

ANNUAL REPORT 2024



higher education
& training

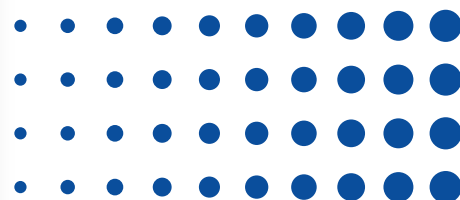
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



**NORTHERN CAPE
URBAN TVET
COLLEGE**

SABS
ISO 9001

*Your Pathway to an Improved
Socio-Economic Development*



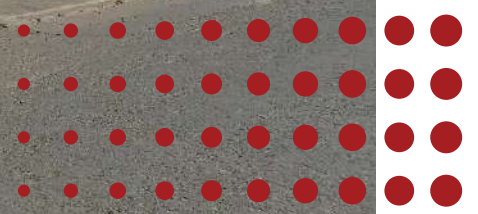


TABLE OF CONTENT

1. Introduction.....	2
2. Abbreviations and Acronyms.....	6

PART A: GENERAL OVERVIEW

3. Message from the College Council Chairperson.....	8
4. The Accounting Officer's Foreword.....	9
5. Statement of Responsibility and Confirmation of Accuracy.....	10
6. Legislature and other Directives.....	11
6.1 Legislative Framework.....	11
6.2 Legislative and other Mandates.....	11

PART B: GOVERNANCE

7. Report of Council Chairperson.....	14
7.1 Constitution of the College Council and Governance Structure.....	15
7.2 Reports by Committees of Council.....	19
7.3 Academic Board Report.....	21
7.4 Student Representative Council Report.....	22

PART C: PERFORMANCE INFORMATION

8. Report by Principal on Management and Administration.....	26
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PART D: FINANCIAL INFORMATION

9. Financial Reporting.....	43
10. Required Attachments for Financial Reporting.....	

1. INTRODUCTION

Northern Cape Urban TVET College 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 in the province.

The College comprises of the following campuses:

- ▶ City Campus;
- ▶ Moremogolo Campus;
- ▶ Phatsimang Campus,
- ▶ The College also has a Central Office situated in the Kimberley CBD.

Through its Skills and Innovation Centre the 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.

In line with the College vision and mission, the programme qualification mix 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:

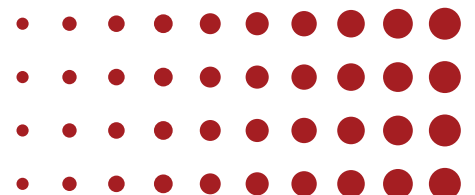
- Finance, Economics and Accounting
- Tourism
- Safety in Society
- Transport and logistics
- IT
- Programming and Robotics

Report 191 (N1-N3) Engineering Studies Programmes

- Electrical Engineering
- Mechanical Engineering
- Civil Engineering

Report 191 (N4-N6) Business Studies Programmes

- Marketing Management
- Tourism
- Business Management
- Financial Management



A programme qualification mix, offering relevant accredited occupational programmes:

- National Certificate: Hairdressing
- National Certificate: Nail & Beauty
- 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
- ETDPA 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 also had an partnership with the Chinese Culture.

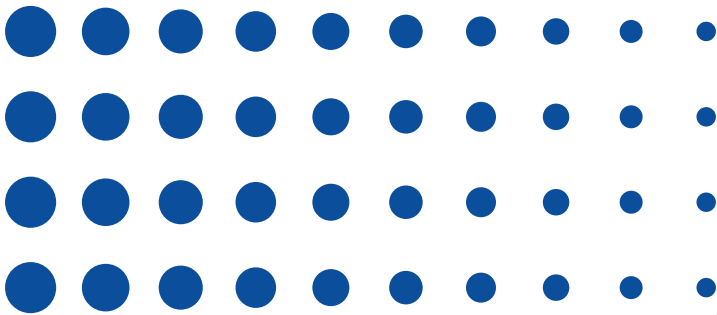
The College has is a Centre of Specialization in Carpentry and Joinery, the fields of Bricklaying and Plumbing. The college is experiencing several challenges, specifically related to e-learning with related training for users and infrastructure:

Lecturer professional development is a priority for the College, especially with the demands posed by the 4th industrial revolution

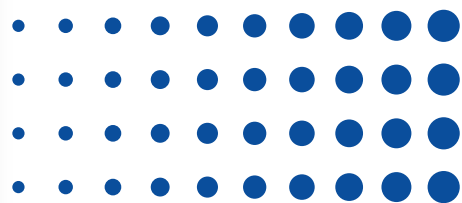
The College received funding, however limited to improve and refurbish the deteriorating infrastructure (CIEG) and is actively renovating College sites.

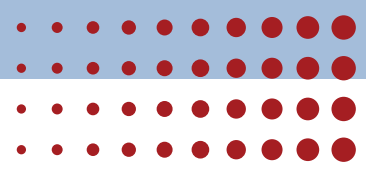
The College continues to pursuing various funding options to renovate its dilapidated sites.





VISION, MISSION AND VALUE STATEMENT





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.



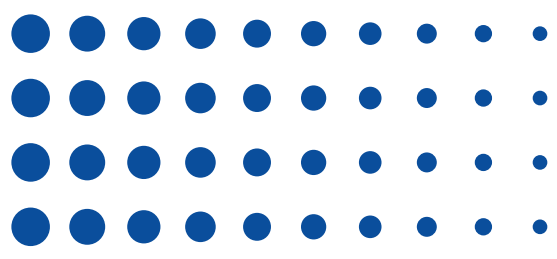
Our Vision

Your Pathway to an improved socio-econominc development.



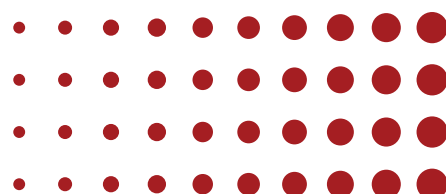
Our Values

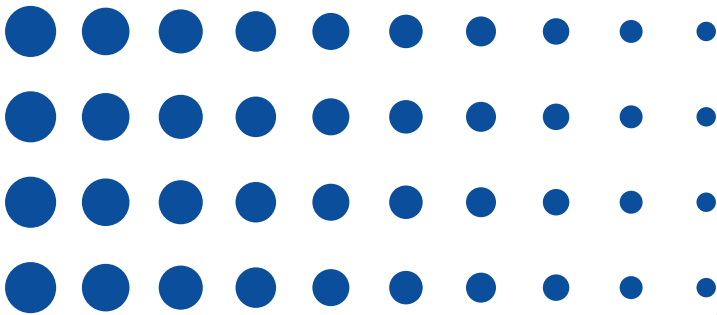
- Integrity
- Respect
- People Orientation
- Fairness
- Loyalty
- Accountability
- Professionalism
- Leadership



2. ABBREVIATIONS AND ACRONYMS

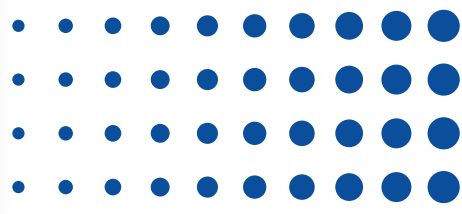
APP	Annual Performance Plan
COS	Centre of Specialization
DHET	Department of Higher Education
HRDS-SA	Human Resource Development Strategy for South Africa
LMIP	Labour Market Intelligence Project
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	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	Strengths, Weaknesses, Opportunities, Threats
TVET	Technical and Vocational Education and Training
WIL	Work Integrated Learning
WPBL	Workplace Based Learning

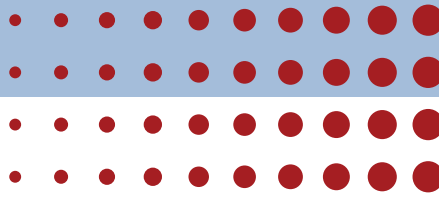




PART A

GENERAL OVERVIEW





3. MESSAGE FROM THE COLLEGE COUNCIL CHAIRPERSON

Together with the entire College Council, Executive, Broad Management and staff of NCU TVET College, I am privileged to present the College 2024 Annual Report recording all the achievements by the College during the year under review.

This was the last year of the current Council, and an interim Council was appointed during the year under review. These members took it in their stride and provided the necessary oversight.

Over the years the Council had many challenges, but as a team overcame. We also had various achievements, and we take specific pride in:

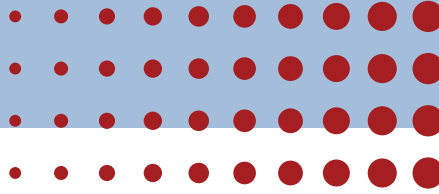
- Policy reviews and implementation
- Infrastructure development
- Change management initiatives.

Robust discussions took place at the various meetings of the sub-committees as well as the College Council itself. I remain in awe at the commitment displayed to achieve the objectives as set out in the DHET 5-year strategic plan where the College seeks to focus on the following:

- Expanded access to TVET college opportunities
- Improved success and efficiency of TVET systems
- Improved quality of TVET college provision
- Improved responsiveness of TVET colleges to the world of work

We support the initiatives of the College in cultivating external stakeholders and all other partnerships both locally and internationally. On behalf of the College Council I would therefore like to commend the good work of all stakeholders in ensuring that the College achieves its strategic goals. We take this opportunity to sincerely thank all stakeholders: my fellow Council members, the Principal Mr. Brian Madalane with he's Executive, broad Management, staff and especially our student community for the support over the Council tenure and outstanding performance during this time. I wish the College well in all its future endeavors. May we never forget where we come from and that education is truly the key to success, therefore NCUTVET has a critical responsibility of realizing its vision and remain a 'Pathway to an Improved socio-economic Development'.

Dr JT Beukes
Chairperson of College Council



4. THE ACCOUNTING OFFICER'S FOREWORD

It gives me great pleasure to report that NCU TVET College continues to make significant strides in improving overall College performance and realising financial stability.

Being 1 of only 2 TVET Colleges in the Province, we have a great responsibility and continue to realise our vision of being a 'Pathway to an Improved Socio-Economic Development'.

We faced various challenges, but overcome with countless achievements, amongst others:

- Procurement of 260 laptops for staff
- Upgrading of 9 out of 16 computer labs
- Refurbishment of workshops
- Continued infrastructure development through the CIEG
- QCTO accreditation of programmes and workshops, including Trade Test centers
- An unqualified audit 2024 from Auditor-General (AGSA). The 2024 Audited Financial Statements are included in this Annual Report.

