



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



KING HINTSA TVET COLLEGE

2025

ANNUAL

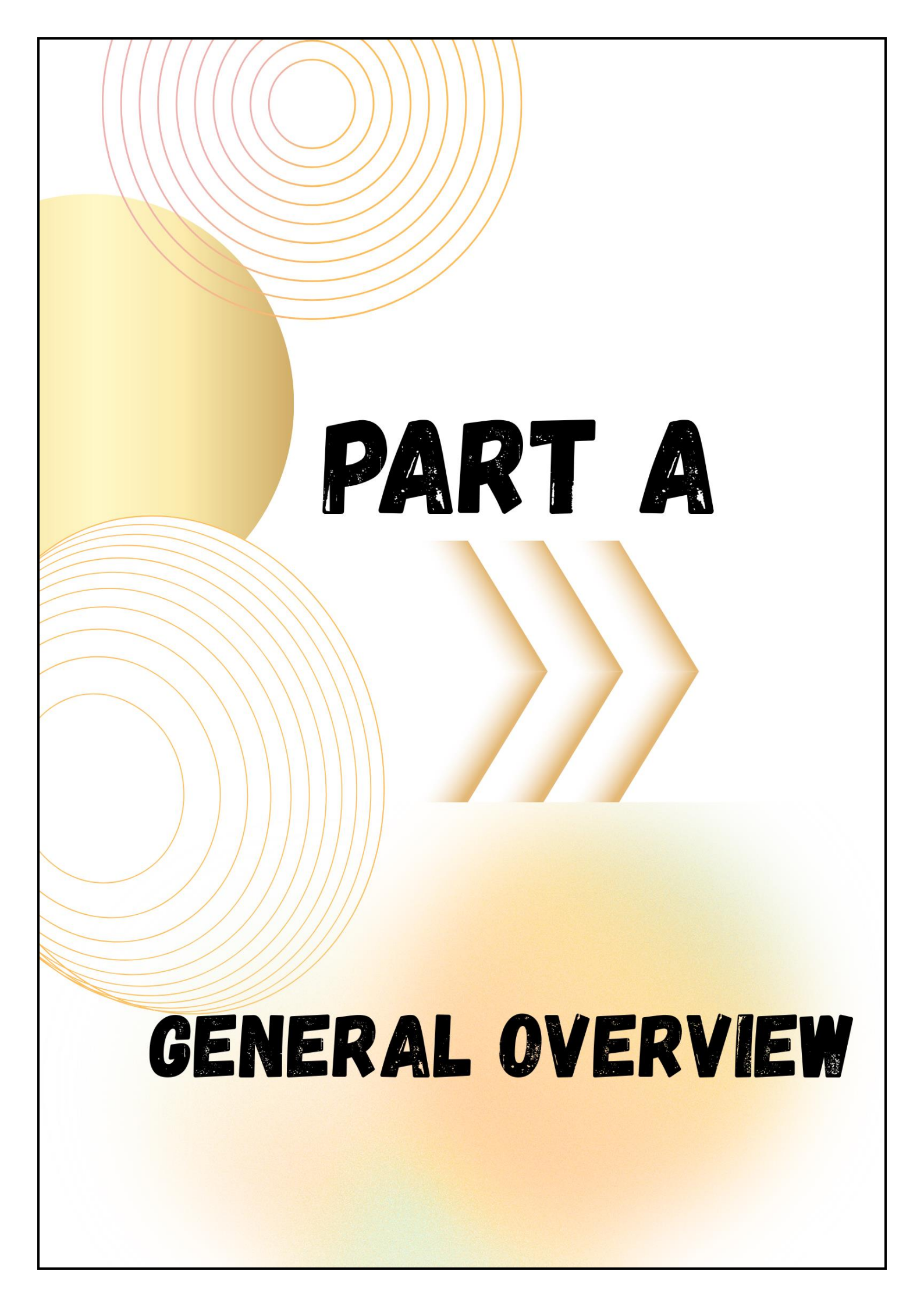
PERFORMANCE REPORT

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Abbreviations and Acronyms

APP	Annual Performance Plan
COS	Centre of Specialisation
ARC	Audit and Risk Committee
HOD	Head of Department
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
AD	Assistant Director
SRC	Student Representative Council
SCM	Supply Chain Management
ICT	Information Communications Technology
MIS	Management Information System



PART A

GENERAL OVERVIEW

College Profile

King Hintsa TVET College was established through the merger of the former Centane Technical College, Teko Technical College, H.B. Tsengwa Technical College and the Idutywa Satellite Campus, formerly known as Idutywa Community College.

The College is situated in the South-Eastern Region of the Eastern Cape, with its Central Administration Office located on the N2 Mthatha Road in Butterworth.

The College operates across the Mquma and Mbashe Local Municipalities.

The Centane, Teko and Msobomvu Campuses, together with the Administration Centre, are situated within the Mquma Local Municipality, while the Dutywa and H.B. Tsengwa Campuses are situated within the Mbashe Local Municipality. The campuses are geographically dispersed, with an approximate distance of 60 km between them.

King Hintsa TVET College offers NC(V), Report 191 (NATED) and Skills Development Programmes across its campuses. The College is recognised for providing education and training opportunities to adults, out-of-school youth and project-linked trainees, accommodating learners from diverse educational and socio-economic backgrounds.

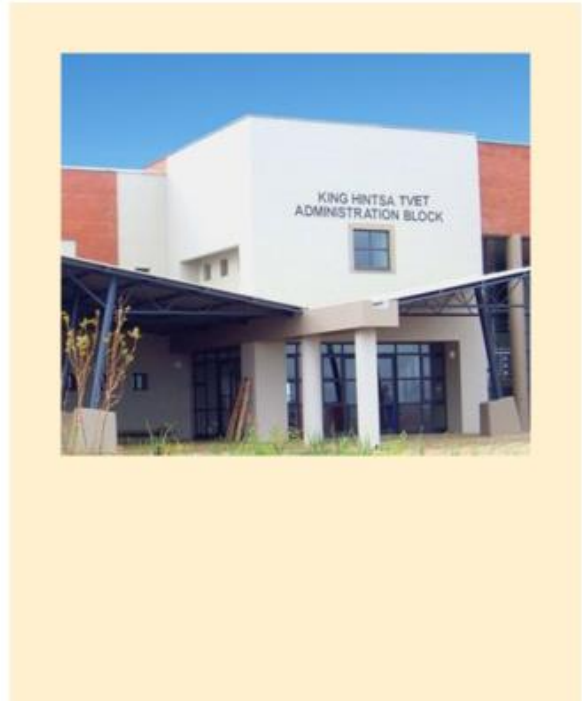
The College remains committed to addressing the socio-economic needs of the broader community through innovation, skills development and the delivery of responsive programmes that contribute to sustainable community development and economic growth.



Vision – What we aspire to be
Mission – What we do and why we exist
Values – What guides our conduct and decisions

 **Vision**

An innovative 21st century skills hub recognized for training academic and technical excellence responsive to social and economic needs of our communities.



 **Mission**

A rural TVET College that provides quality Skills & Training that contributes to the development of our communities for South African economic growth.

Our Values



Service Excellence

We are aligning the quality of our services with the principles and quality outlined in the Batho Pele, Both inside and outside the classroom.



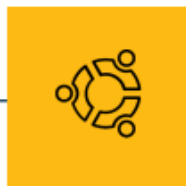
Collaboration

Our partnership with stakeholders are sustainable, ethical and user friendly.



Respect

Our employees admire and appreciate all stakeholders are dependent on the success and contribute to the success of our institution.



Ubuntu

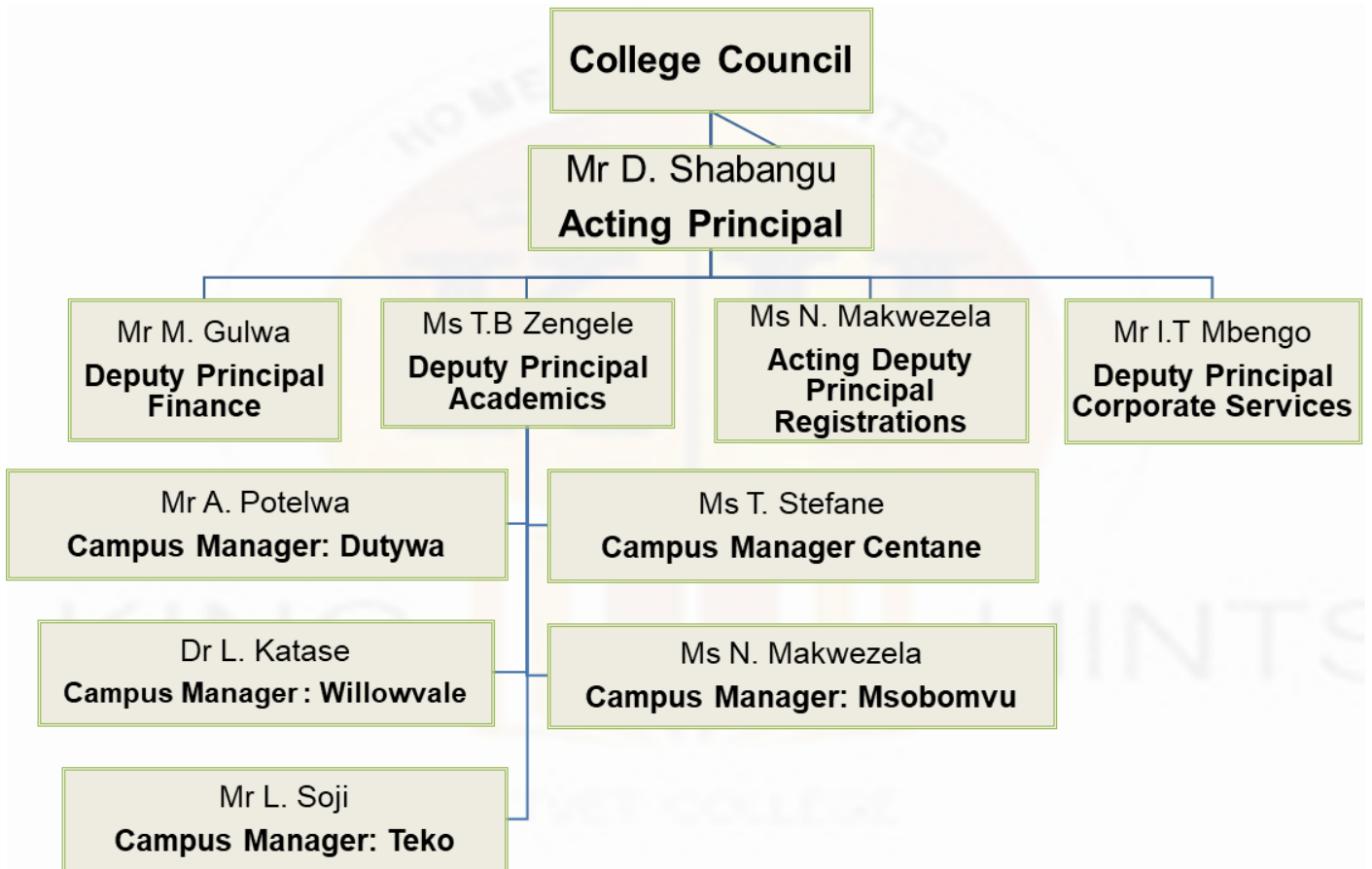
Our employees strive to be compassionate and uphold humanity.



Mindful

Our employees are alert and informed pf the internal & external world.

High level Organogram



Message from the Chairperson of Council



It is my privilege to present the 2025 annual report of King Hintsa TVET College. This report reflects not only our institutional performance academically, on student support, financial management and corporate governance but also our unwavering commitment to advancing quality technical and vocational education within our rural communities. Operating in a rural context presents unique challenges and

profound opportunities. King Hintsa TVET College continues to play a critical role in expanding access to vocational education for communities that are often underserved, contributing meaningfully to local economic development, youth empowerment, and the broader national agenda of inclusive growth.

During the year under review (2025), Council remained steadfast in its governance responsibilities, ensuring accountability, transparency, and sound oversight of the College's strategic direction. We are encouraged by the progress made in strengthening institutional capacity and financial management, improving student support systems, and aligning our programmes to meet the evolving labour market needs.

Despite ongoing constraints, including human resource limitations, infrastructure pressures due to the age of some of our campuses, and socio-economic challenges faced by our students, the College has demonstrated resilience and adaptability. The dedication of Management, Staff, and Students has been instrumental in sustaining academic delivery and enhancing the overall student experience.

Council continues to prioritise partnerships with industry, government, and community stakeholders to ensure that our programmes remain relevant and responsive. These collaborations are essential in bridging the gap between education, employment and entrepreneurship, particularly within rural economies where opportunities must be deliberately and intentionally cultivated.

As we look ahead, our focus remains on consolidating governance excellence, strengthening financial sustainability, and enhancing the quality and accessibility of our programmes.

On behalf of the Council, I extend sincere appreciation to the College Principal, Management team, Staff, Students, and all Stakeholders, your collective efforts are vital in advancing the mission of the College and in uplifting the communities we serve.



Prof Z. Ndevu

30 June 2026

Date

Accounting Officer's foreword



It is my honour and privilege to present the 2025 Annual report of King Hintsa TVET College, reflecting on a year of resilience, growth, and continued commitment to serving the communities of the Amathole District Municipality and beyond.

As a rural TVET College situated within the Eastern Cape, our mandate goes beyond the provision of education, we are a vital instrument for social and economic transformation. We remain dedicated to equipping our students with relevant technical and vocational skills that empower them to participate meaningfully in the local economy and contribute to national development.

The 2025 academic year was characterised by both progress and persistent challenges. Our College continued to navigate resource constraints, infrastructure limitations, and the socio-economic realities faced by many of our students and staff. Despite these challenges, we are proud of the strides made in improving curriculum delivery, strengthening student support services, and enhancing the quality of teaching and learning.

We have placed strong emphasis on aligning our programmes with industry demands and the needs of our rural economy. Through partnerships with local stakeholders, industry players, and government entities, we have worked to expand opportunities for work-integrated learning, apprenticeships, and skills development initiatives.

Student success remains at the centre of our mission. In 2025, we intensified our focus on academic support, career guidance, and student well-being, recognising that success requires a holistic approach. We are encouraged by improvements in student retention and progression, which reflect the determination of our students and staff.

I would like to extend my sincere appreciation to the College council for its strategic guidance and oversight, as well as to our management team, lecturers, and support staff for their unwavering commitment.

We are committed to building a responsive, inclusive, and high-performing institution that meets the evolving needs of the Eastern Cape and the country at large, together, we will continue to position King Hintsa TVET College as a cornerstone of skills development and opportunity in the Amathole District.

A handwritten signature in black ink, appearing to be 'D. Shabangu', written over a circular scribble.

Mr D. Shabangu
Acting Principal

30/06/2026

Date

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 the College 2025 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 (DHET).
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 control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
6. The Auditor-General and/or external auditors express an independent opinion on the annual financial statements.



