	3 999	-	-	(3 999)	-
597	7 184	-	-	(623)	6 561

Notes to the Annual Financial Statements

	Opening balance 2007/08	Approved by Accounting Authority 07/08	Adjustment
Notes	R'000	R'000	
Capacity Building Unions	1 737	-	-
Critical Skills Shortages	1 022	-	-
Learnerships	85 764	-	(48 547)
Investors In People	2 530	-	-
Discretionary Grant	36 919	-	(31 370)
New Venture Creation – Massmart	1 678	-	-
Pick 'n Pay	10 120	-	-
Score	5 655	-	(3 393)
Boxer	3 379	-	-
SDF Training and Capacitation	6 564	-	-
ABET	20 213	-	(213)
Learning Programmes (Learnerships and Skills Programmes)	81 650	-	(38 000)
Workplace Experience and Employment Grant	30 410	-	(27 370)
New Venture Creation	10 000	-	(3 600)
Workplace Experience - Scarce and Critical Skills WEEG	12 516	-	-
Fedcrow	-	1 200	-
QMS	-	1 232	-
Voucher SMME	-	3 762	-
SEDA New Venture Creation (SMME)	-	4 560	-
Pilot Assessor Training (ETQA)	-	581	-
Grassroots Learnership	-	1 080	-
Edcon Learnership	-	9 737	-
SSP 2008/2009 Update	-	-	-
WSP/ATR 2008/2009 for SMEs	-	-	-
Learning Programmes 0809 (LP0809) (2)	-	-	-
ABET 2008/2009	-	-	-
Skills Programme Matrix Project	-	-	-
Thabo Mbeki Development Programme Phase 2	-	-	-
International Leadership Development Programme	-	-	-
eDeaf Skills Programme Project	-	-	-
Smoolan Special Project	-	-	-
Craft SMME Development Project	-	-	-

Notes to the Annual Financial Statements

Utilised	Opening balance 2008/09	Approved by Accounting Authority 08/09	Adjustment	Utilised	Closing balance 08/09
R'000	R'000	R'000	R'000	R'000	R'000
1	1 736	-	-	(523)	1 213
-	1 022	-	-	-	1 022
18 568	18 650	-	(15)	(14 442)	4 193
681	1 849	-	-	(558)	1 291
-	5 549	-	-	(52)	5 497
12	1 666	-	-	(28)	1 638
7 050	3 070	-	1 190	(159)	4 101
1	2 261	-	-	-	2 261
-	3 379	-	-	(1 382)	1 997
1 144	5 420	-	-	-	5 420
4 619	15 381	-	-	(2 250)	13 131
6 049	37 601	-	-	(11 827)	25 774
349	2 691	-	-	-	2 691
3 796	2 604	-	-	(145)	2 459
-	12 516	-	-	(4 338)	8 178
806	394	-	-	(350)	44
413	819	-	-	(310)	509
1 111	2 651	-	-	(1 147)	1 504
-	4 560	456	-	(3 091)	1 925
-	581	-	-	(287)	294
-	1 080	-	274	(691)	663
886	8 851	-	-	(32)	8 819
-	-	1 263	-	(667)	596
-	-	6 270	-	(4 611)	1 659
-	-	82 839	19 933	(19 218)	83 554
-	-	17 554	-	(899)	16 655
-	-	251	-	(29)	222
-	-	8 008	-	-	8 008
-	-	3 309	-	(3 143)	166
-	-	1 946	-	(1 466)	480
-	-	7 896	-	(2 475)	5 421
-	-	2 037	-	(857)	1 180

Notes to the Annual Financial Statements

	Opening balance 2007/08	Approved by Accounting Authority 07/08	Adjustment
Notes	R'000	R'000	
New WSP and OFO code rollout 2008/2009	-	-	-
Scarce and Critical Skills guide 2009	-	-	-
WSP/ATR project 2009/2010	-	-	-
New Venture Creation 2009/10	-	-	-
Total project expenditure	392 274	38 684	(159 404)

Note: The reversals or write backs of the funds reflected in allocation column are mainly due to projects that were completed and learner drop-outs (R29,922 million). R19,933 million was reallocated to underbudgeted learning programmes. The closing balance of R240,457 million above represents amounts approved and contracted for.