We are steadily gearing towards achieving objectives set out in the 5-year Strategic Plan.

The College appreciated a visit by Deputy Minister, Mr Bhuti Manamela launching the TVET month 2024 and another by Deputy Minister, Dr Mimmy Gondwe doing oversight.

The interim College Council has provided great oversight, supported by the College management serving as a key resource to all Council Committees to ensure compliance in line with the provisions of the Continuing Education Training Act (16 of 2006).

The 2024 Student Representative Council (SRC) was also successfully installed and ushered into office after robust induction and leadership training workshops. College management enjoys a cordial relationship with the student leadership, which is supported with regular communication.

The College also hosted a successful in-person Graduation Ceremony for its Report 191 Diplomandi and awarded its best performing students.

This and much more would not be possible without the "village" of NCUTVET. Council, SRC, Management, academic and support staff, plus our esteemed students, thank you to each and every one of you for the contribution you make towards making NCUTVET the functioning institution it is. Let us remain focused and consistent in what we do, sithi nangomso.

Mr B T Madalane
College Principal

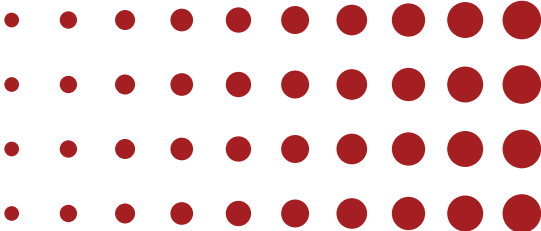
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION ACCURACY

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 BT MADALANE
PRINCIPAL





Oversight Visit by Deputy Minister, Dr Mimmy Gondwe



6. LEGISLATION AND OTHER DIRECTIVES

6.1 Legislative 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 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.

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.



TVET Month Launch with Deputy minister, Mr. Buti Manamela



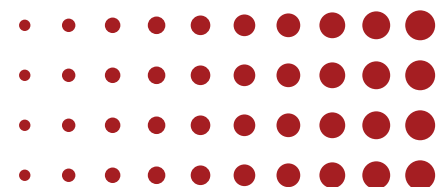
Further sets of legislation that impact on the TVET Colleges sector and its strategic and national imperatives are listed below:

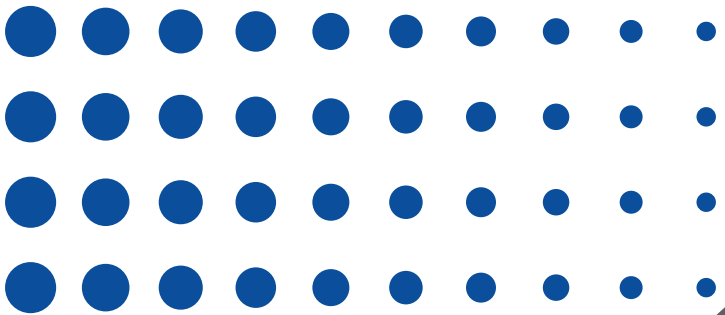
- National Qualifications Framework (NQF) Act (No 67 of 2008);
- Higher Education (HE) Act (No 101 of 1997);
- Skills Development Act (No 97 of 1998);
- Skills Development Levies Act (no 9 of 1999); and
- General and Further Education and Training Quality Assurance Act (No 58 of 2001
- The Higher Education 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:

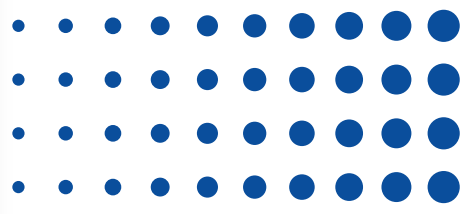
- National Trade Testing Regulations;
- SETA Grant Regulations;
- National Skills Development Strategy;
- Public TVET College Attendance and Punctuality Policy;





PART B

GOVERNANCE



7. REPORT OF COUNCIL CHAIRPERSON

Northern Cape Urban TVET College utilizes its approved mandate in ensuring good governance by being compliant in terms of the Continuing Education and Training Act (CETA) 16 of 2006 and derives its mandate and functions from the aforesaid Act, on which the College Statute is based.

Key to the mandate and functions of the College Council is to achieve good and sound governance in the College. The College Council is thus accountable to the Department of Higher Education and Training (DHET), and the public at large.

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.

Council's term 2020 – 2024 came to an end, then an interim Council was appointed, awaiting appointments of all members for the new term.

To this end, the College Council carries out its work through the following sub-committees, which report to Council every quarter:

- The Human Resources Committee;
- The Finance Committee;
- The Audit and Risk Committee;
- The Academic Board.

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.

During the year under review, NCUTVET obtained an unqualified audit opinion from the Auditor-General. This is an opinion which we are very proud of and urge Management to continue with the good work.



7.1 Constitution of the College Council and Governance Structures

Council's term came to an end, then the appointment of a new Council commenced. With the initial appointment of 4 ministerial appointments, which became the interim Council, together with the employee representatives. Below is information also worthwhile to be reported by the College Council chairperson as it further unpacks some of the topics:

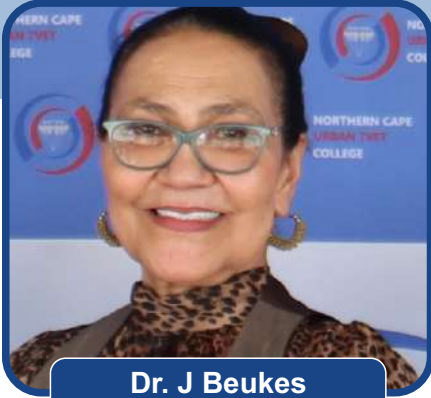


The following individuals constitute the interim College Council and Governance structures:

Name:	Role:
Dr JT Beukes	Council Chairperson
Mrs TP Kgantsi	Council Member
Ms GL Nodoba	Council Member
Mr Merafe	Council Member
Mr BT Madalane	College Principal
Ms ED Musi	Academic board
Ms K Moroka	Employee representative (Support Staff)
Mr W Ndlovu	Academic Staff
SRC	SRC



2024 COUNCIL



Dr. J Beukes
Council Chairperson



Mrs. TP Kgantsi
Council Member



Mr. Merafe
Council Member



Ms. GL Nodoba
Council Member



Mr. BT Madalane
College Principal



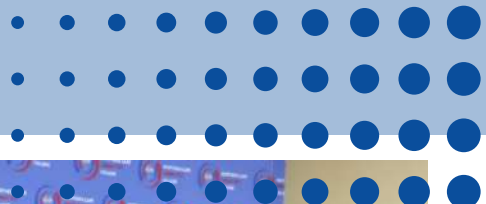
Mrs. ED Musi
Academic Board



Ms. K Moroka
Support Staff



Mr. W Ndlovu
Academic Staff





COUNCIL AND SUB COMMITTEES MEETINGS HELD.

Type of meetings	Number of meetings	Purpose of the meeting
Special	1	2024 Budget
Ordinary	1	FINCOM meetings
Ordinary	1	Academic Board meeting
Ordinary	1	Audit and Risk Meeting
Special	1	Presentation of Annual Financial Statements
Ordinary	1	Conditions of Employment Committee (HR) meeting
Ordinary	1	Council meeting
Special	2	2024 Budget Approval
		Presentation of Annual Financial Statements



7.2 Reports by Committees of Council

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 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 2024, 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.

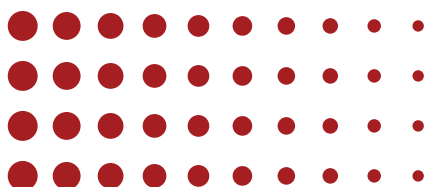
7.2.2 Finance Committee

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.

See below main activities performed:

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



7.2.3 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:

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



7.3 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

7.3.1 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.

7.3.2 Activities performed by the Academic Board

- 2024 Targets for subject pass rate & progression rates
- Approval of enrolment numbers for NCV and Report 191
- Approval for 2024 teaching and learning Plan
- Adoption of the 2024 fee structure
- Analysis of Results and Interventions
- Exam 2024 Report 191 T1-2024
- Feedback on SBA Monitoring, ICASS verification and exam
- DHET monitoring reports
- Internal and External Examination preparation and readiness

7.4 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. Northern Cape and Western Cape form one of the six regions of the Department of Higher Education and Training. The Collge students also participated in the National Language Festival 22-25 August 2024. We are proud of our representatives, Phenyo Nxendlana; Khanyisa Mshiyeni and Bofelo Maleke.

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



7.4.1 Student Representative Council constitution

- President
- Deputy President
- Secretary General
- Deputy Secretary General
- Treasurer General
- Sport Officer
- Health & Wellness Officer
- 3 X Campus Chairperson
- 3 X Academic Officer
- 2 X Resident Officer

Activities performed by the Student Representative Council

The main activities performed are as follows:

