



**Matthew Goniwe**  
SCHOOL OF LEADERSHIP & GOVERNANCE  
EDUCATE. EMPOWER. INNOVATE

---

Annual Report  
**2023/24**

---



**Advancing Aspirations  
for an Inclusive Future.**



EDUCATE

---



EMPOWER

---



INNOVATE

---

#### COPYRIGHT

The Matthew Goniwe School of Leadership and Governance (MGSLG) owns all copyright in the 'MGSLG 2023/24 Annual Report' in its entirety, inclusive of all parts, sections and supplements that make up the Annual Report.

Copyright © Matthew Goniwe School of Leadership and Governance (MGSLG), 2023.

© All rights reserved. Apart from any fair dealing for the purpose of research, criticism or review as permitted under the Copyright Act No. 98 of 1978, no part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photography and recording, without permission in writing from MGSLG.



# ≡ Navigating **This Report**



9

**TOP MANAGEMENT REPORTS**



27

**PERFORMANCE REPORT**



49

**CORPORATE GOVERNANCE**



59

**CORPORATE SERVICES**



73

**FINANCIAL REPORT**

- 5 List of Abbreviations/ Acronyms
- 10 Foreword by the MEC for Education, Gauteng Province
- 14 Foreword by the Chairperson
- 18 Chief Executive Officer's Overview
- 24 5- Year MGSLG Strategic Roadmap
- 25 About The Report
- 26 Organizational Structure

- 28 Programme 1: Early Childhood Development
- 30 Programme 2: Teacher Development
- 38 Programme 3: ICT Integration In The Classroom
- 41 Programme 4: School Safety And Psychosocial Programmes
- 43 Programme 5: School Governance
- 46 Programme 6: Education Leadership Development And School Management
- 48 Programme 7: Research, Monitoring & Evaluation And Quality Assurance

- 50 Corporate Governance Report
- 51 Board of Directors
- 54 Board of Directors meetings and attendance
- 56 Board committees
- 56 Academic, Research, SGB & RCL Committee
- 57 Audit & Risk Committee
- 58 Human Resources, Remuneration, Social & Ethics Committee

- 60 Introduction and Corporate Services Overview
- 66 ICT Management
- 67 Facilities and Infrastructure
- 68 Overview of Financial Performance
- 71 Overview of the Financial Position

- 74 General Information
- 75 Contents
- 76 Directors' Responsibilities and Approval
- 79 Directors' Report
- 80 Independent Auditor's Report
- 82 Statement of Financial Position as at 31 March 2024
- 83 Statement of Profit or Loss and Other Comprehensive Income
- 83 Statement of Changes in Equity
- 84 Statement of Cash Flows
- 85 Corporate Information
- 85 Accounting Policies
- 98 Notes to the Financial Statements
- 116 Detailed Income Statement

# General Information

**REGISTERED NAME:** Matthew Goniwe School of Leadership and Governance

**REGISTRATION NUMBER:** 2002/025756/08

**PHYSICAL ADDRESS:**

40 Hull Street  
Vrededorp  
Johannesburg  
2141

**POSTAL ADDRESS:**

POSTNET Suite 161  
Private Bag X9,  
Melville  
2109

**EMAIL ADDRESS:** [info@mgsi.co.za](mailto:info@mgsi.co.za)

**WEBSITE ADDRESS:** [www.mgsig.co.za](http://www.mgsig.co.za)

**EXTERNAL AUDITORS:** Lunika Chartered Accountants Inc.

**BANKERS:** Standard Bank South Africa

**COMPANY SECRETARY:** Mr Andile Qodashe

Income tax number: 9164/994/14/8

VAT number: 4740 257 045

PBO Status number: 930 004 794

ETDP-SETA Accreditation number: ETDP011960

QCTO accreditation number: SDP120 723 161711

 @mgsig1

 @MatthewGoniwe





# List of Abbreviations/Acronyms

## NAVIGATE IN THE REPORT WITH A CLICK OF THE MOUSE

The online interactive version PDF is optimised for use with Adobe Acrobat.

The below icons can be located at the top right corners and the chapter dividers can be found at the bottom of the pages.



Front Page



Table of Contents



Chapter Divider

## ACRONYM

4IR  
AFL  
AFS  
AGM  
APP  
BEd  
CAT  
CCMA  
CEO  
CFO  
CIPELT  
CISELT  
CLI  
CLT  
CMD  
CMT  
COELT  
COVID-19  
CPD  
DBE  
DCAPS  
DCES  
DDG  
DSD  
ECD  
EFAL  
ELRC  
EMS  
ETDP SETA  
  
NQF

## NAME

FOURTH INDUSTRIAL REVOLUTION  
ASSESSMENT FOR LEARNING  
ANNUAL FINANCIAL STATEMENTS  
ANNUAL GENERAL MEETING  
ANNUAL PERFORMANCE PLAN  
BACHELOR OF EDUCATION  
COMPUTER APPLICATIONS TECHNOLOGY  
COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION  
CHIEF EXECUTIVE OFFICER  
CHIEF FINANCIAL OFFICER  
CERTIFICATE IN PRIMARY ENGLISH LANGUAGE TEACHING  
CERTIFICATE IN SECONDARY ENGLISH LANGUAGE TEACHING  
CURRICULUM, LEARNING AND IMPLEMENTATION  
COMMUNICATIVE LANGUAGE TEACHING  
CURRICULUM MANAGEMENT DEVELOPMENT  
CIRCUIT MANAGEMENT TEAM  
CERTIFICATE IN ONLINE ENGLISH LANGUAGE TEACHING  
CORONAVIRUS DISEASE 2019  
CONTINUOUS PROFESSIONAL DEVELOPMENT  
DEPARTMENT OF BASIC EDUCATION  
DIFFERENTIATED CURRICULUM ASSESSMENT POLICY STATEMENT  
DEPUTY CHIEF EDUCATION SPECIALIST  
DEPUTY DIRECTOR GENERAL  
DEPARTMENT OF SOCIAL DEVELOPMENT  
EARLY CHILDHOOD DEVELOPMENT  
ENGLISH FIRST ADDITIONAL LANGUAGE  
EDUCATION LABOUR RELATIONS COUNCIL  
ECONOMIC MANAGEMENT SCIENCES  
EDUCATION, TRAINING AND DEVELOPMENT PRACTICES SECTOR EDUCATION AND TRAINING AUTHORITY  
NATIONAL QUALIFICATIONS FRAMEWORK

# List of Abbreviations/Acronyms (Cont.)

## ACRONYM

EXCO  
FET  
FP  
FY  
GDE  
GEC  
GET  
HEI  
HOD  
HR  
IAS  
IASB  
ICT  
IFRS  
IFRS IC  
IODSA  
IP  
IRBA  
ISO  
ISS  
IT  
JIT  
LMS  
LRP  
LSA  
LSLN  
MEC  
MG  
MGSLG  
MOI  
MST  
NACCW  
NCF  
NDP  
NECT  
NPC

## NAME

EXECUTIVE COMMITTEE  
FURTHER EDUCATION AND TRAINING  
FOUNDATION PHASE  
FINANCIAL YEAR  
GAUTENG DEPARTMENT OF EDUCATION  
GENERAL EDUCATION CERTIFICATE  
GENERAL EDUCATION AND TRAINING  
HIGHER EDUCATION INSTITUTION  
HEAD OF DEPARTMENT  
HUMAN RESOURCES  
INTERNATIONAL ACCOUNTING STANDARDS  
INTERNATIONAL ACCOUNTING STANDARDS BOARD  
INFORMATION AND COMMUNICATIONS TECHNOLOGY  
INTERNATIONAL FINANCIAL REPORTING STANDARDS  
INTERNATIONAL FINANCIAL REPORTING STANDARDS INTERPRETATIONS COMMITTEE  
INSTITUTE OF DIRECTORS SOUTH AFRICA  
INTERMEDIATE PHASE  
INDEPENDENT REGULATORY BOARD FOR AUDITORS  
INTERNATIONAL ORGANIZATION FOR STANDARDIZATION  
INCLUSION AND SPECIAL SCHOOLS UNIT  
INFORMATION TECHNOLOGY  
JUST-IN-TIME  
LEARNER MANAGEMENT SYSTEM  
LEARNING RECOVERY PROGRAMME  
LEARNER SUPPORT AGENT  
LET'S SUPPORT LITERACY AND NUMERACY  
MEMBER OF EXECUTIVE COUNCIL  
MATTHEW GONIWE  
MATTHEW GONIWE SCHOOL OF LEADERSHIP AND GOVERNANCE  
MEMORANDUM OF INCORPORATION  
MATHEMATICS, SCIENCE AND TECHNOLOGY  
NATIONAL ASSOCIATION OF CHILD CARE WORKERS  
NATIONAL CURRICULUM FRAMEWORK  
NATIONAL DEVELOPMENT PLAN  
NATIONAL EDUCATION COLLABORATION TRUST  
NON-PROFIT COMPANY



# List of Abbreviations/Acronyms (Cont.)

<b>ACRONYM</b>	<b>NAME</b>
NWU	NORTHWEST UNIVERSITY
PAT	PRACTICAL ASSESSMENT TASK
PBL	PROJECT-BASED LEARNING
PFMA	PUBLIC FINANCE MANAGEMENT ACT
POE	PORTFOLIO OF EVIDENCE
POPI ACT	PROTECTION OF PERSONAL INFORMATION ACT
POS	PUBLIC ORDINARY SCHOOLS
PPE	PROPERTY PLANT AND EQUIPMENT
PSRIP	PRIMARY SCHOOL READING IMPROVEMENT PROGRAMME
QCTO	QUALITY COUNCIL FOR TRADES AND OCCUPATIONS
RCL	REPRESENTATIVE COUNCIL OF LEARNERS
RIP	READING IMPROVEMENT PROGRAMME
SACE	SOUTH AFRICAN COUNCIL FOR EDUCATORS
SADAG	SOUTH AFRICAN DEPRESSION AND ANXIETY GROUP
SAICA	SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS
SARS	SOUTH AFRICAN REVENUE SERVICE
SA-SAMS	SOUTH AFRICAN SCHOOL ADMINISTRATION SYSTEM
SBST	SCHOOL-BASED SUPPORT TEAM
SDP	SCHOOL DEVELOPMENT PLAN
SGB	SCHOOL GOVERNING BODY
SIAS	SCREENING, IDENTIFICATION, ASSESSMENT, AND SUPPORT
SID	SEVERE INTELLECTUAL DISABILITY
SIP	SCHOOL IMPROVEMENT PLAN
SLT	SCHOOL LEADERSHIP TEAM
SMT	SCHOOL MANAGEMENT TEAM
SOP	STANDARD OPERATING PROCEDURE
SOS	SCHOOLS OF SPECIALIZATION
SP	SENIOR PHASE
SSIP	SECONDARY SCHOOL IMPROVEMENT PROGRAMME
THS	TECHNICAL HIGH SCHOOL
TLO	TEACHER LIAISON OFFICER
UNISA	UNIVERSITY OF SOUTH AFRICA
VAT	VALUE ADDED TAX
VoC	VOCATIONAL OCCUPATION
WFH	WORK FROM HOME (POLICY)
WSI	WHOLE SCHOOL IMPROVEMENT

# Our Vision, Mission and Values



## Vision:

In delivering on our mandate and purpose, we set for ourselves the following vision:

"To be a leading innovative training and professional development institute in education, globally recognized for excellence in school performance."



## Mission:

In supporting its vision MGSLG has revised its mission (aim) as follows:

"Deliver quality and innovative capacity development through research-driven and targeted interventions."



## Values:

The vision, mission and goals are tangible aspects of an organization's values and principles. However, the most potent aspects of an organization's culture and operations are its intangibles - values and principles. Values and principles have the powerful effect of mobilizing everybody in the organization for the successful implementation of the vision, mission and goals.

### The MGSLG values are:



Ubuntu



Accountability



Efficiency



Integrity



Professionalism



Collaboration



Excellence



Innovation



# Top Management Reports

## Contents

Foreword by the Chairperson	10
Board of Directors 2023/24	12
Executive Committee Members 2023/24	13
Chief Executive Officer's Overview	14
Strategic Overview	18
Strategic Goals	19
About The Report	21
Organizational Structure	22



## Foreword by the MEC for Education, Gauteng Province

**Mr. Matome Chiloane, Member of the  
Executive Council: Gauteng Department of  
Education**

“

The 2023/24 financial year presented both familiar and unprecedented challenges. As we continued to recover from the impacts of the COVID-19 pandemic, our primary focus was on ensuring learning continuity; addressing inequalities exacerbated by the crisis; and creating an enabling environment for every learner and educator.

*Our commitment to leaving no child behind has been the guiding principle of our policies and programmes throughout this period.*

”

The Matthew Goniwe School of Leadership and Governance has long been a beacon of excellence in education leadership, training, and governance. As we reflect on the accomplishments of the past year, it is clear that the work of MGSLG is more crucial than ever.

Our province continues to face complex challenges that demand innovative and bold solutions, particularly in school leadership, governance, the professional development of educators and psycho-social support.

In the 2023/24 financial year, MGSLG continued to deliver high-quality programmes that empower school leaders, educators, and governance structures—ensuring they are equipped to meet the ever-evolving demands of our education system. This year has also seen the expansion of strategic initiatives that align with the Gauteng Department of Education's (GDE) overarching goals of improving educational outcomes; ensuring equitable access; and fostering inclusive learning environments.

### Through the strategic partnership with MGSLG, the GDE has seen improvements in the following areas:

- **Early Childhood Development (ECD):** Recognizing the importance of the foundational years of a child's development, we invested heavily in the expansion and improvement of ECD programmes. This ensures that learners have a strong foundation and are better prepared as they progress through the education system.
- **Digital Transformation:** One of our key priorities has been to accelerate the use of technology in education. Significant strides were made in enhancing e-learning platforms; expanding access to digital devices for learners; and integrating technology into classrooms. Our efforts are aimed at preparing learners for the future by bridging the digital divide, and equipping them with the skills needed for the Fourth Industrial Revolution.
- **Teacher Development and Support:** Our educators are at the heart of the education system. Continuous professional development remains critical to improving teaching quality. MGSLG has continued to provide teachers with opportunities for growth and development, ensuring they have the necessary skills and knowledge to provide quality education. This is particularly important as we adapt to new technologies and teaching methodologies in the classroom.
- **Capacity Building for School Leaders:** MGSLG's leadership programmes have continued to build the skills and capabilities of school principals, deputy principals, and heads of departments. At a time when strong leadership is needed to navigate an increasingly complex educational landscape, these programmes have played a pivotal role in ensuring that schools across Gauteng are led by competent, visionary leaders who can drive change and improvement.
- **Enhancing School Governance:** School governing bodies (SGBs) are essential partners in promoting accountability, transparency, and sound management in our schools. This year, MGSLG has significantly strengthened the capacity of SGB members through tailored training programmes, empowering them to fulfill their roles effectively and contribute to the success of their schools.
- **Promoting Equity and Inclusion:** In line with the provincial government's commitment to inclusivity, MGSLG has prioritized training programmes that promote diversity, equity, and inclusion in school leadership and governance. This focus ensures that our schools are environments where all learners—regardless of their background or circumstances—can thrive.
- **Fostering Innovation in Education:** The post-pandemic education landscape has underscored the importance of innovative solutions to long-standing challenges. MGSLG has taken bold steps in exploring new ways of thinking about educational leadership, governance, and management, incorporating digital tools and technologies to enhance the effectiveness of their programmes.

