



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



2024 ANNUAL PERFORMANCE REPORT FOR KING HINTSA TVET COLLEGE

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1. INTRODUCTION

The King Hintsa TVET College Annual Report considers achievements and challenges of 2024, which led to the setting of priority areas to ensure adequate and effective teaching & learning, subsequently the improvement of student access, retention, performance and success, and a direction to provide responsive programmes to the world of work and occupational qualifications in particular.

The College is striving to achieve a sustainable strategy in order to realise and add value to the changing South African Economy, take part on the implementation of the South African Economic Reconstruction and Recovery Plan and contribute on the changing educational environment, which sees a need for the evolution of the Department of Higher Education and Training, the TVET branch. The College is working towards addressing developmental needs of all stakeholders to ensure realisation of new opportunities relevant to the current local and national socio-economic environment amid the economic crisis, unemployment, draught, unprecedented weather patterns and the effects of global trade tensions.

Our focus remains student-centred with additional enhancement measures that will produce a world class TVET student experience for each student and impact holistically in the human development.

2. 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
BAC	Bid Adjudication Committee
NADA	National Artisan Development Agency
NEMISA	National Electronic Media Institute of South Africa

Vision

An innovative 21st century skills hub recognised 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.

Values

1. Service excellence
2. Collaboration
3. Responsive
4. Ubuntu
5. Mindfulness

PART A: GENERAL OVERVIEW

3. MESSAGE FROM THE COUNCIL CHAIRPERSON



King Hintsa Technical and Vocational Education and Training (TVET) College is gearing-up for significant transformation and transition. The Council of King Hintsa is charged with the fundamental responsibility to ensure that for the period of 2024-2029, the College is strategically placed as an institution of choice, positioned to provide vocational training and learning offering that will contribute in the human resource skills and capacity development of the students of the area.

Moreover, the achievement of outcome 5 of the National Development Plan, Vision 2030 “ building a skilled and capable workforce to support an inclusive growth path. In line with the DHET national priorities for the sector, among which is to increase the number of students with employable intermediate technical skills by four (4) million by the year 2030, we continue to reviewed the course offerings and structured learning programmes in a manner that revives the learning and training mandate of the TVET sector, we have also worked towards inculcating the culture of entrepreneurship in the College through a number of entrepreneurship activities, including participating to the Allan Gray intercollege entrepreneurship competition as hosted by the college for the Eastern Cape region in 2024.

This specific mandate, along with our priority task for implementation of good governance in accordance with the CET Act No.16 of 2006, as Amended is key to the Council operations of oversight. It requires creative and innovative thinking, targeting regeneration of integrated nurtured internal systems of delivery, multi-layered revolving partnerships with the private sector and statute organs of government.

We articulate our strategy of creating ‘a profitable working model for a rural institution’ while upholding the principles of good governance. Profitable in every sense of the four PSET Outcomes of the Department of Higher Education and Training. These are increasing enrolment and expand access for the youth; increase the academic achievement of students; have adequate infrastructure and systems in place to provide effective services to students; increase the number of students who are adequately prepared to enter the labour market and be responsive to the needs of its market.

The College remains focused on the principles that guide the transformation of education, and we therefore commit ourselves to the systematic development outlined by this Annual Report.

A handwritten signature in black ink, appearing to read 'Z. Ndevu', written over a horizontal line.

Prof. Z. Ndevu
Council Chairperson

30 June 2025

Date

4. THE ACCOUNTING OFFICER'S FOREWORD

It is with great attitude and pride that I wish to present the College 2024 Annual Report to our stakeholders, highlighting the College's environment and its achievements, taking into perception the socio-economic issues that affect our communities directly and indirectly during the 2024 Academic and Financial year.

Specific priority areas were identified to ensure highly effective teaching and learning in the College for the year 2024. Amid the absence of a governance structure at the college between 2 February 2025 and June 2025 due to delays on appointments, and the absence of an accounting officer/college principal from January 2025 to April 2025, the college strived for excellence and worked on its controls, working closely with the audit and risk committee.

Despite these challenges, greater opportunities were realised including the revamping of the Teko campus to a state-of-the-art campus as supported by the chief directorate planning and infrastructure development, revamping of the computer labs and computers and launching of the state-of-the-art STEM lab, sponsored by STEM POWER. Such was preceded by the visit and benchmarking at Motheo TVET college, a college with a state-of-the-art National Artisan Development Academy, built from the college efforts. The college engaged on several partnerships with SETAs, private companies and government institutions in the quest of getting support for the achievement of the college strategy.

The college management continued to enjoy the commitment of its academic and support staff including the community from the different local municipalities amid several challenges faced by the college, all stakeholders strived to sing with the same voice towards achieving the college strategy.

The college built strong relations with Mphashe and Mngquma local municipality together with the royal house, such realised greater international and local partnerships which led to an economic skill launch for the youth at the royal house in 2025.

The college management will continue with its commitment to work closely with the DHET, the governance structure and the community towards the success of the college students.



Mr I.T Mbengo
Acting Principal

30/06/2025

Date

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

1. All information and amounts disclosed throughout the college 2024 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 I.T Mbengo
Acting Principal

30/06/2025

Date

6. LEGISLATION AND OTHER DIRECTIVES

6.1 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.

6.2 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.

6.3 2024 LITIGATION CASES

In light of the above legislation framework implemented by the college inter-alia, the Public Finance Management Act and other guidelines related to the National Treasury and other related institutions.

The college in 2024 was litigated on the following tender processes and was taken for review by NEHAWU for the dismissal of 8 lecturers.:

a) Golden Security Services CC vs King Hintsa TVET College - Case No 4200/2023.

The college was taken to court by Golden Security Services over the appointment of Falcolux as the preferred bidder for the provision of security services at the college, citing that the college might have overlooked validations in relation to compliance of Falcolux.

b) Eco Chemical Solutions vs King Hintsa TVET College - Case No 4104

The college was taken to court over the termination of the appointment/contract of Eco Chemical Solutions. Eco Chemical Solutions was awarded a tender by the College for provisioning of Hygiene services into its 6 sites for a period of 3 years. The college established upon submission of an invoice from Eco Chemical Solutions that the invoice was inconsistent with the amount awarded as the service provider submitted an annual bid instead of 36 months.

c) Falcolux Security Solutions vs King Hintsa TVET College.

The college terminated the service of Falcolux Security Solution following the identification of non-compliance and breach of the service level agreement as per the internal audit report. Falcolux served the college with a letter of demand in July 2024 disputing their termination and demanding the college to pay the company R23 190 632.00.

d) Nehawu vs King Hintsa TVET College

8 college lecturers were dismissed by the minister in May 2024 due to misconduct. These lecturers have since appealed the matter to PSCBC, and the matter is awaiting an arbitration.

PART B: GOVERNANCE

1. REPORT OF COUNCIL CHAIRPERSON

7.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

a) Council members who served for the term ended 30 January 2024	
Name of Council member	Designated Function
Prof. Zwelinzima Ndevu	Council Chairperson
Mrs. Angel Mhlambi-Nqikashe	Deputy Chairperson Chairperson: Finance Committee
Mrs. Bukiwe Fokazi	Council Member
Mr. Sindile Fitshane	Chairperson: Physical infrastructure & planning committee
Mr. Sthembiso Khanyile	Chairperson: HR Committee
Mr. Menezi Gcasamba	Chairperson: Student Support Service Committee
Prof. Willie Chinyamurindi	Council Member
Mr. Andile Ntsho	Chairperson: Research & Innovation Committee
Mr. Lesego Masire	Chairperson: ICT Committee
Mr. Thando Oscar Masiko	Support staff representative
Mrs. Lindelwa Peppeta	Lecturing staff representative
Mr. Yamkela Sinxutu	SRC Chairperson
Ms. Nasiphi Mvandaba	SRC Secretary
Mr. Tembelihle Eugene Ntlangano	Acting Principal - (Acting period ended 31 March 2024)

b) Council members appointed for the term 2024 – 2029

Name of Council member	Designated Function
Prof. Zwelinzima Ndevu	Council Chairperson
Mr. Tembaletu Ntutu	<ul style="list-style-type: none"> - Deputy Chairperson of Council - Chairperson: Physical Infrastructure & Planning Committee - Member of the SSS Committee
Mrs. Bukiwe Fokazi (resigned 8/03/2025)	<ul style="list-style-type: none"> - Chairperson: Finance Committee - Member of the ICT Committee
Mr. Sifundo Lunguza	Chairperson: HR Committee <ul style="list-style-type: none"> - Member of the Physical Infrastructure planning Committee
Mr. Advocate Sb'onelo Nzimakwe	Chairperson: Student Support Service Committee <ul style="list-style-type: none"> - Member of the Academic board
Mr. Mlibo Junior Malusi	Support staff representative <ul style="list-style-type: none"> - Member of the HR Committee - Member of the SSS Committee
Ms. Nozuko Ngcaba	Lecturing staff representative <ul style="list-style-type: none"> - Member of the Academic board - Member of the Research & Innovation Committee
Mr. Lubabalo Solven	Academic Board representative <ul style="list-style-type: none"> - Member of the ICT Committee - Member of the Physical Infrastructure & Planning Committee
Mr. Tembelihle Eugene Ntlangano Acting period ended 31 March 2024	<ul style="list-style-type: none"> - Acting Principal
Ms. Thandiwe Zengele From April – October 2024	<ul style="list-style-type: none"> - Acting Principal
Mr. Isaac Tembile Mbengo From 01 November 2024	<ul style="list-style-type: none"> - Acting Principal - Chairperson of the Academic board
Ms. Nomfesane Nyathela Appointed 09/01/2025	<ul style="list-style-type: none"> - Member of the Human Resource Committee - Member of the Student Support Services Committee - Member of the Research & Innovation Committee
Mr. Abongile Dumako Appointed 09/01/2025	<ul style="list-style-type: none"> - Chairperson: Research & Innovation Committee - Member of the Human Resource Committee
Mr. Phumlani Mdleleni Appointed 09/01/2025	<ul style="list-style-type: none"> - Member of the Physical Infrastructure & Planning Committee - Member of the Finance Committee - Member of the Research & Innovation Committee
Ms. Nolufefe Ntlanga Appointed 09/01/2025	<ul style="list-style-type: none"> - Chairperson: ICT Committee - Member of the Human Resource Committee
Mr Matemba Singata	SRC President <ul style="list-style-type: none"> - Member of the Academic board - Member of the SSS Committee
Mr. Liyema Tembani	SRC Secretary <ul style="list-style-type: none"> - Member of the Academic board - Member of the SSS Committee

c) Number of Council meetings held in the year 2024

Council meeting	Purpose
4th quarter meeting – 30 January 2024	<ul style="list-style-type: none"> - To acknowledge sponsorship of a State-of-the Art ICT hub from the TVETCGC through FASSET. - Approved introduction of Hairdresser course (Occupational qualifications) in Msobomvu campus. - Approved the 5-year College maintenance plan. - Presentation of the 4th quarter College performance report to Council. - Approved disposal of assets through donation to the CET College and Zazulwana day care centre. - Presentation of progress on consequence management cases.
Special meeting – 05 July 2024	<ul style="list-style-type: none"> - Introductory meeting of the interim Council to the College Management. - Nomination of the interim Council Chairperson. - Nomination of the interim Deputy Chairperson. - Nomination of interim Chairperson's of Council committees. - Drafting of an advert for recruitment of the section 10(6) Council members. - Presentation by the Senior management on overview & status quo of the College (performance, student enrolment, challenges, financial performance). - Status quo on litigation cases.
Special Council meeting -13 July 2024	To discuss ICT challenges that the College was experiencing and thus affected work operations and teaching & learning (Microsoft, emails etc).
2nd quarter meeting – 12 September 2024	<ul style="list-style-type: none"> - To discuss Teko infrastructure challenges raised by the SRC. - Reviewed the Council committee terms of reference. - To discuss a suspected irregular expenditure and resolved that it be investigated. - Revision of programme qualification mix in Willowvale campus.
3rd quarter meeting – 16 November 2024	<ul style="list-style-type: none"> - Discussion of the College readiness for the introduction of occupational qualifications. - Approval of the 2023 Annual performance report. - Approval of the financial sustainability strategy. - Condonement of irregular expenditure. - Condonement of Fruitless & wasteful expenditure - Revision of enrolment targets in Willowvale campus. - Approval of 29 reviewed policies and 1 new policy.
Special Council meeting – 12 December 2024	<ul style="list-style-type: none"> - Approval of the 2025 College fee structure. - Approval of the 2024 budget adjustments. - Approval of the 2025 College budget. - Presentation of BAC reports above the threshold of the Accounting officer.

