higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NORTHERN CAPE
URBAN TVET
COLLEGE

SABS
ISO 9001

2023
ANNUAL REPORT

Your Pathway to an Improved
Socio-Economic Development

CITY CAMPUS

MOREMOGOLO CAMPUS

PHATSIMANG CAMPUS

CENTRAL OFFICE

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1. College Profile

Northern Cape Urban TVET College (NCUTVET) is a public Technical and Vocational Education and Training (TVET) college located in Kimberley, Northern Cape. It is 1 of the 50 TVET Colleges in the country and 1 of the only 2 in the Northern Cape Province, mainly serving the Frances Baard and John Taole Gaetsewe districts.

The College comprises of the following campuses:

- City Campus
- Moremogolo Campus
- Phatsimang Campus
- Central Office situated in Kimberley CBD

Through it's Skills and Innovation Centre NCUTVET College offers a variety of Occupational programmes like Learnerships and Accredited Skills Programmes.

Geographically the three Campuses and Skills and Innovation Centre are within 10 km of each other and between 10km to 1.5 km away from the Central Office respectively. The Moremogolo and Phatsimang Campuses are situated in the township whilst City Campus is located in the CBD.

The Programme Qualification Mix (PQM) is responsive to industry demands, that will seek to address the economic needs of the area.

- **A programme qualification mix, offering relevant formal ministerial programmes**
- **National Certificate (Vocational) Programmes:**
  - Safety in Society
  - Transport and logistics
  - Tourism
  - Information Technology
  - Finance, Economics and Accounting
  - Office Administration

- **Report 191 (N1-N3) Engineering Studies Programmes**
  - Electrical Engineering
  - Mechanical Engineering
  - Civil Engineering

- **Report 191 (N4-N6) Business Studies Programmes**
  - Marketing Management
  - Tourism
  - Intro to Business Management
  - Business Management
  - Financial Management

A programme qualification mix, offering relevant accredited occupational programmes:

- National Certificate: Brick Laying & Construction
- National Certificate: Plumbing
- National Certificate: Spray painting
- Centre of Specialisation: Carpentry and Joinery Apprentices

(CoS) underwent their trade testing, to qualify as ‘Red Seal’ apprentices. The College is continually building local partnerships with various institutions, amongst other:

- Government departments
- University of the Free State
- Central University of Technology
- Narysec
- ETDP Seta
- MERSETA
- SASSETA
- Local Business and Industry, and
- Many others.

On national and international levels, the institution has implemented partnership agreements with Goldfields TVET College, Dudley College and Activate Learning College in England. The Colleges share common objectives in the development of Renewable Energy Plants in our communities, promoting an entrepreneurial culture, leadership development and promotion of literacy and numeracy competencies.

The international partnerships were created to share best practices and models that work in the United Kingdom and in South Africa. It is further important to note that the Northern Cape Urban TVET College was awarded a Foundational Learning project to improve numeracy and literacy skills of students. The College has a Centre of Specialization in Carpentry and Joinery, the fields of Bricklaying and Plumbing. We are experiencing several challenges, specifically related to e-learning with related training for users and infrastructure:

- Lecturer professional development is a priority for the College, especially with the demands posed by the 4th industrial revolution.
- We have received funding to improve and refurbish the deteriorating infrastructure (CIEG) and is actively renovating College sites.
- NCUTVET College continues to pursuing various funding options to renovate its dilapidated sites.

At NCUTVET College, we are committed to delivering high-quality programs that are relevant, innovative, and industry-focused.

VISION, MISSION AND VALUE STATEMENT

Our Vision

Your Pathway to an improved socio-econominc development.

Our Mission

To be a relevant and responsive provider of Technical and Vocational Education and Training through establishing and sustaining partnerships with relevant stakeholders and developing our staff to fit the purpose.

Our Values

- Integrity
- Respect
- People Orientation
- Fairness
- Loyalty
- Accountability
- Professionalism
- Leadership
- Teamwork

2. Abreviations and Acronyms

APP	Annual Performance Plan
COS	Centre of Specialization
DHET	Department of Higher Education
HRDS-SA	Human Resource Development Strategy for South Africa
LMIP	Labour Market Intelligence Project
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEET	Not in employment nor in education and training (youth)
NSDS	National Skills Development Strategy
NSF	National Skills Fund
OPS	Operational Plan
PLP	Pre-Vocational Learning Programme
PQM	Programme and Qualification Mix
PSET	Post-School Education and Training
SETA	Sector Education and Training Authority
SOP	Standard Operational Procedure
SNE	Special Needs Education
SSP	Sector Skills Plan
SWOT	Strenghts, Weaknesses, Opportunities, Threats
TVET	Technical and Vocational Education and Training
WIL	Work Integrated Learning
WPBL	Workplace Based Learning

PART A

GENERAL OVERVIEW

3. Message from the College Council Chairperson

To the College Council, our supportive external stakeholders and staff of NCUTVET College and particular our students, It gives me great pleasure to present the 2023 annual report. It was a challenging year, yet we celebrated much success and significant growth for the College.

This report outlines the College's achievements with reference to the pre-determined targets as outlined in the 2022 Annual Performance Plan. The College continues to respond to its responsibility of offering technical and vocational academic programmes that addresses the skills gap in our region, province and country at large. This being the last year for the current College Council, we continued to provide oversight and leadership in relation to Government's National Development Plan agenda and the College's five (5) years strategic plan; ensuring that all youths are given equal opportunity to access vocational education and training; engaging in innovative partnerships, and ensuring that the College is financially stable to carry out its vision.

All Committees of Council have functioned extremely well and were able to review and approve numerous policies. The appointments of some middle Managers, amongst others IT and Partnership and Linkages are greatly appreciated, as it will contribute to optimal performance in the institution and thus strengthen Council's monitoring framework. The Risk Register was a standing item in Council meetings and updated where necessary.

Council notes the qualified audit opinion received from Auditor General and commits to strengthening its oversight function in future to ensure ethical and effective leadership. Both the Executive and Council will need to dig deep in difficult circumstances to come up with collective solutions to meet the challenges head-on, that will change the audit opinion for 2024. In the words of Nelson Mandela, "It seems impossible until it is done." I have full confidence in team NCU and trust that we will do whatever is needed to steer the College in the right direction.

In closing, I would like to record our very sincere appreciation to the College Executive and management as a whole, for their consistent performance. The entire workforce, thank you for all your efforts. Our stakeholders, we appreciate you deeply and to our beloved students without you, we are not NCUTVET College.
Thank you very much.

Dr JT Beukes
Chairperson of College Council

4. The Accounting Officer's Foreword

'Education is the most powerful weapon which you can use to change the world'- Nelson Mandela. This quote reminds us of the power of education and that it's not something that can be taken for granted.

The college had many, achievements, highlights and challenges during 2023. Reflecting on this year brings pride, we built on achievements and progress of 2022. These experiences can be added and used as part of the leadership, growth and management of the institution.

In the last year of our 5 year strategy, the College continued to increase post-school opportunities for the large cohort of students who wish to continue with their studies. We indeed continued to strive for excellence in realizing our vision of being a 'pathway to an improved socio-economic development' and focused on:

- Acceleration of infrastructure development through the conditional CIEG grant
- Initiating the upgrade of workshops
- Initiating back up energy at Campuses to ensure uninterrupted service
- Focused application of accreditation in responsive occupational programes
- Appointments in strategic units of the College
- New partnership opportunities for student and staff placements.
- Students and staff capacity building
- Continued Developing and implementation of College policies

This being the last year with the College Council, I would like to thank the outgoing Council for their oversight, leadership, and support during their time of office. We look forward to welcoming the new College Council and believe the firm foundation set will enable them to continue building this 'pathway to an improved socio-economic development'. I'm also extending warm gratitude to the SRC who have shown great leadership in guiding our students. Words fail me in expressing my sincerest gratitude to the staff of NCUTVET for their continued commitment to the course. You remain the 'wind under my wings'.

Mr B T Madalane
College Principal

5. Statement of Responsibility and Confirmation of Accuracy

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

1. All information and amounts disclosed throughout annual report are consistent.

2. The annual report has been prepared in accordance with the guidelines issued by the Department of Higher Education and Training.

3. The annual financial statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.

4. The accounting officer/ the principal, is responsible for the preparation of the annual financial statements and for the judgements made in this document.

5. The accounting officer/ the principal, 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.

6. The Auditor-General and/or external auditors express an independent opinion on the annual financial statements.

Mr B T Madalane
College Principal

6. Legislation and other Directives

6.1Legislative Framework

Northern Cape Urban TVET College is enjoined by Section 44(3) of the Act, read in conjunction with section 25(3) of the same Act to prepare and submit to the Minister for Higher Education and Training an annual report.

In terms of Sections 25(3) and 25(4) of the Continuing Education and Training (CET) Colleges Act, No 16 of 2006 (as amended), public technical and vocational education and training (TVET) colleges are required to produce annual financial reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, Section 44 of the Act requires colleges to annually report to the Minister in respect of its performance and it's use of available resources.

In addition, these pieces of legislation govern and steer the college in terms of achievement of its strategic and performance objectives.

6.2 Legislative and Other Mandates

In terms of Sections 25(3) and 25(4) of the Continuing Education and Training (CET) Colleges Act, No 16 of 2006 (as amended), public technical and vocational education and training (TVET) colleges are required to produce annual financial reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, Section 44 of the Act requires colleges to annually report to the Minister in respect of its performance and its use of available resources. In addition, these pieces of legislation govern and steer the college in terms of achievement of its strategic and performance objectives

Further sets of legislation that impact on the TVET Colleges sector and its strategic and national imperatives are listed below:

- National Qualifications Framework (NQF) Act (No 67 of 2008);
- Higher Education (HE) Act (No 101 of 1997);
- Skills Development Act (No 97 of 1998);
- Skills Development Levies Act (no 9 of 1999); and
- General and Further Education and Training Quality Assurance Act (No 58 of 2001
- The Higher Education Laws Amendment Act 21/2011;
- The Higher Education and Training Laws Amendment Act 23/2012;
- The National Student Financial Aid Scheme (NSFAS) Act 56/1999;
- South African Council of Educators (SACE) Act 31/2000;
- Labour Relations Act 66/1995 and Amendments;
- Employment of Educators Act 76/1998;
- General Further Education and Training Quality Assurance Act 58/2001
- Occupational Health and Safety Act 85/1993
- Public Servant Act,

In addition, the *White Paper for Post-School Education and Training* mandates delivery and strategic priorities in the TVET Colleges sector. Other policy mandates include:

- National Trade Testing Regulations;
- SETA Grant Regulations;
- National Skills Development Strategy;
- Public TVET College Attendance and Punctuality Policy;
- Policy on the Conduct of National Examinations and Assessment.

PART B
GOVERNANCE

7. Report of Council Chairperson

The statement of Council on governance and college functionality

Northern Cape Urban TVET College utilizes its approved mandate in ensuring good governance by being compliant to legislation and economic utilization of the resources available at its disposal. The appropriate policies, procedures, controls and systems are in place and are regularly communicated to all staff members. The functions of the Council and the conduct of members are guided by the Council Charter.

College Executive Management and its broad management regularly meet to discuss critical areas of strategic, performance review, (internal/external) audit, risk management and financial matters.

The budget approved by Council is aligned to the performance indicators, derived from the approved Strategic Plan and Annual Performance Plan. Income and Expenditure is monitored regularly, reports are submitted to the Principal, Finance Committee, Audit and Risk Committee and Council on quarterly basis.

Risk management is gradually being embedded into daily College activities and is monitored by the Executive Management, Audit and Risk Committee as well as Council monitors the effectiveness of the function for an improved service delivery and realisation of the planned objectives.

The following additional information is also worthwhile to be reported by the College Council Chairperson as it further gives more detail:

7.1 **Constitution of the College Council and Governance Structures**

Northern Cape Urban TVET College Councils remains committed to its mandate of ensuring good governance and to ensure compliance to legislation and sound utilization of the resources available at its disposal. The appropriate policies, procedures, controls, and systems are in place and compliance is expected by all stakeholders. The functions of the Council and the conduct of members are guided by the Council Charter.

The College Executive Management and its broad management regularly meet to discuss critical areas of strategic, performance review, (internal/external) audit, risk management and financial matters.

The budget approved by Council is aligned to the performance indicators, derived from the approved Strategic Plan and Annual Performance Plan. Income and Expenditure is monitored regularly, reports are submitted to the Principal, Finance Committee, Audit and Risk Committee and Council on quarterly basis, as required by the CET Act.

Risk management is embedded into daily College operations and the effectiveness is monitored by the Executive Management, Audit and Risk Committee as well as Council.

7.1.1 HEALTH & SAFETY

In line with COVID 19 protocols, the access control system continues accommodate screening of individuals upon entering and exiting the College premises. In compliance with the Access to Public Premises and Vehicles (Act 53 of 1985) all visitors are requested to sign in and out when visiting College premises.

7.1.2 INTERNAL AUDIT

The primary objective of the internal audit function is to provide independent and objective assurance that add value to the services of the College. It has a directed function to assist the College in achieving its objectives by imploring a systematic approach to evaluate and mitigate the effectiveness of risk management, control and governance.

