FOREWORD
A REVIEW OF THE PAST YEAR AT MGSLG
Message from the MEC

It has to be acknowledged that 2010/2011 financial year was a challenging one for the Matthew Goniwe School of Leadership and Governance (MGSLG). The institution went through an extensive review process in order to establish its potential and the service it can offer to the Gauteng Department of Education (GDE). Furthermore, the gap created as a result of the passing away of the previous CEO, the late Ms. Zandile Mbeje posed an additional challenge to the organisation. I would like to express my appreciation to Ms. Anusha Naidu for keeping the MGSLG afloat for nine months as Acting CEO.

MGSLG has now been reconfirmed as the main training and development arm for the GDE. The mandate to MGSLG has been extended to include Teacher Development and Parental and Community Support Programmes. Teacher Development is a new and important mandate to MGSLG. This mandate includes the development and implementation of programmes and projects from Early Childhood Development (ECD) through to the Further Education and Training (FET) Phase, including Special Schools and Adult Learning Institutions. One of the elements of this programme is the Secondary School Improvement Programme (SSIP) focusing on the development of teachers in gateway subjects. MGSLG became involved in this programme for the first time during the 2010/2011 financial year.

All the support, training and development programmes conducted by MGSLG are being aligned with and in response to the main priorities of the GDE. This approach emanates from reinstating the original rationale for the establishment of this school.

I am happy to announce that MGSLG has a new Chief Executive Officer (CEO) Mr. Rufus Mmutlana who assumed duties in January 2011. I am confident that Mr. Mmutlana will lead MGSLG to becoming a cutting edge development institution for the Gauteng Department of Education. We have also appointed a new Board of Directors that will be chaired by Mr. Neeshan Balton. The full Board of Directors comprise of:

- Mr. Neeshan Balton;
- Ms. Anthea Cereseto;
- Prof. Brahm Fleisch;
- Mr. Mahlomola Kekana;
- Mr. Tshediso Ledimo;
- Mr. Ernest Mahlaule;
- Mr. Hope Papo; and
- Ms. Staff Sithole

I am confident that this Board of Directors together with the CEO will reposition MGSLG to become a significant education development institution firmly focused in supporting the GDE's vision and goals. I wish them every success in their efforts during their term of office.

Ms. Barbara Creecy
Member of the Executive Council (MEC)
Gauteng Department of Education (GDE)

VISION

The Matthew Goniwe School of Leadership and Governance is guided by the Gauteng Department of Education's Charter of Values and seeks to contribute to the Department's Vision through its Mission and core activities. Our vision is a smart service delivery of quality public education which promotes a dynamic citizenship for socio-economic growth and development in Gauteng and South Africa. We will be at the cutting edge of curriculum delivery and provide access to quality lifelong learning opportunities.

This will be shaped by the principles of transformation, equity, redress and Ubuntu.

MISSION

The Matthew Goniwe School of Leadership and Governance exists to expand and enhance the vision and quality of leadership that guides education and learning in the schools of Gauteng and beyond. It is dedicated to elevating educators' understanding of learners, learning and learning systems, and helping them to translate their knowledge into constructive action. It achieves this by bringing educators at all levels leading-edge research, thinking, frameworks, strategies and professional growth experiences.

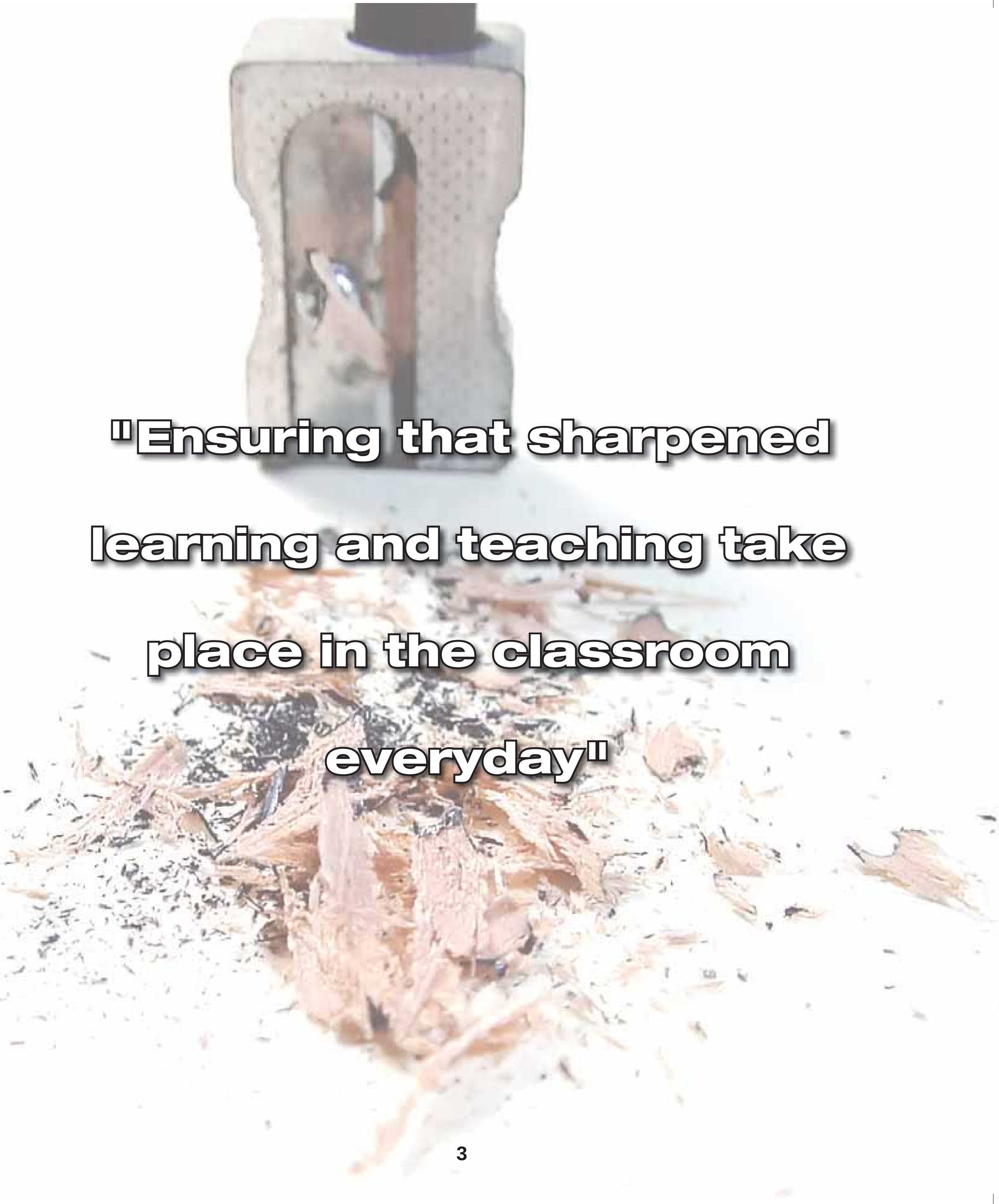
THE EXECUTIVE MANAGEMENT

Chief Executive Officer	Mr. Rufus Mmutlana
Chief Operations Officer	Ms. Anusha Naidu
Head of Programmes	Dr. Thabi Molete
General Manager	Mr. Matime Papane
Director: Finance	Mr Sibusiso Mahlangu
Registrar	Mr. Ebrahim Farista
Director: Teacher Development	Mr. Moses Motha
Director: Leadership	Mr. Roger Looyen
Director: Governance	Mr. Lawrence Jacobs (Seconded from GDE)

BOARD OF DIRECTORS

A new Board of Directors has been appointed by the MEC for Education in Gauteng, Ms. Barbara Creecy.

Mr. Neeshan Balton, Ms. Anthea Cereseto;, Prof. Brahm Fleisch, Mr. Mahlomola Kekana, Mr. Tshediso Ledimo, Mr. Ernest Mahlaule, Mr. Hope Papo; and Ms. Staff Sithole



"Ensuring that sharpened learning and teaching take place in the classroom everyday"

ANNUAL REPORT CONTENTS

Acronyms used in this report

ACE	Advanced Certificate in Education
AET	Adult Education and Training
ANA	Annual National Assessment
BoD	Board of Directors
CAPS	Curriculum and Assessment Policy Statement
DP	Deputy Principal
ECD	Early Childhood Development
EN	Ekurhuleni North
ES	Ekurhuleni East
FET	Further Education and Training
GE	Gauteng East
GN	Gauteng North
GW	Gauteng West
HEIs	Higher Education Institutions
ICAS	Integrated Campus Administration System
GDE	Gauteng Department of Education
GPLNS	Gauteng Primary Literacy and Numeracy Strategy
HoDs	Heads of Department
JC	Johannesburg Central
JE	Johannesburg East
JN	Johannesburg North
JS	Johannesburg South
JW	Johannesburg West
MEC	Member of Executive Committee
MGSLG	Matthew Goniwe School of Leadership & Governance
MST	Mathematics, Science and Technology
PoE	Portfolio of Evidence
SA SAMS	South African School Administration and Management System
SMTs	School Management Teams
SSIP	Secondary School Improvement Programme
SCOA	Standard Charts of Accounts for Schools
SGB	School Governing Body
SDP	School Development Planning
SMART	Simple Measurable Attainable Reliable and Tangible
SE	Sedibeng East
SW	Sedibeng West
TN	Tshwane North
TS	Tshwane South
TW	Tshwane West

Programme Activities for 2010-2011

BRANCH
Teacher Development and Leadership

BRANCH HEAD
Dr. Thabi Molete

Teacher Development

The financial year 2010/11 witnessed a change of scope in the MGSLG mandate to include Teacher Development programmes for the GDE. To this end, a new Head of Programmes, Dr. Thabi Molete, was appointed together with key staff for the branch. This was followed shortly thereafter by the amalgamation of the Leadership and Teacher Development Directorates which has afforded a more strategic and integrated approach to MGSLG offerings which range from the Early Childhood Development (ECD) to the Further Education and Training (FET) sector, including Districts.

The training of Early Childhood Practitioners (ECD) proved to be a huge success. ECD practitioners received specialised training in the acquisition, integration and application of different types of knowledge. The training was skills based which relied on evidence and demonstrable outcomes. These practitioners were not only trained professionally, but they were also empowered to adapt to the dynamic social order and even to transform social conventions in the interest of social justice, equality and the building of communities. Early Childhood practitioners were also empowered to be active agents of change, so that they were enabled to reflect on their own practices for improvement in their own domains and to contribute to the improvement of communities.

