



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



2023 ANNUAL PERFORMANCE REPORT
FOR
KING HINTSA TECHNICAL AND VOCATIONAL EDUCATION
AND TRAINING COLLEGE

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

TABLE OF CONTENTS

1		
INTRODUCTION		2
2 ABBREVIATIONS AND ACRONYMS		4
PART A:		5
GENERAL OVERVIEW		5
3 MESSAGE FROM THE COUNCIL CHAIRPERSON		6
4 THE ACCOUNTING OFFICER’S FOREWORD		7
5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY		8
6 LEGISLATION AND OTHER DIRECTIVES		9
6.1 LEGISLATIVE FRAMEWORK.....		9
6.2 LEGISLATIVE AND OTHER MANDATES		9
LEGISLATIVE AND POLICY MANDATES AS CAPTURED IN THE 2021/24 STRATEGIC PLAN OF THE COLLEGE.		9
PART: B		11
GOVERNANCE		11
7 REPORT OF THE COUNCIL CHAIRPERSON		12
7.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES		12
8 REPORT ON MEETINGS OF COUNCIL		13
8.1 COUNCIL MEETINGS HELD IN 2022 AND THE PURPOSE OF MEETING.		13
9 STRATEGY & PLANNING		15
COUNCIL THROUGH THE DIFFERENT SUBCOMMITTEES REVIEWED AND APPROVED THE FOLLOWING STRATEGIES AND PLANS.		15
• AUDIT COMMITTEE CHARTER		15
• 2021 ANNUAL PERFORMANCE REPORT		15
• 2023 COLLEGE BUDGET		15
• ASSESSED THE COLLEGE BUSINESS STRATEGY IN THE CONTEXT OF GOING CONCERN.		15
• ASSESSED FRAUD, CORRUPTION POTENTIAL AND PREVENTION ACTION.		15

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

RISK MANAGEMENT	15
10 COLLEGE PERFORMANCE IN TERMS OF STRATEGIC OBJECTIVES	16
11 COMPOSITION OF COMMITTEES OF COUNCIL	17
ACHIEVEMENTS	20
• THE AUDIT COMMITTEE MEMBER HAVING A FINANCIAL BACKGROUND TO ASSIST THE FINANCE CHAIRPERSON WHEN REVIEWING THE FINANCIAL STATEMENTS WAS ACHIEVED.	20
• THE EFFECTIVE FUNCTIONING OF THE RISK MANAGEMENT UNIT ASSISTED THE COLLEGE IN ENSURING FRAUD, RISK AND CORRUPTION AWARENESS.	20
ACHIEVEMENTS	21
ACADEMIC BOARD COMMITTEE.....	21
ACHIEVEMENTS	22
12 STUDENT REPRESENTATIVE COUNCIL	23
PART C:	26
PERFORMANCE INFORMATION	26
13 REPORT BY THE PRINCIPAL ON MANAGEMENT AND ADMINISTRATION	27
14 COLLEGE ORGANISATIONAL STRUCTURE	29
15 COLLEGE ENVIRONMENTAL ANALYSIS	30
16.1	43
16.2 9.COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT	46
16.3 PERFORMANCE REPORTING	46
16.4 10.1 ANNUAL PERFORMANCE ACHIEVEMENTS.....	46
16.5 10.2 STRATEGY TO DEAL WITH UNDERPERFORMANCE	46
17 PART D:	49
18 FINANCIAL INFORMATION	49

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

1. INTRODUCTION

The King Hintsa TVET College Annual Report considers achievements and challenges of 2023, which had led to the setting of priority areas to ensure adequate and effective teaching & learning, subsequently the improvement of student access, retention, success and provide responsive programmes to the world of work.

The College is striving to achieve a sustainable strategy in order to realise and add value to the changing South African Economy, take part on the implementation of the South African Economic Reconstruction and Recovery Plan and contribute on the changing educational environment, which sees a need for the evolution of the Department of Higher Education and Training. The College is working towards addressing developmental needs of all stakeholders to ensure realisation of new opportunities relevant to the current local and national socio-economic environment amid the economic crisis, unemployment, draught, unprecedented weather patterns and the effects of corona virus pandemic. The college is enhancing its stakeholder engagement programmes in ensuring the smooth transition from pre- 2009 qualifications to Occupational Programmes.

Our focus remains teaching & learning with a primary focus of upgrading our infrastructure and outlook of our campus to accommodate 4IR learning methodologies.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023



King Hintsa TVET College

Annual Report for the year ended 31 December 2023

2. ABBREVIATIONS AND ACRONYMS

APP	Annual Performance Plan
COS	Centre of Specialisation
DHET	Department of Higher Education and Training
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
OHS	Occupational Health and Safety
OPS Plan	Operational Plan
PQM	Programme Qualification Mix
PSET	Post-School Education and Training
SETA	Sector Education and Training Authority
SNE	Special Needs Education
SSP	Sector Skills Plan
SWOT	Strengths, weaknesses, opportunities, threats
TVET	Technical and Vocational Education and Training
VCET	Vocational and Continuing Education and Training
WBE	Workplace Based Exposure / Experience
WIL	Work Integrated Learning
IA	Internal Audit
QMS	Quality Management Systems
DP	Deputy Principal

PART A: GENERAL OVERVIEW

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

3. MESSAGE FROM THE COUNCIL CHAIRPERSON

King Hintsa Technical and Vocational Education and Training (TVET) College is gearing-up for significant transformation and transition. The Council of King Hintsa is charged with the fundamental responsibility to ensure that for the period of 2020-2024, the College is strategically placed as an institution of choice, positioned to provide vocational training and learning offering that will contribute in the human resource skills and capacity development of the learners of the area. Moreover, the achievement of outcome 5 of the National Development Plan, Vision 2030 “ building a skilled and capable workforce to support an inclusive growth path.

In line with the DHET national priorities for the sector, among which is to increase the number of students with employable intermediate technical skills by four (4) million by the year 2030, we have reviewed the course offerings and structured learning programmes in a manner that revives the learning and training mandate of the TVET sector, we have also worked towards inculcating the culture of entrepreneurship in the College through a number of entrepreneurship activities, including participating to the Allan Gray intercollege entrepreneurship competition.

This specific mandate, along with our priority task for implementation of good governance in accordance with the CET Act No.16 of 2006, its Amendment Act (Act 3 of 2012) is key. It requires creative and innovative thinking, targeting regeneration of integrated nurtured internal systems of delivery, multi-layered revolving partnerships with the private sector and statute organs of government. We articulate our strategy of creating ‘a profitable working model for a rural institution’ while upholding the principles of good governance. Profitable in every sense of the four PSET Outcomes of the Department of Higher Education and Training. These are increase enrolment and expand access for the youth; increase the academic achievement of students; have adequate infrastructure and systems in place to provide effective services to its students; increase the number of students who are adequately prepared to enter the labour market and be responsive to the needs of its market. The College remains focused on the principles that guide the transformation of education. We therefore commit ourselves to the systematic development outlined by this Annual Report.



Chairperson of College Council

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

4. THE ACCOUNTING OFFICER'S FOREWORD

It is with great attitude and pride that I wish to present the College 2023 Annual Report to our stakeholders, highlighting the College's environment and its achievements, taking into perception the socio-economic issues that affect our communities directly and indirectly during the 2023 Academic and Financial year. Specific priority areas were identified to ensure highly effective teaching and learning in the College for the year 2023.

Our focus is to expedite teaching & learning that is centred around great student experience and robust industry & stakeholder engagement. The college is in a transition phase of revising its PQM (Programme Qualification Mix) to accommodate the implementation of Occupational Programmes in all its campuses. The role out of these programmes will ensure that our graduates are equipped with necessary skills that are needed by the industry to increase their chances of employability. This approach will define the essence of equipping our graduates and unemployed youth with Occupations in high demand.

The college is strategically in a process of revamping all its sites to be modern state of the art campuses in offering much needed skills that are demanded by the market. This includes upgrading and accrediting all our workshops to be training & trade test centres.

Our efforts through this plan appeal also to organizational culture and attitudinal change, promoting a quest for excellence and urgency in our implementation.

As the Accounting Officer of King Hintsa, in acknowledgement of both available resources and constraints, I commit myself and the team of Senior Management and staff to achieving the targets to the best of our abilities outlined in this plan.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

1. All information and amounts disclosed throughout this 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, i.e. the Principal, is responsible for the preparation of the annual financial statements and for the judgements made in this document.
5. The Accounting Officer, i.e. the Principal, is responsible for establishing and implementing a system of internal controls that have 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.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of King Hintsa TVET College for the financial year ended 2023.



Ms TB Zengele
Acting Principal

31 July 2024

Date

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

6. LEGISLATION AND OTHER DIRECTIVES

a. Legislative Framework

King Hintsa 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.

b. Legislative and other Mandates

The National Qualifications Framework (NQF) Act 67/2008;

- The Higher Education (HE) Act 101/1997;
- The Skills Development Act 97/1998 and Amendments;
- 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

Legislative and policy mandates as captured in the 2021/24 strategic plan of the College.

- 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)

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

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; and
- Policy on the Conduct of National Examinations and Assessment.

PART: B GOVERNANCE

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

7. REPORT OF THE COUNCIL CHAIRPERSON

a. Constitution of the College Council and Governance Structures

Membership of the College Council

No	Names of Council Member	Designation
1.	Prof Z. Ndevu	Council Chairperson
2.	Mrs A. Mhlambi-Nqikashe	Deputy Council Chairperson/Chairperson: Finance Committee
3.	Mr L.G Masire	Chairperson: ICT Committee
4.	Mr A. Ntsho	Chairperson: Research & Innovation Committee
5.	Mr S.K Fitshane	Chairperson: Infrastructure & Planning Committee
6.	Mr S. Khanyile	Chairperson: Human Resource Committee
7.	Mrs B. Fokazi	Council Member
8.	Prof W. Chinyamurindi	Council Member
9.	Mr M. Gcasamba	Chairperson: Student Support Services Committee
10.	Mr T.E Ntlangano	Internal Council Member - Acting Principal
11.	Mr T.O Masiko	Internal Council Member- Support staff representative
12.	Mrs L. Peppeta	Internal Council Member- Lecturer representative
13.	Ms A. Pendu	Internal Council Member - SRC President
14.	Ms A. Stuma	Internal Council Member - SRC Secretary
15.	Ms T.B Zengele	Council Member -Academic board representative

- Year 2023 being the 5th year of the five-year term for the current Council, the College had functioning council.
- Compliance to the Council charter & the Council code of conduct ensured full functionality of the College Council and all sub-committees.
- A declaration of conflict of interest is confirmed by all members before every Council & sub-committee meeting commences.
- The College Council has been operating without a donor member and this has seen the College lacking behind on sponsorships, and sourcing of funding from stakeholders outside the Department of Higher Education and Training.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

8. REPORT ON MEETINGS OF COUNCIL

a. Council meetings held in 2023 and the purpose of the meeting.

Council Meeting	Purpose
17/02/2023 – 4th quarter Council meeting	<ol style="list-style-type: none">1. Reviewed and approved the amended 2023 College fee structure.2. Extension of the Security services contract by 1 month (1/03/2023 – 31/03/2023) to allow finalisation of SCM processes for a 36-month contract.3. Presentation of the 4th quarter Audit & Risk committee report.4. Review & approval of 35 college policies for implementation in the 2023 Academic year.
30/03/2023 – Special Council meeting	<ol style="list-style-type: none">1. Reviewed and approved the 2022 Annual Financial Statements.
11/05/2023 – 1st quarter Council meeting	<ol style="list-style-type: none">1. Reviewed the 1st quarter College performance report.2. Approved College VAT deregistration to circumvent incurring penalties as the College was not charging VAT output.3. Council gave guidance on appointment of an Interim SRC after the term of office that came to an end on the 31 March 2023.4. Council resolved that the College should advertise a 3-year contract for the appointment of a service provider that will assist in conducting SRC elections to avoid a vacuum in the SRC office.5. The HR Committee Chairperson gave a update on critical vacancies which were not yet filled (College Principal, MIS Manager, DP Finance).6. Extension of employment contract for the Acting DP Finance & the Support DP Finance.7. Approval of the College risk profile report for 2023.8. Reviewed BAC reports for the following projects.<ul style="list-style-type: none">• Replacement of asbestos roof in Willowvale campus.• Appointment of a Service provider for the provision of Security services for a period of 36 months.9. Approved establishment of an ICT steering Committee.
30/06/2023 – Special Council meeting	<ol style="list-style-type: none">1. Review & approval of the 2022 College Annual Performance report.2. Appointment of a service provider for the replacement of asbestos roof with IBR in Willowvale campus after the previous service provider's contract was terminated due to poor workmanship.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

<ul style="list-style-type: none">• 24/08/2023 – 2nd quarter Council meeting	<ol style="list-style-type: none">1. Reviewed the 2nd quarter College performance report.2. Discussed issues affecting Student governance.3. Discussion on critical vacancies in the College.<ul style="list-style-type: none">• College Principal• MIS Manager• Office Manager• Risk Manager• Manager Research & Innovation• Manager labour relations• Manager Registrations4. Discussion on the gap identified in the acting appointment of the College Principal 1/3/2023 – 24/05/2023.5. Approved retrospectively 13 College policies for implementation in the year 2023.6. Approval of the reviewed SCM policy.
<ul style="list-style-type: none">• 07/11/2023 – 3rd quarter Council meeting	<ol style="list-style-type: none">1. Reviewed the 3rd quarter Audit & Risk Committee report.2. Had a discussion on the College performance in the 3rd quarter.3. Approval of the 5-year College maintenance plan.4. Review of BAC report on printing services for the College.5. Council approved procurement of a pool of stationery service providers for a period of 36 months.6. Engaged on refurbishment of engineering workshops and approved utilization of the CIEG.7. Retrospective approval of an Acting Deputy Principal Finance.8. Approved permanent filling of 13 PL1 Lecturer vacancies.9. Council approved adjustment of the hostel fee structure.
<ul style="list-style-type: none">• 19/12/2023 – Special Council meeting	<ol style="list-style-type: none">1. Reviewed & approved the 2024 College fee structure.2. Reviewed & approved the 2024 College budget.3. Reviewed & approved adjustments made on the 2023 budget

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

9. STRATEGY & PLANNING

Council through the different subcommittees reviewed and approved the following documents.