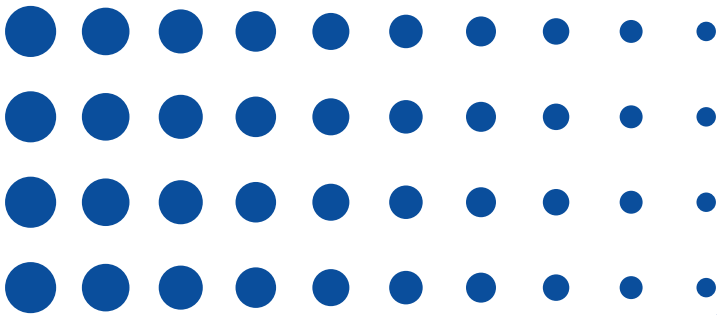
Elections of the SRC

SRC capacity building

Development of the SRC Program of Action

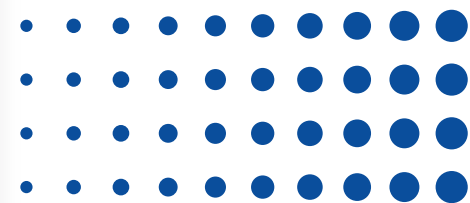






PART C

PERFORMANCE INFORMATION



8. REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

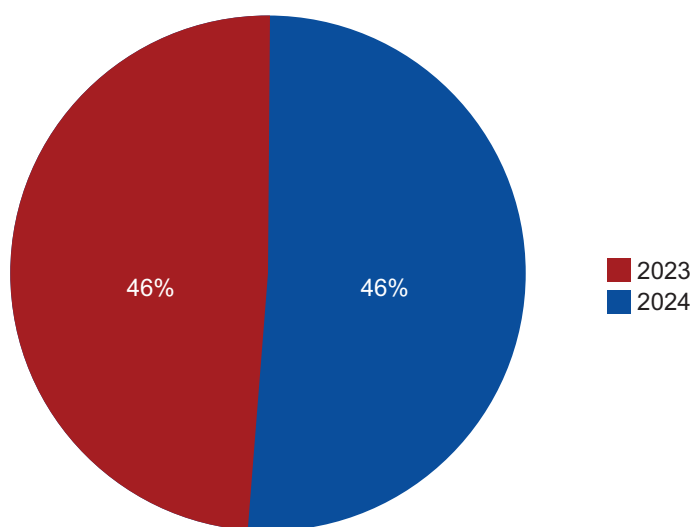
It remains an honour for NCU TVET College to provide an overview of the key achievements for the 2024 academic year. This overview seeks to highlight the outstanding achievements, challenges and intervention strategies in line with the college Strategic plan. Lack of student placement and absorption 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 2023 and 2024:

CAMPUS NAME	2023	2024
CITY CAMPUS	2083	1197
MOREMOGOLO CAMPUS	1013	821
PHATSIMANG CAMPUS	2337	4973
SKILLS & INNOVATION	656	207

YEAR	2023	2024	TOTAL
Enrolled	6089	7198	13287



The College provided students with bursaries with the main funder being NSFAS. Below are figures paid in 2024. Continued efforts are made with NSFAS to outstanding fees.

YEAR
2024

CATEGORY
Tuition

AMOUNT PAID
R37 774 576.00

The College conferred certificates and diplomas to qualifying students and had its graduation ceremony to recognize students who completed their qualifications. Top achievers within different levels were also acknowledged.

	Study Level	Male	Female	Total
2023	NCV L4	41	157	198
	Report 191: N6	91	340	431
2024	Report 191: N6	19	56	75
TOTAL		151	553	704



2023 Academic Year

CAMPUS	ENROLLED	PERCENTAGE
CITY CAMPUS	2024	30%
MOREMOGOLO CAMPUS	704	11%
PHATSIMANG CAMPUS	3313	49.00%
SKILLS & INNOVATION	656	10%

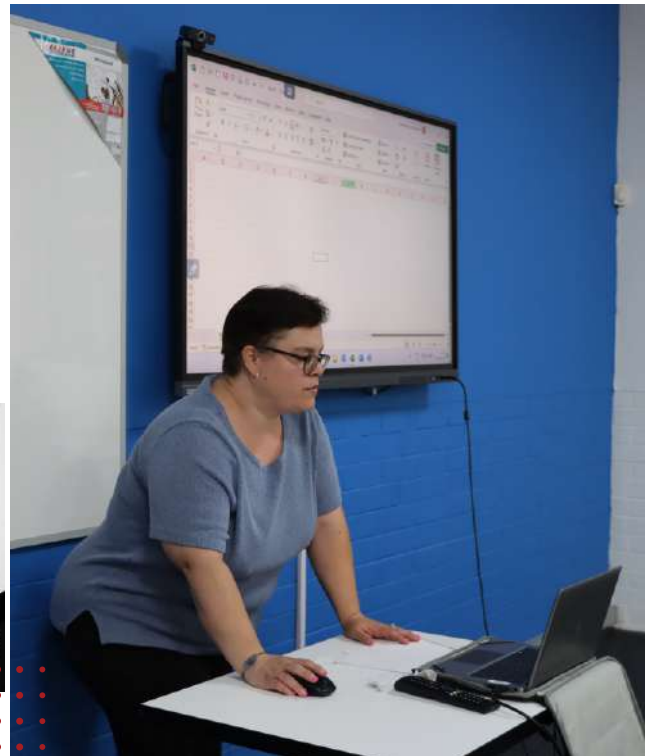
2024 Academic Year

CAMPUS	ENROLLED	PERCENTAGE
CITY CAMPUS	1197	17%
MOREMOGOLO CAMPUS	821	11%
PHATSIMANG CAMPUS	4973	69.00%
SKILLS & INNOVATION	207	3%



In this period 206 employees attended various training and development programmes. See below training conducted:

TRAINING	NUMBER OF DELEGATES	DESIGNATION
Popia and PAIA Training	25	Support Staff and Lecturers
Payroll Training	2	Support Staff
Planning and organising training	30	Support Staff
Popia Training	25	Support Staff
Change management training	25	Support Staff
Advance excel training	25	Support Staff and Lecturers
ITS Training	7	Support Staff
Training for work ethics	30	Support Staff
Presentation skills 10 modules	35	Support Staff
Advance excel training	35	Support Staff and Lecturers
CNC Training	2	Support Staff



- The 2025/26 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.

Employee Health and Wellness:

- College wellnessday was held.
- 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
- Referrals outside the College for medical and psychological services were done.

Diversity Management:

- The Employment Equity Report was successfully submitted to DHET.



EMPLOYEE WELLNESS DAY



WOMAN'S EVENT



PRINCIPAL'S TOP ACHIEVER AWARDS



Information Communication Technology

ICT exists to provide quality support to the college's staff and students and continuous introduction of technology trends.

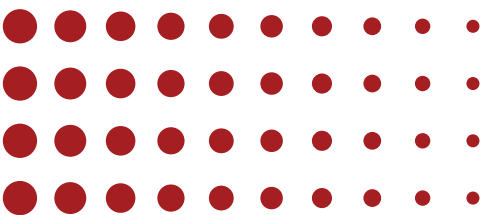
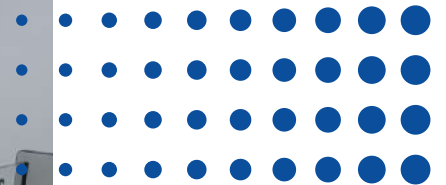
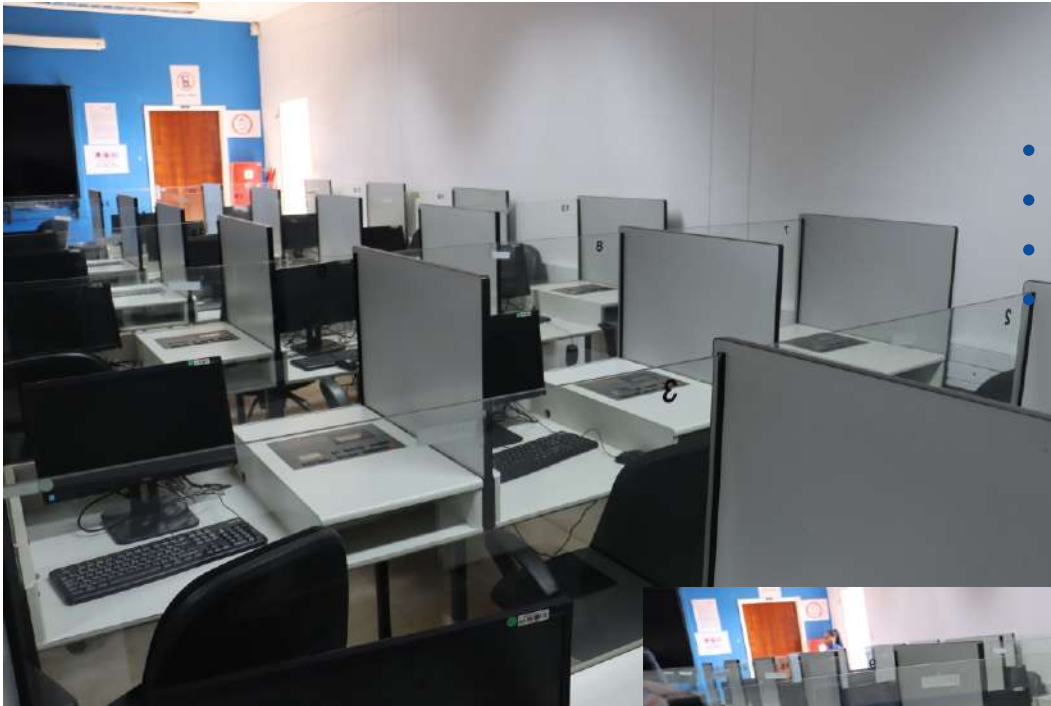
The Highlights for the 2024/25 financial year, was the implementation of computer lab upgrades, we are committed to carrying out these upgrades until the college is on par to the industry counterparts. The College is committed to preserving green environment hence the introduction of Share Point, sections such as Asset Management has fully embraced filling documents online, and we are slowly welcoming other Units in as Supply Chain Management has started as well. Technology continues to evolve, cyber security threats present significant risks to ICT systems and data integrity, the college implemented protective measures to ensure these threats have little to no success in compromising our systems.

As the college we are pleased that our website is up and running. Websites serve as the first point of contact for potential clients and are essential for conveying an organization's message and communication effectively.

The ICT department ensures that website is 90-99% available.

Online applications are available through our website, and college is embarking on full online applications and registrations, there has been a huge progress compared to previous years. The ICT department ensures that all licenses are up to date and are assigned accordingly.

Challenges:



The College and the ICT team, acknowledges that infrastructure has aged and replacing it, is not quick as we would like but there are positive strands that the college has taken so far to move forward. The college identified critical ICT projects to address the ICT infrastructure, some of these projects started in the financial year 2024/25 and will be continuing to 2025/26. The identified projects are:

- Continuation of the cabling in the computer labs and Student support areas across campus
- To finalise the desperately needed Wi-Fi coverage across campuses
- Upgrading of labs to be continued in 2025/26 and 2026/27

Future plans and Initiatives:

ICT projects and initiatives require proper planning, skills and a sizable budget. As the college our budget is limited and may hinder the ICT department from implementing some of the necessary upgrades or projects. We have identified the following projects to tackle next,

- Upgraded telephone system with new handsets
- New student card software that interfaces with the college BMS
- CCTV systems in computer labs



Marketing and Communication Unit, NCU TVET College

Introduction

The Marketing and Communication Unit at NCU TVET College plays a vital role in promoting the college's brand, programs, and achievements to internal and external stakeholders. This annual report highlights the unit's key activities, achievements, and challenges for the 2024 academic year.