7.2 REPORTS BY COMMITTEES OF COUNCIL

Composition of the Audit & Risk Committee		
#	Title, Initials & Surname	Designation
1.	Mrs N. Ntshanga	Chairperson of the ARC
2.	Mr W. Manthe	External member of the ARC
3.	Mr T. Mashalaba	External member of the ARC
4.	Ms T. Zengele	Acting Principal (Acting period ended 31 October 2024)
5.	Mr I.T Mbengo	Acting Principal (Acting period started November 2024)
6.	Mr M. Ndzame	Acting DP Corporate Services
7.	Mr K. Picane	Acting DP Registrations
8.	Mr D. Bonga	Acting Office Manager
9.	Mr L. Solven	Acting DP Academics
10.	Mr M. Gulwa	DP Finance
11.	Mr N. Makupula	Internal Audit Manager
12.	Ms B. Pamla	Internal auditor
13.	Ms M. Ndzamela	Risk officer

In 2024, the Audit Committee focused on strengthening governance, compliance, and internal controls. Key actions included reviewing of the Audit Charter, the 2023 Annual Financial Statement, monitoring the implementation of the Internal Audit Plan which was a priority throughout the 2024.

The Committee discussed the CIEG audit report, addressed ICT capacity gaps with recommendations from the ICT assessment report, supported procurement of a long-term operating system to mitigate risks, monitored the fraud hotline and reports on it, reviewed risk governance documents and ensured continued improvements through the audit improvement plan.

It also supported investigations into a suspected irregular expenditure and thereafter recommended write-off of the expenditure by Council.

Composition of the Finance Committee		
#	Title, Initials & Surname	Designation
1.	Mrs B. Fokazi	Interim Chairperson
2.	Prof Z. Ndevu	Council Member
3.	Ms T. Zengele	Acting Principal (Acting period ended 31 October 2024)
4.	Mr I.T Mbengo	Acting Principal (Acting period started November 2024)
5.	Mr M. Gulwa	DP Finance
6.	Mr M. Ndzame	Acting DP Corporate Services
7.	Mr L. Solven	Acting DP Academics
8.	Ms B. Cwayi	SCM Manager
9.	Ms V. Sweleni	AD: Finance

In 2024, the Finance Committee remained focused on strengthening financial governance and promoting long-term sustainability at the College.

Key priorities included the development of a financial sustainability strategy, ongoing monitoring of audit improvement initiatives, and a thorough review of 16 finance-related policies.

The Committee monitored implementation of the e-procurement system and reviewed the Finance Committee Terms of Reference to ensure relevance and alignment with institutional goals. It also recommended amendments to the 2024 budget adjustments and reviewed mid-year financial statements to track performance against planned objectives.

Furthermore, the Committee recommended the approval of the 2025 College budget and 2025 College fee structure, addressed delays in project implementation due to Bid Committee processes, and supported measures towards the payment of fees by unfunded students.

The Finance Committee continues to play a critical role in upholding financial accountability and ensuring responsible resource management.

Composition of the HR & ICT Committee		
#	Title, Initials & Surname	Designation
1.	Mr S. Lunguza	Interim Chairperson
2.	Mrs B. Fokazi	Council Member
3.	Ms T. Zengele	Acting Principal (Acting period ended 31 October 2024)
4.	Mr I.T Mbengo	Acting Principal (Acting period started November 2024)
5.	Mr M. Gulwa	DP Finance
6.	Mr M. Ndzame	Acting DP Corporate Services
7.	Mr L. Solven	Acting DP Academics
8.	Mr K. Picane	Acting DP Registrations
9.	Mrs B. Sobekiwe	ICT Manager
10.	Dr S. Sixabayi	MIS Manager
11.	Ms L. Malusi	ICT Technician
12.	Mr Z. Mtelu	ICT Technician

1. The HR & ICT subcommittees of Council were merged since the college council was not fully constituted, pending the appointment/concurrence by the Minister for section 10(6) appointees.
2. In August 2023, the Department of Higher Education and Training (DHET) issued a moratorium on the filling of vacancies, which continues to negatively impact the college, particularly at the Senior management and middle management.
3. The combined committee reviewed terms of reference for both the HR and ICT Committees.
4. Oversight was provided on the implementation of the College's work skills plan and the ICT strategy.
5. Council approval was recommended for 15 reviewed HR policies, 9 ICT policies and one new policy on succession planning.
6. The functionality of ICT labs was monitored to ensure effective teaching and learning, and 40 computers were recommended for procurement.
7. Recommendations were made to address challenges related to the College's network connectivity & ICT infrastructure.
8. Recommendations were also made regarding the capacitation of the ICT unit due to identified understaffing.
9. The College experienced staffing changes with 2 resignations and the dismissal of 8 lecturers.

Composition of the Physical Infrastructure & Planning Committee		
#	Title, Initials & Surname	Designation
1.	Mr T. Ntutu	Interim Chairperson
2.	Mr S. Lunguza	Council Member
3.	Ms T. Zengele	Acting Principal (Acting period ended 31 October 2024)
4.	Mr I.T Mbengo	Acting Principal (Acting period started November 2024)
5.	Mr M. Gulwa	DP Finance
6.	Mr M. Ndzame	Acting DP Corporate Services
7.	Mr D. Bonga	Acting Office Manager
8.	Mr K. Picane	Acting DP Registrations
9.	Ms B. Cwayi	SCM Manager
10.	Mr M. Mphiti	Acting Manager Facilities and Maintenance
11.	Mr O.T Masiko	Manager Marketing & Communications

The committee played a pivotal role in overseeing the strategic planning process and maintenance of the college's infrastructure and CIEG expenditure during the reporting period.

Key achievements and interventions were as follows

1. Recommended follow-up with the Department of public works on the College's ownership of Msobomvu camps and engagements with the municipality and the royal house.
2. The appointment of legal experts to address land invasion matters at Centane & Teko campus.
3. Recommended the appointment of a pool of multi-disciplinary consultants for infrastructure related projects.
4. Expedition of the 840 beds project and calling the department for a meeting on clarification of certain aspects with DBSA.
5. Benchmarking with Motheo TVET College on NADA and the implementation and sourcing of infrastructure funding.
6. The committee noted a possible increase on CIEG expenditure which was due to maintenance & repairs including installation of Clear-Vu fencing in Teko, Centane & Msobomvu campus.
7. Monitored and reported progress on College litigation cases.
8. Recommended approval of the 2023 College annual report.
9. Monitored performance of the College against the planned targets.

Composition of the Student Support Services Committee		
#	Title, Initials & Surname	Designation
1.	Mr A.S Nzimakwe	Interim Chairperson
2.	Mr T. Ntutu	Council Member
3.	Mr Y. Sinxuthu	SRC President
4.	Ms N. Mvandaba	SRC Secretary
5.	Ms T. Zengele	Acting Principal (Acting period ended 31 October 2024)
6.	Mr I.T Mbengo	Acting Principal (Acting period started November 2024)
7.	Mr K. Picane	SSS Manager & Acting DP Registrations
8.	Mr L. Soji	Campus Manager - Teko
9.	Mr A. Potelwa	Campus Manager - Dutywa
10.	Ms N. Makwezela	Campus Manager – Msobomvu
11.	Ms T. Stefane	Campus Manager - Centane
12.	Dr K. Katase	Campus Manager - Willowvale

The committee recommended that a pool of service providers be appointed for a period of 36 months to assist with coordination of SRC elections and facilitation of leadership capacity building.

The 2024 target on student placement for work integrated learning (WIL) was **400** and the college managed to place **437** students through funding received from various SETA's.

Terms of reference of the SSS subcommittee of Council and 7 SSS policies were recommended for approval by Council.

Ongoing engagements between the student leadership and the College Senior management were encouraged.

The committee promoted student participation in extracurricular activities to support holistic development & wellbeing of students.

The appointment of a pool of doctors with different specialisations to support students with special needs was recommended.

Highlighted the provision of academic support services, including tutorial programmes. Noted the ongoing partnership with Higher Health, Bumbingomso and the Department of Health aimed at promoting student wellness and wellbeing.

Composition of the Research & Innovation Committee		
#	Title, Initials & Surname	Designation
1.	Prof Z. Ndevu	Interim Chairperson
2.	Mr L. Lunguza	Council Member
3.	Ms T. Zengele	Acting Principal (Acting period ended 31 October 2024)
4.	Mr I.T Mbengo	Acting Principal (Acting period started November 2024)
5.	Mr K. Picane	Acting DP Registrations
6.	Mr L. Soji	Campus Manager - Teko
7.	Mr B. Dumako	Farm Manager
8.	Mrs N. Madaza	Manager: Occupational programmes & Assisting the Research & Innovation unit
9.	Mr L. Solven	Acting Deputy Principal Academics

The committee reviewed terms of reference and recommended them for approval by Council.

The farm committee was resuscitated to enhance agricultural initiatives.

160 learners were recruited into programmes aligned with occupations in high demand, however due to delays in the recruitment of facilitators only 15 learners were able to start with the assistant chef short skills programme.

Campus identified occupational qualifications to be implemented as from 2026 in line with the DHET call on the implementation of OQSF.

In the quest for promotion of entrepreneurship, 5 students represented the College in the Allan Gray Makers competition held on the July 2024. The competition was hosted by King Hintsa TVET College and all 7 colleges participated in the programme.

7.3 ACADEMIC BOARD REPORT

In accordance with the college statute which is consistent with the CET Act 16 of 2006 as amended, the Academic board of the college reports quarterly to Council on all academic functions and mostly teaching & learning.

These are some of the activities performed in the year 2024

1. Analysis of all the 2023 November examination results.
2. Analysis of results for report 191 Engineering studies (2024 trimester 1 & 2).
3. Analysis of all 2024 internal continuous assessment results.
4. Analysis of NCV 2024 September internal examinations results.
5. Recommended approval of 7 academic related policies.
6. Reviewed and recommended Council approval of the PQM and enrolment targets for the 2024 Academic year.
7. Identified occupational qualifications that the college would be able to offer in the different campuses.
8. Analysis of SBA performance and compliance.
9. Reduced Human Resource Management report 191 enrolment Willowvale Campus.