- 2024 Audit Committee Charter
- 2022 Annual Performance report
- 2024 College budget
- 2024 College Strategic Plan.
- 2024 Annual Performance Plan.
- 2022 Annual Financial Statements
- College fee structure for the 2024 academic year.
- Assessed the College business strategy in the context of going concern.
- Assessed fraud, corruption potential and prevention action.

RISK MANAGEMENT

- The College has a risk unit that reports on how risk is managed in relation to the College performance targets and governance.
- The Risk Committee fulfils an oversight role regarding financial reporting risks, internal financial controls and the general College strategic performance and operational performance. Strategic and Operational risk registers were in place for the financial year 2023, and the Audit Committee has been tracking the progress on implementation of the action plans against the risk management.
- Risk champions have been identified for all College Sections; these champions are responsible for monitoring risk registers for their Sections and report to the risk unit, which then informs the Risk committee about the status of the risks as identified by the College.
- The College is taking risk management seriously and several workshops have been held in the College to assist create awareness and educate about risk management.
 - Fraud assessments were conducted during the year 2023 and the College developed a fraud prevention plan, which was communicated to all staff.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

10. COLLEGE PERFORMANCE IN TERMS OF STRATEGIC OBJECTIVES

The College is committed to ensuring that its services are responsive to the local environment, considering the trends in industry, business, and the needs in the communities it serves. King Hintsa TVET College is in the Eastern Cape Province in Amathole District Municipality, with Campuses at Mbashe and Mnquma Local Municipalities.

The College is made up of five (5) Campuses: Centane Campus, Dutywa Campus, Msobomvu Campus, Teko Campus and Willowvale Campus.

The CIEG funds realised refurbishments in all 5 Campuses, phase 1 of bulk water service project in Teko campus in preparation for the 800 bed SHIP project. Revamping of Centane tourism centre to enhance practical learning of tourism student.

Despite the success on the CIEG expenditure at the college, it has been noted that the college has been very sluggish on spending the grant due to several internal challenges inclusive of bid committee sittings, poor quality workmanship by service providers and litigations, inter-alia.

The College solemnly depends on National Skills Fund, SETAs and tenders for the implementation of accredited short skills, for 2023, the college is on its year 2 in implementing short skills programmes. Partnerships for funding of student placement had increased, resulting in 370 students placed with different host employers in 2023.

One of the major challenges in the College amongst others is the dilapidated infrastructure, raising income or getting funding to revamp the hostels to make them habitable and, at the same time, affordable. These facilities are critical for the College to attract students from rural and remote areas; however, the College has been identified as one of the beneficiaries of the national student housing pilot project and the DHET maintenance grant, which are currently the only source of funding towards the college infrastructure maintenance. The College is a major supplier of training to the business and industry sector in the Agricultural, Building, Construction, Motor mechanics, Tourism, Hospitality and Commerce sector, as a result several employers in these industries have been engaged including the SETAs towards funding and sponsoring the College.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

11. COMPOSITION OF COMMITTEES OF COUNCIL

Finance Committee

1. Mrs Mhlambi – Nqikashe	Chairperson
2. Mr Khanyile	External Council Member
3. Prof Ndevu	External Council Member
4. Mr Masire	External Council Member
5. Mr Ntlangano	Acting Principal
6. Mr Gulwa	Deputy Principal Finance
7. Ms Sweleni	Assistant Director Finance
8. Ms Cwayi	Supply Chain Manager

Achievements

- As per the 2023 audit conducted by the Auditor General of South Africa, the College achieved unqualified audit opinion.
- The Finance Committee held quarterly meetings in accordance with the approved council schedule of meetings.
- The Committee recommendations including performance against the budget, cashflow and debtors are presented to Council.
- The 2023 Annual financial statements were reviewed before approval by Council for submission to the AGSA
- The Committee recommended the disposal of assets through donation with the aim of strengthening relations with stakeholders
- Monitoring implementation of the audit action plan as a way of addressing audit findings.
- Recommended that appointment of a Security Services company for a period of 36 months.
- Oversaw and recommended budget submissions and half yearly revisions.
- The Finance committee considered the quarterly financial reports in preparation of the annual financial statements.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Information & Communications Technology Committee

1. Mr Masire	Chairperson
2. Mrs Mhlambi-Nqikashe	External Council Member
3. Mrs Fokazi	External Council Member
4. Prof Chinyamurindi	External Council Member
5. Mrs Sobekiwe	ICT Manager
6. Dr Sxabayi	Caretaker MIS Office
7. Mr Mtelu	Network controller
8. Ms Malusi	ICT Technician
9. Mr Ntlangano	Deputy Principal Registrations / Acting Principal
10. Dr Katatse	Acting Deputy Principal Corporate Services

Achievements

- An ICT health check was developed on the College ICT environment & a turnaround strategy was developed.
- Internet failover solution was installed in all College sites.
- An ICT infrastructure audit was conducted with the assistance of a Service provider.
- Recommended approval of ICT policies.
- ICT infrastructure upgrades (revamping of computer labs, wifi rollout, purchasing of computers)
- Recommended approval for procurement of printing solutions through the Treasury RT contract for a period of 36 months.
- Developed a cybersecurity plan for 2023 & conducted an awareness in all College sites.
- Student applications for College admission are conducted 100% online.

Human Resources Committee

1. Mr Khanyile	Chairperson
2. Mr Gcasamba	External Council Member
3. Mrs Fokazi	External Council Member
4. Mr Masiko	Internal Council Member
5. Mr Ntlangano	Acting Principal
6. Dr Katase	Acting Deputy Principal Corporate Services
7. Ms Sweleni	Acting Deputy Principal Finance
8. Mr. Gulwa	Deputy Principal Finance
9. Mr. Ndzame	Assistant Director Human Resource Management

Achievements

- The Committee held all of its quarterly meetings inline with the approved Council schedule of meetings.
- Recommendation of the Committee including new appointments, terminations, Staff development, equity report and labour matters were presented to Council.
- Appointment of an Acting Principal & the appointment of a Deputy Principal Finance
- Ensured implementation of the approved work skills plan.
- Stability in the College by ensuring that Management is attending to labour related issues.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

- Execution of the Post Provisioning Norms (PPN) activities in accordance with the PPN guidelines
- Monitoring the confidential reporting system (ethics whistle blowing line) and the appropriate consequence management procedures.

Research and Innovation Committee

- | | |
|------------------------|---|
| 1. Mr Ntsho | Chairperson |
| 2. Prof. Ndevu | External Council Member |
| 3. Prof. Chinyamurindi | External Council Member |
| 4. Mr Masiko | Internal Council Member |
| 5. Mr Masire | External Council Member |
| 6. Mr Ntlangano | Deputy Principal Registrations / Acting Principal |
| 7. Mrs Madaza | Manager: Occupational Programs & Caretaker of the Research & Inn office |
| 8. Mr Soji | Campus Manager: Teko |
| 9. Mr Dumako | Farm Manager |
| 10. Ms Zengele | Deputy Principal Academics |
| 11. Mr Solven | Assistant Director Academics |
| 12. Mr Picane | Manager: Student Support Services |

Achievements

- College students participated in the Allan Grey TVET entrepreneurship Competition.
- Recommended approval for the establishment of a board of advisers for the promotion of entrepreneurship.
- The Committee recommended the development of a turnaround strategy for the College farm.
- Unemployed youth was trained in short skills programmes.
- The College established various partnerships.
- Introduction of a non-accredited short skills programme on entrepreneurship to equip exit students.

Physical Infrastructure & Planning Committee

- | | |
|-----------------------|--|
| 1. Mr Fitshane | Chairperson |
| 2. Mr Khanyile | External Council Member |
| 3. Mr Gcasamba | External Council Member |
| 4. Prof Chinyamurindi | External Council Member |
| 5. Mr Masiko | Internal Council Member / Marketing & Communications Manager |
| 6. Dr Katase | Acting Deputy Principal Corporate Services |
| 7. Mr Gulwa | Deputy Principal Finance |
| 8. Mr Ntlangano | Deputy Principal Registrations / Acting Principal |
| 9. Mr Solven | Caretake M&E office & Academic Manager |
| 10. Mrs Mngqibisa | Manager Facilities & Maintenance |
| 11. Ms Cwayi | Supply Chain Manager |
| 12. Dr Sixabayi | Caretaker MIS office |
| 13. Mr Makupula | Internal audit Manager (Quality Management Systems) |

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Achievements

- Reviewed the College strategic plan and monitored its implementation.
- Monitored implementation of the College Annual Performance Plan.
- All 6 College sites received Occupational health & safety certificates.
- The 5 year College maintenance plan was developed & approved by Council.
- The Committee recommended the use of viable, economic, and sustainable energy alternatives for business continuity during loadshedding etc.
- Constructed temporary structures in Teko Campus accommodating 350 Students
- Completion of the bulk services project in preparation of the 800 bed student accommodation project.
- Developed relations with broadcasting stations for expansion on recruitment of students.
- Purchase of 4 additional College vehicles through the Treasury RT57 contract.
- Resuscitated College accreditation on ISO 9001 of 2015.

Audit & Risk Committee

1. Mrs Ntshanga	Chairperson
2. Mr Manthe	External Member
3. Mr Mashalaba	External Member
4. Mr Makupula	Internal Audit Manager
5. Mr Solven	Academic Manager
6. Mr Ntlangano	Deputy Principal Registrations / Acting Principal
7. Mr Gulwa	Deputy Principal Finance
8. Ms Sweleni	Assistant Director Finance
9. Ms Zengele	Deputy Principal Academics
10. Mrs Sobekiwe	ICT Manager
11. Dr Katase	Acting Deputy Principal Corporate Services
12. Ms Pamla	Internal auditor
13. Ms Ndzamela	Risk Officer

Achievements

- Through support from the Committee, the College received an unqualified audit opinion as audited by the Auditor General of South Africa in the year end 2022.
- Reviewed the Annual Financial Statements before submission to the Auditor General.
- was achieved.
- Approved the internal audit plan.
- Reviewed the internal Audit charter
- The Committee recommended co-sourcing of some internal audit projects due to
- Continuous monitoring implementation of the Audit action plan (Internal and external audit).
- Monitored the deviation registers, fruitless and wasteful expenditure registers.
- The effective functioning of the Risk Management Unit assisted the College in ensuring fraud, risk and corruption awareness.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Student Support Services Committee

1. Mr Gcasamba	Chairperson
2. Mr Ntsho	External Council Member
3. Mr Fitshane	External Council Member
4. Mrs Mhlambi- Nqikashe	External Council Member
5. Mrs Peppeta	Internal Council Member
6. Ms Pendu	SRC President
7. Ms Stuma	SRC Secretary
8. Mr Ntlangano	Deputy Principal Registrations / Acting Principal
9. Ms Zengele	Deputy Principal Academics
10. Mr Potelwa	Campus Manager - Dutywa
11. Mr Soji	Campus Manager - Teko
12. Ms Makwezela	Campus Manager - Msobomvu
13. Dr Katase	Campus Manager - Willowvale
14. Ms Stefane	Campus Manager - Centane
15. Mr Picane	Manager: Student Support Services
16. Mrs Madaza	Manager: Occupational Programs
17. Mrs Mantshule	Manager Examinations & Assessments
18. Mr Solven	Academic Manager

Achievements

- Establishment of an SRC.
- Conducted the SRC induction for the 2023 SRC.
- Drug awareness campaigns across college campuses.
- Placement of 370 students for Work Integrated Learning Vs an annual target of 300 students.

Academic Board Committee

The Academic board is accountable to College Council for all teaching, learning, research, and academic functions of the College. The Academic board further advocates for inclusive education and the establishment of internal academic monitoring and quality promotion mechanisms.