In the Foundation Phase concerted efforts went into the preparation for CAPS Orientation that was earmarked for implementation in October 2011. The target audience for this training was all the Foundation Phase and Grade 10 teachers. A total number of 36 000 teachers would eventually receive this training, in preparation for the actual roll out in 2012. The process was characterised by extensive consultation sessions and meetings with various Units of the GDE, the GPLNS Facilitators as well as the 15 Districts in the Province. Among other things, this preparation brought to the fore acute organisational and collaborative qualities among the staff at Matthew Goniwe, GDE: Curriculum, the Human Resources Department and Districts. This collaboration and cooperation bodes well for future projects that will be undertaken in Teacher Development.

Although no major project was undertaken by the Intersen Phase in 2011, a preparatory research project was initiated to be conducted in 24 schools which would be used as case studies to inform various projects to be implemented in 2012. The research project looked at three basic dimensions, namely an audit of all resources available for Literacy in the Intersen Phase, analysis of learner books and teacher schedules and particularly lesson planning, as well as the collection of qualitative and quantitative data to determine capacity needs for teachers. The information gleaned from this exercise will be used to design appropriate intervention strategies to support Literacy in the schools in 2012.

The Secondary School Improvement Programme (SSIP) was expanded to include a teacher development component that targeted six gateway subjects. The SSIP teacher development programme was facilitated by identifying gaps in content knowledge. Lessons plans, assessments and methodologies were developed by expert teachers and used in the training of teachers. Teachers have been further supported by utilizing podcasts. Teacher access these on their smart-phones by clicking onto a link sent to them at regular intervals of the academic year. These 6 to 12 minute podcasts support teachers in lesson plans, assessments and methodology.

Programme Activities for 2010-2011

Leadership Development

The Matthew Goniwe School of Leadership and Development (MGSLG) has been a trail- blazer in the delivery of leadership development programmes. In the year 2010 MGSLG achieved a major milestone when the first students in the Accredited Certificate in Education School management and leadership (ACE) delivered in -house by MGSLG, were graduated.

The delivery of the ACE to 1600 Principals, Deputy Principals and Heads of Departments (HODs) was hugely successful. Six graduation ceremonies were held to accommodate the 1441 students who graduated. In our partnership with the University of Johannesburg, a further 127 students received the ACE certificate. We also offered middle manager courses for HODs and an accredited mentoring and coaching course.

The Accredited Certificate in Education (ACE)
The ACE qualification is a flag-ship of MGSLG as it was first initiated by MGSLG as early as 2004. The main goal of the MGSLG model of ACE delivery is to ensure the following competencies:

- **Foundational Competence** – Theories of leadership from a range of researchers both international and national are incorporated in the modules. The modules are designed to ensure that the local contextual realities are integrated through the activities to ensure that theory is applied to practice.
- **Practical Competence** – All activities both formative and summative ensures that all learning can be translated into practice in schools.
- **Reflective Competence** – This is a critical skill that is emphasized for all activities. Reflection ensures that attitudes, values and assumed knowledge is challenged and thoroughly interrogated so that new ideas, knowledge, attitudes and values are assimilated for transformed practices.

The practice - based model adopted by MGSLG with an emphasis on the above competencies, provides all school managers with the knowledge and skills to improve functionality and delivery of teaching and learning in their schools.

Feedback from Participants
Most participants value the experience of participating in the ACE courses. The model offers cohort networking and allows school managers to access a safe forum upon which to build their confidence. They are able to undertake challenges and become change agents in their schools. Internal evaluation has provided very positive responses from participants. The Zenex Foundation has commissioned an impact study in schools where school managers have completed the ACE. The findings of this study will inform further improvements on the delivery of the ACE programme.

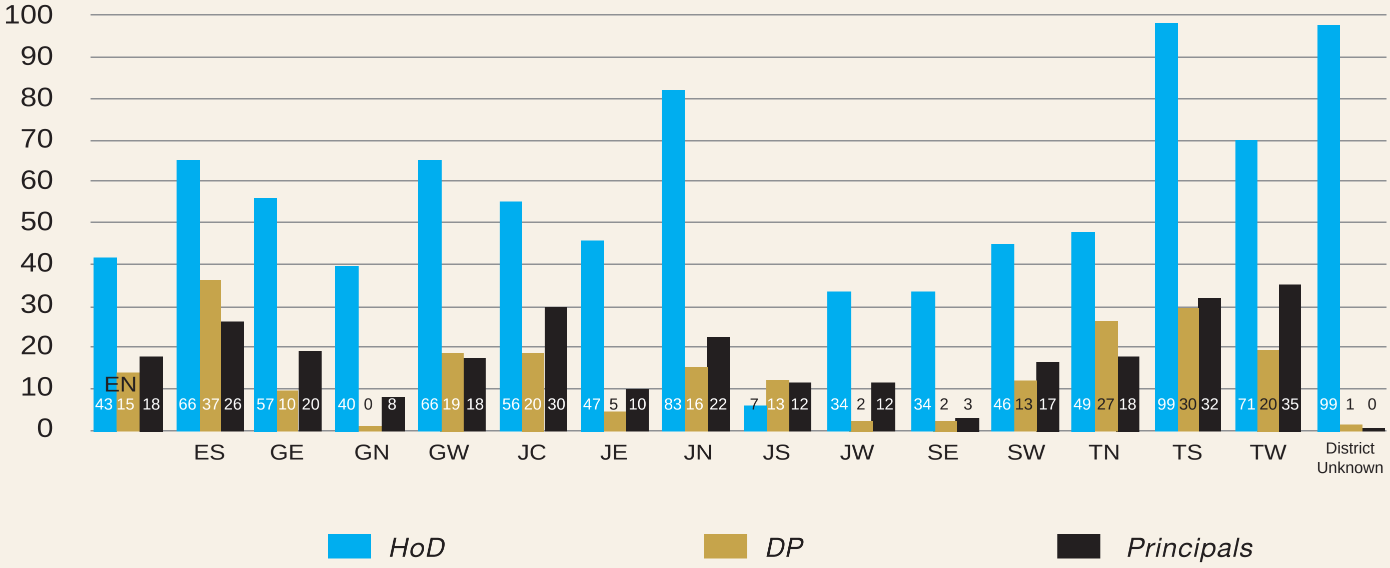
Achievements
- MGSLG graduated 1600 deputies, principals and HoDs (SMTs) on the ACE. A further 202 SMTs completed the ACE with the University of Johannesburg.
- Currently 780 HoDs are enrolled for the ‘Middle Managers’ Course.
- Another very successful course offered by MGSLG was the accredited ‘Mentoring and Coaching’ course. A total of 142 participants were enrolled on this course and 116 were declared competent and have received their certificates. This course was customized to address the needs of the Gauteng Province Literacy Strategy. The objective of the Mentoring process was to ensure that foundation phase educators are mentored to improve the literacy results in their schools.

Programme Activities for 2010-2011

ACE Achievement Statistics

The following graphics illustrate the ACE results per rank, by gender and per district

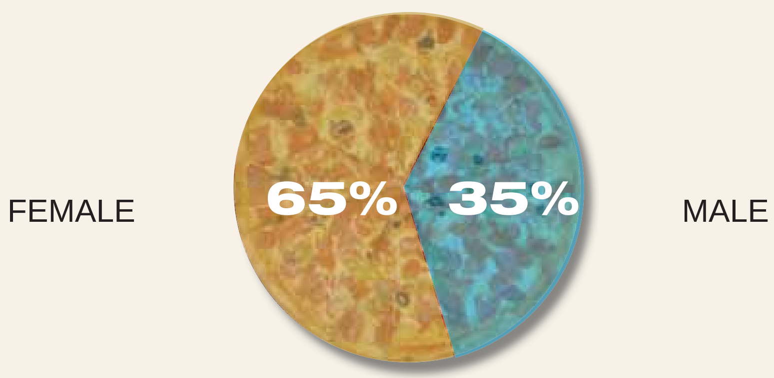
MGSLG ACE Graduates 2010 by Rank and District



ACE Graduate Statistic per Gender

The increase in females graduating on the Ace is quite signiificant and is an indication that more females are rising to managerial positions. However, a large number of the females were in the HoD cohort.