Notes to the Annual Financial Statements

Utilised	Opening balance 2008/09	Approved by Accounting Authority 08/09	Adjustment	Utilised	Closing balance 08/09
R'000	R'000	R'000	R'000	R'000	R'000
-	-	861	-	(211)	650
-	-	2 310	-	(4)	2 306
-	-	14 385	-	(85)	14 300
-	-	4 075	-	(1)	4 074
93 694	177 860	153 979	(8 525)	(82 857)	240 457

Notes to the Annual Financial Statements

17.2 Approved but not contracted for

The following projects were approved in 2008/09 but were not contracted for:

	R'000
Update of Scarce and Critical Skills	351
Ikusasa	9 977
Non-Sponsored Learnership	125
South African Institute of Chartered Accountants	4 972
SMME Voucher System	51 054
Small Enterprises Development Agency	456
Sector Skills Plan 2010 - 2015	2 841
Total	69 776

17.3 Operating leases

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

	2008/09	2007/08
	R'000	R'000
Not later than one year	3 018	2 080
Later than one year and not later than five years	2 590	987
	5 608	3 067

The operating lease relates to photocopier machines and office accommodation. The lease agreements for office accommodation will expire between 2010 and 2012. No provision was made for an option to renew the leases on expiry. The rentals escalate annually by 10% on the anniversary dates. The lease agreement for the photocopier machines were entered into effective 31 July 2004 and will expire on 1 September 2009. The rental has no escalation clause.

18. Material losses through criminal conduct, irregular, fruitless and wasteful expenditure

Fruitless and wasteful expenditure

No material losses were incurred as a result of criminal conduct. In addition, no amounts were spend irregularly or through wasteful action.

Fruitless expenditure of R123 000 was incurred during the year. The fruitless expenditure arose from a penalty for late submission of VAT related to the year 2005.

Notes to the Annual Financial Statements

19. Financial instruments

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

	Floating rate		Fixed rate			Non-interest bearing		Total
	Amount R'000	Effective interest rate	Amount R'000	Weighted average effective interest rate %	Weight- ed average pe- riod for which the rate is fixed in years	Amount R'000	Weighted average until maturity in years	
Year ended 31 March 2009								
Assets	-	-	-	-	-	-	-	
• Investments	-	-	-	-	-	-	-	
• Loans	-	-	-	-	-	-	-	
• Cash	768 605	9,50%	-	-	-	-	-	768 605
• Accounts receivable	-	-	-	-	-	2 365	-	2 365
Total financial assets	768 605	-	-	-	-	2 365	-	770 970
Liabilities	-	-	-	-	-	-	-	
• Borrowings	-	-	-	-	-	-	-	
• Accounts payable	-	-	-	-	-	37 846	-	37 846
• Bank overdraft	-	-	-	-	-	-	-	
Total financial liabilities	-	-	-	-	-	37 846		37 846

Year ended 31 March 2008						Restated		
Total financial assets	596 491	-	-	-	-	39 973	-	636 464
Total financial liabilities	-	-	-	-	-	-	-	
	596 491	-	-	-	-	39 973	-	636 464

Notes to the Annual Financial Statements

Credit risk

Financial assets, which potentially subject the SETA to the risk of non-performance by counterparties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

The SETA manages to limit its treasury counterparty exposure by dealing only with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored by the Accounting Authority.

The SETA does not have any material exposure to any individual or counterparty. The SETA's concentration of credit risk is limited to the wholesale and retail industry in which the SETA operates. No events occurred in the wholesale and retail industry during the financial year that may have an impact on the accounts receivable that have not been adequately provided for. The SETA is exposed to a concentration of credit risk, as significant amounts are owed by the South African Revenue Service (SARS). This concentration of risk is limited as SARS is a government entity of sound reputation.

Liquidity risk

The SETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are also maintained.

Market risk

The SETA is exposed to fluctuations in the employment market, for example sudden increases in unemployment

and changes in the wage rates. No significant events occurred during the year that the SETA 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 asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

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

Cash and cash equivalents

The carrying amount of cash and cash equivalents is at fair value due to relatively short term maturity of these financial assets.