1. Mr Ntlangano	Chairperson
2. Mr Ntsho	Council Member
3. Mr Fitshane	Council Member
4. Prof Ndevu	Council Member
5. Mrs Peppeta	Internal Council Member
6. Ms Pendu	SRC President
7. Ms Stuma	SRC Secretary
8. Ms Zengele	Deputy Principal Academics
9. Mr Solven	Academic Manager

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

10. Mrs Mantshule	Manager Examinations & Assessments
11. Ms Makhwezela	Campus Manager – Msobomvu
12. Dr Katase	Campus Manager – Willowvale
13. Mr Potelwa	Campus Manager – Dutywa
14. Ms Stefane	Campus Manager - Centane
15. Mr Soji	Campus Manager - Teko
16. Dr Sixabayi	HOD – Willowvale Campus & Caretaker MIS Office
17. Mr Mbontsi	HOD-Centane Campus
18. Mr Ndinisa	HOD – Msobomvu Campus
19. Mr Merane	HOD-Teko Campus
20. Ms Magwaca	Senior Lecturer-Dutywa Campus
21. Ms Mayekiso	Senior Lecturer-Dutywa Campus
22. Ms Mabohlo	Senior Lecturer-Dutywa Campus
23. Ms Sakhwe	Lecturer – Dutywa Campus
24. Ms Sigaba	Senior Lecturer-Teko Campus
25. Mr Gunuza	Lecturer – Teko Campus
26. Ms Jakavula	Lecturer-Teko Campus
27. Ms Mbayeka	Senior Lecturer – Msobomvu Campus
28. Ms Khwaza	Senior Lecturer – Msobomvu Campus
29. Mr Mdovu	Lecturer – Msobomvu Campus
30. Mrs Bolilizwe	Lecturer – Msobomvu Campus
31. Ms Ngcaba	Senior Lecturer – Centane Campus
32. Ms Mapolisa	Lecturer-Centane Campus
33. Mr Mnyamana	Lecturer-Centane Campus
34. Mr Picane	SSS Manager
35. Mrs Madaza	Manager: Occupational Programs
36. Mr Dumako	Farm Manager

Achievements

- Developed the teaching & learning plan.
- Improvement on Student performance certification, throughput, retention rate.
- Oversee the implementation of placement for both students and lecturers in industry.
- Monitored the implementation of academic support strategies with specific reference to the impact on student academic performance.
- Report on implementation of the teaching & learning plan.
- Monitor implementation of the Standard Operating Procedures (SOP) for enrolment.
- Report to Council on the analysis of results.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

12. STUDENT REPRESENTATIVE COUNCIL

The College held its successful SRC elections in July 2023.



CAMPUS SRC MEMBERS

MSOBOMVU CAMPUS			
NAME & SURNAME	CONTACT NO	EMAIL ADDRESS	PORTFOLIO
Mangxola Ayanda	0635484587	Mangxolaayanda39@gmail.com	Secretary
Hola Mfundo	0640887208		Gender and Less Abled
Nongemane Azile	078 046 0477	nongemaneaz@gmail.com	Chairperson
Jiba Chulumanco	0834901658	jibachulumanco@gmail.com	Deputy Chairperson
Ayabonga Sam Sakwe	0720572937	ayabongasakwe@gmail.com	Treasury

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

WILLOWVALE CAMPUS			
Nolusindiso Ncedani	0607331325	ncedaninolu1517@gmail.com	Chairperson
Andisiwe Nomkruca	0737165303	andisiwenomkruca2003@gmail.com	Deputy Chairperson
Sesethu Njombolwana	0781473936	Sesetunjombolwana97@gmail.com	Secretary
n/a	n/a	n/a	Deputy Secretary
Nosiphe Wellem	0838075774	nosiphewellem0@gmail.com	Treasurer
CENTANE CAMPUS			
Nogemana Iyanga	076 905 2922	nogemanasiphokuhle@gmail.com	Chairperson
Nyale Zandiswa	071 059 6169	Zannyale51@gmail.com	Gender and less Abled
Ntwanambi Sibabalwe	084 827 8195	Sibabalwentwanambi0@icloud.com	Education and Transformational
Mlanjana Lolwethu	078 087 2993	Mlanjanalolwethu@gmail.com	Secretary
Hlomendlini Asemahle	078 370 3461		Sport and art
DUTYWA CAMPUS			
Ngewu Vika	063 785 4410	Vikangewu2002@gmail.com	Chairperson
Madlanga Asive	072 956 4918	madlangaasive@gmail.com	Educational and Transformational
Rululu Cwenga	083 843 9687	Cwengarululu2@gmail.com	Secretary
Madyibi Siyanda	072 180 4768	siyabhelekaz@gmail.com	Sport and art
Mzondo Lutho	065 609 0237	luluthour@gmail.com	Gender and less abled
TEKO CAMPUS			
Baleni Athenkosi	078 147 8366	Athenkosibaleni42@gmail.com	Chairperson
Mbusi Zadia	065 627 95810	zadiaangeliquembusi@gmail.com	Secretary
Sithole Ntuthuzelo	079 060 7834	Luvosithole03@gmail.com	Sport and arts
Mapasa Asakhe	083 403 4379		Educational and Transformational
Sikweza Sandiso	079 102 3713		Gender and less abled

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

SRC Year Plan

The SRC had a plan of activities from the day they took office in order to utilise the SRC budget and for the benefit of the students. These include but not limited to the following:

No.	Date	Grouping of campuses	Hosting Campus/Venue	Topics to be covered	No. of SRC SSS Officials attended
1.	26-28 May 2023	5 Campuses	Emphekweni Beach Resort	SRC Constitution Leaderships Styles, Academic Policies, Strikes Procedures Financial Management	33 SRCs, Deputy Principal Registration, SSS Manager, 5 SSS Officers, DHET, IEC Officials, NSFAS Officials
2.	28 August 2023	2 Campuses <ul style="list-style-type: none"> • Centane • Teko 	Sci-Bono Centre	Higher Health Exhibition	SSS Officer, 2 Female SRCs
3	13 July	5 Campuses	PE College	SATVETSA Meeting	SRC Executives, SSS Manager
4.	28 August 2023	2 Campuses <ul style="list-style-type: none"> • Teko • Centane 	Johannesburg	SRC and SATVETSA Induction	SSS Manager, SSS Officers, Marketing Manager, Deputy Principal, 33 ISRC and CRC members

PART C: PERFORMANCE INFORMATION

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

13. REPORT BY THE PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

King Hintsa TVET College was established in 2002 from the merger of four Technical Colleges namely Centane Technical College, Dutywa Community College, H.B. Tsengwa Technical College and Teko Vocational College according to the Further Education and Training Act of 1998 which has since been replaced by the Continuing Education Act of 2006. In 2017 the Department of Higher Education and Training upgraded Msobomvu Satellite Campus into a fully-fledged Campus to make a total of 5 campuses in the College. The College is in the Eastern Cape Province in Amathole District Municipality, with campuses located in the Mbashe and Mquma Local Municipalities which are the most poverty-stricken areas in the Amathole District Municipality. The local municipalities have undergone a serious economic recession following the closure of several factories in Butterworth. After the closure of the factories due to the ceasing of the incentives to operate industries, the communities were left destitute with no job opportunities for semi-skilled people resulting in retrenchments and loss of jobs to most citizens of the two local municipalities. This has led to high unemployment in the area hence the programmes and curricula presented at the College can help to address this scourge and act as a catalyst for both economic and social transformation. The local economy is based on semi-skilled employment, subsistence farming, SMMEs and street vendors.

Both Mbashe and Mquma local municipalities are the most poverty-stricken areas of the Amathole District Municipality where the College Central Administration is located. Butterworth and the District Municipality at large has undergone drought related challenges and serious economic recession. Since 1994, the manufacturing sector, which used to be the driver of the local economy, has been in a decline. Several factories are now standing empty and continue to be vandalized. Most of the rural former Transkei is characterized by major infrastructure backlogs with respect to housing development, roads, water and sanitation, and health services.

The Eastern Cape straddles two worlds, one of severe underdevelopment in the rural region of Amathole where the College is situated and South East region including Port Elizabeth is one of a modern growing economy, historically developed through automotive sector with four large original automobile manufacturers, namely; Volkswagen, Ford, DaimlerChrysler and General Motors. East London and Coega Industrial Development Zones remain amongst the flagship projects of the province.

The College has forged partnerships with the following stakeholders: Mquma Local Municipality, WSU, Coega Development Corporation and Mbashe Local Municipality; Mining Qualification Authority, Construction Seta, Health and Welfare Seta, Agri-Seta, Energy and Water Seta, Cathseta, Lovedale TVET, Ikhala TVET, Fort Cox College of Agriculture, ETDP Seta, Merseta, W&RSETA, CETA, Transport SETA, Unemployment Insurance Fund, NEMISA, Wiphold, TransAfrica, Queens Casino, East London Golf Club and the British Council, Office of the Premier, NSF and Chinese Culture Centre and International Education Exchange Centre, WSU and German Partnership.

The College is in the process of revitalizing the initiative of the centre of entrepreneurship, which will be established for students at the College and the community to become entrepreneurs and be incubated. Mquma Municipality has donated land to the college which should be developed as the skills centre when the resources permit, this would be

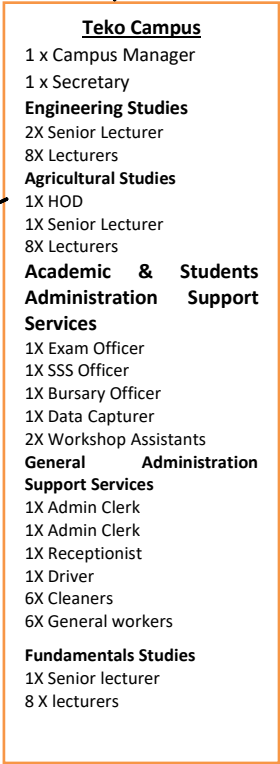
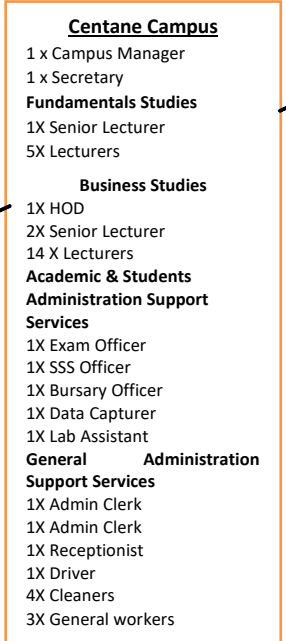
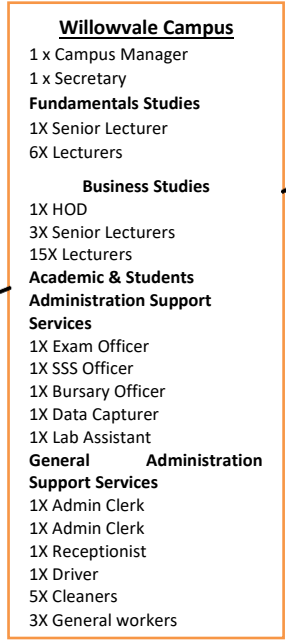
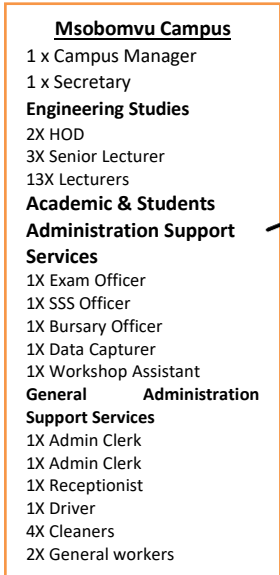
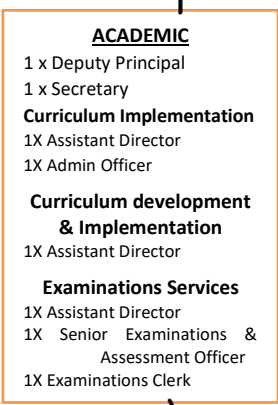
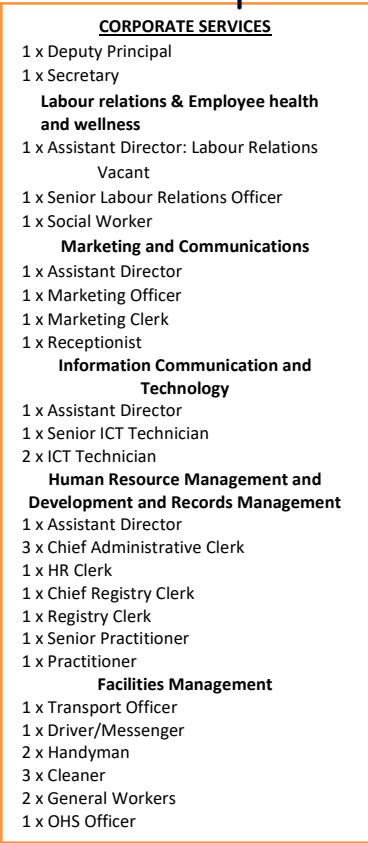
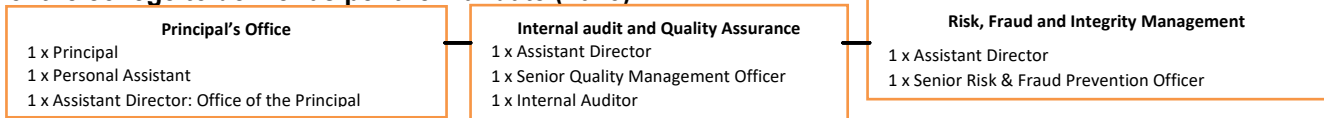
King Hintsa TVET College

Annual Report for the year ended 31 December 2023

developed to run college occupational programs in the colleges property as property is the major challenge in some operations. The college is also in a process of reinforcing its fencing across all campuses and land belonging to the institution to avoid potential land grabbing activities.