Mr D. Shabangu
Acting Principal

30/06/2026

Date

Legislation and other directives

Legislative framework

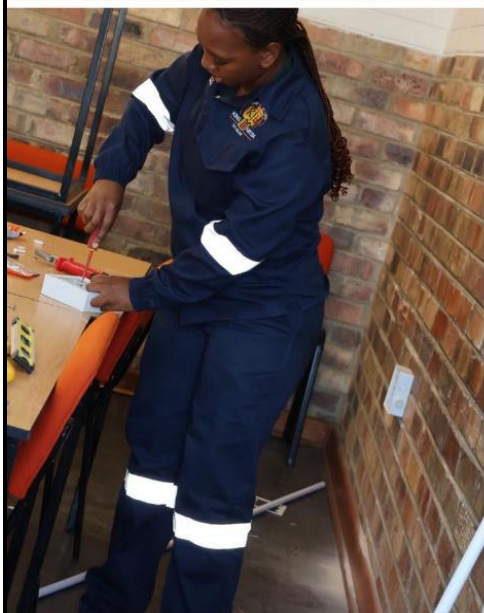
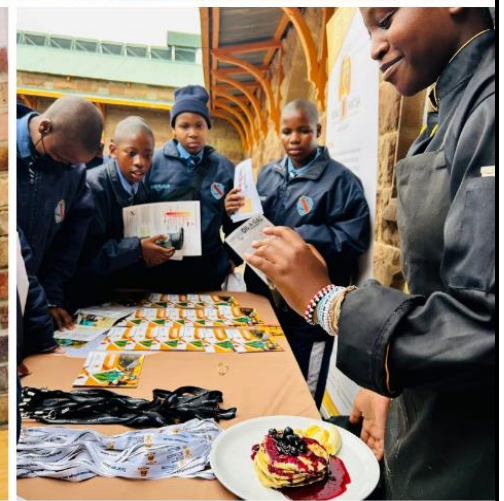
King Hintsa TVET College is enjoined by Section 44(3) of the CET Act, read in conjunction with section 25(3) of the same Act to prepare and submit to the Minister for Higher Education and Training an annual report.

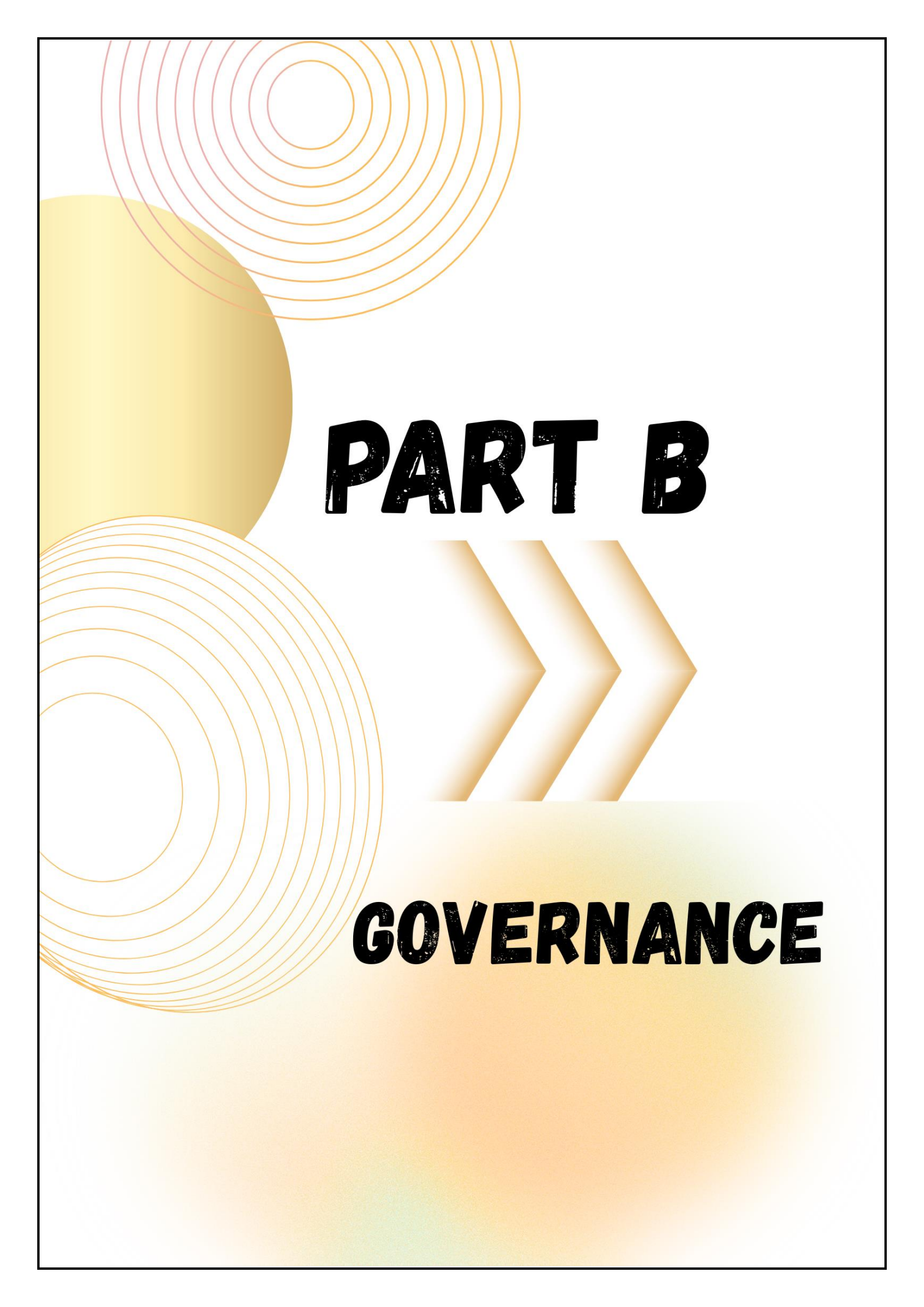
In terms of Sections 25(3) and 25(4) of the Continuing Education and Training (CET) Act, No 16 of 2006 (as amended), public technical and vocational education and training (TVET) Colleges are required to produce annual and financial reports and to comply with any reasonable additional reporting requirement established by the Minister of higher education and training. 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.

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;
- National Skills Development Strategy.
- National Trade Testing Regulations.
- SETA Grant Regulations.
- 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
- 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)
- In addition, the White Paper for Post-School Education and Training mandates delivery and strategic priorities in the TVET Colleges sector.





PART B



GOVERNANCE

Report of the Chairperson of Council

Composition of the College Council



Prof. Z. Ndevu
Section 10 (4b) – Chairperson



Mr T. Ntutu
Section 10 (4b) - Deputy Chairperson



Mr D. Shabangu
Section 10 (4a) - Acting Principal



Mr A.S Nzimakwe
Mr Section 10 (4b) - Council Member



Mr M. Singatha
Section 10 (4g) - SRC President



Mr L. Tembani
Section 10 (4g) - SRC Secretary



Mr M.B.J. Malusi
Section 10(4f) - Support Staff Rep.



Ms N. Ngcaba
Section 10(4e) - Lecturing Staff Rep.



Mr P. Mdleleni
Section 10(6) - Council Member



Mr S. Lunguza
Section 10 (4b) - Council Member



Ms N. Ntlanga
Section 10(6) - Council Member



Mr A. Dumako
Section 10(6) - Council Member



Mr L. Solven
Section 10(4c) - Academic Board Rep.



Mrs N. Ntshanga
Independent Member



Ms N. Nyatela
Section 10 (6) - Council Member

- Mrs B. Fokazi **Section 10 (4b)** – Resigned on the 08 March 2025.
- Ms N. Ntshanga – Appointed as an independent Member in November 2025.
- Mr I.T Mbengo – Was appointed as an Acting Principal from the November 2024 – Sept 2025.
- Donor Member – Vacant.

Council meetings held in the year 2025

Council meeting	Purpose
4th quarter meeting 22 February 2025	<ul style="list-style-type: none"> • College readiness for the introduction of occupational qualifications. • Progress on the upgrading of College workshops. • Review and adoption of an action plan to address infrastructure challenges in Teko campus. • Nomination of Council Chairperson and Deputy Chairperson. • Constitution of sub-committees of Council. • Presentation of the 4th quarter College performance report to Council. • Capacitation of the College ICT unit.
Special meeting 31 March 2025	Review and adoption of the 2024 Annual Financial Statements.
1st quarter meeting 24 May 2025	<ul style="list-style-type: none"> • Shortlisting of Audit & Risk Committee Members. • Update on College litigation matters. • Progress on readiness for the introduction of occupational qualifications. • To discuss and provide some advice on challenges encountered within the SCM unit. • Update on handover of the Centane industrial kitchen. • College readiness for the instruction of new programmes (Transport & Logistics) in Willowvale campus.
Special meeting 30 June 2025	<ul style="list-style-type: none"> • Review and adoption of the 2024 Annual Performance Report. • Approval of the 3year CIEG & Facilities maintenance plan. • Presentation of the 2024 audit outcome. • Progress on filling of 2 critical positions (SCM Manager & Project Manager). • Review and approval of a motivation for additional funding for submission to the Department of Higher Education & Training and National Treasury. • Deliberation on challenges encountered on the constitution of the College SRC. • Discussion of governance issues raised during the maturity model review session.
2nd quarter meeting 16 August 2025	<ul style="list-style-type: none"> • Underspending on CIEG Vs the state of College infrastructure. • Progress on the appointment of an implementation agent. • Upgrading of the Engineering & Related Designs workshop. • Deliberate on filling of vacancy in Council (section 10.4b) • Review and approval of the audit improvement plan. • Approval of the disposal of assets and recommendation of disposal of assets by the Minister. • Report on constitution of the College SRC.
3rd quarter meeting 15 November 2025	<ul style="list-style-type: none"> • Retrospective approval 2026/27 College funding grid, 2026 2026 – 2023 College strategic plan Annual performance plan 2026/27 • Review and adoption of terms of reference of the ICT steering committee. • Review and adoption of the Audit Committee Charter. • Progress on litigation cases. • Discussion of the vacancies in Council (Donor Member & section 10 4b member). • College readiness for the introduction of occupational qualifications and introduction of new programs.
Special meeting 19 June 2025 11 September 2025	<ul style="list-style-type: none"> • Meeting between the College Council, Management and the DHET TVET Institutional Support unit to attend to infrastructure challenges in Teko campus. • Establishment of an infrastructure task team and distribution of roles and responsibilities.

Constitution of Governance Structures & Reports by the Committees

HR Committee		
#	Title, Initials & Surname	Designation
1.	Mr S. Lunguza	Chairperson
2.	Mrs B. Fokazi	Council Member (resigned 8/03/2025)
3.	Mr A Dumako	Council Member
4.	Ms N. Ntlanga	Council Member
5.	Mr M.B.J. Malusi	Council Member
6.	Mr I.T Mbengo	<ul style="list-style-type: none"> • Acting Principal (Acting period ended September 2025) • Deputy Principal Corporate Services
7.	Mr D. Shabangu	Acting Principal (Acting period started in October 2025)
8.	Mr M. Gulwa	Deputy Principal Finance
9..	Dr L. Katase	Acting Deputy Principal Corporate Services
10.	Ms T.B Zengele	Deputy Principal Academics

In 2025, the Human Resources Committee continued to provide strategic oversight on human resource management, labour relations, staff development, and organisational effectiveness within the College.

During the year under review, the Committee monitored the implementation of the Work Skills Plan and staff development initiatives aimed at improving organisational capacity, with particular emphasis on preparing staff for the transition to occupational qualifications. Training programmes were implemented for lecturers, management, and administrative staff, supported by funding secured from ETDPSETA and internal bursary. While progress was recorded, not all planned training targets were achieved, and some interventions were deferred to the 2026 academic year due to budget constraints.

The Committee further exercised oversight over recruitment, workforce planning, and HR systems, noting challenges arising from the DHET moratorium on posts, payroll threshold limitations, and budget constraints, which impacted the filling of vacancies. In response, the Committee supported management's approach to prioritise internal staff utilisation and explore alternative staffing models.

Progress was also made in implementing an electronic leave management system through the ITS platform to improve attendance and leave administration processes. In addition, the Committee maintained oversight of employee relations and wellness programmes, monitored engagement with organised labour, and ensured compliance with applicable frameworks, including DPSA salary scales, PMDS processes, and employment equity requirements.

Despite capacity constraints and operational challenges, the Committee continued to promote sound HR governance, accountability, and improved human capital management in support of the College's strategic objectives.

Finance Committee		
#	Title, Initials & Surname	Designation
1.	Mrs B. Fokazi	Chairperson (resigned 8/03/2025)
2.	Prof Z. Ndevu	Interim Chairperson
3.	Mr P. Mdleleni	Council Member
4.	Mr L. Solven	Council Member
5.	Mr I.T Mbengo	<ul style="list-style-type: none"> Acting Principal (Acting period ended September 2025) Deputy Principal Corporate Services
6.	Mr D. Shabangu	Acting Principal (Acting period started in October 2025)
7.	Mr M. Gulwa	Deputy Principal Finance
8.	Dr L. Katase	Acting Deputy Principal Corporate Services
9.	Ms T.B Zengele	Deputy Principal Academics
10.	Mrs N. Ntshanga	Independent Member

In 2025, the Finance Committee continued to provide strategic oversight over the College's financial management, supply chain management, asset management, and financial governance processes.

Following the receipt of a **qualified audit opinion for the 2024 financial year**, the Committee placed significant emphasis on improving the College's audit outcomes. Key areas of focus included monitoring the implementation of the Audit Improvement Plan, overseeing the preparation and submission of the 2025 Annual Financial Statements, and strengthening internal controls.

The Committee also monitored debt management and revenue collection initiatives, noting improvements in student fee collections and NSFAS funding receipts. In addition, it maintained oversight of supply chain management processes, including procurement planning, contract management, and the implementation of an electronic procurement system. Attention was given to addressing procurement backlogs and strengthening controls to improve procurement efficiency, accountability, and compliance.

The Committee further exercised oversight over asset management processes, including the approval of disposal of obsolete assets in accordance with approved policies and applicable legislative requirements.

During the reporting period, the Committee experienced a vacancy following the resignation of its Chairperson in March 2025. To ensure continuity of financial oversight and maintaining the required level of financial expertise within the governance structures, Council, acting on guidance received from the DHET, made a temporary appointment of an independent advisor with financial expertise to support both the Committee and Council pending the finalisation of the appointment process by the DHET.

The Committee further considered and recommended several matters for approval by Council, including the Audit Improvement Plan, disposal of assets, amendments to the 2025 College fee structure, and other financial governance matters requiring higher-level consideration.

Through its oversight role, the Committee continued to promote sound financial governance, accountability, transparency, and the effective utilisation of College resources in pursuit of the institution's strategic objectives, while driving initiatives aimed at improving future audit outcome.

Audit & Risk Committee		
#	Title, Initials & Surname	Designation
1.	Mrs N. Ntshanga	Chairperson (Term ended in July 2025)
2.	Mr W. Manthe	External member (Term ended in July 2025)
3.	Mr T. Mashalaba	External member (Term ended in July 2025)
4.	Ms V. Hlehliso	Chairperson
5.	Mr A. Gonzalves	External member
6.	Ms. S. Mhambi	External member
7.	Mr I.T Mbengo	<ul style="list-style-type: none"> Acting Principal (Acting period ended in September 2025) Deputy Principal Corporate Services
8.	Mr D. Shabangu	Acting Principal (Acting period started in October 2025)
9.	Dr L. Katase	Acting Deputy Principal Corporate Services
10.	Ms N. Makwezela	Acting Deputy Principal Registrations
11.	Mr L. Solven	Acting Office Manager
12.	Ms T.B Zengele	Deputy Principal Academics
13.	Mr M. Gulwa	Deputy Principal Finance
14.	Mr N. Makupula	Internal Audit Manager
15.	Ms B. Pamla	Internal Auditor
16.	Ms N. Ndzamela	Risk Officer

The Audit and Risk Committee continued to fulfil its oversight responsibilities by providing independent oversight over governance, risk management, internal controls, financial reporting, ICT governance, and audit processes.

The Committee convened all scheduled quarterly meetings during the reporting period, including a combined meeting with the Finance Committee to consider the 2024 Annual Financial Statements. Oversight was strengthened through enhanced monitoring and reporting mechanisms aimed at improving accountability and institutional performance.