## Looking Ahead

As we move forward, MGSLG will continue to play a pivotal role in transforming our education system. The path ahead will require ongoing collaboration, innovation, and a steadfast commitment to excellence. It will demand that we continuously seek new ways to enhance leadership and governance within our schools, ensuring that we remain adaptable in a rapidly changing world.

### **Special attention and focus should also be given to the following Departmental priorities:**

- Expanding Vocational and Technical training in schools and post-school institutions through the three-stream model, focussing on Vocational and Technical Subjects for a demand-led approach to skills development
- Initiatives to improve performance in Mathematics and Languages among primary school learners
- Aligning the whole system to support these interventions and to ensure that we use our scarce resources in a targeted school-based approach that supports classroom practice through Leadership and Management Programmes

Despite the successes outlined in this report, we acknowledge the ongoing challenges that we face, including the need to further reduce overcrowding in schools; address issues related to learner safety; and strengthen the partnership between communities and schools. We remain committed to finding innovative solutions to these issues, and will continue to work collaboratively with all stakeholders, including parents, educators, unions, and the private sector.

## A Call for Collaboration

As we look ahead to the future, I call upon all stakeholders to continue their unwavering support for our education system. The success of our learners depends on the collective efforts of parents, communities, government, and the private sector. Together, we can create a more resilient, inclusive, and high-performing education system that equips our learners with the skills and knowledge they need to thrive in a rapidly changing world.

In conclusion, I extend my gratitude to the educators, learners, parents, and all partners who have contributed to the progress we made in the 2023/24 financial year. This report is a reflection of your hard work, dedication, and passion for education. Let us continue to work together to build an education system that is not only a source of pride, but a driver of transformation for all in Gauteng.

I am confident that the dedication, passion, and commitment demonstrated by MGSLG will propel us to even greater heights in the coming years. The work done here directly impacts the future of our learners; the strength of our schools; and ultimately, the prosperity of our province.

In closing, I would like to extend my deepest gratitude to the Board of Directors, the Leadership, and the entire team at MGSLG for their unwavering commitment to building leadership and governance capacity in our schools. Your efforts have made a significant difference in the lives of countless learners and educators across Gauteng. I also thank our stakeholders and partners for their ongoing support and collaboration in advancing the mission of the institution.

Together, let us continue to build an innovative education system that empowers, inspires, and uplifts every learner in our province.



**Mr. Matome Chiloane**

MEC for Education and Youth Development  
Gauteng Province





## Foreword By The Chairperson

“

It fills me with delight to once more pen this missive for this year's annual report. I do so with a firm undertaking that the road ahead remains challenging as the institution embarks on uncharted territory of being a higher institution of learning.

”

I have no doubt that the unwavering commitment of staff members in the institution will deliver this noble objective as envisioned by the erstwhile MEC, Honourable Matime Chiloane.

The following are the highlights for the period under consideration.

### **Composition of the Board:**

The composition of board members stands at fourteen. The Board suffered a huge setback following the unfortunate passing of Ms Violet Ntsali, who served as the Deputy Chairperson of the Board, and was a member of the HR Committee.

There was also a resignation of Mr Errol Magerman, who also served in the HR Committee. This effectively meant that the HR Committee was depleted. It was however replenished by the redeployment of Mr Bengeza Mthombeni who also serves in the Audit Committee.

I would also like to welcome the two new members who were appointed following this state of affairs. Mr Jacob Khawe was appointed Deputy Chairperson as well as a member of the HR Committee. On the other hand, the Audit Committee was bolstered by the appointment of Ms Sivuyisiwe Gwebani. This was a welcome appointment



as she brings with her a wealth of IT expertise, something that the Board had been decrying for a very long time. The appointments are for a duration of three years.

**Changes to the Executive Team:**

The former CEO, Adv. Thulani Makhubela's contract expired on 30 July 2023. The Board appointed Mr. Sibusiso Mahlangu (who served as MGSLG's Chief Finance Officer for the past 16 years) as the new CEO effective 01 August 2023.

Effectively this meant that the office of the CFO became vacant. This post was then filled by a new incumbent Mr Mxolisi Magubane, who assumed office on 15 November 2023.

The institution also bade farewell to two of its stalwarts, Mr Matime Papane, who held the position of Head of Corporate Services, and Ms. Patricia Maloka, who headed the Business Development unit, following their retirement. The position of Head of Corporate Services has since been filled by Mr Thomas Mahlangu who previously served as the HR Manager. On the other hand, the position of Director

Business Development remains vacant. Ms. Slindo Shamase who served as the Chief of Programmes resigned on 13 March 2024. The position remains vacant.

**Annual General Meeting:**

The Board hosted another successful AGM on 26 September 2023. This event was graced by the presence of the MEC, Mr Matome Chiloane who lauded the institution for posting yet another unqualified audit report. This is testimony to the stewardship and probity of the CEO, Mr Sibusiso Mahlangu and his team.

**Annual Memorial Lecture:**

Yet again the institution delivered another successful memorial lecture. This was the tenth instalment of this auspicious event. It was a red-letter day that was graced by the presence of the Premier, Mr Panyaza Lesufi and the MEC, Mr Matome Chiloane. The former MEC for Education Professor Mary Metcalfe delivered this year's lecture which was entitled: "Transformative Leadership for Social Change: Empowering the next generation".

**Strategic Roadmap:**

The Board together with the institution's leadership reviewed the mapped out a five-year strategy in preparation for the seventh political administration. The outcomes are reported in the CEO's report.

I would like to take this opportunity to thank the Honourable MEC, Mr. Matome Chiloane. Thank you for the solid trust you placed in MGSLG to provide continuous professional development for the Department.

To our stakeholders, thank you for your continued support. Fellow Board members, thank you for co-piloting this organization towards achieving its vision. The CEO, Executive Team and staff members who are on the ground implementing the strategies we come up with, thank you.



**Mr. Tsēliso Ledimo**  
Chairperson of the Board  
Date: 31 August 2024

# Board of Directors 2023/24

The Board of Directors for the period comprised the following Non-Executive Directors:



**Board Chair**  
Mr. Tseliso Ledimo



**Deputy Chair**  
Mr Jacob Khawe  
(Appointed: 01 April 2024)



**Chair: Audit, Risk and IT Committee,**  
Mr. Bonolo Ramokhele



**Chair: Academic and Programmes Committee.**  
Mr Manaha Matakanya



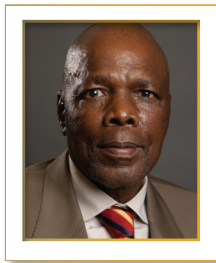
**Chair: HR and Ethics Committee**  
Mr. Mandlenkosi Masingi



Mr. Alex Mdakane



Mr. Bengeza Mthombeni



Mr. Joconia Matabane



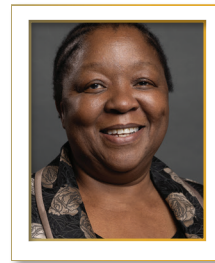
Mr. Maupe Matjila



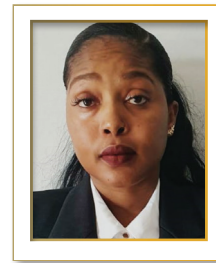
Mr. Tshidiso Saul



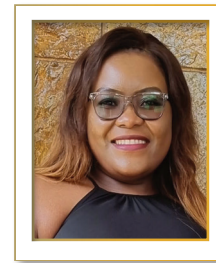
Ms. Catherine Constantinides



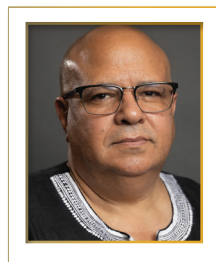
Ms. Lorraine Makola



Ms. Tlangi Mogale



Ms. Sivuyisiwe Gwebani  
(Appointed: 01 October 2023).



Mr. Errol Maggerman  
(Resigned: 31 July 2023)



Ms. Violet Ntsali  
(Deceased: 02 November 2023)

# Executive Committee Members 2023/24



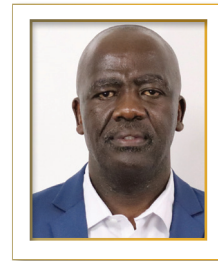
The Executive Committee for the Period Comprised the Following Executives:



**Chief Executive Officer**  
Mr. Sibusiso Mahlangu



**Chief Finance Officer**  
Mr. Mxolisi Magubane



**Head of Corporate Services**  
Mr. Thomas Mahlangu



**Head: Teacher Development and ICT Programmes**  
Mr. Siphon Dlamini



**Head\_ECD, Leadership, Management & School Governance**  
Dr. Lindiwe Ginya



**Director: Teacher Development**  
Mr. Eugene Nzula



**Director: ICT Programmes**  
Mr. Handson Mlotshwa



**Director: School Governance**  
Dr. Dempsey Noge



**Director: Leadership**  
Mr. Victor Ngobeni



**Director: Research, Planning & QA**  
Ms. Kgaugelo Mkhwebane



**Company Secretary**  
Mr. Andile Qodashe



**Chief Executive Officer**  
Adv. Thulani Makhubela  
(Contract expired: 31 July 2023)



**Director Business Development**  
Ms. Patricia Maloka  
(Retired: 29 February 2024)



**Chief of Programmes and Institutional Strategy**  
Ms. Slindo Shamase  
(Resigned: 14 March 2024)



**Head of Corporate Services**  
Mr. Matime Papane  
(Retired: 30 June 2023)



## Chief Executive Officer's Overview

“

2023/24 was the last year of our 2021-2024 Corporate Strategy and we had to consolidate all our efforts towards achieving what we had set out to do. Programmatically we had a better year than the previous year as we used a blended approach to training which included more contact sessions. This improved our reach to our targeted beneficiaries of the training.

”

After two years of working from home due to COVID-19, we transitioned back to full-time office work.

Initially, this posed challenges, but we successfully implemented change management initiatives to ease the transition back to normal office operations.

### Funding

The 2023/24 budget allocation increased by R19,6 million, or 6%, from R345 million in 2022/23 to R365 million in 2023/24. The budget allocation comprises:

- Operational Budget – 3%
- Public Ordinary Schools (POS) – 6%
- School Safety and Security – 11%
- Early Childhood Development – 16%
- Psycho-Social Services – 20%
- Teacher Development – 44%

The SGB Training budget has been reduced by R11 million, a matter of concern given the need for handover training and election preparation within the same year.



The Early Childhood Development (ECD) budget has been maintained at the previous year's level. However, annual increases in university fees, particularly for the Bachelor of Education (BEd.) program delivered in collaboration with universities, pose a financial challenge. The general impact of inflation on project implementation costs is a significant concern.

Our Business Development initiatives have not generated anticipated outcomes thus far. The new strategic roadmap outlines areas for enhancing our Business Development and Fundraising Strategy for the forthcoming year.

### Programme Delivery

In the 2023/24 financial year, MGSLG's plan was to deliver 6 programmes and 99 sub-programmes on behalf of the Gauteng Department of Education. Of these programmes, 60 met their targets, while 49 exceeded their targets. However, there were 39 programmes that did not reach their targets. Three of these programmes have been deferred to the next financial year, one has been integrated into another

programme, and the reasons for the remaining programmes not meeting their targets include a lack of advocacy, and the targeting of the same teachers for different areas, necessitating improved planning and Education Labour Relations Council (ELRC) consultation, and the integration of programmes.

There is an imperative need to reassess our delivery model and the manner in which we consolidate programme into strategies that comprehensively address schools, encompassing their communities and environments.

This recalibration aims to accentuate the impact and quality of our initiatives, placing emphasis not merely on quantitative metrics but on strategic qualitative effectiveness.

### Human Resources/ People

We started the year off with a total of 135 staff complement, but emanating from resignations, retirements and contract expiration, we closed the year off with 126 staff members. These were staff movements in the year:

### Resignations: 3

- Chief of Programmes and Strategy Development
- Manager: Revenue Diversification and Sustainability
- Senior Manager: ICT

### Retirements: 6

- Head Corporate Services
- Director Business Development
- ECD Facilitator x 4

### Contract Expiration: 1

- Chief Executive Officer

### New Appointments: 4

- CEO – internal candidate
- Head Corporate Services – internal candidate
- Chief Finance Officer – new incumbent
- Senior Manager – Teacher Development – new incumbent

As we assess our strategy, organisational design and operating model we have decided not to fill any vacant position until those processes are finalised.

I am honoured to have been appointed as the CEO in August 2023. Drawing on my 16 years of experience with MGSLG, my objective as CEO is to build on the significant progress we have made.

This includes diversifying our capabilities and offerings to enhance opportunities and create greater value for our clients, employees, and stakeholders. During my initial staff meeting as CEO, I communicated my core turnaround principles:

- **Commitment:** Ensuring that our Board of Directors and institutional leadership provide exemplary, dedicated, and ethical guidance. This includes consequence-based decision-making and innovative, decisive actions to facilitate swift changes in direction.
- **Investment for Growth:** Prioritizing the budget for the development and implementation of innovative programs while also planning for long-term infrastructure needs. This approach will help us achieve and

sustain the goals of our higher education institute.

- **Collaboration:** Enhancing innovation and efficiency through partnerships and collaborations. Instead of reinventing existing solutions, we aim to work with leading institutions where there are no conflicts of interest. This will enable us to learn more quickly and tailor solutions for our stakeholders, ensuring immediate impact and improvement.

We appreciate the support of the Gauteng Department of Education (GDE), led politically by MEC Chiloane and administratively by Mr Mutlana and the Head of Department.

Your unwavering support and collaboration is immensely appreciated.

To MGSLG's Board of Directors, your faith in me is deeply valued, to my co-pilots, Executive Team and all staff members, your patience is appreciated. I know together we can turn things around for the better for MGSLG.



# Our Strategic Enablers

The tools that enable us to implement strategic focuses and meet our performance objectives.



# Strategic Overview

March 2024 represents the end of MGSLG's 5-year strategy 2021-2024. We needed to develop the institutional strategy that will drive MGSLG to sustainable growth as we reposition ourselves into an Institution of Higher Education. Considering the new political landscape and evolving global conditions, we embarked on a process to develop a Strategy Roadmap to guide our efforts over the next five years. One of the immediate strategic initiatives to support the strategy will be the development of a cost-effective structure and operational model that will achieve optimal organizational performance.

