



*Celebrating 25 years
as the skills authority in
the W&R sector*

ANNUAL REPORT **2024/2025**



PRESENTATION OF THE 2024/2025 W&RSETA ANNUAL
REPORT TO THE DEPARTMENT OF HIGHER EDUCATION & TRAINING



Dr Nomusa Dube-Ncube
Deputy Minister



Mr Buti Manamela
Minister



Dr Mimmy Gondwe
Deputy Minister

The Board and Management of the W&RSETA take pleasure in presenting this Annual Report for the 2024/25 financial year, as prescribed by Section 55 of the Public Finance Management Act No 1 of 1995, Chapter 28 of Treasury Regulations and Skills Development Act No 97 of 1998. This legislation requires that a public entity submit an annual report to the Executive Authority, National Treasury and Auditor-General of South Africa for tabling to the Parliament of South Africa.

The W&RSETA entered into a Service Level Agreement with the Department of Higher Education and Training on priorities to be implemented through the Annual Performance Plan (APP) for 2024/25, which would allow the SETA to perform its statutory mandate and meet the objectives of the National Skills Development Plan (NSDP). The NSDP outcomes were translated into seven key skills priorities and translated into 34 performance targets for the year under review. We are pleased to report that we achieved 32 of 34 targets, translating to an achievement of 94%.

The W&RSETA remains focused on its mission to develop a skilled, capable, competent and professional workforce to transform the wholesale and retail sector of South Africa. We firmly believe that education and training will unlock the country's economy and transform the lives of its people. As we enter the sixth year of the NSDP, we reiterate our commitment to contributing to our government's aspirations for economic growth, employment creation and social development in South Africa. Yours in skills development.

Mr Tom Mkhwanazi
Accounting Authority

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PART A GENERAL INFORMATION

1. PUBLIC ENTITY'S **GENERAL INFORMATION**

REGISTERED NAME Wholesale and Retail Sector Education and Training Authority (W&RSETA)

REGISTRATION NUMBER 27/W&RSETA/1/04/20

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Pretoria
South Africa

BANKERS Absa: PO Box 7725, Johannesburg

Rand Merchant Bank: PO Box 786273, Sandton

Nedbank: PO Box 1007, Johannesburg

Standard Bank: PO Box 61344, Marshalltown

W&RSETA BOARD SECRETARY Advocate Lorraine Mtsweni

2. ACRONYMS AND ABBREVIATIONS

4IR	Fourth Industrial Revolution
AET	Adult Education and Training
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment Act, No 53 of 2003
CBO	Community-Based Organisation
CEO	Chief Executive Officer
CET	Community Education and Training
CIPC	Companies and Intellectual Property Commission
DHET	Department of Higher Education and Training
HEI	Higher Education Institution
HETI	Higher Education and Training Institution
HR	Human Resources
HTFV	Hard-To-Fill Vacancy
ICT	Information Communication Technology
IDP	Integrated Development Plan
IPAP	Industrial Policy Action Plan
NCV	National Certificate Vocational
NDP	National Development Plan
NGO	Non-governmental organisation
NGP	New Growth Path
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act of South Africa
PIVOTAL	Professional Vocational Technical and Academic Learning
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SA GRAP	South African Standards of Generally Recognised Accounting Practice
SARS	South African Revenue Service
SCM	Supply Chain Management
SDA	Skills Development Act
SDL	Skills Development Levy
SDLA	Skills Development Levies Act
SETA	Sector Education and Training Authority
SHEQ	Safety, Health, Environment and Quality
SIC	Standard Industrial Classification
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
W&R	Wholesale and Retail
W&RSETA	Wholesale and Retail Sector Education and Training Authority
WPPSET	White Paper for Post-School Education and Training
WSP	Workplace Skills Plan



3. FOREWORD BY THE ACCOUNTING AUTHORITY

MR TOM MKHWANAZI

FOREWORD BY THE ACCOUNTING AUTHORITY

As we present the W&RSETA's 2024/25 Annual Report, we mark an important milestone in the organisation's journey—a year that not only concludes the current Board's term but also coincides with the W&RSETA's 25th anniversary. This dual milestone provides a unique opportunity to reflect on our enduring impact on skills development, enterprise support, and transformation within the Wholesale and Retail Sector, while also setting our sights on the opportunities and challenges that may lie ahead.

PERFORMANCE AND STRATEGIC IMPACT

Over the five year strategic period, 83 678 unemployed youths and 60 440 workers engaged across various programmes including learnerships, skills programmes, graduate placements, bursaries, apprenticeships, union capitation, SMME support and entrepreneurship development, with 42 473 exiting our programmes, W&RSETA continues to lay the foundation for a more inclusive and adaptable workforce.

The W&RSETA supported nine community education and training (CET) colleges with infrastructure, spending a total of R108 388 875,00 to the CETs. The SETA also supported 43 Technical and Vocational Education and Training (TVET) colleges with infrastructure over five years, with a total of R246 500 000,00 paid to various TVET institutions.

The W&RSETA demonstrated resilience, agility, and responsiveness in implementing its Annual Performance Plan (APP). Our efforts directly addressed pressing challenges such as youth unemployment, skills shortages, and barriers faced by small and informal enterprises—remaining fully aligned with the national development agenda and the priorities outlined in the Sector Skills Plan (SSP).

STRATEGIC DIRECTION

Our strategic focus for 2024/25 was to equip youth, workers, and entrepreneurs with relevant, demand-driven

skills that address the evolving needs of the labour market. This involved targeted interventions in hard-to-fill vacancies (HTFV), promoting entrepreneurship in township and rural economies and providing bursaries for both employed and unemployed individuals.

With digital transformation reshaping the sector, we are increasingly integrating fourth industrial revolution (4IR)-aligned skills into our programmes ensuring sector employers remain competitive while expanding opportunities for workforce inclusion and upward mobility.

PARTNERSHIPS AND COLLABORATION

Our impact is strengthened through strong partnerships. In 2024/25, we collaborated closely with:

- Government departments such as the Department of Land Reform and Rural Development, particularly through the National Rural Youth Service Corps (NARYSEC) programme;
- Industry employers and sector bodies, including Boxer and the South African Mobile Devices Distributors and Repairs Association (SAMDDRA), to drive work-integrated learning and entrepreneurship initiatives.
- Community organisations like the Institute of African Royalty and the Young African Entrepreneurs Institute, extending our reach into rural and underserved communities; and
- Fellow SETAs, including INSETA, are to promote collaboration, alignment, and shared value.

These collaborations remain central to scaling our reach, maintaining sector relevance, and driving inclusive economic participation.

LOOKING AHEAD

Our medium- and long-term priorities include:

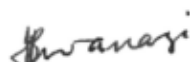
- Expanding access to digital and 4IR skills, particularly for youth and SMMEs;
- Strengthening entrepreneurship and small business development, especially in townships and rural areas;
- Enhancing programme impact measurement for greater accountability and evidence-based decision-making; and
- Driving inclusive growth by prioritising historically marginalised groups and ensuring broad geographic coverage.

ACKNOWLEDGEMENTS

On behalf of the Accounting Authority, led by the Chairperson, Mr Reggie Sibiya, I express my heartfelt gratitude to all stakeholders, partners, and staff for their unwavering dedication to our mission. I am grateful to both the outgoing and incoming Honourable Ministers of Higher Education for their continued leadership and support. I also appreciate the outgoing Board members for their strategic insights and the Executive Management team for their operational excellence.

The outgoing Board is leaving behind a legacy of sterling performance achievement of 94% against set targets of 34 from 67% performance in 2019/2020. The W&RSETA received four unqualified audit opinion, over the 5 year period.

In conclusion, I express my deep pride and gratitude to the Institutions, including training providers, for ensuring high-quality learning and to the employers for supporting learners and opening their workplaces to create opportunities for gaining work experience, which may lead to employability or the creation of employment. I also acknowledge the learners, entrepreneurs, and workers who participated in our programmes during the 2024/25 financial year. Your resilience, ambition, and determination remain the driving force behind our vision of a more inclusive and empowered sector.



Mr Tom Mkhwanazi
Chief Executive Officer
31 July 2025



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

MR TOM MKHWANAZI

REFLECTION OF THE 2020/21–2024/25 STRATEGIC PLAN

The 2024/25 financial year marked a significant milestone for the W&RSETA. It signified 25 years of service and concluded both our five-year Strategic Plan (2020/21-2024/25) and Phase One of the National Skills Development Plan (NSDP) 2030. This period provided a critical opportunity to reflect on the progress made in advancing skills development in the wholesale and retail sector, and to sharpen our strategic focus moving forward.

Over the past five years, the W&RSETA focused on strengthening skills development programmes that promote youth employability, support SMMEs and informal traders, and drive sector transformation. Guided by priorities outlined in the Sector Skills Plan (SSP), implementation efforts concentrated on addressing hard-to-fill vacancies (HTFV) and skills gaps, promoting training for people with disabilities, supporting trade union education, and ensuring strong stakeholder engagement. The SSP also pushed for better alignment between SETA-funded programmes and national development priorities, including the National Development Plan (NDP) and Industrial Policy Action Plan (IPAP).

PERFORMANCE AND HIGHLIGHTS

As a key contributor to the post-school education and training landscape, the W&RSETA continued to align its efforts with national priorities. Over the past five years, our focus has remained on increasing access to quality learning, promoting occupationally directed programmes, and addressing changing sector skills needs.

For the 2024/25 reporting period, the W&RSETA achieved a 94% performance rate, with 32 of the 34 annual targets met, and delivered several key achievements outlined below:

- 10 431 employed learners registered on learning programmes and 3801 completed the learning programmes
- 3 944 unemployed and 1 803 employed persons were awarded bursaries
- 951 bursars completed their qualifications
- 945 learners were enrolled on artisan/technician programmes and 775 learners completed the artisan/technician programmes
- A total of 3 496 learners from HET and TVET colleges were enrolled in Work Integrated Learning (WIL) programmes, and 854 learners completed these programmes
- Increased support for informal traders, entrepreneurs and co-operatives
- Strengthened partnerships with TVET colleges and multiple universities
- In 2024/25, 252 career events were implemented, which includes capacitation of 26 Life Orientation Educators

The 2023 International Leadership Development Programme (ILDP) cohort finished its immersion phase, with final recommendations being concluded in November 2024. Our professionalisation initiatives have demonstrated progress in developing a competitive, future-ready workforce.

“During the year under review, the W&RSETA hosted quarterly Learning Sessions that brought together strategic partners, including universities, TVET colleges, and employers, to benchmark best practices and respond to skills demand and supply challenges in the sector. ”

STAKEHOLDER ENGAGEMENTS DURING THE FINANCIAL YEAR UNDER REVIEW

In the 2024/25 financial year, the W&RSETA strengthened its national footprint through over 50 strategic stakeholder engagements across all nine provinces. These included executive dialogues with sector leaders, oversight visits to funded projects and collaborations with academic and government partners to align programmes with evolving sector needs. Key highlights included fuel retail awareness roadshows in major metropolitan areas, recognition events honouring impactful employers, and targeted sessions with leading businesses such as Tekkie Town, Lasec Group, and Africa Skills Village. During the year under review, the W&RSETA hosted quarterly Learning Sessions that brought together strategic partners, including universities, TVET colleges, and employers, to benchmark best practices and respond to skills demand and supply challenges in the sector. These sessions also provided a platform for new and emerging researchers to present key study outcomes and receive constructive feedback to strengthen sector-relevant research.

To support its strategic mandate, the W&RSETA signed MOUs with Capricorn TVET College, North-West University, and the FoodBev SETA, strengthening collaborative efforts to advance skills development, research, and innovation across the wholesale and retail value chain.

These engagements not only strengthened sectoral partnerships but also highlighted the importance of our programmes in tackling critical challenges such as youth unemployment, digital transformation, and access to markets. Formal collaborations with institutions like Tshwane South TVET College, the University of Pretoria, and North-West University helped expand research, training, and innovation. Participation in national conferences and regional recognition events further increased the SETA's visibility and influence. As we enter a new strategic cycle, insights from these engagements will inform future initiatives, while plans to grow a network of programme ambassadors will enhance awareness and encourage greater participation.

GENERAL FINANCIAL REVIEW

The skills development levies (SDLs) paid by employers within the sector remained the W&RSETA's main source of revenue. For the 2024/25 financial period, the W&RSETA received revenue of R1,671 billion from levies, a 5.7% increase compared to the previous year. Additionally, the W&RSETA earned interest income on investments of R212,5 million and R350 thousand as other income, totalling R1,884 billion in revenue. The W&RSETA allocated R282 million for mandatory grants, representing 73% of the budget of R384,8 million. This is a 10% rise from the 2023/24 financial year's R256 million. A total of R1,381 billion was allocated to discretionary grants, accounting for 79% of the R1,741 billion budget and a decrease of 25% from R1,842 billion allocated in the previous financial year. This is due to a significant allocation of expenditure from the current financial period to the previous period, relating to deliverables that were completed in the prior financial year.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The W&RSETA encountered several operational and systemic challenges in 2024/25, including high dropout rates in the bursary programme due to limited student support, slow bursary allocation processes, and misalignment between institutional and SETA financial cycles. Supplier participation remained low, especially among SMEs unfamiliar with procurement procedures or deterred by concerns over fraud, prompting efforts to expand advertising platforms and improve supplier access. Internally, capacity constraints and fragmented systems underscored the need for integrated governance, enhanced internal controls, and a unified assurance model. These challenges emphasise the importance of investing in people, processes, and monitoring systems to enhance implementation and accountability across programmes.

“As a key contributor to the post-school education and training landscape, the W&RSETA continued to align its efforts with national priorities, completing both its five-year Strategic Plan and Phase One of the National Skills Development Plan (NSDP 2030). Over the past five years, our focus has remained on increasing access to quality learning, promoting occupationally directed programmes, and addressing changing sector skills needs.”

NEW OR PROPOSED KEY ACTIVITIES

As the W&RSETA progresses into Phase Two of the NSDP 2030, its updated strategic agenda will focus on expanding entrepreneurship hubs in townships and rural areas, bridging the gap between education and the workplace, promoting a green economy and skills aligned with the digital disruptions, enhancing workplace learning for better job placement, and advancing professionalisation through responsive qualifications.

International partnerships with the Botswana Institute for Technology and Research, University of Mauritius, and UBI Business School (Luxembourg) will enhance research, innovation, and skills development. These collaborations aim to align education with industry needs, promote ICT-driven solutions, and foster entrepreneurship.

In 2025, the W&RSETA will host a Research Symposium bringing together stakeholders from Higher Education, CET colleges, TVET colleges, professional bodies, and employers to reflect on key research outcomes aimed at strengthening programme delivery and aligning initiatives with strategic sector priorities.

SUPPLY CHAIN MANAGEMENT (SCM)

The W&RSETA SCM remains undeterred in upholding principles of compliance and governance, actively engaging with legislative bodies such as the National Treasury and the AGSA to stay informed about the latest industry trends and innovations. In addition to advertising procurement opportunities and providing access to procurement information, SCM maintains transparency through meticulous record-keeping throughout the procurement processes. Furthermore, we have integrated SharePoint and Power Platform solutions to boost operational efficiency. These initiatives have automated routine tasks, enhanced performance monitoring, and improved stakeholder notifications. The integration of SharePoint Lists with Power BI offers real-time information through visual dashboards and reports, thereby improving decision-making.

SCM has also introduced the strategic sourcing principles when sourcing for bids and RFQs to gain insights into the market dynamics by analysing products/services and industry. The SCM officials continue to conduct market analysis when sourcing for various goods and services to ascertain current market conditions and expectations, with an attempt to better understand and utilise this information.

The hurdles faced by our SCM include operational issues such as low committee attendance. However, these challenges have been addressed through various interventions, such as the appointed members having to sign different bid committee charters that outline the rules and responsibilities of each member. The SETA has a low response rate from suppliers to publicised procurement opportunities; therefore, management has decided to expand its advertising platforms to attract more prospective service providers.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

In 2024/25, the W&RSETA made significant strides in digital transformation, which contributed meaningfully to the organisation's overall performance achievement of 94%. Key advancements included automating the core grant commitment register, migrating the D365 ERP system from locally hosted (On-Premises) to a Microsoft cloud-hosted platform (Azure), and enhancing document management through SharePoint. Modernising the MIS and LMS systems improved learner tracking and performance monitoring, while platforms like online DG contracting and Workplace Skills Plan (WSP)/Annual Training Report (ATR) submissions streamlined stakeholder engagement. Cybersecurity was strengthened through multi-factor authentication, encryption and disaster recovery protocols. Guided by a five-pillar digital strategy aligned with 4IR and Fifth Industrial Revolution (5IR), the ICT Division continues to build innovative infrastructure, upskill staff and embed data-driven decision-making across the organisation.

AUDIT MATTERS

The W&RSETA received an **unqualified** audit opinion from the Auditor-General of South Africa for the 2024/25 financial year.

EVENTS AFTER THE REPORTING DATE

The W&RSETA management became aware of the loss of R21.7 million, as disclosed in note 22 of the Annual Financial Statements, after year-end, upon receiving the long-overdue and outstanding bank statements from the bank.

A formal litigation process is underway to recover the funds, as well as a formal complaint to the Financial Services Conduct Authority ("FSCA"). A criminal case will also be opened for fraud and theft.

ECONOMIC VIABILITY

Despite a constrained economic environment, the W&RSETA remains financially and operationally viable. Our prudent fiscal management, healthy reserves and focused delivery approach support continued sustainability and impact.

OUTLOOK/PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

As we conclude this five-year strategic cycle and commence a new chapter under the second phase of the NSDP 2030, the W&RSETA is fully dedicated to transforming the wholesale and retail workforce through innovation, inclusion, and change. Our emphasis will be on ensuring long-term sustainability, enhancing learner outcomes, and fostering strategic collaborations that support national priorities.

The journey ahead presents exciting opportunities, and we stay prepared to lead, learn, and deliver with purpose.

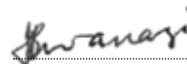
STRATEGIC OUTLOOK FOR 2025 – 2029

In preparation for the 2025–2029 planning cycle, the W&RSETA revised its strategy to address evolving sector needs and new national priorities under the Government of National Unity (GNU) and the Medium-Term Development Plan (MTDP). The revised plan followed a multi-stakeholder consultation process that helped define a clearer and more responsive strategic direction. At its centre is the Priority Skills Plan (PSP), which aims to ensure that skills development supports inclusive economic growth, job creation, and the digital economy. Key occupations and emerging skills will be identified and developed through direct engagement with industry stakeholders.

The revised plan retains a strong focus on supporting SMMEs and co-operatives through relevant and flexible training models, tackling youth unemployment by creating pathways to permanent employment, and addressing skills shortages in the sector. New areas of focus include integrating circular economy principles to promote green skills, entrepreneurship, and localised production. Sector transformation remains a priority, particularly in improving the inclusion of people with disabilities and advancing inclusivity across various programmes. Finally, the W&RSETA will scale up interventions under the Economic Recovery and Reconstruction Plan (ERRP), including sector digital disruption initiatives, entrepreneurship programmes, and SMME support through grants, innovation and capacity-building workshops.

ACKNOWLEDGEMENTS

I sincerely thank the 2024/25 Chairperson of the Board, Mr Reggie Sibiyi, and the entire Board for their leadership and support during their five-year tenure. To the Executive Team and staff, I am grateful for your unwavering dedication and service. My appreciation also goes to our stakeholders, employers, institutions, government partners, and learners, whose roles are vital to our collective success. Together, we are preparing a future-ready workforce for South Africa.



Mr Tom Mkhwanazi
Chief Executive Officer
31 July 2025

5. STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

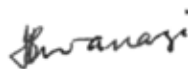
To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.
- The annual report is complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP), the requirements of the Public Finance Management Act of South Africa, 1999 (PFMA), and the Skills Development Act, 1998 (SDA) standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully



Mr Tom Mkhwanazi
Accounting Authority
31 July 2025

6. STRATEGIC OVERVIEW

6.1 VISION

To be the country's leader in skills development.

6.2 MISSION

To develop a skilled, capable, competent, and professional workforce to transform the wholesale and retail sector.

6.3 VALUES

ACCOUNTABILITY

- We take responsibility for decisions, actions, and results at both organisation and employee levels
- We take ownership of our endeavours
- We are committed to a client-centric work ethic

AGILITY

- We are responsive to the ever-changing needs and trends of the industry
- We are demand-driven
- We maintain an innovative work ethic within the prescripts of the regulatory environment
- We work with foresight
- We strive to be proactive through leadership

INTEGRITY AND TRUSTWORTHINESS

We believe in:

- Keeping our word
- Behaving in an ethical manner
- Consistency
- Compliance

MUTUAL RESPECT

We believe in:

- Appreciating others
- Active listening
- Kicking the ball, not the player
- Acknowledgement
- Acceptance
- Embracing diversity

QUALITY SERVICES

We are committed to:

- Professionalism
- Being orientated towards service fulfilment
- Exceeding expectations
- Meticulousness
- Adhering to standards
- Consistency
- Living the Batho Pele Principles

IMPACT OF THE W&RSETA

A well-skilled workforce contributing towards a transformed, agile and thriving wholesale and retail sector.

7. LEGISLATIVE AND OTHER MANDATES

The Wholesale and Retail SETA (W&RSETA) is a Schedule 3A public entity and derives its mandate from the Skills Development Act No.97 of 1998 (as amended). The SETA is responsible for supporting skills development in the wholesale and retail sector in South Africa, through the disbursement of grants to facilitate the implementation of learning programmes and monitoring of education and training (as outlined in the Act, its accompanying regulations and the National Skills Development Plan).

The W&RSETA is governed by the following legislative frameworks:

- Skills Development Act, 1998
- Skills Development Levies Act, 1999
- National Qualifications Framework Act, No. 67 of 2008
- Workplace-Based Learning Programmes Regulations
- SETA Grant Regulations, 3 December 2012, Vol. 570, 35940
- Public Finance Management Act, No. 29 of 1999, read together with the National Treasury Regulations
- B-BBEE Act, No. 53 of 2003

The following national strategies and policies guide the W&RSETA's strategy and operations:

- National Skills Accord
- Industrial Policy Action Plan (IPAP) 2018/19 – 2020/21
- New Growth Path (NGP)
- National Development Plan 2030 (NDP)
- National Skills Development Plan (NSDP)
- White Paper for Post-School Education and Training (WPPSET)

8. SCOPE OF COVERAGE

WHOLESALE AND RETAIL SECTOR ENVIRONMENT

The Wholesale and Retail (W&R) sector consists of two primary branches: Wholesale and Retail. The wholesale trade involves purchasing goods in large quantities directly from manufacturers and then dividing these bulk items into smaller lots for sale to retailers.

On the other hand, the retail trade focuses on acquiring goods from wholesalers and selling them directly to consumers. The specific activities that fall under the wholesale and retail sector are outlined according to the Standard Industrial Classification (SIC) codes, as illustrated in the table below.