Accounts receivable

The carrying amount of accounts receivable, net of allowance for bad debt, is at 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 the Skills Development Levy late. The interest is transferred to the SETA via Department of Labour.

Accounts payable

The carrying amount of account and other payables is at fair value due to the relatively short-term maturity of these financial liabilities.

Notes to the Annual Financial Statements

20. Errors

At year end, it was brought to the attention of the SETA by the Auditor-General that, in terms of the Skills Development Levy Act, SETAs are obliged to refund non-leviable receipts and interest accrued thereon. The prior year adjustment arising from application of this section of the Act was R3,509 million. During the course of the current financial year, contrary to the accounting policy, WSPs/ATRs relating to financial year 2007/08 were approved and paid. This gave rise to a prior year adjustment of R2,830 million.

Expense accruals of R730 000 related to travel and Deloitte's outsourcing fees from financial years 2003 to 2008 have been written off against reserves. These expenses had been carried in the Statement of Financial Position in error.

The impact of the prior year errors on 2007/08 financial statements is summarised below:

	2007/08		2007/08
	R'000	Prior year	R'000
	Restated	Errors	Original
Accounts payables from exchange transactions	34 364	730	33 634
Discretionary reserve	549 808	(7 069)	556 877
Mandatory grants	301 956	2830	299 126
Surplus	106 617	(2 830)	109 447
Amounts payable to small companies	9 403	3 509	5 894

The adjustment to discretionary reserves is comprised of the following:

Underprovision on amounts payable to small companies from 2005 to 2007	3 509
Mandatory grant payments in 2008/09 related to 2007/8	2 830
General expenses from 2003/04 to 2007/08	730
Total adjustment to Reserves	7 069

Notes to the Annual Financial Statements

21. Related party transactions

The Department of Labour is the executive authority of W&RSETA. W&RSETA received an amount of R442 million from the Department of Labour during the financial year under review. This amount was for skills development levies, interest and penalties collected by SARS on behalf of the Department of Labour.

Transactions with other SETAs

Inter-SETA transactions and balances arise due to the movement of employers from one SETA to another. During the current year, W&RSETA received R1,305 million from other SETAs and transferred R1,251 million to other SETAs. At year end, R1,382 million was receivable and R1,124 million was payable from and to other SETAs respectively.

The balances at year-end included in receivables and payables are:	2008/09		2007/08
	R'000		R'000
	Amount of the transaction	Amount receivable	Amount of the transaction
Receivables	1 305	1 382	6 438
AGRI SETA	85	25	87
BANKSETA	17	-	1
CETA	18	-	18
CHIETA	-	3	-
CTFL	356	20	3 881
FASSET	32	16	27
FIETA	3	49	-
FOODBEV	-	49	-
H&W SETA	-	12	13
ISETT	-	7	268
MAPPP	-	36	123
MERSETA	399	57	2
MQA	90	91	176
PSETA	-	1	-
SASSETA	-	-	-
SERVICES	305	954	1 842
TETA	-	21	-
THETA	-	41	-

Notes to the Annual Financial Statements

The balances at year-end included in receivables and payables are:	2008/09		2007/08
	R'000		R'000
	Amount of the transaction	Amount payable	Amount of the transaction
Payables	1 251	1 124	1 289
AGRISETA	242	70	81
BANKSETA	13	-	33
CETA	49	16	46
CHIETA	-	53	10
CTFL	407	-	197
ESETA	1	-	2
ETDP	-	24	25
FASSET	145	-	-
FIETA	57	-	-
FOODBEV	105	92	92
H&W SETA	-	73	-
ISETT	67	13	105
MAPPP	3	-	-
MERSETA	8	441	349
MQA	-	-	11
SASSETA	154	5	116
SERVICES	-	337	217
THETA	-	-	5
Total	54	258	5 149

Transactions with other related parties

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

Notes to the Annual Financial Statements

			2008/09	2007/08
			R'000	R'000
Related party	Nature of relationship	Transaction type	Amount of the transaction	Amount of the transaction
Payables			590	1 305
SACCAWU	I Molefe and M Tau	Project	240	-
SACTWU	A Kriel (Authority Member)	Project	-	500
Fedcrow	L Kgosana (Authority Member)	Project	350	805
Other Public Entities				
Telkom			887	825
Total			1 477	2 130

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

The amounts outstanding are unsecured and will be settled by the incurring of qualifying expenditure by the related party creditors. No guarantees have been given or received.

