ETHEKWINI FURNITURE CLUSTER

ETHEKWINI MUNICIPALITY

EFC Annual Report 2024/2025

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Who We Are

Introduction

The annual report for the financial year ending 30 June 2025 provides a thorough overview of the organisation's financial performance and progress. The eThekwini Furniture Cluster (EFC) operates as a public–private partnership (PPP) that brings together government, industry, and key stakeholders. Established in August 2018 by the eThekwini Municipality, the EFC is a non-profit initiative dedicated to strengthening the competitiveness of KwaZulu-Natal's local furniture sector.

The cluster is managed by an industry-led Board of Directors and an elected Executive Committee. This report covers financial, economic, and program performance and is available on the EFC website (www.furniturecluster.org.za) where additional information about the cluster can also be found.

Vision, Mission and Objectives

The cluster's vision is to create a competitive South African furniture value chain operating in alignment with international best practices. To support the "return to growth" recovery in the furniture value chain and the objectives of the Furniture Industry Master Plan, the cluster's 3-year strategic objectives are to (1) unlock commercial opportunities based on the local value proposition and (2) support local suppliers to upgrade their people, product and processes to meet this demand.

The EFC aims to achieve world-class value chain standards and socio-economic transformation for all member firms through collaboration, knowledge sharing, skills development, benchmarking, and individual firm improvement. As an industry-driven initiative, the cluster draws on the leadership and expertise of individuals from a broad range of member firms.

The EFC's vision is to create a competitive South African furniture value chain operating in alignment with international best practices.

Letter from **The Chairperson**

It is my pleasure to present this annual report on behalf of the eThekwini Furniture Cluster (EFC) as we conclude the first year of our three-year business plan with the eThekwini Municipality. This period has reaffirmed the critical role our sector plays in driving inclusive industrialisation, job creation and value-chain development within the region. Despite the delays in funding disbursement early in the cycle, the Cluster has demonstrated resilience and commitment by successfully implementing key programmes, deepening strategic partnerships and widening the reach of our skills and supplier development initiatives.

This year marks an important milestone in strengthening the EFC's governance and ensuring our leadership reflects the breadth and diversity of the industry we serve. I am delighted to welcome a refreshed Executive Committee that brings renewed energy, expertise and strategic insight to the Cluster:

- Ms Paulina Urban (Mr Price Home)
- Mr Blessing Zondi (BFurn)
- Ms Tamsyn Ferreira (Alifurn)
- Ms Tsholofelo Motaung and Ms Tafadzwa Nyanzunda (DTIC's Forestry and Furniture Industry Sector Desk)

Their combined experience across manufacturing, retail, design and government strengthens our guidance in building a competitive, collaborative and future-ready furniture value chain. This enhanced representation signals a new chapter for the Cluster, one where broader voices, stronger partnerships and deeper collaboration move us closer to our shared vision of a sustainable, transformed and growing KZN furniture sector.

As highlighted in this report, our programmes continue to drive impact at both enterprise and sector level. From the successful training of 100 learners to the scaling success stories from Accelerator alumni to the growing engagement with retail partners and industry stakeholders, the EFC remains a catalyst for competitiveness and growth. The progress made to date is a direct reflection of the dedication of our members, partners and stakeholders who continue to contribute their time, insight and commitment to the collective advancement of the sector.

On behalf of the EFC Executive Committee, I extend my gratitude to all our partners including industry members, government counterparts, retail collaborators and our expanding network of technical and financial institutions. Your continued support enables our sector to navigate challenges, seize emerging opportunities and chart a path toward sustained manufacturing excellence.

We look forward to building on this momentum in the months ahead as we continue to unlock demand, upgrade supply-side performance and strengthen the foundations for long-term competitiveness in the eThekwini furniture industry.

Lumka Sibanyoni
eThekwini Furniture Cluster Chairperson

Letter from **The Muncipality**

> "[Our] investment in people, our city's most valuable asset, remains at the heart of eThekwini's industrial development strategy."

The furniture manufacturing sector is one of the cornerstones of eThekwini's economy, driving job creation, reinforcing local value chains, and fostering inclusive growth across our city. As one of South Africa's most labour-intensive industries and low barriers to entry, it has the power to uplift communities through accessible skills development, innovative design capabilities, and strong connections to forestry and creative industries. Recognising this potential, the eThekwini Municipality continues to prioritise the sector within our Integrated Development Plan, underscoring the City's long-term commitment to cultivating a prosperous, diverse, and opportunity-rich economy.

As we conclude the first year of our current three-year business plan with the eThekwini Furniture Cluster (EFC), we reflect with pride on the progress made despite some challenges experienced during the year. The EFC demonstrated resilience and agility by rescheduling and delivering key programmes when required and without compromising quality or reach. This commitment to excellence ensured that the objectives of our partnership continued to be met and that the sector remained firmly on its growth trajectory.