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

Composition of the Academic board

#	Title, Initials & Surname	Designation
1.	Ms T. Zengele	Chairperson & Acting Principal (Acting period ended 31 October 2024)
2.	Mr I.T Mbengo	Chairperson & Acting Principal (From November 2024)
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 Y. Sinxuthu	SRC President
7.	Ms N. Mvandaba	SRC Secretary
8.	Mr L. Solven	Academic Manager & Acting Deputy Principal Academics
9.	Mrs N. Mantshule	Manager: Examinations and Assessments
10.	Dr L. Katase	Campus Manager – Willowvale campus
11.	Mr M. Silerha	Senior lecturer – Willowvale campus
12.	Ms N. Qayiyana	Senior lecturer – Willowvale campus
13.	Ms X. Mbedu	Lecturer – Willowvale campus

14.	Ms N. Sangqu	Lecturer – Willowvale campus
15.	Mr A. Potelwa	Campus Manager – Dutywa campus
16.	Ms N. Magwaca	Senior Lecturer – Dutywa campus
17.	Ms Z. Sakhwe	Lecturer – Dutywa campus
18.	Ms N. Madlavu	Lecturer – Dutywa campus
19.	Ms Y. Mayekiso	Senior Lecturer – Dutywa campus
20.	Ms N. Makwezela	Campus Manager – Msobomvu campus
21.	Mr M. Ndinisa	HOD - Msobomvu campus
22.	Ms P. Khwaza	Senior Lecturer - Msobomvu campus
23.	Mrs B. Bolilizwe	Lecturer - Msobomvu campus
24.	Ms N. Mbayeka	Senior lecturer - Msobomvu campus
25.	Mr L. Soji	Campus Manager – Teko campus
26.	Mr P. Merane	HOD – Teko campus
27.	Ms Z. Sigaba	Senior Lecturer - Teko campus
28.	Mr S. Mgedezi	Senior Lecturer - Teko campus
29.	Mr S. Bekaphi	Lecturer - Teko campus
30.	Ms Y. Jakavula	Lecturer - Teko campus
31.	Mr B. Dumako	Farm Manager - Teko campus
32.	Ms T. Stefane	Campus Manager – Centane campus
33.	Mr S. Mbontsi	HOD - Centane campus
34.	Ms N. Mgedesi	Senior lecturer - Centane campus
35.	Mrs L. Pepetta	Lecturer - Centane campus
36.	Mr K. Picane	Student Support Services Manager / Acting Deputy Principal Registrations
37.	Dr S. Sixabayi	Manager: MIS
38.	Mrs N. Madaza	Occupational programmes Manager

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT

King Hintsa College strives to ensure that the SRC membership reflects the demographics of the student population of the College. To this end, the 2024 membership comprised of 33 members elected through a democratic and transparent electoral process from the five (5) different Campuses.

Following a democratic election process, the 33 CRC members then nominated 8 candidates who demonstrated leadership qualities to contest for the positions as indicated below to form an SRC structure of the College.



Title	Name & Surname	Gender	Portfolio
Mr	Yamkela Sinxuthu	Male	President
Ms	Abenathi Ntezo	Female	Deputy President
Ms	Nasiphi Mvandaba	Female	Secretary General
Mr	Avuya Mnyani	Male	Deputy Secretary General
Mr	Kwande Dube	Male	Treasurer
Ms	Philela Bulana	Female	Health, Sport, Arts & Culture
Ms	Lunako Hintsho	Female	Education & Transformation
Ms	Ayavuya Dumezweni	Female	Gender & less abled

The term of the SRC is one year. The 33 newly elected CRC members received leadership & induction training on 16 June 2024, which was facilitated by college officials.

One of the objectives of the induction was to educate and equip student leaders on specific skills and college processes to enable the student leaders to perform their mandatory responsibilities effectively during their tenure.

2024 Campus Representative Council

Title	Name & Surname	Portfolio	Campus
Ms	Pamella Maqegu	Chairperson	Willowvale
Ms	Aviwe Malobola	Secretary	Willowvale
Ms	Nicola Ntshangase	Education & Transformation	Willowvale
Ms	Lelethu Mgoqi	Health, Sport, Arts & Culture	Willowvale
Ms	Yonela Lolwana	Gender & less abled	Willowvale
Ms	Nkcubeko Ntabeni	Chairperson	Centane
Ms	Sinelizwi Nyathi	Secretary	Centane
Ms	Sisiso Majangaza	Education & Transformation	Centane
Ms	Alulutho Mjoli	Health, Sport, Arts & Culture	Centane
Ms	Thandiwe Mtshutswana	Gender & less abled	Centane
Ms	Baby Manqinana	Chairperson	Dutywa
Ms	Anoxolo Mdidi	Secretary	Dutywa
Ms	Zingaphi Klaas	Education & Transformation	Dutywa
Mr	Victor Mbonisweni	Health, Sport, Arts & Culture	Dutywa
Ms	Esethu Manxele	Gender & less abled	Dutywa
Ms	Solwethu Mncanywa	Chairperson	Msobomvu
Ms	Liza Sithela	Secretary	Msobomvu
Ms	Phumeza Noholo	Education & Transformation	Msobomvu
Ms	Akwaba Saneli	Health, Sport, Arts & Culture	Msobomvu
Mr	Lwandile Nkominophondo	Gender & less abled	Msobomvu
Ms	Namhla Qongqotha	Chairperson	Teko
Ms	Anelisa Mbaleki	Secretary	Teko
Ms	Nontlahla Masekwana	Education & Transformation	Teko
Ms	Zadia Mbusi	Health, Sport, Arts & Culture	Teko
Mr	Lisakhanya Kakaza	Gender & less abled	Teko

PART C:
**PERFORMANCE
INFORMATION**

1. REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

Student recruitment



This is an overview of student recruitment initiatives conducted during the 2024 academic year, to prepare for the 2025 student registration (enrolment).

Effective recruitment ensures that the institution meets its enrolment targets and remains competitive in the higher education landscape.

Colleges often have specific goals related to academic programmes, research initiatives, and community engagement. Recruitment efforts target students who align with the College's mission and can contribute to its strategic objectives.

The 2024 recruitment strategy focused on physical career exhibitions, school visits, as well as digital recruitment marketing, whereby the College was able to interact with prospective networking partners and prospective students from communities in and around the Province with more focus on the catchment area (Amathole District Municipality), especially those from previously disadvantaged groups, including youth who are "Not in Employment, Education and Training" (NEET).

School visit initiatives conducted during the 2024 academic year to prepare for the 2025 academic year.

School visit					
#	Name of school	Area	#	Name of school	Area
1	Isolomzi S.S.S	Amathole East District	6	JS Skhenjana S.S.S	Amathole East District
2	Msobomvu High	Amathole East District	7	Upper Gwadu S.S.S	Amathole East District
3	Zanewonga S.S.S	Amathole East District	8	Vulindlela J.S.S	Amathole East District
4	Medicine SANS Frontiers	Amathole East District	9	Xolilizwe S.S.S	Amathole East District
5	Bashee C.H.S	Amathole East District	10	Zwelidumile S.S.S	Amathole East District

Student recruitment initiatives conducted during the 2024 academic year to prepare for the 2025 academic year.

Career Expo's					
#	Name of school	Area	#	Name of school	Area
1	Cala SSS	Chris Hani D.M	11	Engcobo TRT Hall	Chris Hani D.M
2	Cofimvaba High	Chris Hani D.M	12	Jongizwe S.S.S	OR Tambo District
3	Mbekweni SSS	Chris Hani D.M	13	Little Flower S.S.S	OR Tambo District
4	Tentergate	Chris Hani D.M	14	Mancam J.S.S	OR Tambo District
5	Colosa SSS	Amathole East District	15	Mqikela S.S.S	OR Tambo District
6	Dumalisile SSS	Amathole East District	16	Mgazi TVET	OR Tambo District
7	Elliotdale SSS	Amathole East District	17	Riverside S.S.S	OR Tambo District
8	Ndabankulu SSS	Amathole East District	18	St Johns College	OR Tambo District
9	Ntlabane SSS	Amathole East District	19	Ngomanzi S.S.S	Amathole East District
10	Zanewonga SSS	Amathole East District	20		





The college hosted a workshop for the life orientation teachers and principals in the Amathole district, through the college marketing department.

The purpose of the workshop was to advocate and showcase the practical skills engaged in by the college with different programs offered.

The word out in the community about TVET colleges is that these colleges are meant for the learners who are not doing well academically, and might need only practical skills, and the TVET sector is of low standard and low quality academically.

The success of the program was highlighted by several engagements, including an address by the acting principal Ms. TB Zengele, giving a highlight of the TVET programs and what the mandate of TVET colleges is. Several technical skills were showcased by different campus as per the campus program qualification mix.



STEMpower

King Hintsa TVET College's Msobomvu Campus made significant strides in advancing STEM education through the establishment of a dedicated STEM Center.

This initiative, through donation of a fully equipped electronics lab and an additional lab with 30 computers from STEMpower and supported by NEMISA, aims to equip students and local entrepreneurs with essential digital and engineering skills.

At the STEM Center, IT students engage in hands-on training using SCRATCH software to delve into animation and game development, fostering creativity and foundational coding skills. Engineering students benefited from exposure to Autodesk Inventor 2024 for computer-aided drafting (CAD) and 3D printing, aligning their competencies with modern engineering practices.

The program's reach extends beyond students; it also includes Small, Medium, and Micro Enterprises (SMMEs), particularly internet café owners from the Mbashe and Mquma local municipalities. By participating in the training, these entrepreneurs will enhance their digital literacy, which can lead to improved services and expanded business opportunities.

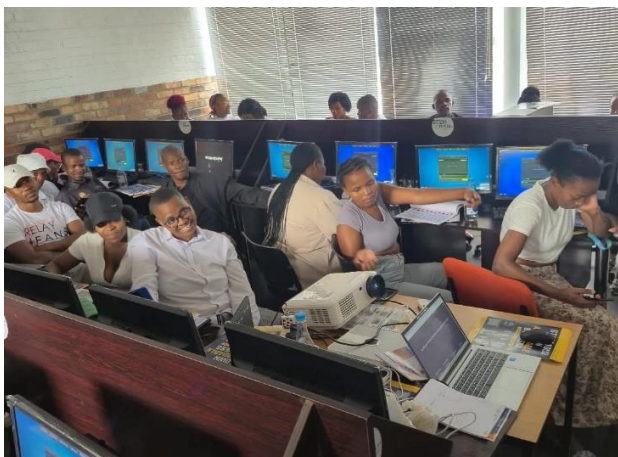
Upon completion of the training, participants received certification, validating their newly acquired skills and enhancing their career prospects in the evolving tech and engineering industries. This initiative reflects King Hintsa TVET College's commitment to community development and its vision of providing quality education that responds to societal and economic needs.



Handover of the STEM Centre



Demonstration to Lecturers



Students



Members of the Community & SMMEs

Entrepreneurship programme - Allan Gray



The college hosted 7 other TVET colleges in the region for the Allan Gray makers entrepreneurship intercollege competition supported by the DHET regional office, the local municipalities, district municipality, ECSECC, DEDEAT amongst other support stakeholders.

The program aims to inculcate the spirit of entrepreneurship amongst the college students noting the level of unemployment in the province and the country.

As the college produces skills, such skills should be creating employment through entrepreneurship, where graduate register their companies, do services as per their skills and beyond but also create new industries. The competition was highly contested by creativity from the students of different colleges.

The students who won at the regional level, proceed to the national level and compete with other colleges. Several stakeholders attended the competition and identified support programs for the student products and ideas. Amongst others for such was, NYDA, SEDFA, ASPIRE, Siqalo youth fund etc.

Staff & Student wellness

- Men championing change by **We Care** with discussions on the role of men in the society,
- Msobomvu campus colour fun run raising awareness on breast cancer (DOH and Higher Health).