The internal audit function is currently outsourced due to the College currently not having internal capacity. However, it comprises of qualified and skilled individuals that functions in accordance with ~Treasury Regulations and the CET Act. It must be reported that the internal audit engagements were performed in accordance with the approved Internal Audit Plan.

The main activities Internal Audit performed during the year under review are as follows:

- Compilation of an Audit plan
- Performing Internal Audit on Internal Systems
- Reporting to Management and the Audit and Risk Committee
- Assisting with External Audit preparation

7.1.2.1. INTERNAL AUDIT WORK

Per the audit plan, the following activities were completed:

- Asset and Inventory Management Processes
- Human Resource Management Process
- Supply Chain Management Processes
- Academic Affairs Management Processes
- Transfer Payment Processes
- Follow up on previous year findings, both internal and external
- Other relevant operational audits

Below is information also worthwhile to be reported by the College Council chairperson as it further unpacks some of the topics:

The following individuals constitute the College Council and Governance structures:

- Ms JT Beukes: Council Chairperson
- Mr J Mathakgane: Council member
- Mr GC Africa: Council member
- Mr Z Maneli: Council member
- Ms N Dlamini: Council Member
- Ms T Kgantsi: Council member
- Mr LM Mokhele: Council member
- Ms T Rapelang: Council member
- Mr G Petersen: Employee representative (Academic)
- Ms J Du Plooy: Employee representative (Support)
- Ms ED Musi: Academic board
- SRC

Dr. J Beukes
Council Member

Mr. J Mathakgane
Council Member

Mr. G Africa
Council Member

Mr. Z Maneli
Council Member

Mrs. TP Kgantsi
Council Member

Mrs. N Dlamini
Council Member

Ms. T Rapelang
Council Member

Mr. L Mokhele
Council Member

Mrs. J Du Plooy
Council Member Support Staff

Mr. GV Peterson
Council Member: Academic Staff

Mrs. ED Musi
Council Member: Academic Board

MR. BT Madalane
Council Member: College Principal

Council and sub committees meetings held and for what purpose

Type of meetings	Number of meetings	Purpose of meeting
Ordinary	4	Scheduled Council meeting
Special	1	Approval - Fees structure & 2024 budget
	1	Approved - Policies & Assets
Ordinary	4	Fincom Meetings
Special	1	Fees structure & 2024 budget
	1	Asset disposal
	1	Policy Review
Ordinary	4	Human Resource Committee - Scheduled Meeting
Special	1	Policy Review
	1	Policy Review
Ordinary	4	Academic Board - Scheduled Meeting
Special	1	Policy Review
Ordinary	4	Audit and Risk Committee meeting Scheduled Meeting
Special	1	Special Joint - Presentation of the Financial Statements
	1	Audit General Report
	1	Internal Audit Progress Report

7.2.1 Audit & Risk Committee.

The Audit and Risk Committee is duly constituted and functions effectively, in terms of the CET Act. Its objective is to assist the College Council in fulfilling oversight responsibilities regarding the financial reporting process, the system of internal control and management of risks, the audit process and the monitoring of compliance with laws and regulations. The Audit and Risk Committee is in place and functional. The committee met as expected with a minimum of four meetings during the financial year under review. It focused on the below main activities:

- Reviewed and approved (jointly with the Finance Committee) the annual financial statements and recommended it to Council for final approval;
- Considered (jointly with the Finance Committee) reports from the external auditors and identifying any accounting or judgmental issues requiring attention;
- Supervised the relationship with the external and internal auditors, including an assessment of their independence and also approved the external audit fees and referred it to the Council for final approval;
- Reviewed and considered reports on the work of the internal audit function including the fraud prevention and whistleblowing cases;
- Assessing whether College assets have been properly safe-guarded and utilised;
- Reviewing the adequacy, reliability and accuracy of the financial information provided to management and other users of such information, while reviewing the Annual Financial Statements on an annual basis and recommending its approval to the Council.
- Reviewed the College's quarterly report Finance Department;
- Reviewed the progress on the audit action plan of prior year external and internal audit findings;
- The committee also meets with both the external and internal auditors
- Reviewed the College's risk register and the risk mitigation actions
- Reviewed the College's risk register and the risk mitigation actions undertaken during the year;
- Considered reports on the financial budgeted amounts vs actuals spent to date and recommended the budget to Council for approval,
- Recommended deviations for approval to Council
- Related Advice and Report to council

7.2.1.1 EVALUATION OF FINANCIAL STATEMENTS

The below oversight duties were performed in evaluating the Annual Financial Statements of the College:

- Reviewed and discussed the Audited financial statements to be included in the Annual Report
- Reviewed the AGSA's management report and Management related responses
- Reviewed the College's compliance with legal and regulatory provisions
- Assessed significant adjustments resulting from the audit, and
- The Audit & Risk Committee accepts the AGSA's conclusion regarding the Annual Financial Statements

In 2022, the committee continued to focus on the integrity of the internal controls, risk management systems, business continuity and fraud prevention to make sure that it reflects the changing risks of the high growth sector.

7.3 Finance Committee.

The functions of the Finance Committee is to provide oversight of the Council's statutory responsibility for the College's overall finances. The committee also serves to provide oversight of the College's compliance with legislation and regulations including financial reporting and Supply Chain Management (SCM). The importance of the Finance Committee is to ensure the effective and efficient financial management and performance of treasury functions of the College.
The authority to accept or reject recommendations of the Committee remains with the College Council.
In 2022, the committee continued to focus on the integrity of the internal controls, risk management systems, business continuity and fraud prevention to make sure that it reflects the changing risks of the high growth sector.
See below main activities performed:

- Reviews the management accounts
- Reviews annual budget
- Asset management oversight
- Reviewing of Financial statements
- Finance policies review
- Advice and Report to council

7.4 Conditions of Employment Committee.
The Conditions of service is a sub-committee of the College Council. The purpose of the committee is to provide oversight over the HR related activities of the College.
The main activities performed are as follows:

- HR related policy review
- Recruitment, Selection and appointments;
- Employment Equity and Transformation;
- Conditions of Services;
- Performance Management;
- Training and Development;
- Staff establishment
- Employee Health and Wellness
- Labour Relations
- Advice and Report to council

7.5 Academic Board Report

The Academic Board is fully functional and accountable to Council for:

- All the teaching and learning functions of the College
- Establishing internal academic monitoring and quality promotion mechanism
- Ensure the requirement of accreditation to provide learning against standards and qualifications registered
- on the NQF are met.
- Performing such other functions as may be delegated and assigned by Council
- Advice and Report to council

7.5.1 Academic board constitution

- Principal,
- Vice Principals,
- Academic staff (60%)
- 2 Members of Council
- 3 Members of the SRC (Academic Officer)
- An additional members as determined by council.

7.5.2 Activities performed by the Academic Board

- 2022 Targets for subject pass rate & progression rates
- Approval of enrolment numbers for NCV and Report 191
- Approval for 2022 teaching and learning Plan
- Approval of the Strategic Plan for 2022
- Adoption of the 2022 fee structure
- Analysis of Results and Interventions
- Exam 2022 Report 191 T1-2022
- Feedback on SBA Monitoring, ICASS verification and exam
- DHET monitoring reports
- Internal and External Examination preparation and readiness

7.6 Student Representative Council Report

Northern Cape Urban TVET College stand ready to provide our students with a wide range of courses that can improve their socio- economic statuses by creating an environment that is conducive to learning.

The student support services unit therefore advocates for the holistic approach and a clear student centred approach that seeks to increase the chances of success and employability. The support includes assisting them with making the best choice immediately when they knock on our doors, giving them access to apply for financial aid by availing computer labs to their disposal, effective induction/ orientation for new and returning students and opportunity to participate in extra- curricular activities amongst others.
An approved SRC Constitution is in place and the democratic election process for SRC elections is conducted strictly according to the provisions thereof.

The inter-campus games always encourage students to participate in sports and the College allocates time for the students to showcase their talents in sports. Such programmes, especially at the beginning of the year, enable the students to extend learning and to develop positive attitudes, increase self-esteem, to enjoy positive social interactions and to broaden their fitness and leisure horizons. The college also sent Soccer and Netball teams to participate at the regional competition that was hosted by the College of Cape Town. Northern Cape and Western Cape form one of the six regions of the Department of Higher Education and Training. We also participated at the National Debate Competition that was held at the Cape Town International Convention Centre, and our students received Silver Medals. This is an achievement we are very proud of.

The college with its SSS Unit will continue to reach its pick despite some challenges amongst other, strikes that were characterised by vandalism and destroying the property. We allow justice to take its course.

The Student Support find expression in the Colleges' strategic Plan and operational plans respectively.

PART C
PERFORMANCE INFORMATION

8. Report by Principal on Management and Administration

It remains an honour for NCU TVET College to provide an overview of the key achievements for the 2023 academic year. This overview seeks to highlight the outstanding achievements, challenges and intervention strategies in line with the college Strategic plan. Lack of student placement and absorption are some of the major challenges for the College. In our quest to skill students for employability, we are moving towards entrepreneurship programmes which will assist in growing the economy considering the consequences of Covid-19 that led to the closure of some businesses.

The college performance outline in this overview is in line with the key strategic priorities highlighted in the foreword of the Principal/ Accounting Officer

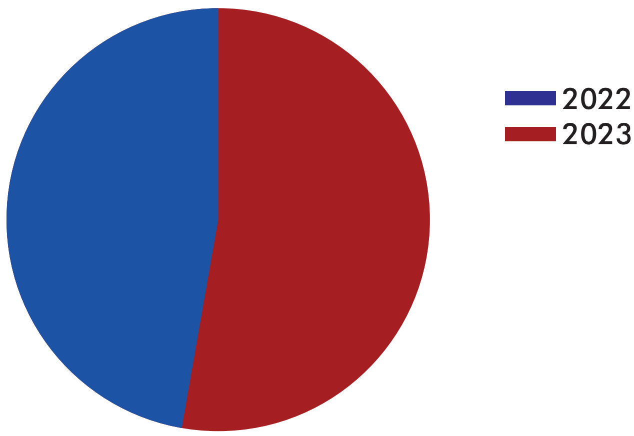
Below table illustrate enrolment numbers between 2022 and 2023:

CAMPUS NAME	2022	2023
CITY CAMPUS	2 072	2 024
MOREMOGOLO CAMPUS	703	704
PHATSIMANG CAMPUS	2 333	3 313
SKILLS & INNOVATION	290	656

For the academic years 2022 and 2023 the College had a total of 11 474 registered students. See below information illustrating registration between 2022 and 2023 academic year, with further data charts of 2023.

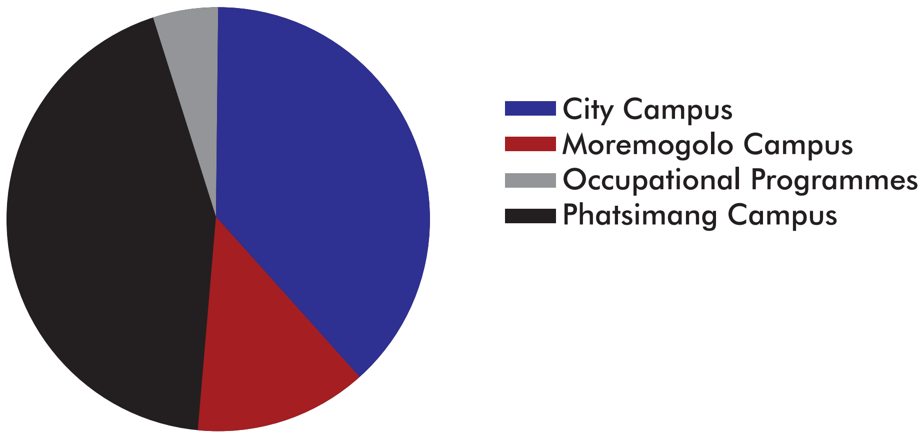
YEAR	2022	2023	TOTAL
Enrolled	5398	6697	12 095

The chart below shows the enrolment data for the year 2022 - 2023 academic year.



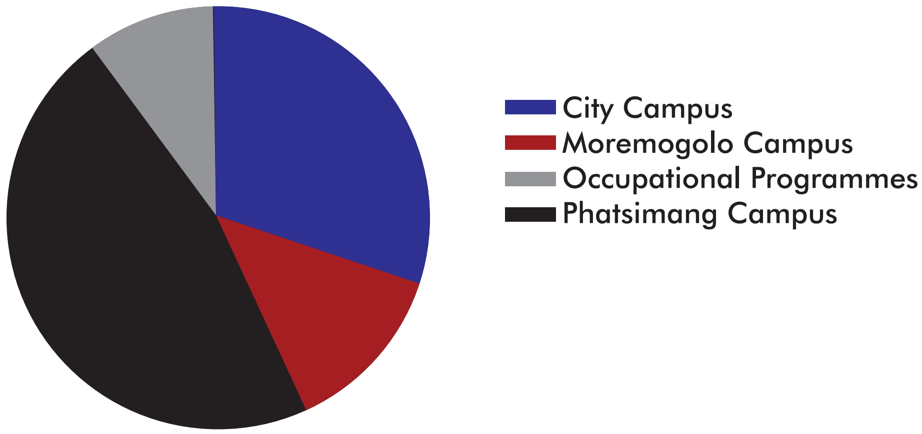
CAMPUS	ENROLLED	PERCENTAGE
CITY CAMPUS	2 072	38%
MOREMOGOLO CAMPUS	703	13%
PHATSIMANG CAMPUS	2 333	43%
SKILLS & INNOVATION	290	5%

This chart below shows the percentage of enrolled students per campus for the 2022 academic year.