One of the most significant achievements of the year has been the Cluster's strong focus on skills development, with over 100 individuals trained across technical drawing, measurement and tools, lean manufacturing, and digital design. These programmes have had tangible impact on the ground, raising production accuracy, improving product quality, and equipping manufacturers with the capabilities needed to compete in a fast-changing market. The feedback from participants speaks for itself: frontline workers have gained renewed confidence, business owners have reduced production errors, and firms are now better able to respond to customer expectations and design requirements. This investment in people, our city's most valuable asset, remains at the heart of eThekwini's industrial development strategy. We also acknowledge the Cluster's progress in strengthening strategic partnerships, including engagements with SAFI, Furntech, and Proudly South African. These collaborations expand the ecosystem of support available to SMEs and align local efforts with national priorities such as the Furniture Industry Master Plan. The growing interest from key institutions illustrates the increasing credibility of the EFC as a catalytic platform for sector upgrading.

Equally noteworthy is the momentum built through the SME Accelerator Programme, which continues to evolve as a flagship initiative for market access. The participation of leading retailers, including Mr Price Home, Homewood, Poetry of Living, Sheet Street, and the TFG Group, not only signals industry confidence in the programme but also creates real opportunities for emerging firms to grow, scale, and access new customers. With 65 SME applications received, the programme aims to lay the foundation for meaningful, long-term commercial partnerships between SMEs and leading retailers.

The Municipality is encouraged by the Cluster's commitment to shared learning, value chain upgrading, and continuous improvement. Through 11 shared learning events, factory visits and best-practice sessions providing local and international insights, the EFC continues to cultivate a community of manufacturers who learn, adapt, and grow together, an essential ingredient for sustained competitiveness.

eThekwini Municipality is pleased to reaffirm its continued partnership with the EFC through to 2027. This support reflects our confidence in the Cluster's vision, its strong governance framework, its ability to deliver impactful programmes, and its central role in advancing our Sakha iTheku strategy. We remain committed to working closely with industry to promote localisation, unlock opportunities for SMEs, create meaningful employment, and build a future-ready manufacturing sector for our city. As we look ahead, we do so with optimism. Challenges will remain, but our collective resolve, collaboration, and shared purpose will continue to strengthen the furniture industry and the livelihoods it supports. Together, we will build a resilient, innovative, and competitive sector that contributes meaningfully to the economic and social prosperity of eThekwini and its people.

Mr Takalani Rathiyaya
Head of Economic Development Programmes Department
eThekwini Municipality

2024
Key Events

JULY

EFC Technical Skills Training Workshop

Manufacturing Meet up: 4P Event with Mike Hoseus – Session 3 (People) organisation

AUGUST

Manufacturing Meet-up: Net Zero Planning Webinar

Manufacturing Meet up: 4P Event with Mike Hoseus – Session 4 (Problem Solving)

OCTOBER

EFC Annual General Meeting

Manufacturing Meet-up: Reducing Lost Time Webinar

NOVEMBER

Manufacturing Meet up: Project Present

2025
Key Events

JANUARY

EFC Lean Manufacturing Workshop

Manufacturing Meet up:
Made in Thailand Webinar

Manufacturing Meet-up: Guidelines for implementing Renewable Energy Solutions

FEBRUARY

Manufacturing Meet up: Discovering Operational Excellence at MRP DC

Manufacturing Meet-up: Manage Supply Chain Challenges and Port Disruption Strategies

MARCH

Manufacturing Meet-up: Current State of Local Steel & Implications for SA Manufacturing

EFC Technical Skills Graduation

EFC Technical Skills Drawing Workshop

EFC Lean Manufacturing, 6S and Problem-Solving Skills Workshop

APRIL

Manufacturing Meet-up:
Renewable Energy Solutions

EFC Webinar on the DTIC Furniture Industry Masterplan

MAY

Manufacturing Meet-up:
Global Lean Insights with Ryan Tierney

EFC AutoCAD Design and Innovation Skills

JUNE

Manufacturing Meet-up:
World Class Logistics

Our Impact

2024/2025 **Highlights**

26 employees upskilled in lean manufacturing principles.

22 people upskilled and trained in technical skills development.

10 firms upskilled on critical design and innovation principles and tools.

20 people upskilled in technical tools and measurement.

14 Shared Learning sessions exposing members to best practice and peer learning.

23 employees trained in lean fundamentals

SMME **Business Accelerator**

The EFC SME Business Accelerator, funded by the eThekwini Municipality in partnership with the eThekwini Furniture Cluster, identifies and develops high-potential furniture and décor manufacturers into strategic suppliers for major retailers and industry customers.