SIC CODE	TRADE CATEGORY
WHOLESALE	
45000	Wholesale and retail trade and repair of motor vehicles and motorcycles
45100	Sale of motor vehicles
45101	Wholesale of motor vehicles
45102	Retail of new motor vehicles
45103	Retail sale of used motor vehicles
45200	Maintenance and repair of motor vehicles
45300	Sale of motor vehicle parts and accessories
45400	Sale, maintenance and repair of motorcycles and related parts and accessories
45500	Retail of automotive fuel in specialised stores
46000	Wholesale trade, except of motor vehicles and motorcycles
46100	Wholesale on a fee or contract basis
46200	Wholesale of agricultural raw materials and live animals
46300	Wholesale of food, beverages, and tobacco
46301	Wholesale trade in foodstuffs
46302	Wholesale trade in beverages
46303	Wholesale in tobacco products
46400	Wholesale of household goods
46410	Wholesale of textiles, clothing, and footwear
46490	Wholesale of other household goods
46491	Wholesale trade in household furniture, requisites, and appliances
46492	Wholesale trade in books and stationery
46493	Wholesale trade in pharmaceuticals, toiletries, and medical equipment
46499	Other wholesale trade in other household goods n.e.c.
46500	Wholesale of machinery, equipment, and supplies
46510	Wholesale of computers, computer peripheral equipment and software
46520	Wholesale of electronic and telecommunications equipment and parts
46530	Wholesale of agricultural machinery, equipment, and supplies
46590	Wholesale of other machinery and equipment
46600	Other specialised wholesale
46610	Wholesale of solid, liquid, and gaseous fuels and related products
46620	Wholesale of metals and metal ores
46621	Wholesale of gold
46629	Other wholesale of metals and metal ores
46630	Wholesale of construction materials, hardware, plumbing and heating equipment and supplies
46690	Wholesale of waste and scrap and other products n.e.c.
46691	Sale of used parts and accessories, including scrapyards
46692	Wholesale trade in diamonds, pearls, and other precious and semi-precious stones
46699	Other wholesale of waste and scrap and other products n.e.c.
46900	Non-specialised wholesale trade

SIC CODE	TRADE CATEGORY
	RETAIL
47000	Retail trade, except motor vehicles and motorcycles
47100	Retail sale in non-specialised stores
47110	Retail sale in non-specialised stores with food, beverages or tobacco predominating
47190	Other retail sale in non-specialised stores
47200	Retail sale of food, beverages, and tobacco in specialised stores
47210	Retail sale of food in specialised stores
47211	Retail trade in fresh fruit and vegetables
47212	Retail in meat and meat products
47213	Retail trade in bakery products
47219	Other retail sale in specialised stores
47220	Retail sale of beverages in specialised stores
47230	Retail sale of tobacco products in specialised stores
47300	Retail sale of information and communications equipment in specialised stores
47310	Retail sale of computers, peripheral units, software, and telecommunications
47320	Retail sale of audio and video equipment in specialised stores
47400	Retail sale of other household equipment in specialised stores
47410	Retail sale of textiles in specialised stores
47420	Retail sale of hardware, paints, and glass in specialised stores
47430	Retail sale of carpets, rugs, wall, and floor coverings in specialised stores
47490	Retail sale of electrical household appliances, furniture, lighting equipment and other household articles in specialised stores
47500	Retail sale of cultural and recreation goods in specialised stores
47510	Retail sale of books, newspapers, and stationery in specialised stores
47520	Retail sale of music and video recordings in specialised stores
47530	Retail sale of sporting equipment in specialised stores
47540	Retail sale of games and toys in specialised stores
47600	Retail sale of other goods in specialised stores
47610	Retail sale of clothing, footwear, and leather articles in specialised stores
47620	Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialised stores
47630	Other retail sale of new goods in specialised stores
47631	Specialised retail sale of jewellery
47632	Specialised retail sale of watches and clocks
47639	Other retail sale of new goods in specialised stores n.e.c.
47640	Retail sale of second-hand goods
47700	Retail sale via stalls and markets
47710	Retail sale via stalls and markets of food, beverages, and tobacco products
47720	Retail sale via stalls and markets of textiles, clothing, and footwear
47790	Retail sale via stalls and markets of other goods
47800	Retail trade not in stores, stalls, or markets
47810	Retail sale via mail order houses or via internet
47890	Other retail sale not in stores, stalls, or markets

9. KEY STAKEHOLDERS

The main stakeholders who play a role in helping the SETA achieve its goals within the sector include organised employer groups, the W&RSETA Board, training providers, organised labour, government, community representatives, and other relevant parties, as outlined in the table below.

ORGANISED EMPLOYERS	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
• Retailers Association (RA) • Consumer Goods Council of South Africa (CGCSA) • National Clothing Retail Federation (NCRF) • Black Business Council (BBC) • Enterprise Mentorship of South Africa (EMOSA) • Business Unity South Africa (BUSA)	• Represented equally on the committees of the W&RSETA Board. • Represent and articulate employer (small, medium, and large) interests. • Contribute to education and training, negotiations, marketing, finance, human resources and legal.	• Improving efficiency and effectiveness of the SETA system, by ensuring balanced, representative decision-making that reflects industry needs and strengthens governance. (Outcome 8) • Identify and increase the supply of skills to address national priorities, by ensuring that skills development initiatives are aligned with real labour market demands across all business sizes and sectors. (Outcome 1) • Increasing access to occupationally directed programmes, by helping shape programmes that are practical, workplace-relevant and aligned with employer needs. (Outcome 4) • Improving the quality of provisioning, through active participation in the design and review of training and education processes. (Outcome 6) • Promoting greater use of evidence-based planning, by offering data and insight into employer trends, hiring needs and workforce challenges. (Outcome 7)
W&RSETA BOARD	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
• W&RSETA Board	• Ensure good corporate governance principles are adhered to. • Provide strategic direction and leadership. • Identify strategic risks and ensure mitigation thereof. • Ensure regulatory compliance. • Ensure policy and strategy development. • Oversight and monitoring of implementation.	• Improving efficiency and effectiveness of the SETA system, by promoting accountability, transparency, and ethical leadership, which are essential for efficient skills development delivery. (Outcome 8) • Identify and increase the supply of skills to address national priorities, by guiding the organisation to focus resources and initiatives on areas of economic and social importance. (Outcome 1) • Improving the quality of provisioning, by proactively addressing risks that could hinder the delivery of quality learning programmes and partnerships. (Outcome 6) • Ensuring adherence to legal and regulatory frameworks, which supports a functional and credible skills development system. (Outcome 8) • Increasing access to occupationally directed programmes, by crafting policies that expand opportunities for workplace learning and skills planning. (Outcome 4) • Greater use of evidence-based planning, by ensuring programmes are monitored for impact, relevance and alignment to national skills priorities. (Outcome 7)

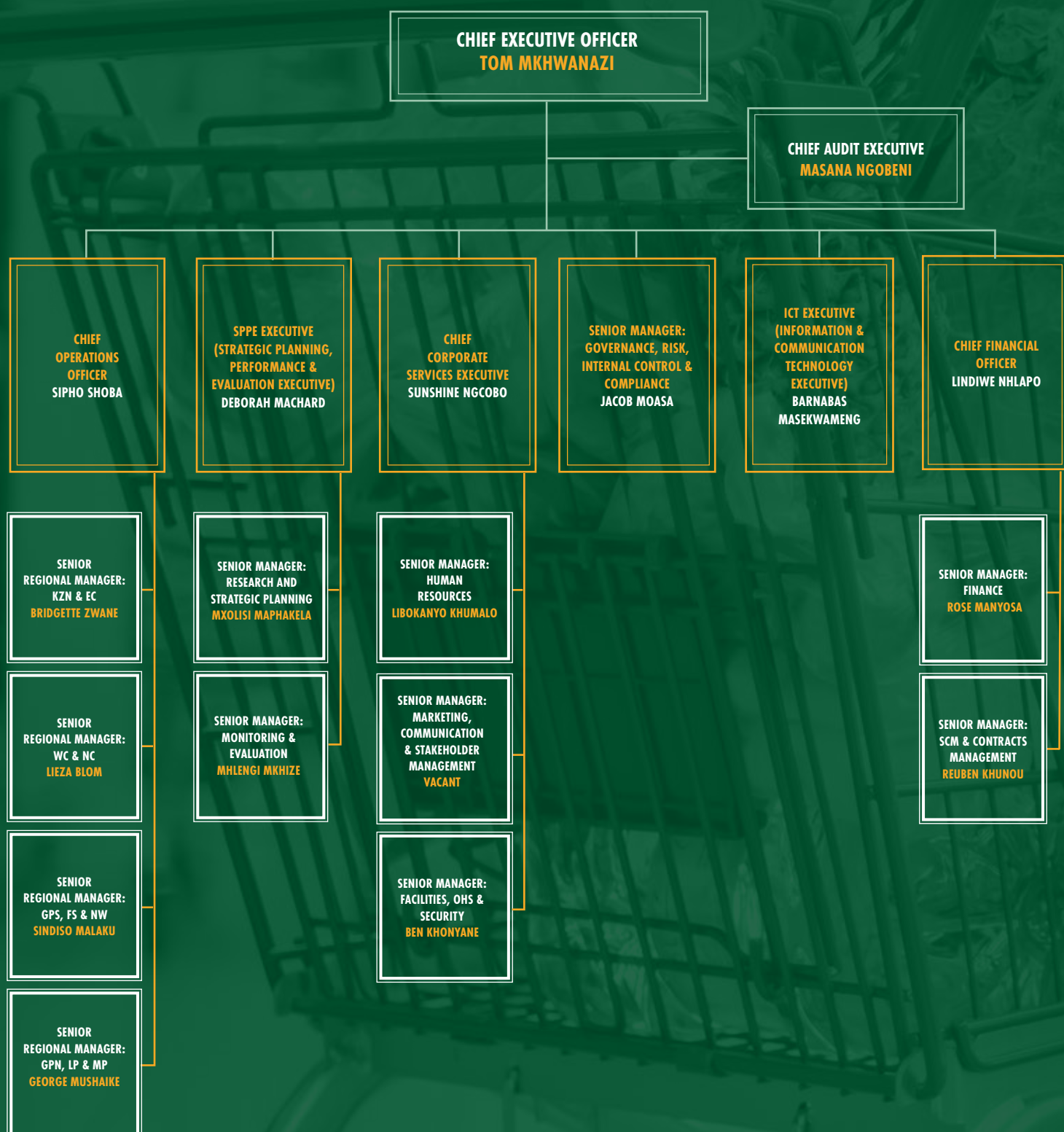
TRAINING PROVIDERS	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
- Higher Education and Training Committee Association of Private Providers of Education Training and Development - Southern African Society for Cooperative Education - Universities: TVET Colleges, Private training providers, Community colleges	- Represent interests of training providers, both public and private. - Contribute to education and training, quality assurance and curriculum development.	- Improving efficiency and effectiveness of the SETA system, by promoting collaboration and inclusivity across the training provider landscape, thereby strengthening the overall system of skills development. (Outcome 8) - Increase access to occupationally directed programmes, by ensuring relevant and accessible training aligned with workplace demands. (Outcome 4) - Improve the quality of provisioning, through active involvement in quality assurance processes and curriculum alignment. (Outcome 6) - Support the growth of the public college system, by contributing to curriculum design and quality that benefits both public and private institutions. (Outcome 5)
ORGANISED LABOUR	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
- Congress of South African Trade Unions COSATU - Federal Council of Retail Allied Workers – FEDCRAW - Development Institute for Training, Support and Education for Labour - South Africa Commercial Catering and Allied Workers Union SACCWU - Entertainment Catering Commercial and Allied Workers Union – ECCAWUSA - National Union of Metal Workers of South Africa – NUMSA - Southern African Clothing and Textile Workers Union – SACTWU	- Represented equally on the committees of the W&RSETA. - Represent and articulate worker interests. - Contribute to education and training, negotiations, public management and dispute resolution.	- Improving efficiency and effectiveness of the SETA system, by promoting inclusive governance, ensuring worker voices are heard in strategic decision-making, and enhancing accountability. (Outcome 8) - Linking education and training to the world of work, by ensuring that skills programmes reflect workers' needs for decent work, career progression, and workplace mobility. (Outcome 2) - Improving the quality of provisioning, by advocating for fair, relevant, and quality learning opportunities. (Outcome 6) - Increasing access to skills for youth, by supporting pathways into employment that are inclusive and responsive to worker and youth concerns. (Outcome 3) - Greater use of evidence-based planning, through participation in policy discussions, labour market research, and negotiations that inform national and sectoral skills strategies. (Outcome 7)
COMMUNITY	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
South African Community at large.	- Represent interests of communities and co-operatives. - Contribute to education and training, small enterprise and co-operative development, advancement of women.	- Supporting the growth of a public college system that is responsive to local community needs. (Outcome 3) - Encouraging and supporting co-operatives, small enterprises, worker-initiated, NGOs and community training initiatives. (Outcome 5) - Identify and increase access to occupationally directed programmes. (Outcome 1) - Address the low level of youth and adult language and numeracy skills to enable additional training. (Outcome 4) - Promoting the growth of a public FET (TVET) college system that is responsive to sector, local, regional and national skills needs and priorities, with a gender equity focus. (Outcome 8)

OTHER	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
- Public Skills Development Forums - Learners (employed and unemployed) - WRSETA Staff	- Represent interests of consumers and the public. - Contribute to education and training, consumer rights and legal.	- Supporting broader public and community-based training initiatives. (Outcome 5) - Promote employability and active citizen participation by protecting public and consumer interests. (Outcome 7) - Ensure training remains responsive to public needs. (Outcome 7) - Expand access to occupational and skills-based training. (Outcome 1) - Improve the quality and relevance of programmes by incorporating legal and consumer-rights education. (Outcome 2) - Build career and vocational guidance, especially for unemployed learners. (Outcome 6)
GOVERNMENT	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
- Department of Higher Education and Training - Department of Trade and Industry - Provincial Economic Departments	- As shareholders, represent interests of the state. - Hold the SETA to account. - Support and direct the SETA. - Communicate government priorities and direction.	- Strengthen the public sector's capacity and support the building of a developmental state. (Outcome 7) - Ensures that SETAs contribute to national goals and service delivery. (Outcome 7) - Promotes improved quality of provision by enforcing monitoring and evaluation. (Outcome 2) - Enhance public service accountability and responsiveness. (Outcome 7) - Ensure institutions are guided to respond to local and sectoral skills needs. (Outcome 3) - Promote alignment with national priorities across the TVET and skills system. (Outcome 8) - Encourage a unified, coordinated national skills strategy. (Outcome 8) - Enable targeted support for foundational learning and skills planning. (Outcome 8)



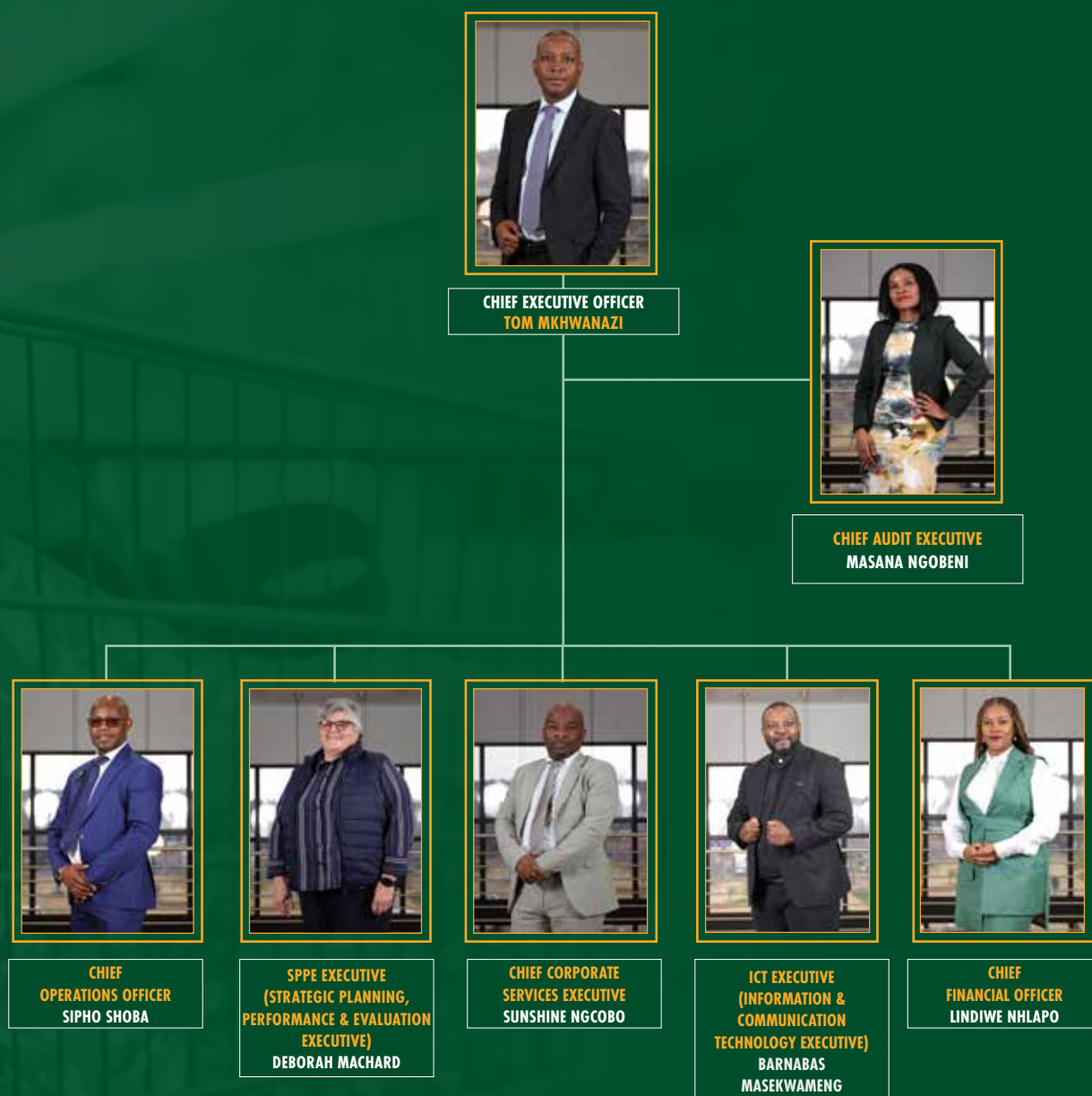
10. ORGANISATIONAL STRUCTURE

EXECUTIVE & SENIOR MANAGEMENT



11. EXECUTIVE MANAGEMENT

EXECUTIVE MANAGEMENT





PART B PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: **PREDETERMINED OBJECTIVES**

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 76 of the Report of the Auditors, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

In the 2024/25 financial year, the W&RSETA delivered on its strategic mandate as set out in the final year of its five-year Strategic Plan (2020/21–2024/25), ensuring alignment with the National Skills Development Plan (NSDP). Despite persistent fiscal constraints and wider macroeconomic challenges, the organisation successfully demonstrated agility and resilience by delivering high-impact skills development interventions aligned with national priorities.

The core focus areas during the year were on deepening stakeholder engagement, driving evidence-based sector research, and promoting inclusive economic participation through targeted support to informal traders, small and micro enterprises, youth entrepreneurs, and community-based organisations. The organisation prioritised responsiveness to evolving sectoral needs and maintained a strong commitment to governance, impact, and accountability.

In line with its digital transformation goals, the W&RSETA launched an Online Career Guidance Platform to improve access to career-related information and support services across the country. This initiative demonstrated the organisation's proactive approach to utilising digital platforms for better learner support and informed career decisions. Complementing this digital effort, the 2024 national bursary roadshow enabled direct engagement with beneficiaries, providing vital insights into the bursary scheme and broader career pathways within the wholesale and retail sector. The initiative also strengthened institutional partnerships and showcased the SETA's commitment to developing a skilled, industry-aligned workforce.

During the year under review, the W&RSETA launched targeted campaigns to raise awareness of the SETA's programmes and engage key stakeholders. These efforts aimed not only to promote the W&RSETA's programmes but also to secure strategic buy-in and foster collaborative, innovative solutions. These initiatives were supported by the SETA's ongoing participation in trade expos and stakeholder conferences, positioning skills development as vital to sector growth. Stakeholder engagement was further expanded through a hybrid approach, combining in-person and online platforms, with social media playing a significant role in broadening reach. This ensured the inclusion of stakeholders with limited digital access.

The W&RSETA received extensive media coverage, with over 50 engagements and features across national and community media, highlighting its programmes and impact. Digital campaigns showcased success stories and profiled beneficiaries, inspiring broader participation.

In the review period, the W&RSETA made significant strides in promoting higher-level occupational training aligned with evolving industry needs. A clear shift was observed toward addressing critical skills gaps, with large employers investing in NQF Level 3 supervisory learnerships and demonstrating growing interest in NQF Level 5 Higher Certificate programmes for middle management. The Retail Management Development Programme (RMDP) continued to gain traction as a relevant and contextualised alternative to conventional qualifications, supporting leadership capacity in the sector.

A key focus throughout the year was the continued rollout of the Informal Traders and Micro Enterprises Development (ITAMED) Programme, aimed at equipping informal businesses with the skills and resources to compete more effectively within township and rural markets. The programme provided participants with practical training in business management, including marketing, finance, customer service, and entrepreneurship, as well as small business grants to enhance enterprise sustainability. A flagship initiative under ITAMED was the Personal Shopper Programme, implemented in partnership with a leading e-commerce platform. This project trained 141 informal traders across multiple communities in digital commerce, offering support such as smartphones, business kits, and mentorship to address barriers like digital literacy and access to online markets.

The impact was substantial: order volumes among participants rose significantly, with overall sales increasing proportionally within six months of the programme. Success stories highlighted the transformative potential of the programme, as traders expanded their income and customer bases by leveraging newly acquired e-commerce skills. The year also saw a notable recovery in the uptake of bursaries for the employed, with retailers investing in advanced training through institutions such as Henley Business School and Regenesys—signalling a renewed commitment to continuous workforce development and strategic skills enhancement.

MACRO ENVIRONMENT

The 2024/25 financial year marked a significant milestone for the W&RSETA as it celebrated 25 years of supporting skills development in the wholesale and retail sector. Over the five-year strategic plan period, the sector has transformed from traditional, labour-intensive operations to a complex, technology-driven and consumer-focused ecosystem. Today's landscape demands adaptive skills to navigate evolving challenges such as digital disruption, sustainability imperatives,

and shifts in consumer behaviour. The W&RSETA's role in enabling sector resilience and workforce competitiveness has become even more critical as the organisation adapts its interventions to meet modern realities.

South Africa's macroeconomic environment remains challenging. Modest economic growth, a high unemployment rate of above 32%, and constrained household spending have impacted retail sales and business confidence. Although consumer spending showed a slight recovery, value-seeking behaviour dominated purchasing patterns. Load-shedding, despite intermittent relief in 2024, resumed in February and March 2025, with Eskom implementing various stages of load-shedding due to ongoing generation challenges, which disrupted operations and increased input costs across the sector. In response, many retailers have accelerated investment in alternative energy solutions and supply chain resilience, highlighting the importance of skills in sustainable business management and infrastructure adaptation.

At the same time, digital transformation continues to reshape retail operations and customer engagement. E-commerce now accounts for a significant portion of retail sales, with mobile commerce dominating online transactions. Social commerce platforms are gaining momentum, influencing marketing strategies and redefining sales channels. Retailers are increasingly integrating artificial intelligence, machine learning, and automation into their operations, requiring a shift in workforce capabilities. The W&RSETA has responded through programmes that support digital literacy, online trading, and data-driven decision-making, ensuring the sector remains competitive in a fast-evolving digital economy.