Key Activities

1. Marketing Campaigns

The Marketing Unit, in collaboration with the Student Support Services (SSS), IT, and TVET Management Information System (MIS) units, developed and implemented innovative marketing campaigns to attract new students, promote programs, and enhance the college's reputation. Notably, the units embarked on a community outreach initiative in Dithakong Village in Kuruman, where team members visited the village to assist the community with online applications, bringing internet access to the area. This initiative not only showcased the college's commitment to accessibility but also provided a platform for community members to learn about and engage with NCU TVET College's programs. By taking the college's services to the people, we were able to reach potential students who may not have had access to the internet or knowledge about our programs otherwise. This community-focused approach to marketing has helped to build relationships with local communities and promote the college's reputation as a caring and accessible institution.

2. Social Media Management

The Marketing Unit effectively managed NCU TVET College's social media platforms to foster engagement with stakeholders, share news, and promote events. Our social media presence has seen significant growth, with Facebook engagement increasing by over 40% since March 2024. Through these platforms, we regularly post updates on:

- College events
- Advertisements
- News
- Updates

These posts aim to create meaningful engagement with our diverse stakeholders, including students, staff, the community, and industry partners. By leveraging social media, we have successfully increased our online visibility and built a stronger connection with our audience.

3. Brand Development

The Marketing and Communication Unit has successfully refreshed NCU TVET College's brand identity, encompassing the logo, website, and marketing materials. To maintain consistency and quality, we've developed a comprehensive brand guideline document that outlines proper logo usage and instructions. This ensures that all college branding remains uniform across various platforms.

Key achievements include:

- Website Development: In collaboration with the IT unit, we've revamped the college website, enabling smooth online applications, registration, and access to relevant information.



- Marketing Materials: We've centralized the procurement of promotional, corporate, and marketing materials, ensuring uniformity and consistency across all materials.
- Brand Consistency: Our efforts have resulted in a cohesive brand image, reinforcing the college's reputation and identity.

These initiatives have enhanced the college's overall brand presence, both online and offline, and will continue to support our marketing and communication efforts.

4. Event Management

The Marketing and Communication Unit successfully coordinated and executed various events, including open days, graduations, and Principal's Awards. However, the highlight of the year was hosting the prestigious TVET Month Launch in August 2024. NCU TVET College was honoured to be chosen as the host institution for this significant event in the TVET sector.

The event was a resounding success, attracting a large turnout of esteemed guests, including: - Department of Higher Education and Training (DHET), -Sector Education and Training Authorities (SETAs), External stakeholders, Sol Plaatjie Municipality, Students, Staff members, and Approximately 1000 school learners from local Kimberley schools.

The event's impact extended beyond the venue, as it was broadcast on our local radio station and live streamed on all our social media platforms. This exposure has elevated NCU TVET College's profile, showcasing our capabilities and commitment to hosting high-profile events.

Challenges

1. Resource Constraints: Limited resources and budget constraints impacted the unit's ability to implement some marketing initiatives.
2. Competition: Increasing competition from other TVET colleges required innovative marketing strategies to stand out.

Recommendations

1. Increased Budget Allocation: Allocate more resources to the Marketing and Communication Unit to enhance marketing initiatives.
2. Staff Development: Provide ongoing training and development opportunities for staff to stay up-to-date with industry trends.
3. Digital Marketing: Continue to leverage digital marketing channels to reach a wider audience.

Conclusion

The Marketing and Communication Unit at NCU TVET College has made significant progress in promoting the college's brand and programs. With continued support and resources, the unit is poised to achieve even greater success in the future.



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.

CENTER OF SPECIALISATION (COS)

The College is COS for:

- Carpentry
- Bricklaying
- Hairdressing

The College also trains the below apprentices:

- Plumbing
- Spraypainting

A proud and significant highlight for the COS: Carpentry, is that obtained its accreditation and NAMB Trade Center. This is an achievement the College views in very high regard. The first cohort of 20 students are currently undergoing trade testing.

The table below illustrates the current cohort of apprentices trained with external funding.

PROGRAMME NAME	FUNDER	NO APPRENTICE
Bricklaying	AgriSeta	10
Bricklaying	SASSETA	20
Bricklaying	CETA	20
Carpentry	SASSETA	20
Carpentry	CETA	20
Plumbing	CETA	25



Below illustrates various short skills & Learnership Programmes offered

NAME	FUNDER
Accounting Technician	NSF
Spray Painting	NSF
Gas Welding	NSF
Vehicle Assistant	NSF
Internship	NSF
Internship	MerSeta
Hairdressing	Services Seta
Firefighting	Narysec
Nails and Beauty	NSF
Carpentry	SASSETA
Small Business Ent	W&R SETA
Construction Roadwork	CETA
Business Administration Learnership	SSETA

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

- Hairdressing
- Bricklaying
- Carpentry

Program funding learner placement and drop out remain the major challenges we face, but in spite of



OCCUPATIONAL HEALTH AND SAFETY

Introduction

The college's health and safety system are successful in providing policies, procedures and guidelines for departmental managers and departmental heads to manage health and safety in their respective departments effectively, and to ensure the health and safety of staff, students, visitors and contractors on all college premises.

Mandate

To implement and manage health and safety at the college to ensure compliance to the Health and Safety Act, Act 85 of 1993 and all relevant health and safety regulations and to enforce adherence to all relevant health and safety policies and procedures.

Occupational Health and Safety Inspections

Regular workplace inspections are an essential part of the overall occupational health and safety program of the college. Several occupational health and safety inspections have taken place at college sites. During these inspections, health and safety deviations were identified and corrected. During the year under review the College gave specific attention to Covid 19 protocols, to ensure the health and safety of staff. Covid 19 Committees were also established per site to ensure and give the necessary guidance on site. OHS inspections were conducted at the following sites

- City Campus
- Phatsimang Campus
- Moremogolo Campus
- Skills & Innovation Centre

H&S Appointments and Training Appointments

Health and safety representatives, committee members, incident investigators, firefighters, first aiders, supervisors and general machine regulators (GMR'S) were appointed. These appointments were necessary in order to comply with the Occupational Health and Safety Act, Act 85 of 1993 (OSHA).

Training

Health and safety training is an integral part of the college's occupational health and safety program. It helps the college to:

- Develop a health safety culture, where health and safety become second nature to everyone.
- Determine how the college could manage health and safety better.
- Meets the college's legal duty to protect the health and safety of our employees, students and visitors.
- Contribute towards making our employees competent in health and safety.
- Helps the college to avoid the distress that accidents and ill health cause.

The following training was conducted:

- Health and Safety Representatives
- Firefighters
- First Aiders

Incident and accident reporting

The Health and Safety Department remains vigilant to retain progress in terms of the number of health and safety incidents. Remember, one person's action can jeopardize the safety of others in the workplace. There is a process in place at the college to report and investigate all accidents, incidents, near misses or ill health for immediate action. The primary purpose of the accident investigation is to identify the root cause of the incident, in order to prevent it from happening again.

General

Several new OHS checklists and machine safe working safe procedures were developed and incorporated into the OHS portfolio on the QMS.

Conclusion

There will always be the possibility of injuries while performing work and student related activities, even with the best safety procedures in place.

The Health and Safety Department will keep on evaluating and monitoring the health and safety procedures at the college in order to improve the health and safety at the college. The health and safety of employees, students and visitors continue to be the number one priority of the Health and Safety Department.

QUALITY MANAGEMENT

Purpose of a Quality Management System (QMS)

A Quality Management System is a set of policies, processes, procedures and documentation required for the planning and execution of day-to-day operations in all the departments of an organization. It integrates all the various departments of the organization. It enables the organization to identify, measure, control, evaluate and amend the entire organization's policies, processes and other documentation that will finally lead to better business management practices. Implementing a Quality Management System affects every aspect of an organization. Staff are encouraged to visit the system for information and awareness.

Audits

Many people consider audit reports as dry, boring and uninterested documents, which take a great deal of time and effort to study. The reality is that they are an essential part of any organization's operations and is critical for any business to be successful. Studies have shown that most organizations do not reach their strategic objectives because they do not act on the findings and recommendations in the internal and external audit reports. Many businesses also fail or do not perform optimally because they ignore or do not act on the findings and recommendations in the audit reports.

The following internal Quality Management internal audit reports were conducted:

- Marketing Department
- College Security Services
- Academic: City Campus
- Academic: Moremogolo Campus
- Academic: Phatsimang Campus

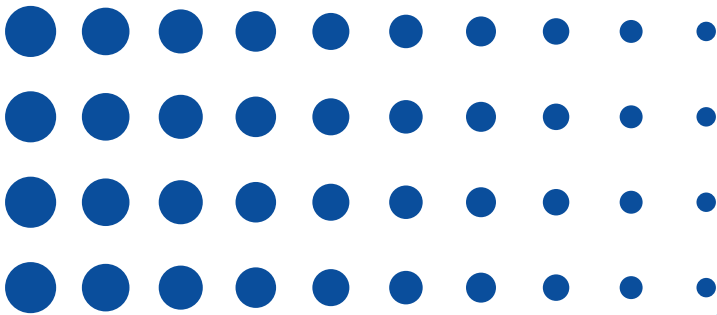
The following QMS audits were conducted by SABS:

- Two ISO 9001:2015 surveillance audits.
- One ISO 9001:2015 compliance audit.

The College's QMS was certified ISO 9001:2015 compliant by SABS. This accolade the College considers in high regard.

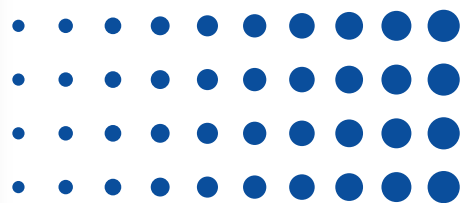
1. College Performance and Organizational Environment

In spite of challenges faced with limited resources, the College achieved most of the strategic goals and objectives during 2024. Lecturer placement remains a challenge, due to the limited number of industries available in the province. With the appointment of a Partnership and Linkages official we are hopeful that the situation will improve. The college is also in it's initial stages of implementing the maturity model of the department. We had our first self-evaluation of processes in the period under review.