The table below shows the enrollment data per campus for the 2023 academic year.

CAMPUS	ENROLLED	PERCENTAGE
CITY CAMPUS	2 024	30%
MOREMOGOLO CAMPUS	704	11%
PHATSIMANG CAMPUS	3 313	49%
SKILLS DEPARTMENT	656	10%



The College provided students with bursaries with the main funder being NSFAS. Below are figures paid in 2023. Continued efforts are made with NSFAS to outstanding fees.

YEAR	CATEGORY	NUMBER OF STUDENTS	AMOUNT PAID
2023	Tution	3 369	R 18 643 123.00

The College conferred certificates and diplomas to qualifying students and had its graduation ceremony to recognize students who completed their qualifications. It is with pride that the first cohort of red seal apprentices obtained their qualification. See below results:

	Study level	Male	Female	Total
2022	NCV L4	37	167	204
	Report 191: N6	133	452	585
2023	Apprentice	16		16
	Report 191: N6	29	76	105

During the year under review, the College had some exciting initiatives affecting staff, amongst other the recruitment and filling of middle management posts. Research on innovative teaching modes and related training has commenced. In-spite of the challenges faced, staff continue to rise and deliver on the mandate of quality teaching and learning.

The DHET also introduced the College Maturity Model for all 50 Colleges in the country that aims to bring uniformity across Colleges in the country. The College is currently participating in this process.

See below Post Provisioning Norms and Standards submitted to DHET for 2022/23.

Total number of officials to be migrated since year 1 to date	Total Number of officials that were migrated to date
43	41

The above 41 employees were part of Council paid staff on fixed term contracts and were all migrated to the Departmental payroll (Persal) permanently. A proud achievement for the College. The filling of vacancies remains slow, however progressing well.

All staff were subjected to Performance Management and Development evaluations and results thereof were affected.

In this period 427 employees attended various training and development programmes. See below training conducted:

TRAINING	NO OF DELEGATES
POPIA Training	20
Change Management	40
Capacity Building Wellnes Workshop	40
Data Management	20
Planning and Organising	20
Time Management	22
Achieving Supervisory Excellence	80
Time Management	20
Assessor and Moderator	60
Facilitation Skills	40
Time Management	20
Report Writing	20
Monitor Compliance to safety health and environmental requirements in workplace	15
Information Technology	10

- The 2023/24 Workplace Skills Plan was submitted to the Education, Training and Development Practices Sector Education and Training Authority (EDTP-SETA) intime.
- Employee development is held in high esteem and staff wishing to further their studies are afforded bursaries.
- We are proud to announce that some staff obtained their qualifications.

Employee Health and Wellness:

- The College participated in Mandela Day activities
- An annual women's day function was conducted
- The Principal's Award ceremony was held and coincided with the Year-end function of the College
- There were two referrals outside the College for medical and psychological services.

Information Communication and Technology

Information Communication Technology (ICT) plays a crucial role in modern society, facilitating communication, enabling access to information, supporting organisation operations, and driving innovation across. The Northern Cape Urban TVET college ICT department's main existence is to provide quality support to the college's main stakeholders i.e. the students and the staff and drive the technological innovation across the college.

Operational Highlights

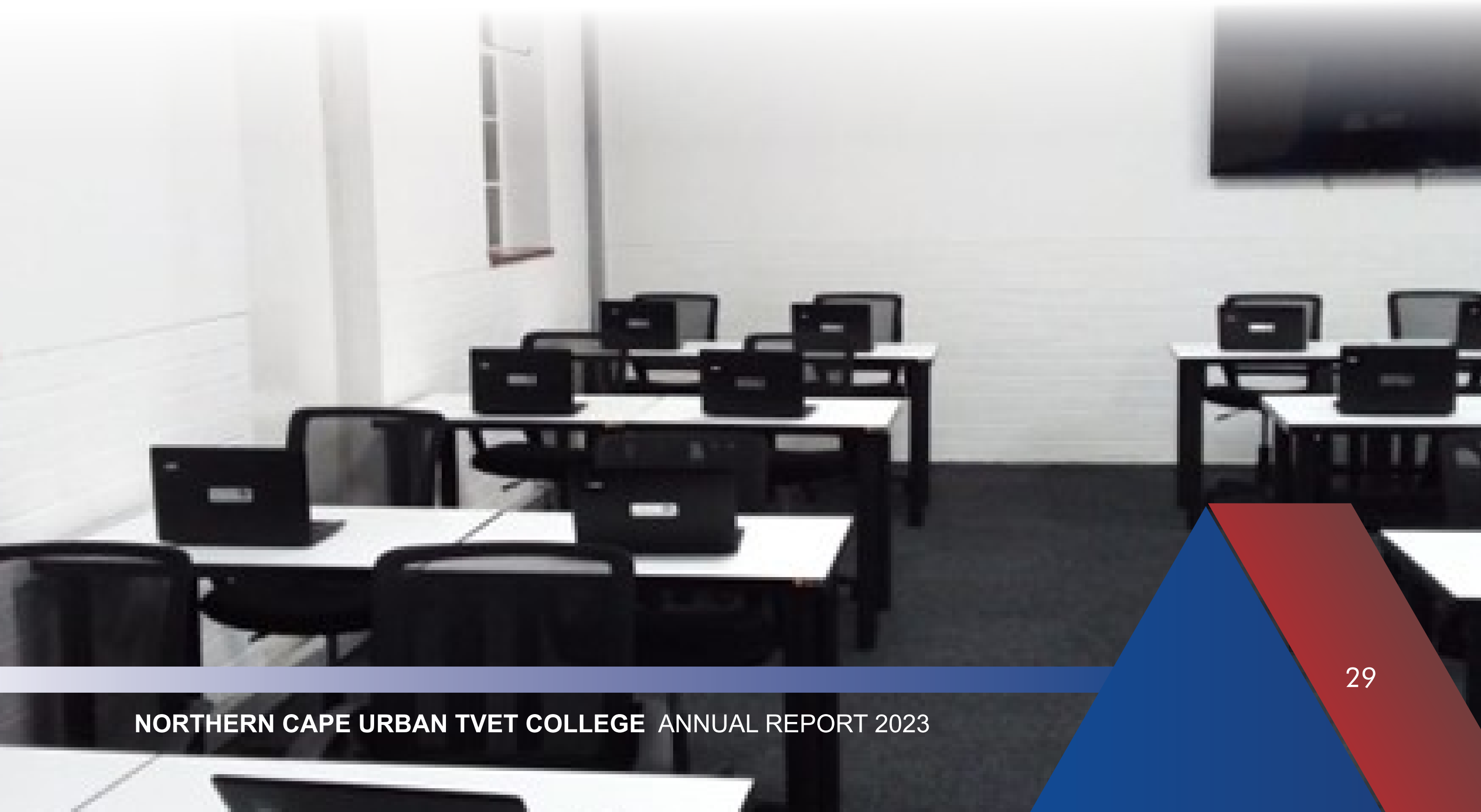
Phatsimang campus has been fully dependent on Moremogolo campus for internet throughout the years, the college has managed to pull the fibre for Phatsimang to be fully independent, this allowed us to use Phatsimang as a backup for Moremogolo campus in cases of downtime.

The technology is rapidly changing, and the college does its utmost to keeping up with technology trends and one of those trends being a green or paperless organisation. The ICT departments has embarked on introduction of SharePoint which will reduce the use of paper in the college. This is coupled with Adobe sign for managers which will assist with minimal printing.

The Northern Cape Urban TVET is moving towards the renewable energy, in all three campuses, the college has installed solar panels and are being monitored via an App. The ICT department has ensured that the WIFI for the solar system is connected.

As the college we are pleased that our website is up and running. Websites are first impressions from potential clients and usually used to carry an organisation's communication. The ICT department ensures that website is 90-99% available. Online applications are available through our website. The college is embarking on a fully fledged online applications and registrations.

The ICT department ensures that all licenses are up to date and are assigned accordingly. We have recently purchased a software to enable and aid marketing team execute their design tasks seamlessly. Through collaboration with SETA's the college was able to upgrade two labs at City Campus which was donated November of 2023 and Phatsimang campus donated in March 2024 respectively.



Infrastructure and Facilities:

The ICT department will be the first to agree that the infrastructure is far behind to what the college would like it to be. The most important projects that the college is embarking on are:

 Upgrading of servers

 The cabling has been initiated, this is to ensure the safety of students and clean networking.

 Upgrading of three labs per campus in 2023/24 and 2025 financial years.

Future plans and Initiative

The college has planned to introduce a college wide WIFI for students.

Upgrading of lab and servers to enhance academic quality and student experience in the college.

Upgrading of staff computers

Challenges

Budget Constraints, IT projects and initiatives require substantial investments in hardware, software, infrastructure, and skills. As the college our budget limited the ability of the ICT department to implement necessary upgrades

As the technology advances so are the cyber security threats, such as hacking, malware, and phishing pose high risks to ICT systems and data integrity. The college has ensured that there are minimal to no success to these threats.

As an institution, we do not plan for any disruptions but due to maintenance and other unplanned circumstances, there were downtimes, the college has minimized disruptions to business operations by ensuring that the downtimes are communicated timeously and thereafter resolve within the stipulated time frames.

Skills Innovation Centre

The Skills Innovation Centre is focusing on providing education and training to students in marketable and practical skills allowing them to qualify to do a myriad of jobs. The objective is for students not to be looking for jobs; but to create their own.
The unit strives to:

- address the skills gap in South Africa
- impart specific professional, vocational or artisanship skills, with courses having both theoretical
- and practical components.
- bridge the gap for students who dropped out of school for various reasons, and now want to
- complete their studies.

A number of SETA's and other stakeholders participated in our skills training programs. We are grateful for their participation and financial assistance in helping the College to skill our future workforce.

Centre of Specialisation (COS)

It gives us great pleasure to announce that in addition to Carpentry, the College is now also a COS for:

- Bricklaying
- Hairdressing

A proud and significant highlight for the COS: Carpentry, is that obtained it accreditation and NAMB Trade Center. This is an achievement the College views in very high regard. The first cohort of apprentices obtained their red seal certificates.
The College continually strives to deliver teaching and learning of high standard and therefore regularly exposes it teaching staff and facilitators to programs to enhance their skills. Below are some elements covered in cross referencing the Plumbing program with Flavius Mareka TVET College:

· Facilitator Files
· Learner POE
· Operation of trade testing

See below some occupational programmes offered by the College during the year under review:

PROJECT NAME	FUNDER	NO OF LEARNERS
Accounting Technician	NSF	60
Spray Painting	NSF	20
Gas Welding	NSF	20
Vehicle Assistant	NSF	20
Hairdressing	Service Seta	50
Business Administration	Service Seta	70
Firefighting	Narysec NC	20
Gas Welding	MerSETA	100
Vehicle Person	MerSETA	100
Bricklayer	SASSETA	20
Bricklayer	CETA/Tiriso Ya bakwena	45
Carpentry	SASSETA	20
Carpentry	CETA/Vermoni	20
Plumber	CETA	25
Plumber	CETA	15
Small Business Enterprise Operations	W&R Seta	31
Small Business Enterprise Operations	W&R seta	20

The College successfully participated in the annual World Skills competition, hosted by the DHET and had participants in:

- Spray-painting – 1 student
- Hairdressing – 1 students
- Bricklaying – 5 students
- Carpentry – 9 students

Program funding learner placement and drop out remain the major challenges we face, but in spite of such we successfully delivery quality programs. These are just but a few programmes to mention. From the above it is obvious that the Skills Innovation Centre is contributing to the skilling of our unemployed youth. We aim to provide and train on programmes that are responsive and are informed by the economic drivers of the province.

TRADE TEST CENTRE

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NORTHERN CAPE
URBAN TVET
COLLEGE

SABS
ISO 9001

NORTHERN CAPE URBAN TVET COLLEGE
ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2023
Auditor General of South Africa

Report of the auditor-general to Minister of High Education, Science and Innovation and the Council of Northern Cape Urban Technical and Vocational Education and Training College

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Northern Cape Urban Technical and Vocational Education and Training College set out on pages 43 to 91 which comprise the statement of financial position as at 31 December 2023, 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, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Urban Technical and Vocational Education and Training College as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Continuing Education and Training Act of South Africa, 2006 (Act no.16 of 2006) (CETA).