No expense has been recognised in the period for bad or doubtful debts in respect of amounts owed by the related parties.

Notes to the Annual Financial Statements

22. Expiration and renewal of licences

The Annual Financial Statements for the year ended 31 March 2009 were prepared on a going concern basis.

SETAs have been licensed to operate by the Department of Labour on a five yearly cycle since inception in 2001. The current SETAs' licences expire on 31 March 2010 and are under review by the Department of Labour.

W&RSETA submitted an application for a re-establishment licence for the period 1 April 2010 to 31 March 2015 before the financial year ending 31 March 2009 to the Department of Labour. At the time of publishing W&RSETA's Annual Financial Statements for the year ended 31 March 2009, the application for a re-establishment licence was still under consideration by the Department of Labour.

With effect from 1 April 2009, the Executive Authority for all SETAs including W&RSETA was transferred to the Department of Higher Education and Training.

23. New accounting pronouncements

	Effective Date
GRAP 9 Revenue from exchange transactions	1 April 2009
GRAP 12 Inventories	1 April 2009
GRAP 13 Leases	1 April 2009
GRAP 17 Property, plant and equipment	1 April 2009
GRAP 100 Non-current assets held for sale and discontinued operations	1 April 2009
GRAP 102 Intangible assets	1 April 2009

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

GRAP 9

The Standard provides additional South African public sector specific examples of revenue transactions. It is not expected that that this standard will significantly impact on future disclosure due to limited nature and volume of exchange transactions for which a SETA is expected to account.

GRAP 12

The Standard provides additional guidance on the recognition of and initial measurement of inventories acquired at no cost, or for nominal consideration, at fair value as at date of acquisition.

It is not expected that that this Standard will significantly impact on future disclosure due to limited nature and volume of exchange transactions for which a SETA is expected to account.

GRAP 13

The Standard clarifies that the leases standard should be applied even where legislation may prohibit an entity from entering into certain types of lease agreements. It further adds an additional requirement to disclose the depreciation and finance charge relating to the leased asset accounted for as a finance lease by the lessee.

GRAP 17

On initial application, the Standard requires that assets acquired at no cost, or for a nominal cost, are accounted for at their fair values as at acquisition date. The current treatment accounts for the assets at cost.

The Standard is not expected to have a significant impact on carrying values of Property, plant and equipment.

Notes to the Annual Financial Statements

GRAP 100

The Standard provides public sector specific examples and refers to non-cash generating assets that are relevant to the public sector.

The Standard is not expected to have a significant impact on carrying values of Property, plant and equipment.

GRAP 102

The Standard provides additional public sector specific examples and it also expands the identifiable criteria in the definition of an intangible asset to include contractual rights arising from binding arrangements and exclude rights granted by statute. The standard will also require that, where an asset is acquired at no cost or nominal consideration, fair value is used as cost as at required date.