PART D

FINANCIAL INFORMATION





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 2024**



The Chairperson of the Council
Northern Cape Urban Technical and Vocational Education and Training
Private bag X5031
Kimberley
8301

31 May 2025

Reference: 61408REG24-25

Dear Sir

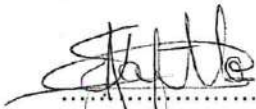
Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Northern Cape Urban Technical Vocational Education for the year ended 31 December 2024.

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa.
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read, and should any inconsistencies be identified, these will be communicated to you, and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. You are required to include the auditor report in the College's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.
7. Until the steps described in paragraphs 2 and 4 of this document is completed and the annual report is tabled, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely



Kosie Jaftha
Senior Manager: Northern Cape Business Unit

Enquiries: Boniswa Mbeka
Telephone: 053 836 8800
Email: boniswam@agsa.co.za

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

Opinion

1. I have audited the financial statements of the Northern Cape Urban Technical and Vocational Education and Training (TVET) College set out on pages 54 to 99, which comprise the statement of financial position as at 31 December 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Urban TVET College as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (CETA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 31 to the financial statements, the corresponding figures for 31 December 2023 were restated as a result of an error in the financial statements of the college at, and for the year ended, 31 December 2024.

Material impairment – Receivables from exchange transactions

8. As disclosed in note 5 to the annual financial statements, a material provision for impairment on receivables from exchange transactions to the amount of R22 506 219 (2023: R19 245 779) was incurred as a result of impairment of trade debtors and sundry debtors.

Material impairment – Receivables from non-exchange transactions

9. As disclosed in note 6 to the annual financial statements, a material provision for impairment on receivables from non-exchange transactions to the amount of R8 692 365 (2023: R8 728 071) was incurred as a result of impairment of occupational training funding receivables.

Underspending of the W&RSETA conditional grant

10. As disclosed in note 9 to the financial statements, the college materially underspent the conditional grant of Wholesale and Retail Sector Education and Training Authority (W&RSETA) by R3 316 411.

Responsibilities of the council for the financial statements

11. The council is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the CETA; 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.
12. 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

13. 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.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 51, forms part of my auditor's report.

Report on the annual performance report

15. In terms of the CETA, the college is not required to prepare an annual performance report.

Report on compliance with legislation

16. 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.
17. 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.
18. 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.
19. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

20. The financial statements submitted for auditing were not fully prepared in accordance with generally recognised accounting practice, as required by section 25 (1)(b) of the CETA. Material misstatements of current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

21. The council is responsible for the other information included in the annual report which includes the council's report and the audit & risk committee's report. The other information does not include the financial statements and the auditor's report.
22. My opinion on the financial statements and my 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.
23. 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.
24. 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

25. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
26. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
27. Leadership did not review policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.
28. Leadership did not exercise oversight responsibility regarding financial, compliance and related internal controls.
29. Management did not review and monitor compliance with applicable laws and regulations.
30. Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. This resulted in material misstatements reported and subsequently corrected in the financial statements by management.
31. Governance did not implement appropriate risk management activities to ensure that regular risk assessments, including the consideration of information technology risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored.
32. Governance did not ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively.

Material irregularities

33. 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

34. 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.
35. 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.
36. 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.

37. I referred the suspected material irregularity to the Directorate for Priority Crime Investigation (DPCI) on 27 May 2024 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the DPCI on 29 June 2024, and the investigation is currently in progress.

Auditor General

Kimberley

31 May 2025



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on 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
Continuing Education and Training Act No. 16 of 2006	Section 44(1)
	Section 46(1)(a)(i)
	Section 46(1)(a)(ii)
	Section 3(3)
	Section 25(3)
	Section 25(1)(b)
	Section 20(7)(b)
	Section 20(8)(a)-(c)
	Section 10(9) (c)
	Section 10(9)(e) (iii)
	Section 10(9B)
Prevention and Combating of Corrupt Activities Act No.12 of 2004	Section 34(1)

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College

Annual Financial Statements for the year ended 31 December 2024

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	JT Beukes - Independent (Chairperson) PT Kgantsi - Independent GL Nodoba - Independent MK Merafe - 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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Index

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

	Page
Council's Responsibilities and Approval	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Accounting Policies	8 - 26
Notes to the Annual Financial Statements	27 - 46

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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

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 2025 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 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 2025 and were signed on its behalf by:



Independent Chairperson of the Council

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Statement of Financial Position as at 31 December 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	5	12 617 504	12 314 922
Receivables from non-exchange transactions	6	26 102 148	15 024 079
Cash and cash equivalents	7	78 201 380	119 338 614
		116 921 032	146 677 615
Non-Current Assets			
Property, plant and equipment	3	350 121 334	320 147 346
Intangible assets	4	929 751	1 357 854
		351 051 085	321 505 200
Total Assets		467 972 117	468 182 815
Liabilities			
Current Liabilities			
Finance lease obligation	8	3 858 840	4 028 473
Payables from exchange transactions	10	8 189 487	11 223 787
Payables from non-exchange transactions	11	18 654 871	14 953 332
Unspent conditional grants and receipts	9	3 324 679	2 013 814
		34 027 877	32 219 406
Non-Current Liabilities			
Finance lease obligation	8	325 703	4 184 543
Total Liabilities		34 353 580	36 403 949
Net Assets		433 618 537	431 778 866
Accumulated surplus		433 618 537	431 778 867
Total Net Assets		433 618 537	431 778 867

* See Note 32

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Tuition and related fees	13	36 225 480	27 495 857
Rental of facilities and equipment	14	106 158	109 544
Finance lease interest benefit		506 296	724 029
Gain on sale of assets		-	168 000
Sale of goods and rendering of services	16	152 359	615 380
Donations received		659 683	108 999
Interest received - investment	17	7 712 159	10 843 525
Total revenue from exchange transactions		45 362 135	40 065 334
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	18	114 018 006	80 900 428
Levies		135 000	1 016 797
Occupational training funding...	19	7 803 429	6 465 652
Interest received - CIEG		309 036	2 279 631
Bad debts recovered		9	743 074
Services in kind	36	64 276 605	61 167 258
Total revenue from non-exchange transactions		186 542 085	152 572 840
Total revenue	12	231 904 220	192 638 174
Expenditure			
Employee related costs	20	(95 803 359)	(83 729 647)
External audit fees		(4 680 821)	(5 859 218)
Books and learning material	21	(11 136 209)	(15 424 821)
Depreciation and amortisation	22	(17 135 165)	(14 847 259)
Printing and stationery		(3 786 319)	(3 038 655)
Finance costs	23	(263 685)	(401 487)
Rental of facilities and equipment expenses	15	(4 659 143)	(2 509 179)
Debt Impairment	24	(3 224 735)	(12 977 983)
Travel, accomodation, subsistence and re-imburements		(6 138 390)	(4 911 602)
Security		(15 006 195)	(12 192 955)
Professional services		(12 450 106)	(9 701 128)
Municipal services		(5 435 901)	(9 060 337)
Loss on disposal of assets and liabilities		-	(312 190)
Repairs and maintenance	3	(9 563 900)	(12 716 260)
Telephone, postage, internet, network and communication costs		(3 610 241)	(2 280 187)
Marketing and advertising		(2 791 915)	(3 834 810)
General Expenses	25	(34 378 465)	(30 555 311)
Total expenditure		(230 064 549)	(224 353 029)
Surplus (deficit) for the year		1 839 671	(31 714 855)

* See Note 32

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	463 364 022	463 364 022
Adjustments		
Prior year adjustments 32	129 700	129 700
Balance at 01 January 2023 as restated*	463 493 722	463 493 722
Changes in net assets		
Surplus for the year	(31 714 855)	(31 714 855)
Total changes	(31 714 855)	(31 714 855)
Opening balance as previously reported	435 328 938	435 328 938
Adjustments		
Prior period errors 32	(3 550 072)	(3 550 072)
Restated* Balance at 01 January 2024 as restated*	431 778 866	431 778 866
Changes in net assets		
Surplus for the year	1 839 671	1 839 671
Total changes	1 839 671	1 839 671
Balance at 31 December 2024	433 618 537	433 618 537

Note(s)

* See Note 32

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Tuition and related fees		43 779 140	29 140 562
Other receipts		3 114 493	3 576 754
Government grants and subsidies		105 838 246	89 386 938
Interest received - Investment		7 712 159	10 843 525
Interest received - CIEG		309 036	2 279 631
		<u>160 753 074</u>	<u>135 227 410</u>
Payments			
Employee costs		(31 526 754)	(22 210 624)
Suppliers		(119 390 346)	(119 999 254)
		<u>(150 917 100)</u>	<u>(142 209 878)</u>
Net cash flows from operating activities	26	9 835 974	(6 982 468)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(46 681 050)	(46 783 456)
Proceeds from sale of property, plant and equipment	3	-	168 000
Purchase of other intangible assets	4	-	(326 865)
		<u>(46 681 050)</u>	<u>(46 942 321)</u>
Net cash flows from investing activities		(46 681 050)	(46 942 321)
Cash flows from financing activities			
Finance lease payments		(4 292 158)	(4 244 378)
Finance lease receipts/loans		-	12 023 917
		<u>(4 292 158)</u>	<u>7 779 539</u>
Net cash flows from financing activities		(4 292 158)	7 779 539
Net increase/(decrease) in cash and cash equivalents		(41 137 234)	(46 145 250)
Cash and cash equivalents at the beginning of the year		119 338 614	165 483 867
Cash and cash equivalents at the end of the year	7	78 201 380	119 338 617

* See Note 32

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

Figures in Rand	Note(s)	2024	2023
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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 Significant judgements and sources of estimation uncertainty

The use of judgements, estimates and assumptions is 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.3 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 enrolls 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.3 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.3 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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.3 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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.3 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.

1.4 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.4 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.

1.5 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.5 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).

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.6 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:

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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.6 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.6 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.

1.7 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.

1.8 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.8 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.

1.9 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.9 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.10 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.10 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.

1.11 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, 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.

1.12 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.12 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.

1.13 Revenue from non-exchange transactions

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

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

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

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

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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.13 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 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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 unauthorised 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.

1.18 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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.18 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.