It achieves this by assessing lead firm-specific supply requirements, connecting high-potential suppliers with lead enterprises, and implementing robust upgrading plans to unlock commercial opportunities. The programme also supports lead enterprises in optimising their B-BBEE spend and achieving tangible transformation outcomes. Recently, it has placed greater emphasis on supporting black SMEs, ensuring their development and scalability in the local furniture industry by fostering market access opportunities and sustainable growth.

The 2025 EFC SME Accelerator commenced in February 2025 with lead firm engagement to understand the needs of leading retailers and opportunities they have for local SMEs. These engagements culminated in confirmed participation from Mr Price Home, Homewood, Poetry of Living, Sheet Street and TFG, representing brands Coricraft, Volpes and @Home. Marketing for SMEs was launched in April, resulting in 65 applications received and screened, with the capacity-building workshop - to help upskill SMEs on the 6Cs framework - and the Dragons' Den to be facilitated in 2025/2026. Moving forward, the programme will provide capacity-building workshops, pitch support and one-on-one mentorship, equipping SMEs with the skills and confidence to communicate their unique value proposition and commence their journey to meeting the demands of larger customers.

Skills Development **Programme**

Skills development remained a central focus for the eThekwini Furniture Cluster (EFC) during the 2024/2025 period, with a strong emphasis on equipping local furniture manufacturers with practical, industry-aligned capabilities.

A suite of targeted workshops strengthened technical competence, improved production efficiency, and supported the growth and competitiveness of SMEs across the sector.

Technical Drawing Workshop (July 2024)

A comprehensive Technical Drawing workshop was held on 1 July 2024 at the Durban South Training Centre, where 22 learners from 14 SME firms were equipped with the ability to read, interpret, and produce professional technical drawings. The training combined foundational theory – including drawing types, perspectives, measurements, and essential tools – with practical manual drawing exercises. Post-training survey results indicate a strong impact, with participants reporting strong impact, including improved drawing quality (87%), increased accuracy and efficiency (73%), and full comprehension of technical drawings

Participants shared positive experiences:

"The training has improved my ability to read and interpret technical drawings and also enabled me to understand the measurement symbols."

— Mutombo Dominique Kitenge
Domiday Exclusive Designs

"Even our clients bring more new clients... No rejects, no returns, nothing-thanks to the training."

— Bongekile Primrose Masinga
Divine Timber Processing

"Everything we do now is accurate with the help of the technical drawing workshop."

— Andile Ngcobo Mutombo
Amanyuswa Amahle Holdings

"It has been very helpful... next time there is room for improvement by being able to use machines."

— Kwenziwe Khuluse
Step on Stars

Lean Fundamentals Workshop (February 2025)

A one-day Lean Manufacturing workshop held on 25 February 2025 brought together 23 learners from 15 SME firms for practical training in waste reduction, 6S implementation, and customer value enhancement. Supported by the eThekwini Municipality and attended by sector leaders, the workshop emphasised the importance of lean thinking and continuous improvement in building a competitive manufacturing environment. Participants left equipped with actionable tools to streamline operations and improve productivity.

Technical Skills Training Workshop (March 2025)

On 18–19 March 2025, a Technical Skills Training workshop at the Durban South Training Trust (DSTT) strengthened core production competencies among 20 operators and team members from 11 SME firms. The programme focused on accurate measurement, proper tool usage, waste reduction, and key numeracy and literacy skills required in manufacturing settings. Learners applied these skills in a mini-factory environment, gaining valuable practical experience.

Feedback reflected the depth of learning:

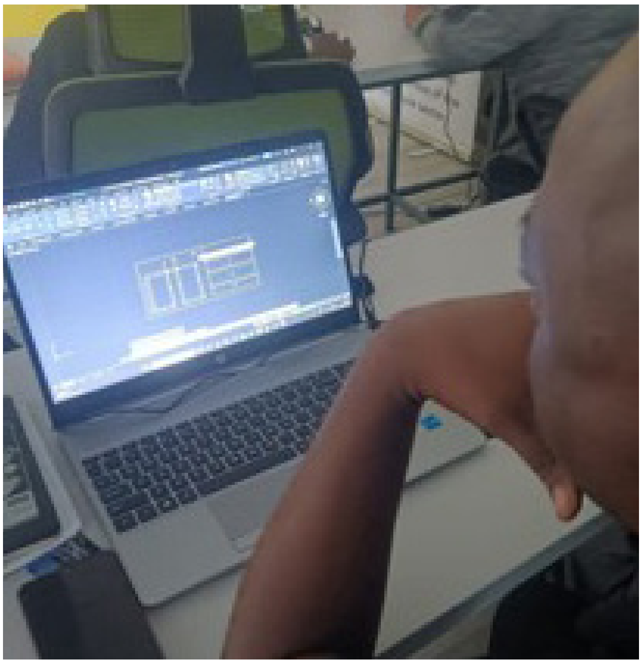
> **“My highlight was the practical experience with the measurement tools and machinery. This workshop is a must for anyone considering going into carpentry.”**
>
> — Zinhle Hadebe
> Zee’s Beds & Furniture