14. COLLEGE ORGANISATIONAL STRUCTURE

Capacity of the college to deliver as per the mandate (2023)



15. COLLEGE ENVIRONMENTAL ANALYSIS

	STRENGTHS	WEAKNESSES
INTERNAL	<p>Governance</p> <ul style="list-style-type: none"> Committed and dedicated sectional personnel. Support from oversight structures Approved and communicated policies. <p>Academic</p> <ul style="list-style-type: none"> Academically qualified and committed Campus Management Team & Lecturers Campus support from internal and external oversight structures Compliance to DHET and College policies Established and sound Stakeholder relations. <p>Registrations</p> <ul style="list-style-type: none"> Committed and dedicated sectional personnel. Support from oversight structures Approved and communicated policies. Geographical location of the College enables attraction of students who qualify for NSFAS funding. Mobilization of resources for the entire College <p>Corporate Services</p> <ul style="list-style-type: none"> Internet available in five (5) Campuses and Administration Centre through SABEN connection. Internet available at Msobomvu Campus and PEP building through Telkom APNs 6 ICT Interns working from the Campuses. ICT unit and dedication of existing personnel to perform their duties. College data is protected from phishing and backed up using SIBEX. 	<p>Governance</p> <ul style="list-style-type: none"> Inadequate human resources Non implementation of recommendations Non implementation of consequence management <p>Academic</p> <ul style="list-style-type: none"> Insufficient human and physical resources Noncompliance in meeting deadlines (submissions) Non implementation of consequence management Non accreditation of workshops / practicum rooms/ simulation rooms High dropout rate and low throughput rate <p>Registrations</p> <ul style="list-style-type: none"> Inadequate human resources Non implementation of personal development plans High staff turnover in critical skills areas Inadequate research on student success Insufficient accreditations impede funding attractions / sourcing Skills Centre for Occupational programmes <p>Corporate Services</p> <ul style="list-style-type: none"> Internet downtimes due to the boosted wireless connection throughout the College sites Out of warranty ICT equipment Poor laboratory standards Shortage of personnel Inadequate budget for maintenance of College ICT infrastructure Shortage of Office space The proposed and agreed on new SABEN contract will convert 5 sites (3 Campuses and Admin Centre) from wireless to fibre connection and enroll wifi for all Campuses. BID Committee sittings and constitution.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

<ul style="list-style-type: none"> • Implementation of the ICT security policy and combating cyber security through cyber security audits and awareness • Integrated ICT innovations in the classrooms and labs • Capitalization on Microsoft 365 • Improved fleet after receiving 10 new additional vehicles. • Relief of pressure on Teko student accommodation by the new Temporary accommodation structures • Relief classroom shortages by purchased temporary classrooms. • Improved office space at Msobomvu Campus <p>Finance</p> <ul style="list-style-type: none"> • Unqualified Audit opinion • Suitable experienced Assistant Director Supply Chain Manager to provide immediate strategic direction to the Supply Chain Management Unit • Support and cooperation of the College governance bodies and management. • Ability to perform and support other Sections for any other emergency situations to keep operations. 	<p>Finance</p> <ul style="list-style-type: none"> • Resigning of Deputy Principal Finance who provided strategic direction to Finance and Supply Chain Management • Excessive use of manual processes for document keeping and procurement processes by both Finance and Supply Chain Management (e.g., Manual Procurement system) • Inadequate funding, specifically from unfunded students by NSFAS and 3rd stream income • Lack of capacity: <ul style="list-style-type: none"> ○ Asset management ○ Assist Director: Reporting ○ Debtor's clerk
<p>OPPORTUNITIES</p>	<p>THREATS</p>
<p>Governance</p> <ul style="list-style-type: none"> • Implementation of post provision norms • Implementation of combined assurance • Automated governance processes <p>Academic</p> <ul style="list-style-type: none"> • Participation in academic forum and committees (National and Regional) • Potential in expanding access to TVET College opportunities (enrolment) • Increase in lecturer capacitation and development (WIL & WBE) • Continuous capacitation of lecturers by DHET 	<p>Governance</p> <ul style="list-style-type: none"> • Insufficient support from Senior Management • Non-compliance to Governance Risk and Compliance framework • Inadequate ICT support <p>Academic</p> <ul style="list-style-type: none"> • Outdated curriculum development content and programmes • ICT infrastructure (ITS, network, wifi & internet) • Incomplete Campus projects due to incompetent service providers • Students unrests due to NSFAS and delay in release of results by DHET

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

	<p>Registration</p> <ul style="list-style-type: none"> Automation of registration processes Leverage on relations with ECSECC Strengthen relations with NMU for lecturer development Conducting Occupational Programmes at the Campuses as per their specialisation 	<p>Registration</p> <ul style="list-style-type: none"> Instability due to low staff retention Possible collapse of Research & Innovation unit Poor College performance due to incapacitation Un-accredited workshops which affects funding
	OPPORTUNITIES	THREATS
	<p>Corporate Services</p> <ul style="list-style-type: none"> Investing in ICT innovation and integrate ICT in the classroom to capture prospective students from Mbhashe and Mnquma area. MICTSETA to assist the ICT Unit with training and developmental needs to relieve College funds We receive infrastructure grant from Department of Higher Education and Training Few chances of staff development by the College New construction of industrial kitchen for Centane Campus funded by CATHSETA <p>Finance</p> <ul style="list-style-type: none"> Strengthen partnership opportunities with SETAs through networking Share best practices with Colleges DHET funding for infrastructure projects 	<p>Corporate Services</p> <ul style="list-style-type: none"> Lack of ICT personnel (one network controller and two Technicians) Scarce work resources to properly service Campuses (no vehicle dedicated for ICT Unit) Student unrest whereby the students will vandalize the infrastructure Long time taken by the College insurance to repair damages occurred during student protests Over population to our student accommodation Community protest Students unlawfully removing and tempering with the infrastructure <p>Finance</p> <ul style="list-style-type: none"> Projected overspending on PERSAL and the inability to obtain funding for CoE from the Department of Higher Education and Training for filling of vacancies Instability at the College due to student and or community protest Late payment of student fees by NSFAS resulting to inadequate financial resources to meet operational College needs Possible over charging by SMMEs which adversely affects the cash flow of the College.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

16. PARTNERSHIPS



Through the tripartite partnership with Walter Sisulu University & Mnquma Local Municipality the college has managed to embark on a research work headed by WSU on feasibility of maritime studies and oceans economy in our municipality. This partnership has seen several activities between these institutions taking place including a cleaning campaign of our municipalities. The essence of this partnership is to create a synergy in strategic operation of these institutions.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023



The College has the following sport codes:

- Rugby (male and female)
- Soccer (male and female)
- Netball
- Volleyball (male and female)
- Athletics
- Chess and table tennis

Extra Curriculum activities were held in all College Campuses to select College teams in order to participate on inter-College sporting activities. The College participated in all COSACSA sporting activities including the one held in Limpopo.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

18.REGISTRATION PROCESS

The registration process was conducted according to the DHET Registration Manual and Student Operating Procedure. The information desk services were available in all campuses during the registration to assist new students through the process. At the entry gate, the SRC members and lecturers were available, new and prospective students were recorded and assisted upon arrival, all entries and enquiries recorded. At the Help Desk, general information was provided to the new students as well as checking of all required documentation in accordance to the requirements. Placement tests were conducted, students were further provided with Career Guidance services through the Student Support Services section (Career Guidance Officers). The capturing of all the student information was done and the issuing of student cards when the student has fulfilled all the registration requirements. The returning students were also assisted with their registrations in all the stations that were provided in all the campuses.

The College continues to experience challenges with the registration of returning students, where stipulated and planned dates are not adhering to, as a result classes commence later than expected.

Registration process and online registration.

The department introduced a Standard Operating Procedure (SOP in 2021). The SOP allows students to be registered a year prior. The College implemented the SOP for 2021, however, scored below the compliance rate on the SOP monitoring and verification by the department of higher education and training. The College closed registrations on the 30/09/2021 as indicated in the SOPs process; however, also extended the period after an assessment of the applications received was made. The applications process was extended to November 2021. The College also implemented the online registration process to all the College campuses except for Msobomvu Campus which has no internet connectivity.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

19. CAREER GUIDANCE



The College is involved on several career exhibitions with different district municipalities in order to provide TVET insight to different schools and learners for both grade 9 to 11 and grade 12.

All the College NCV students were subjected to the Student Profiler test at entry level to facilitate their Placement and Career Guidance. The Career Guidance Officers together with Life Orientation lecturers from different Campuses used the results of the test to advice students on their programme and subject choices.

The results were to further inform the Maths and English (fundamental subjects) lecturers of the areas of weakness for the new students and assist in tailoring the Academic Support programmes and referral to PLP.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

20. INDUCTION AND ORIENTATION



All the College students were taken through the College policies, processes and procedures during the orientation sessions that were held in all campuses. Hard copies of the policies were circulated during the sessions. The policies included the Registration/Admission Policy, Code of Conduct, Attendance Policy, Assessment Policy, Examination Policy and Bursary Policy, the SOP on finance and SCM operations and processes was also outlined.

Financial Aid

All the students were appraised on the 2021 NSFAS Bursary Guidelines during the Orientation programme and were advised to apply. More than 2000 students were declared to NSFAS as qualifying for the financial aid and 1809 were awarded for 2021 as compared to 2643 for 2020. The Financial Aid Committee discussed the 2021 Bursary Guidelines in the beginning of the year. Several other funding was awarded to the students by the SETAs for in-service training, learnerships and work integrated learning for students.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Job Placement

A database of all former students was established with the assistance of the Career Guidance Officers. A total of 229 students have been placed for Work-Integrated Learning through funding from Bank SETA, CATHSSETA, INSETA, ETDPSETA, PSETA, NSF, SANRAL and 38 of these were placed in China through the funding of Construction SETA, MERSETA and MICTSETA.

WBE Placements



King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Comparative Totals for WBE & Post Qualification Placements 2019 – 2021

	2019	2020	2021
N6 Post Placement	131	229	178
NCV L4 Post Placement	236	0	0
College Total students Placed for a specified Period (WBE)	1050	0	144
College placement of Graduated students	248	0	4

21. OCCUPATIONAL PROGRAMMES



A few learnerships and short skills programmes were conducted in 2023 with funding from the following sponsors: MICTSETA.

SPONSOR	PROGRAMME	NUMBER OF STUDENTS
National Skills Fund	Work Integrated Learning	140
	Learnership	40
	Short Skills programme	60
Construction Seta	Apprenticeship	30
	Internship	30
	Learnerships	20

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

ENTREPRENEURSHIP

- (i) 3 College staff attended training conducted by Allan Gray Makers on the 04-06 April 2023 in Johannesburg
- (ii) InterCollege Competition took place at Lilitha B n B on the 20th of July 2023 and 15 students from different Campuses participated
- (iii) The College hosted Regional Rounds where all 8 Colleges came to participate in the InterCollege Competition on the 18 August 2023 at Dutywa Campus and 1 student from Willowvale Campus became number 1 on the 1st category and represented the whole Region in the National Competition
- (iv) 10 students who had business ideas and existing businesses from different Campuses were trained for 5 days on Entrepreneurship
- (v) 1 student who has a business idea for a skin care product attended a training on product development at Nelson Mandela University

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

22. COLLEGE EVENTS

○ COLLEGE GRADUATION CEREMONY

In September 2023 the college hosted its graduation ceremony whereby students were given their diplomas and certificates in different programmes. Students were graduating in Report 191 programmes and NCV. Parents were available to witness the achievement of their learners.



King Hintsa TVET College

Annual Report for the year ended 31 December 2023

○ COLLEGE STRATEGIC PLANNING SESSION



In 2023, the College Broad Management and the College Council held a 3-day strategic planning session, planning for the MTEF towards the five-year administration of 2020 - 2024, the sessions were held in East London ICC hotel. The College strategic plans and policies were reviewed, identifying targets achieved as well as planned targets that were not achieved, the challenges that led to non-achievement as and prioritising those targets for the remaining planning period.

During the strategic planning sessions all College Sections made presentations of their Sections, highlighting areas of achievement as well as areas where planned targets were not achieved challenges, corrective measures and interventions that will be implemented.

The College budget (Funding Grid) was completed as per the enrolment plans. The College Strategic Plan, Annual Performance Plan and Operational Plan were developed and finalised for Council approval.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

○ STAFF WELLNESS DAY

1. Achievement:

- Counselling services rendered by Wellness office; counselling conducted confidentially.
- Proactive financial services: Upskill employees by improving their well-being, activities carried out include inviting GEMS marketer, Old mutual, Sanlam and SARS to service clients /staff members.
- Stress Management Training for Broad Management Members
- Mental Health Awarenesses Outdoor Picnics for 3 sites
- Women's day Empowerment Session for targeted staff members
- Sexual Harassment & Workplace bullying conducted by DHET for targeted for female staff members.

2. Challenges:

- Counselling services: Clients poor level of commitment to ongoing sessions and not adhere to set appointments.
- Office safety: Making telephone follow ups is a challenge due to having a soundproof office space.
- Some sessions take place in the mini boardroom to maintain client safety and confidentiality.
- Failure to effectively roll out Wellness services such as the proposed Wellness Launch, Wellness sports programme due to unforeseen WSU student protest, Men's health and awareness programme had to be cancelled to due College budget constraints and cancelled in last moments.

3. Recommendations:

- To be involved during budget allocation of Wellness Programmes to avoid not having sufficient funds to roll out programmes.
- To be allocated a soundproof office space which will be comfortable and confidential.
- To effectively market Wellness service through having awareness and psycho educational session which will motivate staff members to utilise the Wellness Office.