The Committee closely monitored the implementation of the audit action plan and reviewed both internal and external audit reports to ensure that management addressed identified findings. Following the receipt of a **qualified audit opinion for the 2024 financial year**, intensified oversight was undertaken to strengthen internal controls, improve compliance, and support improved audit outcomes.

Ongoing oversight was provided on enterprise risk management, fraud prevention, compliance management, financial controls, and ICT governance. The Committee regularly considered reports on institutional risks, internal audit activities, litigation matters, and governance compliance to support effective decision-making and risk mitigation.

During the year, the term of office of 3 ARC members concluded after serving 2 consecutive terms. Council appointed 3 new members with effect from July 2025, and a comprehensive handover process was completed to ensure continuity.

The Committee also monitored key institutional risks, including vacancies in critical positions, procurement delays, internal audit capacity constraints, and litigation matters, and made appropriate recommendations to Management and Council to strengthen organisational resilience.

These interventions contributed to the College achieving an **unqualified audit opinion for the 2025 financial year**, with a significant reduction in audit findings raised by the AGSA.

The ARC remains committed to strengthening good governance, accountability, transparency, effective risk management, and internal control systems in support of the College's strategic objectives.

Research & Innovation Committee		
#	Title, Initials & Surname	Designation
1.	Mr A. Dumako	Chairperson
2.	Mr P. Mdleleni	Council Member
3.	Ms N. Nyatela	Council Member
4.	Ms N. Ngcaba	Council Member
5.	Mr L. Lunguza	Council Member
6.	Mr I.T Mbengo	<ul style="list-style-type: none"> • Acting Principal (Acting period ended September 2025) • DP Corporate Services
7.	Mr D. Shabangu	Acting Principal (Acting period started in October 2025)
8.	Ms T.B Zengele	DP Academics
9.	Ms N. Makwezela	Acting DP Registrations
10.	Mr L. Soji	Campus Manager - Teko
11.	Mr L. Solven	Academic Manager

The Committee oversaw the College's research, innovation, entrepreneurship, occupational programmes, and farm activities. Good progress was made in student entrepreneurship programmes, partnerships, research activities, and the implementation of learnerships and skills programmes. The College farm also continued to support practical training for students.

However, some challenges were noted. These include low student interest in entrepreneurship, not enough workplaces for student placement, limited funding, and infrastructure problems, including those affecting the farm. The Committee also recommended the development of a farm strategy to improve planning and farm performance.

Overall, the Committee supported the growth of research, innovation, and practical training at the College, but highlighted the need to improve partnerships, resources, and infrastructure in the College farm.

Student Support Services Committee		
#	Title, Initials & Surname	Designation
1.	Mr A.S Nzimakwe	Chairperson
2.	Mr T. Ntutu	Council Member
3.	Ms N. Nyatela	Council Member
4.	Mr M.B.J. Malusi	Council Member
5.	Mr S. Matemba	SRC President
6.	Mr L. Tembani	SRC Secretary
7.	Mr I.T Mbengo	<ul style="list-style-type: none"> Acting Principal (Acting period ended September 2025) Deputy Principal Corporate Services
8.	Mr D. Shabangu	Acting Principal (Acting period started in October 2025)
9.	Ms T.B Zengele	Deputy Principal Academics
10.	Mr L. Soji	Campus Manager - Teko
11.	Mr A. Potelwa	Campus Manager - Dutywa
12.	Ms N. Makwezela	<ul style="list-style-type: none"> Acting Deputy Principal Registrations Campus Manager – Msobomvu
13.	Ms T. Stefane	Campus Manager - Centane
14.	Dr L. Katase	<ul style="list-style-type: none"> Acting Deputy Principal Corporate Services Campus Manager - Willowvale
15.	Mr L. Solven	Academic Manager
16.	Mr M. Ndinisa	Acting Campus Manager – Msobomvu
17.	Ms N. Makuleni	Acting Campus Manager – Willowvale

In 2025, the Student Support Services Committee continued to provide strategic oversight of student support services, focusing on student success, welfare, and institutional responsiveness. The Committee monitored compliance with DHET requirements relating to student registration, financial aid, and support services, while providing guidance on initiatives aimed at improving student outcomes.

Key areas of oversight included academic support, student leadership governance, and alignment of the SRC Constitution with legislative requirements. The Committee also promoted the capacitation of student leaders to strengthen accountability, representation, and participation in institutional governance.

The Committee monitored student development and placement initiatives, including partnerships with SETAs and industry to enhance employability and work-integrated learning opportunities.

Against a target of **500** placements, the College achieved **281** placements, with the shortfall attributed mainly to funding constraints and limited host employer opportunities.

The Committee further considered challenges affecting student support, including student accommodation and access to specialised services, and provided guidance on mitigation measures. Through its oversight role, the Committee continued to promote a responsive, inclusive, and student-centred environment aligned with the College's strategic objectives.

Physical Infrastructure & Planning Committee		
#	Title, Initials & Surname	Designation
1.	Mr T. Ntutu	Chairperson
2.	Mr S. Lunguza	Council Member
3.	Mr P. Mdleleni	Council Member
4.	Mr L. Solven	Council Member
5.	Mr I.T Mbengo	<ul style="list-style-type: none"> • Acting Principal (Acting period ended September 2025) • Deputy Principal Corporate Services
6.	Mr D. Shabangu	Acting Principal (Acting period started in October 2025)
7.	Dr L. Katase	Acting Deputy Principal Corporate Services
8.	Mr M. Gulwa	Deputy Principal Finance
9.	Ms N. Makwezela	Acting Deputy Principal Registrations

The Committee played an important role in overseeing the strategic planning process and maintenance of the College's infrastructure and CIEG spending during the reporting period. Good progress was made on infrastructure projects such as the renovation of workshops, installation of a backup generator at Willowvale Campus, improvements to fencing at Teko and Centane campuses, and general maintenance across all campuses.

The Committee also monitored major projects, including electricity upgrades, renovation of student hostels, and preparations for the construction of 840-bed student accommodation at Teko Campus. Some projects were completed successfully, while others were still in progress or at the procurement stage at the end of 2025.

College performance against planned targets was also monitored, including student enrolment, programme delivery, lecturer development, and student success rates. The College achieved or exceeded targets in areas such as enrolment, throughput rates, and examination readiness. However, some targets were not achieved, especially in occupational programmes, skills programmes, and student placement due to funding and accreditation challenges.

The Committee also reviewed and recommended the College Strategic Plan and the 2024 Annual Report for Council approval, ensuring alignment between infrastructure, resources, and performance priorities.

Overall, the Committee supported improvements in both infrastructure and College performance, while highlighting the need to strengthen project management, improve funding and partnerships, and continue investing in infrastructure and resources to achieve the College's goals.

ICT Committee		
#	Title, Initials & Surname	Designation
1.	Ms N. Ntlanga	Chairperson
2.	Mr L. Solven	Council Member
3.	Ms N. Nyatela	Council Member
4.	Mrs B. Fokazi	Council Member (resigned 8/03/2025)
5.	Mr I.T Mbengo	<ul style="list-style-type: none"> • Acting Principal (Acting period ended September 2025) • DP Corporate Services
6.	Mr D. Shabangu	Acting Principal (Acting period started in October 2025)
7.	Dr L. Katase	Acting Deputy Principal Corporate Services
8.	Ms N. Makwezela	Acting DP Registrations
9.	Ms L. Malusi	Acting ICT Manager
10.	Mr M. Gulwa	DP Finance

The ICT Committee continued to provide strategic oversight of the College's information and communication technology environment, focusing on improving network stability, infrastructure development, system security, and support for teaching and learning. The Committee monitored compliance with governance standards and guided the implementation of ICT policies and systems aimed at enhancing institutional efficiency and service delivery.

Key areas of oversight included network connectivity across campuses, ICT infrastructure upgrades, procurement of hardware and systems, and the strengthening of cybersecurity measures. The Committee also oversaw the implementation of backup systems, firewall management, and progress on major projects such as re-cabling of campuses and server room maintenance.

Despite these efforts, the Committee noted several challenges impacting ICT performance. These included unreliable network connectivity due to power interruptions and infrastructure limitations, outdated and insufficient computer equipment, and constrained ICT support for teaching and learning.

The ICT Manager position remained vacant throughout the reporting period and was filled in an acting capacity, with the incumbent also performing technical responsibilities, which placed added pressure on leadership and coordination within the unit.

The Committee also monitored capacity building initiatives, including ICT staff training programmes. Progress was made in strengthening governance structures, including policy development and the functioning of oversight committees, to improve accountability and alignment with regulatory requirements.

Through its oversight role, the ICT Committee continued to support the development of a reliable, secure, and responsive ICT environment. However, the Committee emphasised the need for continued investment in infrastructure, modern equipment, and human resource capacity to ensure sustainable ICT services that effectively support teaching, learning, and administration across the College.

Academic board Committee

#	Title, Initials & Surname	Designation
1.	Mr I.T Mbengo	Chairperson & Acting Principal (Acting period ended September 2025)
2.	Mr D. Shabangu	Chairperson & Acting Principal (Acting period started in October 2025)
3.	Prof Z. Ndevu	Council Member
4.	Ms N. Ngcaba	Council Member & Lecturer rep in Council
5.	Mr A.S Nzimakwe	Council Member
6.	Mr S. Matemba	SRC President
7.	Mr L. Tembani	SRC Secretary
8.	Ms T. Zengele	Deputy Principal Academics
9.	Mr L. Solven	Academic Manager & Acting Office Manager
10.	Mrs N. Mantshule	Manager: Examinations and Assessments
11.	Dr L. Katase	Campus Manager – Willowvale campus Acting Deputy Principal Corporate Services
12.	Mr M. Slera	Senior lecturer – Willowvale campus
13.	Ms N. Makuleni	Senior Lecturer – Willowvale campus Acting Campus Manager – Willowvale campus
14.	Ms N. Qayiyana	Senior lecturer – Willowvale campus
15.	Ms X. Mbedu	Lecturer – Willowvale campus
16.	Ms N. Sangqu	Lecturer – Willowvale campus
17.	Mr A. Potelwa	Campus Manager – Dutywa campus
18.	Ms N. Magwaca	Senior Lecturer – Dutywa campus
19.	Ms Z. Sakwe	Lecturer – Dutywa campus
20.	Ms N. Madlavu	Lecturer – Dutywa campus
21.	Ms Y. Mayekiso	Senior Lecturer – Dutywa campus
22.	Ms N. Makwezela	<ul style="list-style-type: none"> • Campus Manager – Msobomvu campus • Acting Deputy Principal Registrations
23.	Mr M. Ndinisa	<ul style="list-style-type: none"> • HOD - Msobomvu campus • Acting Campus Manager - Msobomvu
24.	Ms P. Khwaza	Senior Lecturer - Msobomvu campus
25.	Mrs B. Bolilizwe	Lecturer - Msobomvu campus
26.	Ms N. Mbayeka	Senior lecturer - Msobomvu campus
27.	Ms S. Makalima	Lecturer – Msobomvu campus
28.	Mr L. Soji	Campus Manager – Teko campus
29.	Mr P. Merane	HOD – Teko campus
30.	Ms Z. Sigaba	Senior Lecturer - Teko campus
31.	Mr S. Mgedezi	Senior Lecturer - Teko campus
32.	Mr S. Bekaphi	Lecturer - Teko campus
33.	Ms Y. Jakavula	Lecturer - Teko campus
34.	Mr B. Dumako	Farm Manager - Teko campus
35.	Ms T. Stefane	Campus Manager – Centane campus
36.	Mr S. Mbontsi	HOD - Centane campus
37.	Ms N. Mgedesi	Senior lecturer - Centane campus
38.	Mrs L. Peppeta	Lecturer - Centane campus
39.	Mr S. Ntloko	Lecturer – Centane campus

40.	Mr K. Picane	Student Support Services Manager
41.	Dr S. Sixabayi	Manager: MIS
42.	Mrs N. Madaza	Manager: Occupational Programmes

The Academic Board continued to oversee teaching and learning, student performance, and academic programmes at the College. Teaching and learning activities were implemented across campuses, with assessments, examinations, and academic plans carried out as planned. Progress was made in lecturer training and diploma processing,

These are some of the activities performed in the year 2025

1. Analysis of the 2024 November examination results.
2. Analysis of all 2025 internal continuous assessment results.
3. Analysis of NCV 2025 September internal examinations results.
4. Discussed the academic year subject allocations, the extension of lecturer contracts and the general allocation and staff ration per campus.
5. Made recommendations for more than 300 Diploma applications for DHET approval.
6. Reviewed and recommended Council approval of the PQM and enrolment targets for the 2025 academic year.
7. Recommended the approval of 9 academic policies and procedures.
8. Identified occupational qualifications that the College would be able to offer in the different campuses.
9. Analysis of SBA performance and compliance.
10. Made recommendations on the revamping and equipping of the College workshops and other practical rooms.

The Academic board made recommendations for improvement where targets were not achieved (pass rate, retention, throughput, certification, and attendance).

The Academic Board also monitored student performance, assessment compliance, and certification processes. Placement opportunities were prioritised for N6 students to support them in completing their qualifications. Graduation activities were successfully conducted,

However, several challenges were identified, including delays in procurement of learning materials and equipment, limited workplace-based learning opportunities, and connectivity issues in some campuses.