From a social and regulatory standpoint, consumers are demanding more ethical, inclusive, and environmentally responsible business practices. Local sourcing, green packaging, and transparent supply chains are growing in importance, alongside pressure to reduce inequality and support township economies. Recent legislative changes including tighter controls on low-value imports and data privacy regulations are reshaping the competitive landscape and increasing compliance requirements for businesses. As the W&RSETA reflects on its 25-year legacy, its future focus remains firmly on building agile, future-fit skills across all levels of the sector, particularly for youth, SMMEs, and informal enterprises. These efforts are essential to creating a more sustainable, inclusive, and digitally capable wholesale and retail environment. Organisational environment

OVERVIEW OF THE W&RSETA OPERATIONS SYSTEM

In the 2024/25 financial year, the W&RSETA operated within an evolving organisational environment, remaining fully aligned with the Skills Development Act and the National Skills Development Plan (NSDP) 2030. The organisation continued to strengthen its operational efficiency through ongoing digital transformation, enhanced stakeholder access and the streamlining of core services.

A. THE GOVERNANCE STRUCTURE

The W&RSETA had a Board appointed by the Minister to lead, oversee, and monitor the SETA's affairs. Its term commenced on 1 April 2020 and concluded on 31 March 2025. In exercising its powers and functions, the Board was supported by its committees and an independent Audit Committee. The Executive Committee EXCOM, chaired by the Chief Executive Officer (CEO) and comprising five department heads, was responsible for the organisation's daily operations.

B. THE OPERATIONAL STRUCTURE

The W&RSETA's operational structure comprised five core departments that supported the organisation's mandate in line with its four strategic programmes. These departments are Operations, Finance, Corporate Services, Strategic Planning, Performance and Evaluation, and Information and Communication Technology (ICT). This configuration facilitated integrated planning, streamlined service delivery, and improved performance monitoring throughout the organisation. Below are some of the key highlights.

The W&RSETA's operational structure is built around five core departments, Operations, Finance, Corporate Services, Strategic Planning, Performance and Evaluation, and Information and Communication Technology. This structure supports integrated planning and service delivery, aligned with the organisation's strategic programmes and mandate. Throughout 2024/25, the W&RSETA continued to enhance organisational efficiency through modernised systems, cross-functional collaboration, and a focus on strategic execution.

Human capital development remained a priority, with progress in digitalising HR processes, strengthening leadership capability, and supporting employee wellness and development. Financial governance was reinforced through automation, improved controls and stronger alignment between expenditure and delivery. Internal control systems were enhanced through the

integration of risk, compliance and quality management, while improved access to policies supported accountability and informed decision-making. Facilities and security upgrades, alongside consistent OHS compliance, further supported a safe and functional working environment across all sites.

The organisation actively managed strategic and operational risks, including regulatory changes, digital threats, and workforce retention challenges. The evolving risk management framework, aligned with international best practice, reflects the W&RSETA's commitment to robust governance and institutional resilience. These developments position the organisation to respond proactively to emerging challenges while continuing to deliver on its mandate.

C. THE BUSINESS OPERATIONS FUNCTION

Programme 1: Administration	An efficiently run organisation that effectively responds to the skills demand and supply in the wholesale and retail sectors.
Programme 2: Skills Planning and Research	Skills development interventions informed by comprehensive research.
Programme 3: Learning Programmes and Projects	Wholesale and retail workforce equipped with relevant skills required by the sector.
Programme 4: Quality Assurance	A curriculum that is relevant to the sector is developed and updated.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the 2024/25 financial year, the W&RSETA continued to operate within the established policy and legislative frameworks, including the Skills Development Act and the National Skills Development Plan (NSDP) 2030. While no significant legislative amendments were enacted during this period, there was a notable emphasis on enhancing sectoral partnerships, quality assurance and inclusive skills training. These priorities align with national policy directives that aim to foster economic growth and employment creation. The W&RSETA maintained full compliance with national policy, ensuring that all training programmes met the standards set by the Quality Council for Trades and Occupations (QCTO).

INSTITUTIONAL IMPACTS

2.2. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The W&RSETA has outlined eight strategic outcomes in its 2020/21-2024/25 Strategic Plan for implementation and achievement over the five-year period. These outcomes are designed to achieve the impact that the W&RSETA is pursuing. At the sector level, the W&RSETA has embraced a comprehensive impact statement: “A well-skilled workforce contributing to a transformed, agile, and flourishing Wholesale and Retail sector.”

The eight outcomes are as follows:

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE YEAR TARGET	PROGRESS/ACHIEVED TO DATE
Outcome 1: An efficient and effective organisation with good corporate governance	Audit opinion by 2024/25	Unqualified	Unqualified audit opinion	Unqualified Audit Opinion
	Percentage reduction of manual processes as a result of seamless and optimised business processes	70% manual processes	90% reduction of manual processes	A total of 56 manual processes were automated, resulting in an overall rate of 119%. Below is the breakdown per financial year: 2020/21 – 10 processes were automated (21%) 2021/22 – 46 manual processes were automated (98%)
Outcome 2: An integrated career guidance programme	A comprehensive career guidance and career development strategy developed	A new target	A career guidance and career development strategy which is developed and implemented to guide the W&RSETA career guidance interventions over the period 2020/21 – 2024/25	Career Guidance Strategy developed and approved in the 2020/21 period. The strategy is currently being implemented In 2021/22: 307 career guidance interventions were implemented During the 2022/23 financial year, 244 were implemented The development of a Careers Toolkit and online careers platform commenced and completion in 2024-2025 Videography of the W&R sector In 2023/24, 254 career guidance interventions were implemented and included capacitation of 20 life orientation educators In 2024/25, 252 career events were implemented, which includes capacitation of 26 Life Orientation Educators
Outcome 3: Growth-focused programmes for the development and support of training providers and the higher education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances	Percentage increase in the number of HET, TVET and CET partnerships aimed at enabling their growth	A new target	10% increase in the number of partnerships with Training Providers and Further and Higher Education and Training Institutions	The target of percentage increase in partnerships with HET, TVETs and CETs was exceeded over the 5-year period In 2024/25, the partnerships formed increased to 58, from a small number of 2 partnerships that were formed in 20/21
	Number of education and training institutions and training providers offering W&R occupationally directed programmes	A new target	20 HET, TVETs, CET sites/campuses 40 Training Providers (of which 100% are HDI Providers)	A total of 58 education and training institutions and training providers offered W&R occupationally directed programmes A total of 41 HDI Skills Development Providers (SDP) were trained and graduated
Outcome 4: A sector-responsive research agenda that supports and informs the establishment of impact-driven W&R skills development programmes	Number of research studies conducted in response to the sector needs	4 research reports	20 research reports completed	23 research studies were conducted
	Number of impact assessment reports published	4	5	13 impact tracer studies were conducted and reports published
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	Number of learners participating in occupationally directed programmes	6,536	7,000 (4% person with disability 12.5% persons from rural areas)	A total of 43 619 (9.17% Disability and 29.97% persons from rural areas) learners participated in occupationally directed programmes

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE YEAR TARGET	PROGRESS/ACHIEVED TO DATE
Outcome 6: Growth-focused skills development and entrepreneurship development support for emerging entrepreneurs, the cooperative sector and small, medium, and informal enterprises, aimed at enhancing their participation in the mainstream economy	Number of informal businesses that have participated in W&RSETA skills development initiatives registered with relevant business or enterprise registration bodies	New Target	1 000 Informal Businesses registered with relevant registration bodies	169 informal businesses were registered with the relevant bodies However, it should be noted that 14,378 informal businesses participated in the W&RSETA skills initiatives
	Number of Cooperatives participating in skills development initiatives	New Target	100	111 Cooperatives have participated in skills development initiatives It should be noted that the SETA further enabled 203 community based entities to participate in skills development initiatives
	Number of transformation projects implemented in collaboration with industry partners	New Target	3	Four transformation projects were implemented in collaboration with industry partners
Outcome 7: Capacitated trade unions within the W&R sector	Number of interventions conducted to capacitate Trade Union members	N/A	15 interventions	20 Trade Union Interventions conducted to capacitate Trade Union members
	Percentage increase in trade union member participation in Trade Union Capacitation Programmes	800	20%	It should be noted that 6,910 trade union members have participated over the five-year period, from a baseline of 800
Outcome 8: An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs	Number of workers registered in programmes addressing Hard to Fill Vacancies, as identified in the SSP	New Target	10 000	The target was overachieved, with 47,869 workers registered in programmes addressing HTFVs, as identified in the SSP
	Comprehensive impact evaluation of W&RSETA strategic programmes aimed at addressing the imbalance between skills supply and demand	New Target	1	One impact evaluation of W&RSETA strategic programmes was conducted to assess progress towards addressing imbalance between skills supply and demand
	Number of employed and unemployed individuals obtaining qualifications through programmes that address current and emerging skills needs in the W&R sector, enhancing the sector's responsiveness to 4IR and related technological advances	New Target	2000	188 learners obtained qualifications through programmes designed to meet the W&R sector's current and emerging skills needs, enhancing sector responsiveness to 4IR and related technological advances
	Number of young people supported with ICT skills to access digital job and entrepreneurship opportunities within the sector	874	1500	2,302 young people were supported with ICT skills to access digital job and entrepreneurship opportunities in the sector
	Number of learners exiting W&RSETA programmes	21 252	39 470	42,658 individuals have completed W&RSETA programmes
	Number of previously unemployed individuals who, after completing W&RSETA programmes, are now employed or have started their own businesses	9 064	12 000	1,887 previously unemployed individuals who completed W&RSETA programmes are now employed or have started their own businesses

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 PROGRAMME 1: ADMINISTRATION

PURPOSE OF PROGRAMME 1

The purpose of this Programme is to provide effective and efficient support functions within the organisation. The Programme is responsible for creating an enabling environment for the W&RSETA to deliver on its outputs and goals.

The success of this Programme over the next five years will be measured in terms of its ability to establish organisational capacity and capability that will enable a culture of high-performance productivity, which will allow the delivery of the SETA's mandate. This will be attained through the deployment of robust business processes and systems, embedding effective corporate governance, strengthening oversight and compliance, as well as monitoring and evaluation capabilities for measuring the impact of skills interventions in the sector.

PERFORMANCE RESULTS OF PROGRAMME 1

Programme 1 achieved a 100% performance result, with two (2) targets set for the 2024/25 financial year being achieved.

Table: Outcomes, Outputs, Output Indicators, Targets, and Actual Achievement for Programme 1

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	**ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
Outcome 1: An efficient and effective organisation with good corporate governance	Output 12: Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery	[1.1] Audit opinion annually	Unqualified	Unqualified	Unqualified	Unqualified	Not Applicable	Not Applicable.
	Output 3: Identify, prioritise and form partnerships to address priority occupations	[1.2] Number of stakeholder sessions conducted annually to advocate for participation in skills development programmes	16	20	18	20	+2	Target was overachieved due to stakeholder interest in partnering with the W&RSETA to create awareness on the SETA's programmes. The main addition to the advocacy programme for the financial year included targeted awareness sessions for the fuel retail sector which comprises companies that have not yet migrated to the W&RSETA or are not participating in the W&RSETA programme.

**Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a public entity did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.

3.2. PROGRAMME 2: SKILLS PLANNING AND RESEARCH

PURPOSE OF PROGRAMME 2

The purpose of this Programme is to provide key inputs for advancing skills development in the sector. Functions falling within the ambit of this Programme include skills planning, monitoring, evaluation, reporting, and research programmes.

The Programme implements its mandate through robust planning, improving the quality and quantity of research outputs, as well as strengthening the integrity of monitoring, evaluation, and reporting on performance information. Outputs achieved through the implementation of Programme 2 interventions enable the achievement of Outcome 2 of the W&RSETA strategic outcomes, which is “A sector-responsive Research Agenda that supports and informs the establishment of impact-gearred W&R skills development programmes”.

PERFORMANCE RESULTS OF PROGRAMME 2

Programme 2 achieved a 100% performance result, with all five (5) of the targets set for the 2024/25 financial year being achieved.

Table : Outcomes, Outputs, Output Indicators, Targets and Actual Achievement for Programme 2

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	**ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
Outcome 4: A sector responsive research agenda that supports and informs the establishment of impact-gearred W&R skills development programmes	Output 1: Research and develop a Sector Skills Plan (SSP) in response to the sector skills demand and supply	[2.1] Number of Board approved planning documents submitted to DHET within prescribed time frames annually	1	2	3	3	0	Target achieved.
	Output 3: Identify, prioritise, and form partnerships to address priority occupations	[2.2] Number of Memorandums of Understanding with strategic partners addressing sector needs, annually	3	2	2	3	+1	The over achievement is as a result of improved vetting process for draft MOUs and focus to strengthen inter-SETA collaboration.
	Output 1: Research and develop a Sector Skills Plan (SSP) in response to the sector skills demand and supply	[2.3] Number of sector research reports completed annually	2	5	5	7	+2	The over achievement is as a result of improved research agenda implementation and collaboration with Research Leadership Chairs.
	Output 6: Facilitate access and provide support for interventions towards occupationally directed learning programmes.	[2.4] Number of sector directed tracer/ impact study reports completed annually	4	2	3	5	+2	The over achievement is because of improved research agenda implementation and collaboration with Research Leadership Chairs.
		[2.5] Number of Post-Doctoral Fellows appointed to support sector research agenda implementation	-	-	2	2	0	Target achieved.

3.3. PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS

PURPOSE OF PROGRAMME 3

The purpose of this Programme is to contribute to addressing the HTFVs identified in the SSP and reducing HTFVs in the wholesale and retail sectors through the provision of quality learning programmes. Sub programmes under this Programme include career guidance and the implementation of learnerships, apprenticeships, skills programmes, internships, workplace-based learning programmes (learnerships), and bursaries for students at TVET colleges and higher education institutions.

Outcomes to be achieved through interventions implemented under programme 3 include:

- **Outcome 2:** An integrated career guidance programme
- **Outcome 5:** Increased access to wholesale and retail occupationally directed programmes
- **Outcome 6:** Growth-focused skills development and entrepreneurship development support for emerging entrepreneurs, the cooperative sector, and small, medium, and informal business enterprises to enhance their participation in the mainstream economy
- **Outcome 7:** Capacitated Trade Unions within the W&R sector
- **Outcome 8:** An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector's current and emerging skills needs

PERFORMANCE RESULTS OF PROGRAMME 3

A 90,91% performance result was attained in Programme 3, with 20 out of the 22 performance targets set for the 2024/2025 financial year being achieved.

Table: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement for Programme 3

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	**ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
Outcome 8: An appropriately skilled, agile, and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs	Output 1: Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply	[3.1a] Percentage of WSPs and ATRs approved for Small Companies per annum	93,80%	91,05%	70%	94%	+24%	Target was overachieved due to the support provided to W&R Companies on this programme. This included capacitation sessions as well as allocation of SLOs as SDFs to Small Companies.
		[3.1b] Percentage of WSPs and ATRs approved for Medium Companies per annum	88,25%	85%	70%	93%	+23%	Target was overachieved due to the support provided to W&R Companies on this programme. This included capacitation sessions as well as allocation of SLOs as SDFs to Medium Companies.
		[3.1c] Percentage of WSPs and ATRs approved for Large Companies per annum	90,43%	90%	70%	96%	+26%	Target was overachieved due to the support provided to W&R Companies on this programme. This included capacitation sessions as well as providing large companies support with addressing queries.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	**ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
Outcome 8: An appropriately skilled, agile, and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs	Output 13: A skilled, competent, and professional workforce in the wholesale and retail sector through provision of Bursaries to W&RSETA employed and unemployed beneficiaries	[3.2] Number of unemployed persons awarded bursaries (or write for studies) per annum	2 303	3 535	2 500	3 944	+1 444	Internal Project Evaluation Committee (IPEC) had approved increased allocations under this target as buffer to enable achievement.
		[3.3] Number of employed persons awarded bursaries per annum	1 090	1 513	1 080	1 803	+723	The SETA met and exceeded its target on employed bursaries to enable funding for W&RSETA continuing bursars who had passed their studies and were continuing to their next year of study.
		[3.4] Number of employed and unemployed bursars completing their studies per annum	340	553	500	951	+451	Constant engagements with funded institutions enabled improvement on this target. This resulted in timeous submission of student results enabling the SETA to report completions timeously.
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.5] Number of unemployed learners registered on learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.	11 852	13 144	12 000	13 702	+1 702	Special Projects approved increased allocations under this target.
		[3.6] Number of unemployed learners completing learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.	5 196	3 794	5 145	4 228	-917	No sufficient request for learner certification received from Skills Development Providers (SDP)'s.
	Output 5: Facilitate and create opportunities for skills development for the employed	[3.7] Number of employed and unemployed learners enrolled on Artisan technician programmes per annum	598	717	750	945	+195	Internal Project Evaluation Committee (IPEC) had approved increased allocations under this target as buffer to enabled achievement.
		[3.8] Number of employed and unemployed learners completing Artisan/ technician programmes per annum	415	534	350	775	+425	The target was over achieved due to high number of Artisan Recognition of Prior Learning (ARPL) learners that were found competent during Trade Test testing and other artisan learners that were registered in the previous financial years.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	**ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.9] Number of learners from TVET colleges and HETs are placed in Work Integrated Learning programmes per annum	2 782	2 628	2 945	3 496	+551	Internal Project Evaluation Committee (IPEC) had approved increased allocations under this target as buffer to enabled achievement.
		[3.10] Number of learners from TVET colleges and HETs completed their Work Integrated Learning Programmes per annum	470	1 119	850	854	+4	Constant engagements with employers enabled improvement on this target. This resulted in timeous submission of completions letters enabling the SETA to record completions timeously.
	Output 5: Facilitate and create opportunities for skills development for the employed	[3.11] Number of employed learners registered on learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.	10 447	9 139	9 800	10 431	+631	The overachievement was as a result of the approved buffer on registrations.
		[3.12] Number of employed learners completing learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.	3 926	5 089	4 850	3 801	-1049	No sufficient request for learner certification received from Skills Development Providers (SDP)'s.
Outcome 8: An appropriately skilled, agile, and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs	Output 9: Provide skills development support to, SMMEs, Cooperatives and Informal traders participate in the mainstream economy	[3.13] Number of small and micro businesses supported per annum	4 321	3 573	3 000	3 501	+501	The SETA's Strategic Partnership with Small Enterprise Development Agency (SEDA) enabled the SETA to increase its reach to more participants under this programme.
Outcome 6: Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector, and small, medium, and informal business enterprises to enhance their participation in the mainstream economy		[3.14] Number of Informal Traders supported per annum	3 006	3 453	3 000	3 092	+92	The SETA's Strategic Partnerships with Consumer Goods Council of South Africa (CGCSA) enabled the participation of more beneficiaries on this programme.
		[3.15] Number of Cooperatives / Community-based entities supported per annum	20 177	124	120	139	+19	IPEC had approved increased allocations under this target as buffer to enable achievement.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	**ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
Outcome 6: Growth focused skills development and entrepreneurship support for emerging entrepreneurs, cooperative sector, and small, medium, and informal business enterprises to enhance their participation in the mainstream economy	Output 9: Provide skills development support to, SMMEs, Cooperatives and Informal traders participate in the mainstream economy	[3.16] Number of persons enrolled on entrepreneurship development programmes per annum	257	397	300	332	+32	IPEC had approved increased allocations under this target as buffer to enable achievement.
Outcome 7: Capacitated Trade Unions within the W&R sector	Output 10: Facilitate and create the potential for collaborations in support of worker-initiated Programmes at retail workplaces	[3.17] Number of Trade Union beneficiaries who participated in Trade Union Capacitation Programmes per annum	1 629	1 770	1 382	1 406	+24	This target was overachieved due to the high interest shown by Trade Union members on the programme.
Outcome 2: An integrated career guidance programme	Output 11: Develop and support an integrated career guidance and development strategy	[3.18] Number of career guidance interventions per annum	244	254	211	252	+41	This target was overachieved in order to address the high demand for SETA collaboration in Career Guidance initiatives across the country.
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.19] Number of learners assisted to access opportunities in the W&R sector per annum	523	560	500	750	+250	Implementation of this programme included partnering with Department of Agriculture, Land Reform and Rural Development (DALRRD) on the National Rural Youth Service Corps (NARYSEC) project. The partnership enabled overachievement of this target.
		[3.20] Number of unemployed learners enrolled for Candidacy Programmes per annum	58	58	50	58	+8	Implementation of this programme included partnering with South African Institute of Chartered Accountants (SAICA). The partnership enabled overachievement of this target.

3.4. PROGRAMME 4: QUALITY ASSURANCE ADMINISTRATION

PURPOSE OF PROGRAMME 4

The purpose of this Programme is to execute the QCTO-delegated quality assurance functions with regard to the accreditation of training providers, registration of assessors, facilitators, and moderators, evaluation of assessments, and facilitation of moderation, including certification of learners as proof of successful completion of the 'historical' unit standard-based qualification, until 2024.

PERFORMANCE RESULTS OF PROGRAMME 4

Programme 4 achieved a 100% success rate, with all five (5) of the targets set for the 2024/25 financial year being achieved.

Table: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement for Programme 4

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	PLANNED ANNUAL TARGET 2024/2025	**ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASONS FOR DEVIATIONS
Outcome 3: Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances	Output 7: Assist public colleges to increase capacity to offer Retail and related learning programmes	[4.1] Number of signed partnership agreements with HET Institutions, annually	2	2	2	2	0	Target achieved.
		[4.2] Number of Public TVET Centres of Specialisation supported annually	5	4	4	4	0	Target achieved.
		[4.3] Number of signed partnership agreements with TVET's, annually	20	16	16	17	+1	The W&RSETA/TVET College/ Vodacom Project enabled the SETA to overachieve this target.
		[4.4] Number of TVET colleges where the SETA has or maintains a presence, annually	35	36	32	34	+2	This target was overachieved due to the increased interest from TVET colleges for participating in W&RSETA programmes.
		[4.5] Number of partnerships formed with CETs to improve the delivery of retail and related programmes, annually	3	7	3	3	0	Target achieved.

LINKING PERFORMANCE WITH BUDGETS

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular, the financial resources. Therefore, the following financial information should be presented. The financial information must agree with the information in the annual financial statements.

PROGRAMME/ACTIVITY/OBJECTIVE	2024/2025			2023/2024		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Programme 1	217 065	223 219	(6 154)	202 810	206 185	(3 375)
Programme 2	403 755	287 173	116 582	385 262	277 831	107 431
Programme 3	1 741 840	1 445 896	295 944	1 626 755	1 887 089	(260 334)
Programme 4	63 164	7 191	55 973	60 271	4 864	55 407
Total	2 425 824	1 963 479	462 345	2 275 098	2 375 969	(100 871)

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Two targets that were not met during the 2024/2025 implementation period include:

- [3.6] Number of unemployed learners completing learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.
- [3.12] Number of employed learners completing learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.

The SETA has thus adopted the following strategies to address areas of underperformance:

To encourage SDPs to motivate learners to complete their POEs to enable external moderation to be completed and certification requests to be submitted.

To enhance collaborations with other SETAs for cross-sectoral programmes by exploring effective and efficient ways of reporting completions.

4. REVENUE COLLECTION

SOURCE OF REVENUE	2024/2025			2023/2024		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000
Revenue from exchange transactions	255 312	212 912	42 400	194 000	199 131	(5 131)
Revenue from non-exchange transactions	1 565 899	1 671 341	(105 442)	1 494 179	1 581 018	(86 839)
Total	1 821 211	1 884 253	(63 042)	1 688 179	1 780 149	(91 970)

Revenue from exchange transactions includes interest earned on investments by the W&RSETA and 20% Mandatory Grants received from ETDPSSETA. The actual Revenue from exchange transactions for the period ending 31 March 2025 is 17% lower than the budgeted amount. The W&RSETA reported a marginal decline in revenue, attributed to the early redemption of one of the investment portfolios. This measure was implemented to ensure the uninterrupted flow of grant

disbursements. Management continues to pursue optimal returns on invested funds through an investment portfolio structured in accordance with the approved Investment Policy, with the objective of maximising returns on cash reserves.