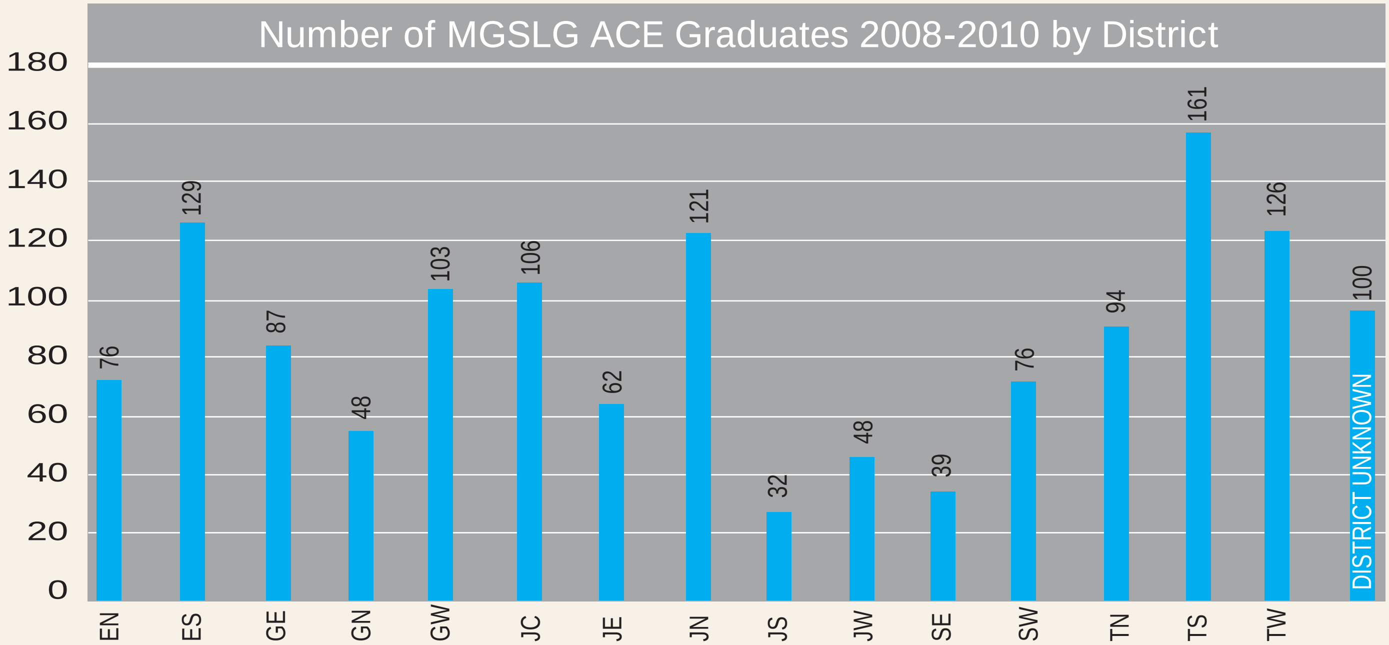
2008-2010 MGSLG ACE Graduates by Gender



Programme Activities for 2010-2011

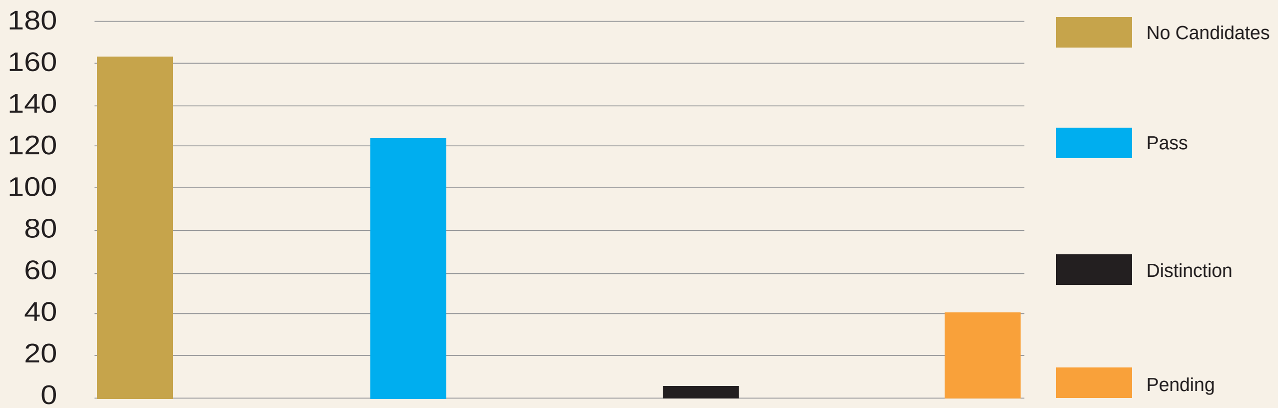
Statistics per District

The largest number of the graduates are from Tshwane South District. The two districts with the least number of graduates are Johannesburg South and Sedibeng East.



Graduation Statistics from the University of Johannesburg

The following statistics illustrate the results obtained by students who were enrolled in partnership with the University of Johannesburg. The students in the pending column have graduated in September 2011 as some assessments were outstanding.



Programme Activities for 2010-2011

Zenex Foundation School Development Project

MGSLG has a very successful partnership with the Zenex Foundation. The whole school development model promoted by the Zenex Foundation targets twelve schools in the Johannesburg Central District. The main aim of the project is to provide the school with comprehensive support that must result in the improvement of learner results, especially in mathematics, science and English. MGSLG provided the SMT training, mentoring and coaching. The Zenex model is very innovative and lessons learnt may be replicated.

Leadership and management remains the key to successful and functional schools. Competing demands on schools and a rapidly changing environment places huge challenges on the leadership and management of schools and education. The SMT of a school now has to lead the school's vision and mission, has to be accountable for effective delivery of education, for sound governance and democratic management, for policy and decision making and implementation, as well as for human resource development amongst other roles. MGSLG remains committed to support school and district management teams to cope with the increasing demands and the need for quality education for every child.

Teacher Development and Leadership Branch

Programme Activities for 2010-2011

BRANCH
Governance and Registry

BRANCH HEAD
Anusha Naidu

School Governing Body Development

MGSLG is committed to offering training to School Governing Bodies in a simplified but focused way. The Gauteng Department of Education (GDE) has four key priorities. One of the key priorities is to mobilise school communities in support of learner performance and achievement.

It has therefore become increasingly imperative that the Governance Directorate at Matthew Goniwe School of Leadership and Governance (MGSLG) engages with and provides support to school governing bodies so that they are able to support schools to achieve quality learning for all learners.

Making our Schools Work: Role and Key Tasks of SGBs

GDE mandated MGSLG to deliver a comprehensive training programme to 1066 identified schools in the province. Approximately 5130 SGB members attended the training.
MGSLG developed a comprehensive training programme that focussed on the following key school governing body responsibilities:

- Understanding the challenges faced in improving schools
- Understanding the legal powers, functions and structures of SGBs
- Learning how to analyse school problems
- Sharing ways of improving our schools
- Developing solutions to problems that form the basis of school development plans
- Understanding how to develop a constitution and policies for the school
- Learning the basics of managing school finances and fundraising
- Learning the responsibilities of the SGB in employing educators and staff
- Understand how to conduct good meetings

Training of School Governing Bodies on 'Making our schools Work' began immediately after the Soccer World Cup from the 24th July 2010 to October 2010. This training was evaluated by both the participants, facilitators and quality assurance monitors. The number of participants and responses differs from district to district. The training was well received as may be gathered from some of the comments from SGB members:

- The training was very informative and empowering
- The powers, roles and responsibilities of SGBs were well explained
- This programme will help to improve the situation in our schools
- We need more of these workshops

This training programme is currently being reviewed in preparation for the training of newly elected SGBs in 2012.

Sample of SGB Policies for adoption or adaptation

MGSLG was also requested to develop sample policies of the main policies that SGBs are required to develop. The purpose of these sample policies was to provide SGBs who don't have the time or expertise with some sample policies that could assist with the development of their own policies.

The intention of developing these policies was not to take away the responsibility of the development of school policies by the School Governing Bodies, nor did it intend to nullify the policy formulation process. These sample policies were developed to assist the SGB members in amending, discontinuing or replacing their existing school policies.

Programme Activities for 2010-2011

The following sample policies were developed:

1. Admission Policy
2. Language Policy
3. Religion Policy
4. HIV and AIDS Policy
5. Finance Policy
6. Safety and Security Policy
7. Learner Code of Conduct
8. School Governing Body Constitution

The 1066 schools received one master copy of the Policy File which included a Compact Disc (CD) that allows schools to adapt or adopt the policies to their needs. Several districts requested the files for other schools and these were provided. A total of 7763 files were distributed.

OTHER PROGRAMMES

Introducing the South African Schools Act and Dynamic School Governance

This module focussed on assisting School Governing Bodies with understanding their roles and responsibilities as indicated in the South African Schools Act of 1996 (as amended). This training targeted all quintile one schools. The module assisted School Governing Bodies to understand their roles and functions and gave them practical support in the implementation thereof. Approximately 2174 of the expected 3250 SGBs attended this training

MGSLG also provided school- based SGB development and support to schools that were identified as being dysfunctional. This programme began with a school- based needs assessment and support was then customised to the needs of the school.

SGB training and development remains a high priority for MGSLG as we continuously review our strategies to accommodate the challenges and needs of SGBs

2010-11 Registry

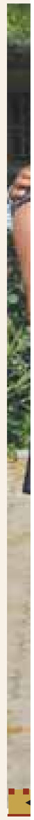
Registry as a Directorate was established with the broad mandate to develop a learner management system. Registry also manages the certification and graduation processes of the institution. To enhance this function and to localise Information Technology (IT) support for all the electronic management systems in use within MGSLG an IT Manager was appointed and significant institutional changes in terms of IT operations were introduced. A data-capture centre was developed in the Johannesburg campus to centralise and coordinate all data management. The data management centre has become a very important hub of MGSLG and it also provides support to the Gauteng Department of Education (GDE) when called upon to do so.

GDE School Effectiveness Data – Management.

Over the reporting period, MGSLG supported the GDE in managing data related to School Effectiveness Evaluations conducted by the GDE every term. In each instance every public school (2134 in total) was engaged in a School Self Evaluation and verification exercise that culminated in reports on the status of schools within the province. MGSLG supported the capture, storage and reporting of the findings for the GDE.

MGSLG Data Management

MGSLG acquired a 'Learner Management System' (ICAS) which is currently being used to manage all data related to students. The system tracks students from registration to completion of training courses or certification. Registry, consolidates all training data and manages reporting on all aspects of training. Registry has also captured all past student data from 2004 in order to ensure that we have meaningful data from the inception of MGSLG. Registry also instituted a sound data security system. Data is saved on site and backed- up on a server that is mirrored and stored in an offsite disaster recovery site. MGSLG can now proudly boast that all training and learner management data for all students since 2004 (no formal accredited training prior to this date) is readily available in a safe and secure learner management system.



Programme Activities for 2010-2011

MGSLG Governance Database

Data needs required by MGSLG had unique requirements prompting the need for Registry to develop an in-house Governance database which comprises all the Governing body participants that currently serve on the SGBs in GDE public schools. The governance database comprises of approximately 18000 entries across all 15 districts. The database has been constantly populated from existing data captured on ICAS that details Governance participants in the various training offerings managed by the institution.

Graduation and Certification Ceremonies

Registry was also responsible for managing and coordinating the graduation of the first Accredited Certificate in Education (ACE) (School Management & Leadership) registered with MGSLG. Registry managed all results and final awarding of certificates. Registry planned and managed graduation ceremonies during the months of October and November 2010. Registry developed a very secure certification policy that informs the printing and distribution of certificates. Registry also manages all unit- standard based courses by uploading to the relevant SETAs and producing result -statements and certificates.

The Registry Directorate has laid the foundation for all the data- management of the institution as they pertain to learners. The rapid growth of MGSLG may prompt the need to review the current system and make recommendations for a system that would allow access to improved and more sophisticated technology.

Governance and Registry Branch

Programme Activities for 2010-2011

Seminars 2010/2011

From PISA to LISA: Searching for the right leadership-cocktail mix.
This was the title of the highly professional presentation made by Prof. Petros Pashiardis, of the Open University of Cyprus. The seminar took place at the Vrededorp Campus. The three main models of principal's leadership effects on student achievement were examined. He showed how research and inspection research have demonstrated the close correlation between the quality of teaching and pupil achievement.