> **“It will save my business from making unnecessary production flaws… an extra day or two will make an impact.”**
>
> — Phiwayinkosi Ngema
> Zaloetech

Lean Manufacturing, 6S, and Problem-Solving Skills Workshop (March 2025)

Further strengthening operational excellence, a second workshop was held on 25 March 2025 at Ninian & Lester, training 26 learners from 18 SME firms in structured problem-solving, 6S techniques, and waste-reduction strategies. Participants noted the strong relevance and organisation of the training, with feedback such as:

> **The course was excellent, with good communication and organisation. We really appreciate the training and look forward to future events.”**
>
> — Nobuhle Gugu
> Domiday Distributors



AutoCAD Design & Innovation Skills Workshop

A four-day AutoCAD Design and Innovation workshop expanded digital design and drafting capabilities among employees from 10 firms. The training introduced participants to AutoCAD fundamentals and guided them through furniture-related exercises, enabling them to produce precise, professional drawings.
Learners reflected positively on the experience:

Feedback reflected the depth of learning:

"The course... improved my confidence in using the software effectively."

— Lumka Sibanyoni
Sakhikhono

"[It was] a beautiful week learning! I have learnt a lot—this really was beneficial to us all."

— Shivanie Solai
Wes Sol Creations

"The training was great. I've enjoyed the new knowledge, and I really appreciate the opportunity."

— Dominique Kitenge
Domiday Creations

Shared **Learning**

The 2024/2025 Manufacturing Meetup series brought together industry leaders, experts, and practitioners to tackle the most pressing challenges and opportunities in South African manufacturing. Covering themes such as energy resilience, sustainability, workforce development, Lean transformation, and supply chain competitiveness, the sessions offered practical insights and shared learning. Across the series, a strong focus emerged on building future-fit operations through collaboration, continuous improvement, and strategic innovation.

4P Culture Framework: People (10 July 2024)

The third session in the 4P Culture Framework series, presented by international Lean expert Mike Hoseus, focused on the "People" pillar. The session emphasised the importance of intentionally designing a workplace culture that values and develops employees. Hoseus outlined how aligning people systems with organisational goals, promoting internal leadership development, and fostering a culture of continuous improvement are fundamental to long-term manufacturing competitiveness.

4P Culture Framework: Problem Solving (21 August 2024)

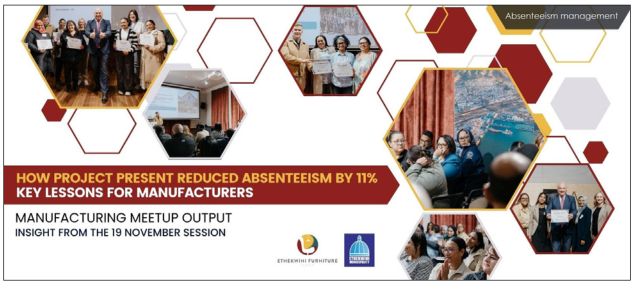
In the final session of the 4P series, Mike Hoseus explored the "Problem Solving" pillar, emphasising PDCA thinking and the critical role of structured problem-solving in transformation. He demonstrated how organisations can drive competitiveness by integrating Purpose, People, Process, and Problem Solving. A poll during the session identified resistance to change as the biggest barrier to transformation, with Hoseus offering actionable guidance to overcome it.

Net Zero Webinar (1 August 2024)

This session focused on the transition to Net Zero, showcasing how South African manufacturers can reduce carbon emissions while achieving business value. Chris Handt from ACA Threads shared a holistic approach to sustainability, and O'Neill Marais from BMA highlighted the strategic necessity of Net Zero planning. Brundtland Consulting emphasised the importance of measurement and accountability tools to support meaningful carbon reduction efforts.

Reducing Lost Time (10 October 2024)

A case study on Green Thread Manufacturers, shared by BMA's Jake Morris, revealed how a data-driven, employee-engaged initiative turned around factory performance. With support from the Localisation Support Fund (LSF), the project improved operational efficiency from 45% to 60% in just three months. Key team members shared how clear metrics, employee inclusion, and structured problem-solving helped shift the factory from loss-making to profitable.



Project Present (19 October 2024)

Over a seven-month period, 14 members of the Cape Clothing and Textile Cluster reduced absenteeism by 11%, recovering over 1.2 million minutes of productive time. This was achieved through lean methodology, including root-cause analysis and the development of standard operating procedures. The session, facilitated by BMA and featuring Project Present participants, explored tools such as return-to-work interviews, incapacity counselling, and attendance-linked incentives.