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2022 PLANNED TARGET	TVET COLLEGE 2022 ACHIEVEMENT	EXPLANATORY REMARKS
SO 1 Expanded access to TVET college opportunities	1.1 Students enrolled and managed as per Hintsa TVET College Annual Report for the year ended 31 December 2023 enrolment plan	Number of students enrolled in different programme types	4784	5655	
		*NCV	1305	1357	
		*Report 191	3099	3973	
		*PLP	80	80	
		*Occupational qualifications	300	239	
		*Trades (COS)	0	0	
		*Higher Certificates	0	0	
		*Shorter skills programmes (accredited and non-accredited)	0	0	
	1.2 College student accommodation is optimally utilized	Occupation rate (%) per enrolment cycle	100%	100%	
SO2 Improved success and efficiency of TVET systems	2.1 Apprentices in trade programmes qualify and pass trade test	Number of artisans exiting COS or college	0	0	
	2.2 Students complete qualifications and programmes and exit the college	Number of students at exit levels exiting college programmes	1054	1045	
		*Number of students exiting NCV L4	364	408	
		Number of students exiting N6	680	637	
	2.4 PLP students are retained	Retention rate (%) in PLP	80%	89%	
	2.5 PLP students progress into initial programmes of choice	Progression rate (%) of PLP students	65%	74%	
SO3 Improved quality of TVET college provision	3.1 College councils are constituted and comply with standards	% compliance with governance standards	100%	100%	
	3.2 Examinations are conducted with minimum irregularity reported	% compliance with examinations standards and policy	100%	98%	
	3.3 More students meet the requirements for writing examinations	% of registered students (based on subject enrolment) qualifying for examinations	75%	90%	
	3.4 TVET college lecturers are placed in industry for	% of TVET college lecturers placed in industry	12%	12%	

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2022 PLANNED TARGET	TVET COLLEGE 2022 ACHIEVEMENT	EXPLANATORY REMARKS
	specified periods to gain relevant experience				
	3.5 Partnerships signed for improving teaching and learning and relevance of programmes	Number of partnership agreements (locally and internationally) for purposes of exchanging and/or placing college students and /or lecturers	16	6	
SO4 Improved responsiveness of TVET colleges to the world of work	4.1 More students are enrolled in identified programme offerings relating to OIHD and priority skills	Number of students enrolled in programmes relating to OIHD and priority skills	300	239	
	4.2 Entrepreneurship hubs are established and supported	Number of students engaged in entrepreneurship programmes and initiatives	100	22	
	4.3 Students are placed for WBPL at exit levels	Number of students placed for WBPL at exit levels	777	144	
		*Number of students placed for WBPL at NCV L4	283	56	
		*Number of students placed for WBPL at N6	425	88	

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

23. COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

The college performance and organisational environment is healthy despite some results setbacks from campuses in terms of programmes. A lot has been done and achieved regardless of the not fully implementing the operational activities.

- **Performance Reporting**
- **10.1 Annual Performance Achievements**

- **10.2 Strategy to deal with Underperformance**

In dealing with underperformance the College had to identify activities that could be implemented as an improvement plan, the planned activities are listed below:

- Enforce 80% attendance rule and strict monitoring of the attendance of students and lecturers and proper tacking of the College retention rate.
- Engaged in extra-classes to push syllabus coverage with morning and afternoon classes
- Proper planning, implementation and monitoring of assessment activities
- Use holidays and weekends to catch up with classes and provide continuous academic support
- Revision of question papers.
- Engage in Work-based exposure and improve skills development for lecturers.
- Engage on lecturer and student symposium.

Develop and promote measures to reduce student protest.

- Proper communication of college information with students and lecturers
- Establishment of student governance structures
- Develop means of academic support for students
- Proper engagements and consultation with labour organisations
- Proper engagements with local business and the community for information sharing and promotion of socio-economic programs

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

A. REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit Committee is pleased to present its report for the financial year ended 31 December 2023.

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and met at least five times per in 2023 as per its approved terms of reference and the special meeting. During the year under review, four ordinary audit committee meetings were held and one special meeting outside the audit committee meeting was held to review the 2023 annual financial statements.

MEMBERS	POSITION	DATE OF APPOINTMENT	MEETINGS HELD	MEETINGS ATTENDED	END OF APPOINTMENT
Mrs N Ntshanga	Chairperson	7 July 2022	4	4	6 July 2025
Mr W Manthe	Member	7 July 2022	4	4	6 July 2025
Mr T Mashalaba	Member	7 July 2022	4	4	6 July 2025

Audit Committee Responsibilities

The Audit Committee is an independent advisory body which advises Council, the Accounting Officer and the Management of the College on matters relating to (i) internal financial controls and internal audits; (ii) risk management; (iii) accounting policies; (iv) the adequacy, reliability and accuracy of financial reporting and information; (v) performance management; (vi) effective governance; (vii) compliance with CET Act and any other applicable legislation; (viii) performance evaluation; and (ix) any other issues referred to it by the College.

The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Council approved the terms of reference.

The Effectiveness of Internal Control

The system of internal controls applied by the College over financial risk and risk management is adequate and partially effective, in line with the CET Act, the PFMA and the King III Report on Corporate Governance requirements. Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the internal auditors, the audit report on the annual financial statements and the management report of the Auditor General, it was noted that there were weaknesses in the control environment of the college that needs to be tightened. Accordingly, we can report that the system of internal control for the period under review was adequate and partially effective.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, prior to submission to the Auditor-General, with the Accounting Officer.
- reviewed the Auditor-General's management report and management's response thereto.
- reviewed significant adjustments resulting from the audit.
- And happy with the current audit finding.

The Audit Committee accepts that the financial statements as presented, giving a reasonable reflection of the college's activities.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.

Annual Audit

During the year under review (2022), internal audit engagements were performed in accordance with the audit plan. The main activities of Internal Audit were to:

- ✓ Compile three year rolling strategic and annual audit plans
- ✓ Performing internal audits on the following systems.
- ✓ Risk management system – Control systems
- ✓ Governance systems
- ✓ Report to management and the Audit Committee on the Audit work performed.

The Audit Committee was given assurance by Management that most of the significant issues raised by the Auditor General were within the means of management to rectify, and they outlined the challenges that resulted in the current opinion. Management has developed an action plan, with responsible individuals and dates, and the Audit Committee was informed regularly of the progress made on the matters raised.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the college and its audits. The Committee is concerned that the recommendations of Internal Audit do not seem to be implemented by Management.

PART D: FINANCIAL INFORMATION

24. FINANCIAL REPORTING



AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the minister of Higher Education, Science and Innovation and the principal of King Hintsa Technical Vocational Education and Training College

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the King Hintsa Technical and Vocational Training (TVET) College set out on pages 51 to 109, which comprise the statement of financial position as at 31 December 2023, 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 King Hintsa TVET College as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting 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.

Provision for debt impairment

7. As disclosed in note 25 to the financial statements, debt impairment of R 16,8 million (2022: R21,3 million) was incurred as a result of an allowance for doubtful debts.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Unspent conditional grants and receipts

8. As disclosed in note 1.1 to the financial statements, the college materially underspent the conditional grants by R20,8 million (2022: R26,8 million).

Other matter

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

Unaudited supplementary information

10. The supplementary information set out on page 109 does not form part of the financial statements and is presented as additional information. I have not audited this information, and accordingly, I do not express an opinion on it.

Responsibilities of the principal for the financial statements

11. The principal is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the CETA; and for such internal control as the principal 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 principal 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.

Report on the audit of the annual performance report

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

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

Report on compliance with legislation

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The principal 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 prepared in accordance with generally recognised accounting practice as required by section 25 (l)(b) and 25 (3) of the CET Act. Material misstatements of non-current assets, current assets, current liabilities, and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

21. The principal is responsible for the other information included in the annual report which includes the chairperson of the principal's report and the audit committee's report. The other information referred to does not include the financial statements and the auditor's report.
22. My opinion on the financial statements and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
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

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

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 material findings on compliance with legislation included in this report.
27. Leadership did not provide sufficient oversight over the year end annual financial statement preparation processes, including the review of the submitted financial statements as material misstatements were identified. Furthermore, critical key positions were vacant during the reporting period, with the position of the principal not yet filled.



AUDITOR - GENERAL

East London

31 May 2024

King Hintsa TVET College

Annual Report for the year ended 31 December 2023



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



King Hintsa TVET College
Annual Financial Statements for the
year ended 31 December 2023

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

GENERAL INFORMATION

Country of incorporation and domicile	South Africa	
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 (CET Act) No. 16 of 2006, as amended, 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 at levels 1 to 4 of the National Qualifications Framework	
Members	Prof Ndevu Z	Chairperson
	Mrs Mhlambi-Nqikashe A	Deputy Chairperson
	Mr Masire L	Member
	Mr Ntsho A	Member
	Mr Khanyile S	Member
	Mr Fitshane S	Member
	Mrs Fokazi B	Member
	Mr Gcasamba M	Member
	Prof Chinyamurindi W	Member
	Mr Ntlangano TE	College Principal
	Mr Masiko T	Support Staff Representative
	Ms Zengele T	Academic Board
Representative(Member)		
	Mrs Peppeta L	Lecturers Representative
	Ms Pendu A	Representative - SRC President
(Elected 22 August 2023)		
	Ms Stuma A	Representative - SRC
Secretary(Elected 22 August		

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

2023

Registered office 218 Mthatha Road

Ibika

Butterworth

4960

Business address 218 Mthatha Road

Ibika

Butterworth

4960

Postal address P/Bag X3018

Butterworth

4960

Bankers First National Bank

Auditors Auditor General of South Africa

Preparer The annual financial statements were internally compiled by:

Mr M. Gulwa

DPF

College Principal Mr Ntlangano TE

INDEX

The reports and statements set out below comprise the annual financial statements presented to the parliament:

	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 - 24
Notes to the Annual Financial Statements	25 - 48

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

The following supplementary information does not form part of the annual financial statements and is unaudited:

Supplementary Information		49
COID	Compensation for Occupational Injuries and Diseases	
CRR	Capital Replacement Reserve	
DBSA	Development Bank of South Africa	
SA GAAP	South African Statements of Generally Accepted Accounting Practice	
GRAP	Generally Recognised Accounting Practice	
GAMAP	Generally Accepted Municipal Accounting Practice	
HDF	Housing Development Fund	
IAS	International Accounting Standards	
IMFO	Institute of Municipal Finance Officers	
IPSAS	International Public Sector Accounting Standards	
ME's	Municipal Entities	
MEC	Member of the Executive Council	
MFMA	Municipal Finance Management Act	
MIG	Municipal Infrastructure Grant (Previously CMIP)	

COUNCIL'S RESPONSIBILITIES AND APPROVAL

The members are required by the Continuing Education and Training Act No 16 of 2006, 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 entity 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 were 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.

King Hintsa TVET College

Annual Report for the year ended 31 December 2023

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

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

The members have reviewed the entity's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

Although the is primarily responsible for the financial affairs of the entity, it is supported by the entity's external auditors.

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

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

pp  _____

Prof Ndevu Z
Council Chairperson

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Current Assets			
Receivables from exchange transactions	3	25 479 045	9 456 133
Statutory and other non-exchange receivables	4	13 710 640	24 194 195
Cash and cash equivalents	5	105 589 412	112 536 495
		144 779 097	146 186 823
Non-Current Assets			
Biological assets that form part of an agricultural activity	6	18 300	49 400
Property, plant and equipment	7	73 465 458	71 263 233
Intangible assets	8	113 000	65 917
		73 596 758	71 378 550
Total Assets		218 375 855	217 565 373
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	28 614 912	21 456 833
Payable from non-exchange	38	1 044 959	-
Employee benefits obligations	10	174 022	90 404
Unspent conditional grants and receipts	11	435 810	7 369 723
		30 269 703	28 916 960
Non-Current Liabilities			
Unspent conditional grants and receipts	11	20 384 029	19 456 069
Total Liabilities		50 653 732	48 373 029
Net Assets		167 722 123	169 192 344
Accumulated surplus		167 722 123	169 192 344
Total Net Assets		167 722 123	169 192 344

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2023	2022
Revenue			
Revenue from exchange transactions			
Tuition and related fees	13	47 606 801	43 893 261
Other income	14	232 006	204 736
Interest received	15	6 736 664	5 027 482
Gain on disposal of non-current assets		162 378	571 470

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Total revenue from exchange transactions		54 737 849	49 696 949
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	17	31 583 729	46 432 960
Public contributions and donations	18	65 145	447 700
Services in kind	19	98 361 818	94 635 000
Project income		291 063	309 390
Total revenue from non-exchange transactions		130 301 755	141 825 050
Total revenue	12	185 039 604	191 521 999
Expenditure			
Employee related costs and DHET Management fees	20	(111 557 038)	107 101 613)
Repairs and maintenance	21	(3 722 943)	(2 331 460)
Depreciation and amortization	22	(7 118 396)	(6 328 878)
Finance charges	23	(378 174)	(10 698)
Lease rentals on operating lease	24	(299 949)	(612 016)
Provision for debt impairment	25	(16 806 461)	(21 284 736)
Fair value adjustments	16	(31 100)	(32 900)
General Expenses	26	(46 595 764)	(41 094 882)
Total expenditure		(186 509 825)	(178 797 183)
(Deficit) surplus for the year		(1 470 221)	12 724 816

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 January 2022	156 467 528	156 467 528
Changes in net assets		
Surplus for the year (Previously reported)	10 536 253	10 536 253
Total changes	10 536 253	10 536 253
Opening balance as previously reported	167 003 781	167 003 781
Adjustments		
Correction of errors (Note 36)	2 188 563	2 188 563
Balance at 01 January 2023 as restated*	169 192 344	169 192 344
Changes in net assets		
Deficit for the year	(1 470 221)	(1 470 221)
Total changes	(1 470 221)	(1 470 221)
Balance at 31 December 2023	167 722 123	167 722 123

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Receipts			
Tuition and related fees		16 252 996	20 152 859
Grants		42 267 609	67 477 077
Interest income		6 736 664	5 027 482
Other receipts		40 000	2 680 759
		65 297 269	95 338 177
Payments			
Employee costs		(13 111 601)	(14 343 311)
Suppliers		(49 563 375)	(51 414 320)
Finance charges		(378 174)	-
		(63 053 150)	(65 757 631)
Net cash flows from operating activities	28	2 244 119	29 580 546
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(9 472 938)	(5 757 453)
Proceeds from sale of property, plant and equipment	7	281 737	1 357 057
Net cash flows from investing activities		(9 191 201)	(4 400 396)
Net increase/(decrease) in cash and cash equivalents		(6 947 082)	25 180 150
Cash and cash equivalents at the beginning of the year		112 536 495	87 356 344
Cash and cash equivalents at the end of the year	5	105 589 413	112 536 494

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

Figures in Rand

Note(s)

2023

2022

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Continuing Education and Training Act No 16 of 2006.