Basis for qualified opinion

Payables from exchange transactions

3. During 2022, the college did not account for debtors with credit balances included in payables from exchange transactions in accordance with GRAP 1, *Presentation of financial statements*, as the amounts due to NSFAS were incorrectly classified as debtors with credit balances. Consequently, debtors with credit balances included in payables from exchange transactions was overstated by R4 369 124 and NSFAS included in payables from non-exchange transactions was understated by R4 369 124. There was an impact on the accumulated surplus for the period in the financial statements.

Commitments

4. The college did not account for capital commitments in accordance with GRAP 17, *Property, plant and equipment*, as the college did not reduce the contract value with the expenditure amount. Consequently, capital commitments were overstated by R6 152 857.

5. Not all capital commitments for the acquisition of property, plant and equipment were disclosed in note 26 to the financial statements, as required by GRAP 17, *Property, plant and equipment*. I was unable to determine the full extent of the understatement of capital commitments, as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit

evidence to confirm the capital commitments included in note 26 to the financial statements as sufficient appropriate audit evidence was not provided. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the capital commitments stated at R21 555 813 in the financial statements.

Total Revenue

6. Total revenue was materially misstated by R2 577 346 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

    - Sale of goods and rendering of services stated at R 3 327 140 was overstated by R1 501 628.

    - Bad debts recovered stated at R 2 594 486 was overstated by R1 075 718

Context for opinion

7. 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.

8. I am independent of the college 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.

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

Emphasis of matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

11. As disclosed in note 31 to the financial statements, the corresponding figures for 31 December 2022 were restated as a result of an error in the financial statements of the college at, and for the year ended, 31 December 2023.

Material impairment- Receivables from exchange transactions

12. As disclosed in note 5 to the annual financial statement, material provision for impairment on receivables from exchange transactions to the amount of R27 897 107 (2022: R21 483 309) was incurred as a result of impairment of student debtors.

Responsibilities of the council for the financial statements

13. The council is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of Generally Recognised Accounting Practice and the requirements of the Continuing Education and Training Act of South Africa, 2006 (Act no. 16 of 2006); and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the council is responsible for assessing the college'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 college 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

15. 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.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

17. The college is not required to prepare a report on its performance against predetermined objective as it does not fall within the ambit of the PFMA and such reporting is also not required in terms of CETA.

Report on compliance with legislation

18. 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 council is responsible for the college's compliance with legislation.

19. 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.

20. 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 college, 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.

21. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and supported by complete accounting records, as required by section 25(1)(b) of the CET Act. Material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Other information in the annual report

23. The council is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.

24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.

25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. 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

1. 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.

2. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.

3. Leadership did not review policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

4. Leadership did not exercise oversight responsibility regarding financial, compliance and related internal controls.

5. Management did not review and monitor compliance with applicable laws and regulations.

6. Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. This resulted in misstatements in the financial statements submitted for auditing.

7. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.

Material irregularities

8. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Suspected fraud: Quotations submitted for procurement process not authentic

9. The suspected material irregularity relates to suspected fraud due to quotations submitted for procurement process that seem not to be authentic. These quotations were received by various suppliers for the procurement of various goods and services in 2021 and 2022 amounting to R1 872 382. It was noted that the quotations submitted for audit had indicators of fraud, and there was evidence that quotations were tampered with.

10. It was further noted that the prices quoted by the suppliers were not market related which is likely to result in a material financial loss.

11. The accounting officer was notified of the suspected material irregularity on 02 June 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer failed to make a written submission within the stipulated period allowed.

12. I referred the suspected material irregularity to the Directorate for Priority Crime Investigation on 27 May 2024 for investigation as provided for in section 5(1A) of the PAA.

Auditor General.

Kimberley

14 August 2024

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
CET Act	Section 44(1)
CET Act	Section 46(1)(a)(i)
CET Act	Section 46(1)(a)(ii)
PRECCA	Section 34(1)
CET Act	Section 3(3)
CET Act	Section 25(3)
CET Act	Section 25(1)(b)
CET Act	Section 20(7)(b)
CET Act	Section 20(8)(a)-(c)
CET Act	Section 10(9) (c)
CET Act	Section 10(9)(e) (iii)
CET Act	Section 10(9B)

General Information

Legal form of entity	The College is a Public Technical and Vocational Education and Training College, constituted in terms of the Continuing Education and Training Act No. 16 of 2006, as amended (CET Act), and operates within the Republic of South Africa.
Nature of business and principal activities	To provide continuing education and training to registered students for all learning and training programmes leading to qualifications or part of qualifications at level 1 to 4 of the National Qualifications Framework.
Members	GB Africa - Independent JT Beukes - Independent (Chairperson) N Dlamini - Independent PT Kgantsi - Independent Z Maneli - Independent M Mafa - Independent J Mathakgane - Deputy Chairperson LM Mokhele- Independent
Registered office	35 Long Street New Park Kimberley 8301
Business address	35 Long Street New Park Kimberley 8301
Postal address	Private Bag X5028/X5031 Kimberley 8300
Controlling entity	Department of Higher Education and Training (DHET)
Auditors	Auditor General of South Africa Registered Auditors
Principal	BT Madalane
Chief Financial Officer (CFO)	NP Jacobs

Index

The reports and statements set out below comprise the annual financial statements presented to the Department of Higher Education and Training:

Abbreviations used:

AGSA	Auditor General of South Africa
ASB	Accounting Standards Board
DHET	Department of Higher Education and Training
GRAP	Generally Recognised Accounting Practice
SARS	South African Revenue Services
VAT	Value Added Tax
CET ACT	CET Act No.16 of 2006 as amended
NSF	National Skills Fund
DPF	Deputy Principal Finance
SETA	Sector Education and Training Authority
NSFAS	National Student Financial Aid Scheme

Council's Responsibilities and Approval

The Council is required by the Continuing Education and Training Act No. 16 of 2006, as amended (CET Act), 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 the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the College as at the end of the financial 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 are 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 Council acknowledges that they are ultimately responsible for the system of internal financial control established by the College and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the Council 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 College and all employees are required to maintain the highest ethical standards in ensuring the College’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the College is on identifying, assessing, managing and monitoring all known forms of risk across the College. While operating risk cannot be fully eliminated, the College endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council 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 Council has reviewed the College’s cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The College is dependent on the DHET for continued funding of operations. The annual financial statements are prepared on the basis that the College is a going concern and that the DHET has neither the intention nor the need to liquidate or curtail materially the scale of the College.

The Auditor General is responsible for independently reviewing and reporting on the College's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 4.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the College Council on 31 March 2024 and were signed on its behalf by:

JT Beukes - Independent Chairperson
Independent Chairperson of the Council

Statement of Financial Position as at 31 December 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	5	12 857 786	9 460 390
Receivables from non-exchange transactions	6	14 369 706	20 297 228
Cash and cash equivalents	7	119 338 614	165 483 867
		146 566 106	**195 241 485**
Non-Current Assets			
Property, plant and equipment	3	319 943 337	287 810 028
Intangible assets	4	1 357 854	1 614 600
		321 301 191	**289 424 628**
Total Assets		**467 867 297**	**484 666 113**
Liabilities			
Current Liabilities			
Finance lease obligation	8	4 028 473	31 990
Payables from exchange transactions	10	9 525 326	9 696 529
Payables from non-exchange transactions	11	12 786 203	11 101 947
Unspent conditional grants and receipts	9	2 013 814	471 623
		28 353 816	**21 302 089**
Non-Current Liabilities			
Finance lease obligation	8	4 184 543	-
Total Liabilities		**32 538 359**	**21 302 089**
Net Assets		**435 328 938**	**463 364 024**
Accumulated surplus		435 328 939	463 364 019
Total Net Assets		**435 328 939**	**463 364 019**

Northern Cape Urban TVET College
Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Tuition and related fees	13	31 227 750	21 227 297
Rental of facilities and equipment	14	109 544	103 343
Finance lease interest benefit		724 029	-
Other income		46	645
Gain on sale of assets		168 000	-
Sale of goods and rendering of services	16	3 358 165	1 742 712
Donations received		108 999	5 750
Interest received - investment	17	10 843 525	5 169 791
Gain on reversal of leave pay provision		-	311 333
Total revenue from exchange transactions		**46 540 058**	**28 560 871**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	18	80 900 428	96 929 822
Levies		1 016 797	899 025
Interest received - CIEG		2 279 631	1 815 959
Bad debts recovered		2 594 486	88 059
Services in kind	35	61 167 258	51 790 084
Total revenue from non-exchange transactions		**147 958 600**	**151 522 949**
Total revenue	12	**194 498 658**	**180 083 820**
Expenditure			
Employee related costs	19	(83 729 647)	(68 625 321)
External audit fees		(4 042 364)	(3 688 987)
Books and learning material	20	(15 424 821)	(11 148 347)
Depreciation and amortisation	21	(14 826 526)	(10 984 926)
Printing and stationery		(3 038 655)	(3 767 481)
Finance costs	22	(401 487)	(14 386)
Lease rentals on operating lease	15	(2 509 179)	(3 127 714)
Debt Impairment	23	(12 901 241)	(5 965 757)
Travel, accomodation, subsistence and re-imbursements		(4 911 602)	(3 375 765)
Security		(12 192 955)	(5 106 593)
Professional services		(9 701 128)	(8 153 821)
Municipal services		(9 060 337)	(9 277 240)
Loss on disposal of assets and liabilities		(312 190)	(3 645 592)
Repairs and maintenance	3	(12 716 260)	(10 210 829)
Telephone, postage, internet, network and communication costs		(2 280 187)	(1 806 127)
Marketing and advertising		(3 834 810)	(2 656 697)
General Expenses	24	(30 650 353)	(23 837 242)
Total expenditure		**(222 533 742)**	**(175 392 825)**
(Deficit) surplus for the year		**(28 035 084)**	**4 690 995**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	456 814 960	456 814 960
Adjustments		
Prior year adjustments 31	1 858 064	1 858 064
Balance at 01 January 2022 as restated*	**458 673 024**	**458 673 024**
Changes in net assets		
Surplus for the year	4 690 995	4 690 995
Total changes	4 690 995	4 690 995
Opening balance as previously reported	458 942 770	458 942 770
Adjustments		
Prior period errors 31	4 421 253	4 421 253
Restated* Balance at 01 January 2023 as restated*	**463 364 023**	**463 364 023**
Changes in net assets		
Surplus for the year	(28 035 084)	(28 035 084)
Total changes	(28 035 084)	(28 035 084)
Balance at 31 December 2023	**435 328 939**	**435 328 939**

Note(s)

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Tuition and related fees		27 140 696	17 436 412
Other receipts		6 895 269	1 940 509
Government grants and subsidies		89 386 938	93 890 658
Interest recevied - Investment		10 172 162	5 169 791
Interest received - CIEG		2 279 631	1 815 959
		135 874 696	120 253 329
Payments			
Employee costs		(22 393 272)	(16 523 904)
Suppliers		(120 558 935)	(81 404 473)
		(142 952 207)	(97 928 377)
Net cash flows from operating activities	25	**(7 077 511)**	**22 324 952**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(46 688 416)	(11 778 863)
Purchase of other intangible assets	4	(326 865)	(935 870)
Proceeds from sale of other intangible assets	4	168 000	-
Net cash flows from investing activities		**(46 847 281)**	**(12 714 733)**
Cash flows from financing activities			
Finance lease payments		(4 244 378)	(40 490)
Finance lease receipts/loans		12 023 917	-
Net cash flows from financing activities		**7 779 539**	**(40 490)**
Net increase/(decrease) in cash and cash equivalents		**(46 145 253)**	**9 569 729**
Cash and cash equivalents at the beginning of the year		165 483 867	155 914 138
Cash and cash equivalents at the end of the year	7	**119 338 614**	**165 483 867**

Accounting Policies

Figures in Rand	Note(s)	2023	2022

1. Presentation of Annual Financial Statements

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 122(3) of the Continuing Education and Training Act No. 16 of 2006, as amended (CET Act).

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.

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

Management and council have made the assessment that the entity is a going concern. These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Comparison of budget and actual amounts

Comparison of budget and actual amounts

The College does not fall within the scope of GRAP 24 Presentation of Budget Information in Financial Statements, as its budgets are not made publically available as per GRAP 24. Therefore the College does not have to comply with GRAP 24. The College has decided to comply with GRAP 24 on a voluntary basis to add value to the users of the Financial Statements.
The approved budget is the budget that is approved by the Council of the College, before the commencement of the financial year. The final budget is the approved budget, updated with all the budget amendments approved by the Council of the College during the financial year.

The financial statements and the budget are prepared on a comparable basis and the budget consists of a Statement of Financial Performance budget. Therefore, the approved budget is presented on the same accounting basis, with the same classification structure, for the same period and for the same entities and activities as is reported on in the annual financial statements.

The comparison of budget and actual amounts are done through the inclusion of a separate additional statement of comparison of budget and actual amounts in the annual financial statements.

1.4 Significant judgements and sources of estimation uncertainty

The use of judgements, estimates and assumptionsis inherent in the process of preparing the annual financial statements and related disclosures. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Judgements

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.