Staff wellness



Students & Staff color run

Men championing change

Graduation & Certification ceremony

The 2024 graduation and certification ceremony was held on the 19 September 2024 and marked a significant milestone for the King Hintsa TVET College. This prestigious annual event featured notable additions, including the ceremonial recognition of newly qualified artisans.

In line with the DHET’s “Decade of the Artisan” mandate, the college continues to produce and celebrate skilled artisans, supporting national efforts to advance skills development and economic growth.

During the ceremony

1. 100 students graduated with National diplomas.
2. 03 students qualified as Artisans (02 Electricians & 1 motor mechanics).
3. 297 Students qualified for N6 certificate.
4. 135 learners received certificates for completing the NCV programme.

This achievement reflects the College’s commitment to academic excellence and skills development.

2024 top achievers

Qualification	Subject and level	# Recipients	Campus
Financial Management	Financial accounting N4	1	Willowvale
Farming Management	Computer Practise N5	1	Teko
Human Resource Management	Labour Relations N5	2	Willowvale
	Personnel Training N5	1	Willowvale
Public Management	Public Finance N6	3	Dutywa
	Public Finance N5	1	Dutywa
	Public Administration	1	Dutywa
	Public Administration	1	Dutywa
Total number of recipients		11	



Occupational programmes

Partner	Nature of partnership.	Number of students assisted in 2024.	Amount of Funding received/made from Partnership.
NSF	Skills Programme, learnerships, WIL, Staff capacity building.	440	R45 587 568.00
WRSETA	Learnerships, placement & TVET Skills programme.	39	R2 017 300.00
CETA	Apprenticeship & internship.	45	R8 788 700.00
WSU & Mnquma Local Municipality	Placement of learners & implementation of skills development initiatives.	13	N/A
Mbashe Local Municipality	Placement of learners.	7	N/A
ECSECC	Capacity building of KHC to implement its initiatives in alignment with strategic priorities of Department of Higher Education.	N/A	N/A
MICTSETA	TVET placement.	50	R3 500 000.00
MERSETA	TVET placement.	20	R5 375 000.00
TRANSNET	To facilitate the implementation of in-service training, internships, bursaries & WIL.	N/A	N/A
BANKSETA	TVET placement & entrepreneurship funding.	40	R2 744 359.00
ETDPSETA		30	No allocation was made to the college. Learners were paid directly by ETDPSETA
MQA	TVET placement.	35	R2 415 000.00

Accreditations acquired in 2024

- Animal Production
- Building & Civil Construction
- Community house Building
- Customer Care
- Assistant Chef
- Basic Plumbing

Human resource management

Vacancies

The College has several funded vacant positions and most of them cannot be filled due to the moratorium on filling of vacancies. The following were the most critical vacancies

1. College Principal
2. Research & Innovation Manager
3. Deputy Principal Registrations
4. Risk Manager
5. Office Manager
6. HOD - Dutywa campus
7. MIS Manager / HOD Willowvale
8. MIS Officer
9. Manager Facilities & Maintenance
10. Transport officer
11. 2 Senior lecturers – Teko campus

Recruitment

In ensure continuity to teaching and learning, Council approved temporary appointment of lecturers to address the gap created by the dismissal of 8 lecturers from Dutywa campus and the resignation of 3 lecturers from Willowvale & Centane campuses.

Carrer advancements

The College congratulated 3 members of staff namely the (Deputy Principal Registrations / Acting Principal, Manager Facilities & Maintenance, and a Lecturer in Msobomvu campus) on their career advancement following their appointment to promotional positions at other institutions. Their positions were subsequently filled with acting personnel.

Terminations

Sadly, the College experienced the loss of 2 staff members due to death, namely the Secretary to the Deputy Principal Corporate Services a Hospitality lecturer in Centane campus.

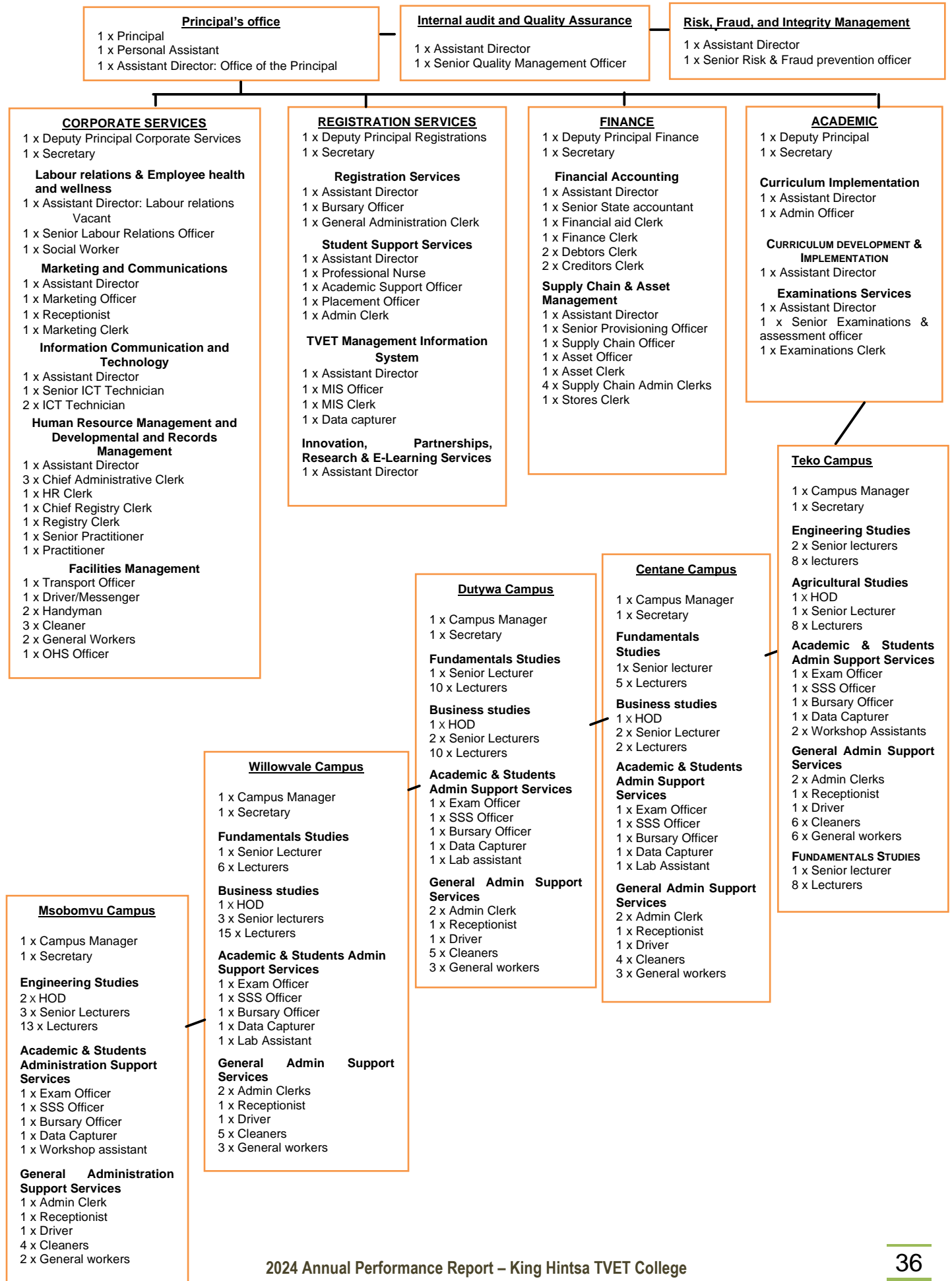
Labour relations

- 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.

Work Skills Plan Report

No	No of Planned Trainings	No of trainings implemented	No of employees trained (lecturing & support staff)
	52	8 delivered	133
1		Assessor	22
2		Moderator	32
3		Human Relations	22
4		Train me 2 project	2
5		Huawei digital training	4
6		ITS	38
7		GRAP	4
8		Employment Equity	9

Capacity of the College to deliver as per the mandate



Support staff – Performance Management Development System (PMDS)

Post level	Number of employees	Rating scales	Persal paid employees	College paid employees
2	15	Highly effective	-	-
		Fully effective	15	-
		Partially effective	-	-
		Not effective	-	-
3	26	Highly effective	-	-
		Fully effective	24	2
		Partially effective	-	-
		Not effective	-	-
4	05	Highly effective	-	-
		Fully effective	4	-
		Partially effective	-	-
		Not effective	-	-
5	14	Highly effective	-	-
		Fully effective	11	-
		Partially effective	1	-
		Not effective	-	2
6	23	Highly effective	-	-
		Fully effective	20	-
		Partially effective	-	-
		Not effective	-	-
7	17	Highly effective	-	-
		Fully effective	15	-
		Partially effective	-	-
		Not effective	-	-
8	10	Highly effective	-	-
		Fully effective	6	-
		Partially effective	1	-
		Not effective	-	-
9	04	Highly effective	-	-
		Fully effective	2	-
		Partially effective	1	-
		Not effective	-	-
10	07	Highly effective	-	-
		Fully effective	5	1
		Partially effective	-	-
		Not effective	-	-
12	04	Highly effective	-	-
		Fully effective	3	-
		Partially effective	-	-
		Not effective	-	-

PMDS rating scales

Highly effective	4
Fully effective	3
Partially effective	2
Not effective	1

Non-compliant with submission

Level 4	01
Level 6	03
Level 7	02
Level 8	03
Level 9	01
Level 10	01
Level 12	01

Academic Staff – Integrated Quality Management System

Post level	Number of employees	Rating scales	Persal paid employees	College paid employees
1	99	Outstanding	39	4
		Good	43	5
		Satisfactory	1	-
		Unacceptable	-	-
2	12	Outstanding	7	-
		Good	5	-
		Satisfactory	-	-
		Unacceptable	-	-
3	04	Outstanding	1	-
		Good	3	-
		Satisfactory	-	-
		Unacceptable	-	-
5	05	Outstanding	-	-
		Good	3	-
		Satisfactory	1	-
		Unacceptable	-	-

IQMS rating scales

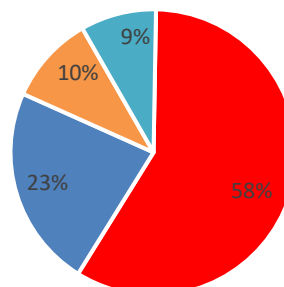
Outstanding	4
Good	3
Satisfactory	2
Unacceptable	1

Noncompliant with submission

Post level 5	01
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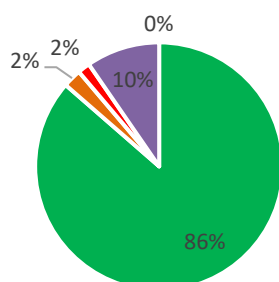
Performance of Staff in the year 2024

Academic staff - IQMS



■ Outstanding
 ■ Good
 ■ Satisfactory
 ■ Unacceptable

Support Staff - PMDS



■ Highly effective
 ■ Fully effective
 ■ Partially effective
■ Not effective
 ■ Noncompliant

College Farm



The college farm is situated at Teko Campus, an agricultural campus with primary agriculture and farming management programs. Several activities took place at the farm in 2024, including, amongst others:

Acquiring 500 broiler chickens for production profit and student practical.

Production of 10 piglets per sow of 5 per production cycle.

Acquiring 250 egg laying chickens for the production of eggs for profit making and student practical.

Acquiring equipment assist the on the utilisation of the 10-hector land for planting of maize and other horticulture crops.

12. COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

The college is currently engulfed with critical vacancies due to the moratorium imposed by DHET on filling of vacancies. Such posts include but not limited to:

- ✓ The principal of the institution (Accounting officer), since 2022.
- ✓ The deputy principal registrations (since 2023).
- ✓ The deputy principal corporate services (who was the acting principal at Lovedale TVET college in 2024).
- ✓ The assistant director facilities and maintenance
- ✓ Assistant director Management and Information systems
- ✓ Head of programs for Dutywa campus

The vacancies had rendered the critical operations of the college very difficult to execute as loads or spans of work end up being distributed to other posts which have their own functions.

The college could not appoint an acting principal for almost three months after the departure of the initial acting principal as he was appointed in another college.

The college is currently highly dependent on the government grant for its operations, however, in 2024, payment of fees by students who are not funded by NSFAS was introduced. This saw the college realising more R 1m gain to enhance its operations. A draft financial sustainability strategy was developed to include plans to strengthen and incorporate the third-stream income engagements.

The introduction of occupational qualifications came in as a burden to under privileged rural colleges like ours that has infrastructure and supply chain challenges. These see underdevelopment and under-utilisation of the college workshops which leads to non-adherence to QCTO standards of accreditation.

The college continues to commit to strive for the improvement of the college infrastructure, leverage on SETA funding for support and engage relevant stakeholders for the college development.

13. PERFORMANCE REPORTING

14.1 ANNUAL PERFORMANCE ACHIEVEMENTS

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2024 PLANNED TARGET	TVET COLLEGE 2024 ACHIEVEMENT	EXPLANATORY REMARKS
SO 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.			
		*NCV	1181	1409	Head count is also included, students who are repeating subjects.
		*Report 191	2083	3921	
		*PLP	100	87	The college struggled with referrals to fill spaces for PLP.
		*Occupational qualifications	200	15	Facilitators were not appointed on time for the execution of programs.
		*Trades (COS)	0	0	Did not target as the college is not a COS.
		*Higher Certificates	0	0	Did not target
	*Shorter skills programmes (accredited and non-accredited)	50	0	No programs were engaged on.	
	1.2 College student accommodation is optimally utilized	Occupation rate (%) per enrolment cycle	100%	100%	The college has one campus with student accommodation, Teko campus which is currently facing infrastructure and maintenance challenges. Due to the geographical area
SO2 Improved success and efficiency of TVET systems	2.1 Apprentices in trade programmes qualify and pass trade test	Number of artisans exiting COS or college	0	0	The college produced 4 artisans in 2024 even though there was no target for such, 26 other potential artisans are still on the process of competency.
		Number of students at exit levels exiting college programmes	709	993	These include R191 and NCV.
	2.2 Students complete qualifications and programmes and exit the college	*Number of students exiting NCV L4	240	337	
		2.3 NCV students complete qualification within 3 years	Number of students exiting N6	469	656

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2024 PLANNED TARGET	TVET COLLEGE 2024 ACHIEVEMENT	EXPLANATORY REMARKS
	2.4 PLP students are retained	Retention rate (%) in PLP	85	87	PLP students' progress to internal college programs and are tracked with challenges, however, it is quite difficult to track those who drop out or enroll at other colleges.
	2.5 PLP students progress into initial programmes of choice	Progression rate (%) of PLP students	80%	60%	
SO3 Improved quality of TVET college provision	3.1 College councils are constituted and comply with standards	% compliance with governance standards	100%	96%	The college did not have a fully-fledged council in 2024, however, council meetings and committees were convened since the appointment of the 5 ministerial appointees and election of internal members.
	3.2 Examinations are conducted with minimum irregularity reported	% compliance with examinations standards and policy	100%	98%	Only two campuses do not have an electricity back up system, one hires a generator during examinations.
	3.3 More students meet the requirements for writing examinations	% of registered students (based on subject enrolment) qualifying for examinations	80%	95%	-
	3.4 TVET college lecturers are placed in industry for specified periods to gain relevant experience	% of TVET college lecturers placed in industry	12%	1%	The college is currently struggling to place lecturers in industry due to limited host employers who are in line with the purpose of TVET placement.
	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	5	5	-

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2024 PLANNED TARGET	TVET COLLEGE 2024 ACHIEVEMENT	EXPLANATORY REMARKS
SO4 Improved responsiveness of TVET colleges to the world of work	4.1 More students are enrolled in identified programme offerings relating to OIHD and priority skills	Number of students enrolled in programmes relating to OIHD and priority skills	0	0	-
	4.2 Entrepreneurship hubs are established and supported	Number of students engaged in entrepreneurship programmes and initiatives	25	16	Allan Gray Makers assists the college with the entrepreneurship programs.
	4.3 Students are placed for WBPL at exit levels	Number of students placed for WBPL at exit levels	400	320	
		*Number of students placed for WBPL at NCV L4	50	05	Funding for NCV programmes was scarce as SETA's are mostly targeting N6 students.
	*Number of students placed for WBPL at N6	350	315		

10.2 STRATEGY TO DEAL WITH UNDERPERFORMANCE

Sections as led by the deputy principals are required to develop performance reports and improvement plans in relations to the challenges faced and under performance experienced.

- ✓ The college develops an Audit Improvement Plan for every audit year.
- ✓ All college campuses are required to develop improvement plans from the lecturer improvement plan, senior lecture/program improvement plan.
- ✓ The improvement plans are discussed and costed where necessary and take part of the college strategic plan interventions.
- ✓ A turnaround strategy is part of the monitoring and evaluation policy, this is speaking to the priorities of the senior management and the execution of such.

PART D: FINANCIAL INFORMATION

Report of the auditor-general to the 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

Qualified opinion

1. I have audited the financial statements of the King Hintsa Technical and Vocational Training (TVET) College set out on pages 53 to 108, which comprise the statement of financial position as at 31 December 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the King Hintsa TVET College as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (CETA).

Basis for qualified opinion

Receivables from exchange transactions

3. Objective evidence that student debtors were impaired was not considered when determining the provision for impairment in accordance with GRAP 104, Financial Instruments. The college did not use actual historical payments of the student debtors to determine the irrecoverable rate for the provision for impairment. Consequently, I was unable to determine the full extent of the understatement in receivables from exchange transactions, stated at R4,3 million in the statement of financial position and the overstatement of the provision for debt impairment stated at R44 million in the statement of financial performance, as it was impracticable to do so.

Property, plant and equipment

4. The college did not account for movable assets as required by GRAP 17, Property, plant and equipment. The college did not calculate depreciation in line with the accounting policy and did not account for all the assets belonging to the college. In addition, assets that meet the criteria for capitalisation have been incorrectly expensed. Consequently, I was unable to determine the full extent of the understatement in property plant and equipment, stated at R71, 7 million in note 8 to the financial statements, as it was impracticable to do so.

Context for opinion

5. 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.
6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Unspent conditional grants

9. As disclosed in note 13 to the financial statements, the college materially underspent the conditional grants by R1 8,7 million (2023: R20,8 million).

Other matter

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

Unaudited supplementary information

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

Responsibilities of the council for the financial statements

12. The council is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the CETA and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. 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

14. 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.
15. 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, forms part of my auditor's report.

Report on the audit of the annual performance report

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

Report on compliance with legislation

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The council is responsible for the college's compliance with legislation.
18. 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.
19. 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.
20. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and supported by complete accounting records, as required by section 25 (1 and (3) of the CET Act. Material misstatements of non-current assets, current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Other information in the annual report

22. 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 that have been specifically reported on in this auditor's report.

23. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.
24. 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.
25. 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

26. 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.
27. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material finding on compliance with legislation included in this report.
28. The college's audit action plan to address external audit findings from the prior years was not adequate as it was identified that it did not state management's action plans to address the root causes of the findings. Furthermore, the audit action plan was not implemented and monitored timeously, and this has contributed to material misstatements that could have been avoided.

29. Management did not implement adequate financial management disciplines during the year and did not ensure that the reconciliation of the accounting records is performed in a timely manner to achieve accurate and reliable financial statements and records.

AUDITOR - GENERAL

East London

31 May 2025



AUDITOR - GENERAL
SOUTH AFRICA
Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation — selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Continuing Education and Training Act 16 of 2006	Section 3(3) Section 10(9)(c); 10(9)(e)(iii); 10(9B) Section 20(7)(b); 20(8)[(a)-(c)] Section 25 (1)(b);25(3) Section 44(1) Section46;46(1)(a)(i);46(1)(a)(ii)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024



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 2024

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

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	
	Prof Ndevu Z Chairperson (Until 30 January 2024 and reappointed 25 May 2024) Deputy Chairperson
	Mrs Mhlambi-Nqikashe A (Until 30 January 2024) Member
	Mr Masire L (Until 30 January 2024) Member
	Mr Ntsho A (Until 30 January 2024) Member
	Mr Khanyile S (Until 30 January 2024) Member
	Mr Fitshane S (Until 30 January 2024) Member
	Mrs Fokazi B (Until 30 January 2024 and reappointed 25 May 2024) Member
	Mr Gcasamba M (Until 30 January 2024) Member
	Prof Chinyamurindi W (Until 30 January 2024) Member
	Mr Ntutu T (Until 30 January 2024) Deputy Chairperson
	Mr Nzimakwe SA (Appointed 25 May 2024) Member
	Mr Lunguza S (Appointed 25 May 2025) Member
	Mr Ntlangano TE (Appointed 25 May 2024) Acting College Principal
	Ms Zengele TB (Until 29 February 2024) Academic Board Representative (Until 30 January 2024) and Acting College Principal (17 April - 17 Oct 2024)
	Mbengo IT Acting College Principal (From 1 November 2024)
	Mr Masiko T Support Staff Representative (Until 30 January 2024)
	Mrs Peppeta L Lecturers Representative (Until 30 January 2024)
	Mr Malusi MBJ Support Staff Representative (Appointed 4 September 2024)
	Ms Ngcaba N Lecturer Representative (Appointed 4 September 2024)
	Ms Pendu A Representative - SRC President (Until 31 March 2024)
	Mr Sinxutu Y Representative - SRC Secretary (Until 31 March 2024)
	Ms Mvandaba N Representative - SRC President (Appointed 1 April 2024) Representative - SRC Secretary (Appointed 1 April 2024)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

GENERAL INFORMATION

	Ibika
	Butterworth
	4960
Business address	218 Mthatha Road
	Ibika
	Butterworth
	4960
Postal address	P/Bag X3018
	Butterworth
	4960
Bankers	First National Bank
Auditors	Auditor General of South Africa
Preparer	The annual financial statements were internally compiled by:
	Mr M. Gulwa
	DPF

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

GENERAL INFORMATION

INDEX

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

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

Supplementary Information	52
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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

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

The 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 college's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the college has or has access to adequate resources to continue in operational existence for the foreseeable future.

King Hintsa TVET College


Annual Financial Statements for the year ended 31 December 2024

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

Although the council is primarily responsible for the financial affairs of the college, it is supported by the college'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 college's external auditors and their report is presented on page 5.