Through its oversight role, the Academic Board supported the improvement of teaching and learning across the College, while highlighting the need to strengthen academic staffing, infrastructure, and resources to improve student performance and programme delivery

Student Representative Council

Institutional SRC for 2025/26

#	Name & Surname	Gender	Portfolio
1.	Matemba Singata	Male	President
2.	Mateza Sinxolo	Female	Deputy President
3.	Tembani Liyema	Male	Secretary General
4.	Ndinga Liyabona	Female	Deputy Secretary General
5.	Gabiso Yonela	Female	Treasurer
6.	Gobile Nosithile	Female	Gender and less abled
7.	Shenxane Zintle	Female	Academic Officer
8.	Henda Zondelela	Female	Sports, Arts and Culture

Campus Representative Council 2025/26

#	Name & Surname	Gender	Portfolio	Campus
1.	Salizwa Nondlela	Female	CRC	Centane
2.	Phelokazi Moni	Female	CRC	Centane
3.	Odwa Moyikwa	Male	CRC	Centane
4.	Lime Qekeleshe	Male	CRC	Teko
5.	Lithini Yhayha	Female	CRC	Teko
6.	Zuzive Elefu	Female	CRC	Centane
7.	Omphila Libeta	Female	CRC	Centane
8.	Siyasanga Nikelo	Male	CRC	Teko
9.	Khanya Ngquke	Male	CRC	Msobomvu
10.	Yurane Butshing	Female	CRC	Dutywa

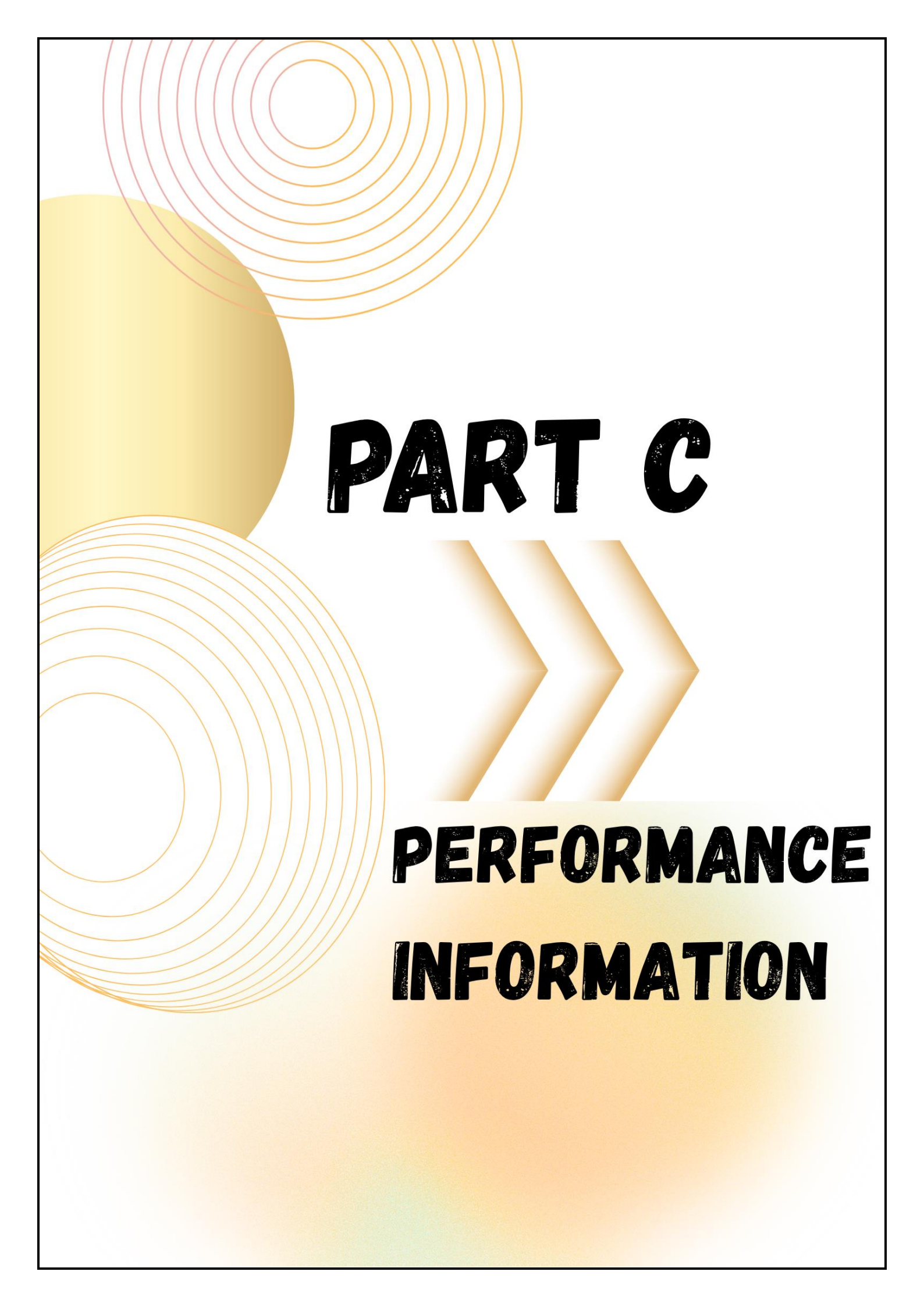
The Student Representative Council (SRC) of King Hintsa TVET College continued to promote student welfare, engagement and institutional stability during the reporting period.

Key activities included the hosting of a Gender-Based Violence (GBV) awareness programme at Teko Campus and a student braai event aimed at promoting social cohesion and student interaction.

The SRC maintained constructive relations with Students and Management, contributing to a stable academic environment with no student strikes reported during the period under review. SRC representatives also participated in College Council meetings and governance structures to ensure that student matters were represented in institutional decision-making processes.

In addition, the SRC undertook a review of its Constitution in collaboration with an appointed external service provider, with oversight from the Student Support Services (SSS) and the SSS Council Committee Chairperson. Consultations were conducted with students and stakeholders, and the revised Constitution was submitted to Council for review prior to final approval and implementation.



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PART C



**PERFORMANCE
INFORMATION**

Report by the Principal on Management & Administration

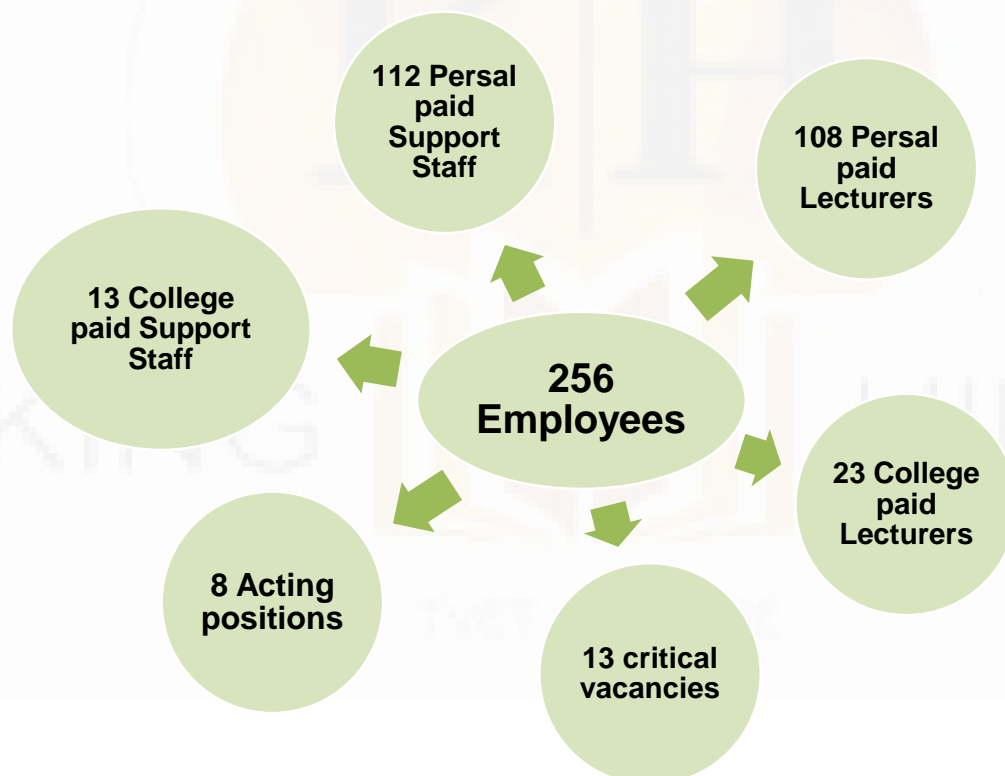
The College's management structure was not fully constituted during the 2025 reporting period. The institution has not had a permanently appointed Principal since the resignation of the former Principal in 2022 and has since been led through acting appointments. In October 2025, Mr D. Shabangu assumed the role of Acting Principal, succeeding Mr Mbengo.

The position of Deputy Principal: Registrations remained vacant following the resignation of the incumbent in 2024 and continued to be filled through acting appointments. Several middle management positions also remained vacant.

The College was unable to fill several funded vacancies due to its Compensation of Employees (CoE) expenditure exceeding the prescribed 63% threshold. To minimise operational disruptions, critical positions were filled through acting appointments, fixed-term contracts, and appointments funded through the College payroll, ensuring continuity of operations and service delivery.

2025 Staff complement

The graphic below provides an overview of the staff complement in the College, including both permanent and fixed term contract employees.



Recruitment

No permanent appointments were made on the PERSAL system during the 2025 reporting period due to Compensation of Employees (CoE) constraints.

To address critical operational needs, the College appointed two ICT Technicians on a permanent basis through the College payroll.

In addition, a Project Manager and an SCM Manager were appointed on fixed-term contracts. The College also appointed contract lecturers to support teaching and learning activities and to address staffing needs in academic programmes. These appointments assisted in strengthening key support functions and maintaining service delivery.

Terminations

The College experienced staff terminations due to various reasons. These included the unfortunate passing of one staff member, a College driver. In addition, there were two retirements and two resignations.

Labour relations

- 8 misconduct cases of Dutywa lecturing staff were finalised on the 29 May 2024, and thereafter all 8 lecturers lodged an appeal on the 5 February 2024 which was finalised and closed on the 03 February 2025.
- 1 misconduct case of a Maths lecturer in Teko campus was received and finalised in December 2023, an appeal lodged and finalised on the 3 February 2025.

Employee wellness

As part of its commitment to employee wellness, the College participated in the 4th edition of the King Hints walk, organised by the Mhashe Hike Adventure Club. The hike to the grave of King Hints kaKhawuta, respectfully praised as *Aah! Zanzolo*, in Nqabarha provided staff with an opportunity to engage in physical activity, strengthen team cohesion, and celebrate the cultural heritage of the region. The event contributed positively to employee well-being while fostering a sense of unity and appreciation for local history.

In addition, the College hosted a Men's conference as part of its employee wellness initiatives. The conference provided a platform for engagement on issues affecting men in the workplace and society, while promoting mental wellbeing, personal development, healthy lifestyles, and positive workplace relationships. Together, these initiatives demonstrated the College's commitment to fostering the holistic well-being of its employees.

Performance management and development system

For the 2025/26 performance cycles, the College implemented Performance Management and Development System (PMDS) and Integrated Quality Management System (IQMS) in line with the relevant policies.

- 102 Support staff contracted for PMDS
- 108 Academic staff contracted for IQMS

All eligible staff members received pay progression payments in December 2025, and letters of noncompliance were issued to employees who did not comply.

ONLINE APPLICATIONS

Academic Cycle	Total Number Received
NCV, Semester 1, Trimester 1 and PLP	16 510
Trimester 2	2 399
Semester 2	6 960
Trimester 3	952
Total	26 821

- All accepted applicants finalised their registration online.

Academic performance

The College demonstrated overall improvement in academic performance, with notable increase in both pass and retention rates between 2024 and 2025. Despite this progress, challenges remain in lower-level pass rates and certification outcomes, highlighting the need for focused strategies to improve student success and completion.

COMPARISON PASS RATE

LEVEL	2024	2025
L2	68.30	66.03
L3	72.15	69.70
L4	77.76	75.80
N4	66.62	73.16
N5	73.37	81.03
N6	75.15	77.91
College average	72.23	73.94

RETENTION RATES

LEVEL	2024	2025
L2	89	91.34
L3	91.79	93.25
L4	95.68	95.97
N4	92.74	96.77
N5	95.43	97.93
N6	96.67	98.70
College Average	93.55	95.67

COMPARISON OF THE CERTIFICATION RATE PER LEVEL

LEVEL	2024	2025
L2	39.52	40
L3	39.36	37.62
L4	35.30	38.43
N4	57.22	40.55
N5	43	53.27
N6	39.73	44.63
College average	42.34	42.42

Top Achievers

There were 15 students who were top achievers from each cycle, with two students who attained a 100% pass in one of the subjects.

Finance

The College received a *qualified audit opinion* during the 2024 audit period. To address the audit findings, the College strengthened the implementation and monitoring of the Audit Action Plan, implemented recommendations from the Audit and Risk Committee and the Internal Audit Unit, and worked closely with the Office of the Auditor-General to address the identified gaps. As a result of these efforts, the College improved its audit outcome and received an *unqualified audit opinion* for the 2025 audit period.

College readiness for the introduction of occupational qualifications

In the year 2025, the College had to navigate the implementation of the occupational qualifications sub-framework (OQSF) which directs the phasing out of pre-2009 qualifications, particularly report 191/NATED qualifications.

More than 50 training sessions were attended by lecturers from different trades and qualifications. The trainings attended provided a significant direction and a greater outlook on the implementation of occupational qualifications, assisting with the education on the requirements by the assurance body, the quality council for trades and occupations. Lecturers were able to navigate through the curriculum documents for each qualification identified and learn the concepts relating to occupational qualifications.

Members of the management team were exposed on the strategic direction envisaged through the implementation of the OQSF through workshops held in Gqeberha, Cape town and has visited other institutions like Ikhala TVET College to learn best practices on the development and acquiring of the learning material and the applications process.

Several applications for occupational qualifications were made, including the following:

1. OC: Hairdresser
2. OC: Livestock farmer
3. OC: Crop produce analyst
4. OC: Poultry farmer
5. OC: Tourism information officer.
6. OC: Travel professional
7. OC: End user computing
8. OC: computer technician

The College was visited by QCTO for verification of the qualifications applied for and the following qualifications were accredited while all others were declined due to the lack of readiness.

1. OC: Travel professional
2. OC: End user computing

The College acquired some experience on the QCTO requirements and prepared for 2026 applications.

College performance and Organisational environment

The College continues to face operational challenges arising from critical vacancies, primarily due to its inability to fill funded positions while maintaining compliance with the approved 63% Compensation of Employees threshold.

Several key strategic positions remain vacant, including the Principal, Deputy Principal: Registrations, ICT Manager, and Risk Manager. These vacancies have placed additional workload pressures on existing staff and have affected operational efficiency. To ensure continuity of operations, the College has implemented interim measures such as acting appointments and the redistribution of responsibilities among available personnel.

The College remains largely dependent on government grants as its primary source of funding. However, efforts to diversify revenue streams have yielded positive results, with student fee contributions from non-NSFAS-funded students generating more than R1 million during 2025. In addition, Council approved a Financial Sustainability Strategy aimed at strengthening third-stream income generation and enhancing the College's long-term financial sustainability.

The College had a poor spending on its capital infrastructure expenditure grant and the student housing and infrastructure project (grant) due to the conditions of the grant but mostly the operational challenges that relates to the supply chain management and project management delays. This led to the risk of losing some of the funding and not receiving more funding for the infrastructure needs. Such saw the institution having to motivate for extra funding from DHET and National treasure. Through its strides to accelerate funding expenditure, the College employed in critical posts such as the project manager, supply chain manager and added the services of an implementing agent. Such led to strides which indicated an improving student housing infrastructure, learning rooms and improved expenditure which gave hope for more funding to be received in the year 2026.

The College programs were implemented under high pressure of shortage of required heavy equipment and under equipped/utilised workshops due to age and operational challenges such as housekeeping and store regulations. To curb such a challenge the College senior management made continuous visits to the College workshops for oversight and continued accountability.

The College continued to implement the MERSETA funding for the equipment and revamping of the automotive repairs and maintenance workshop, the CATHSETA funding for building the industrial kitchen, the CETA SETA funding for equipping the civil engineering workshops, erected an electrical engineering workshop structure, converted a classroom to salon and procured additional computers for the College computer laboratories through the CIEG funding across campuses.

These strides gave confidence to the positive response towards the QCTO accreditation requirements for the implementation of the occupational qualifications identified across campuses and prepared a fertile ground for the applications to be made in 2026.