Principals reflecting on the content delivered by Prof. Pashiardis.

Prof. Pashiardis carefully explains an important concept during his presentation.

Understanding the use of technology and other media in classroom management
The main presentation was made by Mr. Alan Amory, of the Education Department, University of South Africa. Stetsenko's vision of teaching and learning was presented and discussed.

After some deep reflection, principals came away with the following awarenesses; learning should be defined as making a contribution to the collective practices of humanity, learning activities should include discussions of tradition, innovation and transformation and teaching should be about collaborative change that supports collaboration and discussion.

From l to r: Dr. Freddy James, University of the West Indies and Dr. Jenny Reeves, University of Stirling before delivering their presentations.

International best practices for school improvement in secondary schools and Networking, Collaboration and Communities of Practice for professional development
MGSLG was fortunate in being able to have two prominent world leaders in the field of educational leadership, Dr. Freddy James and Dr. Jenny Reeves, deliver presentations during a seminar for school principals at the Vrededorp Campus on 19 January 2010. Dr. Freddy James is a lecturer in educational leadership at the University of the West Indies.

Programme Activities for 2010-2011

Dr. Jenny Reeves from the University of Stirling in Scotland, dealt with the topic of “Networking, Collaboration and Communities of Practice for professional development”. Dr. Reeves spoke of four characteristics of learning environments for established teachers. These characteristics are; reflection on practice, experiential learning, cognitive development and social learning processes.

Dr. Freddy James, University of the West Indies and Dr. Vanita Richard discussing best practices in education.

Registration for the seminar: “International best practices for school improvement.

Leadership in the 21st Century

On the 22 February, Beverley Wharton-Hood, Group Director for Strategic Development at Pearson Publishers, gave a lively presentation on : “Leadership in the 21st Century”. Mr. Roger Looyen, Director of Leadership at MGSLG, posed the question, “What is 21st Century education?” responses given included the idea that 21st Century is bold and able to break the mould and encourage teachers to be more flexible and creative in their teaching strategies.

Dr. Vanita Richard, MGSLG in a lunch-time discussion with Ms. Beverley Wharton-Hood, Group Director, Pearson.

Registration for the Leadership in the 21st Century seminar.

Waiting for the seminar to begin.

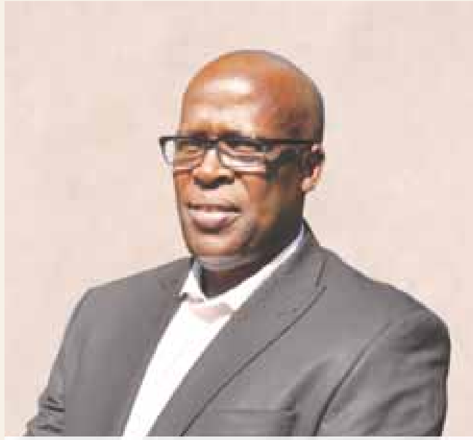
Summary of MGSLG Achievements for 2010-2011

Courses/ Qualification	Target Group	Course Description	Performance Indicator	Actual Performance	Comments
Middle Managers Unit Standard ID: 115435	60 Heads of Department	Lead & Manage a Subject Learning Area or Phase	Participants complete school- bases assessment tasks as Portfolio of Evidence for accreditation	56 Heads of Department (HoDs) (funded by Zennex)	Results of 4 students still pending as Portfolios of evidence (PoEs) not submitted.
ACE(school Management and Leadership) SAQA ID: 48878	1600(principals, deputies and HoDs)	Leading and management of Schools for improved functionality and learner results	Participants complete all practice- based assessment and achieve the 120 credits towards the qualification.	1141 graduated (principals deputies and HoDs).	71% pass. Pending results. Participants are still handing in outstanding work.
ACE(school Management and Leadership) SAQA ID: 48878 with University of Johannesburg	166(principals, deputies and HoDs)	Leading and management of Schools for improved functionality and learner results	Participants achieve all the 120 credits towards the qualification	127 graduated principals, Deputies and HoDs	76 % pass. 39 results pending. PoEs not submitted.
Mentoring and Coaching Unit Standard ID: 115432	150 students selected by GDE.	Mentoring and coaching to support the Gauteng Provincial Numeracy and Literacy strategy	Participants achieve the accreditation for mentoring and coaching	115 participants received certificates	77% pass. 35 results pending.PoEs not received
Facilitation Skills Unit Standard ID: 117871	50 Learning Area facilitators	Facilitation – using a variety of adult facilitation methodologies	Competent in facilitating using a variety methodologies	42 participants received certificates	Expected participants: 50 Actual attended: 56 Declared competent: 42 PoEs not submitted: 14
Designing Outcomes-based training Unit Standard ID: 123401	Learning Area facilitators	Focus on the designing of programmes using outcomes- based methodologies	Competent to design outcomes-based training materials	39 participants received certificates	Declared competent: 39 PoEs not submitted: 3
'Making Our Schools Work'	Expected 9899 SGBs	Focus on enabling SGBs to take on their key roles and responsibilities.	SGBs use modules to assist in their roles.	5130 SGBs participated in the training	Attendance remains a challenge despite new advocacy strategy
'Sample Policies'	Targeted SGBs of schools as identified schools	Sample of policies for adaptation or adoption by SGBs.	SGBs could use sample policies to guide the development of their own policies.	7763 Policy files were distributed	Districts requested files for all public schools

Registration

QUALIFICATION	NUMBER TARGETED	REGISTERED PARTICIPANTS
ACE (48878)	250 (principals, deputies and HoDs)	250
Middle Managers US ID 115435	350 Heads of Departments	323
Early Childhood Development US ID 58761	1940 Identified ECD practitioners	1940

General Management



GENERAL MANAGER
Mr. Matime Papane

Overview of General Management

The function of General Management Unit of the Matthew Goniwe School of Leadership and Governance (MGSLG) evolved to include the management of Human Resources, Information Management, Registry and Property Management. These portfolios were over-stretched because of the rapid staff and programme growth of MGSLG. There was also a need to ensure compliance with King 11 and 111 reports and the Companies Act that require sound management of human and physical resources, as well as remuneration. MGSLG as a Section 21 company is obliged to adhere to these requirements.

Human Resource Management

One of the main tasks undertaken in the year under review was the alignment of all employee contracts to ensure that contracts adhere to the legal framework and labour laws of the country. Staff members were involved in the process of re-drafting their contracts in adherence to labour laws and to sound employment relations. Existing HR policies were reviewed and new policies were adopted to address all HR matters.

The following polices were adopted by the Board in the past financial year:

Sexual Harassment Policy

MGSLG adopted a policy on sexual harassment. The objectives of this policy are to eliminate all forms of sexual harassment and other related misdemeanors in the workplace. The purpose is to ensure an environment that provides space, respect, equality and dignity to all its employees.

Bursary Policy

This policy addresses the need for assistance in further studies in line with the skills Development Act, the National skills development strategies as well as organisational capacity needs.

Employment diversity and equity

MGSLG ensures compliance with the labour regulatory framework and polices of transformation of our country. We therefore engage with all issues of employment, but more strategically issues of employment equity and diversity.

The MGSLG staff profile during this review period of 2010/2011 comprised of the following:

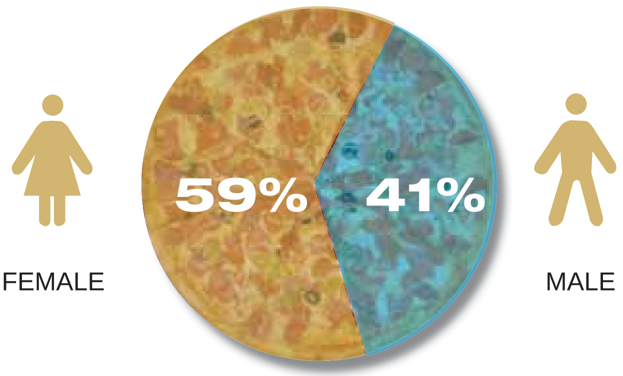
Table: Gender, race, age and diversity of staff in 2010/11 period

		Gender		Racial Equity			
Category	No of Employees	M	F	B	W	I	C
Senior Managers	6	4	2	3	1	2	
Middle Managers	14	6	8	9	2	2	1
Personal Assistants	5		5	2		1	2
Administrators	11	4	7	10			1
Security, Housekeepers and Groundsmen	13	9	4	13	0	0	0
Total	**49**	**23**	**26**	**37**	**3**	**5**	**4**

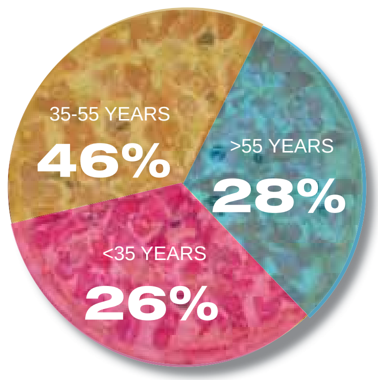
The pie-chart below provides a picture of the gender break-down of employment in MGSLG. The make-up of staff based on gender is compliant with policy.

This pie- chart illustrates the age groups of the staff at MGSLG. As depicted in the chart, the organisation consists mainly of members who are over the age of 35. However, this may be the case because the nature of MGSLG requires experienced professionals.

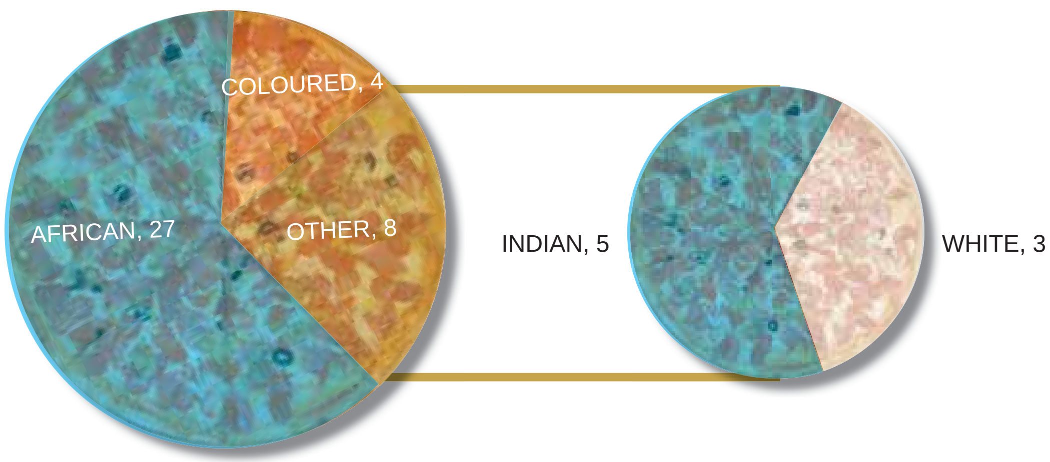
Gender Breakdown



Age Groups



The racial representation and demographics below depicts an equitable balance. The racial representation of the institution is in line with the population size and demographics of the country and it is favourable to transformational policy direction.