1.19 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 Segment 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 segments as required by GRAP 18.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The following Standards of GRAP and/or amendments thereto have been approved by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The college has not early-adopted any of these new Standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

Title of the Standard	Effective date	Expected impact
GRAP 1 Presentation of Financial Statements	To be determined	Unlikely to have major impact
GRAP 103 Heritage assets	To be determined	Unlikely to have major impact
GRAP 104 Financial Instruments	01 April 2025	Unlikely to have major impact
GRAP 105 Transfer of functions between entities under common control	To be determined	Unlikely to have major impact
GRAP 106 Transfer of functions between entities not under common control	To be determined	Unlikely to have major impact
GRAP 107 Mergers	To be determined	Unlikely to have major impact
IGRAP 22 Foreign currency transactions and advance considerations	01 April 2025	Unlikely to have major impact
Improvements to Standards of GRAP	To be determined	Unlikely to have major impact

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2024			2023		
	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	391 914 499	(181 453 544)	210 460 955	369 225 208	(172 562 035)	196 663 173
Workshop equipment	5 685 100	(2 633 092)	3 052 008	4 828 183	(2 321 925)	2 506 258
Furniture and fittings	11 867 895	(3 676 575)	8 191 320	8 539 942	(3 032 823)	5 507 119
Motor vehicles	3 096 148	(243 168)	2 852 980	3 096 147	(173 044)	2 923 103
Office equipment	2 542 716	(800 946)	1 741 770	1 843 635	(589 123)	1 254 512
Computer equipment	23 082 269	(7 719 731)	15 362 538	9 413 276	(6 164 562)	3 248 714
Electrical equipment	8 719 630	(734 366)	7 985 264	4 236 269	(242 016)	3 994 253
Domestic equipment	5 956 069	(2 046 651)	3 909 418	5 000 614	(1 533 078)	3 467 536
Laboratory equipment	131 101	(60 743)	70 358	131 101	(54 772)	76 329
Finance lease assets	12 023 917	(7 219 662)	4 804 255	12 023 917	(3 208 036)	8 815 881
Total	556 709 812	(206 588 478)	350 121 334	510 028 760	(189 881 414)	320 147 346

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Total
Land	91 690 468	-	-	-	-	91 690 468
Buildings	196 663 173	19 161 549	17 428 462	(13 900 719)	(8 891 510)	210 460 955
Workshop equipment	2 506 258	856 917	-	-	(311 167)	3 052 008
Furniture and fittings	5 507 119	3 327 954	-	-	(643 753)	8 191 320
Motor vehicles	2 923 103	-	-	-	(70 123)	2 852 980
Office equipment	1 254 512	699 081	-	-	(211 823)	1 741 770
Computer equipment	3 248 714	13 686 201	17 209	(34 418)	(1 555 168)	15 362 538
Electrical equipment	3 994 253	7 729 711	4 483 361	(7 729 711)	(492 350)	7 985 264
Domestic equipment	3 467 536	955 455	-	-	(513 573)	3 909 418
Laboratory equipment	76 329	-	-	-	(5 971)	70 358
Finance lease assets	8 815 881	-	-	-	(4 011 626)	4 804 255
	320 147 346	46 416 868	21 929 032	(21 664 848)	(16 707 064)	350 121 334

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

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	Transfers received	Transfers	Depreciation	Total
Land	91 690 468	-	-	-	-	-	91 690 468
Buildings	176 971 408	11 068 451	-	19 109 412	(2 119 802)	(8 366 296)	196 663 173
Workshop equipment	2 697 642	90 171	(6 876)	-	-	(274 679)	2 506 258
Furniture and fittings	5 570 412	425 898	(30 653)	-	-	(458 538)	5 507 119
Motor vehicles	2 247 186	726 881	-	-	-	(50 964)	2 923 103
Office equipment	1 080 495	333 268	(4 024)	-	-	(155 227)	1 254 512
Computer equipment	4 236 167	954 092	(210 001)	222 695	(591 294)	(1 262 945)	3 248 714
Electrical equipment	827 877	-	-	3 246 350	-	(79 974)	3 994 253
Domestic equipment	2 512 117	1 393 417	(17 397)	-	-	(420 601)	3 467 536
Laboratory equipment	62 284	-	-	-	-	(5 955)	76 329
Finance lease assets	25 882	12 023 917	-	-	-	(3 233 918)	8 815 881
	287 941 938	27 016 095	(268 951)	22 578 457	(2 811 096)	(14 309 097)	320 147 346

Pledged as security

No assets were pledged as security.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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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 2024

	Included within Buildings	Included within Computer equipment	Included within Electrical equipment	Total
Opening balance	19 938 485	17 208	3 246 350	23 202 043
Additions/capital expenditure	17 428 462	17 209	4 483 361	21 929 032
Transferred to completed items	(13 900 719)	(34 417)	(7 729 711)	(21 664 847)
	23 466 228	-	-	23 466 228

Reconciliation of Work-in-Progress 2023

	Included within Buildings	Included within Computer equipment	Included within Electrical equipment	Total
Opening balance	2 948 875	485 808	-	3 434 683
Additions/capital expenditure	19 109 412	222 694	3 246 350	22 578 456
Transferred to completed items	(2 119 802)	(691 294)	-	(2 811 096)
	19 938 485	17 208	3 246 350	23 202 043

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	(9 563 900)	(12 716 260)
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A register containing the information required is available for inspection at the registered office of the college.

Northern Cape Urban TVET College
 Trading as Northern Cape Urban TVET College
 Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand

4. Intangible assets

	2024		2023	
	Cost / Valuation	Carrying value Accumulated amortisation and accumulated impairment	Cost / Valuation	Carrying value Accumulated amortisation and accumulated impairment
Computer software, other	2 954 375	(2 024 624)	2 954 375	(1 596 521)
		929 751		1 357 854

Reconciliation of intangible assets - 2024

Computer software, other	Opening balance	Amortisation	Total
	1 357 854	(428 103)	929 751

Reconciliation of intangible assets - 2023

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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
5. Receivables from exchange transactions		
Trade debtors	31 425 719	26 410 075
Employee costs in advance	6 481	6 481
Prepayments (if immaterial)	60 030	60 030
Sundry debtors	837 617	852 617
Stipend control	2 674 509	3 473 880
Water and electricity deposit	103 700	103 700
Fuel deposit	555	555
Interest accrued	15 112	653 363
Provision for doubtful debts	(22 506 219)	(19 245 779)
	12 617 504	12 314 922

Student debtors - Gross amount

Current	825	149 105
30 Days	413	15 150
60 Days	568 837	899 891
90 Days	569 958	895 392
120 Days	30 285 686	24 450 537
Total	31 425 719	26 410 075

Student debtors past due and impaired

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

Current	825	149 105
30 Days	413	15 150
60 Days	568 837	899 891
90 Days	569 958	895 392
120 Days	8 617 083	5 932 374
Total	9 757 116	7 891 912

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	-	103 972
120 Days	837 617	748 645
Total	837 617	852 617

Sundry debtors past due and impaired

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

Current	-	103 972
120 Days	-	21 028
Total	-	125 000

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(19 245 778)	(16 347 575)
Provision for impairment	(3 260 441)	(7 385 646)
Amounts written off as uncollectible	-	4 487 443
	(22 506 219)	(19 245 778)

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
6. Receivables from non-exchange transactions		
Department of Higher Education and Training	23 995 331	14 369 706
Occupational Training Funding - SETA's	2 106 817	654 373
	26 102 148	15 024 079
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Department of Higher Education and Training	23 995 331	14 369 706
Reconciliation of Occupational Training Funding receivables		
SETA's	10 799 182	9 382 444
Provision for impairment	(8 692 365)	(8 728 071)
	2 106 817	654 373
	-	-
Total receivables from non-exchange transactions	26 102 148	15 024 079

Ageing of receivables from non-exchange transactions

Current	25 958 735	14 798 479
60 Days	143 412	225 600
90 Days	131 625	-
120 Days	8 560 741	8 728 071
Less: Provision for impairment	(8 692 365)	(8 728 071)
	26 102 148	15 024 079

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.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	14 231 647	14 983 108
Short-term deposits	4 294 291	11 539 438
Other cash and cash equivalents	59 675 442	92 816 068
	78 201 380	119 338 614

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
8. Finance lease obligation		
Minimum lease payments due		
- within one year	3 785 862	3 785 862
- in second to fifth year inclusive	302 630	4 088 492
	4 088 492	7 874 354
Add: future finance charges	96 051	338 662
Present value of minimum lease payments	4 184 543	8 213 016
Non-current liabilities	325 703	4 184 543
Current liabilities	3 858 840	4 028 473
	4 184 543	8 213 016
9. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
W&R SETA	3 316 411	1 636 971
National Skills Fund	8 268	376 843
	3 324 679	2 013 814
10. Payables from exchange transactions		
Trade payables	4 479 262	7 351 725
Debtors with credit balances	1 485 856	2 886 995
Employee cost - Provision for leave	476 659	182 648
Salaries control	115	125
Accrued payables	356 424	88 481
Unidentified deposits	1 391 171	713 813
	8 189 487	11 223 787
11. Payables from non-exchange transactions		
NSFAS	18 068 152	14 601 567
SDL, UIF & PAYE payables	586 719	351 765
	18 654 871	14 953 332
12. Revenue		
Tuition and related fees	36 225 480	27 495 857
Rental of facilities and equipment	106 158	109 544
Discount received	506 296	724 029
Gain on sale of assets	-	168 000
Sale of goods and rendering of services	152 359	615 380
Donations received	659 683	108 999
Interest received - investment	7 712 159	10 843 525
Government grants & subsidies	114 018 006	80 900 428
Levies	135 000	1 016 797
Occupational training funding	7 803 429	6 465 652
Bad debts recovered	9	743 074
Services in kind	64 276 605	61 167 258
	231 595 184	190 358 543