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.

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the functional currency of the entity.

1.2 Going concern assumption

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 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty

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

Judgement

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements:

Programme funding

Programme funding is allocated to the college by the Department of Higher Education and Training in terms of the CET Act and the National Norms and Standards for Funding of TVET Colleges and is determined by the estimated Full Time Equivalent Students (FTEs) of the college. The allocation is done based on the projected FTEs for the year and if the college fails to register the projected FTEs, a portion of the programme funding can be clawed back in the following year.

The programme funding is allocated by Department of Higher Education and Training during their financial year which is from April to March, but for the college the funds pertain to the college academic and financial year which is from January to December. Once the college has registered the projected number of FTEs, the condition of the programme funding grant has been met and the grant is recognised in full. The programme funding is paid out partly in cash tranches, paid to the college, and partly through the PERSAL system of the National Department of Higher Education and Training, directly to the employees of the college. The method and timing of payment of the grant does, however, not influence the recognition of revenue.

Employee related costs and DHET management fee

In terms of the CET Act and DHET Circular 1 of 2015, with effect from 1 April 2015, all non-management personnel of the college, appointed and remunerated through the Department of Education in the Province (PERSAL) and the provincial allocation or programming funding, have migrated to DHET and are Department of Higher Education, Science and Innovation employees. Non-management personnel not remunerated from provincial allocations or programme funding remain employees of the college as they are appointed by the college.

Management and other personnel are either remunerated directly by the college or by the provincial Department of Education, via Persal, on behalf of Department of Higher Education and Training. As management personnel are not college employees, their remuneration cannot be classified as an employee expense of the college and is therefore classified as "DHET management fee".

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 can be illustrated, 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.

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, review and applied prospectively.

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

Debt impairment

The college assesses its financial assets for impairment at the end of each financial year. In determining whether an impairment loss should be recorded in surplus or deficit, the college makes judgements as to whether there is observable

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued) 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 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.

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 of non-financial assets impaired.

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.

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 the 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.

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.

Allowance for doubtful debts

The movement in the doubtful debts provision is recognised as debt impairment in surplus and deficit in the year the movement occurred. The provision for doubtful debts is calculated in terms of the College approved Debt Management Policy.

Accounting Policies

1.5 Biological assets that form part of an agricultural activity

The entity recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

1.6 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 college 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.

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

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.6 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
	Straight-line	
Buildings		50 years
Furniture and fixtures	Straight-line	6 to 12 years
Motor vehicles	Straight-line	4 to 10 years
IT equipment	Straight-line	3 to 10 years
Other equipment	Straight-line	2 to 15 years

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

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

The entity assesses at each reporting date whether there is any indication that the entity 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 entity 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.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 21).

1.7 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 entity or from other rights and obligations.

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

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

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Accounting Policies

1.7 Intangible assets (continued)

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.

Accounting Policies

1.8 Financial instruments

Initial recognition

The college recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The college measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The college measures all financial assets and financial liabilities after initial recognition using the following categories: - Financial instruments at cost. Cost, less any impairment losses.

Gains and losses

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.

Impairment and uncollectibility 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 through the use of an allowance account. 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 financial asset 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.

Accounting Policies

1.8 Financial instruments (continued)

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.

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).

1.9 Statutory receivables

Identification

Funding receivable from the Department of Higher Education, Science and Innovation arises from non-contracted arrangements as the basis for Department of Higher Education, Science and Innovation funding is found in the Division of Revenue Act. Cash receivable from the Department of Higher Education, Science and Innovation as part of programme funding is regarded as a "statutory receivable".

The statutory receivable is initially measured at the transaction amount and subsequently measured using the cost-method, which changes the initial measurement to reflect any impairment or amounts derecognised. Other elements of the Department of Higher Education, Science and Innovation programme funding are only recorded once the Department of Higher Education, Science and Innovation has effected the transaction(i.e. payment of staff through PERSAL) and no receivable is recorded as the amount associated is not paid in cash or another financial asset.

The statutory receivable is included in receivables from non-exchange transactions.

1.10 Leases

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

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

Accounting Policies

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.

1.11 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.12 Share capital / contributed capital

Payables from exchange transactions are accounted for using accrual basis of accounting as required by GRAP standards and the College Creditors Management Policy. All creditors are measured at the fair value of the consideration payable. The payables balance includes amounts that are owed to trade creditors and are recorded in the accounts payable control account.

The payables balance also includes accrued expenses, leave pay accrual for College-paid employees, payroll liabilities and funds due to NSFAS as a result of the overpayment of the students accounts and these are recorded in the NSFAS control account. As far as the College cashflow position permits, all creditors are paid within 30 days, and where necessary, suitable payment arrangements are entered into to settle outstanding balances.

Creditors are reconciled on a monthly basis and all the reconciliations are independently reviewed.

1.13 Compound instruments

The College bank accounts consist of day to day operational accounts and investments accounts. The College accounts for its Cash and Cash Equivalents in terms of its Cash Management Policy and Bank Reconciliation Policy. All bank accounts are reconciled on a monthly basis and all the reconciliations are independently reviewed.

All excess cash in the bank accounts is invested to earn interest.

1.14 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Accounting Policies

1.14 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

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

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

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments. **1.15 Provisions and contingencies**

1.15 Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. 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, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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.

Accounting Policies

1.15 Provisions and contingencies (continued)

Provisions are not recognised for future operating surplus (deficit)

If an 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 an college:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an 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 entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity 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 and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

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.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity 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 entity considers that an outflow of economic resources is probable, an entity 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.

Accounting Policies

1.16 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-cancelable or only cancelable 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.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the college 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.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (noncontractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

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

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

Accounting Policies

1.17 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.

Interest and tuition fees

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Tuition fees are recognised over the period of instruction

1.18 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 college 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 college in exchange.

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

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

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

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

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

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

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

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Recognition

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 entity 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.

Measurement

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

When, as a result of a non-exchange transaction, the entity 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.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The college applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

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.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and 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.

Services in-kind

Except for financial guarantee contracts, the entity recognise 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.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

Accounting Policies

1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an college in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal. The College is an agent with the SETAs to receive monies from the SETA and pay it as stipents to students registered by the SETA.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit. The College has assessed and determined that monies received from SETAs are not for the College use, they are for the student stipent. The College recognizes a liability when it receives the monies and pay over to the students against the liability.

1.22 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.

1.23 Fruitless and wasteful expenditure

Fruitless 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:

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Supply Chain Management Regulations, and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the college's supply chain management policy.

Accounting Policies

1.24 Irregular expenditure (continued)

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.25 Events after reporting date

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

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

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

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

1.26 Expenses

Expenses are decreases in the economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

Expenses are recognised when the transaction/event has occurred (accrual basis) according to the standard of GRAP.

Expenses are presented and classified in the Statement of Financial Performance based on the nature of expenses

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

2. New standards and interpretations

Standards and interpretations effective and adopted in the current year

In the current year, the entity there were no materially new GRAP standards and interpretations that were effective and adopted by the College.

3. Receivables from exchange transactions

Reconciliation of sundry and staff debtors Sundry

Debtors	670 932	670 932
Staff debtors	534 241	534 241
Provision for impairment	(1 205 173)	(1 205 173)

- -

Reconciliation of student debtors

Student debtors	166 175 427	133 346 054
Provision for impairment	(140 696 382)	(123 889 921)

25 479 045 9 456 133

Trade and other receivables pledged as security

No Trade and other receivables were pledged as security

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information based on the recoverability of the outstanding amount from students.

Trade receivables

None of the financial assets that are fully performing have been renegotiated in the last year.

Trade and other receivables past due but not impaired

As of 31 December 2023, trade and other receivables of R25 479 045,52 (2022: R9 456 133) were past due but not impaired.

30 days past due	313 534	-
60 days past due	25 000	4 504 156
Over 90 days past due	25 140 512	4 951 947

Trade and other receivables impaired

The ageing of these debtors is as follows:

Less than or equal to 90 days	338 534	23 229
Over 90 days	172 947 017	133 322 825

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

3.Receivable from exchange transactions (continued)

Reconciliation of provision of impairment

Opening balance	125 095 095	103 810 359
Provision of impairment	16 806 461	21 284 736
	141 901 556	125 095 095

	Student debtors	Staff debtors	Sundry Debtors	Total
Reconciliation of provision for impairment per debtor type for 2023				
Opening balance	123 889 921	534 241	670 932	125 095 094
Increase (decrease) in provision for impairment	16 806 461		-	16 806 461
	140 696 382	534 241	670 932	141 901 555

	Student debtors	Staff debtors	Sundry Debtors	Total
Reconciliation of provision for impairment per debtor type for 2022				
Opening balance	102 605 185	715 397	670 932	103 991 514
Increase (decrease) in provision for impairment	21 284 736	(181 156)	-	21 103 580
	123 889 921	534 241	670 932	125 095 094

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit.

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

4. Statutory and non-exchange receivables

Other Debtors	-	952 499
DHET Debtors	13 710 640	23 241 696
	13 710 640	24 194 195

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Opening balance	23 241 696	15 583 324
Allocations for the period	128 931 591	156 550 640
Receipts in the current year	(138 462 647)	(148 892 268)
	13 710 640	23 241 696

Total receivables from non-exchange transactions	13 710 640	23 241 696
---	-------------------	-------------------

Statutory receivables general information

Determination of transaction amount

The amount receivable is determined by reference to the allocation made in the Division of Revenue Act as gazetted every year.

Interest or other charges levied/charged

No interest is levied on statutory receivables.

Statutory receivables impaired

As of 31 December 2023, no statutory receivables were impaired and provided for.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
4. Statutory and non-exchange receivables (continued)		
Credit quality of statutory and other non-exchange receivables		
The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:		
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	18 443	15 164
Bank balances	105 570 969	112 521 331
	105 589 412	112 536 495
Cash and cash equivalents held by the entity that are available for use by the college		
	105 589 412	112 536 495
Credit quality of cash at bank and short term deposits, excluding cash on hand		
The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.		
Credit rating		
BAA1	105 589 412	112 536 495

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand				2023	2022	
5.Cash and cash equivalents (continued)						
The college had the following bank accounts and short-term deposits						
Account number / description	Bank statement balances			Cash book balances		
	31 December 2023	31 December 2022	31 December 2021	31 December 2023	31 December 2022	31 December 2021
FNB main bank account 62387644125	643 615	2 776 057	2 430 529	643 615	2 776 057	2 430 529
FNB ECD - 62405821936	436 102	406 206	389 616	436 102	406 206	389 616
FBN Entrepreneurship Account 62391760264	46 143	421 149	403 803	46 143	421 149	403 803
JET SIYEC Cheque Account 62415764697	69 898	119 742	453 788	69 898	119 742	453 778
NSFAS Cheque Account 62422582579	1 658 964	1 980 748	8 197 794	1 658 964	1 980 748	8 197 794
FNB short term deposit 74797174113	-	-	2 683 407	-	-	2 683 407
FNB Project Fund Account 62555533332	7 141 265	9 007 227	6 720 092	7 141 265	9 007 227	6 720 092
FNB Hospitality Account 62555533217	2 614	11 538	4 283	2 614	11 538	4 283
FNB - 62415752139	3 290 851	28 883 179	6 588 449	3 290 851	28 883 179	6 588 232
FNB Short term deposit 74797173868	22 099 633	20 466 744	19 415 697	22 099 633	20 466 744	19 415 697
FNB Altimax Account 62631816579	43 904 918	3 393	4 413	43 904 918	3 393	4 413
FNB NSF 630191954444	680 067	7 423 073	-	680 067	7 423 073	-
FNB Short term deposit 74848915557	-	41 022 057	38 934 449	-	41 022 057	38 835 969
FNB Short term deposit 74873012617	-	-	1 217 567	-	-	1 217 567
FNB CIEG Bulk Services 63042648345	20 384 029	-	-	20 384 029	-	-
FNB CIEG OPEX 63042648361	5 212 873	-	-	5 212 873	-	-
Total	105 570 972	112 521 113	87 443 887	105 570 972	112 521 113	87 345 180

6.Biological assets that form part of an agricultural activity

	2023			2022		
	Cost Valuation	/ Accumulated depreciation and accumulated impairment	Carrying value	Cost Valuation	/ Accumulated depreciation and accumulated impairment	Carrying value
Farm animals	18 300	-	18 300	49 400	-	49 400

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment

	2023			2022		
	Cost Valuation	/ Accumulated depreciation and accumulated impairment	Carrying value	Cost Valuation	/ Accumulated depreciation and accumulated impairment	Carrying value
Buildings	78 955 660	(21 066 772)	57 888 888	73 257 439	(18 598 529)	54 658 910
Other Equipment	10 634 861	(7 925 000)	2 709 861	10 370 952	(7 206 325)	3 164 627
Motor vehicles	6 325 204	(2 190 363)	4 134 841	5 891 011	(1 788 091)	4 102 920
Furniture and fittings	10 648 587	(8 503 746)	2 144 841	11 550 813	(8 947 952)	2 602 861
IT equipment	25 295 229	(18 708 202)	6 587 027	24 562 430	(17 828 515)	6 733 915
Total	131 859 541	(58 394 083)	73 465 458	125 632 645	(54 369 412)	71 263 233

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Work in progress (WIP)	Disposals	Depreciation	Total
Buildings	54 658 910	390 705	5 307 516	-	(2 468 243)	57 888 888
Other Equipment	3 164 627	405 728	-	(413)	(860 081)	2 709 861
Motor vehicles	4 102 920	449 920	-	(3 146)	(414 853)	4 134 841
Furniture and fittings	2 602 861	502 377	-	(39 402)	(920 995)	2 144 841
IT equipment	6 733 915	2 441 837	-	(76 398)	(2 501 307)	6 587 027
	71 263 233	4 190 567	5 307 516	(119 359)	(7 165 479)	73 465 458

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Buildings	55 563 508	1 587 115	-	-	(2 491 713)	54 658 910
Other Equipment	3 586 367	288 808	-	99 428	(809 976)	3 164 627
Motor vehicles	4 104 294	1 193 235	(741 018)	(1)	(453 590)	4 102 920
Furniture and fittings	2 848 220	411 473	-	(99 429)	(557 403)	2 602 861
IT equipment	6 470 773	2 276 822	(44 569)	1	(1 969 112)	6 733 915
	72 573 162	5 757 453	(785 587)	(1)	(6 281 794)	71 263 233

Pledged as security

There are no assets pledged as security.