Levy grants received for the 2024/25 financial year exceeded the budgeted income projections by 7%, indicating stability in employer levy contributions. Additionally, more WSPs were approved in the current financial year than initially anticipated.

5. CAPITAL INVESTMENT

As at 31 March 2025, the W&RSETA reported capital investments with a total carrying value of R15,120 (2023/24: R18,812). Additions during the current financial year amounted to R5,360, relating to the acquisition of movable assets. These additions have been capitalised and are included under Property, Plant and Equipment, as detailed in Note 3 to the Annual Financial Statements. Assets with a total carrying value of R266 (2023/24: R137) were disposed of during the period, through donations to identified public institutions, in accordance with the requirements of paragraph 16A of the Treasury Regulations.

The asset register is maintained on a monthly basis and verified biannually, in compliance with the W&RSETA's Asset Management Policy. All assets reflected in the register were physically verified, remain in good working condition, and are currently in use by the entity.

6. PERFORMANCE HIGHLIGHTS

The 2024/25 financial year was marked by significant progress across a diverse range of strategic projects aimed at skills development, job creation, and entrepreneurship support within the Wholesale and Retail Sector. Aligned with the Annual Performance Plan (APP), these initiatives reflect W&RSETA's ongoing commitment to addressing unemployment, enhancing work readiness and fostering sustainable economic participation. Notably, targeted partnerships with key stakeholders, including government departments, industry associations, and training providers, have enabled robust learner registration and engagement across various programmes, contributing meaningfully to the sector's growth and transformation.

SMALL-SCALE FARMING MARKET ACCESS PARTNERSHIP PROJECT



Project Timeline and Budget Overview	- Start Date: 30 March 2024 - End Date: 31 December 2025 - Skills Programme Duration: 4 Months - Budget: R4 200 000
Project Background	The W&RSETA, in partnership with Boxer Superstores, launched a targeted initiative to support small-scale farmers in KwaZulu-Natal, with a focus on African and women-owned agricultural SMMEs. Implemented in King Cetshwayo and Umkhanyakude districts, the programme was designed to equip 200 farmers with essential skills and business qualifications to access formal retail markets and participate more meaningfully in the mainstream economy.
Beneficiaries	- Targeted: 200 small-scale farmers - Completed: 194
Highlights and Successes	- High completion rate of 97% (194 out of 200). - Strengthened partnerships between rural farmers and a major national retailer. - Contributed to local economic empowerment and food security. - Delivered practical skills aligned to retail supply chain integration. - Improved business literacy and market readiness of participants.
Challenges and Solutions	- Challenge: Limited digital literacy among some participants. - Solution: Integrated basic ICT and mobile app usage into training sessions. - Challenge: Logistics and accessibility in rural areas. - Solution: Training sessions were localised to minimise travel and enhance participation.
Future Outlook	In the next phase, the project aims to support graduated participants with further market access opportunities, strengthen monitoring through impact assessments, and potentially scale to other provinces. Plans are aligned to the NSDP and W&RSETA's Strategic Plan, with a continued focus on SMME development and rural economic transformation.
Conclusion	The Small-Scale Farming Market Access Partnership Project is a strong example of inclusive, impact-driven skills development. It has not only empowered emerging agricultural entrepreneurs but also demonstrated the value of public-private collaboration in transforming local economies and enabling participation in formal retail value chains.

W&RSETA–GEP GRADUATE PLACEMENT PROJECT



Project Timeline and Budget Overview	• Start Date: 23 January 2025 • End Date: 31 December 2026 • Skills Programme Duration: 12-month graduate placement • Budget: R5 229 000
Project Background	The W&RSETA, in partnership with the Gauteng Enterprise Propeller (GEP), launched a graduate placement programme aimed at supporting 100 diploma graduates through structured workplace exposure within the wholesale and retail sector. The initiative responds to the Presidential Youth Employment Intervention by fostering collaboration between public and private entities to address youth unemployment and promote economic inclusion.
Beneficiaries	• Targeted: 100 graduates • Actual (as per 2024/25 APR): 83 registered
Highlights and Successes	• Enabled workplace exposure for unemployed diploma graduates in key sector roles. • Strengthened public-private collaboration under national youth employment priorities. • Enhanced employability and practical skills for participants, contributing to economic transformation goals.
Challenges and Solutions	• Challenge: Placement delays and limited host site capacity in some regions • Solution: Ongoing engagement with industry partners to expand placement opportunities and improve onboarding processes
Future Outlook	As the programme continues into 2025/26, the focus will shift to post-placement support, tracking employment outcomes, and expanding the model to include more host employers. Lessons learned will inform future interventions aimed at improving transition-to-work pathways for graduates.
Conclusion	This project demonstrates the W&RSETA's continued commitment to tackling youth unemployment through collaborative, impact-driven skills initiatives. With strong foundations now in place, it is positioned to deliver measurable outcomes in workforce readiness and sector transformation.

W&RSETA-INSETA PARTNERSHIP FOR BAKGATLA-BA-KGAFELA COMMUNITY



Project Timeline and Budget Overview	• Start Date: 16 July 2024 – 30 July 2025 • Beneficiaries: Targeted 220; 197 registered; 162 completed • Programme: 4-month New Venture Creation skills training • Budget: R3 570 625
Project Background	In collaboration with INSETA and the Royal House of Bakgatla ba Kgafela, the W&RSETA supported a skills initiative for rural entrepreneurs. The programme was delivered by Milzet Holdings and focused on developing sustainable, small-business ventures.
Highlights and Successes	• High completion rate (90%) with 197 learners graduating. • Empowerment of participants as emerging small business owners. • Strengthened ties with traditional leadership and rural communities.
Challenges and Solutions	• Challenge: Varied educational levels among beneficiaries. • Solution: Facilitated tailored learning through small-group instruction and mentorship support.
Future Outlook & Conclusion	Plans are underway to scale the initiative into adjacent communities and track long-term performance. This successful collaboration showcases W&RSETA's commitment to rural economic transformation and community-responsive skills development.

WORK READINESS FOR UNEMPLOYED YOUTH (W&RSETA–INSTITUTE OF AFRICAN ROYALTY)

Project Timeline and Budget Overview	• Start Date: 21 November 2024 – 31 December 2025 • Beneficiaries: Targeted & achieved 750 • Programme: 4-month work readiness and career guidance • Budget: R15 468 750
Project Background	Partnering with the Institute of African Royalty, this intervention equipped unemployed rural youth with career guidance, workplace readiness skills, and entrepreneurial insights, enabling easier integration into employment or self-employment opportunities.
Highlights and Successes	• Full participation with 750 beneficiaries completing the programme. • Enhanced understanding of workplace conduct, job search strategies, and business fundamentals. • Reinforced focus on youth unemployment and employability.
Challenges and Solutions	• Challenge: Coordinating training across dispersed rural • Solution: Leveraged local community venues and flexible scheduling to ensure accessibility and attendance.
Future Outlook & Conclusion	Follow-up efforts will focus on job placements and monitoring post-training outcomes. This initiative reaffirms W&RSETA's strategic goal of easing youth transition into the workplace and contributing towards economic transformation and job creation.



INTERNATIONAL LEADERSHIP DEVELOPMENT PROGRAMME (ILDLP)



Project Timeline and Budget Overview	• Duration: 04 March 2025 – 30 November 2026 • Beneficiaries: 60 registered (2024/25); 48 completed • Budget: R34 378 000
Project Background	The W&RSETA partnered with the UCT Graduate School of Business to deliver the International Leadership Development Programme (ILDLP), aimed at fast-tracking the development of high-potential senior managers from historically disadvantaged backgrounds for executive roles in the wholesale and retail sector. The programme includes local and international business exposure, practical experiences, and academic input from top faculty, with a strong focus on leadership, innovation, and sector transformation.
Highlights and Successes	• 56 delegates completed the programme (from prior financial years). • 60 new delegates were registered in 2024/25. • Alumni from institutions including GIBS contributed to growing leadership capacity in the sector. • Exposure to international retail trends and direct interaction with global business leaders enriched the learning experience.
Challenges and Solutions	• Challenge: No major challenges were reported during the current financial year.
Future Outlook & Conclusion	The ILDP will continue to be delivered by the UCT Graduate School of Business through to 2026, with a strong focus on aligning with the NSDP priorities—particularly in the areas of leadership development, sector transformation, and preparing senior managers for executive roles. The programme will also prioritise the ongoing tracking and evaluation of ILDP alumni to assess their impact on transforming the wholesale and retail sector and strengthening leadership pipelines.

NATIONAL RURAL YOUTH SERVICE CORPS (NARYSEC) PHASE 3

Project Timeline and Budget Overview	- Duration: 13 March 2025 – 30 April 2026 - Beneficiaries: 750 targeted and registered (2024/25) - Programme Type: 4-month Small Business Owner Skills Programme - Budget: R17 700 000
Project Background	W&RSETA partnered with the Department of Agriculture, Land Reform and Rural Development (DALRRD) to train exited NARYSEC participants in entrepreneurship, equipping them to pursue opportunities in the wholesale and retail sector. Ten training providers were appointed to deliver the programme nationally.
Highlights and Successes	- All 750 beneficiaries registered for Phase 3. - Over 600 learners from Phase 2 successfully completed training in 2024/25. - Strengthened inter-governmental partnership with DALRRD.
Challenges and Solutions	- Challenge: Diverse learner backgrounds and varying exposure to business environments. - Solution: Pre-training induction and foundational business readiness workshops.
Future Outlook & Conclusion	The NARYSEC project has reinforced the W&RSETA's rural development and youth employment objectives. Future cycles will focus on post-training enterprise support and linking graduates to funding and mentorship networks to increase business sustainability.



RETAIL MANAGEMENT DEVELOPMENT PROGRAMME (RMDP)



Project Timeline and Budget Overview	• Duration: 10 September 2024 – 30 September 2027 • Beneficiaries: 320 registered in 2024/25; 261 completed • Budget: R43 924 114.50
Project Background	Partnering with Regent Business School and GIBS, this accredited International Leadership Development Programme targets mid to senior managers from historically disadvantaged groups, equipping them with global and national best practices through immersive learning and in-market experiences.
Highlights and Successes	• 320 delegates enrolled, with 261 graduations in 2024/25. • Enhanced exposure to international retail leadership and strategic business leadership.
Challenges and Solutions	• Challenge: Balancing demanding work schedules with intensive programme modules. • Solution: Offered modular scheduling and executive support sessions.
Future Outlook & Conclusion	The RMDP continues to strengthen leadership pipelines and sector transformation by empowering future retail executives through high-impact, experiential training. Ongoing support and mentorship will underpin long-term success.

CELL-PHONE REPAIR SMME DEVELOPMENT (IN PARTNERSHIP WITH SAMDDRA)



Project Timeline and Budget Overview	• Duration: 1 April 2024 – 30 September 2025 • Beneficiaries: 500 targeted; 316 completed in 2024/25 • Budget: R19 040 805.50
Project Background	This initiative aims to train and support South African citizens in mobile device repair, integrating SMMEs into both formal and informal sectors. Included in the programme is the allocation of equipment to support business establishment.
Highlights and Successes	• 316 youth trained in 2024/25, laying groundwork for 500 total. • Provision of 50 business-ready containers to SMME participants.
Challenges and Solutions	• Challenge: Training rollout across multiple provinces posed logistical challenges. • Solution: Staged training deliveries and regional coordination improved access and completion rates.
Future Outlook & Conclusion	This project addresses skills scarcity in tech repair and accelerates the development of youth-led SMMEs. Subsequent efforts will focus on business incubation and market-link support to ensure sustainability.

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME (WITH YOUNG AFRICAN ENTREPRENEURS INSTITUTE)

Project Timeline and Budget Overview	• Duration: 19 December 2024 — 31 December 2025 • Beneficiaries: 100 targeted and completed • Budget: R800 000
Project Background	This digital-first entrepreneurial programme equips 100 emerging business owners with skills, mentorship, and digital tools to grow tech-enabled enterprises.
Highlights and Successes	• Full cohort completion. • Successful integration of digital skills into small-business strategies.
Challenges and Solutions	• Challenge: Varying levels of digital readiness among participants • Solution: Delivered tiered masterclasses tailored to participants' digital competency levels.
Future Outlook & Conclusion	Ongoing mentorship and digital accelerator support will bolster scalability. Early results indicate positive capacity-building and entrepreneurial readiness in target communities.





Mr R Sibiya - Chairperson



Ms L Madela



Mr D Makuwa



Ms M Bango



Ms T Ntshangase



Mr M Silimandlela



Ms N Bogopa



Mr T Mthembu



Ms Z Tyikwe



Mr R Rayners



Mr Z Sokabo



Mr L Ramatlhodi



Mr S Busane



Ms S Rasebitse

BOARD MEMBERS

PART C GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and runs in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education exercises oversight over all SETA governance processes, including budgetary processes and the delivery of its mandate. The committee has the prerogative to invite entities to present the financial and non-financial information contained in its annual report. There were no engagements between the W&RSETA and the Portfolio Committee in the current financial year.

3. EXECUTIVE AUTHORITY

The Minister of Higher Education is the Executive Authority. The Department of Higher Education and Training (DHET) monitors the W&RSETA's performance through quarterly reports. The W&RSETA must review and submit reports for the Minister's consideration and approval in line with the Public Finance Management Act and Regulations (PFMA), Skills Development Act, and other legislative frameworks.

The following reports were submitted and approved:

- Five-year Strategic Plan 2025 to 2030
- Sector Skills Plan 2024/25
- Annual Performance Plan and Budget 2024/25
- Service Level Agreement 2024/25
- Materiality Framework 2024/25
- Annual Report 2024/25

4. THE ACCOUNTING AUTHORITY/BOARD

4.1 INTRODUCTION

The Accounting Authority is the W&RSETA's highest decision-making structure. It provides leadership and upholds principles of good corporate governance. The Board is ultimately accountable for monitoring performance against the predetermined targets set out in the Annual Performance Plan and the service level

agreement that is entered into with DHET. The Accounting Authority is responsible for formulating and reviewing the strategic direction of the W&RSETA. It also provides strategic direction supported by a sound policy framework. Furthermore, it establishes an environment in which adequate risk management and internal control measures exist and are actively administered.

4.2 BOARD CHARTER

The Board Charter is a cornerstone of the W&RSETA's governance system. It defines the governance parameters within which the Board exists, sets out the respective roles, functions and responsibilities discharged by the Board and members collectively and management in setting the direction, and the control of the organisation.

The Board Charter is aligned with the W&RSETA Constitution, which outlines the composition of the Board to ensure a quorum at all meetings. It also outlines the powers of the Board and delegates powers to the Board Committees.

The Board Charter also assisted in improving Board processes, including the management of meetings, reporting procedures, meeting agendas, minutes, resolutions, and the remuneration of Board members. The Board Charter is treated as a living document, closely aligned with the strategic direction. It is imperative to note that there were no issues of non-compliance with the Board Charter that were reported during this period.

4.3 THE ROLE OF THE ACCOUNTING AUTHORITY

The role and functions of the Board are described in the Constitution and will include, but are not limited to, the following:

- retain full and effective control over the W&RSETA and monitor management's implementation of the strategic plans and financial objectives as defined by the Board.
- ensure that the W&RSETA achieves the objectives contemplated in item 5 of the Constitution and performs the functions contemplated in item 6 of the Constitution.
- define levels of materiality, reserving specific powers to itself and delegating other matters, with the necessary written authority, to management.
- ensure that a comprehensive system of policies and procedures is in place and that appropriate governance structures comprising a balance of the skills, experience, diversity, independence, and knowledge exist to ensure the smooth, efficient, and prudent stewardship of the W&RSETA.

- provide effective leadership and ensure that the W&RSETA implements the goals of the NSDS and the Service Level Agreement with the Minister.
- regularly review and evaluate the risks to the business of the W&RSETA, including technology and information risks, protect and enhance same, and ensure the existence of comprehensive, appropriate internal controls to mitigate against such risks, as well as ensure that there is an effective risk-based internal audit.
- ensure that the W&RSETA complies with all relevant statutory requirements and the requirements of the Constitution, audit, and accounting principles, the W&RSETA's codes of ethics and conduct, and such other principles as may be established by the Board from time to time.
- identify and monitor non-financial aspects relevant to the business of the W&RSETA and ensure that the W&RSETA acts responsibly towards all relevant stakeholders having a legitimate interest in its affairs.

4.4 GOVERNANCE FRAMEWORK

A governance framework sets the parameters within which the Board and its committees exercise their fiduciary responsibilities. The framework distinguishes among the strategic, operational and administrative roles of the Board, management and secretariat, while promoting the interests of all stakeholders

4.5 COMPOSITION OF THE BOARD

Fourteen W&RSETA Board members were appointed by the Minister, through Cabinet approval, for a five-year term having started in April 2020 to 31 March 2025. These members are non-executive and were nominated from constituent employers, labour and community organisations. At the helm is the Board Chairperson. The CEO is an executive, ex-officio member.

BOARD MEMBERS ARE LISTED BELOW:

NAME	DESIGNATION	DATE APPOINTED	TERM END	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Reggie Sibiya	Board Chairperson	April 2020	March 2025	Bachelor's Degree in Science (Botany and Genetics); Bachelor's Degree in Science Honours (Genetics)	Fuel retailing; Fast-moving consumer goods sales and marketing; Business management Regulatory compliance Bargaining council	Fuel Retailers Association – director; Motor Industry Bargaining Council – board member; Motor Industry Fund Administrators – trustee/director; Motor Industry Retirement Funds – trustee/director	Executive Committee Chairperson	9
Sibusiso Busane	Board Member	April 2020	March 2025	Bachelor's degree in business administration Postgraduate Diploma in Business Management Advanced Project Management	Entrepreneurship Project Management	Ntolwane Trading Enterprise – director	Executive Committee Member Remuneration Committee Member Projects Committee Member	9
Thandeka Ntshangase	Board Member	April 2020	March 2025	Bachelor's degree in economics and SCM; Postgraduate Degree in Project Management	Financial management Project management Governance	Ezemvelo Wildlife; Agri-Business Development Agency	Finance Committee Member Governance and Strategy Committee Member	9
Mzimaseki Silimandlela	Board Member	April 2020	March 2025	Worker Education Programme Recognition of Prior Learning Cross-examination Labour Arbitration Practical Labour Law	Training and development Worker representation (Council for Conciliation Mediation and arbitration - labour court and bargaining council)	None	Finance Committee Member	9

NAME	DESIGNATION	DATE APPOINTED	TERM END	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
David Makuwa	Board Member	April 2020	March 2025	Bachelor's Degree of Administration (in progress)	Trade union leadership	None	Projects Committee Chairperson Executive Committee Member Remuneration Committee Member	8
Themba Mthembu	Board Member	April 2020	March 2025	Labour Dispute Practice Trade Union Practice	Labour dispute resolution Bargaining council	None	Audit Committee Member Projects Committee Member	9
Ross Rayners	Board Member	April 2020	March 2025	Human Resources Management Certificate in Labour Law	Researcher: Government tenders and procurement Covid-19 Temporary Employer/Employee Relief Scheme	None	Remuneration Committee Member Governance and Strategy Committee Member	9
Lucas Ramatlhodi	Board Member	April 2020	March 2025	Collective Bargaining and Negotiation Skills National Negotiator Course	Policy development Administration Coordination	International Union Federation Trade Group board: Hotel, restaurant, catering and tourism sector UNI Global Union – gaming sector Trustee: First normally constituted board of trustees of the South African Commercial Catering and Allied Workers Union National Provident Fund/ Curatorship.	Governance and Strategy Committee Chairperson	9
Lerato Madela	Board Member	April 2020	March 2025	Bachelor of Commerce Degree in Accounting; Higher Certificate in Economic Development Certificate in Labour Dispute Resolution Practice	Accounting; Financial management; Trade union leadership Labour Law	Dicomark – director Motor Industry Bargaining Council – board member;	Executive Committee Member Financial Committee Member	8
Margaret Bango	Board Member	April 2020	March 2025	Diploma in Nursing; Louis Millennium Management Diploma in Midwifery; Wealth Management Chartered Member of Institute of logistics Supply Chain and Transport	Community worker and developer; Women empowerment and business leadership; Regional business leadership	Women in Logistics and Transport SA – founder and chairperson; National African Federated Chamber of Commerce and Industry Woman Chamber – national secretary-general	Executive Committee Member Governance and Strategy Member Financial Committee Member	9
Sebe Rasebitse	Board member	April 2020	March 2025	Master of Business Administration (in progress) Programme for Women in Executive Positions Senior Leadership Management Programme	Human resources management Talent development	None	Projects Committee Member Remuneration Committee Member	9

NAME	DESIGNATION	DATE APPOINTED	TERM END	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Nonkululeko Bogopa	Board member	April 2020	March 2025	National Diploma in Architecture	Stakeholder management Real estate management Strategy development and implementation Procurement Personnel management	None	Financial Committee Chairperson Audit Committee Member	9
Zinhle Tyikwe	Board member	April 2020	March 2025	Master of Business Administration; Bachelor of Commerce (Honours) Degree in Industry Psychology and Organisational Development	Human resources Organisational development Strategy development, governance and compliance	Steve Biko Academic Hospital (Non-Executive Director) GS1 SA t/a CGCSA Board (Executive Director)	Remuneration Committee Chairperson Executive Committee Member Governance and Strategy Committee Member	9
Zibele Sokabo	Board member	April 2020	March 2025	Management Diploma	Fuel industry	Motor Industry Retirement Fund board – (alternate); Copartes Pension Fund	Project Committee Member	9

4.6. MEETINGS OF THE BOARD

The Board convened ten quarterly meetings to consider and approve the Sector Skills Plan, Strategic Plan, Annual Performance Plan, and statutory compliance reports. It held its annual strategic planning session to review the five-year Strategic Plan and develop the Annual Performance Plan as part of its fiduciary responsibility. This session was followed by a Board strategic risk management workshop, which resulted in the Board-approved Strategic Risk Register. The Board convened the annual general meeting in Midrand, at which the 2024/25 Annual Report, including the Annual Performance Report and Annual Financial Statements, were

tabled and adopted. Special Board meetings were convened in accordance with the standard constitution to consider crucial and urgent matters.

4.7. COMMITTEES OF THE BOARD

The Board established six committees whose members were selected for their knowledge and skills. Executive Committee members were nominated by the Board and their appointment confirmed by the Minister. The Audit Committee is an independent committee of the Board established in accordance with Section 77 of the PFMA. It comprises four independent members and two non-executive Board members.