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
12. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Tuition and related fees	36 225 480	27 495 857
Rental of facilities and equipment	106 158	109 544
Discount received	506 296	724 029
Gain on sale of assets	-	168 000
Sale of goods and rendering of services	152 359	615 380
Donations received	659 683	108 999
Interest received - investment	7 712 159	10 843 525
	45 362 135	40 065 334
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants & subsidies	114 018 006	80 900 428
Levies	135 000	1 016 797
Occupational training funding	7 803 429	6 465 652
Bad debts recovered	9	743 074
Services in kind	64 276 605	61 167 258
	186 233 049	150 293 209
13. Tuition and related fees		
Tuition fees - students (NCV) NQF L2-L4	11 300 339	10 650 825
Tuition fees - students (Report 191) N1-N4	24 925 141	16 845 032
	36 225 480	27 495 857
14. Rental of facilities and equipment		
Premises		
Venue hire	106 158	109 544
15. Rental of facilities and equipment expenses		
Premises		
Land, buildings and infrastructure	106 785	9 388
Equipment		
Furniture and fittings & Other equipment	4 552 358	2 499 791
	4 659 143	2 509 179
16. Sale of goods and rendering services		
Student support services & administration	8 359	516 284
Tender documents income	144 000	99 050
Other income	-	46
	152 359	615 380
17. Investment revenue		
Interest revenue		
Interest received - investment	7 712 159	10 843 525

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
18. Government grants & subsidies		
Operating grants		
DHET - Programme funding	105 763 406	72 153 076
Government grant (NSF and W&R)	8 254 600	8 747 352
	114 018 006	80 900 428
W&R SETA		
Balance unspent at beginning of year	1 636 971	-
Current-year receipts	1 625 000	4 875 000
Conditions met - transferred to revenue	-	(3 246 350)
Interest	54 440	8 321
	3 316 411	1 636 971
Conditions still to be met - remain liabilities (see note 9).		
National Skills Fund		
Balance unspent at beginning of year	376 843	471 623
Current-year receipts	4 827 323	6 482 014
Interest	25 967	34 442
Tuition and project management fees	(1 138 860)	(1 067 607)
Bank charges	(33 030)	(32 885)
Conditions met - transferred to revenue	(3 987 913)	(5 501 002)
Expenditure not yet approved - payable	(61 915)	(2 338)
UIF partially approved	(147)	(7 404)
	8 268	376 843
Conditions still to be met - remain liabilities (see note 9).		
Capital Infrastructure and Efficiency Grant - CIEG		
Current-year receipts	4 226 708	2 813 252
Conditions met - transferred to revenue	(4 226 708)	(2 813 252)
	-	-

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.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
19. Occupational training funding		
Class fee: Pre-vocational learning	459 318	-
Project management funding	2 196 293	2 742 831
Class fee: Skills	1 256 911	1 647 023
Class fee: Apprenticeships	2 448 351	1 180 712
Class fee: Learnerships	1 357 556	804 936
Exam fee: Nated	73 450	50 250
Exam fee: NCV	11 550	39 900
	7 803 429	6 465 652
20. Employee related costs		
Employee related costs - Salaries and wages	23 113 049	15 251 424
37% Benefits and allowances	6 988 548	5 784 122
UIF	218 980	191 674
WCA	48 001	20 958
SDL	263 137	215 598
Bargaining council (ELRC & GPSSBC)	8 707	7 617
Leave pay provision charge	351 332	72 275
Overtime payments	111 336	91 734
Long-service awards	270 636	138 846
Acting allowances	-	10 956
Other employee related costs	153 028	777 185
DHET Management fees (services in-kind)	64 276 605	61 167 258
	95 803 359	83 729 647
21. Books and learning material		
Learning materials	11 136 209	15 424 821
22. Depreciation and amortisation		
Property, plant and equipment	16 707 060	14 306 888
Intangible assets	428 105	540 371
	17 135 165	14 847 259
23. Finance costs		
Finance leases	263 685	401 487
24. Debt impairment		
Debt impairment	3 224 735	8 490 540
Bad debts written off	-	4 487 443
	3 224 735	12 977 983

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
25. General expenses		
Bank charges	193 744	195 939
Cleaning, Gardening and Sanitation	7 567 529	7 173 662
Consumables	7 171 370	2 502 835
Entertainment	3 388 051	3 861 156
Interest on overdue accounts	680	278 218
Gifts	699 092	559 923
Venue hire	-	26 350
Insurance	476 751	428 731
Motor vehicle expenses	270 824	231 834
Placement fees	-	12 324
Student bursaries - Allowances, registrations, student cards, diaries etc.	2 768 328	4 153 546
SRC Honorarium	26 500	30 000
Uniforms	1 434 514	799 298
Resettlement cost	186 387	93 923
Staff welfare (medical doctors)	29 476	-
Licences	3 304 816	1 990 254
Subscriptions, membership fees and levies	21 110	188 559
Graduations	53 618	-
Council fees	736 011	1 286 444
Bereavement	884 700	2 100
Staff development and training	5 164 964	6 740 215
	34 378 465	30 555 311
26. Cash generated from (used in) operations		
Surplus (deficit)	1 839 671	(31 714 855)
Adjustments for:		
Depreciation and amortisation	17 135 165	14 847 259
Loss on disposal of assets and liabilities	-	312 190
Finance costs - Finance leases	263 685	401 487
Proceeds on disposal of intangible assets	-	(168 000)
Changes in working capital:		
Receivables from exchange transactions	(302 582)	(2 854 532)
Other receivables from non-exchange transactions	(11 078 069)	5 273 149
Payables from exchange transactions	(3 034 300)	1 527 258
Payables from non-exchange transactions	3 701 539	3 851 385
Unspent conditional grants and receipts	1 310 865	1 542 191
	9 835 974	(6 982 468)
27. Commitments		
Authorised capital expenditure		
Approved and contracted for		
• Property, plant and equipment	14 072 383	33 223 850
Total capital commitments		
Already contracted for but not provided for	14 072 383	33 223 850

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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

28. Contingencies

NCUTVET vs Tebogo Anthony Kaulela

Interdict against the respondent to interdict him from interrupting the operations of the college.

(a) No financial exposure for the college except for legal fees.

(b) The interdict has been made final.

(c) There is no possibility of re-imburement.

Billion Fever Trading and Projects CC and Lebogang Mogwazeni

Civil claim for payment of goods allegedly rendered per appointment of plaintiff. Entity disputes the veracity of the claim as the goods procured were not correctly rendered.

(a) Amount claimed is R 99,500.

(b) Pleadings have closed. Trial preparation must commence.

(c) If a cost order is granted in favour of the college, the costs must be taxed. Only after execution steps are taken to recover the taxed costs will the college be able to determine whether any actual recovery of the taxed costs is possible.

NCUTVET vs Bartpitt Traders (Pty) Ltd

Civil claim the college against the defendant for repayment of deposit after the supplier provided copies of study material instead of providing the original copyrighted study material.

(a) Amount claimed is R 158,025.

(b) Summons have been served and matter defended.

(c) If a cost order is granted in favour of the college, the costs must be taxed. Only after execution steps are taken to recover the taxed costs will the college be able to determine whether any actual recovery of the taxed costs is possible.

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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29. Financial Instruments

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

2024

Class	Category	Amount
Trade and other payables from exchange transactions	- Financial liability at amortised cost	R 7,712,713
Finance Lease liability	- Financial liability at amortised cost	R 4,184,543
Trade and other payables from non-exchange transactions	- Financial liability at amortised cost.	R 18,068,152
Class	Category	Amount
Cash and cash equivalent	- Financial asset at amortised cost	R 78,201,380
Trade and other receivables from exchange transactions	- Financial asset at amortised cost	R 12,617,504
Trade and other receivables from non-exchange transactions	- Financial asset at amortised cost	R 26,102,148

2023

Class	Category	Amount
Trade and other payables from exchange transactions	- Financial liability at amortised cost	R 11,041,014
Finance Lease liability	- Financial liability at amortised cost	R 8,213,016
Trade and other payables from non-exchange transactions	- Financial liability at amortised cost.	R 14,601,567
Class	Category	Amount
Cash and cash equivalent	- Financial asset at amortised cost	R 119,338,614
Trade and other receivables from exchange transactions	- Financial asset at amortised cost	R 12,314,922
Trade and other receivables from non-exchange transactions	- Financial asset at amortised cost	R 15,024,079

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

30. 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

Mhlauti EA

Musi ED

Related party balances

Balances - Owning (to) by related parties

SETA's - Receivables from non-exchange transactions

2 106 817 779 373

W&R SETA - Unspent conditional grants and receipts

(3 316 411) (1 636 971)

NSF - Unspent conditional grants and receipts

(8 268) (376 843)

NSFAS - Payables from non-exchange transactions

(18 068 152) (14 601 567)

DHET - Receivables from non-exchange transactions

23 995 331 14 369 706

Amounts included in Revenue regarding related parties

Department of Higher Education and Training

178 429 620 143 827 557

Remuneration of management

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand

30. Related parties (continued)

Management class: Executive management

2024

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	515 073	-	82	66 959	52 772	-	634 886
Madalane BT	815 574	75 253	114	106 024	313 371	17 930	1 328 266
Mhlauti EA	722 190	63 440	114	93 885	35 493	38 500	953 622
Mokokong E	594 418	63 580	114	77 274	52 364	23 328	811 078
Musi ED	722 190	63 440	114	93 884	48 033	25 960	953 621
	3 369 445	265 713	538	438 026	502 033	105 718	4 681 473

2023

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	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
Mhlauti 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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

31. Members' emoluments

Non-executive

2024

	Members' fees	Re-imbursive allowances	Total
JT Beukes - Independent Chairperson	221 562	-	221 562
PT Kgantsi - Independent	151 850	27 405	179 255
GL Nodoba - Independent	44 055	-	44 055
MK Merafe - Independent	64 080	-	64 080
	481 547	27 405	508 952

2023

	Members' fees	Re-imbursments	Total
JT Beukes - Independent Chairperson	168 832	-	168 832
	307 062	-	307 062
	169 799	-	169 799
PT Kgantsi - Independent	214 630	31 731	246 361
GL Nodoba - Independent	16 188	-	16 188
MK Merafe - Independent	134 251	-	134 251
	182 817	-	182 817
	78 493	22 637	101 130
	1 272 072	54 368	1 326 440

32. Prior period errors

1. 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 (R 111,509) and Payables from non exchange transactions (-R 2,167,129). This also impacted bad debts recovered which were incorrectly written off (-R1,851,412). This also affected Tuition and related fees (-R 9,072) and prior year Debt impairment (-R 76,742)

2. The college adjusted the capital commitments disclosure amount from the previous year to align with contractual obligations at that time. The capital commitments prior year figure was therefore increased by R 11,668,037 from R 21,555,813 to R 33,223,850.