Made in Thailand Study Tour (20 January 2025)

This session shared insights from a TWIMS-led benchmarking tour to Thailand, comparing South African and Thai manufacturing competitiveness. While Thai firms benefit from lower labour and electricity costs, South African firms are ahead in automation, decarbonisation, and Lean practices. The findings challenged local manufacturers to adopt actionable strategies that can close the competitiveness gap and strengthen global positioning.

Mr Price World-Class Logistics Tours (6 February & 10 June 2025)

Two in-person tours of the Mr Price Distribution Centre in KwaZulu-Natal provided manufacturers with a behind-the-scenes view of world-class logistics operations. The 65,000m² facility showcased the use of automation, systems integration, and supply chain discipline in driving retail efficiency. The tours highlighted the importance of logistics as a strategic pillar of operational excellence and competitiveness.

Steel Sector Crisis – ArcelorMittal SA Closure (18 March 2025)

This critical webinar addressed the expected closure of ArcelorMittal SA's Longs steel facilities, posing a threat to 3,500 direct jobs and up to 120,000 across the value chain. A panel of industry leaders discussed the potential fallout, possible mitigation strategies, and systemic issues behind the crisis. The session underscored the importance of proactive planning, sectoral collaboration, and policy responsiveness to protect and strengthen local manufacturing.

Renewable Energy Solutions: Webroy & Homewood (16 April 2025)

In this practical session, Homewood and Webroy shared their real-world experiences in adopting renewable energy (RE) systems to improve energy resilience. Speakers detailed their implementation journeys, including challenges, costs, and returns on investment. Absa's Spha Ntombela outlined financing mechanisms for RE projects, reinforcing that RE adoption is a strategic move to combat load shedding, manage rising energy costs, and meet sustainability expectations.

Lean Culture with Ryan Tierney (28 May 2025)

Lean expert Ryan Tierney, Director at Seating Matters and author of Lean Made Simple, shared his hands-on experience in transforming his company into a Lean benchmark. He stressed that real change comes when continuous improvement becomes part of everyday culture, not just a project. Tierney encouraged businesses to simplify Lean thinking, embed it into daily routines, and drive cultural change from the ground up, challenging participants to adopt a globally competitive mindset.

2024/2025 Excellence Awards

The cluster acknowledges and appreciates the active involvement of member firms. In recognition of their outstanding dedication and contributions to all cluster initiatives, as well as their unwavering and enduring support for the furniture sector in KZN, the following members are being honoured with awards for 2024/2025:

FIRM	AWARD TITLE	REASON FOR AWARD
Mr Price Home	Localisation Excellence Award	Awarded for their commitment to developing high-potential enterprises, suppliers and Black industrialists into strategic partners to strengthen the South African furniture value chain.
Homewood	Spirit of Clustering Award	Awarded in recognition of outstanding participation in shared learning sessions, demonstrating a steadfast commitment to collaborative growth and the advancement of collective knowledge.
Wood 'n Craft	Skills Development Commitment Award	In recognition of their dedication to continuous learning and capability building through consistent participation in the Cluster's skills workshops, demonstrating a strong commitment to upskilling their workforce and contributing to a more competitive and resilient industry.
Department of Trade, Industry and Competition (DTIC) - Forestry and Furniture Sector Desk	Mover & Shaker Award	Awarded for their leadership, consistent engagement, and active contribution to Cluster initiatives. Their commitment to sharing opportunities and supporting collaboration has played a meaningful role in advancing the Cluster's growth and strengthening its impact.
Lumka Sibanyoni	Chairperson Appreciation Award	Awarded for her dedication and commitment to the cluster and actively ensuring that the objectives of the cluster are achieved.

Our Partners

The Executive **Committee**

The eThekwini Furniture Cluster (EFC) is guided by an Executive Committee made up of senior executives from member firms, representatives from the eThekwini Municipality, and the Cluster's facilitation team. The Executive Committee provides strategic oversight, strengthens governance, and ensures that the Cluster's programmes remain aligned with both industry priorities and the City's development objectives.

During this financial year, the Cluster welcomed five additional Executive Committee members, expanding industry representation and strengthening the leadership base. The addition of these members marks an important step in ensuring broader value-chain participation and deepening the Cluster's position as an industry-led initiative.