COMMITTEES OF THE BOARD:

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
Audit Committee	Seven meetings	Six members	Kgoale Vincent Maja: Chairperson
			Mosibudi Margaret Phiri
			Dr Len Konar
			Adv Thato Goodness Moeeng
			Nonkululeko Bogopa
			Themba Mthembu
Executive Committee*	Six meetings	Six members	Reggie Sibiyi: Board Chairperson
			Sibusiso Busane
			David Makuwa
			Lerato Madela
			Margaret Bango
			Zinhle Tyikwe

* Exco meetings are convened bimonthly

COMMITTEES OF THE BOARD



EXECUTIVE COMMITTEE



GOVERNANCE AND STRATEGY COMMITTEE



PROJECTS COMMITTEE



REMUNERATION COMMITTEE



FINANCE COMMITTEE

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
Projects Committee	Three meetings	Five members	David Makuwa: Chairperson
			Sibusiso Busane
			Sebe Rasebitse
			Zibele Sokabo
			Themba Mthembu
Finance Committee	Five meetings	Five members	Nonkululeko Bogopa: Chairperson
			Margaret Bango
			Thandeka Ntshangase
			Mzimaseki Silimandlela
			Lerato Madela
			Dumisani Dlamini*
Governance and Strategy Committee	Five meetings	Five members	Lucas Ramatlhodi: Chairperson
			Zinhle Tyikwe
			Margaret Bango
			Ross Rayners
			Thandeka Ntshangase
Remuneration Committee	Five meetings	Five members	Zinhle Tyikwe: Chairperson
			Sebe Rasebitse
			Ross Rayners
			David Makuwa
			Sibusiso Busane

* Board has co-opted an independent non-executive member to the Finance Committee Dr Dumisani Dlamini

4.8. COMMITTEES

COMMITTEE	NAME OF A MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Executive Committee	Reggie Sibiyi – Chairperson	Six (6)	Six (6)
	David Makuwa	Six (6)	Six (6)
	Sibusiso Busane	Six (6)	Six (6)
	Margaret Bango	Six (6)	Six (6)
	Zinhle Tyikwe	Six (6)	Six (6)
	Lerato Madela	Six (6)	Six (6)
Finance Committee	Nonkululeko Bogopa – Chairperson	Five (5)	Five (5)
	Margaret Bango	Five (5)	Five (5)
	Lerato Madela	Five (5)	Five (5)
	Thandeka Ntshangase	Five (5)	Five (5)
	Mzimaseki Silimandlela	Five (5)	Four (4)
	Dumisani Dlamini	Five (5)	Five (5)
Governance and Strategy Committee	Lucas Ramatlhodi – Chairperson	Five (5)	Five (5)
	Ross Rayners	Five (5)	Five (5)
	Margaret Bango	Five (5)	Five (5)
	Zinhle Tyikwe	Five (5)	Five (5)
	Thandeka Ntshangase	Five (5)	Four (4)
COMMITTEE	NAME OF A MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED

Remuneration Committee	Zinhle Tyikwe – Chairperson	Five (5)	Five (5)
	David Makuwa	Five (5)	Five (5)
	Sibusiso Busane	Five (5)	Five (4)
	Ross Rayners	Five (5)	Five (5)
	Sebe Rasebitse	Five (5)	Four (4)
Projects Committee	David Makuwa – Chairperson	Three (3)	Three (3)
	Sibusiso Busane	Three (3)	Three (3)
	Themba Mthembu	Three (3)	Three (3)
	Zibele Sokabo	Three (3)	Three (3)
	Sebe Rasebitse	Three (3)	Two (2)
Audit Committee	Kgoale Maja – Chairperson	Seven (7)	Seven (7)
	Dr Len Konar	Seven (7)	Seven (7)
	Adv. Thato Goodness Moeeng	Seven (7)	Seven (7)
	Margaret Phiri	Seven (7)	Seven (7)
	Themba Mthembu	Seven (7)	Seven (7)
	Nonkululeko Bogopa	Seven (7)	Seven (7)

4.9. REMUNERATION OF BOARD MEMBERS

NAME	REMUNERATION R'000	OTHER ALLOWANCE R'000	OTHER REIMBURSEMENTS R'000	TOTAL R'000
Mr R Sibiya (Chairperson)	366 000	5 000		371 000
Ms Z Tyikwe	281 000	5 000		286 000
Mr KD Makuwa	327 000	5 000		332 000
Ms M Bango	285 000			285 000
Mr S Busane	368 000	1 000		369 000
Ms Ntshangase	213 000			213 000
Mr M Silimandlela	227 000			227 000
Ms L Mokhitli	267 000			267 000
Mr L Ramatlhodi	224 000	5 000		229 000
Mr R Rayners	220 000	5 000		225 000
Ms N Bogopa	243 000	5 000		248 000
Mr Z Sokhabo	208 000			208 000
Ms S Rasebitse	207 000			207 000
Mr T Mthembu	267 000			267 000
Mr KV Maja (ARC Chairperson)	127 000			127 000
Ms M Phiri- ARC Member	86 000			86 000
DR L Konar- ARC Member	81 000			81 000
Adv T Moeeng- ARC Member	99 000			99 000
Mr D Dlamini	67 000			67 000
				4 194 000

5. RISK MANAGEMENT

The W&RSETA's risk management is founded on the Risk Management Policy and Strategy aligned to the PFMA. The Board identifies strategic risks and determines annually the risk appetite and tolerance levels against the Five-year Strategic Plan. The Audit Committee advises and reports to the Board on risk management matters. Management, through the CEO's leadership and the expertise of the Senior Manager: Enterprise Risk Management, develops strategies to mitigate threats that might prevent the SETA from achieving its strategic objectives. Accordingly, management continuously analyses and implements mitigation measures.

6. INTERNAL CONTROL

The Board has overall responsibility for establishing and monitoring the WRSETA's internal controls and reviewing their effectiveness. The internal control unit has been at the centre of reminding and assisting managers on reviewing policies and procedures that were outdated and about to expire. These policies and procedures provide guidelines for defining procedures, which in turn detail how authority should be exercised and the mechanisms for completing specific tasks. Due to changes in legislation and updates, there was a need for some areas to be revised. The policies were designed to effect proper business control (i.e. the process effected by the Accounting Authority, management and other personnel, designed to provide reasonable control that the broad objectives are met). This process was to strengthen the internal controls.

The unit has been at the forefront of the coordination of audits by the AGSA. Notable findings were for management to work on policies that were reviewed and not yet approved, as well as policies that were not reviewed and approved. Consultations were held with different managers to assist. An audit action plan was developed, and the progress of corrective measures was tracked. There were internal control deficiencies that required management to improve those areas and ensure that the gaps are closed.

During the financial year, the audit action plan was developed to track the audit findings and ensure implementation of the recommendations made by the AGSA. The unit assisted and supported management when responding to information requests and audit queries. It facilitated Audit Steering Committee meetings between auditors and management, which were held frequently.

Organisational realignment affected the Internal Control Unit, requiring consideration of departmental transitions. The unit was merged with Governance, Risk, Internal Control and Compliance. Additional quality management systems were incorporated into the Internal Control framework, necessitating a revision of approaches and methodologies. The focus needed to be shifted, and the new strategies re-evaluated, making it an ongoing process.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit is an integral part of the W&RSETA's governance system. It provides an independent, objective, and advisory function mandated by the internal audit charter approved by the Audit Committee. The charter defines the role, organisational status, authority, responsibilities, and scope of internal audit activity. The unit assists the W&RSETA to accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance.

The key objectives of the internal audit function include:

- Reviewing the adequacy and effectiveness of internal controls, risk management, and governance processes,
- Safeguarding the W&RSETA's assets,
- Providing reasonable assurance of the integrity and reliability of financial and non-financial information, and
- Reviewing compliance with laws, regulations, policies, and procedures.

The Audit Committee approves internal audit plans and reviews work quarterly. A risk-based internal audit plan was approved by the Audit Committee for implementation in 2024/25. The table below shows the results of completed audits for the review and previous years:

IMPLEMENTATION OF THE INTERNAL AUDIT PLAN	2024/2025	2023/2024
Planned audits finalised and reports issued	21	24
Ad-hoc audits finalised and reports issued	5	1
Number of internal audit reports issued	26	25

AUDIT COMMITTEE MEMBERS

NAME	DESIGNATION	DATE APPOINTED	DATE TERM ENDED/RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO. OF AUDIT COMMITTEE MEETINGS ATTENDED
Mr Kgoale Vincent Maja	Audit Committee Chairperson	1 May 2020	31 March 2025	Masters of Business Leadership (MBL) B. Compt Honours BCom (Accounting) Certified Internal Auditor(CIA) IIA Accredited Quality Assurance Assessor. Registered Assessor and Moderator for FASSET, MICT SETA, SASSETA, ETD SETA and SERVICES SETA, IIASA MEMBER	Experience in Internal Auditing and External Auditing, IT governance and Corporate Governance, Risk Management, Forensics, Compliance	Northern Cape Provincial Government: Dept of Sports, Arts and Culture Dept of Agriculture Dept of Cooperative Governance Human Settlements and Traditional Affairs	None	6/6
Ms Mosibudi Margaret Phiri	Audit Committee Member	1 May 2020	31 March 2025	B. Com Accounting B. Compt Honours CA (SA)	Experience in Internal Auditing and External Auditing, IT governance and Corporate Governance, Risk Management, Forensics, Compliance	Department of Government Communication and information System - Chairperson of Risk and Audit Committee CRL Rights Commission - Member of the Audit Committee and ICT Committee Department of Public Works - Member of the Audit Committee Central Johannesburg College - Member of the Audit Committee Council member of University of Limpopo	None	6/6
Dr. Len Konar	Audit Committee Member	1 May 2020	31 March 2025	CA(SA), MAS (Illinois, USA) and D.Com (SA) BCom CRMA (IIA, USA) Cert in Tax Law (SA)	Experience in Internal Auditing and External Auditing, IT governance and Corporate Governance, Strategic planning, Compliance, Risk Management, Forensics, Compliance	SABC Medical Fund- Chair of Audit Committee and Member of Investment Committee SABC Retirement Fund- Member of Investment Committee and Chair of the Audit Comm Outsourced Risk and Compliance Services (Pty) Ltd-Shareholder National Research Foundation – Board Member and Chair of audit & Risk Committee Human Sciences Research Council – Council Member and Chair of Audit & Risk Committee AIDC- Board member and Group audit & Risk Committee member The Presidency – Chair of the Risk Management Committee Eastern cape Department of Health – Chair of the Risk Management Committee	None	6/6
Adv. Thato Goodness Moeeng	Audit Committee Member	1 May 2020	31 March 2025	Master of Business Leadership LLB Degree Post Graduate Executive Development Programme Advanced Management Development Programme B. Iuris Degree (Cum Laude)	Proven experience legal knowledge, Civil and labour Litigation, Audit and Risk management, Investigation, Compliance, strategic planning	Audit & Performance Committee: Ephraim Mogale Local Municipality. Council Chairperson: PACOFS Risk Committee member: National Department of Agriculture, Land Reform & Rural Development Chairperson of Audit & Risk Committee: ELRC. Deputy Chairperson: Employment Equity Consultative Forum Deputy Chairperson: Departmental Bargaining Chamber Deputy Chairperson of Council: FETC Treasurer: Social Committee, Public Protector Deputy Chairperson: Fit for Life Aerobic Club	None	6/6

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Board oversees development and review of policies according to legislation. Although it delegates the monitoring of the compliance universe to its committees, it holds management accountable for implementing programmes and managing financial affairs in line with approved policies. Management submits quarterly governance PFMA and National Treasury Regulations compliance reports, while ensuring adherence to human resources management and information technology and communication regulations.

9. FRAUD AND CORRUPTION

The W&RSETA has adopted a zero tolerance to fraud and corruption and implemented a fraud prevention policy that prevents, detects, investigates, and resolves fraud. An independent reporting fraud hotline is operational which employees, customers, suppliers and stakeholders may raise suspicions of corrupt activities or concerns about conduct that transgress SETA values. All hotline cases are investigated and reported to the Audit Committee on a quarterly basis, which oversees corrective actions.

10. MINIMISING CONFLICT OF INTEREST

Transparency and integrity are pillars of good corporate governance. Thus, the W&RSETA requires its Board members to declare conflicts of interest. DHESI requires that nominated Board candidates disclose their business interests. The standard constitution requires that all Board members disclose any conflict of interest related to the matter being discussed at any time during Board proceedings. These disclosures are recorded in the minutes and may necessitate members' recusal from the meeting.

Board members are required to complete an annual declaration of interest at the start of each financial year. While the Board fully appreciates its fiduciary duties, it is, from time to time, reminded of how to treat conflicts of interest.

11. CODE OF CONDUCT

The W&RSETA complies with the Code of Conduct, as prescribed in the W&RSETA Constitution. Thus, members of the Accounting Authority execute the mandate and their duties and their functions fairly, honestly and in good faith, giving full effect to the obligations and spirit of the Code, as contained in the Constitution.

The Accounting Authority protects and promotes the reputation of the SETA and promotes goodwill towards the Code of Conduct and performs their duties conscientiously and in the best interest of the SETA; and conduct themselves ethically and in accordance with the principles of good governance.

The Accounting Authority ensures that the staff of the SETA adheres to the code of conduct and has approved the Code of Ethics and Conduct Policy that regulates the behaviour and conduct of all W&RSETA employees.

The W&RSETA recognises its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business and is committed to high standards of integrity and fair dealing in the conduct of its business.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

During the 2024/25 financial year the W&RSETA addressed Safety and Security measures in the Free State and Northern Cape Provincial offices by installing:

- A security system with Monitoring and Armed Response at the Free State Provincial office.
- A security system with Monitoring and Armed Response as well as a Surveillance System (CCTV) at the Northern Cape Provincial office.

In addition, Health and Safety committee meetings were convened on a quarterly basis at the Head Office and provincial offices to address Occupational Health and Safety (OHS) matters and ensure compliance with and adherence to the OHS Act (Act 85 of 1993).

In addressing the Audit Action Plan (AAP) for the Building and OHS Compliance Audit exercise, evacuation chairs, first aid kits, safety bibs, air horns for emergency evacuations were procured through the Supply Chain Management (SMC) process. Emergency evacuation floor plans and emergency photoluminescent signage were also installed at Head Office as well as the Provincial Offices.

No OHS incidents which required submission to the Commission for Injury on Duty (COID) were reported

13. THE W&RSETA BOARD SECRETARY

The Secretary of the Accounting Authority (Company/ Board Secretary) is responsible for, inter alia, providing guidance and advice to the Board and its committees, primarily on procedural and compliance issues, including compliance with statutory regulations and King IV.

The Secretary works closely with the Chairperson and the CEO to ensure proper and effective functioning of the Board and integrity of the governance processes. She is closely involved in preparing the schedule of Board and committee meetings for the year, and, with chairpersons and key executives, prepares the agendas for these meetings. She ensures that information is dispatched timeously to all directors to enable them to prepare adequately for these meetings and that the minutes of these meetings are recorded and distributed as soon as possible thereafter to aid directors in implementing the decisions.

In addition to her statutory duties, the Secretary provides the Board as a whole and the members individually with detailed guidance on how their responsibilities should be properly discharged in the best interests of the W&RSETA. She ensures that Board procedures prescribed in the Act, the PFMA, the W&RSETA Constitution and Board Charter are followed and reviewed regularly.

14. SOCIAL RESPONSIBILITY

Human Resources and Marketing and Communications units are the custodian of the social responsibility initiatives, which enables the W&RSETA to assist disadvantaged members of society through social initiatives to making an impact in the lives

of vulnerable people, thus creating long-term benefits to the communities without expecting any direct financial returns.

W&RSETA social responsibility programmes promote volunteerism/community activism, which includes the donation programme. The units refine programmes into projects and coordinate meetings to discuss the projects for each financial year. This is done through the governance structure (committee) with representation in all provincial offices.

The W&RSETA head office has adopted Steve Tshwete Secondary School and the provincial offices are encouraged to do likewise, as adoption of a nearby centre or institution helps to ensure that the impact is meaningful.





15. AUDIT COMMITTEE REPORT

MR KGOALE MAJA

AUDIT COMMITTEE REPORT

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

BACKGROUND

The Audit Committee is a subcommittee of a company's board of directors responsible for overseeing the financial reporting process, Internal Audit activities, and the system of internal controls. The Audit Committee is a statutory committee of the W&RSETA Board, responsible for its statutory duties, and also a subcommittee of the Board for all other duties assigned to it by the Board. It consists of six (6) members, four (4) of whom are independent non-executive members and two (2) member representatives from the Board

The Audit Committee's primary role is to ensure the integrity, accuracy, and transparency of a company's financial statements and compliance with relevant laws and regulations. Moreover, the Audit Committee assists the W&RSETA Board in fulfilling its responsibility of risk management, fraud prevention, ethics, compliance with laws, codes, standards and regulations and business continuity by ensuring that management identifies significant risks associated with the environment within which the W&RSETA operates and develops a framework for managing and mitigating these risks

AUDIT COMMITTEE RESPONSIBILITY

We have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 51(1)(a)(ii) of the Public Finance Management Act, Act No.1 of 1999 and National Treasury Regulation 27.1. We Further report that we have conducted our affairs and discharged our responsibilities in accordance with the approved Charter.

INTERNAL AUDIT

We are satisfied that the Internal Audit function is operating effectively and that it has addressed the risk pertinent to the entity in its audits. The Internal audit completed their 2024/25 annual plan as approved by the Audit Committee.

We have met with Internal Audit function during the year to ensure that the function is executed effectively and objectively (from management).

We are satisfied with the content and quality of quarterly reports prepared and issued by the internal auditors of the entity during the year under review.

REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

During the period under review, the following activities were undertaken and demonstrate the commitment of the Audit Committee to achieve its mandate:

- Updated the Audit Committee Charter and Workplan.
- Considered and approved the Internal Audit Charter and Strategy.
- Considered and approved the Internal Audit Plans and monitored implementation thereof through the quarterly reports and made recommendations as appropriate.
- Reviewed the effectiveness of the Internal Audit function, through the assessment of quarterly reports submitted to the committee; ensured that the internal auditors are independent and objective and have ensured that the unit is adequately resourced to discharge its duties.
- Considered strategic and operational risk registers as part of the risk management process.
- Considered performance and financial reports and made recommendations, as appropriate.
- Considered ICT governance issues and alignment to applicable legislation.
- Monitored compliance with policies and applicable legislation.
- Conducted separate confidential and in-committee meetings with management, internal and external audit; and
- Reviewed external audit plans, fees, independence and reports and management's follow-up of matters requiring attention.

EFFECTIVENESS OF INTERNAL CONTROLS

The control system provides reasonable, but not absolute assurance that the entity's assets are safeguarded, that transactions are authorised and recorded properly, and that material errors and irregularities are either prevented, detected, or corrected on time. These controls are monitored throughout the organisation by management and employees, with the necessary delegation of authority and segregation of duties.

Based on the independent oversight provided including, the supporting reports provided by the internal audit function and the AGSA, the members of the Audit Committee appraised management by implementing controls to mitigate the identified weaknesses in the organisation. Areas where management have implemented controls to reduce the and failings were noted as follows:

- There has been a vast improvement within the organisation with the reported annual performance, which improved from 31% in 2018/2019 to 94% in 2024/2025.
- The organisation received a qualified audit opinion which emanated from weaknesses in the accruals process. The Audit Committee has noted an improvement in the control environment because management has implemented controls to mitigate the gaps.
- Audit Committee provided oversight and ensured that management accounted on the critical risk which the organisation was faced with about the ICT environment whereby their controls have been fully implemented within the ICT space for the past two years

The following were areas of concern ,based on the reports provided by the internal audit function and the AGSA, the members of the Audit Committee observed some weaknesses in the organisation's existing system of internal controls and noted that the system's effectiveness requires further improvement. Areas impacting the control environment were indicated as follows:

- Weaknesses in the monitoring and verification processes (projects management).
- Weakness in the certification of learners processes
- Errors in the reported performance information
- Inaccurate commitment balance are being reported
- Weaknesses on the automated commitment register.

The Audit Committee is satisfied that the internal audit provided assurance on governance, risk management and control processes, leading to an improved AGSA audit opinion. The Chief Audit Executive completed 100% of the planned audits annually. The completed reviews covered the following areas:

- Draft Annual Financial Statements
- Draft Annual Performance Report
- Management Accounts
- Commitments Register
- Supply Chain Management
- Internal Financial Control
- DG Implementation
- Mandatory Grants

- Certification Process
- Monitoring and Verification
- Quarterly Performance Information
- Draft Annual Performance Plan
- Administration of Contracts
- Training and Development
- Communications Process
- IT General Controls
- IT Security

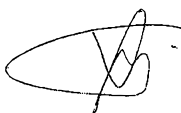
Follow up of internal and AGSA findings.

EVALUATIONS OF FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

We have:

- Reviewed and discussed with the AGSA the audited financial statements to be included in the Annual Report.
- Reviewed the accounting policies and practices as reported in the Annual Financial Statements and confirmed that these were appropriate.
- Reviewed compliance of the annual financial statements with the accounting standards and legal requirements.
- Reviewed the annual performance report.
- Reviewed the Auditor-General's management report and management's responses thereto.
- Reviewed and discussed the Auditor-General's opinion, and
- Reviewed and confirmed the independence of the external auditors with respect to non-audit services.

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Mr K Maja

Chairperson of the Audit Committee

W&RSETA

31 July 2025

16. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

HAS THE DEPARTMENT / PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO THE FOLLOWING:		
CRITERIA	RESPONSE YES / NO	QUALIFICATIONS
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The criteria is not applicable for W&RSETA
Developing and implementing a preferential procurement policy?	Yes	The approved SCM policy has considered the provisions of the Preferential Procurement Policy Framework Act
Determining qualification criteria for the sale of state-owned enterprises?	No	The criteria is not applicable for W&RSETA
Developing criteria for entering into partnerships with the private sector?	Yes	A policy has been developed to establish an accountable, fair and transparent framework for the approval and management of programmes, projects, special projects and partnerships funded through discretionary grants
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The criteria is not applicable for W&RSETA



PART D HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

INTRODUCTION

The W&RSETA takes pride in being the employer of choice and is dedicated to developing and implementing an Employee Value Proposition that enhances the employment experience from entry to exit. This is achieved by providing equal opportunities for growth, continuous learning and development, exciting and rewarding career opportunities, employee wellness and support, robust employee engagement, a conducive working environment, and effective employee performance management. To give expression to its employee value proposition, the W&RSETA developed the Human Resources Management & Development Strategy with a five-year outlook, which is reviewed and aligned with broader organisational strategies and objectives on an annual basis.

1.1 OVERVIEW OF HUMAN RESOURCES MATTERS.

STAFF COMPLEMENT AND WORKFORCE PLANNING

As at the end of the 2024/25 financial year, the organisation employed a total of 242 staff members out of 303 positions in the organisational structure. The W&RSETA employees are distributed across 10 regional and provincial offices, which constitute the organisation's national footprint. The current occupancy levels in the organisational structure ensure that there is sufficient capacity to fulfil the organisation's mandate and service delivery requirements.

During the period under review, the organisation prioritised, funded, and filled eight critical positions. This aligns with the phased approach to the implementation of the organisational structure, guided by the available funding.

In response to the government's national priority of tackling youth unemployment, the W&RSETA has been hosting graduates over the past four financial years as part of the Work Integrated Learning programme. In the 2024/25 financial year, the organisation hosted 15 graduates from various fields of study. The organisation absorbed some of the graduates into the internship programme, while others secured employment opportunities elsewhere upon completion.

ORGANISATIONAL DEVELOPMENT – HR POLICY REVIEW

In the 2024/25 year, the organisation began the process of reviewing all Human Resources Policies, which are reviewed every three years. Seven out of 18 HR policies were reviewed and approved by the Board, with the remaining policies scheduled for review in the next financial year. Human resources policies are key in shaping the culture of the organisation and create a platform for consistency and transparency in managing people matters in a fair and just manner.

EMPLOYEE TRAINING & DEVELOPMENT

Every financial year, the W&RSETA prepares and submits its Workplace Skills Plan to ETDP SETA, outlining the planned training and interventions for that specific year. This plan then guides the rollout of training within the organisation. In 2024/25, a total of 230 employees were trained in various skills programmes and interventions. Notably, mentorship and coaching were provided for both middle management and senior management. In addition to short courses and skills programmes, the W&RSETA approved study assistance for 76 employees pursuing full qualifications with tertiary institutions.