3. Adjustments were made to the fixed assets register in the 2023 records which resulted in an adjustment to the Property, plant and equipment balance (R 204,009). This also had an impact on the prior year depreciation charge (-R 20,733). Some assets were incorrectly included in Consumables (in General expenses) and were corrected (R 95,042).

4. There were adjustments made to creditors accounts due to cut-off and similar errors (-R 1,698,461). There was also an impact on external audit fees (-R 1,816,854)

5. The college previously included receivables from SETA's relating to Occupation Training Funding in Sundry debtors. This has been corrected in the current year. This had an impact that receivables from exchange transactions decreased by R 654,373, while receivables from non-exchange increased with the same amounts. Similarly, related revenue amounting to R 6,465,652 in the previous year has been re-classified from revenue from exchange transactions to revenue from non-exchange transactions.

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

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
32. Prior period errors (continued)		
Statement of financial position		
Payables from exchange transactions	-	(1 698 461)
Receivables from exchange transactions	-	(542 864)
Receivables from non-exchange transactions	-	654 373
Property, plant and equipment	-	204 009
Payables from non-exchange transactions	-	(2 167 129)
Opening Accumulated Surplus or Deficit	-	(3 550 072)
Statement of financial performance		
Tuition and related fees	-	(9 072)
Bad debts recovered	-	(1 851 412)
Debt impairment	-	(76 742)
Sale of goods and services	-	6 465 652
Occupational Training Funding	-	(6 465 652)
Depreciation and amortisation	-	(20 733)
External audit fees	-	(1 816 854)
General expenses	-	95 042
Deficit for the year	-	(3 679 771)

33. 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 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other payables from exchange transactions	7 712 713	-	-	-
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	11 041 014	-	-	-

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	2024	2023
Cash and cash equivalents	78 201 380	119 338 614
Trade and other receivables from exchange transactions	12 617 504	12 314 922

Market risk

Northern Cape Urban TVET College

Trading as Northern Cape Urban TVET College
Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

33. 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	59 675 442	-	-	-	-
7 Day notice deposits	4 294 291	-	-	-	-

34. Going concern

We draw attention to the fact that at 31 December 2024, the college had an accumulated surplus of 433 618 537 and that the college's total assets exceed its liabilities by 433 618 537.

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.

35. Events after the reporting date

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

36. Services in-kind

Services in kind - employee related cost	64 276 605	61 167 258
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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.

37. 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).

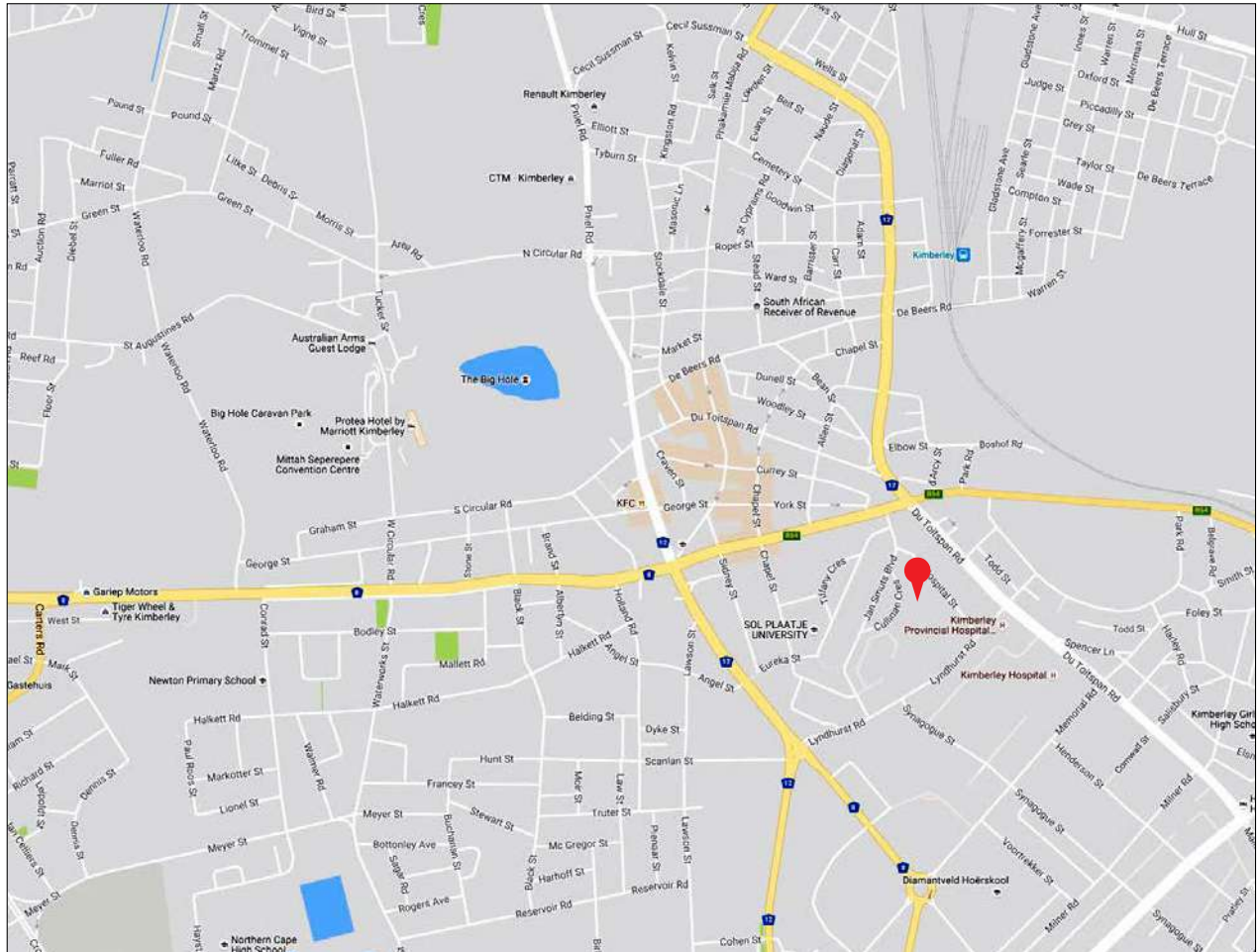
38. Net Assets

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.

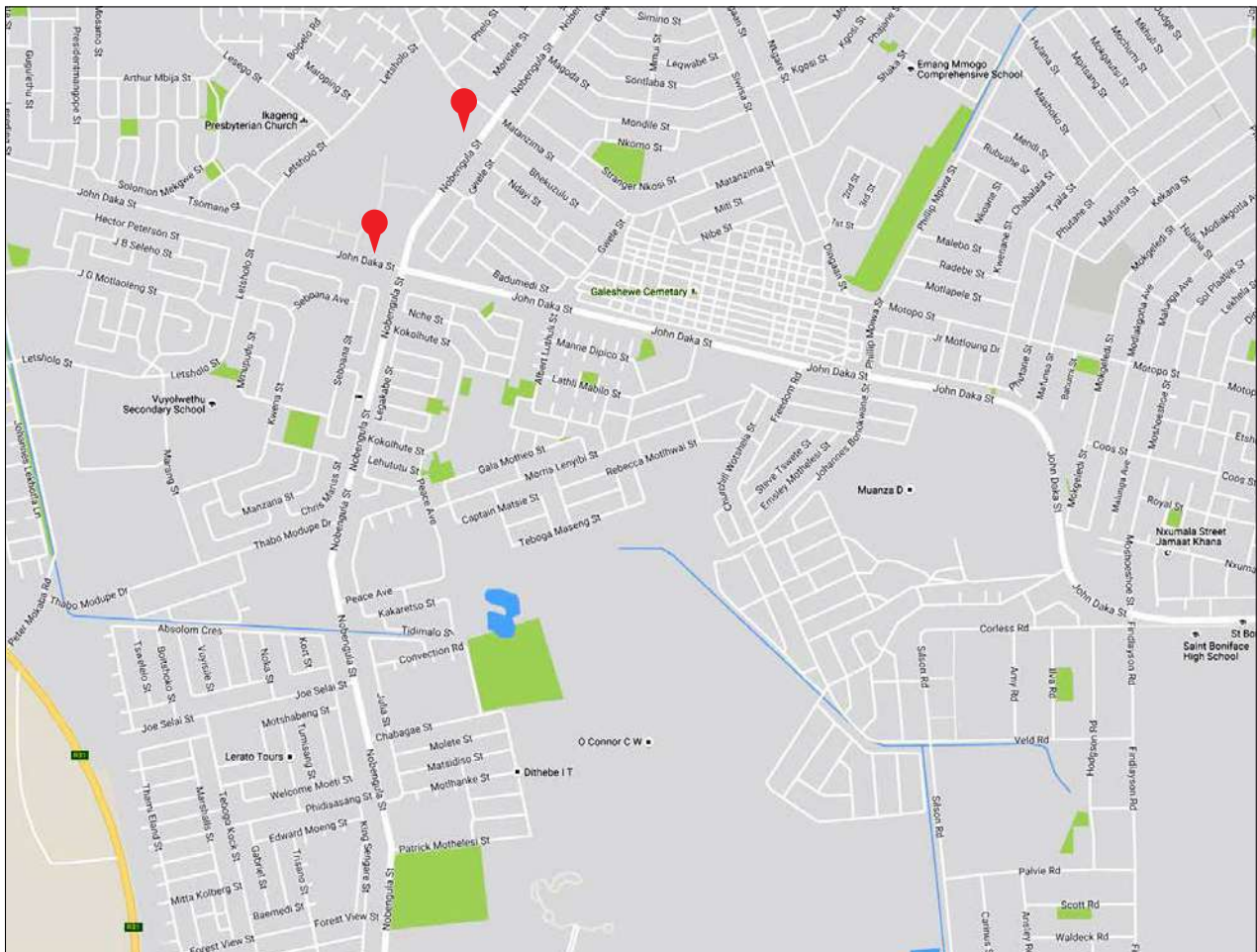
38. Segment reporting

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

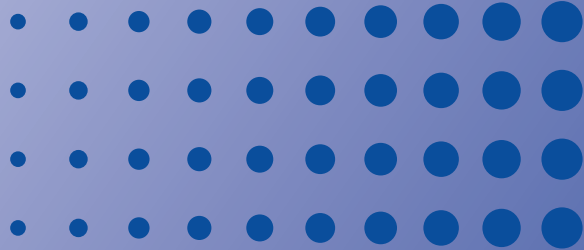
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