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

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

1.4.1 Programme funding

In terms of the CET Act and the Funding Norms for TVET Colleges, the Colleges are funded (Programme Funding) based on their Full Time Equivalent (FTE) student numbers. Therefore, in terms of the CET Act and the Funding Norms, a College receives Programme Funding to enrol and train a certain number of students for the year and that Programme Funding accrues to the College in terms of the CET Act and the Funding Norms and the accrual is separate and independent from how the funds are distributed to the College. The full amount of allocated Programme Funding therefore has to be paid to the College by DHET, irrespective of how it is paid. DHET settles its liability for Programme Funding towards the College in part by paying the employment cost of the College employees employed by DHET, via Persal. The remaining liability towards the College is settled in cash.

The Funding norms that is currently applicable to TVET Colleges was Gazetted on 15 May 2015 and paragraph 117 contains provisions which may cause conditions as defined in GRAP 23 to exist under certain circumstances. These conditions would be applicable to the portion of the Programme Funding which is withheld to pay for employee cost of Persal employees deployed at the College. However, DHET has indicated that the intention of the Funding Norms is not to impose conditions which may be introduced by paragraph 117 and that the intention is that a College’s Programme Funding accrues to it in total. Therefore, any difference between the amount withheld for paying Persal salaries and the amount that is eventually used to pay for Persal salaries, is automatically payable to Colleges. DHET has aligned its systems to facilitate the payment of these amounts to Colleges.

Paragraph 103 of the Funding Norms provides for a claw back to be implemented if a College’s enrolment figures were less than what was planned for and funded in the previous year. The effect of this paragraph is that it introduces a condition as defined in GRAP 23, which is that a portion of the Programme Funding will have to be repaid if a College enrols less than 97% of the planned and funded enrolment target for the year. However, DHET has indicated that they do not currently have sufficient confidence in the correctness of the enrolment figures to be able to implement this claw back and that the Programme Funding Grant is therefore an unconditional grant at the moment.

The substance over form nature of the Programme Funding for a College is therefore that it accrues to the College, in full and without any conditions, in the financial year of the College during which the enrolment and training of students occur. The date on which it accrues is 1 January of the relevant year, or the date on which the final grant amount is communicated to the College, whichever is later. The full Programme Funding allocation to the College is therefore recognised as revenue in the College's financial year.

The transactions and amounts are disclosed in Note 19.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

1.4.2 DHET Management fee - (Included in Employee cost)

The College's staff consists of two groups:

i) Employees and management staff appointed on Persal

ii) Employees appointed in the College payroll

The management and other staff who are stationed at a College (College's staff) and are paid through Persal are employed by DHET on DHET's Persal payroll. Therefore in terms of labour legislation they are DHET employees and not College employees. However, these employees are stationed permanently and exclusively at the College and are also subject to the governance and management oversight of the Council of the College and the intention is for the College to operate with relative autonomy. The employees are therefore substantively under the operational control of the College, with DHET performing and supporting certain HR related functions, e.g. administering the payroll and appointment, performance management, termination and disciplinary processes.

In terms of the CET Act and the Funding Norms for TVET Colleges, the Colleges are funded (Programme Funding) based on their Full Time Equivalent (FTE) student numbers. Therefore, in terms of the CET Act and the Funding Norms, a College receives Programme Funding to enrol and train a certain number of students for the year and that Programme Funding accrues to the College in terms of the CET Act and the Funding Norms and the accrual is separate and independent from how the funds are distributed to the College. The full amount of allocated Programme Funding therefore has to be paid to the College by DHET, irrespective of how it is paid. DHET settles its liability for Programme Funding towards the College in part by paying the employment cost of the College employees employed by DHET, via Persal. The remaining liability towards the College is settled in cash.

What happens, in layman's terms, is that DHET employs the College's management and other staff for it, performs certain HR related functions for the College and uses the College's funds to pay the salaries of the College staff in DHET's employment.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

There is therefore a College expense (outflow of College economic resources) which has to be accounted for by a College and the questions that remain are how that expense should be classified and measured.

With respect to the classification, the nature of the expense is clearly related to employee cost, but is not classified as employee cost, because the College is not the employer in terms of labour and related legislation. The expense is therefore classified as a DHET management fee expense in the hands of a College. On the face of the Statement of Financial Performance, it is aggregated with the College's Employee cost expense and it is disclosed separately in the notes.
With respect to the measurement of the expense, DHET settles the liability for Programme Funding towards the College, by assuming an employee cost liability towards the College's employees employed by DHET and paid via Persal. The cost or value of the expense for the College is therefore the same as the amount by which the liability that DHET owes to the College decreases as a result of DHET assuming the employee cost liability towards the College employees. This is inclusive of all short and long term employee benefits, e.g. leave and bonus accruals, capped leave and long service award.

The transactions and amounts are disclosed in Note: 20

1.4.3 Campuses or other property used and controlled, but not owned by the College

Certain campuses and other property are used by the College and are not registered in the name of the College. The lack of legal ownership could affect whether or not the college has control over the campus. Where, inter alia, beneficial control exists, the campus in question is recognised, measured and included in the financial statements as either property, plant and equipment (campuses or other property) or investment property (other property) in terms of the definition of an asset as per the Framework for the Preparation and Presentation of Financial Statements and the definition of Property, Plant and Equipment in GRAP 17 Property, Plant and Equipment or Investment Property in GRAP 16 Investment Property.

1.4.4 Classification of land and buildings as property, plant and equipment or investment property

Judgement is needed to determine whether a property qualifies as investment property. The College developed the following criteria so that it can exercise that judgement consistently in accordance with the definition of investment property:

- The purpose for which the property is used i.e. if for education purposes then the property is not regarded as an investment property.

- If the property is held for the purpose of generating rental income or to appreciate in value, then the property is regarded as an investment property

- If other assets used in conjunction with the property to provide education, then the property is not regarded as an investment property

- Land held for a currently undetermined future use is regarded as investment property.

1.4.5 Classification of non-current, non-financial assets as cash-generating or non cash-generating

Judgement is needed to determine whether an asset is cash-generating or non cash-generating. The College developed the following criteria so that it can exercise that judgement consistently in accordance with the definitions:

- The purpose for which the asset was acquired. I.e. if for education purposes at no consideration (no fees) then the asset is regarded as non cash-generating asset. If to earn positive cash flows on a commercial basis, then the asset is regarded as cash-generating.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the College's accounting policies the following estimates, were made:

1.4.6 Debt impairment

The College assesses its financial assets for impairment at the end of each financial year. In determining whether an

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

impairment loss should be recorded in surplus or deficit, the College makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment is considered first for individually significant financial assets and then calculated on a portfolio basis for individually insignificant financial assets, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to items in the portfolio and scaled to the estimated loss emergence period.

Refer to the respective notes for the carrying amounts of financial assets impaired.

1.4.7 Allowance for slow moving, damaged and obsolete inventory

In making an allowance to write inventory down to the lower of cost or net realisable value, management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus or deficit. For inventory consumed in the supply of services for no or nominal charge, management have made an estimate of the current replacement cost of such inventory and as appropriate have reduced the carrying amount accordingly.

1.4.8 Non-financial asset Impairment

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non- cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.
Refer to the respective notes for the carrying amounts of non-financial assets impaired.

1.4.9 Provisions

Provisions are measured at the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

1.4.10 Useful lives and residual values of assets; depreciation and amortisation

The College's management determines the estimated useful lives and residual values of all non-current, non-financial assets. These estimates are based on industry norms and then adjusted to be college specific. Management determines at reporting date whether there are any indications that the College's expectations of useful lives or residual values have changed from previous estimates. Where indications exist the expected useful lives or residual values are revised accordingly.

Depreciation and amortisation recognised on property, plant and equipment and intangible assets respectively are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the college's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets. Generally, depreciation is accrued over the useful lives of assets on a straight-line basis.

Refer to the respective notes for the carrying amounts of non-financial assets affected.

1.4.11 Effective interest rate

The College uses an appropriate interest rate, taking into account guidance provided in GRAP, and applying professional judgement to the specific circumstances, to discount future cash flows, to the present value of the item being discounted. Refer to the respective notes for the carrying amounts of financial assets affected.

1.4.12 Fair value determination of properties (excluding heritage assets).

In determining the fair value of investment property (and / or property, plant and equipment) donated or acquired for no

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)
consideration, the College applies a valuation methodology to determine the fair value of the properties based on any one of, or a combination of the following factors:

- The market related selling price of the property; or

- The market related rental that can be earned for the property; or

- The market related selling price of similar properties in the area; or

- The rentals currently or previously earned by the property.

Where the above information is not available or reliably determinable the College determines an approximation of fair-value by estimating the Depreciated Replacement Cost of the asset as described in Directive 7 The Application of Deemed Cost on the Adoption of Standards of GRAP.

Refer to the respective notes for the carrying amounts of properties affected.

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 entity; and
- the cost of the item can be measured reliably.

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

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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

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

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Accounting Policies

1.5 Property, plant and equipment (continued)

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.Refer to note 3 for estimated useful lives.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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.

At each reporting date it is assessed whether there is any indication that the College's 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 College 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.

Deemed cost

When the College acquired an asset prior the date of adopting the Standards of GRAP or in a transfer of functions between entities under common control or in a merger where the transferor or combining entity did not apply the Standards of GRAP on the transfer or merger date and when information about the historical cost are not available, the acquisition cost is measured using a surrogate value (deemed cost) at the date the college adopted the Standards of GRAP, or the transfer or merger date (the measurement date). Deemed cost is determined as the fair value of an asset at the measurement date.

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 college 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 college; and
- the cost or fair value of the asset can be measured reliably.

The college 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.

Accounting Policies

1.6 Intangible assets (continued)

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.

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, other	Straight-line	3

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

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

Accounting Policies

1.7 Financial instruments

The College has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Cash and cash equivalent	Financial asset at amortised cost
Trade and other receivables from exchange transactions	Financial asset at amortised cost

The College has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability at amortised cost
Finance Lease liability	Financial liability at amortised cost

The College recognises financial assets using trade date accounting.

The College measures a financial asset and financial liability initially at its fair value plus transaction costs (for financial instruments at amortised cost) that are directly attributable to the acquisition or issue of the financial instrument.

The College first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the College analyses a concessionary loan into its component parts and accounts for each component separately. The College accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or

- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

The College measures all financial instruments after initial recognition as follows:

- Financial instruments at fair value: Fair-value at reporting date

- Financial instruments at amortised cost: Amortised cost using the effective interest rate method, less any impairment losses.

- Financial instruments at cost. Cost, less any impairment losses.

Where the College cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the College reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the College reclassifies the instrument from cost to fair value.

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

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

Accounting Policies

1.7 Financial instruments (continued)

Impairment and uncollectability of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

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

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

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

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

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

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

Accounting Policies

1.7 Financial instruments (continued)

Financial liabilities

The College removes a financial liability (or a part of a financial liability) from its Statement of Financial Position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another college by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

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

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

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.

1.9 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 college assesses the classification of each element separately.

Accounting Policies

1.9 Leases (continued)

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 interest rate implicit in the lease.

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 - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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.

1.10 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.

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Accounting Policies

1.10 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accounting Policies

1.11 Impairment of cash-generating assets

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.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the College settles the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits

If the College has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the College has a detailed formal plan for the restructuring, identifying at least:

- the activity/operating unit or part of a activity/operating unit concerned;

- the principal locations affected;

- the location, function, and approximate number of employees who will be compensated for services being terminated;

- the expenditures that will be undertaken; and

- when the plan will be implemented; and

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and

- not associated with the ongoing activities of the College

No obligation arises as a consequence of the sale or transfer of an operation until the College is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in College combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets shall be measured when an inflow of economic benefits or service potential is probable at the reporting date. Contingent liabilities are disclosed when it is possible that a present obligation exists.Contingencies are disclosed in note 27.

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Where a fee is received by the College for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the College considers that an outflow of economic resources is probable, the College recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and

- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.12 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

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

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

Sale of goods

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

- the college has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the college 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.

Accounting Policies

1.13 Revenue from exchange transactions (continued)

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.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest, royalties and dividends

Interest is recognised using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity’s right to receive payment has been established.

Tuition fees are recognised over the period of instruction.

1.14 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 arise 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.

Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

When the College receives an asset or a service as part of a non-exchange transaction and the definition and recognition criteria of an asset is met, the College recognises the asset and initially measures it at its fair value as at the date of acquisition.

When there are conditions on transferred assets or services received by the College which result therein that the College has a present obligation on initial recognition, which meets the definition and recognition criteria of a liability, the College recognises a corresponding liability, initially measured as the best estimate of the amount required to settle the present obligation at the reporting date.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the College satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non- exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the College.

When, as a result of a non-exchange transaction, the College recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Programme funding

The full programme funding allocated to the College in terms of the CET Act, the Funding Norms and the final grant letter received from the department is recognised in full in the College's financial year during which the enrolment and training of students, to which the grant pertains, are performed by the College. It is measured at the total amount allocated to the College by DHET, inclusive of both the the part paid in cash and the part paid via Persal as per note:12

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The entity recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Services in-kind

The College recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the College’s operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the nature and type of services in-kind received during the reporting period is disclosed in note 12 and 39.

When the criteria for recognition are satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition.

Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

The remuneration of management and other personnel appointed on Persal, paid through Persal using the College's funds is measured at the cost of the management remuneration to DHET and / or the Provincial Department of Education, inclusive of leave, bonus and other employee related accruals and/or provisions, as and when incurred by DHET / the Provincial Department of Education. The related expense is recognised as a DHET management fee expense. See note 12 and 39.

1.15 Comparative figures

When the presentation or classification of items in the financial statements is amended due to better presentation and/or better understandability and/or comparability and/or due to the implementation of a new or amended standard, prior period comparative amounts are reclassified. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.16 Unauthorised expenditure

Unauthorised expenditure means the overspending of an approved budget without the necessary approvals per the delegated limits, or expenditure incurred not in accordance with the purpose of a cost centre.

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

If expenditure is classified as satisfying the criteria for 2 or more of the following: Unauthorised, irregular or fruitless and wasteful, it is only reported under one of the headings in the following descending order: Unauthorised expenditure; Irregular expenditure and then Fruitless and wasteful expenditure.

1.17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised, by the employees requesting and finally approving the expenditure.

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.

If expenditure is classified as satisfying the criteria for 2 or more of the following: Unauthorised, irregular or fruitless and wasteful, it is only reported under one of the headings in the following descending order: Unauthorised expenditure; Irregular expenditure and then Fruitless and wasteful expenditure.

1.18 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the CET Act or any applicable legislation, or any regulations made in terms of the CET Act, or is in contravention of the College's Supply Chain Management Policy, or any other College policy. Irregular expenditure excludes unauthorized expenditure. Irregular expenditure is accounted for as an expense, 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.

If expenditure is classified as satisfying the criteria for 2 or more of the following: Unauthorised, irregular or fruitless and wasteful, it is only reported under one of the headings in the following descending order: Unauthorised expenditure; Irregular expenditure and then Fruitless and wasteful expenditure.

1.19 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. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Accounting Policies

1.19 Related parties (continued)

Significant influence may be exercised in several ways, usually by representation on the governing body but also, for example, by participation in the policy-making process, material transactions between entities within an economic entity, interchange of managerial personnel or dependence on technical information.

Management are those persons responsible for planning, directing and controlling the activities of the college, including those charged with the governance of the college 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 college.

Only transactions with related parties not at arm’s length or not in the ordinary course of business are disclosed.

1.20 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).

Reporting date means the date of the last day of the reporting period to which the financial statements relate. The reporting date of the College is 31 December 2023.

The College adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting date. The College does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

1.21 Segement reporting

The college does not have an activity or unit that meets the definition of a segment as defined, as the college administrative and functional department do not undertake activities that generate economic benefits or service potential separately from the college as a whole. Management has assessed that the college operates as one segment both from services and geographical point of view. Management has not divided the financial information into different segements as required by GRAP 18.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

2. New standards and interpretations

2.1 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 January 2024 or later periods:

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity’s accounting periods beginning on or after 01 January 2024 or later periods but are not yet relevant to its operations:

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:
- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the revisions until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 2020: Improvements to the standards of GRAP 2020

Every three years, the Accounting Standards Board undertakes periodic revisions of the Standards of GRAP, in line with best practice internationally among standard setters.

Improvements to Standards of GRAP are aimed at aligning the Standards of GRAP with international best practice, to maintain the quality and to improve the relevance of the Standards of GRAP.

Amendments include,

GRAP 5 – Borrowing Costs
- For general borrowings, borrowing costs eligible for capitalisation determined by applying a capitalisation rate
  - Clarify that borrowings made specifically for purposes of obtaining a qualifying asset are excluded until substantially all the activities necessary to prepare asset for intended use or sale are complete

GRAP 13 – Leases
- Operating leases & Sale and leaseback transactions are currently assessed for impairment in accordance with GRAP 26
- Clarify that these arrangements may also be assessed in accordance with GRAP 21

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 16 – Investment Property

- Clarify that GRAP 21 may be applied to assess investment property for impairment
- Include heading "Classification of property as investment property" (par 6 and 7) & delete existing headings
- Investment property under construction (within scope of GRAP 16)
  - Added heading "Guidance on initially measuring self-constructed investment property at fair value"
  - Added clarification that investment property is measured at fair value at earliest of:
    - completion of construction or development; or
    - when fair value becomes reliably measurable
- Clarify requirements on transfers to and from Investment property
  - Change in use involves an assessment on whether:
    - property meets, or ceases to meet definition of investment property and
    - evidence exists that a change in use has occurred
  - List of examples of a change in use is regarded as non-exhaustive

GRAP 17 – Property, Plant and Equipment

- Delete example indicating that quarries and land used for landfill may be depreciated in certain instances
  - Land has an unlimited useful life and cannot be consumed through its use

GRAP 20 – Related Party Disclosures

- Clarify that entity, or any member of a group of which it is part, providing management services to reporting entity (or controlling entity of reporting entity) is a related party
  - Disclose amounts incurred by the entity for the provision of management services that are provided by a separate management entity
  - If an entity obtains management services from another entity ("the management entity") the entity is not required to apply the requirements in paragraph .35 to the remuneration paid or payable by the management entity to the management entity's employees or those charged with governance of the entity in accordance with legislation, in instances where they are required to perform such functions
  - Management services are services where employees of management entity perform functions as "management" as defined

GRAP 24 – Presentation of Budget Information in Financial Statements

- Terminology amended
  - Primary financial statements amended to "financial statements" or "face of the financial statements"

GRAP 31 – Intangible Assets

- Extend requirement to consider whether reassessing useful life of intangible asset as finite rather as indefinite indicates that asset may be impaired
  - Both under cost model or revaluation model

GRAP 32 – Service Concession Arrangements: Grantor

- Clarify disclosure requirement for service concession assets
  - Disclose carrying amount of each material service concession asset recognised at the reporting date

GRAP 37 – Joint Arrangements

- Application guidance clarified
  - When party obtains joint control in a joint operation where activity of joint operation constitutes a function (GRAP 105 or GRAP 106), previous held interest in joint operation is not remeasured

GRAP 106 – Transfer of Functions Between Entities Not Under Common Control

- When party obtains control of joint operation and entity had rights to assets, or obligations to liabilities before acquisition date, it comprises an acquisition received in stages
  - Apply the requirements for an acquisition achieved in stages, including remeasuring previously held interest in joint operation

Directive 7 – The Application of Deemed Cost

- Clarify that bearer plants within scope of Directive

The effective date of these improvements is 01 April 2023.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The entity does not envisage the adoption of the improvements until such time as it becomes applicable to the entity's operations.

It is unlikely that the improvements will have a material impact on the entity's annual financial statements.

GRAP 1 (amended): Presentation of Financial Statements

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.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

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Figures in Rand

3. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	91 690 468	-	91 690 468	91 690 468	-	91 690 468
Buildings	369 225 208	(172 562 035)	196 663 173	341 167 147	(164 195 738)	176 971 409
Workshop equipment	4 808 095	(2 312 508)	2 495 587	4 728 067	(2 043 108)	2 684 959
Furniture and fittings	8 451 092	(2 998 093)	5 452 999	8 075 976	(2 563 192)	5 512 784
Motor vehicles	3 096 147	(173 044)	2 923 103	2 369 266	(122 080)	2 247 186
Office equipment	1 797 542	(564 151)	1 233 391	1 469 475	(414 238)	1 055 237
Computer equipment	9 374 963	(6 146 201)	3 228 762	9 602 137	(5 388 206)	4 213 931
Electrical equipment	4 227 592	(240 812)	3 986 780	981 242	(161 708)	819 534
Domestic equipment	4 902 072	(1 523 902)	3 378 170	3 635 421	(1 127 615)	2 507 806
Laboratory equipment	127 909	(52 886)	75 023	127 909	(47 077)	80 832
Finance lease assets	12 023 917	(3 208 036)	8 815 881	136 272	(110 390)	25 882
Total	**509 725 005**	**(189 781 668)**	**319 943 337**	**463 983 380**	**(176 173 352)**	**287 810 028**

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	91 690 468	-	-	-	91 690 468
Buildings	176 971 409	28 058 060	-	(8 366 296)	196 663 173
Workshop equipment	2 684 959	90 171	(6 876)	(272 667)	2 495 587
Furniture and fittings	5 512 784	425 898	(30 653)	(455 030)	5 452 999
Motor vehicles	2 247 186	726 881	-	(50 964)	2 923 103
Office equipment	1 055 237	333 268	(4 024)	(151 090)	1 233 391
Computer equipment	4 213 931	485 493	(210 001)	(1 260 661)	3 228 762
Electrical equipment	819 534	3 246 350	-	(79 104)	3 986 780
Domestic equipment	2 507 806	1 298 375	(17 397)	(410 614)	3 378 170
Laboratory equipment	80 832	-	-	(5 809)	75 023
Finance lease assets	25 882	12 023 917	-	(3 233 918)	8 815 881
	287 810 028	**46 688 413**	**(268 951)**	**(14 286 153)**	**319 943 337**

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	91 690 468	-	-	-	91 690 468
Buildings	177 067 521	9 057 810	(1 323 315)	(7 830 607)	176 971 409
Workshop equipment	2 942 503	253 026	(228 400)	(282 170)	2 684 959
Furniture and fittings	6 341 484	246 600	(593 766)	(481 534)	5 512 784
Motor vehicles	2 565 804	-	(290 696)	(27 922)	2 247 186
Office equipment	1 012 753	227 467	(60 015)	(124 968)	1 055 237
Computer equipment	5 494 343	947 612	(831 376)	(1 396 648)	4 213 931
Electrical equipment	346 221	520 642	-	(47 329)	819 534
Domestic equipment	2 553 541	525 706	(233 235)	(318 207)	2 507 806
Laboratory equipment	86 642	-	-	(5 810)	80 832
Finance lease assets	53 106	-	-	(27 224)	25 882
	290 154 386	**11 778 863**	**(3 560 803)**	**(10 542 419)**	**287 810 028**

Pledged as security

No assets were pledged as security.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

3. Property, plant and equipment (continued)

Depreciation rates

Item	Depreciation method	Average useful life
Land		Indefinite life
Buildings	Straight-line	10-60
Finance leased assets	Straight-line	Shorter of the lease period or useful life of related asset
Motor vehicles	Straight-line	15
Furniture and fittings	Straight-line	10-34
Domestic and Electrical equipment	Straight-line	10-30
Office equipment	Straight-line	10-30
Computer equipment	Straight-line	5-20
Workshop equipment	Straight-line	10-20
Laboratory equipment	Straight-line	22
Library books	Straight-line	2
Computer software	Straight-line	5

Reconciliation of Work-in-Progress 2023

	Included withinBuildings	Included within Computer equipment	Included within Electrical equipment	Total
Opening balance	2 948 876	485 808	-	3 434 684
Additions/capital expenditure	19 109 412	222 695	3 246 350	22 578 457
Transferred to completed items	(2 119 802)	(691 294)	-	(2 811 096)
	19 938 486	**17 209**	**3 246 350**	**23 202 045**

Reconciliation of Work-in-Progress 2022

	Included within Buildings	Included within Computer equipment	Total
Opening balance	870 795	-	870 795
Additions/capital expenditure	4 818 332	485 808	5 304 140
Transferred to completed items	(2 740 252)	-	(2 740 252)
	2 948 875	**485 808**	**3 434 683**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Service providers	(12 716 260)	(10 210 829)

A register containing the information required is available for inspection at the registered office of the college.

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4. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 954 375	(1 596 521)	1 357 854	2 835 510	(1 220 910)	1 614 600

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	1 614 600	326 865	(43 240)	(540 371)	1 357 854

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 121 236	935 870	(442 506)	1 614 600

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

5. Receivables from exchange transactions

Trade debtors	26 221 823	22 729 847
Employee costs in advance	6 481	6 481
Prepayments (if immaterial)	60 030	-
Sundry debtors	10 235 061	6 995 554
Stipend control	3 473 880	1 107 562
Water and electricity deposit	103 700	103 700
Fuel deposit	555	555
Interest accrued	653 363	-
Provision for doubtful debts	(27 897 107)	(21 483 309)
	12 857 786	**9 460 390**

Student debtors - Gross amount

Current	1 558	-
30 Days	15 150	-
60 Days	899 891	-
90 Days	895 891	335 339
120 Days	24 409 831	22 394 509
Total	26 221 822	22 729 847

Student debtors past due and impaired

The ageing of amounts past due and impaired is as follows:

Current	1 558	-
30 Days	15 150	-
60 Days	899 891	-
90 Days	895 392	155 269
120 Days	5 968 412	6 947 824
Total	7 780 403	7 103 093

Sundry debtors - Gross amount

Sundry debtors includes funds receivable from NSF and SETA's for project management fees and tuition as well as other sundry amounts. The ageing of these loans is as follows:

Current	532 745	-
30 Days	-	(21 028)
60 Days	225 600	694 458
90 Days	-	459 322
120 Days	9 476 715	5 862 803
Total	10 235 061	6 995 554

Sundry debtors past due and impaired

The carrying amount of trade and other receivables are denominated in the following currencies:

Current	532 745	-
30 Days	-	(21 028)
60 Days	225 600	694 458
90 Days	-	459 322
120 Days	21 028	6 248
Total	779 373	1 138 999

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

5. Receivables from exchange transactions (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(21 483 309)	(20 557 520)
Provision for impairment	(10 901 241)	(5 945 535)
Amounts written off as uncollectible	4 487 443	5 019 746
	(27 897 107)	**(21 483 309)**

6. Receivables from non-exchange transactions

Department of Higher Education and Training	14 369 706	18 297 228
Receivable from litigation settlement	-	2 000 000
	14 369 706	**20 297 228**

Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Department of Higher Education and Training	14 369 706	18 297 228
Other receivables included in receivables from non-exchange transactions above are as follows:		
Receivable from litigation settlement	-	2 000 000
	-	**-**
Total receivables from non-exchange transactions	14 369 706	20 297 228

The substance over form nature of the Programme Funding for a College is therefore that it accrues to the College, in full and without any conditions, in the financial year of the College during which the enrolment and training of students occur. The date on which it accrues is 1 January of the relevant year, or the date on which the final grant amount is communicated to the College, whichever is later. The full Programme Funding allocation to the College is therefore recognised as revenue in the College's financial year.