HR & PAYROLL SYSTEM – HR MANAGEMENT INFORMATION SYSTEM

The HR System upgrade project was at 95% completion by the end of the 2024/25 financial year. This project included upgrading the payroll management solution and automating human resources business processes, such as employee performance management, recruitment, and selection.

EMPLOYEE HEALTH AND WELLNESS PROGRAMME

The W&RSETA has an innovative, holistic and all-inclusive programme designed to support employees and their immediate family members facing personal and social challenges. The primary aim of the programme is to support employees on both personal and work-related issues, aiming to improve employee productivity at work and reduce absenteeism and presenteeism. In implementing the employee wellness programme, the W&RSETA engaged the services of an independent wellness provider (Health 1st). The programme positively influences the workforce by affecting employees' commitment to their work, attendance, job performance, and overall staff morale within the organisation.

FUTURE HR PLANS/GOALS:

The future plans for the human resources function include the following:

- Finalise HR Policy reviews
- Prioritisation and funding of new positions
- Mentoring and Coaching programme for management.
- Finalise automation of the employee performance management system.
- Conduct an Employee Climate survey.

2. HUMAN RESOURCE **OVERSIGHT STATISTICS**

The tables below show the personnel expenditures per programme, cost per salary band, average salary per employee, rewards and training costs. The tables also show approved posts and vacancies. Provide reasons for variances.

PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

PROGRAMME/ACTIVITY/OBJECTIVE	PERSONNEL EXPENDITURE R	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE %	NUMBER OF EMPLOYEES #	AVERAGE PERSONNEL COST PER EMPLOYEE R
Programme 1-CEO, Risk, CCSE, SPPE Exec, IT, Fin, IC, IA & SCM	62 639 370.40	36	69	907 816.96
Programme 2-SSP&R	2 797 337.16	2	2	1 398 668.58
Programme 3-Operations	96 264 303.16	56	181	531 846.98
Programme 4-SPPE	107 07 989.28	6	10	1 070 798.93
Total	172 409 000.00	100	262	658 049.62

PERSONNEL COST BY SALARY BAND

	PERSONNEL EXPENDITURE R	PERSONNEL EXPENDITURE AS A % OF TOTAL PERSONNEL COST %	NUMBER OF EMPLOYEES #	AVERAGE PERSONNEL COST PER EMPLOYEE R
Top Management	14 822 541.60	9	7	2 117 505.94
Senior Management	14 759 252.76	9	10	1 475 925.28
Professional Qualified	50 911 861.56	30	44	1 157 087.76
Skilled	73 703 795.20	43	131	562 624.39
Semi-Skilled	14 757 865.12	9	55	268 324.82
Unskilled	3 453 683.76	2	15	230 245.58
Total	172 409 000.00	100	262	658 049.62

PERFORMANCE REWARDS

	PERFORMANCE REWARD R	PERSONNEL EXPENDITURE R	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COSTS %
Top Management	1 164 592.94	14 822 541.60	0,68
Senior Management	821 895.11	14 759 252.76	0,48
Professional Qualified	2 188 915.72	50 911 861.56	1,27
Skilled	3 415 199.88	73 703 795.20	1,98
Semi-Skilled	650 333.03	14 757 865.12	0,38
Unskilled	169 695.61	3 453 683.76	0,10
Total	8 410 632.29	172 409 000.00	4,88

TRAINING COSTS

OCCUPATIONAL LEVELS	PERSONNEL EXPENDITURE R	TRAINING EXPENDITURE R	TRAINING EXPENDITURE AS A % OF TOTAL PERSONNEL COST %	NUMBER OF EMPLOYEES #	AVERAGE TRAINING COST PER EMPLOYEE R
Head Office	76 579 072.96	1 478 189.75	1,93	125	11 825.52
Regions	95 829 927.04	1 694 552.46	1,77	105	16 138.59
Total	172 409 000.00	3 172 742.21	3,70	230	27 964.11

EMPLOYMENT AND VACANCIES

SALARY BAND	2023/2024 NO. OF EMPLOYEES	2024/2025 APPROVED POSTS	2024/2025 NO. OF EMPLOYEES	2024/2025 VACANCIES	% OF VACANCIES
Top Management	7	7	7	0	0
Senior Management	8	8	8	0	0
Professional qualified	38	28	36	8	3,44
Skilled	123	93	125	32	7
Semi-skilled	48	152	51	101	7,83
Unskilled	15	15	15	0	0
Total	239	303	242	61	6,76

The above table show that 61 posts are vacant and its worth mentioning that these are largely posts that not funded and are as a result of structural process reviews.

EMPLOYMENT CHANGES

While the SETA suffered a great loss where nearly forty (40) employees left, the situation this year has stabilised and terminations are half when compared to the previous year's number.

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	7	0	0	7
Senior Management	8	1	1	8
Professional qualified	38	5	7	36
Skilled	123	8	6	125
Semi-skilled	48	6	3	51
Unskilled	15	1	1	15
Total	239	21	18	242

REASONS FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NUMBER OF STAFF LEAVING
Resignation	11	4,5%
Dismissal	6	2,47%
Retirement	1	0,41%
Total	18	7,38%

The table above depicts that terminations, for the year under review, are at 7.38 percent and the main contributors are resignations and dismissals.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

REASON	NUMBER
Verbal Warning	9
Written Warning	2
Final Written warning	1
Dismissal	6
Total	18

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

On the equity front, the SETA has an overrepresentation of women (at 68 %) when compared with males (at 32%). HR, however, has developed a three (3) year plan to address this gap. Seeing that plan is biased towards males, recruitment reports are starting to show the positive results. More especially, the SETA has improved from a ratio of 70: 30 (Female to Male).

LEVEL	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	4	4	0	0	0	0	0	0
Senior Management	10	5	1	1	1	0	0	0
Professional qualified	14	11	0	2	0	1	0	0
Skilled	34	44	0	5	1	3	0	4
Semi-skilled	7	58	0	5	0	2	0	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	69	122	1	13	2	6	0	6

LEVEL	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	2	2	0	0	0	0	1	1
Senior Management	7	3	0	1	0	0	1	1
Professional qualified	9	6	1	2	0	0	0	1
Skilled	86	44	3	5	2	3	1	4
Semi-skilled	42	56	0	10	0	3	0	2
Unskilled	14	10	1	3	0	1	0	1
TOTAL	160	121	5	21	2	7	3	10





PART E PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. IRREGULAR EXPENDITURE

A) RECONCILIATION OF IRREGULAR EXPENDITURE

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Opening balance	93 368	88 858
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	33	4 510
Less: Irregular expenditure condoned	-23 238	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable ²	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	70 163	93 368

RECONCILING NOTES

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	33	4 510
Total	33	4 510

B) DETAILS OF IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Irregular expenditure under assessment	0	46 770
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total		46 770

C) DETAILS OF IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Irregular expenditure condoned	23 238	0
Total	23 238	0

D) DETAILS OF IRREGULAR EXPENDITURE REMOVED – (NOT CONDONED)

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

E) DETAILS OF IRREGULAR EXPENDITURE RECOVERABLE

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Irregular expenditure recoverable	0	0
Total	0	0

F) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Irregular expenditure written off	0	0
Total	-	-

ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS

G) DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS NOT RESPONSIBLE FOR THE NON-COMPLIANCE)

DESCRIPTION
-

H) DETAILS OF IRREGULAR EXPENDITURE WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS RESPONSIBLE FOR THE NON-COMPLIANCE)

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
	-	-
Total	-	-

I) DETAILS OF DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

DESCRIPTION
-

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Opening balance	0	334
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	179	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	(140)
Closing balance	179	194

RECONCILING NOTES

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year		
Fruitless and wasteful expenditure for the current year		
Total		

B) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination		
Fruitless and wasteful expenditure under investigation		
Total		

C) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE RECOVERABLE

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure recoverable		
Total		

D) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERABLE AND WRITTEN OFF

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure written off	0	140
Total	0	140

E) DETAILS OF DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

DISCIPLINARY STEPS TAKEN
-

1.3. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III))

A) DETAILS OF MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Theft		
Other material losses		
Less: Recoverable		
Less: Not recoverable and written off		
Total		

B) DETAILS OF OTHER MATERIAL LOSSES

DESCRIPTION	2024/2025 R'000	2023/2024 R'000

C) OTHER MATERIAL LOSSES RECOVERABLE

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Total		

D) OTHER MATERIAL LOSSES NOT RECOVERABLE AND WRITTEN OFF

DESCRIPTION	2024/2025 R'000	2023/2024 R'000

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

DESCRIPTION	2024/2025 R'000	2023/2024 R'000
Valid invoices received		
Invoices paid within 30 days or agreed period		
Invoices paid after 30 days or agreed period		
Invoices older than 30 days or agreed period (unpaid and without dispute)		
Invoices older than 30 days or agreed period (unpaid and in dispute)		

3. SUPPLY CHAIN MANAGEMENT

3.1. PROCUREMENT BY OTHER MEANS

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Total				

3.2. CONTRACT VARIATIONS AND EXPANSIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE R'000	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S R'000	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R'000
Total						



PART F FINANCIAL INFORMATION

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

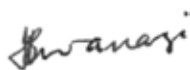
The Accounting Authority has reviewed the entity's cash flow forecast for the period to 31 March 2026 and, in the light of this review and the current financial position, he is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The W&RSETA is wholly dependent on the skills levies for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Authority are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 3.

The annual financial statements set out on page 3, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2025 and were signed on its behalf by:



Mr T Mkhwanazi
Accounting Authority

REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Wholesale and Retail the Sector Education and Training Authority (W&RSETA) set out on pages 81 to 125, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the W&RSETA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

BASIS FOR OPINION

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

EMPHASIS OF MATTER

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

RESTATEMENT OF CORRESPONDING FIGURES

7. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2025.

SUBSEQUENT EVENT

8. We draw attention to note 33 in the financial statements, which deals with subsequent events and specifically the possible effects of loss on the public entity. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

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

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 80, forms part of our auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

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

PROGRAMME	PAGE NUMBERS	PURPOSE
Programme 2: Skills Planning and Research	30	To provide key inputs in advancing skills development in the sector.
Programme 3: Learning Programmes and Projects	31-34	To contribute to addressing the HTFVs identified in the SSP and reducing HTFVs in the wholesale and retail sector through the provisioning of quality learning programmes.
Programme 4: Quality Assurance	35	To execute the QCTO delegated quality assurance functions with regards to the accreditation of training providers, registration of assessors, facilitators, and moderators, evaluation of assessments and facilitation of moderation.

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

17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
18. I did not identify any material findings on the reported performance information for the selected programmes.

OTHER MATTER

19. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.
21. The table that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 29 to 36.

Programme 3: Learning Programmes and Projects

Targets achieved: 90.91%

Budget spent: 83%

KEY INDICATORS NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
Number of unemployed learners completing learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.	5145	4228
Number of employed learners completing learning programmes addressing Key Skills Priority Areas as identified in the W&RSETA SSP per annum.	4850	3801

REPORT ON COMPLIANCE WITH LEGISLATION

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

ANNUAL FINANCIAL STATEMENTS

26. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.
27. Material misstatements of related parties, cash and cash equivalents, irregular expenditure and prior period error identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

OTHER INFORMATION IN THE ANNUAL REPORT

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

29. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
30. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
33. The matters reported below are limited to the significant internal control deficiencies that resulted in material findings on compliance with legislation included in this report.
34. Management did not implement adequate internal controls to ensure the preparation of accurate financial statements as material misstatements were identified that resulted in non-compliance with legislation.
35. Management did not implement controls over daily and monthly processing and reconciling of transactions.
36. Management did not review and monitor compliance with applicable laws and regulations.

Auditor - General

Auditor-General

Pretoria

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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

FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE.

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

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

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTION, REGULATION OR PARAGRAPH
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note(s)	2025 R'000	2024 Restated* R'000
ASSETS			
CURRENT ASSETS			
Inventories	8	-	453
Receivables from exchange transactions	9	169 915	102 015
Receivables from non-exchange transactions	10	11 382	3 967
Cash and cash equivalents	11	1 998 855	2 482 918
		2 180 152	2 589 353
NON-CURRENT ASSETS			
Property, plant and equipment	3	15 120	18 812
Intangible assets	4	119	1 159
		15 239	19 971
Total Assets		2 195 391	2 609 324
LIABILITIES			
CURRENT LIABILITIES			
Finance lease obligation	13	1 030	1 030
Operating lease liability	5	1 156	3 231
Payables from exchange transactions	6	18 805	23 975
Payable from non-exchange transactions	7	279 733	562 388
Unspent conditional grants and receipts	14	5 214	5 214
Provisions	15	57 257	102 319
Bank overdraft	11	1 542	300
		364 737	698 457
NON-CURRENT LIABILITIES			
Finance lease obligation	13	372	1 359
Total Liabilities		365 109	699 816
Net Assets		1 830 282	1 909 508
RESERVES			
Administration reserve		15 239	19 971
Discretionary grant reserve	12	1 815 043	1 889 537
Total Net Assets		1 830 282	1 909 508

* See Note 30

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 R'000	2024 Restated* R'000
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Other income	17	350	251
Interest received - investment	18	212 562	198 880
Total revenue from exchange transactions		212 912	199 131
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Levies	20	1 671 341	1 581 018
Total revenue	16	1 884 253	1 780 149
EXPENDITURE			
Employee related costs	21	(172 409)	(167 570)
Loss on interest income	22	(21 757)	-
Depreciation and amortisation	23	(9 826)	(11 422)
Employer grants paid	19	(1 662 676)	(2 094 378)
Loss on disposal of assets and liabilities		(233)	(137)
General Expenses	24	(96 578)	(102 462)
Total expenditure		(1 963 479)	(2 375 969)
Deficit for the year		(79 226)	(595 820)

* See Note 30

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

	EMPLOYER GRANTS R'000	ADMINISTRATION RESERVE R'000	DISCRETIONARY GRANT RESERVE R'000	TOTAL RESERVES R'000	ACCUMULATED SURPLUS/DEFICIT R'000	TOTAL NET ASSETS R'000
Balance at 01 April 2023	-	16 456	2 488 874	2 505 330	-	2 505 330
<i>Changes in net assets</i>						
Allocation of accumulated Surplus	126 169	994	(397 784)	(270 621)	-	(270 621)
Excess reserves transferred to discretionary reserves	(126 169)	2 521	123 648	-	-	-
Net income (losses) recognised directly in net assets	-	3 515	(274 136)	(270 621)	270 621	-
Surplus for the year	-	-	-	-	(270 621)	(270 621)
Total recognised income and expenses for the year	-	3 515	(274 136)	(270 621)	-	(270 621)
Total changes	-	3 515	(274 136)	(270 621)	-	(270 621)
Opening balance as previously reported	-	19 971	2 214 738	2 234 709	-	2 234 709
<i>Adjustments</i>						
Correction of errors - Note 30	7 918	(2 539)	(330 580)	(325 201)	325 201	-
Transfer to discretionary reserves	(7 918)	2 539	5 379	-	(325 201)	(325 201)
Restated* Balance at 01 April 2024 as restated*	-	19 971	1 889 537	1 909 508	-	1 909 508
<i>Changes in net assets</i>						
Allocation of Accumulated Surplus	116 874	10 308	(206 408)	(79 226)	79 226	-
Excess reserves transferred to discretionary reserves	(116 874)	(15 040)	131 914	-	-	-
Net income (losses) recognised directly in net assets	-	(4 732)	(74 494)	(79 226)	79 226	-
Surplus / (Deficit) for the period ended 30 September 2024	-	-	-	-	(79 226)	(79 226)
Total recognised income and expenses for the year	-	(4 732)	(74 494)	(79 226)	-	(79 226)
Total changes	-	(4 732)	(74 494)	(79 226)	-	(79 226)
Balance at 31 March 2025	-	15 239	1 815 043	1 830 282	-	1 830 282
Note(s)						

* See Note 30

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 R'000	2024 Restated* R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Levies		1 658 665	1 559 175
Penalties and interest		12 676	21 843
Other income		350	251
Interest income		143 561	194 499
		1 815 252	1 775 768
PAYMENTS			
Mandatory grants		(248 797)	(251 586)
Discretionary grants		(1 750 200)	(1 427 753)
Compensation to employees		(170 490)	(170 573)
Suppliers and others		(102 999)	(109 028)
		(2 272 486)	(1 958 940)
Net cash flows from operating activities	25	(457 234)	(183 172)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, and equipment	3	(5 360)	(15 073)
Proceeds from sale of property, plant, and equipment	3	33	-
Loss on interest income		(21 757)	-
Net cash flows from investing activities		(27 084)	(15 073)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(987)	(125)
Net increase/(decrease) in cash and cash equivalents		(485 305)	(198 370)
Cash and cash equivalents at the beginning of the year		2 482 618	2 680 988
Cash and cash equivalents at the end of the year	11	1 997 313	2 482 618

The accounting policies on pages 86 to 103 and the notes on pages 104 to 115 form an integral part of the annual financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

	APPROVED BUDGET R'000	ADJUSTMENTS R'000	FINAL BUDGET R'000	ACTUAL AMOUNTS ON COMPARABLE BASIS R'000	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL R'000	REF.
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Other income	-	-	-	350	350	37
Interest received - investment	203 312	52 000	255 312	212 562	(42 750)	37
Total revenue from exchange transactions	203 312	52 000	255 312	212 912	(42 400)	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
TRANSFER REVENUE						
Administration SDL income	202 065	-	202 065	233 527	31 462	37
Discretionary SDL income	952 596	-	952 596	1 026 263	73 667	37
Mandatory SDL income	384 887	-	384 887	398 875	13 988	37
Interest and penalties	26 351	-	26 351	12 676	(13 675)	37
Total revenue from non- exchange transactions	1 565 899	-	1 565 899	1 671 341	105 442	
Total revenue	1 769 211	52 000	1 821 211	1 884 253	63 042	
EXPENDITURE						
Employee Cost Administration	(102 153)	-	(102 153)	(94 825)	7 328	
Employee Cost Project	(82 774)	-	(82 774)	(77 584)	5 190	
Depreciation and amortisation	(12 580)	2 000	(10 580)	(9 826)	754	
Employer grants	(384 887)	-	(384 887)	(282 001)	102 886	37
Discretionary grant	(1 652 855)	(34 620)	(1 687 475)	(1 328 835)	358 640	37
General Expenses	(87 332)	(17 000)	(104 332)	(96 578)	7 754	
Other Project related expenses	(51 241)	(2 380)	(53 621)	(51 840)	1 781	
Total expenditure	(2 373 822)	(52 000)	(2 425 822)	(1 941 489)	484 333	
Operating deficit	(604 611)	-	(604 611)	(57 236)	547 375	
Loss on disposal of assets and liabilities	-	-	-	(233)	(233)	
Loss on interest income	-	-	-	(21 757)	(21 757)	22
	-	-	-	(21 990)	(21 990)	
Deficit before taxation	(604 611)	-	(604 611)	(79 226)	525 385	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(604 611)	-	(604 611)	(79 226)	525 385	
RECONCILIATION						

ACCOUNTING POLICIES

1. ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATION

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

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

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

These accounting policies are consistent with the previous period.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the W&RSETA.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared based on the expectation that the W&RSETA will continue to operate as a going concern for the next 12 months.

1.4 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

SIGNIFICANT JUDGEMENTS INCLUDE:

IMPAIRMENT TESTING

Management makes estimates and judgements with regards to the impairment of non-cash generating assets. Management considers the subsequent measurement criteria and indicators of potential impairment as indicated in the GRAP statements. If an indication exists, then management determines the recoverable amount.

ESTIMATION OF USEFUL LIVES AND RESIDUAL VALUE.

Management considers the impact of technology, and the condition of the asset. The estimation of residual values of assets is based on management's judgement whether the asset will be sold or will be used to the end of their useful lives and in what condition the assets will be at the time. Management is of the opinion that all other assets of the W&RSETA that will not be disposed of, have a useful life that is equal to the economic life of the assets. Management, therefore, considers the residual value not to be materially significant.

PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions.

EFFECTIVE INTEREST RATE

The W&RSETA used the prime interest rate to discount future cash flows.

ALLOWANCE FOR DOUBTFUL DEBTS

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

IMPAIRMENT OF STATUTORY RECEIVABLES

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the W&RSETA measures an impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the W&RSETA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the W&RSETA discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

1.5 PROPERTY, PLANT AND EQUIPMENT

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the W&RSETA; and
- the cost of the item can be measured reliably.
- Property, plant and equipment is initially measured at cost.

- Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.
- Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	10 - 15 years
Office equipment	Straight-line	5 - 7 years
IT equipment	Straight-line	3 - 5 years
Computer software	Straight-line	3 years
Leasehold improvements	Straight-line	Over the lease term
Project Assets - Office equipment	Straight-line	5 - 7 years
Projects Assets - Computer equipment	Straight-line	3 - 5 years
Office equipment- Finance lease	Straight-line	Over the lease term

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the W&RSETA. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The W&RSETA assesses at each reporting date whether there is any indication that the W&RSETA expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the W&RSETA revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

The W&RSETA discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

1.6 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the W&RSETA or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

The W&RSETA assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	3 years or subject to licence period
Computer software, other	Straight-line	3 years or subject to licence period

The W&RSETA discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

1.7 FINANCIAL INSTRUMENTS

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

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A financial asset is:

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

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

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

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

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

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

FINANCIAL ASSETS

- All financial assets of the entity are categorised as financial assets at amortised costs. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

CASH AND CASH EQUIVALENTS

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

RECEIVABLES FROM EXCHANGE TRANSACTIONS

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

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

- Receivables from non-exchange transactions are statutory receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.
- These receivables are accounted for at cost and measured at their transaction amount, plus any other charges (where applicable) and, less any accumulated losses and any amounts derecognised. Mandatory grants receivables are regarded as statutory receivables. W&RSETA is compelled by legislation to pay registered employers in the sector that comply with the requirements of Annexure II of the Grant Regulations. Mandatory grants are then paid based on previous quarter paid by W&RSETA becoming receivable/recoverable. Receivables are recovered through future payments.
- The W&RSETA does not **charge** interest on mandatory receivables because the collecting agent (SARS) charges interest on late payments of levies.
- The W&RSETA assesses at each reporting date whether there is any indication that receivables from non-exchange maybe impaired.

IMPAIRMENT OF FINANCIAL ASSETS

- Financial assets are assessed for indicators of impairment at each reporting date.
- Financial assets are impaired whether there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, an impairment loss is recognised when the following occurs:
 - recovery of the receivable would be uneconomical;
 - recovery of the receivable would cause undue hardship to the debtor or his/her dependant; and
 - it would be to the advantage of the W&RSETA to effect a settlement of the claim or to waive the claim.
- In addition, the following criteria is used to provide for impairment of outstanding receivables:
 - receivables not recovered from institutions or service providers that have been liquidated and the claims against the assets finalised.
 - receivables not recovered from deceased employees, where their estates have been finalised, and recovery of the debts from the heirs is not possible.
 - receivables owed by debtors that cannot be traced.
 - receivables where no source documentation is available to substantiate or prove the claims, provided that the CEO must have satisfied him/herself that all reasonable steps have been taken to locate the source documents.
 - receivables where the debtors have emigrated without paying the debts, leaving no assets available for attachment, and the debtors to pursue such debts.
- The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

FINANCIAL LIABILITIES

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

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity
- all financial liabilities of the entity are classified as financial liabilities at amortised cost. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

TRADE AND PAYABLES FROM EXCHANGE TRANSACTIONS

- Trade payables are initially recognised at fair value plus transactions costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest method. Trade payables are recognised including VAT included.