## Re-Emerging Priorities

From the review of the strategy, the following priorities re-emerged:



### Excellence in Teaching and Learning

- Quality Assurance for programme design, implementation, and evaluation
- Programme Impact Evaluation
- E-learning strategy implementation
- Interactive e-learning content development
- Monitoring and Evaluation tools and processes



### Growth And Expansion For Sustainability

- Expansion in other provinces of South Africa
- Re-packaging of programme offerings, re-design, and total improvement of material including accreditation thereof
- Monitoring and Evaluation tools and processes
- Diversified sources of funding



### Global And Relevant Higher Education Institution

- Accreditation as Higher Education Institution
- Partner with funders, researchers, technology service providers, etc. that will help to transition into an HEI



# Strategic Goals

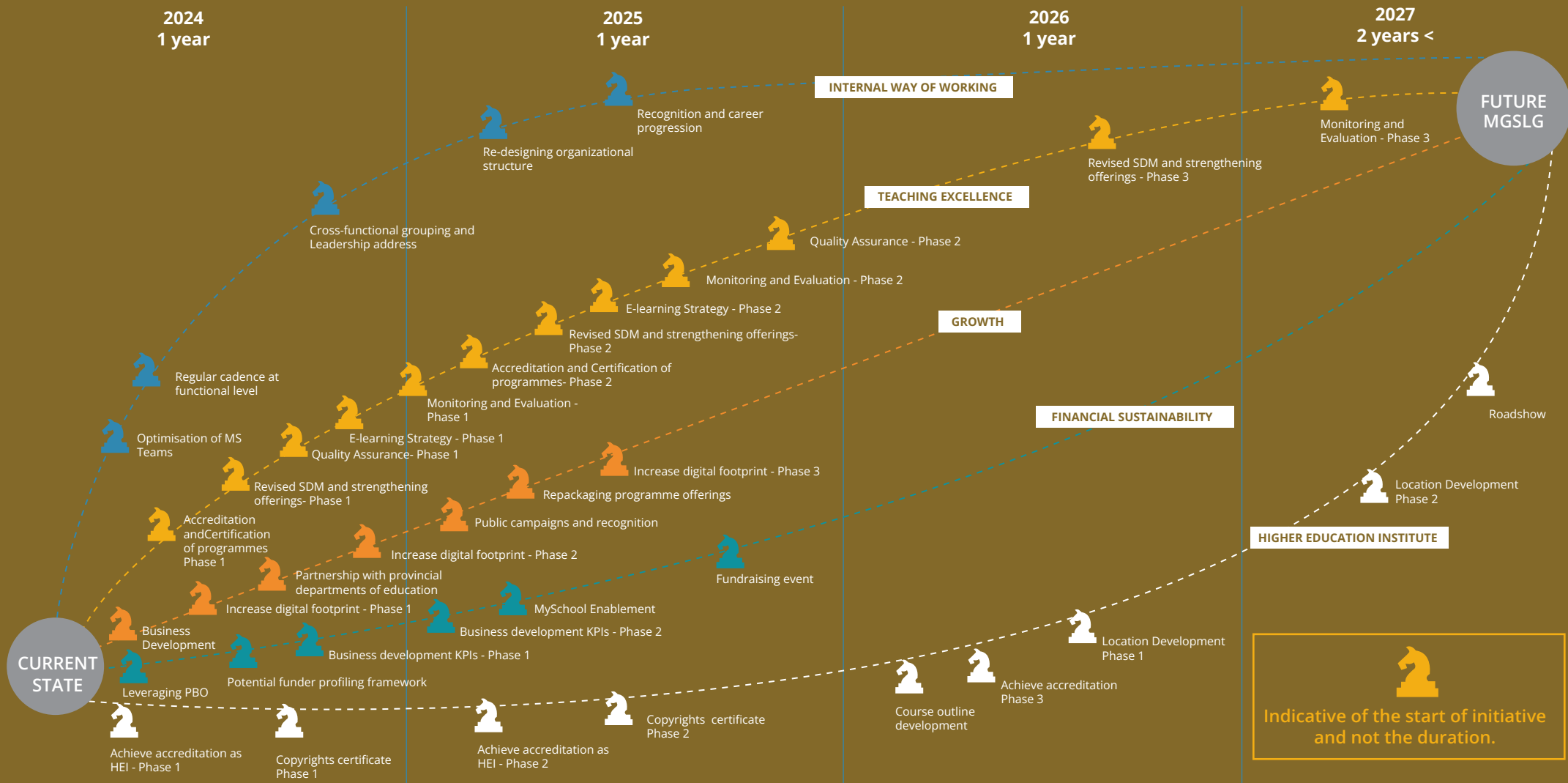
We have adopted the following strategic goals to guide us through the next five years.

SIGHT represents MSGLG'S vision, foresight, and envisioned success for pursuing the five set goals in the next five years.





# 5- Year MGSLG Strategic Roadmap



Time to implement depends on several factors such as costs, complexity, resources, and any other factors affecting timeline.



## About The Report

Our 2023/24 Annual Report aims to provide the MEC for Gauteng Education and Youth Development, the Gauteng Department of Education (GDE) the main funder, partners, and stakeholders with a comprehensive perspective of the past year's performance, as well as giving insight into our business strategy and prospects. It reflects on MGSLG's activities for the year ended 31 March 2024. Statement of responsibility and confirmation of accuracy for the Annual Report.

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

- All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements (AFS) audited by the External Auditor.
- The annual report is complete, accurate and is free from any omissions.
- The financial statements have been prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.
- The CFO is responsible for the preparation of the AFS.
- The CEO 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 AFS.
- The external auditors are engaged to express an independent opinion on the AFS.

In my opinion, the annual report fairly reflects the operations, performance information, human resources and the financial affairs of Matthew Goniwe School of Leadership and Governance for the financial year ended 31 March 2024.

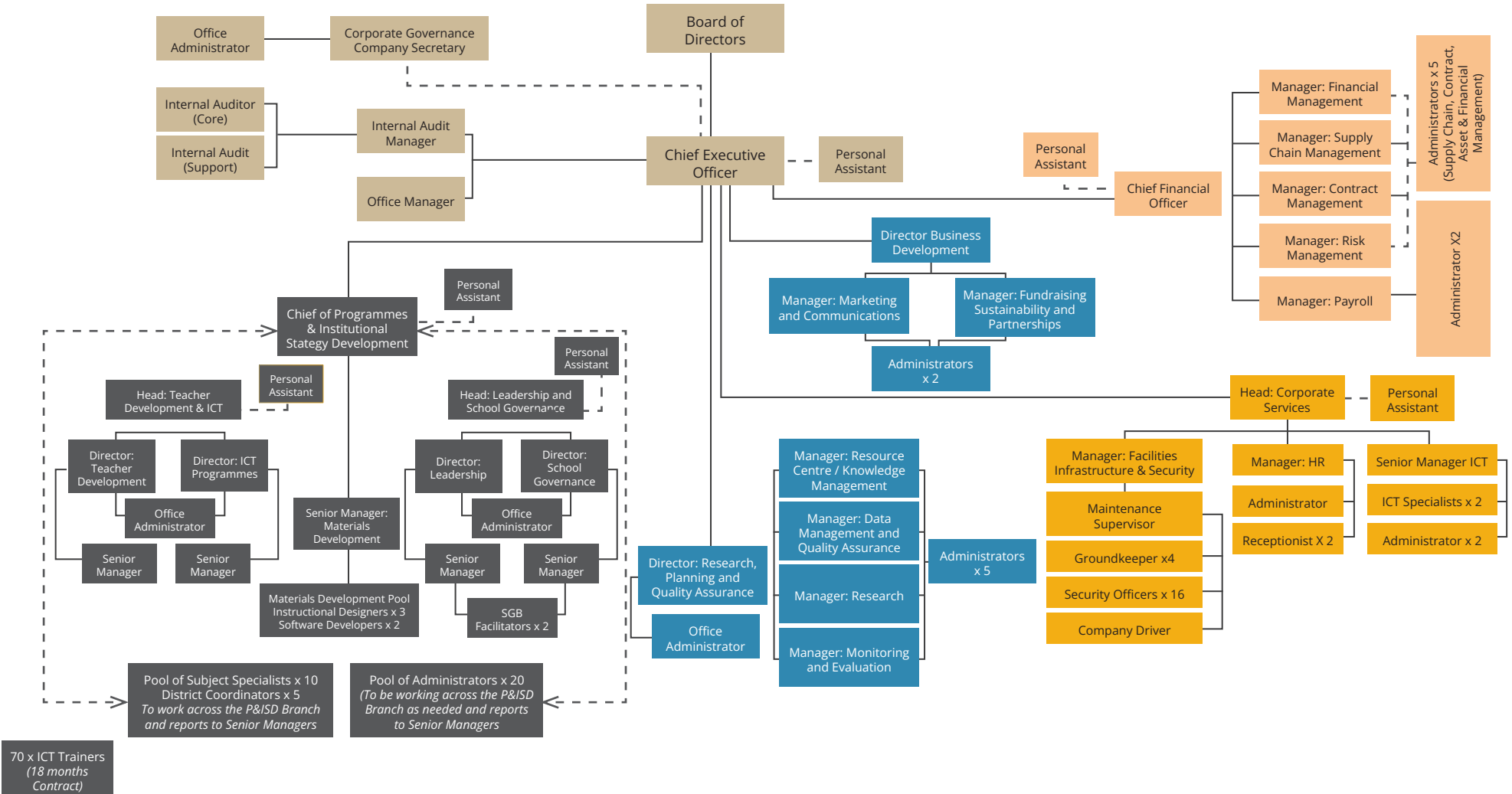
### Mr. Sibusiso Mahlangu

Chief Executive Officer

Date: 31 August 2024

# Organizational Structure

Below is the current organizational structure. It will be reviewed to better support the new strategic roadmap 2024 – 2029





# Performance Report

## Performance Report Contents

<b>Programme 1:</b> Early Childhood Development (ECD)	24
<b>Programme 2:</b> Teacher Development	26
<b>Programme 3:</b> ICT Integration In The Classroom	34
<b>Programme 4:</b> School Safety And Psychosocial Programmes	37
<b>Programme 5:</b> School Governance	39
<b>Programme 6:</b> Education Leadership Development And School Management	42
<b>Programme 7:</b> Research, Monitoring & Evaluation And Quality Assurance	44



# Programme 1: Early Childhood Development (ECD)

## Linked to Strategic Goal: Early Childhood Development

MGSLG has been providing Education, Training and Development Practices Sector Education Training Authority (ETDP SETA) - accredited ECD programs to support the sector's shift from the Department of Social Development (DSD) to the Department of Basic Education (DBE). The official change to DBE took place on the 1st of April 2022.

Following the sector shift, GDE is responsible for capacitating, supporting, subsidizing, and regulating the ECD programs across Gauteng, in achieving the universalization of Grade R and in line with Chapters 5 and 6 of the Children's Act. In addition to Grade R universalization, the GDE aimed to focus on professionalizing the sector which also means establishing a conducive environment for the introduction of Grade RR in schools. The developed programmes support the ECD goal.

**MGSLG also assists GDE with providing professional development for ECD practitioners. The professionalization of ECD practitioners includes raising the training qualification bar of Grade R practitioners from NQF level 4 to a NQF Level 7 i.e., Bachelor of Education Degree (B.Ed.), in line with the Minimum Requirements of Teaching and Learning Qualification.**

**In the spirit of "leaving no child behind," by capacitating the practitioners who are not formally qualified, MGSLG implemented the following ECD programmes this year:**

### INDICATORS



#### ACHIEVED

Indicates that the annual target was achieved or exceeded.



#### PARTIALLY ACHIEVED

Indicates that the annual target was not fully achieved, but progress was made towards achieving the target.







#### NOT ACHIEVED

Indicates that the annual target was not achieved or that the level of achievement was not significant. Reasons for non-achievement to be noted.



## Capacity Building for Early Childhood Development Practitioners

Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
Number of Grade R Practitioners trained in NCF	1000	1015	+15 	The target was exceeded due to an addition of newly appointed practitioners into the system.
Number of Grade R Practitioners trained in NQF Level 4 (Cohort 6)	500	495	-4 	The programme had 5 dropouts due to natural attrition.
Number of Grade R Practitioners registered and studying towards NQF L 7 (BED) NWU/UNISA	154	100 Registered	-54 	Fifty-four of the participants did not meet the admission criteria of the Universities.
Number of Grade R Practitioners Trained on Grade R Language and Maths Improvement programme	3400	4480	+1080 	There was a huge interest in the programme after the migration of the ECD from DSD to DBE, which resulted in high number intake. This programme also provides a total of 40 Continuous Professional Development (CPD) Points.



## Programme 2: Teacher Development Linked To The Strategic Goal: Promote Quality Education Across All Classrooms And Schools

*“The quality of an education system cannot exceed the quality of its teachers” McKinsey & Company, 2007.*

During the period under review, the education sector needed to respond to increasingly complex, rapid and often unpredictable developments such as the learning losses and curriculum recovery due to the Covid-19 pandemic. The department has continued to support different forms of professional teacher development programmes as teachers are exposed to new or varying dynamics resulting from changes in the education system. The changes range from subject matter knowledge and pedagogical approaches to the use of technology in teaching and learning. Thus, teachers need to be continuously capacitated, in order for them to be kept updated on current practices both locally and nationally.



**Continuous Professional Development (CPD) was provided in the year in review for both the General Education and Training (GET) and Further Education and Training (FET) phases with the following programmes being implemented:**

### Mathematics, Science and Technology (MST)

This programme is implemented in partnership with the Sci-Bono Discovery Centre to capacitate teachers of Mathematics, Science and Technology subjects for Grades 1-9. It offers Numeracy in the Foundation Phase (FP); Mathematics and Natural Science and Technology in the Intermediate Phase (IP) and critical importance of this area to address learning challenges.

### Assessment

Assessment has become a critically important topic in the last few years as it is increasingly recognized that assessment provides a wealth of information about the diverse needs of learners in the classroom. Innovation workshops specific to assessment capabilities needed for assessment meaning-making were delivered for both office and school-based teachers during the year in review. This training was received amongst the recipients indicating the need for future capacity building.



## Social Sciences Training for the GET Phase

In supporting of the National Department's pursuit of social cohesion with the introduction of Social Sciences in the Senior Phase (SP) of schooling, the MGSLG continued to support this initiative through the training of Social Science teachers focused on developing teacher content knowledge, pedagogy, assessment and ICT integration. This is also aimed at building future learning foundations for both in geography and history. A transition was made from online to face-to-face contact for this programme.

## The Certificate in Primary English Language Teaching/ Certificate in Secondary English Language Teaching Programme (CIPELT/CISELT)

Recognizing the key role languages play in future learning from early grades, the MGSLG continued to implement the CIPELT/ CISELT programmes. The programme is a priority programme of the Department of Basic Education (DBE) to empower teachers to better teach English First Additional Language (EFAL) in their classrooms using practical tools to make the language accessible to learners. It is premised around the practical nature of Communicative Language Teaching (CLT) methodology. Teachers in the foundation and intermediate phases are trained on CIPELT, whilst their senior phase counterparts are trained on the CISELT programme.