NAME	CLUSTER ROLE	FIRM
Lumka Sibanyoni	Chairperson	Sakhikhono Training and Development (Pty) Ltd
Ian Perry	Director	Homewood
Paulina Urban	Director	Mr Price Home
Blessing Zondi	Executive Committee Member	BFurn
Tamsyn Ferreira	Executive Committee Member	Alifurn
Tsholofelo P Motaung	Executive Committee Member	DTIC
Tafadzwa Nyanzunda	Executive Committee Member	DTIC
Takalani Rathiyaya	Funder Representative	eThekwini Municipality
Titus Mazibuko	Funder Representative	eThekwini Municipality
Yolanda Dzingwa	Facilitator	BMA
Stephen Price	Chief Facilitator	BMA

The expanded Executive Committee brings a broader range of perspectives from retail, manufacturing, design, public-sector leadership, and industry strategy. This strengthened leadership group enhances the Cluster's ability to address sector challenges, support SME growth, and drive competitiveness across the KZN furniture value chain.

Our **Partners**

The EFC expresses its gratitude to the eThekwini Municipality for their valuable partnership and support. The Economic Development and Investment Promotion Unit (ED&IPU) of eThekwini Municipality is instrumental in providing public funding for the EFC. The ED&IPU's main objectives are to promote economic growth, encourage job creation, drive economic transformation, and improve economic intelligence within the municipality.

The ED&IPU follows policies set by both National and provincial governments and aligns its actions with the Municipality's Integrated Development Plan (IDP) and Economic Development Strategy (EDS). While these plans primarily guide the unit's activities, it is also committed to supporting other initiatives, such as the Millennium Development Goals, to tackle the region's broader challenges.

ETHEKWINI MUNICIPALITY

For more information about the eThekwini Municipality, please visit the website:

www.durban.gov.za

Cluster **Facilitation**

Facilitation services to the EFC are provided by an independent team at BMA appointed through a competitive tendering process by the EFC Executive Committee.

Founded in 1997, BMA provides high-value, specialised services to drive sustainable industrial development. These services are provided to government, non-government organisations (NGOs), clusters, industry associations, retail and manufacturing companies.

For more information on BMA please visit www.bmanalysts.com

Governance **and Compliance**

Governance and compliance are important for the effective and ethical delivery of our programmes. The below list demonstrates how the EFC navigates this.

- Registered as a Non-Profit Company
- Memorandum of Incorporation (MOI) that entrenches Public-Private Partnership (PPP) model, transparent governance and clear accountability
- Clear business plan and accompanying implementation plan
- Memorandum of Agreement (MOA) governing the relationship with the primary funder
- Performance management and reporting systems that are effective and efficient
- Financial control systems that are effective, efficient and transparent
- Adequate solvency and liquidity provisions
- Clean, unqualified annual financial audits
- Risk management practices that are effective, efficient and transparent
- Competition Law checklist and related safeguards
- Procurement systems that are effective, efficient and transparent
- Service Level Agreement (SLA) governing relationship with the facilitation service provider
- Capacity to comply with funding agreements
- Compliance with the Companies Act; The Income Tax Act; Consumer Protection Law; the Public Finance Management Act; the Municipal Finance Management Act and the POPI Act
- Broad-Based Black Economic Empowerment (B-BBEE) level 4 contributor and 100% of expenditure can therefore be claimed as Preferential Procurement

Member **Listing**

ORGANISATION	CONTACT NUMBER
Alifurn Outdoor Furniture	032 947 0011
Domiday Distributors (Pty) Ltd	068 011 4539
Homewood Manufacturing (Pty) Ltd	033 234 4450
Interior Metal Designer	071 746 8752
Khayelihle Homeware	082 043 2826
Khuba Unique Upholstery Corp	031 912 1440
La Mobila Interiors	074 540 0134
Leighjer Designs	031 563 3322
Wood 'n Craft	031 207 1613
Sakhikhono Training & Development	031 003 3123
Thulani Mazuluzulu Interior Solution	076 109 9370
Tru Outdoor Luxury (Pty) Ltd	082 940 6870
X-Klusiv Dzgn Furniture (Pty) Ltd	066 012 3777