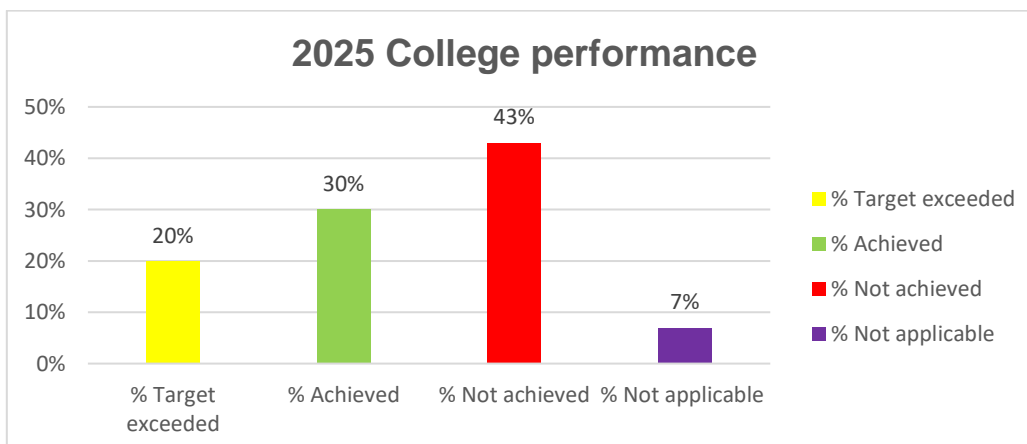
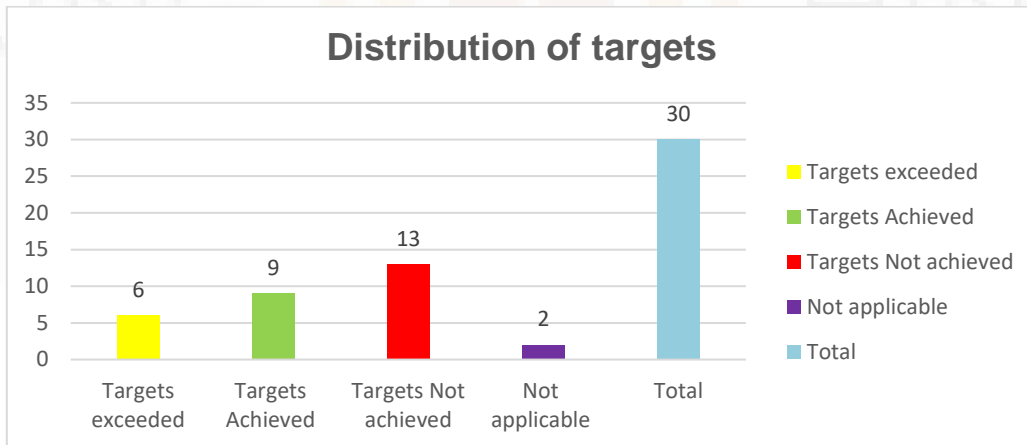
Performance Reporting

Annual performance achievements

Strategic Outcome	Outputs	Output performance indicators	TVET College 2025 planned target	TVET College 2025 achievement	Explanatory remarks
Strategic outcome 1 Expanded access to TVET College opportunities	1.1 Students enrolled and managed as per enrolment plan	Number of students enrolled in different programme types.	4808	4555	Low enrolment in PLP programmes resulting from limited demand, the delayed accreditation of the Hairdressing occupational qualification, the ongoing establishment of a simulation room, and funding limitations that affected the implementation of occupational qualifications and short skills programmes.
		*NCV	1251	1266	
		*Report 191	3242	3249	
		*PLP	100	40	
		*Occupational qualifications	15	0	
		*Trades (COS)	0	0	
		*Higher Certificates	0	0	
	Shorter skills programmes (accredited and non-accredited)	200	0		
1.2 College student accommodation is optimally utilized	Occupation rate (%) per enrolment cycle	100%	100%	Even though the College residence was filled, there are signs of migration by students to the private residence due to the quality of the College residence.	
Strategic outcome 2 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	43	0	No students completed the artisan development programmes. 27 students are in workplaces through the SDP trainings from SETA funding.
	2.2 Students complete qualifications and programmes and exit the College	Number of students at exit levels exiting College programmes	832	923	Improved student progression, effective academic support, and higher completion rates among qualifying students.
		Number of students exiting NCV L4	137	205	More students successfully completed and passed due to improved learner performance and targeted academic interventions.
	2.3 NCV student's complete qualification within 3 years	Number of students exiting N6	695	718	Improved retention, successful completion of outstanding subjects, and enhanced student support mechanisms.

	2.4 PLP students are retained	Retention rate (%) in PLP	90%	91%	Effective learner support programmes, regular monitoring of attendance, and timely interventions for at-risk students.
	2.5 PLP students' progress into initial programmes of choice	Progression rate (%) of PLP students	80%	60%	Low number of PLP students progressed. Progression of PLP students is measured through the number of students who enroll on mainstream, it is currently difficult for the college to track students who enroll in sister colleges.
Strategic outcome 3 Improved quality of TVET College provision	3.1 College councils are constituted and comply with standards	% compliance with governance standards	100%	98%	Council operated with 14 of the required 16 members as one member resigned and there is currently no donor member.
	3.2 Examinations are conducted with minimum irregularity reported	% compliance with examinations standards and policy	100%	99%	The College is short of an electricity back up system in one campus.
	3.3 More students meet the requirements for writing examinations	% of registered students (based on subject enrolment) qualifying for examinations	90%	96%	Even though most students meet the requirements for the writing of examinations, the College is strengthening its controls on the administration of student attendance registers as challenges still persist.
	3.4 TVET College lecturers are placed in industry for specified periods to gain relevant experience	% of TVET College lecturers placed in industry	12%	9%	Limited industry placement opportunities and funding constraints.
	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	15	6	Challenges in securing new partnerships, however, the College continued to maintain existing strategic partnerships.
2025 Annual Performance Report for King Hintsa TVET College					
			DS/Is	Page 34 of 37	

Strategic outcome 4 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	200	58	Limited programme offerings and lower enrolment in identified priority skills programmes, particularly in the occupational qualifications, short skills and learnerships.
	4.2 Entrepreneurship hubs are established and supported	Number of students engaged in entrepreneurship programmes and initiatives	15	13	Limited participation in entrepreneurship initiatives and low levels of student uptake due to limited funding for company registration and startup funding amongst other required activities and support programs.
	4.3 Students are placed for WBPL at exit levels	Number of students placed for WBPL at exit levels	500	281	Prioritized N6 students to complete their Diploma qualification, however there were limited placement opportunities due to the lack of funding for stipend.
		*Number of students placed for WBPL at NCV L4	150	0	
		*Number of students placed for WBPL at N6	350	281	



Strategy to deal with underperformance

1. Programme Enrolment & New Offerings (Occupational qualifications, Short Skills)

- Strengthen stakeholder engagement with SETAs to fast-track accreditation of occupational qualifications.
- Accelerate readiness of simulation rooms and practical training infrastructure to meet programme requirements.
- Improve marketing and community outreach to increase awareness of new and existing programme offerings.
- Introduce demand-driven short skills programmes aligned to local labour market needs.

2. Work-Based Learning and Student Placement (WBPL)

- Formalise partnerships with industry and employers for placement opportunities.
- Strengthen engagements with SETAs for funding support.

3. Student Success and Progression

- Provide targeted academic support and mentoring.
- Strengthen career guidance and student motivation programmes to improve progression into chosen fields.

4. Partnerships and Industry collaboration

- Intensify engagement with local industry, government departments, and SETAs to increase partnership agreements.
- Develop a structured partnership strategy linked to specific programmes and placement needs.
- Assign responsible units to actively track, renew, and expand partnership agreements annually.

5. Lecturer Industry Exposure

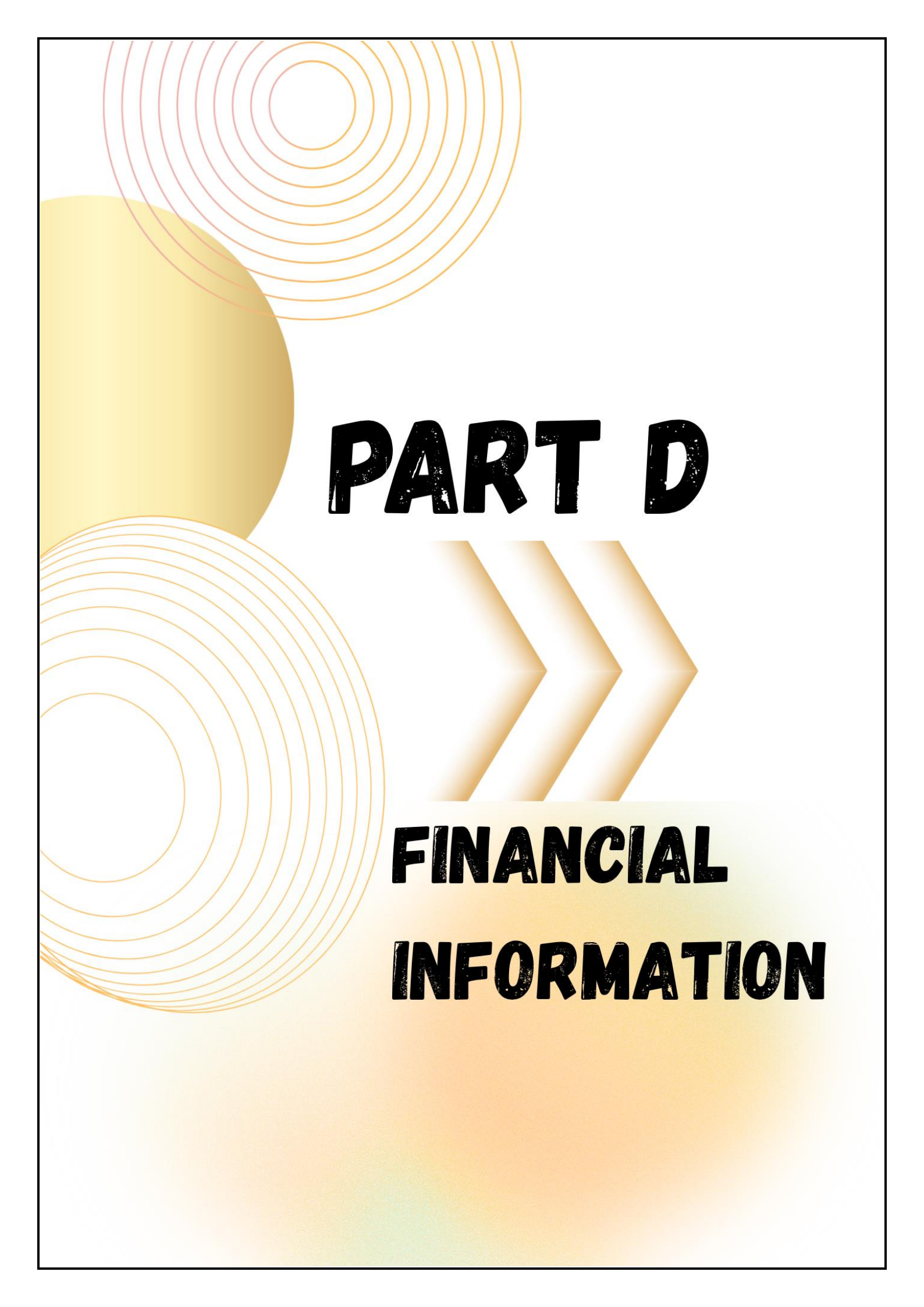
- Implement structured lecturer placement programmes with industry partners during recess periods.
- Negotiate formal agreements with industry for staff exposure opportunities.

6. Priority Skills & Responsive Programmes (OIHD)

- Align enrolment planning with scarce and priority skills identified in national and regional skills plans.
- Strengthen collaboration with SETAs to fund and support priority skills training programmes.
- Conduct annual labour market analysis to guide programme offerings and enrolment targets.

7. Entrepreneurship development

- Strengthen student entrepreneurship through partnerships with SMME support agencies.
- Improve student mobilisation and participation through structured incubation programmes and competitions



PART D



FINANCIAL INFORMATION

Report of the auditor-general to Minister of Higher Education and Training and the Council 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 King Hintsa Technical Vocational Education and Training College (the College) as set out on pages xx to xx, which comprise the statement of financial position as at 31 December 2025, 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 College as at 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa 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.
7. As disclosed in note 37 to the financial statements, the corresponding figures for 31 December 2024 were restated as a result of an error in the financial statements of the college at, and for the year ended, 31 December 2025.
8. As disclosed in note 4 to the financial statement, the college disclosed an allowance for impairment of receivables from exchange transactions at R186 million (2024: R182,8 million).

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.
10. The supplementary information set out on pages xx to xx does not form part of the annual financial statements and is presented as additional information. I have not audited this information and, accordingly, I do not express an opinion thereon.

Responsibilities of the Council for the financial statements

11. The council is responsible for the preparation and fair presentation of the financial statements in accordance with standards of GRAP as issued by the Accounting Standards Board of South Africa and the requirements of the CETA; and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the council is responsible for assessing the college's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the college or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the annual performance report

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

Report on compliance with legislation

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

Annual financial statements, performance report and annual reports

20. The financial statements submitted for auditing were not prepared in accordance with

standards of GRAP and supported by complete accounting records, as required by section 25 (1) and (3) of the CETA. Material misstatements of non-current assets, liabilities, and disclosure line items identified by the auditors in the submitted financial statements were corrected and supporting schedules were provided resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

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

Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
26. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
27. The identified significant internal control deficiency relates to ineffective implementation and monitoring of financial management and review controls. This was evidenced by inadequate oversight over the preparation and review of financial statements, untimely processing and reconciliation of financial information and insufficient monitoring of the implementation of corrective actions. These deficiencies contributed to recurring misstatements, incomplete supporting documentation, and weaknesses in ensuring the accuracy, completeness, and reliability of financial reporting.

Auditor-General

East London

29 May 2026



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Continuing Education and Training Act No. 16 of 2006	Section 25(1)(b) section 25(3)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025



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 2025

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

General Information

Country of incorporation and domicile	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	<table><tr><td>Prof Ndevu Z</td><td>Chairperson</td></tr><tr><td>Mr Ntutu T</td><td>Deputy Chairperson</td></tr><tr><td>Mrs Fokazi B</td><td>Member (Until 08 March 2025)</td></tr><tr><td>Mr Nzimakwe SA</td><td>Member</td></tr><tr><td>Mr Lunguza S</td><td>Member</td></tr><tr><td>Mr Mdleleni P</td><td>Member (From 09 Jan 2025)</td></tr><tr><td>Mr Dumako A</td><td>Member (From 09 Jan 2025)</td></tr><tr><td>Ms Nyatela N</td><td>Member (From 09 Jan 2025)</td></tr><tr><td>Ms Ntlanga N</td><td>Member (From 09 Jan 2025)</td></tr><tr><td>Mrs Ntshanga N</td><td>Member (From 17 Nov 2025)</td></tr><tr><td>Mr Mbengo IT</td><td>Acting College Principal (Until 12 October 2025)</td></tr><tr><td>Mr Shabangu D</td><td>Acting College Principal (From 13 October 2025)</td></tr><tr><td>Mr Solven L</td><td>Academic Board Representative</td></tr><tr><td>Mr Malusi MBJ</td><td>Support Staff Representative</td></tr><tr><td>Ms Ngcaba N</td><td>Lecturers Representative</td></tr><tr><td>Mr Sinxutu Y</td><td>Representative - SRC President (Until 31 March 2025)</td></tr><tr><td>Ms Mvandaba N</td><td>Representative - SRC Secretary (Until 31 March 2025)</td></tr><tr><td>Mr Matemba S</td><td>Representative - SRC President (From 12 June 2025)</td></tr><tr><td>Mr Tembani L</td><td>Representative - SRC Secretary (From 12 June 2025)</td></tr></table>	Prof Ndevu Z	Chairperson	Mr Ntutu T	Deputy Chairperson	Mrs Fokazi B	Member (Until 08 March 2025)	Mr Nzimakwe SA	Member	Mr Lunguza S	Member	Mr Mdleleni P	Member (From 09 Jan 2025)	Mr Dumako A	Member (From 09 Jan 2025)	Ms Nyatela N	Member (From 09 Jan 2025)	Ms Ntlanga N	Member (From 09 Jan 2025)	Mrs Ntshanga N	Member (From 17 Nov 2025)	Mr Mbengo IT	Acting College Principal (Until 12 October 2025)	Mr Shabangu D	Acting College Principal (From 13 October 2025)	Mr Solven L	Academic Board Representative	Mr Malusi MBJ	Support Staff Representative	Ms Ngcaba N	Lecturers Representative	Mr Sinxutu Y	Representative - SRC President (Until 31 March 2025)	Ms Mvandaba N	Representative - SRC Secretary (Until 31 March 2025)	Mr Matemba S	Representative - SRC President (From 12 June 2025)	Mr Tembani L	Representative - SRC Secretary (From 12 June 2025)
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Mr Matemba S	Representative - SRC President (From 12 June 2025)																																						
Mr Tembani L	Representative - SRC Secretary (From 12 June 2025)																																						
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 CA(SA) DPF																																						

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Index

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

	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 - 23
Notes to the Annual Financial Statements	24 - 50

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

Supplementary Information	51
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COIDA	Compensation for Occupational Injuries and Diseases Act
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
DHET	Department of Higher Education and Training
IPSAS	International Public Sector Accounting Standards
CET	Continuing Education and Training
MEC	Member of the Executive Council
PFMA	Public Finance Management Act
CIEG	Capital Infrastructure Efficiency Grant
ASB	Accounting Standards Board
NSF	National Skills Fund
SHIP	Student Housing Infrastructure Project

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

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.