The institution prides itself in not having a high staff turnover. In the year under review MGLSG only lost two staff members who passed away.

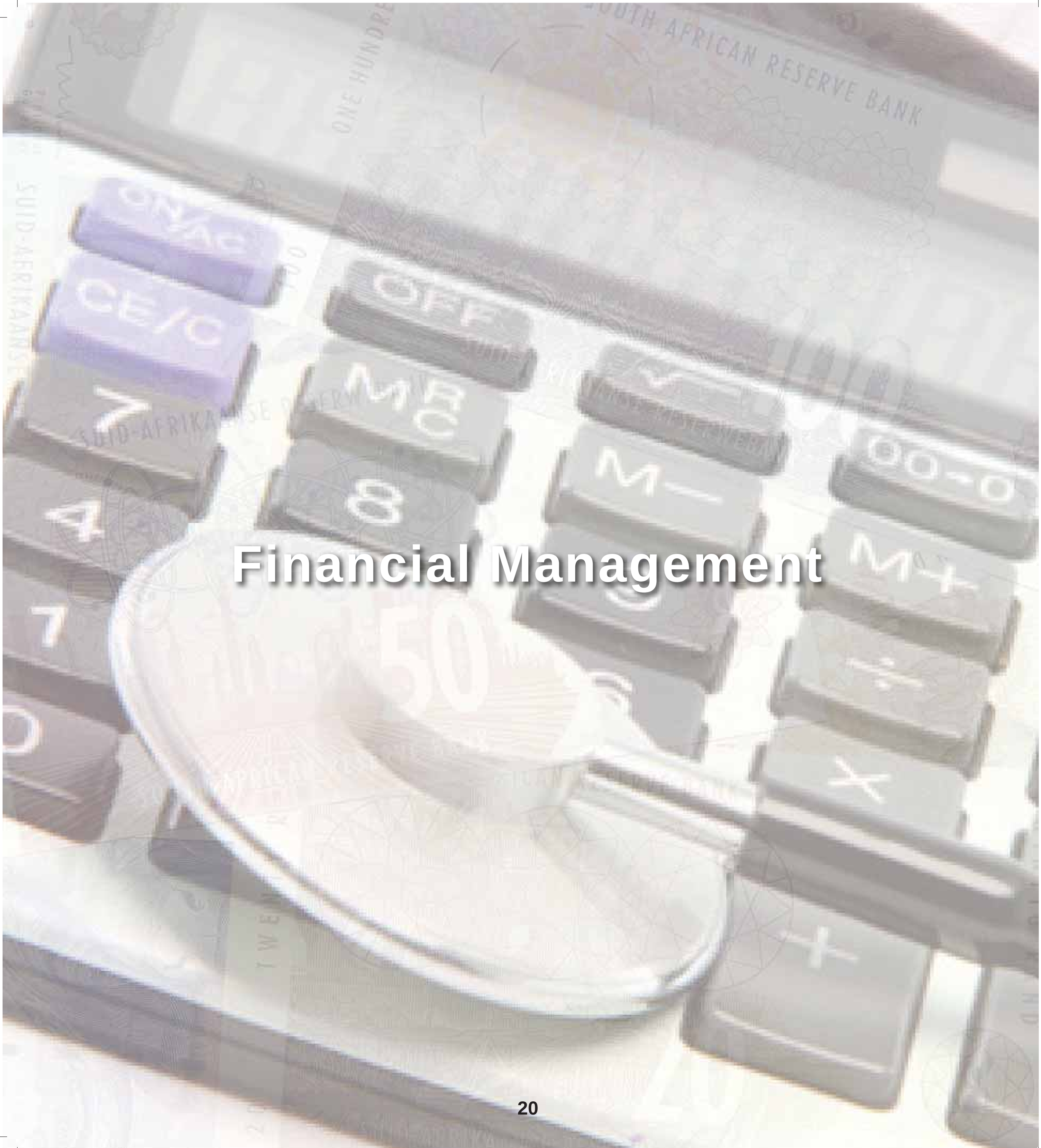
Information Technology Systems

In the past, MGSLG relied on external service providers for information technology (IT) support. As the organisation grew, it became necessary to review this practice. A decision was taken that it would be more cost effective to employ a full- time IT support manager. The employment of an IT manager resulted in more sustained and efficient systems and policies. An IT policy has been drafted and will be tabled to the Board of Directors for approval. The policy introduces controls that mitigate risks that are inherent in any organisation and also the concomitant issues of IT usage.

Internal and external stakeholder information management

In compliance with the 'Promotion of Access to Information Act' MGSLG has begun processes of recording and archiving its information. To improve the accessibility of MGSLG records for both internal and external use, systems have been created for easy information access as well as for the archiving of material in a repository as required by legislation.

The rapid growth of and increasing mandates to MGSL is both exciting and challenging. Resources both human and material must be of the highest quality to ensure that we continue to deliver quality programmes.



Financial Management

Director: Finance

Mr. Sibusiso Mahlangu

We have gradually improved the speed of orders and payment. Our relationship with service providers over the years has improved; they now have a better understanding of our operations. We have increased the amount of procurement from previously disadvantaged vendors.

Financial Management

The operating results and the state of financial affairs of the institution are presented in the annual financial statements as set out on pages 24 to 49 of the annual report.

The company recorded a surplus of R15,6 million for the 2010/11 financial year, an improvement from the deficit of R4,8 million in the previous financial year. The improvement was a result of cost cutting and cost recovery measures applied by the institution to reduce overhead costs, as well as an increase in the operational budget by R2 million from R5 million to R7 million.

Other income increased from R3,8 million in 2009/10 to R10,5 million in 2010/11 an increase of R6.7 million. The increase in 2010/11 was largely due to cost recovery measures which contributed R8,6 million to other income. Interest income remained steady given the slight decrease in the lending rate during the reporting period.

During the 2010/11 financial year programme funding decreased slightly from R53,8 million to R51,3 million. The Early Childhood Development Programme (ECD) funding was not recognised as income in the 2010/11 financial year, given that it was transferred late to MGSLG and no project deliverables were met. Hence the R58 million of ECD funding was transferred to deferred income. The R58 million includes both the project funds and the stipends for ECD practitioners.

Expenditure in total went down by R23 million from R58.6 million to R35,6 million. The largest contributor to the decrease in expenses is project cost which decreased from R30 million to R13 million, followed by employee costs which deceased by R2 million. The sharp decline in project costs was as a result of the completion of NCS project in 2009/10 financial year coupled with a delayed start of the ECD Project.

Management Accounting

During the reporting period we facilitated budgetary controls and financial resource allocation through regular management meetings and quarterly Board of Directors meetings. The monthly reports provide project directors with accurate information on the status of expenditure against budgets. This information is essential for the controlled exercise of financial delegations.

The timing of transfers for delivery of projects remains a major challenge for budgeting and cash flow management as the R16 000 000 earmarked for Leadership and Governance programmes was received 8 months into the finacial year.

Supply Chain Management

We have undertaken to review and improve the management of supply chain processes and procedures resulting in a more responsive, fair and transparent procurement and provisioning system for the institution.

We have gradually improved the speed of orders and payment. Our relationship with service providers over the years has improved, they now have a better understanding of our operations. We have increased the amount of procurement from previously disadvantaged vendors. Effective systems for the management and safeguarding of assets have been implemented to ensure their optimal utilisation.

TAXATION

We successfully registered as a VAT vendor and the expected tax refund is R8.3 million.

Governance

BOARD OF DIRECTORS

The Board of Directors effectively control the affairs of the company by meeting regularly and monitoring management. The Board is responsible for a range of key decisions and ensures that the organisation adheres to proper policies and strategies. Board members are drawn from both the corporate and education sectors, and collectively possess a wide range of experience and expertise, thereby bringing objectivity to decision-making processes. The Board meets quarterly and monitors the Company and the executive management through a structured approach to reporting and accountability.

BOARD COMMITTEES

The Board is authorised to establish Board committees as and when necessary to facilitate the efficient execution of its duties. Such committees have specific terms of reference and remain accountable to the Board. During the reporting period MGSLG had two such committees:

FINANCE AND AUDIT COMMITTEE

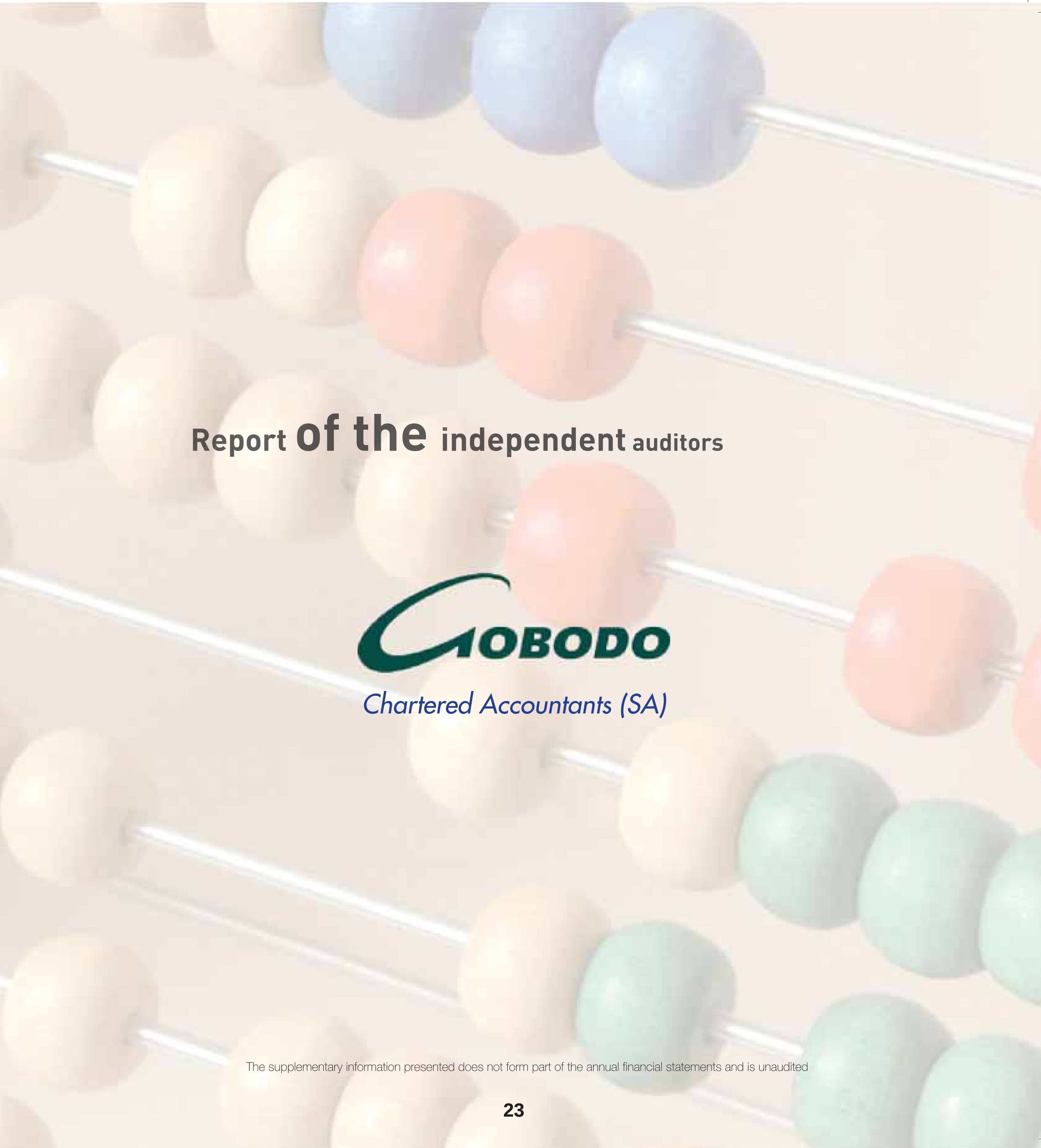
The Finance and Audit Committee met twice during the reporting period. The matters that were before the committee were the following:

- Approval of Finance Policy
- Approval of Delegations of Authority
- Approval of procurement policy

HUMAN RESOURCES COMMITTEE

The Human Resources Committee is responsible for the remuneration and employment terms of senior management and for the staff remuneration, merit and bonus policy of the company. The committee sat to approve and advise on the following:

- Salary increments
- Approval of performance management system
- Approval of HR Policy



Report of the independent auditors

GOBODO

Chartered Accountants (SA)

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

THE MATTHEW GONIWE SCHOOL OF LEADERSHIP & GOVERNANCE

(Registration number 2002/025756/08)
Annual Financial Statements for the year ended 31 March 2011

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THE MATTHEW GONIWE SCHOOL OF LEADERSHIP & GOVERNANCE

(Registration number 2002/025756/08)
Annual Financial Statements for the year ended 31 March 2011

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act, 1973 of South Africa 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 their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2012 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 26.

The annual financial statements set out on pages 27 to 48, which have been prepared on the going concern basis, were approved by the board of directors on 24 October 2011 and were signed on its behalf by:

Neeshan Balton
Chairperson of Board of Directors
MGSLG

Rufus Mmutlana
Chief Executive Officer
MGSLG

Independent Auditors' Report

To the member of Matthew Goniwe School of Leadership & Governance
Report on the Financial Statements

Directors' Responsibilities and Approval

We have audited the annual financial statements of Matthew Goniwe School of Leadership & Governance, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 6 to 23.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1973 of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Matthew Goniwe School of Leadership & Governance as at 31 March 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1973 of South Africa. Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 24 to 26 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Report on Other Legal and Regulatory Requirements Contrary to the requirement of the PFMA section 47(2), the accounting authority for Matthew Goniwe School of Leadership & Governance did notify the National Treasury, in writing, that the organisation is not listed in schedule 2 or 3.

Gobodo Inc.

Gobodo Inc
Registered Auditors

Per: Chico Patel
Director
17 November 2011

Directors' Report

The directors submit their report for the year ended 31 March 2011.

1. Review of activities

Main business and operations

The company is a non profit organisation engaged in school leadership & governance and operates principally in South Africa. The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net profit of the company was R 15,691,990 (2010: Loss of R 4,815,166).

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement remain in force for so long as it takes to restore the solvency of the company.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Dividends

No dividends were declared or paid to shareholder during the year.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
Barbara Creecy	South African	
Boy Ngobeni	South African	
Anthony Meyers	South African	Resigned 22 November 2010
Paddv Padavachee	South African	Resigned 22 November 2010
Lawrence Jacobs	South African	Resigned 22 November 2010
Mokaba Mokgatle	South African	Resigned 22 November 2010

Independent Auditors' Report

To the member of Matthew Goniwe School of Leadership & Governance
Report on the Financial Statements

Directors' Report

6. Secretary

The secretary of the company is Sylvia Sebolelo Moleleki of:

Business address

40 Hull Street
Corner 8th and Hull Street
Vrededorp
Johannesburg
2092

Postal address

Postnet Suite 161
Private Bag X9
Melville
2092

7. Auditors

Gobodo Incorporated will continue in office in accordance with section 270(2) of the Companies Act, 1973 of South Africa.

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	27,959,096	28,353,439
Intangible assets	3	213,036	183,660
		28,172,132	**28,537,099**
Current Assets			
Trade and other receivables	5	8,959,056	903,560
Cash and cash equivalents	6	43,117,262	9,793,076
		52,076,318	10,696,636
Total Assets		**80,248,450**	**39,233,735**
Equity and Liabilities			
Equity			
Retained income		16,712,255	1,020,264
Liabilities			
Non-Current Liabilities			
Deferred income	7	24,549,833	25,640,936
Current Liabilities			
Trade and other payables	9	400,255	2,529,786
Deferred income	7	37,386,494	8,787,168
Provisions	8	664,488	1,255,581
Bank overdraft	6	535,125	-
		38,986,362	**12,572,535**
Total Liabilities		**63,536,195**	**38,213,471**
Total Equity and Liabilities		**80,248,450**	**39,233,735**

(Registration number 2002/025756/08)
Annual Financial Statements for the year ended 31 March 2011

Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue	10	40,801,132	49,946,677
Other income		9,728,367	2,998,441
Operating expenses		(35,653,893)	(58,623,824)
Operating profit (loss)	11	**14,875,606**	**(5,678,706)**
Investment revenue	12	816,492	864,040
Finance costs	13	(107)	(500)
Profit (loss) for the year		**15,691,991**	**(4,815,166)**
Other comprehensive income		-	-
Total comprehensive income (loss)		**15,691,991**	**(4,815,166)**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2009	**5,835,430**	**5,835,430**
Changes in equity		
Total comprehensive income for the year	(4,815,166)	(4,815,166)
Total changes	(4,815,166)	(4,815,166)
Balance at 01 April 2010	**1,020,264**	**1,020,264**
Changes in equity		
Total comprehensive income for the year	15,691,991	15,691,991
Total changes	15,691,991	15,691,991
Balance at 31 March 2011	**16,712,255**	**16,712,255**
Note(s)		

Statement of Cash Flows

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash paid to suppliers and employees		32,237,043	(12,412,411)
Cash generated from operations	15	32,237,043	(12,412,411)
Interest income		816,492	864,040
Finance costs		(107)	(500)
Net cash from operating activities		**33,053,428**	**(11,548,871)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(220,141)	(461,929)
Purchase of other intangible assets	3	(44,226)	(93,983)
Net cash from investing activities		**(264,367)**	**(555,912)**
Cash flows from financing activities			
Movement in loans		-	25,294
Total cash movement for the year		**32,789,061**	**(12,079,489)**
Cash at the beginning of the year		9,793,076	21,872,565
Total cash at end of the year	**6**	**42,582,137**	**9,793,076**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act, 1973 of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous financial year.

1.1 Significant accounting judgements, estimates and assumptions

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:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the company; and
- The cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Accounting Policies

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

Item	Average useful life
Buildings	50 Years
Furniture and Fittings	6 years
Office Equipment	9 Years
Computer Equipment	9 Years
Computer Software	9 Years
Security System	9 Years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss 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 (company/group) 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. These assets are not accounted for as non-current assets held 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.

1.3 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.
The amortisation period and the amortisation method for intangible assets are reviewed every period-end.
Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	9 Years

Accounting Policies

1.4 Financial instruments

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Land and Buildings are leased under a finance lease agreement for 99 years and are capitalised at its fair market value.
Buildings are depreciated at appropriate rates on the straight line basis over its estimated useful life.

Accounting Policies

1.6 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment
- Annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- First, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- Then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

Accounting Policies

1.7 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Provisions and contingencies

Provisions are recognised when:

- The company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.
If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.
A constructive obligation to restructure arises only when an entity:

- Has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- Has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.
- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

1.9 Government grants

Government grants are received from the Gauteng Department of Education for the furtherance of policy objectives to subsidize the cost incurred by the organisation for rendering services to the department. Government grants are recognised when there is reasonable assurance that:

- The company will comply with the conditions attaching to them; and
- The grants will be received.