PAYABLES FROM NON-EXCHANGE TRANSACTIONS

- Payables from non-exchange transactions are statutory payables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.
- The W&RSETA is compelled by legislation to pay registered employers in the sector that comply with the requirements of Annexure II of the Grant Regulations. Mandatory grants are the paid based on previous quarter levies received.

FINANCIAL LIABILITIES AT FVTPL (FAIR VALUE THROUGH PROFIT OR LOSS)

- Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated FVTPL.

All financial liabilities of the W&RSETA were classified as other financial liabilities.

OTHER FINANCIAL LIABILITIES

- Other financial liabilities are initially measured at fair value, net of transactions costs.
- Other financial liabilities are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis.
- Any liabilities

1.8 STATUTORY RECEIVABLES

IDENTIFICATION

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the Statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

RECOGNITION

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

INITIAL MEASUREMENT

The entity initially measures statutory receivables at their transaction amount.

SUBSEQUENT MEASUREMENT

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

IMPAIRMENT LOSSES

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

1.9 TAX

CURRENT TAX ASSETS AND LIABILITIES

No provision has been made for taxation as the W&RSETA is exempt from income tax in terms of section 10 of the Income Tax Act (Act 58 of 1962).

1.10 LEASES

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

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

FINANCE LEASES - LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the W&RSETA's borrowing rate..

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

OPERATING LEASES - LESSEE

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

1.11 INVENTORIES

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

1.12 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.13 EMPLOYEE BENEFITS

IDENTIFICATION

EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered services to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that services:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absence is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

POST-EMPLOYMENT BENEFITS

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

1.14 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.15 COMMITMENTS

Commitments are disclosed where W&RSETA, in the normal course of operations, entered into contractual agreements with entities relating to grants or where there is a contractual letter of award. Commitments are measured at the amount the entity would pay to settle future obligations as per contractual relationship with the beneficiaries. Commitments are included in the disclosure note to the financial statements.

Commitments are derecognised when either the grant programmes are terminated through a signed termination agreement, or when the contractual obligation is fully paid.

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

Contractual commitments on discretionary grants are balances on contracts for work to be delivered on discretionary grants contracts-in-progress at the reporting date. The contracts are entered into with service providers and stakeholders for delivery of education, training and skills development initiatives.

1.16 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the W&RSETA and those benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Interest received is accrued on a time proportion bases, taking into account the principal outstanding and effective interest rate over the periods to maturity.

SALE OF GOODS

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

RENDERING OF SERVICES

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Stage of completion of the transaction at the reporting date can be measured reliably.

1.17 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

1.19 IRREGULAR EXPENDITURE

National Treasury note no.5 of 2022/2023 which was issued in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA requires the following (effective 03 January 2023)

Irregular expenditure previously disclosed (historical cases) in the annual financial statement and not addressed must remain in the irregular expenditure register and the annual report.

Irregular expenditure disclosed in the annual financial statements in the previous financial year must be disclosed as a comparative amount in the annual financial statements. Irregular expenditure that is incurred in the current year will be disclosed in the annual financial statements.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

The National Treasury therefore advises the entity as follows:

The current framework prohibits the removal of the irregular expenditure from the notes to the financial statements if cases are pending the final outcome whether from internal/external investigations and/or SAPS this relates to fraudulent, corrupt or criminal cases;

The entity must ensure that follow-ups are made with SAPS to ascertain any losses that may be incurred and if losses are confirmed, update their receivable, and recover the amounts of losses determined;

Update the irregular expenditure register to indicate the progress of the case; and

Retain all the relevant supporting documents pertaining to this case.

Notwithstanding the contents above, historical cases of irregular expenditure must be recorded in the registers and a narrative to this effect provided in PART E of the annual report dealing with the PFMA Compliance Reporting. Such cases will not be reflected in the notes to the annual financial statements. The note has been amended to only cases of irregular expenditure that-

- were under assessment in the previous financial year;
- cases that were not identified in the previous financial year; and
- irregular expenditure incurred in the current year that will be the financial year 2024/2025.

1.20 GENERAL EXPENDITURE

The general expenditure is the cost incurred for the day to day running of the W&RSETA operations, and does not take into account the project expenditure (discretionary grant) and mandatory grant costs incurred.

The W&RSETA recognises the general expenditure when there is a decrease in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets.

The W&RSETA presents each general expenditure line item by nature separately in the notes to the Annual Financial Statements. The amounts are initially and subsequently measured at cost and presented on an accrual basis in the accounting period when they are incurred.

1.21 BUDGET INFORMATION

W&RSETA are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by W&RSETA shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

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

The budget for the economic entity includes all the entities approved budgets under its control.

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

1.22 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

The W&RSETA is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the W&RSETA to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

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

1.23 EVENTS AFTER REPORTING DATE

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

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

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

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

1.24 COMPARATIVE FIGURES

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

1.25 RESERVES

A registered employer may recover up to a maximum of 69.5% per year of its total levy payment as a mandatory employer grant (excluding interest and penalties) and discretionary grants by complying with the grant criteria in accordance with the Skills Development Act, (Act 97 of 1998) as amended and SETA Grant Regulations regarding monies received and related matters.

MANDATORY GRANTS

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

DISCRETIONARY PROJECT EXPENDITURE

The SETA may, out of surplus mandatory, administrative or discretionary levies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the SETA Accounting Authority. 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.

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

Project expenditure comprise:

- costs that relate directly to the specific project;
- costs that are attributable to the project activity in general and can be allocated to the project;
- such other costs as are specifically chargeable to the SETA under the terms of the project; and
- such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

RETROSPECTIVE ADJUSTMENTS BY SARS

The SETA refunds amounts to employers in the form of mandatory 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 as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

Unconditional grants disturbed towards National Skills Fund (NSF) for Technical and Vocational Education and Training (TVET) College infrastructure development.

In terms of Skills Development Circular No. 08/2013 Seta's are required to contribute funds towards the NSF for TVET college infrastructure development. Funding agreements between the NSF and each individual SETA outline the details of the SETA's contribution as per the Skills Development Circular. There are no conditions or restrictions for the Seta and the funding is not refundable.

The TVET college infrastructure development payment is treated as a non-exchange transaction and is recognised as an expense in the period that the payment is incurred or when the funding becomes payable by the SETA as outlined in the funding agreement, whichever occurs first. A contractual obligation is triggered on the date that the funding agreement is signed and a liability is recognised to the extent of the amount outstanding.

Net Assets are classified, based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act (Act 97 of 1998) as follows:

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

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of 2023:

Of the 100% receivable from the employer:

- 80% is received by the SETA
- 20% is contributed to the National Skills Fund

Of the 80% received by the SETA

- Administration costs of the SETA 10.5%
- Employer grant fund levy 20%
- Discretionary grants and projects 49.5%

In addition, other income, interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

Surplus funds in the administration and unallocated funds in the employer grant reserves are transferred to the discretionary fund reserve.

Provision is made in the administration reserve to cover the net asset value of non-current assets. A further provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date. Net Assets are classified, based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act (Act 97 of 1998) as follows:

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Surplus funds in the administration and unallocated funds in the employer grant reserves are transferred to the discretionary fund reserve.

Provision is made in the administration reserve to cover the net asset value of non-current assets. A further provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when the financial statements for those periods were authorised for issue; and could reasonably be expected to have been obtained and taken into account in the preparation of those financial statements.

Prior period errors must be made in the recognition, measurement, presentation and disclosure of information in the entity's financial statements.

Restrospective application will be applied for all errors discovered in subsequent period. These errors will be corrected by:

Restating the comparative amounts for the prior period(s) presented in which the error occurred, or

If the error occurred before the earliest period presented, restate the opening balances of the earliest period's assets, liabilities and net assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current period, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
GRAP 2023 Improvements to the Standards of GRAP 2023	01 April 2024	In application
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	01 April 2024	In application
GRAP 25 (as revised): Employee Benefits	01 April 2024	No material impact in the current financial period

2.2 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
GRAP 104 (as revised): Financial Instruments	01 April 2025	To be determined
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2025	To be determined

BACKGROUND

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

The effective date of these revisions have not yet been set. 01 April 2023.

The entity expects to adopt the revisions for the first time in the 2023/2024 01 April 2023.

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

Summary of amendments are:

MATERIALITY AND AGGREGATION

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

STATEMENT OF FINANCIAL POSITION AND STATEMENT OF FINANCIAL PERFORMANCE

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

NOTES STRUCTURE

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

DISCLOSURE OF ACCOUNTING POLICIES

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An entity applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2025.

The entity expects to adopt the amendment for the first time in the 2025/2026 annual financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	COST / VALUATION R'000	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R'000	CARRYING VALUE R'000	COST / VALUATION R'000	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R'000	CARRYING VALUE R'000
Furniture and fixtures	9 426	(2 047)	7 379	7 307	(2 038)	5 269
Office equipment	2 177	(1 126)	1 051	1 303	(917)	386
Computer Equipment	15 422	(10 437)	4 985	15 787	(7 132)	8 655
Project Assets: Office Equipment	19	(19)	-	19	(19)	-
Project Assets: Computer Equipment	141	(131)	10	141	(112)	29
Leased Assets	3 109	(2 144)	965	3 109	(1 108)	2 001
Leasehold improvements	5 313	(4 583)	730	5 695	(3 223)	2 472
Total	35 607	(20 487)	15 120	33 361	(14 549)	18 812

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 31 MARCH 2025

	OPENING BALANCE R'000	ADDITIONS R'000	DISPOSALS R'000	DEPRECIATION R'000	TOTAL R'000
Furniture and fixtures	5 269	2 885	-	(775)	7 379
Office equipment	386	874	-	(209)	1 051
Computer Equipment	8 655	1 601	(241)	(5 030)	4 985
Project Assets: Computer Equipment	29	-	(19)	-	10
Leased Assets	2 001	-	-	(1 036)	965
Leasehold Improvements	2 472	-	(6)	(1 736)	730
	18 812	5 360	(266)	(8 786)	15 120

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2023

Furniture and fixtures	3 165	2 738	(31)	(603)	5 269
Office equipment	265	268	-	(147)	386
Computer Equipment	3 279	9 895	(104)	(4 415)	8 655
Project Assets: Computer Equipment	79	-	(2)	(48)	29
Leased Assets	2 421	590	-	(1 010)	2 001
Leasehold Improvements	2 188	1 582	-	(1 298)	2 472
	11 397	15 073	(137)	(7 521)	18 812

4. INTANGIBLE ASSETS

	2024			2023		
	COST / VALUATION R'000	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R'000	CARRYING VALUE R'000	COST / VALUATION R'000	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R'000	CARRYING VALUE R'000
Computer software, internally generated	19 750	(19 631)	119	19 750	(18 591)	1 159
Computer software, other	2 799	(2 799)	-	2 799	(2 799)	-
Total	22 549	(22 430)	119	22 549	(21 390)	1 159

4. INTANGIBLE ASSETS (CONTINUED)

RECONCILIATION OF INTANGIBLE ASSETS - 31 MARCH 2025

	OPENING BALANCE R'000	AMORTISATION R'000	TOTAL R'000
Computer software, internally generated	1 159	(1 040)	119

RECONCILIATION OF INTANGIBLE ASSETS - 31 MARCH 2024

Computer software, internally generated	4 922	(3 763)	1 159
Computer software, other	137	(137)	-
	5 059	(3 900)	1 159

5. OPERATING LEASE ASSET (LIABILITY)

	2025 R'000	2024 R'000
Current liabilities	1 156	3 231

The operating lease liability relates to the straight-lining of the W&RSETA's lease commitments over the contracted lease period. Minimum lease are disclosed in note: 26

6. PAYABLES FROM EXCHANGE TRANSACTIONS

Leave accrual	8 497	7 925
Other accrued expenses	10 308	16 050
	18 805	23 975

7. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Mandatory Grant: Employer SARS reversal	-	5 416
Intersetra Payables	79	232
Mandatory Grant: Levy Payables	81 826	36 812
Discretionary Grant: Trade Payables	197 828	519 928
	279 733	562 388

The Mandatory Grant: Levy Payable of R81.8 million (31 March 2024: R36.8 million) consists of amount mandatory grant due and payable to stakeholders

The amount in the Discretionary grant payable relates to invoices received as at 31 March 2025 for the work done by employers, where payment was not yet made at year end.

8. INVENTORIES

Consumable stores	-	453
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9. RECEIVABLES FROM EXCHANGE TRANSACTIONS	2024 R'000	2023 R'000
Staff debtors	73	11
Rental deposits	5 308	6 130
Other receivables	568	4 045
Interest receivables	147 799	78 798
Arbitration award	1 416	-
Prepaid expenses	14 751	13 031
	169 915	102 015

Arbitration award amounting to R1,4 million relates to the money transferred into the attorney's trust account for the matter that is at labour relations court.

10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Unutilised funds	4 672	2 814
Intersecta receivables	1	-
Employer receivables	6 709	1 153
	11 382	3 967

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS PAST DUE BUT NOT IMPAIRED

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March 2025, R6.7 million - (31 March 2024: R3.97 million) were past due but not impaired. Based on the assessment of the receivables the entities were still active and there was a reasonable assurance that the receivables could still be recovered.

The ageing of amounts past due but not impaired is as follows:

3 months past due	6 709	3 967
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RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS IMPAIRED

As of 31 March 2025, other receivables from non-exchange transactions of R3.27 million- (31 March 2024: R3.97 million) were impaired and provided for. The ageing of these loans is as follows:

The ageing of these loans is as follows:

Over 6 months	-	4 249
Employer receivables	-	-
Employer receivables	-	-
Provision for doubtful debts	-	-

31 MARCH 2025	OPENING BALANCE R'000	REVERSED DURING THE YEAR R'000	ADDITIONS R'000	OTHER ADJUSTMENTS R'000	TOTAL R'000
Employer receivables	5 402	(5 402)	6 709	-	6 709
Provision for doubtful debts	(4 249)	4 249	-	-	-
	1 153	(1 153)	6 709	-	6 709

31 MARCH 2024

Employer receivables	6 875	(2 173)	700	-	5 402
Provision for doubtful debts	(4 249)	-	-	-	(4 249)
	2 626	(2 173)	700	-	1 153

10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

W&RSETA refunds some of the amount of the SDL paid by employers in the form of grants. The grant amount is based on the information provided to W&RSETA by DHET. A receivables is raised on the amount paid to the employer, which is deemed to be higher than what was supposed to be paid. This is usually identified after a retrospective adjustment/amendments have been made to the initial calculations obtained from DHET. Such receivable is presented as the net of the provision for doubtful debt. Employer receivables recognised in the current period was R0.153 million (31 March 2024: R0.7 million).

	2025 R'000	2024 R'000
11. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	7	11
Bank balances	193 918	195 789
Short-term deposits	1 804 930	2 287 118
Bank overdraft	(1 542)	(300)
	1 997 313	2 482 618
Current assets	1 998 855	2 482 918
Current liabilities	(1 542)	(300)
	1 997 313	2 482 618

12. ACCUMULATED SURPLUS

	TOTAL PER STATEMENT OF FINANCIAL PERFORMANCE 2024 R'000	TOTAL PER STATEMENT OF FINANCIAL PERFORMANCE 2025 R'000	ADMINISTRATION GRANT RESERVE R'000	EMPLOYER GRANT RESERVE R'000	DISCRETIONARY GRANT RESERVE R'000
ALLOCATION OF NET SURPLUS (DEFICIT) FOR THE CURRENT YEAR TO RESERVES- 31 MARCH 2025					
Levy Transfer Administration	204 641	233 527	233 527	-	-
Levy Transfer Employer Grants	1 354 534	1 425 137	-	398 875	1 026 262
Skills Development Levy Penalties and	21 843	12 676	-	-	12 676
Interest from non-exchange transaction					
Interest Income	198 880	212 562	-	-	212 562
Other Income	251	350	-	-	350
Employer grants and project expenses	(2 169 784)	(1 740 259)	-	(282 001)	(1 458 258)
Administration expenses	(206 185)	(223 219)	(223 219)	-	-
	(595 820)	(79 226)	10 308	116 874	(206 408)

THE DEFICIT FOR THE PERIOD

W&RSETA budget for a deficit in order to utilise the retained surpluses from the prior year to cover the expenditure in excess of income received. The excess expenditure relates to contracts that have been committed in prior years but their milestone deliverables were met in the current year, hence the expenditure.

13. FINANCE LEASE OBLIGATION	2025 R'000	2024 R'000
MINIMUM LEASE PAYMENTS DUE		
- within one year	1 030	1 030
- in second to fifth year inclusive	372	1 359
Present value of minimum lease payments	1 402	2 389
PRESENT VALUE OF MINIMUM LEASE PAYMENTS DUE		
- within one year	1 030	1 030
- in second to fifth year inclusive	372	1 359
	1 402	2 389
Non-current liabilities	372	1 359
Current liabilities	1 030	1 030
	1 402	2 389

The W&RSETA has in the 2022-23 financial period entered into a contract to rent office equipment for a period of 3 years. The lease contract is classified as a finance lease as per the requirements of GRAP. The interest rate is determined at 10.75% per annum and the rental of R93 291.23 is payable per month.

14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts comprises of:

UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Unspent grants	5 214	5 214
MOVEMENT DURING THE 31 MARCH 2025		
Balance at the beginning of the year	5 214	5 214

The conditional grant balance relates to funds that were received from the Department of Small Business Development and have been ring fenced for Informal Traders Upliftment project. The remaining amount of R5.2 million continues to be accounted for as a liability until the agreed contractual conditions have been met.

15. PROVISIONS

	OPENING BALANCE R'000	ADDITIONS R'000	UTILISED DURING THE YEAR R'000	REVERSED DURING THE YEAR R'000	TOTAL R'000
RECONCILIATION OF PROVISIONS - 2025					
Provision for discretionary grant	52 651	7 096	(52 651)	-	7 096
Amounts payable to small companies	40 424	-	-	(684)	39 740
Provision for workmens compensation	420	250	(213)	(207)	250
Bonus provision	8 824	10 604	(9 257)	-	10 171
	102 319	17 950	(62 121)	(891)	57 257

RECONCILIATION OF PROVISIONS - 2024

Provision for discretionary grant	-	52 651	-	-	52 651
Amounts payable to small companies	40 752	-	-	(328)	40 424
Provisions for workmens compensation	250	420	-	(250)	420
Bonus Provision	12 558	8 824	(7 564)	(4 994)	8 824
	53 560	61 895	(7 564)	(5 572)	102 319

Amounts payable to Small Companies relates to income received from companies whose gross salary cost was less than R500 000. In terms of the Skills Development Circular No: 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after expiry date of five years as stipulated in terms of section 190(4) of the Tax administration Act. These amounts have been transferred to discretionary reserves in line with the aforementioned circular. As at 31 March 2025 the amounts claimable were determined by end of financial year (39.7 million) (2024: R40.4 million)

The amount of provision for discretionary grant of R7.1 million (2024: R52.7 million) relates to DG expenditure identified by management where deliverables were partly met in the previous financial year. A reallocation was made to apportion the expenditure in the period it relate to.

	2025 R'000	2024 R'000
16. REVENUE		
Other income	350	251
Interest received - investment	212 562	198 880
Levies	1 671 341	1 581 018
	1 884 253	1 780 149

THE AMOUNT INCLUDED IN REVENUE ARISING FROM EXCHANGES OF GOODS OR SERVICES ARE AS FOLLOWS:

Other income	350	251
Interest received - investment	212 562	198 880
	212 912	199 131

THE AMOUNT INCLUDED IN REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:

TRANSFER REVENUE

Levies	1 671 341	1 581 018
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17. OTHER INCOME

Other income	350	251
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18. INVESTMENT REVENUE	2025 R'000	2024 R'000
Interest revenue	212 562	198 880

19. EMPLOYER GRANTS PAID

Mandatory grants	282 001	255 612
Discretionary grants- Project	1 328 835	1 806 738
Discretionary grants- Admin	51 840	35 059
	1 662 676	2 097 409

20. LEVIES

Administration SDL Income	233 527	204 662
Discretionary SDL Income	1 026 263	964 814
Mandatory SDL Income	398 875	389 699
Interest and Penalties SDL Income	12 676	21 843
	1 671 341	1 581 018

21. EMPLOYEE RELATED COSTS

Basic	142 826	145 386
Bonus	10 518	3 829
Medical aid - company contributions	5 686	5 671
Unemployment Insurance Fund (UIF)	522	555
Workmens Compensation Fund (WCA)	43	581
Skills Development Levies (SDL)	1 491	1 513
Leave pay provision charge/reversal	572	730
Group Life Insurance	2 232	2 527
Provident Fund	8 519	6 778
	172 409	167 570

EMPLOYEE RELATED COSTS

Employee Costs- Administration	94 825	92 164
Employee Costs- Project Costs	77 584	75 406
	172 409	167 570

22. LOSS ON INTEREST INCOME

During the financial period, W&RSETA suffered a loss of funds amounting to R21.7 million, being interest earned from investments placed with the bank. The loss was due to an unauthorised dissipation of funds from the W&RSETA account to an unknown account by an Financial Services Board (FSB) Agent of the bank.

A formal litigation process is underway to recover the funds, as well as a formal complaint to the Financial Services Conduct Authority ("FSCA"). A criminal case will also be opened for fraud and theft.

23. DEPRECIATION AND AMORTISATION

Property, plant, and equipment	8 786	7 521
Intangible assets	1 040	3 901
	9 826	11 422

24. GENERAL EXPENSES	2025 R'000	2024 R'000
Advertising	1 335	2 290
Auditors remuneration	5 872	5 236
Bank charges	476	501
Cleaning	306	390
Consulting and professional fees	14 228	17 284
Consumables	1	178
Refreshments	368	398
Insurance	1 952	1 919
Conferences and seminars	98	206
IT expenses	13 951	17 593
Operating lease rentals	20 051	19 515
Interest Paid	163	525
Recruitment fees	842	796
Postage and courier	583	360
Printing and stationery	971	920
Repairs and maintenance	688	1 250
Security	3 755	2 446
Subscriptions and membership fees	122	159
Telephone and fax	374	1 272
Training	2 759	3 295
Travel - local	6 673	6 190
Minor Assets	170	445
Water and Electricity	3 277	3 662
Remuneration to members of accounting authority	4 203	3 990
Internal audit	503	963
Licences	118	-
QCTO funding	10 596	9 693
Relocation Costs	6	-
Office Storage	756	567
HR Expense	397	419
Bad debts	984	-
	96 578	102 462

	2025 R'000	2024 R'000
25. CASH USED IN OPERATIONS		
Deficit	(79 226)	(595 820)
Adjustments for:		
Depreciation and amortisation	9 826	11 422
Loss on sale of assets	233	137
Movements in operating liability	(2 075)	(602)
Movements in provisions	(45 062)	48 759
Loss on interest income	21 757	-
Loss on interest income	21 757	-
Changes in working capital:		
Inventories	453	(131)
Receivables from exchange transactions	(67 900)	(8 124)
Other receivables from non-exchange transactions	(7 415)	1 428
Payables from exchange transactions	(5 170)	(1 521)
Payables from non-exchange transactions	(282 655)	361 280
	(457 234)	(183 172)

26. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS FINANCIAL ASSETS: 2025

	AT AMORTISED COST R'000	TOTAL R'000
Trade and other receivables from exchange transactions	169 915	169 915
Other receivables from non-exchange transactions	11 382	11 382
Cash and cash equivalents	1 998 855	1 998 855
	2 180 152	2 180 152

FINANCIAL LIABILITIES: 2025

Finance lease obligation	1 402	1 402
Operating lease liability	1 156	1 156
Trade and other payables from exchange transactions	18 805	18 805
Trade and other payables from non-exchange transactions	279 733	279 733
Bank overdraft	1 542	1 542
Unspent conditional grants	5 214	5 214
	307 852	307 852

FINANCIAL ASSETS: 2024

Trade and other receivables from exchange transactions	102 015	102 015
Other receivables from non-exchange transactions	3 967	3 967
Cash and cash equivalents	2 482 918	2 482 918
	2 588 900	2 588 900

FINANCIAL LIABILITIES: 2024

Finance lease obligation	2 389	2 389
Operating lease liability	3 231	3 231
Trade and other payables from exchange transactions	23 975	23 975
Payables from non-exchange	562 388	562 388
Bank overdraft	300	300
Unspent conditional grants	5 214	5 214
	597 497	597 497

27. COMMITMENTS	2025 R'000	2024 R'000
TOTAL COMMITMENTS		
TOTAL COMMITMENTS		
Approved and contracted	2 014 080	2 024 025
Approved and not contracted for	15 011	208 011
	2 029 091	2 232 036

This committed amounts relate to contracts of projects funded. Furthermore Management have noted adjustments made to the Discretionary grants expenditure due to delierables met in prior year (error 4). The impact of the error will result in a Nil impact to the current year commitment balance.