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the Council on 31 March 2025 and were signed on its behalf by:



Prof Z. Ndevu (Council Chairperson)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

Figures in Rand	Note(s)		
Assets			
Current Assets			
Inventories	3	967 134	-
Receivables from exchange transactions	4	4 259 254	25 479 045
Statutory receivables	5	13 704 826	13 710 640
Cash and cash equivalents	6	108 329 240	105 589 412
		127 260 454	144 779 097
Non-Current Assets			
Biological assets that form part of an agricultural activity	7	28 600	18 300
Property, plant and equipment	8	71 748 020	73 465 458
Intangible assets	9	-	113 000
		71 776 620	73 596 758
Total Assets		199 037 074	218 375 855
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	4 862 008	8 400 010
Payables from non-exchange transactions	11	21 450 301	21 259 861
Provisions	12	168 839	174 022
Unspent conditional grants and receipts	13	78 345	435 810
		26 559 493	30 269 703
Non-Current Liabilities			
Unspent conditional grants and receipts	13	18 607 417	20 384 029
Total Liabilities		45 166 910	50 653 732
Net Assets		153 870 164	167 722 123
Accumulated surplus		153 870 164	167 722 123
Total Net Assets		153 870 164	167 722 123

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)		
Revenue			
Revenue from exchange transactions			
Tuition and related fees	15	55 171 970	47 606 801
Other income	16	204 743	232 006
Interest received	17	6 404 710	6 736 664
Gain on disposal of non-current assets		101 461	162 378
Fair value adjustments	18	10 300	-
Total revenue from exchange transactions		61 893 184	54 737 849
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	19	39 943 393	31 583 729
Public contributions and donations	20	857 247	65 145
Services in kind	21	101 691 969	98 361 818
Project income		350 033	291 063
Total revenue from non-exchange transactions		142 842 642	130 301 755
Total revenue	14	204 735 826	185 039 604
Expenditure			
Employee related costs and DHET Management fees	22	(114 306 784)	111 557 038)
Repairs and maintenance	23	(5 821 554)	(3 722 943)
Depreciation and amortization	24	(6 773 862)	(7 118 396)
Impairments of non-current assets		(41 445)	-
Finance charges	25	(216)	(378 174)
Lease rentals on operating lease	26	(735 251)	(299 949)
Provision for debt impairment	27	(43 916 278)	(16 806 461)
Fair value adjustments	18	-	(31 100)
General Expenses	28	(46 992 395)	(46 595 766)
Total expenditure		(218 587 785)	(186 509 827)
Deficit for the year		(13 851 959)	(1 470 223)

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 January 2023	169 192 344	169 192 344
Changes in net assets		
Deficit for the year	(1 470 221)	(1 470 221)
Total changes	(1 470 221)	(1 470 221)
Balance at 01 January 2024	167 722 123	167 722 123
Changes in net assets		
Deficit for the year	(13 851 959)	(13 851 959)
Total changes	(13 851 959)	(13 851 959)
Balance at 31 December 2024	153 870 164	153 870 164

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

CASH FLOW STATEMENT

Figures in Rand

Note(s)

Cash flows from operating activities

Receipts

Tuition and related fees	33 607 604	16 252 996
Grants	49 670 954	42 267 609
Interest income	6 404 710	6 736 664
Other receipts	-	40 000
	89 683 268	65 297 269

Payments

Employee costs	(12 614 815)	(13 111 601)
Suppliers	(70 954 793)	(49 563 376)
Finance charges	(216)	(378 174)
	(83 569 824)	(63 053 151)

Net cash flows from operating activities 30 **6 113 444** **2 244 118**

Cash flows from investing activities

Purchase of property, plant and equipment	8	(4 205 937)	(9 472 938)
Proceeds from sale of property, plant and equipment	8	832 321	281 737

Net cash flows from investing activities **(3 373 616)** **(9 191 201)**

Net increase/(decrease) in cash and cash equivalents **2 739 828** **(6 947 083)**

Cash and cash equivalents at the beginning of the year 105 589 412 112 536 495

Cash and cash equivalents at the end of the year 6 **108 329 240** **105 589 412**

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

Figures in Rand

Note(s)

1. Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

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

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

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 college 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.

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:

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

Programme funding

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

The programme funding is allocated by Department of Higher Education and Training during their financial year

which is from April to March, but for the college the funds pertain to the college academic and financial year which is from January to December. Once the college has registered the projected number of FTEs, the condition of the programme funding grant has been met and the grant is recognised in full.

The programme funding is paid out partly in cash tranches, paid to the college, and partly through the PERSAL system of the National Department of Higher Education and Training, directly to the employees of the college. The method and timing of payment of the grant does, however, not influence the recognition of revenue.

Employee related costs and DHET management fee

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

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

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

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

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis, review and applied prospectively.

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

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

Debt impairment

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

Significant judgements and sources of estimation uncertainty

Data indicating a measurable decrease in the estimated future cash flows from a financial asset.

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

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

Non-financial asset Impairment

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

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

Provisions

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

Useful lives and residual values of assets; depreciation and amortisation

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

Depreciation and amortisation recognised on property, plant and equipment and intangible assets respectively are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the college's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the how the condition and use of the asset informs the useful life and residual

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

value, management considers the impact of technology and minimum service requirements of the assets.

Generally, depreciation is accrued over the useful lives of assets on a straight-line basis.

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

Effective interest rate

The college uses an appropriate interest rate, taking into account guidance provided in GRAP, and applying professional judgement to the specific circumstances, to discount future cash flows, to the present value of the item being discounted.

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

Allowance for doubtful debts

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

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.

Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

King Hintsa TVET College

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Accounting Policies

1.6 Property, plant and equipment (continued)

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 college assesses at each reporting date whether there is any indication that the college expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the college revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 23).

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the college or from other rights and obligations.

Accounting Policies

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the college; and
- the cost or fair value of the asset can be measured reliably.

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

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

1.7 Intangible assets (continued)

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when: it is technically feasible to complete the asset so that it will be available for use or sale.

- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Accounting Policies

1.8 Financial instruments

Initial recognition

The college recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

Gains and losses

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Accounting Policies

Derecognition

Financial assets

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

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

1.8 Financial instruments (continued)

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

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

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

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

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Accounting Policies

Financial liabilities

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

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

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

1.9 Statutory receivables

Identification

Funding receivable from the Department of Higher Education 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.

1.10 Leases

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

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

Accounting Policies

1.10 Leases (continued)

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases – lessor

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

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

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

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

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

Operating leases – lessee

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

1.11 Inventories

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

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

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

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

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.

Accounting Policies

1.12 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).

1.12 Impairment of cash-generating assets (continued)

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

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

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

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

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

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

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. As far as the College cashflow position permits, all creditors are paid within 30 days, and where necessary, suitable payment arrangements are entered into to settle outstanding balances.

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

1.14 Compound instruments

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

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

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Accounting Policies

1.15 Employee benefits

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

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

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

1.15 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 college 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 college 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 college 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.

Accounting Policies

1.16 Provisions and contingencies

Provisions are recognised when:

- the college 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 college 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.

1.16 Provisions and contingencies (continued)

Provisions are not recognised for future operating surplus (deficit)

If a 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 a 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 would carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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Accounting Policies

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

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the college

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

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

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

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

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

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

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.17 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

-Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and

-Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. An exchange transaction is one in which the college receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

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

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

Sale of goods

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

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

Accounting Policies

1.18 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the college;
- 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

1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the college, 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 college can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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

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

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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 college.

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

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

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

1.19 Revenue from non-exchange transactions (continued)

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

Measurement

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

When, as a result of a non-exchange transaction, the college recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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.

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Accounting Policies

Transfers

Apart from Services in kind, which are not recognised, the college 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 college 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 college recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

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

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the college and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the college 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 college and the fair value of the assets can be measured reliably.

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

1.20 Investment income

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

1.21 Borrowing costs

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

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

1.22 Comparative figures

When the presentation or classification of items in the financial statements is amended due to better presentation and/or better understandability and/or comparability and/or due to the implementation of a new or amended standard, prior period comparative amounts are reclassified.

Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised, by the employees requesting and finally approving the expenditure. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. If expenditure is classified as satisfying the criteria for 2 or more of the following:

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

1.24 Irregular expenditure

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

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

1.25 Events after reporting date

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

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

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

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

1.26 Expenses

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

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

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

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 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 were no materially new GRAP standards and interpretations that were effective and adopted by the College.

3. Inventories

Textbooks	967 134	-
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The verification of inventory was performed on 26-27 November 2024 by the college asset team. Inventory is carried at the lower of its cost and net realisable value as at the end of the year.

No inventory is pledged as security.

4. Receivables from exchange transactions

Student debtors	3 681 909	25 479 045
Prepaid expenses	577 345	-
	4 259 254	25 479 045

Reconciliation of exchange receivables other than student debtors

Sundry debtors	670 932	670 932
Staff debtors	534 241	534 241
Prepaid Expenses	577 345	-
Provision for impairment	(1 205 173)	(1 205 173)
	577 345	-

Reconciliation of student debtors

Student debtors	188 294 569	166 175 427
Provision for impairment	(184 612 661)	(140 696 382)
	3 681 908	25 479 045

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.

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

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4. Receivables from exchange transactions (continued)

Trade and other receivables past due but not impaired

As of 31 December 2024, trade and other receivables of R4 259 254 (2023:R25 479 045) were past due but not impaired.

Prepaid Expenses (+121 days)	577 345	-
Student Debtors (0-30 days)	-	313 534
Student Debtors (30-60 days)	563 507	25 000
Student Debtors (+120 days)	3 118 402	25 140 512

Trade and other receivables impaired

The ageing of these debtors is as follows:

Student Debtors (+120 days)	184 612 661	140 696 382
Sundry Debtors (+120 days)	670 932	670 932
Staff Debtors (+120 days)	534 241	534 241

Reconciliation of provision for impairment

Opening balance	141 901 556	125 095 095
Provision for impairment	43 916 278	16 806 461

185 817 834 141 901 556

Reconciliation of provision for impairment per debtor 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 provision for impairment	43 916 278	-	-	-	43 916 278
	184 612 660	534 241	670 932	-	185 817 833

Reconciliation of provision for impairment per debtor type for 2023

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

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	13 704 826	13 710 640
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King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

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5. Statutory receivables (continued)

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

Opening Balance	13 710 640	23 241 696
Allocations for the period	132 665 969	128 931 591
Receipts in the current year	(132 671 783)	(138 462 647)
	13 704 286	13 710 640

Total receivables from non-exchange transactions	13 704 826	13 710 640
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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.

Interest or other charges levied/charged

No interest is levied on statutory receivables.

Statutory receivables impaired

As of 31 December 2024, no statutory receivables were impaired and provided for.