Accounting Policies

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Notes to the Annual Financial Statements

Figures in Rand	2011	2010

2. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and Buildings	27,389,028	(1,642,728)	25,746,300	27,389,028	(1,094,947)	26,294,081
Furniture and Fittings	1,062,911	(405,259)	657,652	963,678	(569,371)	394,307
Office Equipment	585,457	(274,374)	311,083	585,457	(220,963)	364,494
Computer Equipment	1,658,057	(478,482)	1,179,575	1,558,621	(340,035)	1,218,586
Security System	155,894	(91,408)	64,486	155,894	(73,923)	81,971
Total	**30,851,347**	**(2,892,251)**	**27,959,096**	**30,652,678**	**(2,299,239)**	**28,353,439**

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Transfers	Depreciation	Total
Land and Buildings	26,294,081	-	-	(547,781)	25,746,300
Furniture and Fixtures	394,307	120,704	(21,471)	164,112	657,652
Office Equipment	364,494	-	-	(53,411)	311,083
Computer Equipment	1,218,586	99,437	-	(138,448)	1,179,575
Security System	81,971	-	-	(17,485)	64,486
	28,353,439	**220,141**	**(21,471)**	**(593,013)**	**27,959,096**

Notes to the Annual Financial Statements

Figures in Rand	2011	2010

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Transfers	Depreciation	Total
Land and Buildings	26,811,160	30,701	-	(547,781)	26,294,080
Furniture and Fittings	409,295	69,939	(28,890)	(56,035)	394,309
Office Equipment	403,293	24,533	-	(63,332)	364,494
Computer Equipment	1,058,873	322,279	-	(162,567)	1,218,585
Security System	83,889	14,468	-	(16,386)	81,971
	28,766,510	**461,920**	**(28,890)**	**(846,101)**	**28,353,439**

Figures in Rand	2011	2010

2. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer Software, other	249,855	(36,819)	213,036	205,629	(21,969)	183,660

Reconciliation of intangible assets - 2011

	Opening balance	Additions	Amortisation	Total
Computer Software, other	183,660	44,226	(14,850)	213,036

Reconciliation of intangible assets - 2010

	Opening balance	Additions	Amortisation	Total
Computer Software	101,903	93,983	(12,226)	183,660

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
4. Loans to directors, managers and employees		
Loans to directors, managers and employees		
At beginning of the year	-	25,294
Repayments	-	(25,294)
	-	-
5. Trade and other receivables		
Trade receivables	305,000	25,774
VAT Receivable	8,654,056	-
EMASA conference	-	412,466
CCEAM Projects	-	434,223
Sundry Debtors	-	31,097
	8,959,056	**903,560**
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	4,000	4,000
Bank balances	25,630,397	2,909,774
Short-term deposits	17,482,865	6,879,302
	43,117,262	**9,793,076**
Bank Overdraft	(535,125)	-

Notes

Land and building are capitalised under a 99 year lease agreement commencing September 2005. The Land and buildings are situated in Benenoi and Vrededorp.

Notes to the Annual Financial Statements

Figures in Rand	2011	2010

7. Deferred income

Non-current liabilities	24,549,833	25,640,936
Current liabilities	37,386,494	8,787,168
	61,936,327	**34,428,104**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

8. Provisions

Reconciliation of provisions - 2011

	Opening balance	Additions	Utilised during the year	Total
Provision for Audit fees	300,000	5,000	-	305,000
Provision for Leave	955,581	-	(596,094)	359,488
	1,255,581	**5,000**	**(596,094)**	**664,488**

Reconciliation of provisions - 2010

	Opening balance	Additions	Total
Provision for Audit fees	133,836	166,164	300,000
Provision for Leave	355,233	600,348	955,581
	489,069	**766,512**	**1,255,581**

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
9. Trade and other payables		
	Additions	Total
Trade payables	142,686	1,837,993
Commonwealth Council for Educational Adminstration and Management	257,569	691,792
	400,255	**2,529,785**
10. Revenue		
Grants Received	26,441,953	44,946,677
Other Operational Grants	21,500,418	5,000,000
	47,942,371	**49,946,677**
11. Operating profit (loss)		
Operating profit (loss) for the year is stated after accounting for the following:		
Profit on sale of property, plant and equipment	-	(28,890)
Depreciation on property, plant and equipment	884,504	864,350
Employee costs	16,611,619	18,250,444
12. Investment revenue		
Interest revenue		
Interest revenue from Bank	816,492	864,040

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
13. Finance costs		
Other interest paid	107	500
14. Auditors' remuneration		
Fees	341,300	394,312
15. Cash generated from operations		
Profit before taxation	15,691,991	(4,815,166)
Adjustments for:		
Depreciation and amortisation	884,504	864,350
Loss on sale of assets	-	28,890
Interest received	(816,492)	(864,040)
Finance costs	107	500
Movements in provisions	(591,093)	766,512
Other non-cash items	(255,171)	-
Changes in working capital:		
Trade and other receivables	(8,055,496)	5,250,955
Trade and other payables	(2,129,530)	1,740,311
Deferred income	27,508,223	(15,380,979)
	32,237,043	**(12,408,667)**

Notes to the Annual Financial Statements

16. Consideration and adoption of new and revised accounting standards

Standards and amendments for adoption where applicable:
IFRS 3 Business combinations (revised) and consequential amendments to IAS 27 Consolidated and separate financial statements, IAS 28 Investments in associates and IAS 31 Interests in joint ventures, are effective prospectively to business combinations for which the acquisition date is on or after 1 January 2010.

IAS 27 Consolidated and separate financial statements (amendment) has been applied in accounting for acquisitions of non controlling interests.

New and amended standards, and interpretations mandatory for this financial year but not currently relevant to the company (although they may affect the accounting for future transactions and events).

IFRS 1 First-time adoption of International Financial Reporting Standards (revised and amended) has been issued with an improved structure but no changes to technical content. The IASB provided additional optional exemptions for first-time adopters of IFRSs that will permit entities to not reassess the determination of whether an arrangement contains a lease if the same assessment as that required by IFRIC 4 was made under previous GAAP.

IFRS 2 Share-based payment (amendments) incorporate IFRIC 8 Scope of IFRS 2, and IFRIC 11 IFRS 2 – Company and treasury share transactions and expand on the guidance in IFRIC 11 to address the classification of company arrangements that were not covered by that interpretation. The amendments also clarify that business combinations as defined in IFRS 3 are outside the scope of IFRS 2, notwithstanding that they may be outside the scope of IFRS 3. Therefore business combinations amongst entities under common control and the contribution of a business upon the formation of a joint venture will not be accounted for under IFRS 2.

IFRS 5 Non-current assets held for sale and discontinued operations (amendments) specify that if an entity is committed to a sale plan involving the loss of control of a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale when the held for sale criteria are met and that disclosures for discontinued operations are required by the parent when a subsidiary meets the definition of a discontinued operation. It also specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

IFRS 8 Operating Segments (amendment) clarifies that segment information with respect to total assets is required only if such information is regularly reported to the chief operating decision maker.

IAS 1 Presentation of financial statements (amendments) clarify that the classification of the liability component of a convertible instrument as current or non-current is not affected by terms that could, at the option of the holder of the instrument, result in settlement of the liability by the issue of equity instruments.

IAS 7 Statement of cash flows (amendments) clarify that only expenditures that result in the recognition of an asset can be classified as a cash flow from investing activities.

Notes to the Annual Financial Statements

IAS 17 Leases (amendments) clarify that when a lease includes both the land and building elements, an entity should determine the classification of each element based on paragraph 7 – 13 of IAS 17, taking account of the fact that land normally has an indefinite economic life. The IASB also deleted guidance stating that a lease of land with an indefinite economic life normally is classified as an operating lease, unless at the end of the lease term title is expected to pass to the lessee.

IAS 36 Impairment of assets (amendments) clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8 Operating segments (that is, before the aggregation of segments with similar economic characteristics).

IAS 38 Intangible assets (amendments) clarify that an intangible asset that is separable only together with a related contract, identifiable asset or liability is recognised separately from goodwill together with the related item and that complementary intangible assets with similar useful lives may be recognised as a single asset. The amendments also describe valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination for which no active market exists.

16. Consideration and adoption of new and revised accounting standards (continued)

IAS 39 Financial instruments: Recognition and measurement (amendments) provide additional guidance on determining whether loan prepayment penalties result in an embedded derivative that needs to be separated; clarify that the scope exemption in IAS 39 paragraph 2(g) is restricted to forward contracts, i.e. not options, between an acquirer and a selling shareholder to buy or sell an acquiree that will result in a business combination at a future acquisition date within a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and clarify that the gains or losses on a cash flow hedge should be reclassified from other comprehensive income to profit or loss during the period that the hedged forecast cash flows impact profit or loss.

IFRIC 9 Reassessment of embedded derivatives (amendment) requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the ‘fair value through profit or loss’ category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remain classified as at fair value through profit or loss in its entity. The IASB also amended the scope of IFRIC 9 so that embedded derivatives in contracts acquired in business combinations as defined in IFRS 3 (2008), joint venture formations and common control transactions remain outside the scope of IFRIC 9.

IFRIC 16 Hedges of a net investment in a foreign operation (amendments) remove the restriction that prevented a hedging instrument from being held by a foreign operation that itself is being hedged.

IFRIC 17 Distribution of non-cash assets to owners provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

Notes to the Annual Financial Statements

New standars and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued are not yet effective for the year ended 31 December 2010 and have not been applied in preparing these financial statements:

IFRS 1 First-time adoption of International Financial Reporting Standards (amendments) provide clarification to first-time adopters of IFRS.

IFRS 3 Business combinations (amendments) clarify that contingent consideration arising in a business combination previously accounted for in accordance with IFRS 3 (2004) that remains outstanding at the adoption date of IFRS 3 (2008) continues to be accounted for in accordance with IFRS 3 (2004).

IFRS 7 Financial instruments: disclosures (amendments) add an explicit statement that qualitative disclosure should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments.

IFRS 9 Financial instruments was issued in November 2009 and is the first step in the process to replace IAS 39 Financial instruments recognition and measurement.

IAS 1 Presentation of financial statements (amendments) clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income also is required to be presented, but may be presented either in the statement of changes in equity or in the notes.

IAS 12 Income taxes requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale.

IAS 24 Related party disclosures (revised) was issued in November 2009. It supersedes IAS 24 Related party disclosures, issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted.

IAS 27 Consolidated and separate financial statements (amendments) clarify that the consequential amendments to IAS 21.

IAS 32 Financial instruments: presentation – amendments relating to classification of rights issues was issued in October 2009.

IFRIC 13 Customer loyalty programmes (amendment) clarifies that the fair value of award credits takes into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits.

16. Consideration and adoption of new and revised accounting standards (continued)

IFRIC 14, IAS 19 The limit on a defined benefit asset, minimum funding requirement and their interaction (amendments with respect to voluntary prepaid contributions) correct an unintended consequence of IFRIC 14, IAS 19.

Notes to the Annual Financial Statements

IFRS 10 Consolidated Financial Statements introduces a single control definition to replace IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation Special Purpose Entities.

IFRS 11 Joint Arrangements supersedes IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities and Non Monetary Contributions by Ventures.

IFRS 12 Disclosure of Interests in Other Entities requires extensive disclosures relating to an entity's interest in a subsidiary, joint arrangement, associates and jointly controlled entities.