8. ANNEXURES



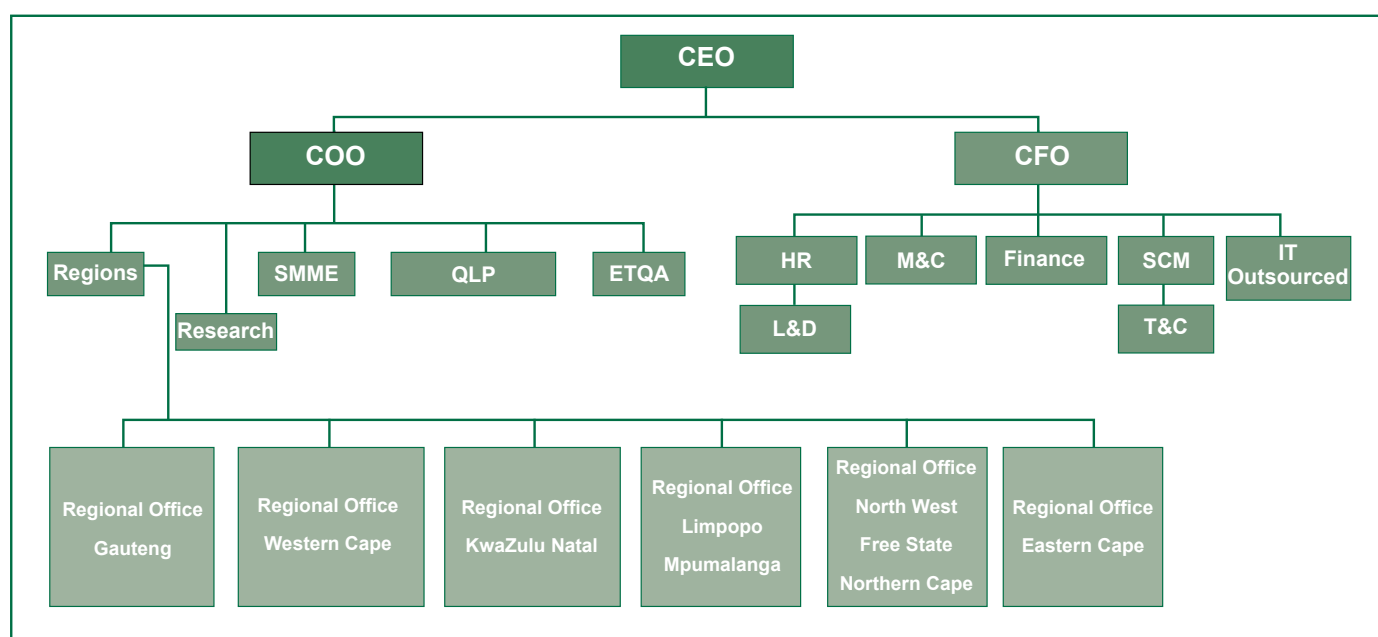
Taking Skills Development in the
Wholesale & Retail Sector to

THE NEXT LEVEL

A. Schedule of Board Meetings

Board member	Constituency	Board	Executive Committee	Finance Board Committee	Joint Finco/ Audit	Audit Board Committee	Core Functions Board Committee	Projects Board Committee	Remuneration Board Committee
Number of scheduled meetings		7	3	4	2	3	5	5	4
V Harbhajan Chairperson	HOST – Employer	7	3		1				4
I Molefe Dep Chair	SACCAWU – Labour	7	3	4	2			5	
G Mabote	RA – Employer	2		3	1				
N Kehl	RA – Employer	5			1		5	4	
C Mrasi	HOST – Employer	7			2	3	4		4
D Strydom	FTA – Employer	6			1		5	5	
T Skenjana	EMOSA – Employer	7	2	3	2				
A Kriel	SACTWU – Labour	3	2						
L Kgosana	FEDCRAW – Labour	7			1		5		
P Sito	ECCAWUSA – Labour	7		4	2		3	4	
T Zulu	HOTELICCA – Labour	7			2	3			4
M Tau	SACCAWU – Labour	7			1		4		3

B. Organisational Structure



C. Organisational Levels, Salary Bands and Job Titles

Occupational level	Salary bands	Job title
Senior Management	R800 000 – R900 000	Chief Executive Officer Chief Operations Officer Chief Financial Officer
Executive Management	R400 000 – R600 000	Human Resources, Qualifications and Learning Programmes, SME, Regions, Supply Chain Management, Finance and IT(outsourced).
Middle Management	R300 000 – R400 000	Regional Managers, Research, ETQA, Tender and Contracts, IIP/Learning and Development.
Coordinator Level	R200 000 – R300 000	Regional Coordinators, CEO Relations Officer, Qualifications Specialist, Quality Assurer, Projects Coordinators, Learning Programmes Specialist and Accountants.
Officer/PA Level	R165 000 – R220 000	Human Resources, Procurement, Personal Assistants, Tender and Contracts, Marketing and Communication and ETQA.
Administration	R90 000 – R150 000	Departmental Administrator, Projects Administrator, Systems Administrator and Accountant Assistant.
Office Support	Under R100 000	Office Assistants.