2ba Company	Khulabo
Afroawethu	Khuni Crafts
Akili Timber	KP Projects
Amanyuswa Amahle	KZN Furniture Upholstery
Amazing Interiors	La Persys Interior Design
Apex Carpentry and Design Consultants	Ltd Bed Manufactures
Arkivio Pty Ltd	Mholiwezizwe Architects & Design Studios t/a
Azah Home&Garden	Mad Design Studios
Bfurn (Pty) Ltd	Middlewood Ornaments
Blazing Torch trading and projects	Mr Price Home
Broz Interiors	My basketshop
C and S woodworks and home renovations	NC Upholsters
C M Decor World	Ruo and Rui Medical
Candelicacy	Sibize Group
Dark Wood Trading	Silhoutte Furniture
Décor Home tec	Simakade Furnishers
Decorex Africa	Singela Consultancy
Devin Timber Processing & Furniture Making	Sondelani Upholstery
Divine eaBakwena Elegant Collection	Step On Stars
Edban Gold	TG Tables and Chairs
ELO Interiorors	The Beanbag Specialist
Faka Isandala Trading	Tillage Woodcraft Cooperative (PTY) LTD
Fibertex South Africa Pty Ltd	Top Contracts
Fox industries	Tswelopele 20 Trading Pty L
Fuze DigitalConcepts	Universal Board Creations
Gembe Business Investments	Vicofurn
Gen1-27 solution	Wes-Sol Lamps and Shades
Home Concept Furniture	Women's Vision Primary Cooperative Ltd
Ibanga (Pty) Ltd	Zada Investments t/a Zada Interiors
Ikhanda Emafini Concepts	Zaloetech
Iso Lempilo Inovators	Zee's Beds and Furniture
ITM Assist	Zimangaliso Interior Design Studio
Kabantu Trading cc	Ziphozomusa
Katabella	Zip-naz Tradings
Kets Atelier	Zykzela

Cluster **Information**

Tel: + 27 (0)31 764 6100
Email: efc@bmanalysts .com
Website: www.furniturecluster.org.za

Physical Address
Block B, Bellevue Campus
5 Bellevue Rd, 3610

Audited Financial Statements

ETHEKWINI FURNITURE CLUSTER NPC
(Registration number 2018/397128/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The company is engaged in the carrying on of a public benefit activity as defined in section 30(1) of the Income Tax Act, in a non-profit manner and operates principally in South Africa providing consulting services to entities within the furniture industry.
Directors	P F Ngema L B U Sibanyoni I W Perry P A Urban
Registered office	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Business address	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Postal address	PostNet Suite 10139 Private Bag X7005 Hillcrest KwaZulu-Natal 3650
Bankers	First National Bank
Auditors	Forvis Mazars Registered Auditor
Company registration number	2018/397128/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: MJ Cassan Chartered Accountant (S.A)
Issued	27 November 2025

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

Directors' Responsibilities and Approval

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

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

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

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

The directors have reviewed the company’s cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 8 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 27 November 2025 and were signed on its behalf by:

PUrban

P A Urban

L B U Sibanyoni

Ian

I W Perry

Forvis Mazars, Ridgeside Office Park
21 Richefond Circle, Umhlanga Ridge
Durban, 4319

Tel: +27 31 818 9000
Email: office.za.dur@forvismazars.com
forvismazars.com/za

PRACTIONERS COMPILATION REPORT

To the Directors of Ethekwini Furniture Cluster NPC

We have compiled the accompanying annual financial statements of Ethekwini Furniture Cluster NPC based on information you have provided. These financial statements comprise the statement of financial position of Ethekwini Furniture Cluster NPC as at 30 June 2025, the statement of comprehensive income, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the IFRS for SMEs Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence, and due care.

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

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

Forvis Mazars

Forvis Mazars
MJ Cassan
27 November 2025
Durban

Forvis Mazars, Ridgeside Office Park
21 Richefond Circle, Umhlanga Ridge
Durban, 4319

Tel: +27 31 818 9000
Email: office.za.dur@forvismazars.com
forvismazars.com/za

Independent Auditor's Report

To the Directors of Ethekwini Furniture Cluster NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ethekwini Furniture Cluster NPC set out on pages 9 to 17, which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ethekwini Furniture Cluster NPC as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Continued-/

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ethekwini Furniture Cluster NPC Annual Financial Statements for the year ended 3 June 2025", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Continued-/

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Forvis Mazars

Forvis Mazars
Partner: S Doolabh
Registered Auditor
27 November 2025
Durban

The directors have pleasure in submitting their report on the annual financial statements of Ethekwini Furniture Cluster NPC for the year ended 30 June 2025.

1. Nature of business

Ethekwini Furniture Cluster NPC was incorporated in South Africa with interests in the furniture industry. The company operates in South Africa.

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

2. Review of financial results and activities

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

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

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

Directors	Changes
P F Ngema	
L B U Sibanyoni	
I W Perry	
P A Urban	Appointed 27 November 2024

4. Events after the reporting period

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

5. Going concern

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

6. Auditors

Forvis Mazars will continue in office as auditors for the company for the 2026 financial year.