## The Certificate in Online English Language Teaching (COELT) Programme

In response to the Covid-19 pandemic, the DBE sought a response to language teaching using remote methods to bridge the gap between the various stages of 'lockdown' and learner access to language teaching and learning. The COELT programme was implemented as a solution to mitigate the learning losses emanating from the various responses to the pandemic limiting access for learners to contact teaching. The COELT is a fully online

programme utilizing accessible WhatsApp technology to deliver learning due to its mass penetration of society and relatively cheaper data costs to access. Teachers across all grades from the foundation phase to the FET received training on this programme.

## Primary Schools Reading Improvement Programme (PSRIP)

An ability to successfully read for meaning in different texts is considered an important skill for effective learning to take place across all subjects. In recognition of this key imperative, the DBE has made this a priority for all provinces to ensure reading is prioritized as a key activity. Implemented through working jointly with the National Education Collaboration Trust (NECT) for materials development and subject advisor training, the DBE spearheads the implementation of the PSRIP. Working in selected districts in each province, teachers in the foundation and intermediate phases are identified and receive this special training.

## African Languages Training

Recognizing the need to form the basis of learning in the home languages in the early grades for learners as a key driver for future learning, the MGSLG commenced with the capacity building programme for teachers in the intermediate and senior phases. This is intended to build on the foundations laid down in the foundation phase of schooling in order to support learners as they transition from the foundation to the intermediate phase. This includes their transition to higher learning in the senior phase.

## Induction Programme for newly Appointed Teachers

A strong foundation for newly appointed teachers is always necessary to be built and a priority for any education system seeking to retain teachers in the system, whilst, also seeking to make them as effective in their new roles as possible. As a result, the MGSLG developed and further refined materials for

the training of these teachers. Training for these teachers involves exposure to all GDE policies and prescripts and the various supports available to teachers, training on matters, training on South African Council for Educators (SACE) based professional standards and data- driven instruction to enable them to deliver the curriculum effectively.

### Defending the “crown” – continuing the improvement of quality learning in the FET Band: JIT SSIP

This programme includes just in time training of teachers per term on subject matter knowledge, pedagogy, assessment, and ICT integration for all the gateway subjects. Teachers are exposed to content, pedagogy, assessment and ICT integration into learning. Secondary School Improvement Programme (SSIP) A targets teachers in schools and subjects performing below national and provincial set benchmarks in their subjects. SSIP B targets teachers in performing subjects as it seeks to ensure their sustainability of the achievement.

### Expand and enhance Schools of Specialization

Schools of Specialization (SOS) have a distinct operating model and regulatory framework that seeks to develop specialized and expert driven curriculum offering in Mathematics, Science, Technology, Engineering, Entrepreneurship, Sports, and Performing Arts. There are 35 commissioned Schools of Specialization in Gauteng Province, MGSLG provided Digital Literacy programs through online and onsite support. The Digital Literacy programs aimed to develop teacher foundational skills on the use of the IQ Education platform, use of productivity tools for teaching (MS Office Suite) as well as mediation on the use of DBE and GDE freely available online content. Project-Based Learning ((PBL) was introduced to teachers as an alternative approach to teaching and was delivered through a blended learning approach in which teachers spent 10 notional hours completing the program.

### Skills for a Changing World including, Technical High Schools

The three streams model focussed on technical, vocational, and occupational subjects has been introduced by the department. This reform has been initiated by the National Development Plan (DBE) in line with the Global Strategic Goals, Fourth Industrial Revolution (4IR); and 2030 DBE Educational Action Plan and the NDP. This is the expansion of the current Technical High Schools (THS) subjects in the FET to the GET phases.

#### The three streams model key deliverables are:

- Increased participation and success rates in MST subjects.
- The establishment of focus schools
- Conversion of existing schools to THS and Schools of Skills
- Introduction of the new General Education Certificate (GEC).

#### The key objectives of the three streams model are:

- Implement curriculum offerings to meet the diverse needs of the young people of the country.
- Empower learners to be creative and be organized system thinkers.
- Address skills needs of the country.

Technical High Schools (THS) were supported through the professional development of teachers, the development of remote learning resources for both teachers and learners and procurement of Practical Assessment Tasks equipment for the following technical subjects: Agriculture, Civil Technology, Digital Technology, Electrical Technology and Mechanical Technology.



## Induction Programme For New Teachers And Learning Recovery Programme For All Phases

Performance Indicator	Target	Achievement	Deviation From Target		Comment On Deviations
Number of Newly Appointed Teachers inducted	600	554	-46	☹️	Participation in this programme is dependent on the number of educators employed in the year.
Number of Newly Appointed Teachers trained on critical content areas, pedagogy and assessment	1000	0	-1000	☹️	This programme was deferred to the new financial year due to poor enrolment in the 2023/24 Financial year.
Number of Teachers trained on learning recovery strategies (FY2023/24 - PHASE 1, focused on Curriculum Managers and SMT)	7718	6175	-1543	☹️	The focus of this FY was on phase 1 of LRP implementation; the training of Curriculum Managers; and school-based SMT. The target was 7718 and a total of 6175 were trained. Mop-up training was organized Q4 and 618 SMT members were trained. Preparations for phase 2 teacher training commenced in Q4 with consultations and material development processes. Teachers will be trained by Subject Specialists in their Districts, and they will be fully capacitated on content and facilitation skills.
Number of GET and FET teachers trained on classroom management and discipline techniques	1000	0	-1000	☹️	Programme is being reviewed.
Number of teachers trained on Data-Driven Decision making	2000	0	-2000	☹️	Training Content still under development.
Number of trained on the use of baseline assessment	300	528	+ 228	😊	The target is achieved and had more educators joining in due to interest in the subject.
Number of teachers trained on active learning methods: <ul style="list-style-type: none"> <li>Inquiry Based learning</li> <li>Flipped Classroom</li> </ul>	600	0	- 600	☹️	This programme was reallocated to the Leadership Directorate.
Number of Office Based Staff trained on critical skills to support classroom teachers	300	0	-300	☹️	This programme was reallocated to the leadership Directorate.

## Capacity Building for Teachers in the Foundation, Intermediate, Senior and FET Phases

Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
Number of Foundation Teachers trained in Maths	1500	4091	+ 2591	😊 Target exceeded. It was held online which worked out best for MGSLG.
Number of Foundation Teachers trained in EFAL (CiPELT/CISELT) across all Grades	200	449	+ 199	😊 Target exceeded without additional costs due to topics covered.
Number of Teachers trained in COELT	120	315	+195	😊 Target exceeded without additional costs due to topics covered.
Number of Teachers trained in Primary School Reading Improvement Programme (PSRIP). Teachers in specially selected schools	300	713	+413	😊 Target exceeded without additional costs due to topics covered.
<b>INTERMEDIATE PHASE</b>				
Number of Intermediate Phase Teachers trained in Social Sciences (GET)	900	826	- 74	😊 Target not met. Educators could not attend the Mop-up training planned for Q4 due to admissions and registrations at the beginning of the academic year.
Number of teachers trained in Certificate in Online English Language Teaching (COELT) Specially selected teachers	100	420	+ 320	😊 Target exceeded due to topics covered.
Number of teachers trained in Primary School Reading Improvement Programme (PSRIP)	250	400	+ 150	😊 Target exceeded due to topics covered.
Number of Teachers trained in Mathematics	750	2320	+ 1570	😊 Target exceeded due to topics covered.
Number of Teachers Trained in Science Technology)	750	1655	+ 905	😊 Target exceeded due to topics covered.

## FET Further Education and Training Phase



Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
<b>INTERMEDIATE PHASE</b>				
Number of Teachers Trained in Technology	750	1729	+979	Target exceeded due to topics covered.
Number of Intermediate Phase Teachers trained in EFAL (CiPELT/CISELT) across all Grades	50	234	+184	Target over exceeded due to topics covered.
<b>SENIOR PHASE</b>				
Number of Senior Phase teachers trained in COELT	50	399	+349	Target over- achieved due to topics covered.
Number of Senior Phase Teachers trained in African Languages	1200	1239	+39	Training planned to take place at the end of February 2025.
Number of Teachers trained in Senior Phase Social Sciences	800	334	-466	The target was not achieved due to beginning of the year activities and priorities that require educators to prioritise.
Number of Senior Phase Teachers trained in Maths	750	1102	+ 352	Target over- achieved due to topics covered.
Number of teachers trained in Senior Phase Natural Science	750	1235	+ 485	Target over- achieved due to topics covered.
Training of teachers in EMS	600	844	+244	Target exceeded. The programme was extended to grade 7 Teachers, including new Teachers in the programme.
<b>FET PHASE</b>				
Number of Teachers Trained in FET COELT	50	0	-50	Competing priorities targeting same participants.
Number of Teachers trained in Technical Subjects	400	0	-400	Competing priorities targeting same participants.
Number of FET teachers trained in school-based assessment	500	310	-190	Competing priorities targeting same participants.
Number of teachers trained in Secondary School Improvement Plan (SSIP A)	1400	3303	+1903	Target exceeded due to topics covered.
Number of FET teachers trained in SSIP B	600	757	+157	The target was exceeded due to the novice teachers being included in the training, while the training was only targeting underperforming teachers.

Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
Number of FET Teachers supported in SSIP C <i>(Cannot be quantified in 'number of teachers')</i>	50 High Schools 29 Primary Schools	79 Schools supported.	NONE	☹️ Through various interventions. The Grade 12 results of various schools improved. The interventions cannot be quantified in numbers.
Number of Teachers trained and supported in Screening, Identification, Assessment and Support (SIAS)	400	846	+446	😊 The target was exceeded due to the demand of these programmes, School principals sent more teachers than the enrolled teachers.
Number of Teachers trained in Differentiated Curriculum Assessment Policy Statement (DCAPS)	400	532	+132	😊 The target was exceeded because the invite went to Teachers beyond Severe Intellectual Disability (SID) schools.
<i>Number of Teachers trained in E-Marking</i>	<i>800</i>	<i>0 This programme is covered under ICT Programmes.</i>	<i>-800</i>	<i>☹️ Covered in ICT Programmes Budget.</i>
Number of teachers trained on PBL assessment	200	205	+5	😊 New area which sparked interest in teachers.
Numbers of FET DHs trained on AFL	250	290	+40	😊 Target exceeded. This is an area of priority for the department hence high attendance.
Number of teachers trained in assessment: Marking and Feedback strategies	120	118	-2	☹️ Due to natural attrition, the targeted participants exited the system, and the Department is in the process of recruiting replacement educators.
Numbers of teachers trained as assessors	150	0	-150	☹️ Programme deferred to 2024/25 FY.
Number of teachers trained in full-service schools	150	0	-150	😞 Target not achieved. Competing priorities targeting same participants.

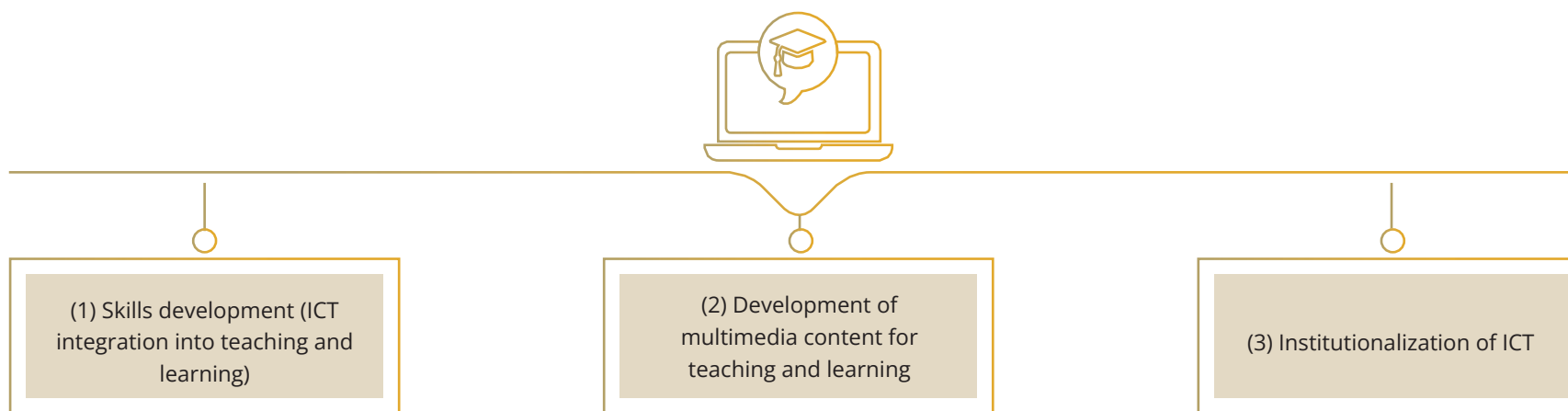


Performance Indicator	Target	Achievement	Deviation From Target		Comment On Deviations
Number of FET Teachers trained in Technical Academic subjects	400	0	-400		Target not achieved. Competing priorities targeting same participants.
Number of teachers trained in Technical Occupational subjects	400	69	-331		Competing priorities targeting same participants.
Number of Teachers trained in Vocational subjects (VoC)	100	148	+48		Target exceeded and training is continuing.
Number of Teachers trained in the Learning Support Assistant (LSA) programme	200	556	+356		Target exceeded. A total of 556 LSAs were Inducted in Quarter 4. The content of the induction includes roles and responsibilities.
Number of trained learners	500	556	+56		
Training teachers in E Formative assessment	500	438	-62		Competing priorities targeting same participants.
Practical Assessment Task (PAT training)	500	597	+97		Target exceeded. The PAT training originally targeted underperforming Teachers. The GDE extended it to Novice Teachers, leading to the target being exceeded.
Training of office-based officials on Project Based Learning (PBL)	200	0	-200		Target was not met. Programme deferred to the next FY.
Training of District Assessment Officials and DCEs on Learner Performance Data analysis	250	190	-60		Target was not met. The training took place during the week, and it was negatively affected by ongoing GDE programmes, e.g., Reading Blitz that took place in the same week.
Training of teachers in E moderation	300	311	+11		Target was exceeded. The original number increased due to the inclusion of provincial Novice Teacher Moderators.

## Programme 3: ICT Integration In The Classroom

### Linked To Strategic Goal: Promote Quality Education Across All Classrooms And Schools

In the 2022/23 Financial year, the Department of Basic Education reduced the targets for ICT in education and professional development targets to 2500 teachers per year. In the reporting period covered, this was reviewed as the goals for Digital Literacy were set at 3 000 teachers per year. A separate intervention was developed for FP and IP teachers with targets being increased from 300 to 3000 annually. The institution's commitment to the hybrid delivery of programmes saw the review of online units of study to respond to more personalized learning through the use of a track selection tool. The delivery of ICT Programmes was guided by three statements of works;



The main target groups for training and development were categorized into Head Office and District and School support and training. A phase based approach was adopted to ensure that the impact of training reaches all phases of teachers (a) Foundation Phase , (b) Intermediate phase , (c ) Senior Phase and (d) FET phase. A differentiated and targeted approach was utilized to provide effective training of teachers.