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.

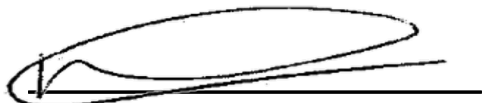
The members have reviewed the entity's cash flow forecast for the year to 31 December 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 council 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 Council on 31 March 2026 and were signed on its behalf by:



Prof Ndevu. Z (Council Chairperson)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Statement of Financial Position as at 31 December 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	3	3 795 202	3 837 878
Receivables from exchange transactions	4	9 794 603	7 199 740
Statutory receivables	5	5 393 925	5 162 342
Cash and cash equivalents	6	101 192 842	108 329 240
		120 176 572	124 529 200
Non-Current Assets			
Biological assets that form part of an agricultural activity	7	61 600	28 600
Property, plant and equipment	8	80 422 551	78 959 856
		80 484 151	78 988 456
Total Assets		200 660 723	203 517 656
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	5 829 265	5 112 004
Payables from non-exchange transactions	10	20 593 897	21 325 301
Leave accrual	11	92 858	168 839
Unspent conditional grants	12	1 389 030	78 345
		27 905 050	26 684 489
Non-Current Liabilities			
Unspent conditional grants	12	17 337 823	18 607 417
Total Liabilities		45 242 873	45 291 906
Net Assets		155 417 850	158 225 750
Accumulated surplus		155 417 850	158 225 750
Total Net Assets		155 417 850	158 225 750

* See Note 37

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Tuition and related fees	14	38 167 859	55 171 970
Insurance income		215 628	846 904
Other income	15	431 756	204 743
Interest received	16	5 359 615	6 404 710
Fair value adjustments	17	33 000	10 300
Total revenue from exchange transactions		44 207 858	62 638 627
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	18	38 468 632	40 295 985
Public contributions and donations	19	3 200	857 247
Services in kind (Persal salaries)	20	108 445 133	101 691 969
Project income		1 979 265	350 033
Total revenue from non-exchange transactions		148 896 230	143 195 234
Total revenue	13	193 104 088	205 833 861
Expenditure			
Employee related costs	21	(123 787 926)	(114 306 784)
Contracted services	22	(2 167 435)	(5 711 265)
Depreciation	23	(10 252 911)	(7 121 530)
Impairments of non-current assets		(6 728)	(41 445)
Finance charges	24	-	(216)
Lease rentals on operating lease	25	(995 980)	(829 984)
Impairment of receivables	26	(3 170 968)	(40 975 792)
Loss on disposal of assets	8	(414 786)	(745 443)
General Expenses	27	(55 141 392)	(44 293 298)
Total expenditure		(195 938 126)	(214 025 757)
Deficit for the year		(2 834 038)	(8 191 896)

* See Note 37

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 January 2024	167 722 123	167 722 123
Changes in net assets		
Correction of errors - Note 37	(1 304 477)	(1 304 477)
Net income (losses) recognised directly in net assets	(1 304 477)	(1 304 477)
Deficit for the year	(8 191 896)	(8 191 896)
Total recognised income and expenses for the year	(9 496 373)	(9 496 373)
Total changes	(9 496 373)	(9 496 373)
Balance at 01 January 2025 as restated *	158 251 888	158 251 888
Changes in net assets		
Deficit for the year	(2 834 038)	(2 834 038)
Total changes	(2 834 038)	(2 834 038)
Balance at 31 December 2025	155 417 850	155 417 850

Note(s)

* See Note 37

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Tuition and related fees		32 402 028	33 607 604
Grants		39 547 733	49 670 954
Interest income		5 359 615	6 404 710
Other receipts		1 357 055	846 904
		78 666 431	90 530 172
Payments			
Employee costs		(15 418 774)	(12 614 815)
Suppliers		(58 276 277)	(70 651 292)
Finance charges		-	(216)
		(73 695 051)	(83 266 323)
Net cash flows from operating activities	29	4 971 380	7 263 849
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(12 224 685)	(4 524 021)
Proceeds from sale of property, plant and equipment	8	116 907	-
Net cash flows from investing activities		(12 107 778)	(4 524 021)
Net increase/(decrease) in cash and cash equivalents		(7 136 398)	2 739 828
Cash and cash equivalents at the beginning of the year		108 329 240	105 589 412
Cash and cash equivalents at the end of the year	6	101 192 842	108 329 240

* See Note 37

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

Figures in Rand	Note(s)	2025	2024
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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board as required by Section 25 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.

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 2025

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:

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 and applied prospectively.

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

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 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.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

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.

Impairment of receivables

The movement in the impairment allowance is recognised as debt impairment in surplus and deficit in the year the movement occurred. The impairment for receivables is calculated in terms of provisions of GRAP 104. The college assesses its financial assets for impairment at the end of each financial year in line with the provisions of GRAP 104 on Financial Instruments.

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

The impairment is considered first for individually significant financial assets and then calculated on a portfolio basis for insignificant financial assets, based on historical performance of that individual receivable or class, 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 losses 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.

The college has not early adopted the revised GRAP 104 as it applies to financial years that begin on or after 1 April 2025

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.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.6 Property, plant and equipment (continued)

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:

Item	Depreciation method	Average useful life
Buildings	Straight-line	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
Infrastructure	Straight-line	20 to 30 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.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.6 Property, plant and equipment (continued)

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 22).

King Hintsa TVET College

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Accounting Policies

1.7 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

King Hintsa TVET College

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Accounting Policies

1.7 Financial instruments (continued)

of an allocation of the carrying amount of the larger financial asset.

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

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

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

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

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).

1.8 Statutory receivables

Identification

Funding receivable from the Department of Higher Education and Training arises from non-contracted arrangements and is based on the allocation letters received from the department.

Cash receivable from the Department of Higher Education and Training 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 and Training programme funding are only recorded once the Department of Higher Education and Training 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.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using GRAP 9 on Revenue from exchange transactions;

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Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.8 Statutory receivables (continued)

- if the transaction is a non-exchange transaction, using GRAP 23 on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the college policies or GRAP standards above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Impairment losses

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

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

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

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

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

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

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

The college does not recognise any impairment of Statutory receivables as the department always settles its obligation towards the college with the final payment always received in the first quarter of the following financial year of the college.

1.9 Leases

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

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Accounting Policies

1.9 Leases (continued)

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

Operating leases - lessee

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

1.10 Inventories

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

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and supplies. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

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

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

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

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

When inventories are issued for use, the carrying amounts of those inventories are recognised as an expense in the period in which the inventories are issued. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The only component of inventories at the college is the cost of Textbooks as the college does not manufacture any inventories and as a result there are no Raw Material and Work in Progress (WIP) for inventories.

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.

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Accounting Policies

1.11 Impairment of cash-generating assets (continued)

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.

1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

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.

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 service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

1.13 Accounts payable

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.

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.

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Annual Financial Statements for the year ended 31 December 2025

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

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.

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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 30.

1.16 Commitments

Commitments are future expenditure to which the College committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the disclosure Notes. A distinction is made between capital and operational commitments.

Disclosures are required in respect of unrecognised capital 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; and
- Contracts should relate to assets 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.

King Hintsa TVET College

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Accounting Policies

1.17 Revenue from exchange transactions (continued)

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 (non-contractual) 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.

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

Exchange transactions are transactions in which one 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.

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

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

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

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.

King Hintsa TVET College

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

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.

1.19 Investment income

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

1.20 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. In such cases the College restated the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practical. Details of Correction of Errors are disclosed in the Notes to the Annual Financial Statements where applicable.

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.

Comparative figures are restated in line with GRAP 3 where there are material omissions or misstatements that individually or in aggregate would influence the decisions or assessments by user of the financial statents.

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

The entity 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.

1.22 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 standards of GRAP.

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

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Accounting Policies

1.22 Expenses (continued)

The following are the major expense categories of the college:

- . Employee related costs
- . Contracted services
- . Depreciation
- . Impairments of non-current assets
- . Finance charges
- . Lease rentals on operating leases
- . Impairment of receivables
- . Loss on disposal of assets
- . General Expenses

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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2. New standards and interpretations

Standards and interpretations effective and adopted in the current year

In the current year there was a revised standard of GRAP 104 for Financial Instruments which became effective for financial years starting on or after 1 April 2025. The college did not early adopt the standard as its financial year began on 1 January 2025. The revised GRAP 104 standard will be implemented in the 2026 financial year.

3. Inventories

Textbooks	3 795 202	3 837 878
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The college uses the periodic system in terms of accounting for its inventories.

No inventory is pledged as security.

4. Receivables from exchange transactions

Student debtors	6 247 534	6 622 395
Prepaid expenses	3 547 069	577 345
	9 794 603	7 199 740

Reconciliation of exchange receivables other than student debtors

Sundry debtors	670 932	670 932
Staff debtors	534 241	534 241
Prepaid expenses	3 547 069	577 345
Allowance for impairment	(1 205 173)	(1 205 173)
	3 547 069	577 345

Reconciliation of student debtors

Student debtors	191 090 676	188 294 569
Allowance for impairment	(184 843 142)	(181 672 175)
	6 247 534	6 622 394

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 2025, trade and other receivables of 6 247 534 (2024: 6 622 395) were past due but not impaired.

Student Debtors (+120)	7 791 470	6 622 395
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King Hintsa TVET College

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4. Receivables from exchange transactions (continued)

Gross trade and other receivables age analysis

The ageing of these debtors is as follows:

Student debtors (+120)	191 090 676	188 294 569
Sundry debtors (+120)	670 932	670 932
Staff debtors (+120)	534 241	534 241

Reconciliation of allowance for impairment

Opening balance	182 877 348	141 901 556
Allowance for impairment	3 170 968	40 975 792
	186 048 316	182 877 348

Reconciliation of allowance for impairment per receivable type for 2025	Student debtors	Staff debtors	Sundry Debtors	Prepaid Expenses	Total
Opening balance	181 672 174	534 241	670 932	-	182 877 347
Increase (decrease) in allowance for impairment	3 170 968	-	-	-	3 170 968
	184 843 142	534 241	670 932	-	186 048 315

Reconciliation of allowance for impairment per receivable type for 2024	Student debtors	Staff debtors	Sundry Debtors	Prepaid Expenses	Total
Opening balance	140 696 382	534 241	670 932	-	141 901 555
Increase (decrease) in allowance for impairment	40 975 792	-	-	-	40 975 792
	181 672 174	534 241	670 932	-	182 877 347

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.

The debtors that are considered to be impaired are assessed based on how long they have been outstanding. It is considered that the longer the debt is outstanding the higher the risk that it may not be collectible.

5. Statutory receivables

DHET Debtors	5 393 925	5 162 342
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Statutory receivables included in receivables from non-exchange transactions above are as follows:

Opening Balance	5 162 342	4 940 512
Allocations for the period	32 362 000	30 974 000
Receipts in the current period	(32 130 417)	(30 752 170)
	5 393 925	5 162 342
Total receivables from non-exchange transactions	5 393 925	5 162 342

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5. Statutory receivables (continued)

Statutory receivables general information

Determination of transaction amount

The amount receivable is determined by reference to the allocation made by the Department of Higher Education and Training and is based on the allocation letters received from the department.

The balance of Statutory receivables is as a result of the differences in the financial year of the college and that of DHET.

Interest or other charges levied/charged

No interest is levied on statutory receivables.

Statutory receivables impaired

As of 31 December 2025, no statutory receivables were impaired and provided for as the college had reasonable expectations to collect the amounts due after year-end.

Credit quality of statutory 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:

Statutory receivables past due but not impaired

Statutory receivables which are less than 3 months past due are not considered to be impaired. At 31 December 2025, 5 393 925 (2024: 5 162 342) were past due but not impaired.

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

Statutory receivables (+30)	5 393 925	5 162 342
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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20 935	18 976
Bank balances	101 171 907	108 310 264
	101 192 842	108 329 240

Cash and cash equivalents held by the entity that are available for use by the economic entity	101 192 842	108 329 240
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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	101 192 842	108 329 240
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King Hintsa TVET College

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6. 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 2025	31 December 2024	31 December 2023	31 December 2025	31 December 2024	31 December 2023
FNB main bank account - 62387644125	1 089 559	1 643 406	643 615	1 089 559	1 643 406	643 615
FNB ECD - 62405821936	46 185	43 239	436 102	46 185	43 239	436 102
JET SIYEC Cheque Account - 62415764697	156 890	131 826	69 898	156 890	131 826	69 898
NSFAS Cheque Account - 62422582579	234 525	54 692	1 658 964	234 525	54 692	1 658 964
FNB Project Fund Account - 62555533332	2 449 334	6 934 890	7 141 265	2 449 334	6 934 890	7 141 265
FNB Hospitality Account - 62555533217	797	10 687	2 614	797	10 687	2 614
CIEG M & R Account - 62415752139	8 073 288	9 656 365	3 290 851	8 073 288	9 656 365	3 290 851
FNB Short term deposit - 74797173868	15 618 032	24 088 262	22 099 633	15 618 032	24 088 262	22 099 633
CIEG Student Accom Account - 62631816579	49 756 994	46 998 783	43 904 918	49 756 994	46 998 783	43 904 918
FNB NSF - 630191954444	1 050 509	64 040	680 067	1 050 509	64 040	680 067
FNB CIEG Bulk Services - 63042648345	17 339 216	18 608 695	20 384 029	17 339 216	18 608 695	20 384 029
FNB CIEG OPEX - 63042648361	5 303 458	25 641	5 212 873	5 303 458	25 641	5 212 873
FBN Entrepreneurship Account - 62391760264	53 119	49 736	46 143	53 119	49 736	46 143
Total	101 171 906	108 310 262	105 570 972	101 171 906	108 310 262	105 570 972

7. Biological assets that form part of an agricultural activity

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Farm animals	61 600	-	61 600	28 600	-	28 600

Reconciliation of biological assets that form part of an agricultural activity - 2025

	Opening balance	Gains or losses arising from changes in fair value	Total
Farm Animals	28 600	33 000	61 600

Reconciliation of biological assets that form part of an agricultural activity - 2024

	Opening balance	Gains or losses arising from changes in fair value	Total
Farm Animals	18 300	10 300	28 600

King Hintsa TVET College

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8. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	62 201 194	(25 568 345)	36 632 849	61 581 773	(23 504 071)	38 077 702
Infrastructure (WIP)	1 442 951	-	1 442 951	-	-	-
Equipment and machinery	13 051 142	(8 283 979)	4 767 163	12 194 631	(7 011 511)	5 183 120
Motor vehicles	7 082 939	(2 822 682)	4 260 257	6 325 204	(2 529 250)	3 795 954
Furniture and fittings	12 721 071	(8 527 028)	4 194 043	11 494 261	(7 040 014)	4 454 247
IT equipment	29 279 928	(20 744 235)	8 535 693	26 201 988	(17 069 444)	9 132 544
Infrastructure	22 036 032	(1 446 437)	20 589 595	18 682 090	(365 801)	18 316 289
Total	147 815 257	(67 392 706)	80 422 551	136 479 947	(57 520 091)	78 959 856