IFRS 13 Fair Value Measurement provides a single source of guidance to prescribe how fair value should be measured when it is required by another standard.

IAS 12 Income Taxes (amendment) requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether the recovery will be through use or sale when the asset is measured using the fair value model in IAS 40 Investment property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will be through sale. The amendment, which becomes mandatory for the company's 2012 is not expected to have any impact on the company's financial statements.

17. Related parties

Related party balances

Figures in Rand	2011	2010
Amount receivable from related parties		
EMASA	-	412,466
CCEAM		
	-	434,223
Amounts payable by related parties		
CCEAM		
	(257,569)	(691,792)
Compensation to directors and other key management		
Short-term employee benefits	1,471,203	2,525,502

Notes to the Annual Financial Statements

Detailed Income Statement

Figures in Rand	Note(s)	2011	2010
Revenue			
Grants received		26,441,953	44,946,677
Other operational grants		14,359,178	5,000,000
	10	**40,801,131**	**49,946,677**
Other income			
Recoveries		8,654,056	4,500
Other income		49,315	46,659
Sundry Income		1,024,996	2,947,252
Interest received	12	816,492	864,040
		10,544,859	**3,862,451**
Expenses (Refer to page 25)		**(35,653,893)**	**(58,623,794)**
Operating profit (loss)	11	**15,692,097**	**(4,814,666)**
Finance costs	13	(107)	(500)
Profit (loss) for the year		**15,691,990**	**(4,815,166)**

Notes to the Annual Financial Statements

Detailed Income Statement

Figures in Rand	Note(s)	2011	2010
Operating Expenses			
Accounting fees		(30,646)	(36,173)
Advertising		-	(71,379)
Auditors remuneration	14	(341,300)	(394,312)
Bad debts		(3,542)	-
Bank charges		(34,455)	(51,115)
Cleaning		(128,090)	(109,975)
Computer expenses		(630,954)	(746,855)
Depreciation, amortisation and impairments		(884,504)	(864,350)
Donations		(2,744)	(45,110)
Employee costs		(16,611,619)	(18,250,444)
Entertainment		(215,267)	(409,582)
Hiring of equipment		-	(49,023)
Meeting expenses		(20,480)	(73,628)
Recruitment expense		(43,191)	(228,378)
Accomodation		10,047	(390,593)
Subsistance expenses		(18,601)	(271,832)
Project cost		(13,583,602)	(30,773,913)
Insurance		(166,475)	(140,459)
Legal expenses		(167,176)	(199,977)
Loss on disposal of assets		-	(28,890)
Other consulting and professional fees		(729,845)	(343,908)
Other expenses		(25,346)	(309,730)
Postage		(6,511)	(16,874)
Printing and stationery		(197,199)	(909,599)
Protective clothing		(15,240)	-
Repairs and maintenance		(293,802)	(384,687)
Security		(316,252)	(569,801)
Software expenses		(97,717)	(66,959)
Staff welfare		(153,335)	(465,273)
Subscriptions		(7,510)	(16,176)
Telephone and fax		(483,105)	(463,442)
Travel - local		(177,196)	(561,501)
Travel - overseas		(1,398)	(546,772)
Utilities		(276,838)	(382,370)
		(35,653,893)	**(58,623,794)**

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2011	2010
Staff welfare		(153,335)	(465,273)
Subscriptions		(7,510)	(16,176)
Telephone and fax		(483,105)	(463,442)
Travel - local		(177,196)	(561,501)
Travel - overseas		(1,398)	(546,772)
Utilities		(276,838)	(382,370)
		(35,653,893)	**(58,623,794)**

Analysis of Projects

1. Deffered income (Grants)

	NCS	Leadership and special projects	Government Quantile Training	1066 Underperforming schools	Early Childhood Development	Total
Opening Deffered income	5,228,330	3,013,285	-	-	-	8,241,616
Transferred to deffered income	-	8,296,204	13,302,000	11,976,000	24,999,000	58,573,204
Less utilised/Revenue for the period	(4,241,673)	(9,494,484)	(13,302,000)	(4,026,824)	-	(31,064,981)
Total Deffered Income	**986,657**	**1,815,005**	**-**	**7,949,176**	**24,999,000**	**35,749,839**

THE MATTHEW GONIWE SCHOOL OF LEADERSHIP & GOVERNANCE STAFF (INCLUDES SEASONAL STAFF)

Office of the CEO

Top Management Team

Senior Management Team

PROFILE

The Matthew Goniwe School of Leadership and Governance (MGSLG) exists to support the vision and mission of the Gauteng Department of Education (GDE):

"to ensure quality learning and teaching takes place in the classroom every day"

MGSLG has a strong foundation, in many years of research and conceptualisation it was established and officially launched in 2003. The 1996 Education Management Development Task Team commissioned by the first national Minister of Education, Prof. Sibusiso Bhengu, recommended the setting up of national and provincial management institutes as one strategy which would ensure that school leaders have access to programmes that would capacitate and support them as they execute their duties.

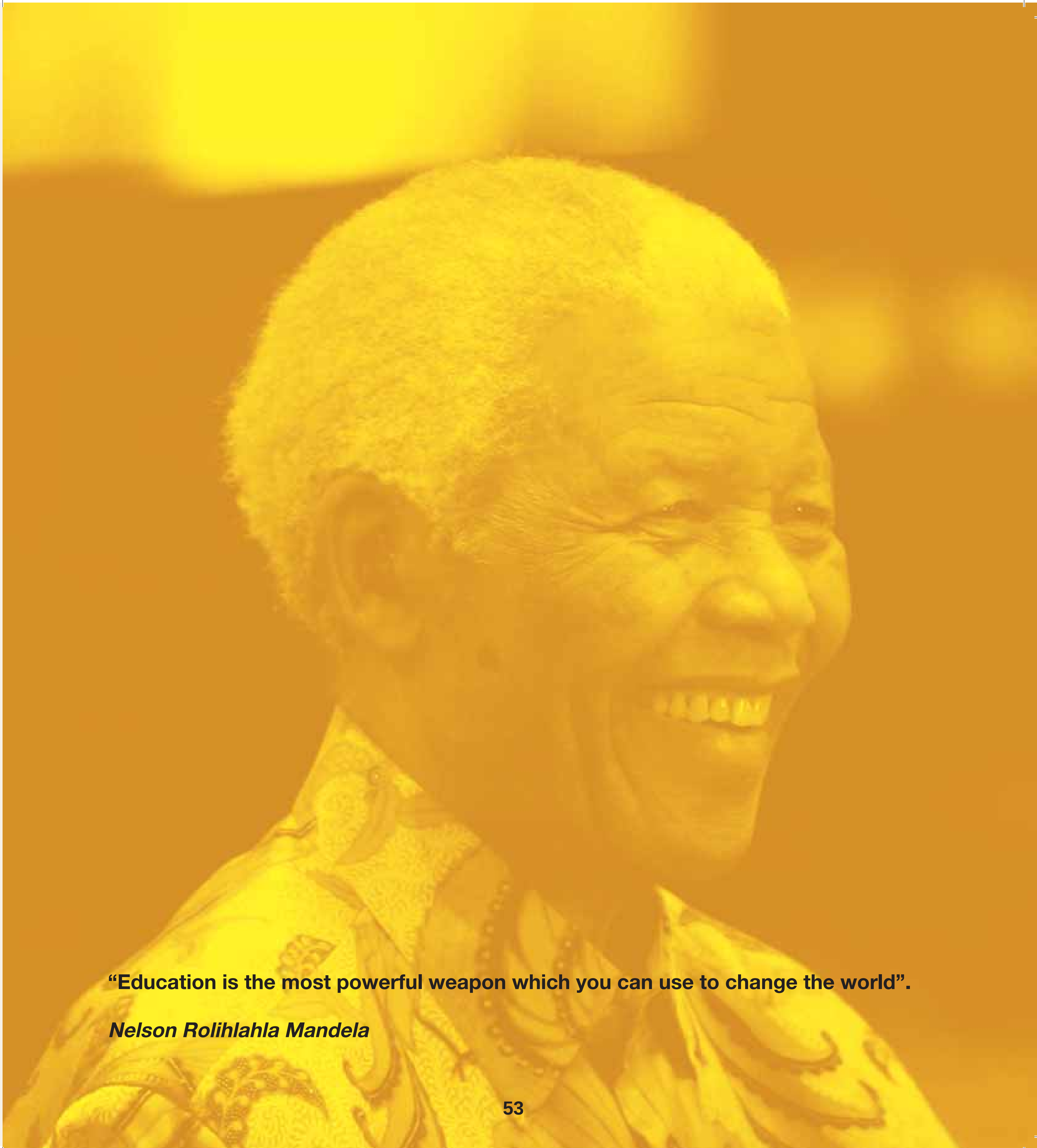
MGSLG is based in Vrededorp, which is also colloquially known as 'Fietas'. This was once a thriving area with a bustling shopping area. There was a tight knit community living here. The busy 14th street was known for its colourful character where one could bargain for an acceptable price. It is also an area characterised by a series of forced removals between the 1960s and 1980s. Many struggles were waged against these forced removals. The area is steeped in history. MGSLG is proud to be part of the rebuilding of this once vibrant area. MGSLG has a regional campus in Benoni.

MGSLG through its mission and core activities aims to contribute towards the attainment of the vision of the Gauteng Department of Education (GDE) to ensure quality learning and teaching takes place in the classroom every day and is guided in its work by the Department's Charter of Values.

Eight years ago when MGSLG was launched, the task of setting up a leadership and governance institute was a daunting task as there was no national or regional model to learn from. It has been through efforts of the Board of Directors that have supported MGSLG by providing corporate governance mechanisms as well as exercising their fiduciary responsibilities, that MGSLG has played and continues to play a crucial role in teacher, leadership and governance development.

During the eight years of its existence, MGSLG has been able to play a pivotal role in Educational Leadership and Management and School Governance and is surely leaving footprints locally, nationally and internationally in terms of participating in forums tackling issues relating to our work.

At the beginning of 2011 MGSLG's mandate was expanded beyond the school leadership and governance to include the implementation of the Teacher Development Strategy of the Gauteng Department of Education. This necessitated that MGSLG review its structure and operations to deliver on its expanded mandate. MGSLG has become a dynamic and responsive institution serving the goal of education in the Gauteng Province.



“Education is the most powerful weapon which you can use to change the world”.

Nelson Rolihlahla Mandela

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