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:

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	18 976	18 443
Bank balances	108 310 264	105 570 969
	108 329 240	105 589 412

Cash and cash equivalents held by the entity that are available for use by the 108329 240 105 589 412 economic entity

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	108 329 240	105 589 412
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King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

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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 2024	31 December 2023	31 December 2022	31 December 2024	31 December 2023	31 December 2022
FNB main bank account 62387644125	1 643 406	643 615	2 776 057	1 643 406	643 615	2 776 057
FNB ECD - 62405821936	43 239	436 102	406 206	43 239	436 102	406 206
FBN Entrepreneurship Account 62391760264	49 736	46 143	421 149	49 736	46 143	421 149
JET SIYEC Cheque Account 62415764697	131 826	69 898	119 742	131 826	69 898	119 742
NSFAS Cheque Account 62422582579	54 692	1 658 964	1 980 748	54 692	1 658 964	1 980 748
FNB Project Fund Account 62555533332	6 934 890	7 141 265	9 007 227	6 934 890	7 141 265	9 007 227
FNB Hospitality Account 62555533217	10 687	2 614	11 538	10 687	2 614	11 538
CIEG M & R Account 62415752139	9 656 365	3 290 851	28 883 179	9 656 365	3 290 851	28 883 179
FNB Short term deposit 74797173868	24 088 262	22 099 633	20 466 744	24 088 262	22 099 633	20 466 744
CIEG Student Accom Account 62631816579	46 998 783	43 904 918	3 393	46 998 783	43 904 918	3 393
FNB NSF - 630191954444	64 040	680 067	7 423 073	64 040	680 067	7 423 073
FNB Short term deposit 74848915557	-	-	41 022 057	-	-	41 022 057
FNB CIEG Bulk Services 63042648345	18 608 695	20 384 029	-	18 608 695	20 384 029	-
FNB CIEG OPEX 63042648361	25 641	5 212 873	-	25 641	5 212 873	-
Total	108 310 262	105 570 972	112 521 113	108 310 262	105 570 972	112 521 113

7. Biological assets that form part of an agricultural activity

	2024			2023		
	Cost Valuation	/ Accumulated depreciation and accumulated impairment	Carrying value	Cost Valuation	/ Accumulated depreciation and accumulated impairment	Carrying value
Farm animals	28 600	-	28 600	18 300	-	18 300

King Hintsa TVET College

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8. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost Valuation	/ Accumulated depreciation and value accumulated impairment	Carrying value
Buildings	73 307 677	(23 519 264)	49 788 413	72 581 483	(21 066 772)	51 514 711
Equipment and machinery	12 100 722	(8 646 030)	3 454 692	10 634 861	(7 925 000)	2 709 861
Motor vehicles	6 325 204	(2 546 482)	3 778 722	6 325 204	(2 190 363)	4 134 841
Furniture and fittings	11 494 261	(9 228 907)	2 265 354	10 648 587	(8 503 746)	2 144 841
IT equipment	26 201 988	(21 077 099)	5 124 889	25 295 229	(18 708 202)	6 587 027
Infrastructure	7 354 083	(18 133)	7 335 950	6 374 177	-	6 374 177
Total	136 783 935	(65 035 915)	71 748 020	131 859 541	(58 394 083)	73 465 458

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 from write-offs	Transfers and WIP	Depreciation	Impairment loss	Total
Buildings	51 514 711	288 768	308 050	-	-	(2 452 492)	-	49 659 037
Equipment and machinery	2 709 861	1 465 861	-	-	-	(706 856)	(14 174)	3 454 692
Motor vehicles	4 134 841	664 989	-	(637 005)	-	(384 103)	-	3 778 722
Furniture and fittings	2 144 841	845 674	-	-	-	(722 226)	(2 935)	2 265 354
IT equipment	6 587 027	1 142 533	-	(113 855)	-	(2 490 052)	(24 336)	5 101 317
Infrastructure	6 374 177	7 354 083	1109 281	-	(7 354 083)	(18 133)	-	7 465 325
	73 465 458	11 761 908	1 417 331	(750 860)	(7 354 083)	(6 773 862)	(41 445)	71724 447

King Hintsa TVET College

Annual Financial Statements for the year ended 31 December 2024

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8. Property, plant and equipment (continued) Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Work in progress (WIP)	Disposals	Depreciation	Total
Buildings	53 592 250	390 705	-	-	(2 468 243)	51 514 712
Equipment and machinery	3 164 627	405 728	-	(413)	(860 081)	2 709 861
Motor vehicles	4 102 920	449 920	-	(3 146)	(414 853)	4 134 841
Furniture and fittings	2 602 861	502 377	-	(39 402)	(920 995)	2 144 841
IT equipment	6 733 915	2 441 837	-	(76 398)	(2 501 307)	6 587 027
Infrastructure	-	-	6 374 177	-	-	6 374 177
	70 196 573	4 190 567	6 374 177	(119 359)	(7 165 479)	73 465 459

Pledged as security

There are no assets pledged as security.

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

Buildings	308 050	-
Infrastructure	129 375	6374177
	437 425	6374177

N1: 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, Centane and Msobomvu Fencing.

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

N2: The Work-in-progress for 2023 relates to the Water Bulk Services at Teko 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 2024

Total	Included within		Included within
	Infrastructure	Buildings	
Opening balance	6 374 176	-	6 374 176
Additions/capital expenditure	1 109 282	308 050	1 417 332
Transferred to completed items	(7 354 083)	-	(7 354 083)
	129 375	308 050	437 425

King Hintsa TVET College

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8. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2023

	Included Infrastructure	within Total
Opening balance	1 066 661	1 066 661
Additions/capital expenditure	5 307 516	5 307 516
	6 374 177	6 374 177

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.

King Hintsa TVET College

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9. Intangible assets

	2024			2023		
	Cost Valuation	/ Accumulated amortisation and accumulated impairment	Carrying value	Cost Valuation	/ Accumulated amortisation and accumulated impairment	Carrying value
Computer software	-	-	-	113 000	-	113 000

Reconciliation of intangible assets - 2024

	Opening balance	Transfers	Total
Computer software	113 000	(113 000)	-

Reconciliation of intangible assets - 2023

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

10. Payables from exchange transactions

Student debtors suspense	382 835	322 292
Trade payables	3 165 377	6 653 771
Accrued expenses	63 753	152 673
Payroll control account	366 474	387 705
Retention	883 569	883 569
	4 862 008	8 400 010

King Hintsa TVET College

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11. Payables from non-exchange transactions

SETAs	3 573 468	1 044 959
Unspent NSFAS funding	10 959 287	10 717 606
Student Credit Balances/NSFAS	6 917 546	9 497 296
	21 450 301	21 259 861

The Student Credit Balances relate to amounts received from NSFAS and captured on the student accounts. These amounts are due to NSFAS rather than students.

12. Provisions

Reconciliation of provisions - 2024

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

Reconciliation of provisions - 2023

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

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Deferred Income on College Infrastructure Grant (Bluk Services)	18 607 417	20 384 029
NSF Funding	78 345	435 810
	18 685 762	20 819 839

Non-current liabilities	18 607 417	20 384 029
Current liabilities	78 345	435 810
	18 685 762	20 819 839

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 college has directly benefited; and

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

See note 19 for reconciliation of grants from DHET.

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

King Hintsa TVET College

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14. Revenue

Tuition and related fees	55 171 970	47 606 801
Other income	204 743	232 006
Fair value adjustments	10 300	-
Gain on disposal of non-current assets	101 461	162 378
Interest received	6 404 710	6 736 664
Government grants & subsidies	39 943 393	31 583 729
Donations received	857 247	65 145
Service in kind	101 691 969	98 361 818
Project income	350 033	291 063
	204 735 826	185 039 604

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

Tuition and related fees	55 171 970	47 606 801
Other income	204 743	232 006
Gain on disposal of non-current assets	101 461	162 378
Fair value adjustments	10 300	-
Interest received	6 404 710	6 736 664
	61 893 184	54 737 849

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

Taxation revenue

Transfer revenue

Government grants & subsidies	39 943 393	31 583 729
Donations received	857 247	65 145
Services in kind	101 691 969	98 361 818
Project income	350 033	291 063
	142 842 642	130 301 755

15. Tuition and related fees

Class fee : NCV	37 842 876	24 894 408
Class fee : Report 191	7 161 194	8 199 893
Student accommodation	10 167 900	14 512 500
	55 171 970	47 606 801

16. Other revenue

Other income	204 743	232 006
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The amount included in other revenue arising from exchanges of goods or services are as follows:

Examination Fees	51 420	-
Business Unit Income	55 790	44 280
Hiring of venues and Miscellaneous	23 290	159 476
Tender Income	69 060	28 250
Reversal of leave accrual	5 183	-
	204 743	232 006

King Hintsa TVET College

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17. Investment revenue

Interest revenue

Interest received on bank accounts	4 416 081	4 007 301
Interest received on investment accounts	1 988 629	2 729 363
	6 404 710	6 736 664

18. Fair value adjustments

Biological assets - (Fair value model) gain /(loss)	10 300	(31 100)
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King Hintsa TVET College

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19. Government grants and subsidies

Operating grants

Programme funding: Goods and Services Grant	30 974 000	29 643 000
National Skills Fund - Conditional grant	873 611	1 940 729
	31 847 611	31 583 729

Capital grants

Income recognised on College Infrastructure Grant (Bluk Services)	3 095 782	-
Income recognised on Repairs, Maintenance Grant	5 000 000	-
	8 095 782	-
	39 943 393	31 583 729

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	3 969 393	1 940 729
Unconditional grants received	35 974 000	29 643 000
	39 943 393	31 583 729

National Skills Fund (NSF) Grant

Balance unspent at beginning of year	435 810	7 369 723
Current-year receipts	14 069 469	3 510 060
Conditions met - transferred to revenue	(873 611)	(1 940 729)
Other	(13 553 323)	(8 503 244)
	78 345	435 810

Conditions still to be met - remain liabilities (see note 13).

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	30 974 000	29 643 000
Unconditional - recognised as revenue	(30 974 000)	(29 643 000)
	-	-

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	
Unconditional - recognised as 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

Annual Financial Statements for the year ended 31 December 2024

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20. Public contributions and donations

Donations Received	857 247	65 145
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The increase in Public Contributions and Donations is as a result of the donation of an ICT hub in Willowvale by Fasset.

21. Services in kind

DHET Employee costs grant	101 691 969	98 361 818
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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.

22. Employee related costs

DHET Management fees	101 691 969	98 361 818
Basic salaries and 37% Benefit	11 204 658	10 644 223
Leave pay provision charge	-	83 618
Leave Gratuity	-	66 198
Overtime and part-time payments	1 023 949	2 077 974
Contributios to UIF and SDL	188 260	142 672
Acting allowances	197 948	180 535
	114 306 784	111 557 038

23. Repairs and maintenance

Repairs and maintenance	5 821 554	3 722 943
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Repairs and maintenance per class of assets

Business information system	245 579	88 844
Motor vehicles	224 979	186 258
Buildings and infrastructure	4 814 334	2 749 576
Equipment	520 381	515 887
Ground maintance	16 281	182 378
	5 821 554	3 722 943

The amount of repairs and maintenance has increased significantly due to more utilization of CIEG funds in the current year.

24. Depreciation and amortization

Property, plant and equipment	6 773 862	7 165 479
Intangible assets	-	(47 083)
	6 773 862	7 118 396

25. Finance charges

Finance charges	216	378 174
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King Hintsa TVET College

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26. Lease rentals on operating lease

Equipment		
Contractual amounts	829 984	-
Premises		
Contractual amounts	(94 733)	299 949
	735 251	299 949

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

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

27. Provision for debt impairment

Provision for debt impairment - Receivables from exchange transactions	43 916 278	16 806 461
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The doubtful debts provision is calculated in terms of the Debt Management Policy which stipulates the following:

- Debt outstanding for at least 3 months and less than 5 months, the provision is 25% of the balance.
- Debt outstanding for 6 months and less than 8 months, the provision is 50% of the balance,
- Debt outstanding for 9 months and less than 11 months, the provision is 75% of the balance, and
- Debt outstanding for at least 12 months, the provision is 100% of the outstanding balance.