Ethekwini Furniture Cluster NPC
Annual Financial Statements for the year ended 30 June 2025
Statement of Financial Position as at 30 June 2025

Figures in Rand	Notes	2025	2024
Assets			
Current Assets			
Trade and other receivables	2	40,510	30,975
Cash and cash equivalents	3	1,301,221	423,418
		1,341,731	**454,393**
Total Assets		**1,341,731**	**454,393**
Equity and Liabilities			
Equity			
Accumulated surplus		1,024,622	219,897
Liabilities			
Current Liabilities			
Trade and other payables	4	317,109	234,496
Total Equity and Liabilities		**1,341,731**	**454,393**

Ethekwini Furniture Cluster NPC
Annual Financial Statements for the year ended 30 June 2025
Statement of Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue	5	2,474,485	2,356,400
Other income	6	-	3,013
Operating expenses		(1,669,760)	(2,607,253)
Operating surplus/(deficit)	7	**804,725**	**(247,840)**
Surplus/(Deficit) for the year		**804,725**	**(247,840)**

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 July 2023	**467,737**	**467,737**
Deficit for the year	(247,840)	(247,840)
Balance at 01 July 2024	**219,897**	**219,897**
Surplus for the year	804,725	804,725
Balance at 30 June 2025	**1,024,622**	**1,024,622**

Ethekwini Furniture Cluster NPC
Annual Financial Statements for the year ended 30 June 2025
Statement of Cash Flows

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash generated from/(used in) operations	9	877,803	(70,673)
Net cash from operating activities		**877,803**	**(70,673)**
Total cash movement for the year		**877,803**	**(70,673)**
Cash and cash equivalents at the beginning of the year		423,418	494,091
Total cash at end of the year	3	**1,301,221**	**423,418**

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

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

1.2 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value. These are classified as receivables.

Trade and other receivables

Trade and other receivables, excluding value added taxes are recognised initially at transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest rate method less accumulated impairment losses.

Trade and other payables

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

1.3 Revenue

Revenue is measured at fair value through membership fees received or receivable excluding value added tax.

Government funding is recognised when received by reference to the amount specified in the funding agreement in respect of funding entered into between the government and the cluster.

Figures in Rand	2025	2024

2. Trade and other receivables

Trade receivables	21,393	-
Value added taxes	19,117	30,975
	40,510	**30,975**

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,301,221	423,418

4. Trade and other payables

Trade payables	317,109	234,496

5. Revenue

Membership fees	43,735	41,400
eThekwini Municipality	2,430,750	2,315,000
	2,474,485	**2,356,400**

6. Other income

Decrease in the provision for bad debts	-	3,013

7. Operating surplus/(deficit)

Operating surplus/(deficit) include the following expenses:

Building capacity	596,585	719,388
Engaging the market	356,709	327,117
Executive and strategy	430,000	452,889
Supporting growth	252,962	526,672
Value chain upgrading	-	546,724
	1,636,256	**2,572,790**

8. Taxation

Non provision of tax

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

9. Cash generated from/(used in) operations

Net surplus/(deficit) before taxation	804,725	(247,840)
Changes in working capital:		
Trade and other receivables	(9,535)	260,474
Trade and other payables	82,613	(83,307)
	877,803	**(70,673)**

Figures in Rand	2025	2024

10. Related parties

Relationships
Entities under common management — B and M Analysts Proprietary Limited

Related party balances and transactions with other related parties

Related party balances

Amounts included in trade payables owing to related parties		
B and M Analysts Proprietary Limited	316,982	234,369

Trade payables are paid within 30 days.

Related party transactions

Amounts paid to related parties		
B and M Analysts Proprietary Limited	1,636,256	2,572,789

B and M Analysts Proprietary Limited provides facilitation services and financial administration services to the independent cluster manager.

11. Directors' and prescribed officer's remuneration

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

12. Going concern

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

13. Events after the reporting period

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

14. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2025

	Financial assets at amortised cost	Total
Trade and other receivables	21,393	21,393
Cash and cash equivalents	1,301,221	1,301,221
	1,322,614	**1,322,614**

2024

	Financial assets at amortised cost	Total
Cash and cash equivalents	423,418	423,418

15. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2025

	Financial liabilities at amortised cost	Total
Trade and other payables	317,109	317,109

2024

	Financial liabilities at amortised cost	Total
Trade and other payables	234,496	234,496

Ethekwini Furniture Cluster NPC
Annual Financial Statements for the year ended 30 June 2025
Detailed Income Statement

Figures in Rand	2025	2024
Revenue		
Membership fees	43,735	41,400
eThekwini Municipality	2,430,750	2,315,000
	2,474,485	**2,356,400**
Other income		
Decrease in provision for bad debts	-	3,013
Operating expenses		
Auditor's remuneration	32,367	30,742
Bad debts	-	2,620
Bank charges	1,137	1,101
Building capacity	596,585	719,388
Engaging the market	356,709	327,117
Executive and strategy	430,000	452,889
Supporting growth	252,962	526,672
Value chain upgrading	-	546,724
	1,669,760	**2,607,253**
Surplus/(Deficit) for the year	**804,725**	**(247,840)**

ETHEKWINI FURNITURE
CLUSTER

ETHEKWINI
MUNICIPALITY