The receivable from litigation claim remained unpaid at the end of the 2023 year and is now considered to be fully impaired as it is unlikely that the college will recover any funds in that regard.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	14 983 108	6 708 882
Short-term deposits	11 539 438	36 407 140
Other cash and cash equivalents	92 816 068	122 367 845
	119 338 614	**165 483 867**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

8. Finance lease obligation

Minimum lease payments due		
- within one year	3 785 862	37 115
- in second to fifth year inclusive	4 088 492	-
	7 874 354	37 115
less: future finance charges	338 662	(5 125)
Present value of minimum lease payments	**8 213 016**	**31 990**
Non-current liabilities	4 184 543	-
Current liabilities	4 028 473	31 990
	8 213 016	**31 990**

9. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

W&R SETA	1 636 971	-
National Skills Fund	376 843	471 623
	2 013 814	**471 623**

10. Payables from exchange transactions

Trade payables	5 534 871	3 079 803
Debtors with credit balances	3 005 388	5 852 290
Employee cost - Provision for leave	182 648	154 238
Salaries control	125	(417)
Accrued payables	88 481	41 768
Unidentified deposits	713 813	560 423
Fleet card	-	8 424
	9 525 326	**9 696 529**

11. Payables from non-exchange transactions

NSFAS	12 434 438	11 101 947
SDL, UIF & PAYE payables	351 765	-
	12 786 203	**11 101 947**

12. Revenue

Tuition and related fees	31 227 750	21 227 297
Rental of facilities and equipment	109 544	103 343
Discount received	724 029	-
Other income	46	645
Other income 2	168 000	-
Sale of goods and rendering of services	3 358 165	1 742 712
Donations received	108 999	5 750
Interest received - investment	10 843 525	5 169 791
Government grants & subsidies	80 900 428	96 929 822
Levies	1 016 797	899 025
Bad debts recovered	2 594 486	88 059
Services in kind	61 167 258	51 790 084
	192 219 027	**177 956 528**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

12. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Tuition and related fees	31 227 750	21 227 297
Rental of facilities and equipment	109 544	103 343
Discount received	724 029	-
Other income	46	645
Other income 2	168 000	-
Sale of goods and rendering of services	3 358 165	1 742 712
Donations received	108 999	5 750
Interest received - investment	10 843 525	5 169 791
	46 540 058	**28 249 538**

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue		
Government grants & subsidies	80 900 428	96 929 822
Levies	1 016 797	899 025
Bad debts recovered	2 594 486	88 059
Services in kind	61 167 258	51 790 084
	145 678 969	**149 706 990**

13. Tuition and related fees

Tuition fees - other	3 722 821	3 676 972
Tuition fees - students (NCV) NQF L2-L4	10 650 825	7 219 447
Tuitiion fees - students (Report 191) N1-N4	16 854 104	10 330 878
	31 227 750	**21 227 297**

14. Rental of facilities and equipment

Premises		
Venue hire	109 544	103 343

15. Lease rentals on operating lease

Premises		
Land, buildings and infrastructure	9 388	163 350
Equipment		
Furniture and fittings & Other equipment	2 499 791	2 964 364
	2 509 179	**3 127 714**

16. Sale of goods and rendering services

Projects income and management fees	2 742 831	1 483 432
Student support services & administration	516 284	23 780
Tender documents income	99 050	235 500
	3 358 165	**1 742 712**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Investment revenue		
Interest revenue		
Interest received - investment	10 843 525	5 169 791

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

18. Government grants & subsidies

Operating grants		
DHET - Programme funding	72 153 076	83 901 355
Government grant (NSF and W&R)	8 747 352	13 028 467
	80 900 428	**96 929 822**

W&R SETA

Current-year receipts	4 875 000	-
Conditions met - transferred to revenue	(3 246 350)	-
Interest	8 321	-
	1 636 971	**-**

Conditions still to be met - remain liabilities (see note 9).

Centre of Specialisation - NSF

Balance unspent at beginning of year	-	1 802 894
Expenses not approved	-	510 823
Interest	-	4 319
Conditions met - transferred to revenue	-	(1 761 137)
Bank charges	-	(1 578)
Transfer on closing of bank account	-	264
Amount paid back	-	(555 585)
	-	**-**

Conditions still to be met - remain liabilities (see note 9).

Centre of Specialisation - DHET

Balance unspent at beginning of year	-	2 164 206
Conditions met - transferred to revenue - Employee cost	-	(2 164 206)
	-	**-**

Conditions still to be met - remain liabilities (see note 9).

National Skills Fund

Balance unspent at beginning of year	471 623	283 834
Current-year receipts	6 482 014	3 922 715
Interest	34 442	11 819
Tuition and project management fees	(1 067 607)	(396 384)
Bank charges	(32 885)	(33 363)
Conditions met - transferred to revenue (Other expenses)	(5 501 002)	(2 619 237)
Difference between pro-forma and amount actually paid	(2 338)	(25 601)
UIF not yet paid (January, February & August 2023)	(7 404)	-
Prior period error - Expenses denied by NSF in previous year as budgets were depleted	-	13 248
2022 expenses	-	(685 408)
Conditions still to be met - remain liabilities (see note 9).	**376 843**	**471 623**

Capital Infrastructure and Efficieny Grant - CIEG

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

18. Government grants & subsidies (continued)

Current-year receipts	2 813 252	5 415 908
Conditions met - transferred to revenue	(2 813 252)	(5 415 908)
	-	-

The college received the grant from DHET which is exclusively appropriated for repairs and maintenance of college infrastructure linked to core teaching and learning facilities including the improvement of Information and Communication and Technology (ICT). The grant expenditure is independently audited by a registered firm of Chartered Accountants as per grant conditions and audit reports are submitted to DHET on a bi-annual basis. The grant is designated as an unconditional grant by the DHET.

19. Employee related costs

Employee related costs - Salaries and wages	15 251 424	11 151 080
37% Benefits and allowances	5 784 122	5 059 580
UIF	191 674	125 736
WCA	20 958	23 505
SDL	215 598	168 854
Bargaining council (ELRC & GPSSBC)	7 617	5 610
Leave pay provision charge	72 275	-
Overtime payments	91 734	50 453
Long-service awards	138 846	126 845
Acting allowances	10 956	69 916
Other employee related costs	777 185	143 125
DHET Management fees (services in-kind)	61 167 258	51 700 617
	83 729 647	**68 625 321**

20. Books and learning material

Learning materials	15 424 821	11 148 347

21. Depreciation and amortisation

Property, plant and equipment	14 286 155	10 542 420
Intangible assets	540 371	442 506
	14 826 526	**10 984 926**

22. Finance costs

Finance leases	401 487	14 386

23. Debt impairment

Debt impairment	8 413 798	5 945 535
Bad debts written off	4 487 443	20 222
	12 901 241	**5 965 757**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

24. General expenses

Bank charges	195 939	182 082
Cleaning, Gardening and Sanitation	7 173 662	6 112 186
Consumables	2 597 877	1 022 650
Entertainment	3 861 156	3 167 777
Interest on overdue accounts	278 218	-
Gifts	559 923	259 210
Venue hire	26 350	22 850
Insurance	428 731	280 711
Motor vehicle expenses	231 834	201 090
Placement fees	12 324	34 031
Student bursaries - Allowances, registrations, student cards, diaries etc.	4 153 546	4 183 641
SRC Honorarium	30 000	30 000
Uniforms	799 298	1 791 325
Resettlement cost	93 923	19 980
Licences	1 990 254	1 863 887
Subscriptions, membership fees and levies	188 559	180 878
Council fees	1 286 444	1 812 187
Bereavement	2 100	18 340
Staff development and training	6 740 215	2 654 417
	30 650 353	**23 837 242**

25. Cash (used in) generated from operations

(Deficit) surplus	(28 035 084)	4 690 995
Adjustments for:		
Depreciation and amortisation	14 826 526	10 984 926
Loss on disposal of assets and liabilities	312 190	3 645 592
Finance costs - Finance leases	401 487	14 386
Proceeds on disposal of intangible assets	(168 000)	-
Changes in working capital:		
Receivables from exchange transactions	(3 397 396)	2 174 872
Other receivables from non-exchange transactions	5 927 522	(591 168)
Payables from exchange transactions	(171 203)	3 624 255
Payables from non-exchange transactioons	1 684 256	1 128 115
Unspent conditional grants and receipts	1 542 191	(3 347 021)
	(7 077 511)	**22 324 952**

26. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	21 555 813	8 656 675
Total capital commitments		
Already contracted for but not provided for	21 555 813	8 656 675

This committed expenditure relates to plant and equipment and will be financed by available government grants and retained surpluses.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

27. Contingencies

Labour matters vs NEHAWU obo Tshabile & Others:

There are 2 matters relating to 1. Opposing application for contempt of court with accompanying application to stay; 2. Rescission application to have court order regarding review application set aside as caused by the faulures of the college's previous legal representatives.

(a) A settlement claim equal to 13 months salary of the employees involved is an estimate of the financial effect of the claims for the 1st matter while the second matter is still to be finalised as settlement is being finalised.

(b) The first matter will be heard in the next 15 months while the second one is in settlement stage.

(c) There is no possibility of reimbursement for both matters.

28. Financial Instruments

The College has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto: .

Class	**Category**
Cash and cash equivalent	Financial asset at amortised cost
Trade and other receivables from exchange transactions	Financial asset at amortised cost
Trade and other receivables from non-exchange transactions	Financial asset at amortised cost

The College has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	**Category**
Trade and other payables from exchange transactions	Financial liability at amortised cost
Finance Lease liability	Financial liability at amortised cost
Trade and other payables from non-exchange transactions	Financial liability at amortised cost.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

29. Related parties

Relationships	
Members (and their close family members)	Refer to Council's Responsibilities and Approval on page 4 (The list of members is on general information on page 2)
Executive authority	The Minister of Higher Education and Training and all other colleges under the Ministers'portfolio
Controlling entity	Department of Higher Education and Training (DHET)
Entities under common control	All Sectorial Education and Training Authorities (SETA's)
Members of key management (and their close family members)	Jacobs NP Madalane BT Mhlauli EA Musi ED

Related party balances

Loan accounts - Owing (to) by related parties		
SETA's - Sundry debtors	8 953 671	6 995 554
SETA's - Creditor	(1 504 843)	-
NSF - Unspent conditional grants and receipts	(2 013 814)	(471 623)
NSFAS - Payables from non-exchange transactions	(12 434 438)	(11 101 947)
DHET - Receivables from non-exchange transactions	14 369 706	18 297 228

Amounts included in Revenue regarding related parties		
Department of Higher Education and Training	143 773 532	147 318 258

Remuneration of management

Notes to the Annual Financial Statements

Figures in Rand

29. Related parties (continued)

Management class: Executive management

2023

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other long-term benefits	Medical benefits received	Total
Jacobs NP	740 372	63 386	119	96 248	80 941	-	981 066
Madalane BT	836 400	70 790	119	108 732	337 723	19 560	1 373 324
Mhlauli EA	751 291	59 277	119	97 668	40 059	42 000	990 414
Musi ED	751 291	59 277	119	97 668	53 739	28 320	990 414
	3 079 354	**252 730**	**476**	**400 316**	**512 462**	**89 880**	**4 335 218**

2022

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other long-term benefits	Other benefits received	Total
Jacobs NP	685 434	57 539	113	89 106	90 566	-	922 758
Madalane BT	788 118	66 388	89 104	102 455	185 668	19 560	1 251 293
Mhlauli EA	695 721	56 701	113	90 444	49 621	42 000	934 600
Musi ED	695 721	56 701	113	90 444	63 301	28 320	934 600
	2 864 994	**237 329**	**89 443**	**372 449**	**389 156**	**89 880**	**4 043 251**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

30. Members' emoluments

Non-executive

2023

	Members' fees	Re-imbursive allowances	Total
GB Africa - Independent	168 832	-	168 832
JT Beukes - Independent Chairperson	307 062	-	307 062
N Dlamini - Independent	169 799	-	169 799
PT Kgantsi - Independent	214 630	31 731	246 361
Z Maneli - Independent	16 188	-	16 188
M Mafa - Independent	134 251	-	134 251
J Mathakgane - Deputy Chairperson	182 817	-	182 817
LM Mokhele- Independent	78 493	22 637	101 130
	1 272 072	**54 368**	**1 326 440**

2022

	Members' fees	Re-imbursements	Total
GB Africa - Independent	272 574	-	272 574
JT Beukes - Independent Chairperson	470 700	-	470 700
N Dlamini - Independent	263 594	-	263 594
PT Kgantsi - Independent	394 434	75 924	470 358
Z Maneli - Independent	-	12 034	12 034
M Mafa - Independent	11 664	-	11 664
J Mathakgane - Deputy Chairperson	294 245	-	294 245
LM Mokhele- Independent	104 976	27 681	132 657
	1 812 187	**115 639**	**1 927 826**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

31. Prior period errors

1. The college had claimed expenses in relation to the NSF and COS DHET grants and recognised the related revenue in the 2022 financial records. These expenses were investigated and it was confirmed that they related to 2021 and revenue had to be recognised in that year with an impact on accumulated surplus.