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

Buildings	5 307 516	-
-----------	-----------	---

N1: Included in the value of Work-In-Progress (WIP) is an amount of R5 307 516.00 relating to a Bulk Services project at Teko Campus under construction. The project is expected to be completed in 2024.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

7. Property, plant and equipment (continued)

Buildings on property used but not owned by the College

Management decided to recognise the buildings, roads and pavements which had been built on the properties listed below. These buildings include the leasehold improvements in the prior years and any new buildings. The properties described above are not registered in the name of the College at the Deeds office but are fully occupied by the College.

There is every indication that the Eastern Cape Government will transfer the land into the name of the King Hintsa College. The campus properties consist of classrooms, workshops, student hostels, administrative buildings, halls, and any other structures on the campuses. The deemed cost has been recognised in the books of the College.

Land is not recognised in the annual financial statements as it not legally owned by the college.

Buildings are disclosed separately in the annual financial statements. The College's properties including, properties which are not registered in the name of the College at the Deeds office but are fully occupied by the College are as follows:

- Administration Block - Ibika Township
- Idutywa Campus - ERF 1 Idutywa Umtata, 1766.75 hectares;
- Willowvale Campus - ERF 129 Willowvale Umtata, 558.40 hectares;
- Umsobomvu Campus - ERF 1321 Butterworth, 2.85 hectares;
- Kentani Campus - ERF 1357 Kentane, 3.56 hectares;
- Gcuwa Rd Teko Campus - Farm 41, 40 and 23 Gcuwa Road, 103.74 hectares;

Mnquma Municipality donated municipal commonage land situated next to a complex of Department of Social Development in Ngqamakwe to King Hintsa College in 2017 financial year for the purpose of establishing a skills centre. The municipal commonage land is under land claims and the donation of the commonage land will be included in the College's fixed asset register once the matter has been resolved with the Regional Land Claims Commission.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

8. Intangible assets

	2023			2022		
	Cost Valuation	/ Accumulated amortisation and accumulated impairment	Carrying value	Cost Valuation	/ Accumulated amortisation and accumulated impairment	Carrying value
Computer software	113 000	-	113 000	65 917	-	65 917

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	65 917	47 083	113 000

Reconciliation of intangible assets - 2022

	Opening balance	Total
Computer software	65 917	65 917

9. Payables from exchange transactions

Student debtors suspense	322 292	322 113
Trade payables	6 653 771	4 815 826
Accrued expenses	152 673	388 347
Payroll control account	387 705	(16 265)
NSFAS Control account*	20 214 902	15 063 243
Retention	883 569	883 569
	28 614 912	21 456 833

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

33 - Thursday, 30 May 2024 - 14:09

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

9. Payables from exchange transactions (continued)

*Included in the NSFAS Control Account are Student Debtors accounts with credit balances of **R9 497 296** relating to monies due to NSFAS.

10. Employee benefits obligations

Reconciliation of employee benefits obligations - 2023

	Opening Balance	Additions	Total
Provision for leave pay	90 404	83 618	174 022

Reconciliation of employee benefits obligations - 2022

	Opening Balance	Utilised during the year	Total
Provision for leave pay	188 286	(97 882)	90 404
Bonus Provision	38 568	(38 568)	-
	226 854	(136 450)	90 404

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Deferred Income on College Infrastructure Grant (Bluk Services)	20 384 029	19 456 069
NSF Funding	435 810	7 369 723
	20 819 839	26 825 792

Non-current liabilities	20 384 029	19 456 069
Current liabilities	435 810	7 369 723
	20 819 839	26 825 792

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 17 for reconciliation of grants from DHET.

These amounts are invested in a ring-fenced investment until utilised.

12. Revenue

Tuition and related fees	47 606 801	43 893 261
Other income	232 006	204 736
Gain on disposal of non-current assets	162 378	571 470
Interest received	6 736 664	5 027 482
Government grants & subsidies	31 583 729	46 432 960
Donations received	65 145	447 700
Service in kind	98 361 818	94 635 000
Project income	291 063	309 390
	185 039 604	191 521 999

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
12. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Tuition and related fees	47 606 801	43 893 261
Other income	232 006	204 736
Gain on disposal of non-current assets	162 378	-
Interest received	6 736 664	5 027 482
	54 737 849	49 125 479
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	31 583 729	46 432 960
Donations received	65 145	447 700
Services in kind	98 361 818	94 635 000
Project income	291 063	309 390
	130 301 755	141 825 050
13. Tuition and related fees		
Class fee : NCV	24 894 408	26 568 562
Class fee : Report 191	8 199 893	8 199 299
Student accommodation	14 512 500	9 125 400
	47 606 801	43 893 261
14. Other revenue		
Other income	232 006	204 736
The amount included in other revenue arising from exchanges of goods or services are as follows:		
Examination fee	-	728
Business unit income	44 280	54 690
Other income	159 476	128 318
Tender income	28 250	21 000
	232 006	204 736
15. Investment revenue		
Interest revenue		
Interest received on bank accounts	4 007 301	1 675 233
Interest received on investment accounts	2 729 363	3 352 249
	6 736 664	5 027 482
16. Fair value adjustments		
Biological assets - (Fair value model) gain /(loss)	(31 100)	(32 900)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Government grants and subsidies		
Operating grants		
Programme funding: Goods and Services Grant	29 643 000	40 778 389
National Skills Fund - Conditional grant	1 940 729	5 654 571
	31 583 729	46 432 960
Capital grants		
Income recognised on College Infrastructure Grant (Bluk Services)	-	19 456 069
Income recognised on Repairs, Maintenance Grant	-	5 654 571
	-	25 110 640
	31 583 729	71 543 600

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	1 940 729	26 825 792
Unconditional grants received	29 643 000	46 432 960
	31 583 729	73 258 752

National Skills Fund (NSF) Grant Balance

unspent at beginning of year	7 369 723	-
Current-year receipts	3 510 060	7 369 723
Conditions met - transferred to revenue	(1 940 729)	-
Payments made	(8 503 244)	-
	435 810	7 369 723

Conditions still to be met - remain liabilities (see note 11).

This grant is the funding that was received from the National Skills Fund (NSF) to pay for the stipends for NSF funded students and also to pay other NSF related expenses.

Programme funding: Goods and Services Grant

Current-year receipts	29 643 000	40 778 389
Transferred to revenue	(29 643 000)	(40 778 389)
	-	-

This is an unconditional grant.

This grant is for the funding of day to day College operations to acquire goods and /or services.

DHET Student Financial Aid

College Infrastructure and Efficiency Grant

Current-year receipts	-	25 110 640
Conditions met - transferred to revenue	-	(5 654 571)
Other	-	(19 456 069)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Government grants and subsidies (continued)		
This is an unconditional grant with restrictions.		
This is the funding received from DHET to assist the College in maintenance of existing infrastructure assets.		
18. Public contributions and donations		
Donations Received	65 145	447 700
19. Services in kind		
DHET Employee costs grant	98 361 818	94 635 000
DHET Employee costs grant relates to staff members employed and paid by DHET. These staff members are placed at the college and provide services to the college.		
20. Employee related costs		
DHET Management fees	98 361 818	92 758 303
Leave pay provision charge	83 618	-
Acting allowances	98 451	121 855
Employee related costs- College paid	11 148 843	11 369 135
Support staff - Contract and casual wages	1 149 717	2 050 718
Support staff - Overtime pay	714 591	801 602
	111 557 038	107 101 613
21. Repairs and maintenance		
Repairs and maintenance	3 722 943	2 331 460
Repairs and maintenance per class of assets Business		
information system	88 844	514 082
Motor vehicles	186 258	285 648
Buildings and infrastructure	2 749 576	879 685
Equipment	515 887	34 789
Ground maintenance	182 378	617 256
	3 722 943	2 331 460
22. Depreciation and amortization		
Property, plant and equipment	7 165 479	6 281 795
Intangible assets	(47 083)	47 083
	7 118 396	6 328 878
23. Finance charges		
Finance charges	378 174	10 698
24. Lease rentals on operating lease		
Premises		
Contractual amounts	299 949	612 016

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
25. Provision for debt impairment		
Provision for debt impairment - Receivables from exchange transactions	16 806 461	21 284 736
The doubtful debts provision is calculated in terms of the Debt Management Policy which stipulates the following:		
- Debt outstanding for at least 3 months and less than 5 months, the provision is 25% of the balance		
- Debt outstanding for 6 months and less than 8 months, the provision is 50% of the balance,		
- Debt outstanding for 9 months and less than 11 months, the provision is 75% of the balance, and-		
Debt outstanding for at least 12 months, the provision is 100% of the outstanding balance.		
26. General expenses		
Auditors remuneration	2 452 754	2 770 936
Bank charges	50 093	42 109
Books and learning materials	5 163 016	4 203 420
COVID-19 related expenses	-	1 943
Fines and penalties	-	56 975
Marketing costs	758 879	704 582
Municipal services	3 630 832	3 691 465
Other expenses*	13 469 408	11 424 022
Printing and stationery	1 995 558	1 195 146
Professional fees	1 153 642	1 032 329
Project costs	274 250	-
Security	11 720 247	9 445 517
Student support services	1 845 016	1 914 503
Subscriptions and membership fees	16 704	61 845
Telephone and fax	1 238 304	1 448 471
Travel - local	2 827 061	3 101 619
	46 595 764	41 094 882

*Included in the total of R13 469 408 Other Expenditure are the following costs; Business Information System R4 529 663, Vehicle Costs R1 244 060, Council Costs R1 390 188, Insurance R1 473 968, OHS Costs R756 343, Catering Costs R637 012, Consumables R630 144, Training R448 699, Research Costs (Feasibility Study) R341 465, Staff Wellness R779 805, Strategic Planning R227 935, Conferences and Workshops R89 305, Membership Fees R232 640, Tender Adverts R163 944. **27. Auditors' remuneration**

External auditors fees	2 452 754	2 770 936
------------------------	-----------	-----------

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
28. Cash generated from operations		
(Deficit) surplus	(1 470 221)	12 724 816
Adjustments for:		
Depreciation and amortisation	7 118 396	6 328 878
Profit on disposal of assets	(162 378)	(571 470)
Fair value adjustments	31 100	32 900
Debt impairment	16 806 461	21 284 736
Employee benefits obligations	83 618	(136 450)
Other non-cash items	(14 125)	-
Changes in working capital:		
Receivables from exchange transactions	(16 022 912)	362 913
Receivables from exchange transactions - non cash movement	(16 806 461)	(21 284 736)
Other receivables from non-exchange transactions	10 483 555	(8 610 871)
Payables from exchange transactions	7 158 080	(7 375 962)
Payable from non-exchange	1 044 959	-
Unspent conditional grants and receipts	(6 005 953)	26 825 792
	2 244 119	29 580 546
29. Contingencies		
Contingent liabilities		
Claim for services rendered - Full Sail 1136 cc The College was sued by the aforesaid entity for services rendered. The matter has been consolidated with that of Rodlam Consulting. The trial preparation is under way.	(2 570 194)	(2 570 194)
Claim for Hygene Services Tender - Eco Chemicals This is review application setting aside the decision of College to cancel and withdraw the award and appointment of the applicant as a service provider. The matter is opposed and answering affidavit as well as counter application have been filed. We are now waiting for the applicant to file replying affidavit. once the exchange of papers have closed then the matter will be set down for hearing.	(446 760)	-
Contingent assets	-	4 261 276
Claim for damages- Rodlam The College has sued the aforementioned service provider for damages on the basis that the services were not properly procured. This matter has been consolidated with that of Full Sail and no legal expenses are estimated as the matter has been consolidated with that of Full Sail. As per the lawyers confirmation in for the 2023 financial year, it could not be concluded that it is more likely than not that the college would be successful, hence the contingent asset is not recognised for the year ended 31 December 2023.		
	(3 016 954)	1 691 082