Training and support were provided to 604 ICT implementing schools across the province by 80 ICT Trainers and monitored by 5 District Coordinators as part of providing just in time onsite support and training. Online professional development was administered through the MG Online platform which hosts several online and blended programs.



The Computer and Accessibility course for Visually Impaired Educators was expanded to include the training of Teacher Assistants, and saw the graduation of 27 teachers at the Microsoft Head Offices. Coding and Robotics training was implemented through Annual Performance Plan (APP) targets and the scope was also increased through MST conditional grant funding, to accommodate an additional 450 teachers from the 99 pilot schools.

## ICT integration in the classroom

Performance Indicator	Target	Achievement	Deviation From Target		Comment On Deviations
Number of Subject Advisors and DCEs Trained in ICT	150	216	+66		Target exceeded, due to canvassing efforts in PIT and PMT meetings.
Number of District Based- ICT Committee members trained on ICT Toolkit	150	155	+55		Target exceeded, through improved controls on district committee membership management.
Number of Grade 8 to 12 teachers provided with Onsite Support & training (Digital Literacy & Virtual Education)	3000	3715	+715		Target exceeded, through school-based support and training.
<i>Number of teachers trained on refresher course Grade 11 Phase 1 and Phase 2 of Online ICT integration</i>	300	399	+99		Target exceeded; training was rolled out during the June 2023 holidays.
Number of Grade 8 to 12 Teachers trained on MG Online – ICT Integration	400	362	-38		The completion rate for online assessment tasks is still low despite improved course completion numbers.
Number of Teachers trained in Grade 12 intervention Section 58 B	150	87	-63		Target was not met. This was the first grade 12 ICT targeted intervention for Section 58 B schools. Participation was affected by the location of the training venue.
Number of School-Based ICT Committee members trained	150	385	+235		Target overachieved due to newly appointed committee members in schools.
Number of Visually impaired teachers trained on Computer Skills (Microsoft Accessibility)	100	72	-28		Training was affected by the inconsistent attendance of Department Heads where the teachers are based.

Performance Indicator	Target	Achievement	Deviation From Target		Comment On Deviations
Number of teachers trained in ICT integration for African Languages	600	614	+14		Training well attended and focused on adaptation and development of multimedia content in seven African languages.
Number of FP Teachers trained on digital literacy	3000	2212	-788		Target was not met. Training attendance was affected by lack of ICT resources and devices amongst Foundation Phase teachers.
Number of Teachers supported on quality assurance interventions in SOS	100	51	-49		Training was affected by institutional programme interruptions in May 2023. Further training can only be conducted in the new FY due to the ELRC calendar allocation.
Number of Teachers trained in Coding and Robotics (FP/ IP/ SP)	450	773	+323		Training well attended and was opened for teachers with an interest in teaching Coding and Robotics.
Number of Teachers trained in Coding and Robotics (MST Grant)	400	430	+30		Target was exceeded. Training targeted teachers in the 99 pilot schools. Training was residential due to intensive content.
Number of teachers trained in the multi certification programme	300	68	-232		Under achieved due to competing priorities.
Computer Applications Technology CAT/IT	60	66	+6		Training was targeted and included a residential component.
Number of Grade 9 and 10 Teachers trained in Entrepreneurship	150	80	-70		This was the first entrepreneurship training. inadequate canvassing resulted in low numbers.
E-Cubed Entrepreneurship Train the trainer	60	31	-29		Under achieved due to parallel programmes offered during the training date.



## Programme 4: School Safety And Psychosocial Programmes

Linked To Strategic Goal: Create Safe Schools That Embody Social Cohesion, Patriotism And Non-Violence



The principle of social cohesion, inclusive education and access are all central principles for enhancing education to ensure all young people are supported to maximize their potential through effective learning. To achieve this endeavour, a range of support and training was provided to develop inclusive practices for both mainstream and special schools.

### School Health, Anti-Drugs Programmes, Girl Child Support and Guidance

Psychosocial support continued to be offered to schools this year using services from psychosocial experts for all school stakeholders. Psychosocial experts provided guidance to schools in identifying learner strengths and needs, and in planning for and reviewing intentions appropriate to those needs. National Association of Child Care Workers (NACCW), the Teddy Bear Clinic and ChildLine were contracted and involved in case work with some learners. Such involvement included consultation; assessment; agreement about appropriate interventions to meet needs; and the production of a report documenting the process.




### Learner Support Agents Programme

Learner Support Agents (LSAs) were also placed in schools for peer support to other learners. LSAs worked closely with Principals and Teachers to provide support to individual and small or large groups of learners. Their duties included:

- **Learner support:** Provide care and support to learners experiencing social, health, behavioural and poverty related barriers.
- **Campaigns and equipping and empowering learners with life skills:** Assisting the school with facilitating awareness programmes and school competitions.

- **Record keeping:** Documenting all LSA-assisted School-Based Support Team (SBST) activities.
- **Networking:** In support of the SBST—linking schools to local learner support services.
- **Learner Pregnancy:** Assist the class teacher by carrying lesson materials to pregnant learners confined to their homes and returning completed exercises; offer guidelines on organizing learning material and effective learning strategies to pregnant learners confined to their homes; encourage learners to return to school after their period of confinement; and provide feedback.
- **Prevention of drug and alcohol use:** Assist the school in linking identified learners to support structures; and liaise with the DSD, Primary Health Care Services and relevant community support structures in soliciting advice and continued support for learners.
- **Career Development Support:** Assist the school in facilitating learners to access facilities for electronic applications and career support.
- **Homework Support:** Assist the teacher who is on homework club duty to support learners in completing their homework.
- **Inclusivity:** Work with learners of all abilities, including those with special needs.

### Capacity Building and Support Provided to Develop School Safety and Psychosocial Practices for Both Mainstream and Special Schools

Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
Number of SMT, Learners and SGB's provided with Psychosocial Support	500	3000 This programme is run on an anonymous basis in line with the ethics of Counselling.	+2500 	The data for this programme cannot be given to MGSLG in line with the ethics of the Profession.
Number of Learner Support Agents trained on life skills	500	566	+66 	A total of 566 newly recruited LSA's were inducted and the number depends on GDE recruitment policies and needs assessments.
Number of Schools surveyed on School Safety	50 Schools	50 Schools	- 	Target achieved.



# Programme 5: School Governance

## Linked to Strategic Goal 3: Create Safe Schools That Embody Social Cohesion, Patriotism and Non-Violence










The School Governance Programmes support the GDE’s mandate to strengthen the capacity of SGB members in public schools within Gauteng Province. The School Governance Directorate collaborates with other Directorates within GDE (e.g., POS, HR, Inclusion and Special Schools unit (ISS), etc.) and in consultation with other crucial stakeholders (e.g., SGB Associations, District Coordinators, etc.) to effectively carry out the mandate.

The objective is to capacitate and empower SGBs and Representative Council of Learners (RCLs) to effectively perform their roles and responsibilities and to enable them to assume additional functions within the legal framework. MGSLG achieves this by way of offering qualitative and differentiated training programmes; incorporating emerging trends in the field; and utilizing innovative approaches in the following programmes:

### MGSLG’s qualitative and differentiated programmes

Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
Number of SGB members inducted	1000	1915	+915 😊	Target exceeded during the Mop up training sessions.
Number of SGB Members trained on School Financial Management	500	1966	+1466 😊	Target exceeded during the Mop up training sessions.
Number of SGB members from Section 17 (Twinning) Schools trained on issues of joint Governance	17 pairs	17 pairs	0 😊	Target exceeded.

Performance Indicator	Target	Achievement	Deviation From Target		Comment On Deviations
Number of SGB members trained on Learner Discipline and Bullying	500	+585	1085		Target exceeded. The programme was in demand because of the learner misconduct cases in schools.
No of SGB Members supported with intervention skills to deal with underperformance (Section 58B Schools)	300 SGB members from 67 Schools	196 SGB members from 62 Schools	-5 schools		Target not met - 5 schools did not attend the workshop. Circular D3 of 2003 was issued in April 2023 which changed the NSC pass rate for identifying underperforming from 65% to 70%, thus increasing the number of secondary schools initially targeted for support from 38 to 67 schools.
Number of SGB Members trained on Transformation (Reasonable Accommodation)	300	805	+505		Target exceeded. More participants attended the session than anticipated.
Number of SGB members trained in School Development Plan (SDP)/ School Improvement Plan (SIP) – Whole School Improvement (WSI)	500	630	+130		Target exceeded.
Number of SGB members from SOS's trained	36 Schools	36 Schools	0		Target exceeded.
Number of SGBs trained on SGB Election Preparation (handover training)	2200	3 027	+827		Target exceeded.
Number of SGB Members capacitated on Section Recruitment and Selection	500	942	+442		Target exceeded. More mop-up sessions were organized.



## RCL And Youth Development Programmes

Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
<ul style="list-style-type: none"> <li>Inauguration of Newly Elected RCLs by MEC</li> <li>Training newly elected RCL's on roles and responsibilities</li> <li>RCL Induction</li> </ul>	500	513	+13 😊	Target exceeded.
Number of Teacher Liaison Officers (TLOs) inducted on their roles and responsibilities	200	260	+60 😊	Target exceeded. Some schools sent more than the required number of delegates.
Number of RCL Members attending the Summit	90 RCLs + 30 TLOs = 120	167	+47 😊	Target achieved. A few schools sent more than the required number of delegates.
Number of RCL Members supported to manage provincial elections	80 RCL + 20 TLOs	89 RCL + 20 TLOs	+9 😊	Target exceeded.
Number of TLOs attending the Summit	200 TLOs	210	+10 😊	Target exceeded, due to the mop-up training sessions.



## Programme 6: Education Leadership Development and School Management

### Linked to Strategic Goal 4: Change the Education Landscape to Accelerate Relevant and Quality Learning

Leadership and Management development remains a critical aspect of school improvement. Furthermore, the Heads of Department (HODs) are critical instructional leaders positioned to improve high learner outcomes in schools. Leadership and Management Programmes capacitate principals, deputy principals and departmental heads with leadership and management skills to manage their departments optimally and simultaneously contribute to the smooth functioning of the school.

In line with GDE SMT development priorities, MGSLG delivered the following programmes in the period under review:

46

Three new programmes:

1

**Data-driven education for SMTs** – the aim of this programme is to build a holistic capacity of SMTs to lead data-informed change by developing favourable school conditions that foster the optimal use of school-based data.

2

**Curriculum Delivery and Support Guidelines** - this programme aims to capacitate District Officials from the CMT and CLI directorates to work collaboratively towards supporting schools in effective curriculum delivery and implementation.

3

**School Manager Quality Council for Trades and Occupations (QCTO) Qualification** – this programme was introduced in the financial year. Its design and development has been completed and it has been re-accredited. This programme is designed for aspiring principals and current principals. It will be launched in the next financial year.







**To strengthen holistic mentoring and coaching, curriculum management, literacy and numeracy, two programmes were reviewed and improved:**

- **SMT support for Underperforming Schools** – programme now includes SGB mentorship.
- **Let's Support Literacy and Numeracy (LSLN)** - This programme was implemented for the first time this year, with a pilot. The aim of the programme is to develop Foundation Phase Departmental Heads capable of effectively supporting educators in their phase by providing support in Literacy and Numeracy teaching strategies.

**Programmes Implemented**

Performance Indicator	Target	Achievement	Deviation From Target	Comment On Deviations
Number of SMTs and School Leadership Teams (SLTs) in Underperforming Schools (Section 58 B) supported on SMT-related matters that affect school performance	250	246	-4 😞	Dropouts due to natural attrition.
Number of newly appointed Principals Inducted on roles and responsibilities	300	296	-4 😞	Target dependent on number of SMT Members appointed.
Number of Middle Managers declared competent after assessment and moderation of portfolios of evidence (POE's)	250	298	+48 😊	Target exceeded. The SMT members have shown an interest in the programme because it is accredited.
Number of SMT Members capacitated on harnessing the potential of collaborative leadership and critical thinking in effectively leading and managing a public school	400	276	-124 😞	Target not met. Insufficient recruitment of participants by the GDE Project Managers.
Number of SMT Members trained on SA-SAMS for SMT decision-making	400	85	-315 😞	Target not met. Competing priorities and a mindset shift of doing things differently from paper-based data management.
Number of SMT trained on ICT integration and leadership	150	165	+15 😊	Target exceeded.
Development of a 'Professional Occupational Qualification' that focuses on both academic and occupational competencies, through the use of various blended ICT-based instruments	Programme Developed.	1 full qualification.	- 😞	Target met. The programme has been developed and will be submitted to QCTO for accreditation.

## Programme 7: Research, Monitoring & Evaluation And Quality Assurance

Performance Indicator	Target	Actual Achievement	Deviation From Target	Comment on Deviations	Strategy to Overcome Areas of Under-Performance
Total Number of Monitoring studies conducted	20 Programmes.	40 Programmes were monitored on facilitation, and 24 Programmes were analyzed on participants' perceptions.	+20 	Participants do not complete the forms sent online and this makes it difficult to get the actual initial assessment of the programmes.	Target achieved. The unit has planned for more Programmes to be monitored to assist MGSLG to improve on its offerings.
Total Number of Research Studies Conducted and Completed	2 Studies.	The studies were completed, and data analyzed.	0 	None.	None.
Total Number of Developed and Audited Standard Operating Procedures	20 SOPs developed and approved.	20 SOPs developed and not yet audited.	-20 in terms of audit. 	The SOP's have been compiled and finalized but not yet work-shopped. Policies only work-shopped to form the foundation of SOP workshop.	MGSLG to acquire the services of ISO 9001/2015 accredited auditor to audit all SOPs.
Total Number of Programmes Verified and quality assured and sealed for audit readiness	50 Training programmes verified.	64 Programmes verified and audit ready.	+14 	All programmes to be verified for quality and reliability of the data.	To acquire services of seasonal verifiers to assist with programme verification after each training.



## CORPORATE GOVERNANCE

MGSLG is a non-profit company duly registered in accordance with the laws of the Republic of South Africa. It is governed by the provisions of the Companies Act 71 of 2008 as amended.

### Corporate Governance Report

Corporate Governance Report	46
Board of Directors	47
Board of Directors meetings and attendance	50
Board committees	52
Academic, Research, SGB & RCL Committee	52
Audit & Risk Committee	53
Human Resources, Remuneration, Social & Ethics Committee	54

# Corporate Governance Report

## Introduction

MGSLG is a non-profit company duly registered in accordance with the laws of the Republic of South Africa. It is governed by the provisions of the Companies Act 71 of 2008 as amended.

## Legislative and other mandates

Matthew Goniwe School of Leadership and Governance (NPC) with registration number 2002/025756/08, is a Non-Profit Company (NPC) incorporated in terms of Section 21 of the Companies Act, No. 63 of 1973, which has been replaced by the Companies Act 7 of 2008 ('the Companies Act').