2. The college made adjustments to the Fixed Asset Register and some assets were disposed and some assets had to be brought to the records. The adjustments affected the cost, accumulated depreciation/amortisation and depreciation of property, plant and equipment and Intangible Assets amounts.

3. Some students of the college had credit balances which related to NSFAS on their individual customer accounts. These were previously included in debtors with credit balances but were now corrected and allocated to the NSFAS control accounts. This had an impact on Receivables from exchange transactions and Payables.

4. The college also discovered that some expenditure incurred in 2022 year was incorrectly classified and has subsequently been re-classified as a prior year adjustment. This had an impact on marketing, repairs and maintenance,lease rentals on operating leases, travel, accomodation, subsistence and re-imbursements, general expenses, printing and stationery, professional services and security costs.

5. The college incorrectly classified the PPN grant as conditional but now has corrected the classified of the grant to part of the DHET programmed funding. (Amount: R 16,319,445).

6. The college previously did not disclose it contractual commitments as required. These have now been disclosed in Note 27. The capital commitments totalling R 8,656,675 have been disclosed as at 31 December 2022.

7. The college was only allowed to claim and recognise as revenue expenses relating to NSF of R 685,407 only in 2023 while those related to the 2022 financial year. There was an equal impact on the unspent grants balances.

8. The college received CIEG funding of R 1,401,648 in 2023 relating to 2022. The college thus amended its revenue from non-exchange and receivables from non-exchange transactions accordingly.

9. The skills development levies were previously included under receivables, the college has since decided to recognise levies revenue and expense all bursary expenses from the control accounts. The related project management fees were also re-classified in the 2022 records.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Payables from exchange transactions	-	2 418 924
Receivables from exchange transactions	-	47 760
Receivables from non-exchange transactions	-	1 401 648
Property, plant and equipment	-	543 835
Intangible assets	-	182 293
Payables from non-exchange transactions	-	(858 614)
Unspent conditional grants	-	685 407
Opening Accumulated Surplus or Deficit	-	(4 421 253)

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

31. Prior period errors (continued)

Statement of financial performance		
Travel, accommodation, subsistence and re-imbursements	-	78 800
Government grants and subsidies	-	(1 654 765)
Levies	-	(899 025)
Sale of goods and services	-	(23 045)
Marketing	-	(5 903 991)
Repairs and maintenance	-	31 600
Depreciation and amortisation	-	(112 739)
Printing and stationery	-	1 220 937
Lease rentals on operating leases	-	2 961 714
Security	-	(610 115)
Professional services	-	675 882
General expenses	-	1 671 557
Accumulated surplus	-	(2 563 190)

32. Risk management

Liquidity risk

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

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the college's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other payables from exchange transactions	9 342 678	-	-	-

At 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other payables from exchange transactions	9 542 291	-	-	-

Credit risk

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

Trade receivables comprise a widespread customer base. 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 college. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Cash and cash equivalents	119 338 614	165 483 867
Trade and other receivables from exchange transactions	12 857 786	9 460 390

Market risk

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

32. Risk management (continued)

Interest rate risk

As the college has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Fair value interest rate risk

Financial instrument	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Call deposits	92 816 068	-	-	-	-
7 Day notice deposits	11 539 438	-	-	-	-

33. Going concern

We draw attention to the fact that at 31 December 2023, the college had an accumulated surplus of 435 328 939 and that the college's total assets exceed its liabilities by 435 328 939.

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 ability of the college to continue as a going concern is dependent on a number of factors. The most significant of these is that the college is dependent on programme funding received from DHET at a level which, when combined with other revenue generated by the College, is sufficient to fund the operations of the College.

34. Events after the reporting date

The college did not identify any significant events after reporting date to be disclosed.

35. Services in-kind

	2023	2022
Services in kind - employee related cost	61 167 258	51 790 084

Services in-kind is the remuneration of management and other personnel appointed on Persal, paid through Persal. For the current financial year this is inclusive of leave, bonus and other employee related accruals and/or provisions, as and when incurred by DHET.

36. Tax exemption

The College is exempt from normal taxation in terms of section Section 10(1)(cN) of the Income Tax Act, 1962 (Act No.58 of 1962).

37. Net Assets

In terms of the CET Act, the Minister of Higher Education and Training may close a public college subject to certain conditions. In such a case, the net assets of the College, comprising the accumulated surplus and reserves, will vest in the Minister of Higher Education and Training after the settlement of all liabilities.

38. Segment reporting

The college did not identify any reportable segments for the year under review.

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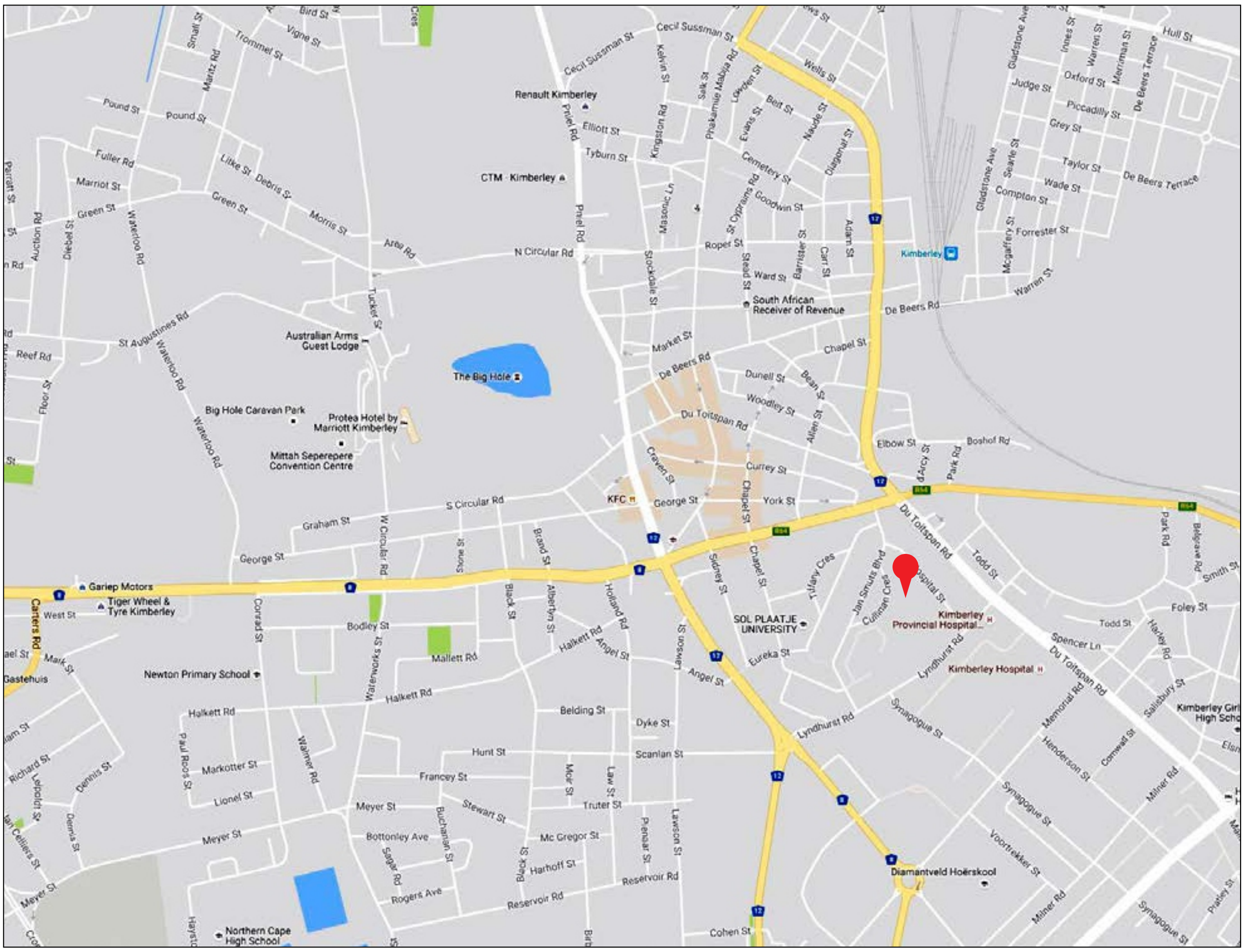
CITY CAMPUS



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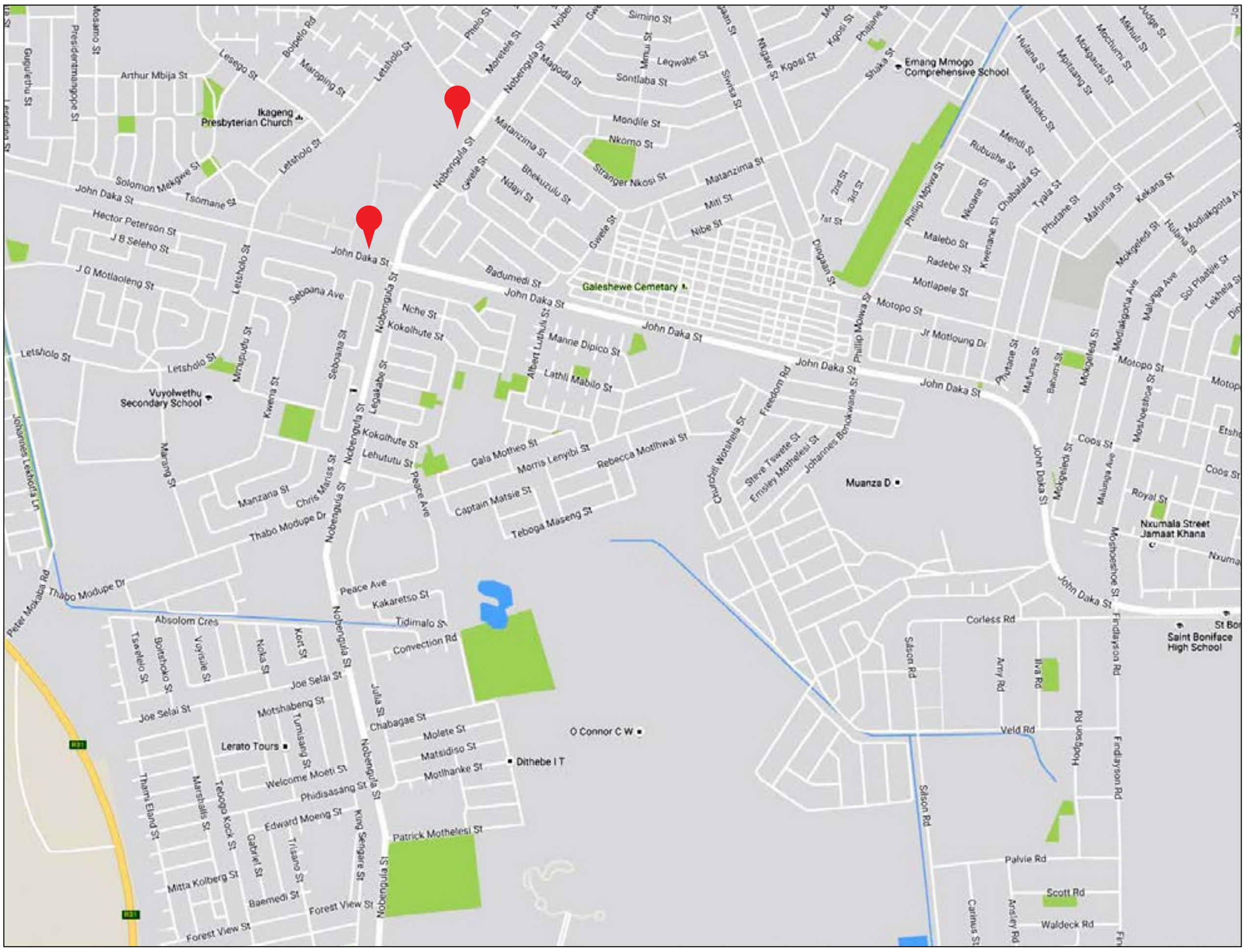

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