King Hintsa TVET College

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8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Work in progress (WIP)	Disposals and write - offs	Other changes, movements	Depreciation	Impairment loss	Total
Buildings	38 077 702	1 056 846	-	-	(80 247)	(2 411 942)	(9 510)	36 632 849
Infrastructure (WIP)	-	-	1 442 951	-	-	-	-	1 442 951
Equipment and machinery	5 183 120	856 601	-	-	(12 654)	(1 259 904)	-	4 767 163
Motor vehicles	3 795 954	1 247 056	-	(336 460)	-	(446 293)	-	4 260 257
Furniture and fittings	4 454 247	1 223 610	-	-	3 200	(1 487 014)	-	4 194 043
IT equipment	9 132 544	3 343 599	-	(75 283)	4 099	(3 875 994)	6 728	8 535 693
Infrastructure	18 316 289	3 311 013	-	-	(275 633)	(762 074)	-	20 589 595
	78 959 856	11 038 725	1 442 951	(411 743)	(361 235)	(10 243 221)	(2 782)	80 422 551

King Hintsa TVET College

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8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Work in progress (WIP)	Disposals and write-offs	Transfers from WIP	Reclasification s	Depreciation	Impairment loss	Total
Buildings	51 514 711	343 490	-	-	-	(11 328 007)	(2 452 492)	-	38 077 702
Equipment and machinery	4 344 379	1 559 771	-	-	-	-	(706 856)	(14 174)	5 183 120
Motor vehicles	4 152 073	664 989	-	(637 005)	-	-	(384 103)	-	3 795 954
Furniture and fittings	4 333 735	845 673	-	-	-	-	(722 226)	(2 935)	4 454 247
IT equipment	10 594 682	1 166 105	-	(113 855)	-	-	(2 490 052)	(24 336)	9 132 544
Infrastructure	6 374 177	7 354 083	979 906	-	(7 354 083)	11 328 007	(365 801)	-	18 316 289
	81 313 757	11 934 111	979 906	(750 860)	(7 354 083)	-	(7 121 530)	(41 445)	78 959 856

Pledged as security

There are no assets pledged as security.

Other information

Details of properties

Included under Infrastructure assets are assets such as Prefabricated Classrooms, Fencing, Bulk Services and Paving.

King Hintsa TVET College

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8. Property, plant and equipment (continued)

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

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

Infrastructure	1 442 951	437 425
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N1: Included in the value of Work-In-Progress (WIP) for 2025 is an amount of R606 270 for the designs and consultancy fees for Teko Fencing as well as R836 681 for Mechanical Workshop equipment.

N2: Included in the value of Work-In-Progress (WIP) for 2024 is an amount of R308 050 for the designs and consultancy fees for Teko and Centane Fencing.

An amount of R129 375 relates to a Borehole that is under construction in Centane Campus.

Land not owned by the college but occupied

The college continues to occupy land where its properties are situated but does not have a legal title to those properties.

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

The college has considered the requirements of GRAP 23 and in particular the measurement of Services in - kind.

The value of the land cannot be measured reliably due to lack of an active market for the properties that are occupied by the college and also that the college is neither leasing renting the properties; and as such the value of land and Services - in - kind cannot be recognised on the annual financial statements of the college.

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.

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Total
Opening balance	437 425	437 425
Additions/capital expenditure	1 186 192	1 186 192
Transferred to completed items	(180 665)	(180 665)
	1 442 952	1 442 952

King Hintsa TVET College

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8. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Total
Opening balance	6 374 176	6 374 176
Additions/capital expenditure	1 417 332	1 417 332
Transferred to completed items	(7 354 083)	(7 354 083)
	437 425	437 425

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 as the college has continued to enjoy unrestricted access and use of the properties.

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.

Buildings are disclosed separately in the annual financial statements.

9. Payables from exchange transactions

Unallocated deposits	497 849	382 831
Trade payables	3 159 161	3 165 377
Accrued expenses	1 120 623	313 753
Payroll control account	168 063	366 474
Retention	883 569	883 569
	5 829 265	5 112 004

King Hintsa TVET College

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10. Payables from non-exchange transactions

SETAs	610 036	3 448 468
Unspent NSFAS funding	12 790 475	10 959 287
Student Credit Balances/NSFAS	7 193 386	6 917 546
	20 593 897	21 325 301

N1: Unspent NSFAS funding relates to payments received from NSFAS but are not credited to student accounts due to no balances being available to set off against those accounts. This typically happens when students have deregistered or payments received for students not registered with the college

N2: The Student Credit Balances relate to amounts received from self-funding students, other bursaries and NSFAS which have been captured on the student accounts.

11. Leave accrual

Reconciliation of leave accrual - 2025

	Opening Balance	Utilised during the year	Total
Accrual for leave pay	168 839	(75 981)	92 858

Reconciliation of accrual for leave - 2024

	Opening Balance	Utilised during the year	Total
Accrual for leave pay	174 022	(5 183)	168 839

12. Unspent conditional grants

Unspent conditional grants comprises of:

Unspent conditional grants

Deferred Income on College Infrastructure Efficiency Grant (Bulk Services)	17 337 823	18 607 417
NSF Funding	1 389 030	78 345
	18 726 853	18 685 762
Non-current liabilities	17 337 823	18 607 417
Current liabilities	1 389 030	78 345
	18 726 853	18 685 762

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 18 for reconciliation of grants from DHET.

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

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13. Revenue

Tuition and related fees	38 167 859	55 171 970
Recoveries	215 628	846 904
Other income	431 756	204 743
Fair value adjustments	-	10 300
Gain on disposal of non-current assets	-	101 461
Interest received	5 359 615	6 404 710
Government grants & subsidies	38 468 632	40 295 985
Donations received	3 200	857 247
Services in kind (Persal salaries)	108 445 133	101 691 969
Project income	1 979 265	350 033
	193 071 088	205 935 322

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

Tuition and related fees	38 167 859	55 171 970
Recoveries	215 628	846 904
Other income	431 756	204 743
Gain on disposal of non-current assets	-	101 461
Fair value adjustments	-	10 300
Interest received	5 359 615	6 404 710
	44 174 858	62 740 088

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

Taxation revenue

Transfer revenue

Government grants & subsidies	38 468 632	40 295 985
Donations received	3 200	857 247
Services in kind (Persal salaries)	108 445 133	101 691 969
Project income	1 979 265	350 033
	148 896 230	143 195 234

14. Tuition and related fees

Class fee : NCV	21 723 747	37 842 876
Class fee : Report 191	7 031 612	7 161 194
Student accommodation	9 412 500	10 167 900
	38 167 859	55 171 970

15. Other revenue

Other income	431 756	204 743
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The amount included in other revenue arising from exchanges of goods or services are as follows:

Examination Fees	169 680	51 420
Business Unit Income	116 880	55 790
Hiring of venues and Miscellaneous	14 500	23 290
Tender Income	54 716	69 060
Reversal of leave accrual	75 980	5 183
	431 756	204 743

King Hintsa TVET College

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16. Investment revenue

Interest revenue

Interest received on bank accounts	3 829 845	4 416 081
Interest received on investment accounts	1 529 770	1 988 629
	5 359 615	6 404 710

17. Fair value adjustments

Biological assets - (Fair value model) gain /(loss)	(33 000)	(10 300)
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King Hintsa TVET College

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18. Government grants and subsidies

Operating grants

Programme funding: Grants paid via PERSAL	561 036	227 592
Programme funding: Goods and Services Grant	32 362 000	30 974 000
National Skills Fund - Conditional grant	1 145 001	873 611
	34 068 037	32 075 203

Capital grants

Income recognised on College Infrastructure Grant (Bluk Services)	2 344 049	3 095 782
Income recognised on Repairs, Maintenance Grant	-	5 000 000
SETA grant funding	2 056 546	125 000
	4 400 595	8 220 782
	38 468 632	40 295 985

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	6 335 292	4 321 985
Unconditional grants received	32 362 000	35 974 000
	38 697 292	40 295 985

National Skills Fund (NSF) Grant

Balance unspent at beginning of year	78 345	435 810
Current-year receipts	13 852 126	14 069 469
Conditions met - transferred to revenue	(1 145 001)	(873 611)
Other	(11 396 440)	(13 553 323)
	1 389 030	78 345

Conditions still to be met - remain liabilities (see note 12).

This grant is the funding that is 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	32 362 000	30 974 000
Conditions met - transferred to revenue	(32 362 000)	(30 974 000)
	-	-

This is an unconditional grant.

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

College Infrastructure and Efficiency Grant

Current-year receipts	-	5 000 000
Conditions met - transferred to revenue	-	(5 000 000)
	-	-

This is an unconditional grant with restrictions.

This is the funding received from DHET to assist the College in maintenance of existing infrastructure assets.

King Hintsa TVET College

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19. Public contributions and donations

Donations Received	3 200	857 247
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The Public Contributions and Donations was as a result of the donation of an ICT hub in Willowvale by Fasset on 2024 financial year.

20. Services in kind (Persal salaries)

DHET Employee costs grant	108 445 133	101 691 969
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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.

The college also continues to receive Services in-kind for properties that it occupies as outlined in Note 8. The value of the services-in-kind cannot be reliably estimated hence not recognised on the annual financial statements.

21. Employee related costs

Persal salaries	108 445 133	101 691 969
Basic salaries and 37% Benefit (College payroll)	13 785 940	11 204 658
Overtime and part-time payments (College payroll)	834 089	1 023 949
Contributios to UIF and SDL (College payroll)	210 369	188 260
Acting allowances (College payroll)	512 395	197 948
	123 787 926	114 306 784

22. Contracted services

Contracted services	2 167 435	5 711 265
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Included in Contracted services are repairs and maintenance for the following classes of assets:

IT Equipment	159 085	245 579
Motor vehicles	188 576	224 979
Buildings and infrastructure	1 776 970	4 824 635
Equipment and machinery	42 804	416 072
	2 167 435	5 711 265

The amount of repairs and maintenance has decreased significantly due to more CIEG funds utilized in the current year being capital in nature.

23. Depreciation

Property, plant and equipment	10 252 911	7 121 530
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24. Finance charges

Finance charges	-	216
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25. Lease rentals on operating lease

Equipment		
Contractual amounts	995 980	829 984
Premises		
Contractual amounts	-	(94 733)
	995 980	735 251

The total of future minimum lease payments under this non-cancellable operating lease are due as follow:

Not later than one year	995 981	995 981
Later than one year and not later than five years	165 997	1 161 978
Later than five years	-	-

26. Allowance for impairment of receivables

Allowance for impairment - Receivables from exchange transactions	3 170 968	40 975 792
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The allowance for impairment is calculated in terms of GRAP 104 which stipulates the following:

- an entity shall 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. If any such evidence exists, the entity shall apply paragraphs .61 to .63 (for financial assets carried at amortized cost) and paragraph .64 (for financial assets carried at cost) to determine the amount of any impairment loss.

Application Guidance 5.109 to GRAP 104 states that, for the purpose of this Standard, reasonable and supportable information is that which is reasonably available at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future economic conditions. Information that is available for financial reporting purposes is considered to be available without undue cost or effort. An entity may use various sources of data, that may be both internal (entity-specific) and external.

Application Guidance 5.112 to GRAAP 104 states historical information is an important anchor or base from which to measure expected credit losses. Estimates of changes in expected credit losses should reflect, and be directionally consistent with, changes in related observable data from period to period (such as changes in unemployment rates, property prices, commodity prices, payment status or other factors that are indicative of credit losses on the financial instrument or in the group of financial instruments and in the magnitude of those changes). An entity shall regularly review the methodology and assumptions used for estimating expected credit losses to reduce any differences between estimates and actual credit loss experience.

Management is of the view that GRAP provisions take precedence to the college policy in the event of a disagreement and management is committed to revise the policy and submit to Council to align with the provisions of GRAP 104.

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27. General expenses

Advertising	187 560	208 902
Auditors remuneration	3 890 565	2 861 678
Bank charges	79 002	69 118
Books and learning materials	4 920 029	1 578 280
Cleaning	417 107	1 148 231
Council and Audit Committee Fees	1 349 521	767 536
Staff Welfare and Wellnes	129 881	409 187
Conferences and seminars	427 330	577 286
Consumables	606 770	209 388
Website Rental	51 997	230 770
Examination fees	144 159	-
Farm supplies	286 552	292 113
Fuel and oil	903 217	990 790
IT expenses	1 597 956	1 414 202
Insurance	2 148 258	1 840 357
Marketing costs	644 098	464 550
Medical expenses	1 583	147 037
Motor vehicle expenses	78 272	54 991
Municipal services	5 641 462	4 763 174
Postage and courier	-	53 917
Printing and stationery	692 051	727 976
Professional fees	2 450 384	3 394 211
Project costs	773 207	825 115
Catering and refreshments	798 639	470 778
OHS and Sanitation	410 845	876 663
Security	12 050 262	11 055 151
Software expenses	4 582 580	2 280 445
Student support services	1 298 484	1 888 905
Subscriptions and membership fees	366 755	393 335
Telephone and fax	1 272 489	1 452 710
Staff Development	2 465 309	1 304 683
Travel and accommodation - local	4 423 180	1 538 749
Uniforms	51 888	-
	55 141 392	44 290 228

28. Auditors' remuneration

External auditors fees	3 890 565	2 861 678
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King Hintsa TVET College

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29. Cash generated from operations

Deficit	(2 834 038)	(8 191 896)
Adjustments for:		
Depreciation and amortisation	10 252 911	7 121 530
Profit on disposal of assets	414 786	745 443
Fair value adjustments	(33 000)	(10 300)
Finance costs - Finance leases	-	216
Impairment deficit	6 728	41 445
Debt impairment	3 170 968	40 975 792
Employee benefits obligations	(75 981)	(5 183)
Donation of assets	(3 200)	(981 944)
Changes in working capital:		
Inventories	42 676	(3 800 783)
Receivables from exchange transactions	(5 765 831)	18 279 305
Receivables from exchange transactions - non cash movement	-	(40 975 792)
Statutory receivables	(231 583)	-
Prepayments	-	(577 345)
Payables from exchange transactions	717 258	(3 288 002)
Payable from non-exchange	(731 404)	65 440
Unspent conditional grants	41 090	(2 134 077)
	4 971 380	7 263 849

30. Contingencies

Contingent liabilities

Claim for Hygiene Services Tender - Eco Chemicals - (446 760)

This was a 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 was argued in Court on 29 September 2025 and the Court ruled in favour of the college and the review application was dismissed.

The applicant filed for an appeal which was dismissed by the High Court on the 2nd of December 2025.

Claim for Security Services Tender - Falcolux Security Services - (23 190 632)

The college appointed Falcolux Security Services from 1 June 2023 to 31 May 2026 on a tender for Security Services that was advertised for a period of 36 months.

The college and Falcolux Security Services signed a Service Level Agreement which outlined the services to be rendered.

Falcolux breached the terms of the SLA and as such their services were terminated by the college effective from 18 June 2024.

They have since sent a letter of demand claiming that their termination was unlawful and they are claiming that they be paid the remainder of the amount of their contract.

Coupled with that was a matter between Golden Security Services and King Hintsa TVET College where Golden Security Services sought relief that the appointment of Falcolux be set aside and that they be appointed as a successful bidder for security services for a period of 36 months

The Court ruled in favour of Golden Security Services and the appointment of Falcolux was set aside. This therefore meant that Falcolux has no case against the college as their appointment has been set aside by a Court of Law.