OPERATING LEASES - AS LESSEE (EXPENSE)

MINIMUM LEASE PAYMENTS DUE

- within one year	8 744	19 010
- in second to fifth year inclusive	328	9 791
	9 072	28 801

Operating lease payments represent rentals payable by the W&RSETA for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

28. CONTINGENCIES

28.1 BUSINESS UNITY OF SOUTH AFRICA (BUSA) VS DEPARTMENT OF HIGHER EDUCATION AND TRAINING.

In terms of the 2005 Grant Regulations regarding monies received by a SETA, an employer was supposed to claim a Mandatory Grant equal to 50% of the total Skills Development Levies paid provided that the employer complied with the eligibility criteria.

However, the 2005 Grant Regulation were repealed by the 2012 Grant Regulations, and it is the 2012 Grant Regulations that formed the subject matter of the review of the application before the Labour Court. The revision reduced the value of the Mandatory Grant from 50% to 20%.

BUSA has been contesting the changes to the Grant regulations at the Labour Court and the relief sought was for the Court to review and set aside Regulation 4(4) as well as the Minister's decision to re-promulgate it.

Following various court judgements on the matter, in October 2019 the Labour Appeal Court Judgement was handed down in favour of BUSA with the effect that Regulation 4(4) was set aside.

The effect of the ruling is that the Minister would have to decide on the percentage of the mandatory grants in consultation with the sector.

The DHET continues to show the mandatory levies portion at 20% in the levy download information. The W&RSETA also continues to pay and accrue mandatory grants at 20% in line with the levy download information. In the absense of the revised percentage, mandatory grant expenditure and the mandatory grant liability were calculated using a mandatory grant of 20%.

The W&RSETA, therefore discloses a contingent liability for mandatory grants payable to qualifying levy payers. The timing and amount of this contingent liability is uncertain, and no reasonable estimate can be made at this point.

As at the reporting date, the draft amendments of the Grant Regulation had already been issued to the public comment, but not yet finalised.

28.2 MATTERS UNDER INVESTIGATION AND LITIGATION.

28.2.1 The W&RSETA has seven CCMA matters that have been referred to labour to the CCMA. These matters are continuing matters from the previous financial year. Five matters relate to gross negligence, fraud, corruption, one relates to violation of IT Policy and one matter relates to failure to act in the best interest of the company. The internal processes including the two appeals, which confirmed the sanctions of the dismissal of the employee were concluded. The employees referred the decision to the CCMA for arbitration.

28. CONTINGENCIES (CONTINUED)

28.2.3 The W&RSETA has a labour court matters that have not yet finalised. These matters are continuing from the previous financial year. The matters relate to Unfair Dismissal relating to different misconducts. The other one relates to Unfair Labour Practice as a result of Precautionary Suspension. The internal processes including the appeal, which confirmed the sanction of the dismissal of the employees were completed. The employees referred the decision to the CCMA for arbitration. The W&RSETA is reviewing the CCMA decision at the labour court. The principal amount is R1.4 million.

28.3 THE W&RSETA IS FURTHER INVOLVED IN THE MATTERS BELOW WITH SERVICE PROVIDERS.

28.3.1 Private college is aiming to recover a sum of from W&RSETA flowing from the non-fulfilment of a particular contractual term. The matter will be heard in the North Gauteng High Court. The principal amount of this case is R58 million.

28.3.2 A Business school aims to recover a sum of money from W&RSETA flowing from the non-fulfilment of contractual terms and conditions. The matter will be heard in the North Gauteng High Court. The principal amount of this case is R9.6 million.

28.3.3 A Service Provider is being litigated against W&RSETA to recover a principal amount of R865 000, exclusive of the cost, flowing from the non-fulfilment of a particular contractual term. The matter was heard from the North Gauteng High Court.

28.3.4 An employer is litigating against W&RSETA to recover an amount flowing from the non-fulfilment of a particular contractual term. The matter will be heard in the Durban High Labour Court. The principal amount of this case is R48.7 million.

28.3.5 The W&RSETA has instituted urgent proceedings against one of their landlords to enforce their contractual rights. However, the court found the W&RSETA and the process of taxing the legal bill is underway. The value of the bill is estimated to be R100 000.

28.3.6 The W&RSETA is engaged in a legal matter of one of their landlord to recover a deposit amount that stems from a lease agreement and the concerned legal costs. The estimated amount is disputed is R984 237.24. the said amount excludes the concerned legal costs.

28.3.7 The W&RSETA has instituted a civil process against one of their employers who did not pay stipends to learners they are managing. The concerned amount is R975 000. The amount excludes the legal fees.

A reasonable estimate cannot be made at this point for the matter above.

28.4 RETENTION OF SURPLUS.

In terms of section 53(3) of the PFMA, public entities listed in schedule 3A and 3C of the PFMA may not budget for a deficit and may not accumulate surpluses unless the prior written approval of National Treasury has been obtained.

The Surpluses as at 31 March 2025 were as follows.

	2025 R'000	2024 R'000
SURPLUS FUNDS OR DEFICIT IN TERMS OF NT CIRCULAR		
Cash and Cash equivalents	1 998 855	2 482 918
Plus: Receivables	181 297	101 937
Less: Current Liabilities	(364 737)	(369 211)
Total	1 815 415	2 215 644

CONTINGENT ASSETS

28.5 W&RSETA is involved in a litigation process at the North Gauteng High Court to recover a principal amount of R1.8 million from an individual who received a sum of money fraudulently.

28.6 W&RSETA is involved in a litigious process where the Service Provider who has been paid in full submitted an incomplete ICT system and ancillary deliverables. The referred litigious process aims to recover the R865 000 for the incomplete deliverables. There respective litigious matter will be heard in the North Gauteng High Court.

28.7 W&RSETA is also involved in an Arbitration process wherein the W&RSETA aims to recover a principal amount of R378 000 from a Training provider who has embezzled funds due to destitute beneficiaries. As of the reporting date the respective arbitration is still underway.

28.8 During the financial period, W&RSETA suffered a loss of funds, being interest earned from investments placed with the bank. The loss was due to an unauthorised dissipation of funds from the W&RSETA account to an unknown account by an FSB Agent of the bank.

Formal litigation proceedings are underway to recover the funds.

28. CONTINGENCIES (CONTINUED)

The prospects of success are difficult to assess at this stage, as a forensic tracing agency has been tasked to either locate the bank account which the interest has been transferred to, along with the assets and accounts of the FSB Agent. The legal proceedings are to launch an anti-dissipation or preservation order, depending on whether the funds can be located. If the funds have already been dissipated, then the assets will be secured for recovery.

A reasonable estimates for recovery cannot be made as at end of the period.

29. RELATED PARTIES

RELATIONSHIPS

Accounting Authority member	Refer to note below for detailed disclosure concerning emoluments of members of the Accounting Authority
Controlling entity	Department of Higher Education and Training
Controlled entities	Other Sector Education and Training Authorities (SETA's) Quality Council For Trades and Occupations (QCTO) Technical and Vocational Education and Training (TVET) National Students Financial Aid Schemes (NSFAS) National Skills Development Higher Education and Training Institutions (HETI)

MEMBERS OF THE ACCOUNTING AUTHORITY

Fuel Retailers Association (FRA)	Mr Reggie Sibiya
Fuel Retailers Association (FRA)	Mr Zibela Sokabo
Consumer Goods Council of South Africa (CGCSA)	Ms Zinhle Tyikwe
Federal Council of Retail and Allied Workers (FEDCRAW)	Mr Themba Mthembu
Federal Council of Retail and Allied Workers (FEDCRAW)	Mr Mzimaseki Silimandlela
National Union of Metal Workers (NUMSA)	Ms Lerato Mokhitli
National Union of Metal Workers (NUMSA)	Mr David Makuwa
The National African Federated of Chamber of Commerce and Industry (NAFCOC)	Ms Margaret Bango
South African Congress of Trade Unions (SACTWU)	Mr Ross Rayners
South African Commercial, Catering and Allied Workers Union(SACCAWU)	Mr Lucas Ramatlhodi

The W&RSETA is exempt from disclosure of related party transactions that the services are received/delivered within normal supplier/client relationships, on terms and conditions that is no more nor less favourable than those that would have been reasonably expected to be adopted if dealing with that entity/person in the same circumstances. W&RSETA has, in the normal course of it's operations, entered into discretionary grants transactions with entities under common control. Where there were transactions and balances arising due to the movement of funds between entities under common control of DHET, these amounts are disclosed below:

RELATED PARTY BALANCES

PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
CETA	-	79
MQA	-	127
MERSETA	13	8
MICTSETA	1	18
Total	14	232

RECEIVABLES FROM EXCHANGE TRANSACTIONS - PREPAID EXPENSES

QCTO	11 668	10 596
Total	11 668	10 596

29. RELATED PARTIES (CONTINUED)

STAKEHOLDER	31 March 2025		31 March 2024	
	EXPENDITURE R'000	COMMITMENTS R'000	EXPENDITURE R'000	COMMITMENTS R'000
FEDCRAW	2 880	-	2 759	500
SACTWU	1 964	-	2 890	-
NUMSA	3 582	-	1 920	658
ECCAWUSA	-	-	2 111	-
FRA	8 751	20 669	13 185	13 178
CGCSA	11 280	24 494	16 368	16 890
QCTO	10 596	-	9 693	-
TVET Colleges	107 300	147 070	195 744	194 891
HETI	172 766	121 992	171 194	226 500
CETC	7 209	47 493	96 972	58 535
SACCAWU	-	-	1 000	-
CETA	-	50 000	-	50 000
INSETA	1 175	-	-	-
LGSETA	300	-	-	-
Total	327 803	411 718	513 836	561 152

KEY MANAGEMENT INFORMATION

CLASS	DESCRIPTION	NUMBER
Accounting Authority members	Accounting Authority	14
Audit Committee members	External audit committee	6
Executive management	Senior management	7

29. RELATED PARTIES (CONTINUED)

REMUNERATION OF MANAGEMENT

MANAGEMENT CLASS: BOARD MEMBERS: 31 MARCH 2025

	BOARD FEES R'000	ALLOWANCES R'000	TOTAL R'000
Mr R Sibiya	366	5	371
Ms Z Tyikwe	281	5	286
Mr KD Makuwa	327	5	332
Ms M Bango	285	-	285
Mr S Busane	368	1	369
Ms Ntshangase	213	-	213
Mr M Silimandlela	227	-	227
Ms L Mokhitli	267	-	267
Mr L Ramatlhodi	224	5	229
Mr R Rayners	220	5	225
Ms N Bogopa	243	5	248
Mr Z Sokhabo	208	-	208
Ms S Rasebitse	207	-	207
Mr T Mthembu	267	-	267
Mr KV Maja - ARC Chairperson	127	-	127
Ms M Phiri - ARC Member	86	-	86
DR L Konar - ARC Member	81	-	81
Adv T Moeeng - ARC Member	99	-	99
Mr D Dlamini	67	-	67
	4 163	31	4 194

MANAGEMENT CLASS: BOARD MEMBERS: 2024

Mr R Sibiya	346	5	351
Ms Z Tyikwe	283	5	288
Mr KD Makuwa	309	5	314
Ms M Bango	313	-	313
Mr S Busane	330	2	332
Mr T Mthembu	246	-	246
Ms Nthangase	182	-	182
Mr M Silimandlela	196	-	196
Ms L Mokhitli	242	-	242
Mr L Ramatlhodi	187	5	192
Mr R Rayners	261	-	261
Ms N Bogopa	290	5	295
Mr Z Sokhabo	215	-	215
Ms S Rasebitse	220	-	220
Mr KV Maja- ARC- Chairperson	142	2	144
Ms M Phiri - ARC Member	67	-	67
Dr L Konar - ARC Member	49	-	49
Adv T Moeeng - ARC Member	67	-	67
Mr Dumisani Dlamini *	9	-	9
Mr Michael Lawrence *	7	-	7
	3 961	29	3 990

* Mr Dumisani Dlamini was co-opted as the non-executive member of Finance Committee of the board from 01 February 2024.

* Mr Michael Lawrence was reinstated for payment of outstanding allowances due to him.

29. RELATED PARTIES (CONTINUED)

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT: 31 MARCH 2025	BASIC SALARY R'000	BONUSES AND PERFORMANCE RELATED PAYMENTS R'000	ALLOWANCES R'000	CONTRIBUTIONS BY EMPLOYER R'000	OTHER LONG- TERM BENEFITS R'000	TOTAL R'000
Mr BC Mkhwanazi - Chief Executive Officer	2 477	141	127	286	272	3 303
Ms L Nhlapo - Chief Financial Officer	1 971	89	117	181	172	2 530
Dr DC Machard- Executive, Strategic Planning, Performance and Reporting	1 611	96	101	244	153	2 205
Mr S Ngcobo - Chief Executive Corporate Services	1 640	86	102	164	162	2 154
Mr MB Masekwaneng - Chief Information Officer	1 793	84	110	220		2 207
Mr S Shoba - Chief Operating Officer	1 712	88	147	225		2 172
Ms M Ngobeni - Chief Audit Executive	1 661	82	48	201		1 992
	12 865	666	752	1 521	759	16 563

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT: 31 MARCH 2024	BASIC SALARY R'000	BONUSES AND PERFORMANCE RELATED PAYMENTS R'000	ALLOWANCES R'000	CONTRIBUTIONS BY EMPLOYER R'000	TOTAL R'000
Mr BC Mkhwanazi - Chief Executive Officer	2 355	240	89	229	2 913
Ms L Nhlapo - Chief Financial Officer	1 871	152	39	171	2 233
Dr DC Machard - Executive, Strategic Planning, Performance and Reporting	1 509	123	156	183	1 971
Mr S Ngcobo - Chief Executive Corporate Services	1 545	143	278	139	2 105
Mr MB Masekwaneng - Chief Information Officer	1 785	90	21	140	2 036
Mr S Shoba - Chief Operating Officer	1 753	93	103	197	2 146
Ms M Ngobeni - Chief Audit Executive	1 576	94	36	169	1 875
	12 394	935	722	1 228	15 279

30. PRIOR PERIOD ERRORS

2025
R'000

2024
R'000

ERROR 1

Management identified during the current financial year that there were mandatory grants paid in the previous financial years, however the provision (Payable) thereon was not reversed in the following financial period. The corrections of the error(s) results in adjustments below.

STATEMENT OF FINANCIAL POSITION

Decrease in Payables from non-exchange	-	7 918
--	---	-------

STATEMENT OF FINANCIAL PERFORMANCE

Decrease in Employer grants paid	-	(7 918)
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ERROR 2

Management identified during the current financial year that general expenditure for the prior year was understated due to invoices which were erroneously not recorded. The corrections of the error(s) results in adjustments as follows:

STATEMENT OF FINANCIAL POSITION

Increase in payables from exchange	-	(3 490)
------------------------------------	---	---------

STATEMENT OF FINANCIAL PERFORMANCE

Increase in general expenses	-	2 539
Increase in employer grants- Discretionary	-	951

ERROR 3

Management has identified in the current financial year contracts concluded in previous financial years which were not included in the commitment register. The corrections of the error(s) results in adjustment as follows:

	AS PREVIOUSLY REPORTED R'000	CORRECTION OF ERROR R'000	RESTATED R'000
Commitments	2 540 570	(308 534)	2 232 036

ERROR 4

Management has identified in the current financial year that there were discretionary payment made on the deliverables that were met in the previous financial year(s) and the expenditures relate to those periods. The correction of the error(s) results in adjustment as follows

	2025 R'000	2024 R'000
STATEMENT OF FINANCIAL POSITION		
Increase in non-exchange payables	-	(281 023)
Increase in provision	-	(52 651)
Increase in Sundry receivables	-	4 045
	-	(329 629)

STATEMENT OF FINANCIAL PERFORMANCE

Increase in discretionary grants paid	-	329 629
---------------------------------------	---	---------

30. PRIOR PERIOD ERRORS (CONTINUED)

2025
R'000

2024
R'000

ERROR 5

Management has identified in the current financial year that there was an irregular expenditure that was supposed to have been reported in the previous financial year, however it was erroneously being omitted. The correction of the error(s) results in adjustment as follows

	AS PREVIOUSLY REPORTED R'000	CORRECTION OF ERROR R'000	TOTAL R'000
Irregular expenditure	3 073	1 437	4 510

Presented below is the reconciliation for those items contained in the statement of financial position and statement of financial performance that have been affected by prior year adjustments.

STATEMENT OF FINANCIAL POSITION

Payables from non-exchange	(289 283)	(273 105)	(562 388)
Payables from exchange	(20 485)	(3 490)	(23 975)
Provisions	(49 668)	(52 651)	(102 319)
Receivables from exchange	97 970	4 045	102 015
	(261 466)	(325 201)	(586 667)

STATEMENT OF FINANCIAL PERFORMANCE

Employer grants paid	1 771 717	322 662	2 094 379
General expenses	99 924	2 539	102 463
	1 871 641	325 201	2 196 842

31. RISK MANAGEMENT

2025
R'000

2024
R'000

FINANCIAL RISK MANAGEMENT

The W&RSETA's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

LIQUIDITY RISK

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an on-going review of future commitments and credit facilities.

TRADE PAYABLES

Payables from exchange transactions	18 805	23 975
Payables from non-exchange transactions	279 733	562 388
	298 538	586 363

31. RISK MANAGEMENT (CONTINUED)

31 MARCH 2025	CURRENT 0-30 DAYS R'000	31-90 DAYS R'000	91-120 DAYS R'000	MORE THAN 120 DAYS R'000	TOTAL R'000
Account payables from exchange transactions	18 471	334	-	-	18 805
Account payables from non exchange transactions	187 720	74 994	17 019	-	279 733
	206 191	75 328	17 019	-	298 538

31 MARCH 2024

Account payables from exchange transactions	17 855	-	-	6 120	23 975
Account payables from non exchange transactions	369 578	78 007	55 529	59 274	562 388
	387 433	78 007	55 529	65 394	586 363

CREDIT RISK

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at 31 March 2025 end were as follows:

31 MARCH 2025	CURRENT 0-30 DAYS R'000	31-90 DAYS R'000	91-120 DAYS R'000	MORE THAN 120 DAYS R'000	TOTAL R'000
Account receivables from exchange transactions	21 790	32 934	30 000	85 191	169 915
Account receivables from non-exchange transactions	-	-	-	11 382	11 382
	21 790	32 934	30 000	96 573	181 297

31 MARCH 2024

Account receivables from exchange transactions	17 777	26 258	12 514	45 466	102 015
Account receivables from non-exchange transactions	-	-	-	3 967	3 967
	17 777	26 258	12 514	49 433	105 982

MARKET RISK

FOREIGN EXCHANGE RISK

The W&RSETA has partnered with multiple International stakeholders and institutions to implement programmes relating to entrepreneurship, in-market business development and capacitation of TVET students and Informal Traders in the wholesale and retail sector.

Contracts with the afore mentioned stakeholder are concluded at the spot rate on the date of contracting with the entity, and the W&RSETA is therefore exposed to the risk of fluctuations in exchange rates, when the tranche invoices are paid.

The entity reviews its foreign currency exposure, including commitments on an ongoing basis.

32. GOING CONCERN

We draw attention to the fact that as at 31 March 2025, the entity had an accumulated deficit of R79, 2 million - and that the entity's total assets exceed its liabilities by R1, 830 million.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Minister of Higher Education and Training has approved a Government Gazette, to extend the W&RSETA licence to continue operating until 31 March 2030.

33. EVENTS AFTER THE REPORTING DATE

W&RSETA management became aware of the loss of R21.7 million as disclosed in notes 22 after year-end upon securing the long-overdue and outstanding bank statements from the bank.

	2025 R'000	2024 R'000
34. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE		
In line with National Treasury Instruction of no 4 of 2022/23, fruitless & wasteful expenditure and irregular expenditure recorded in current and prior year has been classified as follows:		
Irregular Expenditure	33	4 510
Fruitless and Wasteful	179	194
	212	4 704

*Refer to reconciling notes in the annual report

35. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance as previously reported	-	334
Add: Fruitless and wasteful expenditure identified - current	179	-
Less: Amount written off - prior period	-	(140)
	179	194

Fruitless and wasteful expenditure for SARS penalties and interest was reduced from R0.334 million as disclosed on the 31st March 2024 to R0.194 million after obtaining a remission from SARS.

Fruitless and wasteful expenditure identified in the current year relates to penalties identified by Management due to an invoice from a vendor that was processed late, and in contravention with the terms of the contract and include the over-payments made to vendors.

36. IRREGULAR EXPENDITURE

Opening balance as restated	-	-
Add: Irregular Expenditure - current	33	3 073
Add: Irregular Expenditure - prior period	-	1 437
Closing balance	33	4 510

Irregular expenditure of R33 thousands was identified due to non-compliance with SCM regulation regarding allocation of specific goals.

The irregular expenditure of R1.4 million is an adjustment to the SCM updated register. The irregular expenditure was previously mistated and reported at R3.1 million on the 31st March 2024. This was due to non-compliance with SCM regulation regarding allocation of specific goals.

37. BUDGET DIFFERENCES

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

- 37.1** The Interest income is 17% below the annual budget in the current financial year, this is due to early withdrawal made on one investment in order to cover for operational costs. Other income relates to mandatory grants received from ETDP SETA.
- 37.2** The revenue from non-exchange is 7% above the annual budget, due to more companies contributing towards skills development levy than anticipated.
- 37.3** Mandatory grants expenditure is 27% below the annual budget. This is because the budget for mandatory grants was made with the assumption that all levy paying companies will participate and submit their WSP/ATR to be considered for the mandatory grants payment. Based on the prior year trends, an average of 75% of levy paying companies submit their WSP/ATR.
- 37.4** Discretionary grants expenditure is 21% below the annual budget, due to payments made on deliverables met from stakeholders. Furthermore there's been reallocation of expenditure from the current financial year into previous financial year due to deliverables met in that financial period.



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