## Governance framework

**To ensure that the company remains at the forefront of best corporate governance practices, MGSLG complies with, amongst others, the following legislation and guiding principles:**

- Constitution of the Republic of South Africa, 1996
- Companies Act 71 of 2008 (Act)
- Public Finance Management Act 1 of 1999 (PFMA)
- King IV Code on Corporate Governance (King IV)
- South African Schools Act 84 of 1996
- Protection of Personal Information (POPI) Act 4 of 2013
- Employment Equity Act no 55 of 1998
- Labour Relations Act no 66 of 1995 (as amended)
- Basic Conditions of Employment No. 75 of 1997

**Our mandate is informed by but not limited to the following:**

- The National Development Plan (NDP) 2030
- The Gauteng Provincial Government's goals and priorities
- The Gauteng Department of Education (GDE) priorities
- Policies and other legislative mandates impacting our stakeholders:
  - South African Schools Act 84 of 1996
  - The South African Council for Educators Act 31 of 2000
  - Skills Development Act 97 of 1998
  - National Policy Framework for Teacher Education and Development
  - Integrated Strategic Planning Framework for Teacher Education and Development in South Africa
  - National Integrated ECD Policy
  - Others based on the needs of our stakeholders



## Board of Directors

The majority of MGSLG's governance structure members are independent non-executive directors, all of whom were appointed by the Member in terms of the Memorandum of Incorporation (MOI).

In terms of the MOI the Board shall not comprise less than three (3) non-executive directors and not more than 15.

**The Board consists of 13 Non-Executive members. However, Mr Errol Magerman resigned on 31 July 2023; Ms Violet Ntsali passed away on 02 November 2023; and the former CEO, Advocate Thulani Makhubela's contract ended on 31 July 2023. Additionally, Mr Sibusiso Mahlangu was appointed the institution's new CEO on 01 August 2023; Ms Sivuyisiwe Gwebani joined the Board on 01 October 2023; and Mr Mxolisi Magubane was appointed as CFO on 15 November 2023.**

1. **Ledimo, Tséliso Teboho Jeffery** (Non-Executive) - Chairperson
2. **Ntsali, Violet Nomvuyo** (Non-Executive) – Deputy Chairperson
3. **Makola, Lorraine Sarah Mathoto** (Non-Executive)
4. **Matakanya, Manaha** (Non-Executive)
5. **Matabane, Joconia Babsy** (Non-Executive)
6. **Saul, Tshidiso** (Non-Executive)
7. **Mdakane, Mhlengi Alex** (Non-Executive)
8. **Mthombeni, Samson Bengeza** (Non- Executive)
9. **Ramokhele, Bonolo Molemo** (Non- Executive)
10. **Constantinides, Catherine Sophia** (Non- Executive)
11. **Mogale, Tlangi Jina** (Non- Executive)
12. **Magerman, Errol Vincent** (Non- Executive)
13. **Matjila, Maupe George** (Non- Executive)
14. **Masingi, Sonnyboy Mandlenkosi** (Non-Executive)
15. **Ms Sivuyisiwe Gwebani** ( Non-Executive Director)
16. **Makhubela, Thulani** (Executive) Chief Executive Officer
17. **Mahlangu, Sibusiso Justice** (Executive) Chief Financial Officer – Chief Executive Officer
18. **Mxolisi Magubane** (Executive) Chief Finance Officer

Chart 1: Non-Executive Directors Demographics

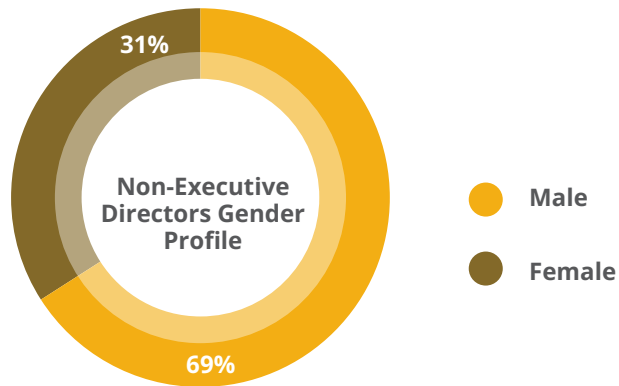
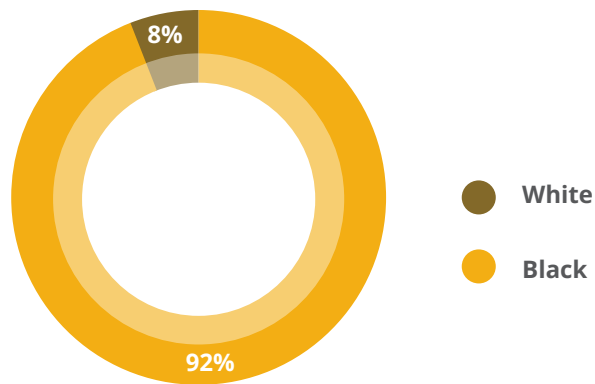


Chart 2: Non-Executive Directors Race Profile



### Company Secretariat

The Company Secretary is responsible for the secretariat function, governance advisory services, compliance management and also plays a critical role in legal advisory to the Board and the organization. The Company Secretariat attends all board and committee meetings.

The Board and members of the Executive Committee have access to the Company Secretary for guidance on how to perform their duties and responsibilities in the best interests of the organization. The Company Secretary is responsible for the on-going training of Board of Directors and the scheduling, preparation and administration for Board and Committee meetings.

### Board of Directors remuneration

As a not-for-profit company, all MGSLG property and income - whether obtained by donations or profit by means of income generation activities - must be used to further its objectives. No company income may be paid to a member/ shareholder or directors. Payment is only permissible when it is remuneration for goods delivered, services rendered and reimbursements for expenses arising from advancement of the objectives of the company. Director's fees are approved by the Member (MEC) on recommendations made by the Board through its Human Resources, Remuneration and Social Ethics Committee. The Board directors' fees for the reporting period were formally approved by the Member. Executive Directors are only compensated for their services in line with their applicable employment contracts as non-executive directors of the company.



## Director Development

**During the period under consideration, the Board was trained on the aspects below:**

- Ethical Governance: IoDSA
- Protection of Personal Information (POPI) Act

## Disclosure of interest

Disclosure and transparency are partners of good governance, and they are in line with the principles contained in the King Code on Corporate Governance. The Board Directors therefore declare any interest they may have in every Board and Committee Meeting. In addition, an Annual Declaration is conducted and updated in the declaration register.

## Board Resolutions

**During this reporting period the following was approved by the board:**

Q1- Q4 Institutional Performance Report	2022/23 Audited Financial Statements
Staff Salary Adjustment	Appointment of the New CFO
The Strategic Roadmap	Removal of Non-Serving Board members
The 2023/24 Annual Performance Plan	Composition of committees for the memorial & Funeral services
2023/24 Corporate Calendar	Removal of Deceased member and Deputy Chairperson of the board from the CIPC
Performance Management Bonuses	Management Salary Increment
2023 Matthew Goniwe Annual Memorial Lecture	Performance Management Bonuses
2024/25 Business Plan	Signatory Authority
School Safety Project	Corporate Governance Policies
Signatory Authority	Finance and Supply Chain Management Policies
2022/23 Auditors Report	Core ,Academic & Accreditation Policies
2022/23 Annual Report	Awarding of the ICT Training and Support tenders
School Safety Project	

The Board meets at least four times a year and holds an Annual General Meeting (AGM) once a year. In addition to the four quarterly Board Meetings, special meetings are held when necessary. During the Board Meetings, the Board is kept abreast of progress through reports on the budget, strategy and performance on programmes undertaken by MGSLG, amongst other issues.

During the financial year under review, a total of twenty (20) Board Meetings were held. The Board conducted four (4) ordinary (quarterly) meetings, one (1) two-day strategy session, nine (9) special meetings, one (1) Annual General Meeting, one (1) meeting with the MEC, one (1) salary discrepancy workshop, one (1) staff meeting where the new CEO was announced, one (1) colloquium and one (1) Matthew Goniwe Memorial Lecture.

Directors	Date of Appointment																					TOTAL
		05 May 2023 Salary Discrepancy Workshop	17 May 2023 Special Board Meeting	05 June 2023 Special Board Meeting	08 June 2023 Quarterly Board Meeting	09 June 2023 Meeting With The MEC	12 June 2023 Special Board Meeting	19 June 2023 Special Board Meeting	27 July 2023 Board Briefing Session and Farewell	07 Sep 2023 Quarterly Board	29 Sep 2023 - AGM	31 Oct 2023 Special Board Meeting	06 Nov 2023 Special Board Meeting	14 Nov 2023 Quarterly Meeting	29 Nov 2023 Special Board Meeting	06 Dec 2023 Breakfast Colloquium	08 Dec 2023 Annual Memorial Lecture	14 Dec 2023 Special Board Meeting	23 Jan 2024 Special Board Meeting	07 March 2024 Quarterly Board Meeting	25 - 26 March 2024 Board Strategy Session	
Ledimo, Tsēliso (Board Chairperson)	01/10/2014	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Ntsali, Violet (Deputy Chairperson)	01/10/2014	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	X	X	X	11/20
Makola, Lorraine	01/10/2014	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	X	✓	✓	13/20
Matakanya, Manaha	18/02/2013	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	X	✓	✓	13/20
Saul, Tshidiso	01/11/2016	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Matabane, Joconia	01/11/2016		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Mdakane, Mhlengi	24/11/2017	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Ramokhele, Bonolo	01/04/2019	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20

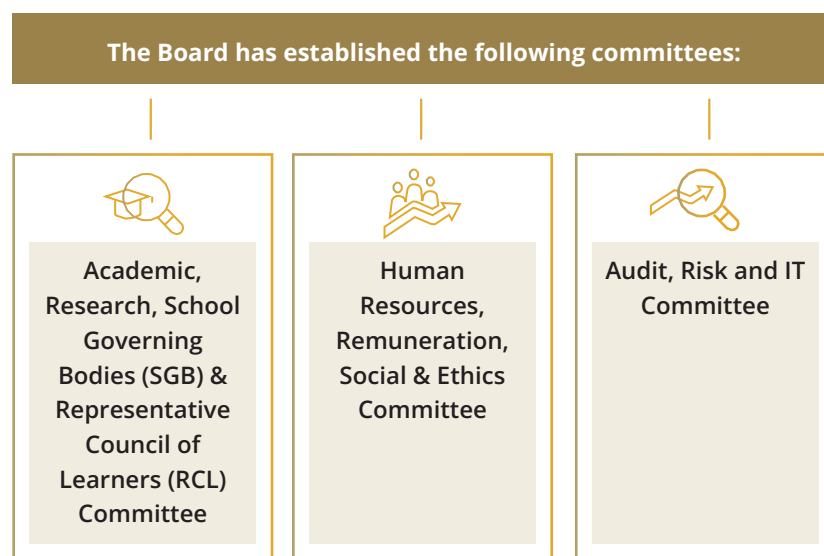
✓ In Attendance    X Apology/not present    Resigned/Not appointed/Non-executive directors meeting only    Deceased



Directors	Date of Appointment																					TOTAL
		05 May 2023 Salary Discrepancy Workshop	17 May 2023 Special Board Meeting	05 June 2023 Special Board Meeting	08 June 2023 Quarterly Board Meeting	09 June 2023 Meeting With The MEC	12 June 2023 Special Board Meeting	19 June 2023 Special Board Meeting	27 July 2023 Board Briefing Session and Farewell	07 Sep 2023 Quarterly Board	29 Sep 2023 - AGM	31 Oct 2023 Special Board Meeting	06 Nov 2023 Special Board Meeting	14 Nov 2023 Quarterly Meeting	29 Nov 2022 Special Board Meeting	06 Dec 2023 Breakfast Colloquium	08 Dec 2023 Annual Memorial Lecture	14 Dec 2023 Special Board Meeting	23 Jan 2024 Special Board Meeting	07 March 2024 Ordinary Board Meeting	25 - 26 March 2024 Board Strategy Session	
Masingi, Mandlenkosi	01/04/2019	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Mthombeni, Samson	01/04/2019	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Constantinides, Catherine	01/04/2019	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	19/20
Magerman, Errol Vincent	01/11/2019	✓	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	X	X	X	X	X	X	X	07/20
Mogale, Tlangi	01/11/2019	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Matjila, Maupe	01/03/2020	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Ms. Sivuyisiwe Gwebani	01/10/2023	X	X	X	X	X	X	X	X	X	X	X	X	✓	✓	✓	✓	✓	✓	✓	✓	07/20
Makhubela, Thulani (CEO)	01/08/2014	✓	✓	✓	✓	✓	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	05/20
Mahlangu, Sibusiso (CFO) (CEO)	01/03/2007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20/20
Magubane Mxolisi (CFO)	01/11/2023	X	X	X	X	X	X	X	X	X	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	09/20

## Board committees

Board Committees play an important role in enhancing good corporate governance and improving internal controls to ensure the sustainable performance of MGSLG. They provide feedback and recommendations to the main Board and as such are chaired by independent non-executive directors. All the committees have terms of reference and during the 2020 financial year all these terms of reference were reviewed and formally approved by the Board of Directors.