NB: The table above is used as a guide and therefore does not represent actual employee salaries

D. Staff Demographics

The table below depicts the W&RSETA employment profile by race:

Race	Employee breakdown
Black	70
Asian	4
Coloured	8
White	7
Total	89

The table below depicts the W&RSETA employment profile by gender

Gender	Employee breakdown
Female	62
Male	23
Disabled	4 (3 female/1 male)

E. Learnership and Skills Programmes Certified

LEARNERSHIPS CERTIFIED 2003 – 2009									
EMPLOYED LEARNERS (18.1)	NQF LEVEL	2003	2003	2005	2006	2007	2008	2009	Grand Total
National Certificate: Retail and Wholesale Processes	2	182	28	878	343	73	405	29	1 938
National Certificate: Retail Shop Floor Practices	2	-	-	-	-	154	345	72	571
National Certificate: Wholesale and Retail Credit Control	4	-	-	-	-	-	1	1	2
National Certificate: Wholesale and Retail Distribution	2	-	-	-	-	-	85	29	114
National Certificate: Wholesale and Retail Operations Supervision	4	-	-	-	-	29	97	143	269
National Certificate: Wholesale and Retail Sales Practices	3	-	-	-	-	-	58	35	93
National Certificate: Wholesale and Retail Operations	2	-	-	-	-	-	-	99	99
National Certificate: Retail and Wholesale Sales and Service Technology	4	17	16	238	105	1	47	15	439
National Certificate: Wholesale and Retail Operations Management	5	-	12	25	13	-	12	-	62
		199	56	1 141	461	257	1 050	423	3 587

UNEMPLOYED LEARNERS (18.2)	NQF LEVEL	2003	2004	2005	2006	2007	2008	2009	Grand Total
National Certificate: Retail and Wholesale Processes	2	130	26	1 204	483	82	485	13	2 423
National Certificate: Retail Shop Floor Practices	2	-	-	-	-	341	431	78	850
National Certificate: Wholesale and Retail Credit Control	4	-	-	-	-	-	3	1	4
National Certificate: Wholesale and Retail Distribution	2	-	-	-	-	-	62	26	88
National Certificate: Wholesale and Retail Operations Supervision	4	-	-	-	-	41	179	157	377

LEARNERSHIPS CERTIFIED 2003 – 2009									
National Certificate: Wholesale and Retail Sales Practices	3	-	-	-	-	-	63	44	107
National Certificate: Wholesale and Retail Operations	2	-	-	-	-	-	-	195	195
National Certificate: Retail and Wholesale Sales and Service Technology	4	6	20	326	112	2	52	18	536
National Certificate: Wholesale and Retail Operations Management	5	4	1	19	6	1	5	-	36
TOTAL		140	47	1 549	601	467	1 280	532	4 616
TOTAL LEARNERS (18.1 and 18.2)									
National Certificate: Retail and Wholesale Processes	2	312	54	2 082	826	155	890	42	4 361
National Certificate: Retail Shop Floor Practices	2	-	-	-	-	495	776	150	1 421
National Certificate: Wholesale and Retail Credit Control	4	-	-	-	-	-	4	2	6
National Certificate: Wholesale and Retail Distribution	2	-	-	-	-	-	147	55	202
National Certificate: Wholesale and Retail Operations Supervision	4	-	-	-	-	70	276	300	646
National Certificate: Wholesale and Retail Sales Practices	3	-	-	-	-	-	121	79	200
National Certificate: Wholesale and Retail Operations	2	-	-	-	-	-	-	294	294
National Certificate: Retail and Wholesale Sales and Service Technology	4	23	36	564	217	3	99	33	975
National Certificate: Wholesale and Retail Operations Management	5	4	13	44	19	1	17	-	98
Grand Total		339	103	2 690	1 062	724	2 330	955	8 203