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28. General expenses

Advertising	208 902	213 072
Auditors remuneration	2 861 678	2 452 754
Bank charges	69 118	50 093
Books and learning materials	4 449 024	5 063 656
Cleaning	1 141 211	815 791
Council and Audit Committee Fees	767 536	1 290 595
Staff Welfare and Wellnes	409 187	192 369
Conferences and seminars	577 286	507 994
Consumables	200 028	297 559
Website Rental	230 770	99 360
Farm supplies	292 113	134 229
Fuel and oil	990 790	1 190 059
IT expenses	1 414 202	2 080 826
Insurance	1 840 357	1 473 968
Marketing costs	464 550	758 879
Medical expenses	147 037	-
Motor vehicle expenses	54 991	90 956
Municipal services	4 763 174	3 630 832
Other expenses	-	119 130
Postage and courier	53 917	-
Printing and stationery	727 976	1 995 558
Professional fees	3 394 211	1 153 642
Project costs	825 115	274 250
Catering and refreshments	470 778	326 822
OHS and Sanitation	876 663	1 050 198
Security	11 055 151	11 720 247
Software expenses	2 280 445	2 820 214
Student support services	1 888 905	1 845 016
Subscriptions and membership fees	143 335	232 640
Telephone and fax	1 452 710	1 238 304
Staff Development	1 304 683	604 140
Travel - local	1 633 482	2 872 613
	46 989 325	46 595 766

29. Auditors' remuneration

External auditors fees	2 861 678	2 452 754
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King Hintsa TVET College

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30. Cash generated from operations

Deficit	(13 851 959)	(1 470 223)
Adjustments for:		
Depreciation and amortisation	6 773 862	7 118 396
Profit on disposal of assets	(101 461)	(162 378)
Fair value adjustments	(10 300)	31 100
Finance costs - Finance leases	216	-
Impairment deficit	41 445	-
Debt impairment	43 916 278	16 806 461
Employee benefits obligations	(5 183)	83 619
Other non-cash items	(981 944)	(14 125)
Changes in working capital:		
Inventories	(930 039)	-
Receivables from exchange transactions	21 237 791	(16 022 912)
Receivables from exchange transactions - non cash movement	(43 916 278)	(16 806 461)
Other receivables from non-exchange transactions	-	10 483 555
Prepayments	(577 345)	-
Payables from exchange transactions	(3 538 002)	(13 056 822)
Payable from non-exchange	190 440	21 259 861
Unspent conditional grants and receipts	(2 134 077)	(6 005 953)
	6 113 444	2 244 118

31. Contingencies

Contingent liabilities

Claim for services rendered - Full Sail 1136 cc - (2 570 194)

The College was sued by the aforesaid entity for services rendered. The matter has been consolidated with that of Rodlam Consulting. There have been no further developments on the case for the past two years and as a result the estimates have not been adjusted by the lawyers.

Based on the fact that there has been no communication from the applicant, the court, nor attorneys handling the matter for at least two years, the college considers that liability to be remote and as such no contingent liability is disclosed in 2024.

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

This is review application setting aside the decision of College to cancel and withdraw the award and appointment of the applicant as a service provider.

The matter is opposed and answering affidavit as well as counter application have been filed. We are now waiting for the matter to be set down for hearing.

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.

(23 637 392)

(3 016 954)

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32. Related parties

Relationships

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

Related party transactions

Income received

Department of Higher Education and Training - Peral Allocation	101 691 969	99 288 591
Department of Higher Education and Training - Operational Allocation	30 979 814	33 001 298
Department of Higher Education and Training - Capital Allocation	5 000 000	6 162 545

Council Per Diem

Mr Khanyile S	21 257	165 653
Prof Ndevu Z	139 832	147 947
Mr Masire L	18 498	121 640
Mr Ntsho A	15 800	106 130
Mr Fitshane S	19 609	119 529
Mr Gcasamba M	19 509	141 473
Mrs Fokazi B	97 416	107 997
Mrs Mhlambi-Nqikashe A	10 585	95 249
Prof Chinyamurindi	19 802	124 488
Mr Ntutu T	85 976	-
Mr Lunguza S	85 443	-
Mr Nzimakwe S	81 539	-

Audit Committee Per Diem

Mrs Ntshanga N	67 481	69 602
Mr Manthe W	61 146	62 192
Mr Mashalaba T	29 242	28 695

Balances owed by other TVET Colleges

Buffalo City TVET College	5 177	5 177
East Cape Midlands TVET College	5 177	5 177
Ikhala TVET College	5 177	5 177
Ingwe TVET College	5 177	5 177
Lovedale TVET College	5 177	5 177
Port Elizabeth TVET College	5 177	5 177

Balances owed by controlling entity

Department of Higher Education and Training	13 704 826	13 087 049
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Balances owed to related parties

National Student Financial Aid Scheme (NSFAS)	10 959 287	10 717 606
National Skills Fund (NSF)	78 345	435 810

Key management / Governance information

Council Members

	Name	Period
Chairperson	Prof Ndevu Z	Until 30 January 2024 and from 5 July 2024
Deputy Chairperson	Mrs Mhlambi-Nqikashe A	Until 30 January 2024
Deputy Chairperson	Mr Ntutu T	From 5 July 2024
Member	Mr Masire L	Until 30 January 2024
Member	Mr Ntsho A	Until 30 January 2024
Member	Mr Fitshane S	Until 30 January 2024

King Hintsa TVET College

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32. Related parties (continued)

Member	Mr Khanyile S	Until 30 January 2024
Member	Mrs Fokazi B	Until 30 January 2024 and from 5 July 2024
Member	Prof Chinyamurindi W	Until 30 January 2024
Member	Mr Gcasamba M	Until 30 January 2024
Member	Mr Nzimakwe S	From 5 July 2024
Member	Mr Lunguza S	From 5 July 2024
Acting College Principal	Mr Ntlangano TE	Until 30 January 2024
Member and Acting College Principal	Ms Zengele TB	Until 30 January 2024 and from 5 July 2024 to 17 October 2024
Acting College Principal	Mr Mbengo IT	From 1 November 2024
Member	Mr Solven L	
Member	Masiko T	Until 30 January 2024
Member	Peppeta L	Until 30 January 2024
Member	Mr Malusi M	Elected on 4 September 2024
Member	Ms Ngcaba N	Elected on 4 September 2024
Member	Ms Pendu A	Until 30 January 2024
Member	Ms Stuma A	Until 30 January 2024
Member	Mr Sinxutu Y	Elected from 1 April 2024
Member	Ms Mvandaba N	Elected from 1 April 2024
College Senior Management	Name	
Acting Principal / Deputy Principal Registrations	Mr Ntlangano TE	Acting College Principal from 1 March 2022 to 29 February 2024
Acting Principal / Deputy Principal Academics	Ms Zengele TB	Acting College Principal from 17 April to 17 October 2024
Acting Principal / Deputy Principal Corporate Services	Mr Mbengo IT	Acting College Principal from 1 November 2024
Deputy Principal Finance	Mr Gulwa M	
Acting Deputy Principal Corporate Services	Dr Katase LE	Acting from 1 March 2023 to 31 March 2024
Acting Deputy Principal Corporate Services	Mr MM Ndzame	Acting from 3 June 2024 to 3 December 2024.
Acting Deputy Principal Registrations	Mr KM Picane	Acting from 3 June 2024 to 3 December 2024.
Acting Deputy Principal Academics	Mr Solven L	Acting from 3 June 2024 to 3 December 2024.

King Hintsa TVET College

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32.Related parties (continued)

Remuneration of management

Remuneration of Senior Management

2024

Name	Basic salary	Medical Aid	Pension	Nonpensionable allowances	Housing allowances	Other benefits received	Total
Mr TE Ntlangano - Deputy Principal Registrations / Acting Principal *	187 566	3 042	24 384	12 575	3 600	30	231 197
Mr IT Mbengo - Deputy Principal Corporate Services / Acting Principal **	748 260	-	97 274	161 054	-	141 625	1 148 213
Ms TB Zengele - Deputy Principal Academics/Acting Principal ***	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.

King Hintsa TVET College

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32. Related parties (continued)

**** 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

2023

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

* Mr TE Ntlangano was appointed as Acting College Principal from 1 March 2022.

** Ms V Swelwni was appointed as Acting Deputy Principal Finance from 1 April 2022 until 31 July 2023.

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

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

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

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33. Risk management

Financial risk management

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

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

Liquidity risk

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

Credit risk

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

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

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

Financial instrument	2024	2023
Cash and cash equivalents	108 329 240	105 589 412
Receivables from exchange transactions	3 681 909	25 479 045

Market risk

Interest rate risk

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

Cash flow interest rate risk

Financial instrument	Current interest Due after five	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 in more than four years
Trade and other payables - normal credit terms	- %	4 495 534	-	-	-	-

34. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At cost	Total
Trade and other receivables from exchange transactions	3 681 909	3 681 909
Cash and cash equivalents	108 329 240	108 329 240
	112 011 149	112 011 149

Financial liabilities

King Hintsa TVET College

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34. Financial instruments disclosure (continued)	At cost	Total
Trade and other payables from exchange transactions	4 495 534	4 495 534
Payables from non-exchange	21 450 301	21 450 301
	25 945 835	25 945 835

2023

Financial assets

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

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	8 012 305	8 012 305
Payables from non-exchange	21 259 861	21 259 861
	29 272 166	29 272 166

35. Commitments

Authorised capital expenditure

Already contracted for but not provided for

<input type="checkbox"/> Buildings	10 726 572	640 000
<input type="checkbox"/> Infrastructure assets	115 000	695 960
	10 841 572	1 335 960

Total capital commitments

Already contracted for but not provided for	10 841 572	1 335 960
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Total commitments

Total commitments

Authorised capital expenditure	10 841 572	1 335 960
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36. Going concern

We draw attention to the fact that at 31 December 2024, the college had an accumulated surplus (deficit) of 153 870 164 and that the colleges's total assets exceed its liabilities by 153 870 164.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The College is substantially funded by the Department of Higher Education, Science and Innovation through the provision of

Programme Funding grant for PERSAL and Goods and Services using the planned College enrolments, Full Time Equivalents (FTEs) and the Funding Grid. Most students of the College are funded by the National Students Financial Aid Scheme (NSFAS), and the student fees for the NSFAS funded students are covered by NSFAS. The 2025 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 2025 financial year.

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37. Events after the reporting date

Adjusting events:

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

Non-adjusting events:

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

38. Prior-year adjustments

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

N1: Note 10 for Payables from exchange transactions has been amended to exclude Unspent NSFAS Funding as these are now classified as non-exchange.

N2: Note 11 Payables from non - exchange transactions have been amended to include Unspent NSFAS Funding. The reason for the correction is that the contract to render services is between the college and the student and not NSFAS and there is no service being rendered/ or rendered between the college and NSFAS hence these amounts are regarded as nonexchange payables.

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Payables from exchange transactions	10	28 614 912	(20 214 902)	8 400 010
Payables from non-exchange transactions	11	1 044 959	20 214 902	21 259 861
		29 659 871	-	29 659 871

39. Segment information

General information

King Hintsa TVET College

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39. 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 have several campuses: Teko Campus, Centane Campus, Msobomvu Campus, Dutywa Campus, Willowvale Campus and Admin Centre. Separate financial information is not available for the individual campuses and the cost to develop it would be excessive.

King Hintsa TVET College

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SUPPLEMENTARY INFORMATION

1. College Infrastructure and Efficiency Grant (CIEG)

Disclosure Items	2024	2023
Opening balance	94 892 304	89 967 593
Total CIEG Grant funding received from DHET	5 000 000	6 162 545
Plus: Interest received on the CIEG dedicated bank account	6 940 567	6 945 595
Less: Expenditure paid	(7 455 141)	(8 183 429)
Less: Committed expenditure	(10 307 337)	-
	89 070 393	94 892 304

2. Fruitless and wasteful expenditure

Disclosure Items	2024	2023
Opening Balance	308 878	281 965
Add: Expenditure identified - current	21 049	26 913
Less: Expenditure condoned/written - off	(308 878)	-
	21 049	308 878

3. Irregular expenditure

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

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

N3*** The irregular expenditure incurred in 2024 relates to an appointment where the SCM processes were not followed. It is still under investigation.

Disclosure Items	2024	2023
Opening balance	16 926 347	516 444
Add: Expenditure incurred - current **	9 800	16 409 903
Less: Written off (Condoned)	(16 807 098)	-
	129 049	16 926 347

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