## Academic, Research, SGB & RCL Committee

**This committee convened as follows during the reporting period:**

DIRECTORS	24 May 2023 Quarterly Meeting	23 August 2023 Quarterly Meeting	01 September 2023 Special Meeting	23 October 2023 Quarterly Meeting	21 February 2024 Quarterly Meeting
Matakanya, Manaha (Committee Chairperson)	✓	✓	✓	X	✓
Matabane, Jaconia	✓	✓	✓	✓	✓
Ledimo, Tsēliso	✓	✓	✓	✓	✓
Makola, Lorraine	✓	✓	✓	X	X
Matjila, Maupe	✓	✓	✓	✓	✓
Mogale, Tlangi	✓	✓	✓	✓	✓
Makhubela, Thulani (CEO)	✓	X	X	X	X
Mahlangu, Sibusiso (CFO/CEO)	✓	✓	✓	✓	✓
Magubane Mxolisi (CFO)	X	X	X	X	✓



## Audit & Risk Committee

The committee convened as follows during the reporting period:

DIRECTORS	29 May 2023 Quarterly Meeting	25 August 2023 Quarterly Meeting	28 September 2023 Special Meeting	25 October 2023 Quarterly Meeting	12 January 2024 Special Meeting	23 February 2024 Quarterly Meeting
Ramokhele, Bonolo (Committee Chairperson)	☑	☑	☑	☑	☑	☑
Matabane, Joconia	☑	☑	☑	☑	☑	☑
Mdakane, Alex	☑	☑	☑	☑	☑	☑
Mthombeni, Samson	☑	☑	☑	☑	☑	☑
Constantinides, Catherine	☑	☑	☑	☑	☑	☑
Gwebani Sivuyisiwe	X	X	X	X	☑	☑
Makhubela, Thulani (CEO)	☑	X	X	X	X	X
Mahlangu, Sibusiso (CFO/CEO)	☑	☑	☑	☑	☑	☑
Magubane Mxolisi (CFO)	X	X	X	X	☑	☑

### Key

- ☑ In Attendance
- X Apology/not present
- Resigned/ Not appointed/ Non-executive directors meeting only

## Human Resources, Remuneration, Social &amp; Ethics Committee

The committee convened as follows during the reporting period:

Directors	<input checked="" type="checkbox"/> IN ATTENDANCE <input type="checkbox"/> APOLOGY/NOT PRESENT <input type="checkbox"/> RESIGNED/NOT APPOINTED/NON-EXECUTIVE DIRECTORS MEETING ONLY <input type="checkbox"/> DECEASED														
	21 April 2023 Special Meeting	26 April 2023 Special Meeting	25 May 2023 Quarterly Meeting	13 June 2023 Shortlisting	22 - 23 June 2023 CEO Position Interviews	26- 27 June 2023 Head Corporate Services	14 July 2023 Special Meeting	14 August 2023 Special Meeting	24 August 2023 Quarterly Meeting	04 September 2024 Special Meeting	11 September 2023 Shortlisting	20- 21 Sep 2024 Interviews	24 Oct 2023 Quarterly Meeting	22 Feb 2024 Quarterly Meeting	
Masingi, Mandlenkosi (Committee Chairperson)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Ntsali, Violet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Saul, Tshidiso	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Matakanye, Manaha	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Magerman, Vincent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Mthombeni Bengeza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Makhubela, Thulani (CEO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Mahlangu, Sibusiso (CFO/CEO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Magubane Mxolisi (CFO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	



# CORPORATE SERVICES

## Corporate Services Contents

Introduction and Corporate Services Overview	56
ICT Management	62
Facilities and Infrastructure	63
Overview of Financial Performance	64
Overview of the Financial Position	67

# Introduction and Corporate Services Overview

In the past year, Corporate Services at MGSLG has prioritized several key initiatives and assessed their impact:

- **Anticipation of Future Workforce Requirements:** The branch proactively predicted future workforce needs to align with the evolving strategic direction of the institution.
- **Adaptation to Evolving Service Delivery Models:** In response to shifts in our institutional strategy, efforts were made to adjust service delivery models effectively.
- **Quality Improvement Focus:** Planning efforts centered on workforce changes aimed at enhancing service quality, consistent with our vision to establish MGSLG as the best educational institution within the province and nationally.
- **Strategic HR Positioning:** The HR unit aims to assume a strategic business partner role that comprehends line managers' needs and significantly contributes value to MGSLG. This transition from a primarily transactional role to a more strategic one is a key focus area.
- This approach ensures that Corporate Services actively contributes to MGSLG's overarching goals and objectives, enabling the institution to strive for excellence in the educational landscape.



## Recruitment

### Workforce Planning Framework and Recruitment Strategies

The strategic recruitment approaches have been closely aligned with the overarching institutional strategy and direction. These initiatives are designed to respond effectively to various policy considerations. In line with the institution's strategies for expansion beyond the provincial boundaries, and as a vital component of the repositioning strategy, the institution is diligently working towards establishing itself as a Higher Education Institution (HEI). To achieve this, a comprehensive recruitment drive is underway to support this noble endeavour.



## Employee Performance

The MGSLG Performance Management Policy is intricately connected to development and gap identification. This alignment with the Remuneration Policy serves as an incentive for high-performing individuals. The annual reviews have been concluded, and a comprehensive performance report has been submitted to both the Executive Management and the Board of Directors, providing an overview of staff performance.



### Employee Wellness

At MGSLG, a vibrant wellness programme is in place, comprising various physical activities. The ongoing partnership with Discovery Health, initiated several years ago, prioritizes employee well-being. This program thoughtfully addresses staff's psychological and emotional needs, providing essential support.

The programme extends assistance, encompassing counselling services for legal, trauma, and financial matters, contributing to the overall well-being of staff and their immediate families. This resource has seen extensive utilization. Approaching the year's end, efforts are underway to formalize and expand the physical wellness program, underscoring the commitment to employee health and well-being.



### Policy Development

MGSLG engages in a comprehensive policy development process that involves all staff and executives, ensuring inclusivity. The inputs gathered from this process are then shaped into proposals for consideration and approval by the Board of Directors. This annual process aims to align all HR policies with national legislation and to keep staff and management informed about the importance of compliance.

During the year under review, a request was submitted to the Exco not to review the policies. This decision was made due to the absence of internal changes and developments in the legislative landscape that would necessitate policy revisions. However, in the upcoming financial year, a thorough policy review is planned to ensure ongoing compliance and relevance.



### Health and Safety

Compliance with health and safety regulations is a top priority in MGSLG, ensuring a secure environment for all stakeholders. Accessibility for individuals living with disabilities is a fundamental aspect of our commitment, with tailored facilities and services in place to accommodate their needs. This dedication underscores our vision of an inclusive and safe institution that supports the well-being of all.



### Employment Statistics

MGSLG has an unbalanced gender representation at Executive and Middle Management Levels, as most members are male and African. There is, however, an approved Employment Equity Plan that will address the imbalances going forward.

Table 1: MGSLG Staff Profile 2023/2024

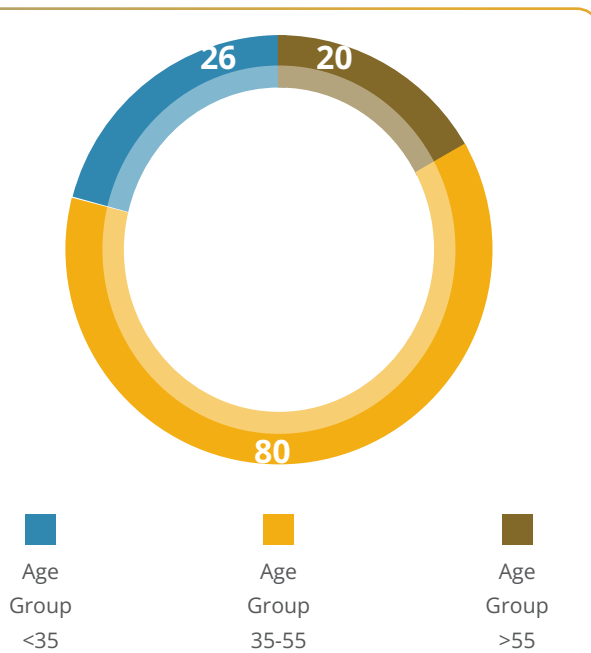
MGSLG Staff Profile										
Occupational Category	Gender & Racial Breakdown							Age Group		
	Male	Female	TOTAL	A	C	W	I	<35	35-55	>55
Executive Management	8	4	12	12	0	0	0	1	9	2
Middle Management	12	8	20	17	1	1	1	3	14	3
Operational (Administrators)	20	37	57	52	5	0	0	21	32	4
Operational (ECD Facilitators)	1	14	15	13	1	0	1	0	5	10
Support Staff	22	9	31	31	0	0	0	1	27	3
TOTALS	63	72	135	125	7	1	2	26	87	22
<b>Key:</b> <b>A</b> – African <b>C</b> – Coloured <b>W</b> – White <b>I</b> – Indian										

The overall staff complement dropped from 135 in the previous financial year to 125. This does not include the component of staff employed temporarily for the purposes of SGB facilitation and support for school developmental purposes.

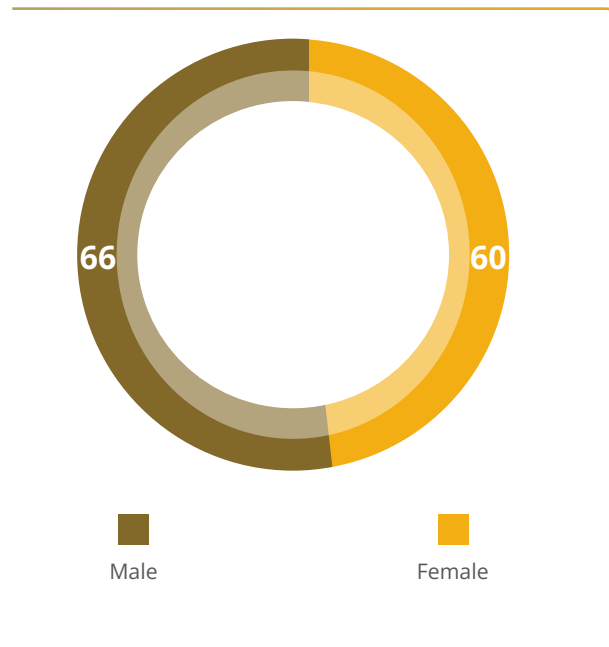
**Figure 2: MGS LG Staff Profile**

The discrepancy in equity balance is glaring, as depicted vividly in the graph above. The employment or attraction of Coloured, White, and Indian staff is almost non-existent. We need to attract these groups and ensure their retention. The figures below provide a clearer picture of the challenge.

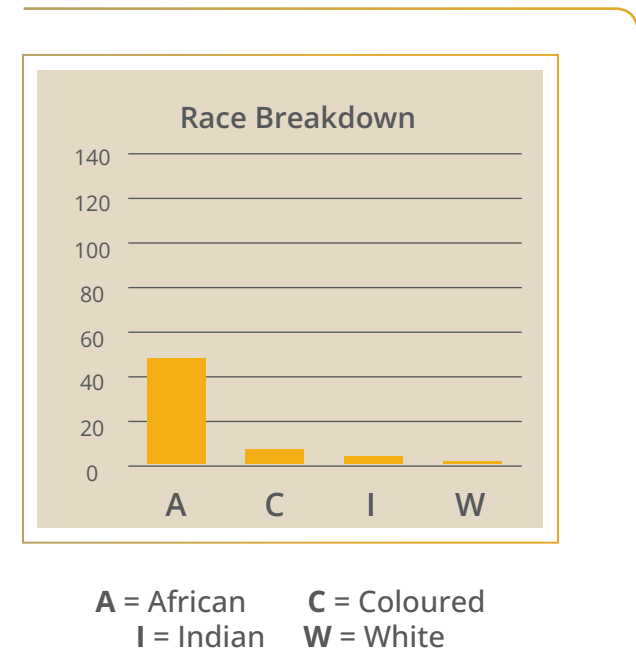
**Employee Age Breakdown  
2023-2024**



**Employee Gender Breakdown  
2023-2024**



**Employee Racial Breakdown  
2023-2024**



## Staff Retention

Staff retention within MGS LG is critical. The following grid represents our success in retaining staff as well as handling and processing labour relations matters:

Category	MGS LG Departments					Totals
	Programmes and Institutional Strat Development	Business Development	Corporate Services	Office of the CEO & Finance	RPQA	
Baseline	64	4	45	13	9	135
Resignations	2	1	0	0	0	3
Disciplinary Hearings	0	0	0	1	0	1
Suspended With Pay	0	1	2	1	0	4
Expired Contracts	0	0	0	1	0	1
Retirements	4	1	1	0	0	6
Deceased	0	0	0	0	0	0
Sub Total	58	2	44	12	9	125
New employees	0	0	0	1	0	1
	58	2	44	13	9	126

**Table 3: Staff Retention**

During the period under review, one disciplinary hearing was conducted, resulting in a Final Written Warning. One employee referred a case to the Council for Conciliation, Mediation and Arbitration (CCMA) but withdrew it soon after. Four staff members were suspended with pay.

During this period, three employees resigned and six reached retirement age (including Fixed Term ECD Facilitators); one employee's contract expired; and one new employee was appointed.



## Staff Development

Investment in education, training, and staff development tends to have an important positive impact on an organization's bottom-line results, competitiveness, staff performance, job satisfaction, and commitment. MGSLG provides its employees with opportunities for up-skilling and personal development through the implementation of the institutional Bursary Policy.

### Beneficiaries of Institutional Training and Development For 2023/2024

Programme Description	Executive Management	Middle Management	Administrator	Support Staff
Higher Certificate: Facility Management				1
Bachelor of Business Administration			1	
Bachelor of Commerce in Accounting			1	
Bachelor of Commerce in Corporate Communication			1	
Bachelor of Commerce in Information and Technology Management			1	
Bachelor of Commerce in Project Management			1	1
Bachelor of Information Science		2		
Bachelor of Public Administration			2	
Postgraduate Diploma in Business Administration			2	
Postgraduate Diploma in Management Practice	1			
Postgraduate Diploma in Marketing Management		1		
Postgraduate Diploma in Project Management			4	

Programme Description	Executive Management	Middle Management	Administrator	Support Staff
Master of Business Administration	1		1	
Master of Public Administration			2	
Dissertation: Public Administration			1	
PhD	1			
PhD (Education Management Law and Policy)		1		

## ICT Management

Management is responsible for technology governance implementation. They are delegated by the Board to focus on integrating ICT into MGSLG's risk management programme. Quarterly reviews within the Risk Management Committee ensure effective risk assessment.

During the past year, both the ICT policy and ICT framework underwent thorough reviews and were subsequently adopted by the Board of Directors to align technology strategies with institutional goals.

Extensive efforts were dedicated to optimizing ICT systems in line with the Board's adoption of the Work From Home (WFH) policy.

Infrastructure upgrades were carried out to align with the new policy requirements, enabling efficient remote work. Additionally, the Learner Management System that aimed to support core programme delivery was finalized.

### ICT Infrastructure

The infrastructure encompasses a hosted Virtual Private Data Centre, connectivity, firewall, and various applications. This ensured that ICT service availability involved implementing failovers for the data centre and internet connectivity, resulting in an impressive uptime of 99.9%. The telephony infrastructure was also successfully transitioned from on-premises to a cloud-based environment.

### ICT Infrastructure Security

Ensuring the security of data and information remains a top priority. In December 2023 MGSLG suffered a cyber-attack on its IT infrastructure.



This was followed by the crash of the website which had to be restored from scratch. The introduction of a centrally managed anti-virus system has yielded significant results, with our ICT risk score decreasing from 63% at the system's inception to just 4% by the end of the financial year.

Additionally, we have implemented and configured an email security system that comprehensively safeguards against known and emerging threats. This layer of security effectively prevents email impersonation or spoofing attacks on our domain. All incoming emails are channelled through this system, undergoing thorough sanitization to ensure that only clean emails reach our server.

### User Support

Remote support tools have been implemented to provide desktop support to users, including those working remotely. This system has facilitated seamless support for staff members, regardless of their location—whether in the office or remote.

## Facilities and Infrastructure

The institution has two campuses - Vrededorp Campus and Benoni Campus. Vrededorp Campus is primarily used for office space for staff members in the Leadership and Governance, and support services units. Benoni Campus consists of training rooms and office space for the Teacher Development and ICT units.

The Benoni Campus is frequently used for training events, helping to save costs. This use of training rooms will continue in the future to further improve cost-saving measures.

The institution plans to improve on existing alternative power and water. This strategic move aims to ensure the uninterrupted functioning of the institution in the face of increasing frequency of load shedding and water scarcity.

### Planned, Preventative and Reactive Maintenance

Scheduled maintenance, including business equipment servicing, is conducted quarterly and annually to ensure operational continuity and compliance with standards.