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
30. Related parties		
Relationships		
Department of Higher Education and Training		Controlling Department
SETAs		Under common control
Other TVET Colleges		Under common control
National Student Financial Aid Scheme's		Under common control
National Skills Fund		Under common control
Related party transactions		
Income received		
Department of Higher Education and Training - Persal Allocation	99 288 591	94 635 000
Department of Higher Education and Training - Operational Allocation	33 001 298	36 805 000
Department of Higher Education and Training - Capital Allocation	6 162 545	25 110 640
Council per Diem		
Mr Khanyile S	165 653	131 240
Prof Ndevu Z	147 947	206 561
Mr Masire L	121 640	147 542
Mr Ntsho A	106 130	75 305
Mr Fitshane S	119 529	115 213
Mr Gcasamba M	141 473	98 009
Mrs Fokazi B	107 997	93 067
Mrs Mhlambi-Nqikashe A	95 249	111 392
Prof Chinyamurindi	124 488	105 455
Audit Committee Per diem		
Mrs Ntshanga N	69 602	67 544
Mr Manthe W	62 192	52 384
Mr Mashalaba T	28 695	22 206
Balances owed by other SETAs		
W & R SETA	310 500	27 000
CETA	1 441 887	1 308 833
AGRI SETA	360 000	1 552 500
LG SETA	13 800	13 800
ETDP SETA	656 863	30 000
FASSET	2 934 038	-
MICT SETA	2 281 420	476 470
HEAIDS	3 510	3 510
CATHSSETA	61 500	61 500
INSETA	100 200	-
BANK SETA	20 000	-
Balances owed by other TVET Colleges		
Buffalo City TVET College	5 177	5 177
East Cape Midlands TVET College	5 177	5 177
Ikhala TVET College	5 177	5 177
Ingwe TVET College	5 177	5 177
Lovedale TVET College	5 177	5 177
Port Elizabeth TVET College	5 177	5 177
Balances owed by Controlling entity		
Department of Higher Education and Training	13 087 049	23 241 696
Balances owed to related parties		
National Student Financial Aid Scheme (NSFAS)	10 717 606	7 979 740
National Skills Fund (NSF)	709 127	7 423 073
Key management / Governance information		

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

30. Related parties (continued)

Council Members	Name	
Chairperson	Prof Ndevu Z	
Deputy Chairperson	Mrs Mhlambi-Nqikashe A	
Member	Mr Masire L	
Member	Mr Ntsho A	
Member	Mr Fitshane S	
Member	Mr Khanyile S	
Member	Mrs Fokazi B	
Member	Prof Chinyamurindi W	
Member	Mr Gcasamba M	
Member	Mr Masiko T	
Member	Mrs Peppeta L	
Member	Ms Zengele T	
Acting College Principal	Mr Ntlangano TE	
Member	Ms Pendu A	Elected on 22 August 2023
Member	Ms Stuma A	Elected on 22 August 2023
Member	Ms Jonas Z	Term ended on 21 August 2023
Member	Ms Mpoiya T	Term ended on 21 August 2023
Audit Committee Members	Name	
Chairperson	Mrs Ntshanga N	
Member	Mr Manthe W	
Member	Mr Mashalaba T	
College Senior Management	Name	
Principal	Ms Balfour N	Retired 28 February 2022
Deputy Principal Registrations / Acting Principal	Mr Ntlangano TE	Acting College Principal from 1 March 2022
Deputy Principal Academics	Ms Zengele T	
Deputy Principal Corporate Services	Mr Mbengo IT Dr	
Acting Deputy Principal Corporate Services	Katase LE	
Deputy Principal Finance	Mr Mtinso SB	Resigned 31 March 2022
Acting Deputy Principal Finance	Ms Sweleni V	1 April 2022 to 31 July 2023
Support Deputy Principal Finance	Mr Poni Z Mr	1 April 2022 to 31 August 2023
Principal Finance	Gulwa M	Appointed 1 August 2023

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

30. Related parties (continued) Remuneration of management Remuneration of Senior Management 2023

Name	Basic salary			Medical Aid Other benefits	Pension Total benefits allowances	Termination pensionable	Non- allowance	Housing received
Mr TE Ntlangano - Deputy Principal Registrations / Acting Principal	735 191	11 154	95 575	-	54 856	14 400	209 159	1 120 335
Mr IT Mbengo - Deputy Principal Corporate Services	121 778	-	15 831	-	27 047	-	17 660	182 316
Ms TB Zengele - Deputy Principal Academics	719 145	21 950	93 489	-	56 816	-	60 844	952 244
Ms. V Sweleni- Acting Deputy Principal Finance*	438 110	53 304	56 954	-	4 350	19 619	-	572 337
Mr M Gulwa - Deputy Principal Finance **	279 657	-	36 355	-	60 193	-	50	376 255
Dr LE Katase - Acting Deputy Principal Corporate Services ***	615 862	48 104	80 062	-	19 619	-	25 266	788 913
Mr Z. Poni - Support DPF****	622 442	-	-	66 198	4 920	-	-	693 560
	3 532 185	134 512	378 266	66 198	227 801	34 019	312 979	4 685 960

* Ms. V Sweleni started as Acting Deputy Principal Finance from 1 April 2022 until 31 July 2023.

** Mr M Gulwa was appointed as Deputy Principal Finance on 1 August 2023.

*** Dr LE Katase started as Acting Deputy Principal Corporate Services from March 2023.

**** Mr Z. Poni was started as Support Deputy Principal Finance from 1 June 2022 to 31 August 2023. **2022**

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

30. Related parties (continued)

Name	Basic salary			Medical aid Other benefits	Pension Total benefits allowances	Termination pensionable	Non- allowance	Housing received
Ms N Balfour - Principal *	141 727	2 880	18 425	654 790	46 270	-	18	864 110
Mr IT Mbengo - Deputy Principal Corporate Services	655 324	-	85 192	-	161 391	-	113	902 020
Ms TB Zengele - Deputy Principal Academics	685 434	-	89 106	-	90 567	-	113	865 220
Mr TE Ntlangano - Deputy Principal Registrations**	695 721	12 168	90 444	-	65 063	14 400	113	877 909
Mr SB Mtintso - Deputy Principal Finance***	238 851	-	31 051	-	78 094	-	36	348 032
Ms V Sweleni- Acting Deputy Principal Finance****	405 687	50 892	52 739	-	17 400	18 471	-	545 189
Mr Z. Poni - Support DPF*****	509 032	-	-	-	11 480	-	-	520 512
	3 331 776	65 940	366 957	654 790	470 265	32 871	393	4 922 992

* Ms N Balfour (College Principal) retired on the 28 February 2022.

** Mr SB Mtintso (Deputy Principal Finance) resigned 31 March 2022.

Mr TE Ntlangano started as Acting College Principal from 1 March 2022 *Ms. V

Sweleni started as Acting Deputy Principal Finance from 1 April 2022

***** Mr Z. Poni was started as Support Deputy Principal Finance from 1 June 2022.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

2023 2022

31. Risk management

Financial risk management

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

The college's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the college's financial performance. Risk management is carried out by a finance division under policies approved by the college.

The college provides written principles for overall risk management, as well as written policies covering specific areas.

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.

Credit risk

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

Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

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

Financial instrument	2023	2022
Cash and cash equivalents	105 589 412	112 536 495
Receivables from exchange transactions	25 479 045	9 456 133

Market risk

Interest rate risk

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

Cash flow interest rate risk

Financial instrument	Current interest rate	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
Trade and other payables normal credit terms	- %	28 227 207	-	-	-	-

32. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	25 479 045	-	25 479 045
Cash and cash equivalents	-	105 589 412	105 589 412
	25 479 045	105 589 412	131 068 457

Financial liabilities

2023 2022

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

32. Financial instruments disclosure (continued)

	At cost	Total
Trade and other payables from exchange transactions	28 227 207	28 227 207

2022

Financial assets

	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	9 456 133	-	9 456 133
Cash and cash equivalents	-	112 536 495	112 536 495
	9 456 133	112 536 495	121 992 628

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	21 473 097	21 473 097

33. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	1 335 960	6 511 718
---------------------------------	-----------	-----------

Total capital commitments

Already contracted for but not provided for	1 335 960	6 511 718
---	-----------	-----------

Total commitments

Total commitments

Authorised capital expenditure	1 335 960	6 511 718
--------------------------------	-----------	-----------

34. Going concern

We draw attention to the fact that at 31 December 2023, the college had an accumulated surplus (deficit) of 167 722 123 and that the college's total assets exceed its liabilities by 167 722 123.

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 College is substantially funded by the Department of Higher Education, Science and Innovation through the provision of Programme Funding grant for PERSAL and Goods and Services using the planned College enrolments, Full Time Equivalents (FTEs) and the Funding Grid. Most students of the College are funded by the National Students Financial Aid Scheme (NSFAS), and the student fees for the NSFAS funded students are covered by NSFAS. The 2024 College budget as approved and the estimated income to be received by the College was based on the above calculations. Therefore management has no doubt that the College will continue as a going concern in the 2024 financial year.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

35. Events after the reporting date

Adjusting events:

Management is not aware of any adjusting events which occurred after the reporting date.

Non-adjusting events:

Management is not aware of any other non-adjusting events which occurred after the reporting date.

36. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance that have been affected by prior-year adjustments. The restatements reflected below are due to:

N1: Note 3 for Receivables from exchange transactions has been amended to reverse the SETA as receivables as they do not meet the definition of a receivable. Also the related impairment has also been reversed.

N2: Note 4 has been amended to include Statutory receivables and other non-exchange receivables as SETA are considered to be non-exchange.

N3: Note 38 has been amended to derecognise has been amended to reverse the SETAs as payables as they do not meet the definition of a payable.

N4: Note 14 has been amended to remove SETA admin fees from exchange revenue to non-exchange..

N5: Note 25 for Provision for debt impairment has been amended to reverse impairment on SETAs that are not considered to be exchange receivables.

Statement of financial position

2022

	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions	3	10 618 423	(1 162 290)	9 456 133
Statutory and non-exchange receivables	4	23 241 696	952 499	24 194 195
Payables from non-exchange transactions	38	2 398 354	(2 398 354)	-
		36 258 473	(2 608 145)	33 650 328

Statement of financial performance

2022

	Note	As previously reported	Correction of error	Restated
Other income	14	514 126	(309 390)	204 736
Project income		-	309 390	309 390
Debt impairment	25	(23 473 299)	2 188 563	(21 284 736)
Surplus for the year		(22 959 173)	2 188 563	(20 770 610)

37. Segment information

General information

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

37. Segment information (continued)

Identification of segments

The college does not operate or maintain any information regarding any possible segment. Its budgeting, operations and reporting are not as such and it is impractical to determine such information.

The college is not organised nor does it reports to management on the basis of any segment or functional areas.

The College prepares financial information and reports for the College as a whole. There are no activities that are reported on separately, therefore the College does not have any reportable segments and segment reporting is not applicable.

INFORMATION ABOUT GEOGRAPHICAL AREAS

The College operations are in the Eastern Cape province. The College have several campuses: Teko Campus, Centane Campus, Msobomvu Campus, Dutywa Campus, Willowvale Campus and Admin Centre. Separate financial information is not available for the individual campuses and the cost to develop it would be excessive.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
38. Payable from non-exchange		
Amounts payable	1 044 959	-

Figures in Rand	2023	2022
39. Accounting by principals and agents		

The College acts as an agent on agreements entered with INSETA, BANK SETA, AGRI SETA, EW SETA, MQA, MICT SETA, CHIETA, AGRI SETA, FASSET, WRSETA and MERSETA.

The College has agreements with the SETAs to pay stipends to students and procure other learning materials on their behalf.

Resources held on behalf of the principal, but recognised in the College's own annual financial statements.

Payables from non exchange transaction relating to SETAs	1 769 481	-
Amount received from SETAs	10 874 866	-
Amount paid for stipends	(8 814 322)	-
Amount recognised as revenue for Admin Fees	(291 063)	-

40. Change in estimate

Property, plant and equipment

The residual value of vehicles was estimated in 2022 to be R1. In the current period management has revised their estimate to 20% of the original cost of vehicles.

The change was necessitated by the industry norm of setting the residual value for vehicles at 20% of the original cost as there is an active market for used cars that have reached the end of their useful lives.

The effect of this revision has decreased the depreciation charges for the current and future periods as follows

:

Current year R131 988

Future years R1 808 060

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

2 SUPPLEMENTARY INFORMATION

1. College Infrastructure and Efficiency Grant (CIEG)

Disclosure items	2023	2022
Opening balance	90 370 201	64 938 595
Total CIEG Grant funding received from DHET	6 162 545	23 948 098
Plus: Interest received on the CIEG dedicated bank account	6 945 595	3 974 759
Less: Expenditure paid	(8 183 429)	(2 491 251)
Less: Committed expenditure	-	-
	95 294 912	90 370 201

2. Fruitless and wasteful expenditure

Opening balance	281 965	89 548
Add: Expenditure identified - current Less: Expenditure condoned	26 913	192 417
	308 878	281 965

N2: Fruitless expenditure incurred in 2022 mainly relates to ECDC - R77 466, Amathole R26 913, SARS - R77 340 and Late payment Interest for cars - R10 698. Investigations in respect of these amounts have not been concluded

The 2023 fruitless and wasteful expenditure is the same as that of 2022, it relates to Amathole for Teko municipal bill.

3. Irregular expenditure

N1*: The opening balance of irregular expenditure was incurred in 2020 and has been fully investigated and consequence management took place in 2023. It will be brought to council for write-off in 2024.

N2** The irregular expenditure incurred in 2023 relates to procurement that was conducted using B-BBEE and not the specific goals as required by the revised 2022 PPPFA. The circumstances around the expenditure are still under investigation.

Disclosure items	2023	2022
Opening balance*	516 444	516 444
Add: Expenditure incurred - current **	16 409 903	-
Add: Expenditure incurred - relating to prior years identified in the current year	-	-
Less: Written off (Condoned)	-	-
	16 926 347	516 444