F. Sector Industry Codes

Wholesale

SETA code	SIC code	Trade category
27	61000	Wholesale and commission trade, except for motor vehicles and motorcycles.
27	61100	Wholesale trade on a fee or contract basis.
27	61220	Wholesale trade in food, beverages and tobacco.
27	61310	Wholesale trade in textiles, clothing and footwear.
27	61391	Wholesale trade in household furniture requisites and appliances.
27	61392	Wholesale trade in books and stationery.
27	61393	Wholesale trade in precious stones, jewellery and silverware.
27	61394	Wholesale trade in pharmaceuticals, toiletries and medical equipment.
27	61420	Wholesale trade in metal and metal ores.
27	61430	Wholesale trade in construction materials, hardware, plumbing and heating equipment.
27	61501	Office machinery and equipment including computers.
27	61509	Other machinery.
27	61901	General wholesale trade.
27	61909	Other wholesale trade not elsewhere classified.

Retail

SETA code	SIC code	Trade category
27	62000	Retail trade, except for motor vehicles and motorcycles; repair of personal and household goods.
27	62110	Retail trade in non-specialised stores with food, beverages and tobacco dominating.
27	62190	Other retail trade non-specialised stores.
27	62201	Retail trade in fresh fruit and vegetables.
27	62202	Retail trade in meat and meat products.
27	62203	Retail trade in bakery products.
27	62204	Retail trade in beverages (bottle stores).
27	62209	Other retail trade in food, beverages and tobacco. not elsewhere classified.
27	62311	Retail of non-prescribed medicine and pharmaceutical products other than by pharmacist.
27	62321	Retail trade in men's and boy's clothing.
27	62322	Retail trade in ladies' and girls' clothing.
27	62323	Retail trade by general outfitters and by dealers in piece goods, textiles, leather and travel accessories.
27	62324	Retail trade in shoes.

SETA code	SIC code	Trade category
27	62330	Retail trade in household furniture appliances, articles and equipment.
27	62340	Retail trade in hardware, paints and glass.
27	62391	Retail trade in reading matter and stationery.
27	62392	Retail trade in jewellery, watches and clocks.
27	62393	Retail trade in sports goods and entertainment requisites.
27	62399	Retail trade by other specified stores.
27	62400	Retail trade in second-hand goods in stores.
27	63122	Retail sale of used motor vehicles.
27	63311	Sale of tyres.

The following activities, included under wholesale and retail in the Standard Classification of All Economic Activities, do not form part of W&RSETA:

SETA code	SIC code	Trade category
27	6121	Wholesale trade in agricultural raw materials and livestock.
27	6141	Wholesale trade in solid, liquid and gaseous fuels and related products.
27	62310	Specialised retail trade in prescribed pharmaceutical, medical and orthopaedic goods.
27	6251	Retail trade via mail-order houses.
27	6252	Retail trade via stalls and markets.
27	6259	Other retail trade not in stores.
27	626	Repair of personal and household goods.
27	631	Sale of motor vehicles other than used motor vehicle.
27	632	Maintenance and repair of motor vehicles.
27	633	Sale of motor vehicle parts and accessories other than tyres.
27	634	Sale, maintenance and repair of motorcycles and related parts and accessories.
27	635	Retail sale of automotive fuel.
27	641	Hotels, camping sites and other provision of short-stay accommodation.
27	642	Restaurants, bars and canteens.

G. Acronyms

AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative of South Africa
ATR	Annual Training Report
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
DoL	Department of Labour
EEA	Employment Equity Act
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee Annual Report
GDS	Growth and Development Summit
HR	Human Resources
HIV	Human Immune Virus
IT	Information Technology
JIP	Joint Implementation Plan
JIPSA	Joint Initiative for Priority Skills Acquisition
MoU	Memorandum of Understanding
NQF	National Qualification Framework
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NVC	New Venture Creation
OBE	Outcomes Based Education
QMR	Quarterly Monitoring Report
QMS	Quality Management Systems
SAQA	South African Qualifications Authority
SDA	Skills Development Act
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SGB	Standards Generating Body
SLA	Service Level Agreement
SP	Service Provider
SMME	Small, Medium and Micro Enterprise
SSP	Sector Skills Plan
W&RSETA	Wholesale and Retail Sector Education and Training Authority
WSP	Workplace Skills Plan

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Notes

[illegible]