- (23 637 392)

King Hintsa TVET College

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31. Related parties

Relationships

Department of Higher Education and Training	Controlling Department
Sector Education and Training Authorities (SETAs)	Under common control
Other TVET Colleges	Under common control
National Student Financial Aid Scheme (NSFAS)	Under common control
National Skills Fund (NSF)	Under common control

Related party transactions

Income received from related parties

Department of Higher Education and Training - Personal Allocation	108 445 133	101 691 969
Department of Higher Education and Training - Operational Allocation	32 362 000	30 979 814
Department of Higher Education and Training - Capital Allocation	-	5 000 000
Department of Higher Education and Training - SDL	561 036	227 592

Council Per Diem

Prof Ndevu Z	147 852	139 832
Mr Ntutu T	156 075	85 976
Mr Lunguza S	149 637	85 443
Mr Nzimakwe S	125 547	81 539
Mr Mdleleni P	148 098	-
Mr Dumako A	108 781	-
Ms Nyatela N	120 357	-
Ms Ntlanga	123 754	-
Ms Fokazi B	30 865	97 416
Mr Khanyile S	-	21 257
Mr Masire L	-	18 498
Mr Ntsho A	-	15 800
Mr Fisthane S	-	19 609
Mr Gcasamba M	-	19 509
Mrs Mhlambi - Nqikashe A	-	10 585
Prof Chinyamurindi W	-	19 802

Audit and Risk Committee Per Diem

Ms Hlehliso V	31 971	-
Mr Gonzalves A	11 479	-
Mrs Xoki-Mhambi S	18 220	-
Mrs Ntshanga N	83 484	67 481
Mr Manthe W	58 126	61 146
Mr Mashalaba T	34 380	29 242

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	5 393 925	5 162 342
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Balances owed to related parties

National Student Financial Aid Scheme (NSFAS)	12 790 475	10 959 287
National Skills Fund (NSF)	1 159 911	78 345

Key management / Governance information

King Hintsa TVET College

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31. Related parties (continued)

Council Members

	Names	Period
Chairperson	Prof Ndezu Z	
Deputy Chairperson	Mr Ntutu T	
Member	Mr Lunguza S	
Member	Mr Nzimakwe S	
Member	Mrs Fokazi B	(Until 08 March 2025)
Member	Mr Mdleleni P	(From 09 January 2025)
Member	Mr Dumako A	(From 09 January 2025)
Member	Ms Nyatela N	(From 09 January 2025)
Member	Ms Ntlanga N	(From 09 January 2025)
Member	Mrs Ntshanga N	(From 17 November 2025)
Member and Acting Principal	Mr Mbengo IT	(Until 12 October 2025)
Member and Acting Principal	Mr Shabangu D	(From 13 October 2025)
Member	Mr Solven L	
Member	Mr Malusi MBJ	
Member	Ms Ngcaba N	
Member	Mr Sinxutu Y	(Until 31 March 2025)
Member	Ms Mvandaba N	(Until 31 March 2025)
Member	Matemba S	(From 12 June 2025)
Member	Tembani L	(From 12 June 2025)

Audit Committee Members

	Names	Period
Chairperson	Mrs Ntshanga N	(Until 22 July 2025)
Member	Mr Manthe W	(Until 22 July 2025)
Member	Mr Mashalaba T	(Until 22 July 2025)
Chairperson	Ms Hlehliso V	(From 22 July 2025)
Member	Mr Gonzalves A	(From 22 July 2025)
Member	Mrs Xoki - Mhambi S	(From 22 July 2025)

College Senior Management

	Names	Period
Acting Principal	Mr Shabangu D	(From 13 October 2025)
Acting Principal and Deputy Principal - Corporate Services	Mr Mbengo IT	(Acting Principal until 12 October 2025)
Deputy Principal - Finance	Mr Gulwa M	
Deputy Principal - Academics	Ms Zengele TB	
Acting Deputy Principal - Corporate Services	Dr Katase LE	
Acting Deputy Principal - Registrations	Ms Makwezela NP	

King Hintsa TVET College

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31. Related parties (continued)

Remuneration of management

Remuneration of Senior Management

2025

Name	Basic salary	Medical Aid	Pension	Non-pensionable allowances	Housing allowances	Other benefits received	Total
Mr D Shabangu - Acting Principal *	169 679	-	22 058	36 521	-	859	229 117
Mr IT Mbengo - Deputy Principal Corporate Services and Acting Principal **	788 257	-	102 473	169 663	-	129 961	1 190 354
Ms TB Zengele - Deputy Principal Academics	806 344	24 145	104 825	56 275	-	70 417	1 062 006
Mr M Gulwa - Deputy Principal Finance	731 711	-	95 122	157 492	-	58 699	1 043 024
Dr LE Katase - Acting Deputy Principal Corporate Services ***	696 945	44 540	90 603	-	22 892	84 418	939 398
Ms NP Makwezela - Acting Deputy Principal Registrations****	665 884	21 098	86 565	-	22 892	122 439	918 878
	3 858 820	89 783	501 646	419 951	45 784	466 793	5 382 777

* Mr D Shabangu was appointed as Acting College Pincipal from 13 October 2025.

** Mr IT Mbengo was appointed as Acting College Principal from 01 November 2024 to 12 October 2025.

*** Dr LE Katase was appointed as Acting Deputy Principal Corporate Services from 01 January 2025 to 31 December 2025.

**** Ms NP Makwezela was appointed as Acting Deputy Principal Registrations from 01 January 2024 to 31 December 2025.

2024

	Basic salary	Medical Aid	Pension	Non-pensionable allowances	Housing Allowances	Other benefits received	Total
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King Hintsa TVET College

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31. Related parties (continued)

Name							
Mr TE Ntlangano - Acting Principal and Deputy Principal Registrations *	187 566	3 042	24 384	12 575	3 600	30	231 197
Mr IT Mbengo - Deputy Principal Corporate Services and Acting Principal **	748 260	-	97 274	161 054	-	141 625	1 148 213
Ms TB Zengele - Deputy Principal Academics ***	760 116	26 340	98 815	51 538	-	153 350	1 090 159
Mr M Gulwa - Deputy Principal Finance	694 836	-	90 329	149 555	-	23 569	958 289
Mr MM Ndzame - Acting Deputy Principal Corporate Services ****	458 908	43 440	59 658	-	20 856	125 290	708 152
Dr LE Katase - Acting Deputy Principal Corporate Services *****	485 310	43 440	63 090	-	15 502	73 230	680 572
Mr KM Picane - Acting Deputy Principal Registrations *****	426 269	32 580	55 415	-	15 502	48 201	577 967
Mr L Solven - Acting Deputy Principal Academics *****	407 865	42 534	53 022	-	15 502	117 096	636 019
	4 169 130	191 376	541 987	374 722	70 962	682 391	6 030 568

* Mr TE Ntlangano was appointed as Acting College Principal from 1 March 2022 to 29 February 2024.

** Ms TB Zengele was appointed as Acting College Principal from 17 April 2024 to 17 October 2024.

*** Mr IT Mbengo was seconded to Lovedale TVET College from 1 March 2022 to 31 October 2024 and appointed as Acting College Principal from 1 November 2024.

**** Mr MM Ndzame was appointed as Acting Deputy Principal Corporate Services from 3 June 2024 to 3 December 2024.

***** Dr LE Katase was appointed as Acting Deputy Principal Corporate Services from 1 March 2023 to 31 March 2024.

***** Mr KM Picane was appointed as Acting Deputy Principal Registrations from 3 June 2024 to 3 December 2024.

***** Mr L Solven was appointed as Acting Deputy Principal Academics from 3 June 2024 to 3 December 2024.

King Hintsa TVET College

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32. Risk management

Financial risk management

The entity'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 entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. Risk management is carried out by a finance division under policies approved by the . The provides written principles for overall risk management, as well as written policies covering specific areas.

Liquidity risk

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

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity 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	2025	2024
Cash and cash equivalents	101 192 842	108 329 240
Receivables from exchange transactions	6 247 534	6 622 395

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity'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	- %	5 661 203	-	-	-	-

33. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	At cost	Total
Receivables from exchange transactions	6 247 534	-	6 247 534
Cash and cash equivalents	-	101 192 842	101 192 842
	6 247 534	101 192 842	107 440 376

Financial liabilities

King Hintsa TVET College

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33. Financial instruments disclosure (continued)

	At amortised cost	Total
Payables from exchange transactions	5 661 203	5 661 203
Payables from non-exchange transactions	20 593 897	20 593 897
	26 255 100	26 255 100

2024

Financial assets

	At amortised cost	At cost	Total
Receivables from exchange transactions	6 622 395	-	6 622 395
Cash and cash equivalents	-	108 329 240	108 329 240
	6 622 395	108 329 240	114 951 635

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	4 495 534	4 495 534
Payables non-exchange transactions	21 450 301	21 450 301
	25 945 835	25 945 835

34. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• IT Equipment	565 876	-
• Furniture and fittings	167 515	-
• Equipment and machinery	927 400	-
• Infrastructure Assets	7 810 844	10 841 572
	9 471 635	10 841 572

Total capital commitments

Already contracted for but not provided for	9 471 635	10 841 572
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Total commitments

Total commitments

Authorised capital expenditure	9 471 635	10 841 572
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35. Going concern

We draw attention to the fact that at 31 December 2025, the college had an accumulated surplus (deficit) of 155 417 850 and that the college's total assets exceed its liabilities by 155 417 850.

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.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

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35. Going concern (continued)

The College is substantially funded by the Department of Higher Education and Training 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 2026 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 2026 financial year.

36. Events after the reporting date

Adjusting events:

The college appointed Falcolux Security Services from 1 June 2023 to 31 May 2026 on a tender for Security Services that was advertised for a period of 36 months.

The college and Falcolux Security Services signed a Service Level Agreement which outlined the services to be rendered. Falcolux breached the terms of the SLA and as such their services were terminated by the college effective from 18 June 2024.

They have since sent a letter of demand claiming that their termination was unlawful and they are claiming that they be paid the remainder of the amount of their contract which was R23 190 632 at the time of their termination.

Coupled with that was a matter between Golden Security Services and King Hintsa TVET College where Golden Security Services sought relief that the appointment of Falcolux be set aside and that they be appointed as a successful bidder for security services for a period of 36 months.

The Court ruled in favour of Golden Security Services and the appointment of Falcolux was set aside. This therefore meant that Falcolux has no case against the college as their appointment has been set aside by a Court of Law.

The matter was argued in Court on 06 November 2025 and the judgement was delivered on 26 February 2026.

This therefore qualified as an adjusting subsequent event as the judgment was delivered based on circumstances that occurred before 31 December 2025, and as a result the college has not recognised any contingent liability relating to the matter.

Non-adjusting events:

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

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2025

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37. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance for the year 2024 that have been affected by prior-year adjustments. The restatements reflected below are due to:

N1: Note 3 for Inventories has been adjusted to reflect the results of the year-end stock count where it was established that the value of Textbooks on hand was greater than the amount previously reported in the 2024 AFS.

N2: Note 4 for Receivables from exchange transactions has been adjusted to reflect the impact of calculation the impairment in line with the provisions of GRAP104.

N3: Note 5 for Statutory receivables has been amended to reflect the actual amounts that are due from the Department of Higher Education and training, which is only the last tranche that is always outstanding and paid in the subsequent year.

N4: Note 8 for PPE has been adjusted to reflect the impact of prior year corrections relating to PPE reclassifications, review of remaining useful lives and assets write-offs.

N5: Note 9 for Payables from exchange transactions has been adjusted to reflect the impact of payments made in 2025 relating to the 2024 financial year.

N6: Note 10 for Payables from non-exchange transactions been adjusted to reflect the impact of derecognition of amount relating to Conditional Grants which were incorrectly shown under payables from non-exchange transactions.

N7: Insurance Income and Gains/losses from disposal of non-currents assets have now been shown separately and not offset against one another as the nature of the transactions is different.

N8: Note 18 for Government grants & subsidies has been adjusted to recognise conditional grants revenue whose conditions were met in 2024 but were incorrectly not recognised as revenue.

N9: Note 22 for Repairs and maintenance has been adjusted to reflect the impact of assets that were incorrectly expensed instead of being capitalized.

N10: Note 23 for Depreciation has been adjusted to reflect the impact of correction of prior period misstatements of PPE.

N11: Note 26 for Allowance for impairment of receivables has been adjusted to reflect the impact of calculation the impairment in line with the provisions of GRAP104.

N12: Note 27 for General Expenses have been adjusted to reflect the impact of corrections on Books and learning materials, Cleaning, Consumables, Subscriptions and membership fees and Travel & accommodation - local.

N13: Note 25 for Lease rentals on operating lease has been adjusted for remapping of rentals of buildings.

Statement of financial position

2024

	Note	As previously reported	Correction of error	Restated
Inventories (N1)	3	967 134	2 870 744	3 837 878
Reveivables from exchange transactions (N2)	4	4 259 254	2 940 486	7 199 740
Statutory receivables (N3)	5	13 704 826	(8 542 484)	5 162 342
Property, plant and equipment (N4)	8	71 748 020	7 211 836	78 959 856
Payables from exchange transactions (N5)	9	(4 862 008)	(249 996)	(5 112 004)
Payables from non-exchange transactions (N6)	10	(21 450 301)	125 000	(21 325 301)
		64 366 925	4 355 586	68 722 511

Statement of financial performance

King Hintsa TVET College

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Notes to the Annual Financial Statements

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37. Prior-year adjustments (continued)

2024

	Note	As previously reported	Correction of error	Restated
Insurance Income (N7)		-	846 904	846 904
Gain on disposal of non-current assets (N7)		101 461	(101 461)	-
Loss on disposal of assets and liabilities (N7)	8	-	(745 443)	(745 443)
Government grants & subsidies (N8)	18	39 943 393	352 592	40 295 985
Repairs and maintenance (N9)	22	(5 821 554)	110 289	(5 711 265)
Depreciation (N10)	23	(6 773 862)	(347 668)	(7 121 530)
Allowance for impairment of receivables (N11)	26	(43 916 278)	2 940 486	(40 975 792)
General Expenses (N12)	27	(46 992 395)	2 699 097	(44 293 298)
Lease rentals on operating lease (N13)	25	(735 251)	(94 733)	(829 984)
Surplus for the year		(64 194 486)	5 660 063	(58 534 423)

38. Segment information

General information

King Hintsa TVET College

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38. 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 report 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 has 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

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Supplementary Information

1. College Infrastructure Efficiency Grant (CIEG)

	2025	2024
Disclosure Items		
Opening Balance	89 070 393	94 892 304
Total CIEG Grant funding received from DHET	-	5 000 000
Plus: Interest received on the CIEG dedicated Bank Accounts	5 912 498	6 940 567
Less: Expenditure paid	(9 221 902)	(7 455 141)
Less: Committed Expenditure	(7 738 394)	(10 307 337)
	78 022 595	89 070 393

2. Fruitless and wasteful expenditure

Opening Balance	21 049	308 878
Add: Expenditure identified - current	-	21 049
Less: Expenditure condoned / written-off	-	(308 878)
	21 049	21 049

N1: Fruitless expenditure incurred in both 2024 and 2025 relates to missed flights and no shows for Travel and Accommodation.

3. Irregular expenditure

N1* The irregular expenditure incurred in 2024 relates to an appointment where the SCM processes were not followed. It is still under investigation.

	2025	2024
Disclosure Items		
Opening balance	129 049	16 926 347
Add: Expenditure incurred - current *	-	9 800
Less: Written off	-	(16 807 098)

* See Note