Notable upgrades include converting Vrededorp's training rooms into hybrid facilities and enhancing their functionality. A 25KVa generator has also been installed at the MES building to support operations during load shedding.

### Office Space

The institution's growth demands the expansion of office space, achievable through construction, renting, or purchasing, subject to securing funding. This expansion aligns with future plans to establish a Higher Education Institution (HEI), accommodating both offices and additional training facilities for prospective students.

Strategically, the new space aims to enhance cost-saving measures in future training activities.

# Finance Report

Financial Year ending 31 March, 2024

## Overview of Financial Performance

The activities of MGSLG are principally funded from the grants received from GDE. The funds are disbursed in tranches at different intervals to meet all planned performance objectives as set out in the annual performance plan (APP).



### Operating income and expenditure

For the financial year under review, total operating income recognized grew by 6% from R351.6 million recorded in the prior year to R372.6 million recorded in the current year. The corresponding operating expenditure also grew by 3% from R382.7 million recorded in the previous year to R395.5 million recorded in the current year. This resulted in the operating deficit of R20.4 million recorded in the current year, which is a decrease of 25% from the operating deficit of R27.3 million recorded in the previous year. The deficit recorded in the current year was catered for by funds deferred from prior reporting periods as directed and specified by GDE.



### Other income

Besides the grant income from the GDE, an additional income of R2.5 million was received in the year under review, a decrease of 34% from R3.8 million received in the previous year.

The decrease is as a result of having lower bank balances than the previous financial year. Other income is primarily made up of interest from credit balances held throughout the year in the institutional investment and current accounts.

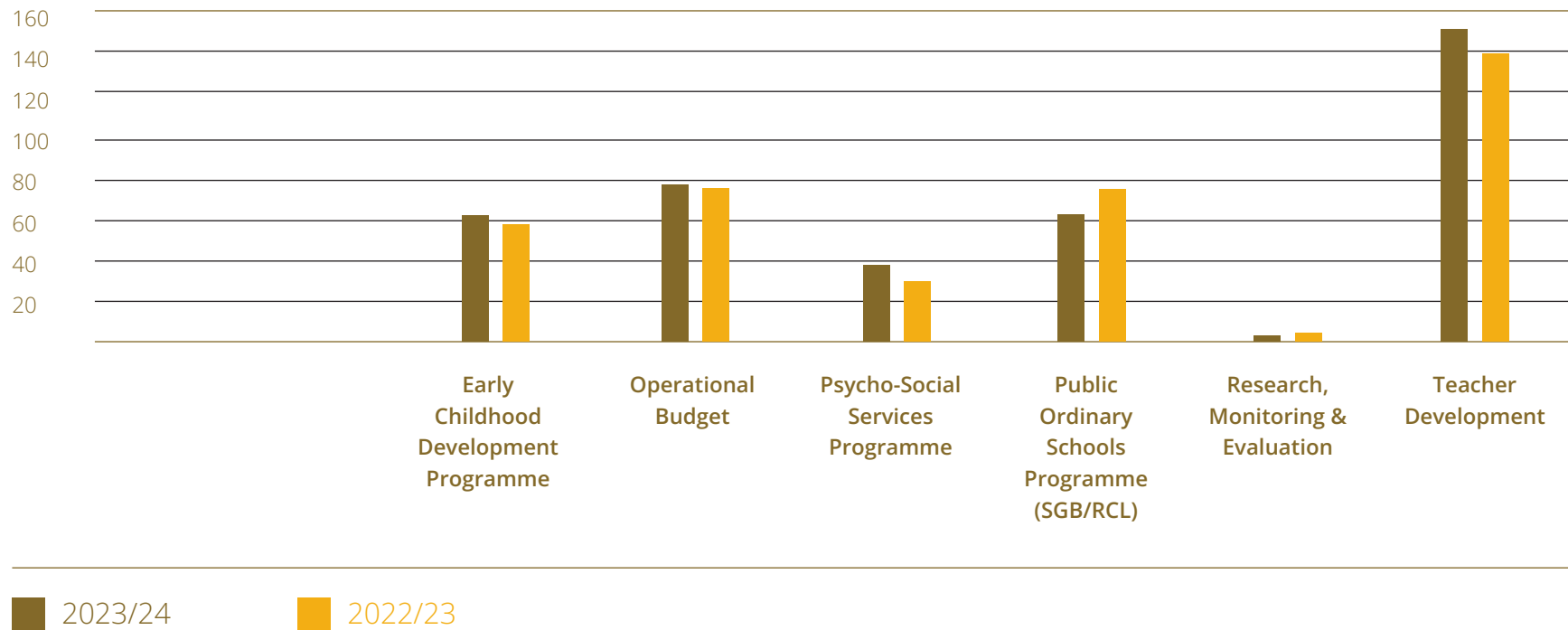


### Expenditure Analysis

A total of R395.5 million was recorded in the current financial year against R382.7 million recorded in the previous year. Below is a summary comparing Total Expenditure for the year under review ending 31 March 2024 against Total Expenditure for the previous year ending 31 March 2023 for each budget baseline classification.



Summary per Budget Baseline Classification	2023/24	2022/23	2023% change
Early Childhood Development Programme	63 893 723	58 082 820	10%
Operational Budget	76 756 911	75 939 500	1%
Psycho-Social Services Programme	38 200 204	29 393 335	30%
Public Ordinary Schools Programme (SGB/RCL)	60 780 852	75 154 097	-19%
Research, Monitoring & Evaluation	4 536 116	5 315 907	-15%
Teacher Development	151 394 170	138 834 343	9%
<b>Grand Total</b>	<b>395 561 976</b>	<b>382 720 002</b>	<b>3%</b>



### Early Childhood Development Programme

The total expenditure for the ECD Programme for the financial year to 31 March 2024 is R63.8 million, reflecting a 10% increase against the previous year's expenditure of R58 million. The largest cost driver for the increase was the new Language and Maths project.

### Operations

Total operational expenditure recorded a slight increase of 1%, from R75.9 million in the previous year to R76.7 million in the financial year to 31 March 2024. There were salary adjustments of around 5% effected in the year, but the increase does not reflect on aggregated totals since it was offset by institutional vacancies that arose during the financial year.

### Psycho-Social Services

The Psycho-Social Services programme recorded an increase of R8.8 million. The year to 31 March 2024 expenditure was R38.2 million, against R29.3 million recorded in the previous year. The largest contributor to the 30% expenditure increase is attributable to expenditure associated with the intervention of the South African Depression and Anxiety Group (SADAG) in response to an increase in psycho-social issues and suicide incidents among learners.

### Public Ordinary Schools (SGB/RCL)

The Public Ordinary Schools (POS) programme recorded a total expenditure of R60.7 million for the year to 31 March 2024, which is a decrease of R14.4 million compared to R75.1 million recorded in the previous financial year. The main driver for the decrease in spending in this expenditure line was the curtailment of training programmes like School Financial Management, while concentrating more on the Twinning of Schools programme, which did not cost as much as the fully-fledged activities carried out under this expenditure line in the previous year.

### Research, Monitoring & Evaluation

The Research, Monitoring and Evaluation programme recorded an expenditure decrease of just over R779 000, comparing the year to 31 March 2024 expenditure of R4.5 million against an expenditure amount of R5.3 million recorded in the previous period. The decline in expenditure is due to the EBSCO Research Services subscription that started in the previous year, and was still to be renewed as at end of the year to 31 March 2024.

### Teacher Development

The total expenditure for the Teacher Development programme is R151,3 million for the year under review, reflecting an expenditure increase of R12.5 million against the total expenditure of R138.8 million recorded in the previous year. The 9% expenditure increase recorded was driven, in the main, by newly introduced programmes. Namely: Learning Recovery Programme (LRP), Reading Improvement Programme (RIP) as well as MST Conditional Grant programme that accelerated in the 2023/2024 financial year.



## Overview of the Financial Position

As at 31 March 2024, the solvency status and related liquidity conditions were sound and healthy, affirming the going concern assertions as well as the financial viability in the short to medium-term. This conclusion is based on the projection and assumption that funds will be available to finance current operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business - the supporting make-up and analysis of this position is as follows;

### Net assets position

The net assets position decreased from R86.8 million to R66.4 million compared to the same period in the previous year. This is mainly due to a deficit realized in the current year that decreased the Retained Income balance from preceding periods. MGSGLG's total assets therefore exceeded its liabilities by R56.4 million.

### Current assets

Current assets increased from R57.6 million to R61.2 million compared to the same period in the prior year. The movement is mainly accounted for by the following components:



#### Cash and cash equivalents

As at 31 March 2024 the bank account balances were R8.5 million. This is a decrease in comparative terms to the balance of R34.1 million at the same interval in the previous year. The significant decrease was as a result of a delay in grant disbursement for activities undertaken towards year-end. The expected funds eventually came in April 2024. This component contributes significantly to the financial well-being of the organization as far as liquidity is concerned.



#### Trade and other receivables

The decrease recorded in cash and cash equivalent was therefore offset by trade and other receivables resulting in an overall increase realized within the current assets. Trade and other receivables component is made up of a Value Added Tax (VAT) control account balance of R42.6 million that was accounted for as a receivable as at 31 March 2024, which accounts for the increase from R23.1 million as at the same interval in the previous year.

### Non-Current Assets.

Non-Current assets recorded a slight decrease of R1.5 million, from R87.9 million to R86.4 million compared to the same period in the previous year. The movement is accounted for by Property, Plant and Equipment (PPE) whilst the other non-current assets component remained constant.

- Property, plant and equipment, and intangible assets – PPE amounts to R23,2 million compared to the amount of R24.7 million recorded in the previous year. This category of non-current assets consists of Land and Buildings, Motor Vehicles, Computer Equipment, Furniture and other tangible assets of capital nature. Included in the R23.2 million is the cost of intangible assets to the carrying value of R562 thousand. The decrease in the carrying amounts of PPE is mainly as a result of depreciation and amortization applied to the assets. Additional assets were recorded in the past 12 months, but the acquisitions were not significant enough to outstrip depreciation and amortization applied for the year.

## Liabilities

### Current Liabilities



77% of MGSLG's liabilities are current, at a total of R81.3 million as at 31 March 2024, compared to R58.7 million recorded in the same interval in the previous year. For the current period, the total current liabilities are greater than current assets, resulting in an unfavourable current and cash ratio, or liquidity ratio. This situation was expected to be addressed as soon as the GDE disbursed the outstanding grant.

### Non-current liabilities



The remaining 23% of MGSLG's liabilities are non-current at a total of R18.7 million as at 31 March 2024, compared to R17.9 million recorded in the same interval in the previous year.

This component is made up of a deferred income balance arising from historic revaluation adjustments applied to a 99-year building lease with GDE.



# FINANCIAL STATEMENTS

Matthew Goniwe School of Leadership and Governance  
Financial Statements for the year ended 31 March 2024

## Financial Statement Contents

General Information	70
Contents	71
Directors' Responsibilities and Approval	72
Directors' Report	73
Independent Auditor's Report	76
Statement of Financial Position as at 31 March 2024	78
Statement of Profit or Loss and Other Comprehensive Income	79
Statement of Changes in Equity	79
Statement of Cash Flows	80
Corporate Information	81
Accounting Policies	81
Notes to the Financial Statements	94
Detailed Income Statement	112

## General Information

**Country of incorporation and domicile**  
**Nature of business and principal activities**

South Africa  
School Leadership, School Governance and Teacher Development  
Training

**Directors**

Mr. Ledimo Tseliso  
Mr. Mahlangu Sibusiso  
Ms. Makola Lorraine  
Mr. Matakanya Manaha  
Mr. Matabane Joconia  
Ms. Gwebani Sivuyisiwe  
Ms. Constantinides Catherine  
Mr. Masingi Sonnyboy  
Mr. Mthombeni Bengeza  
Mr. Ramokhele Bonolo  
Ms. Mogale Tlangi  
Mr. Saul Tshidiso  
Mr. Mdakane Mhlengi  
Mr. Matjila Maupe  
Ms. Ntsali Violet (Deceased)  
Mr Magerman Errol (Resigned)  
Mr. Magubane Mxolisi

**Registered office**  
40 Hull Street cnr 8th and Hull Street  
Vrededorp  
Johannesburg  
2092

**Business address**  
40 Hull Street cnr 8th and Hull Street  
Vrededorp  
Johannesburg  
2092

**Postal address**  
Postnet Suite 161  
Private Bag X9  
Melville  
Johannesburg  
2092

**Bankers**  
Standard Bank of South Africa



## General Information (Cont.)

### Auditors

Lunika Chartered Accountants Inc.  
Chartered Accountants (SA)  
Registered Auditors  
Unit 5  
Lonehill Office Park  
Sandton  
Johannesburg

### Company registration number

2002/025756/08

### Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

### Preparer

The financial statements were internally compiled by:  
Mxolisi Magubane  
CFO

## Contents

General Information .....	70
Contents .....	71
Directors' Responsibilities and Approval .....	72
Directors' Report .....	73
Independent Auditor's Report .....	76
Statement of Financial Position as at 31 March 2024 .....	78
Statement of Profit or Loss and Other Comprehensive Income .....	79
Statement of Changes in Equity.....	79
Statement of Cash Flows .....	80
Corporate Information .....	81
Accounting Policies .....	81
Notes to the Financial Statements .....	94
Detailed Income Statement .....	112

### Preparer

Mxolisi Magubane  
CFO

### Published

31 July 2024

## Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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 judgements 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 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 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future. The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 76 to 77.

The financial statements set out on pages 78 to 11, which have been prepared on the going concern basis, were approved by the board of directors on 26 September 2024 and were signed on their behalf by:

### Approval of financial statements



Mr. Sibusiso Mahlangu (CEO)



Mr. Tsëliso Ledimo (Board Chairperson)



## Directors' Report

The directors have pleasure in submitting their report on the financial statements of Matthew Goniwe School of Leadership and Governance for the year ended 31 March 2024.

### 1. Nature of business

Matthew Goniwe School of Leadership and Governance is a Non-Profit Company (NPC) engaged in school leadership, school governance and teacher development capacity building interventions with principal operations in South Africa. The organization is wholly funded by the Gauteng Department of Education (GDE) through grants and transfers.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net deficit after tax for the year ended 31 March 2024 of R 20 439 484. This represented a decrease of 25% from the net deficit after tax of the prior year of R27 386 423.

The actual transfers received in 2023-2024 were R363 million (2022-2023: R304 million) and the funds were allocated as per approved business plan as follows: Teacher Development and ICT in Education R154 million, Psycho-Social Support and Learner Support R77 million, Early Childhood Development (ECD) R63 million, School Governance (SGB) R41 million, operations R11 million and other R17 million.

### 3. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality	Changes
Ledimo Tsēliso	Chairperson	Non-executive	South African	
Makhubela Thulani	Chief Executive Officer	Executive	South African	Resigned Monday, 31 July 2023
Mahlangu Sibusiso	Chief Executive Officer	Executive	South African	Appointed 1 August 2023
Makola Lorraine		Non-executive	South African	
Matabane Joconia		Non-executive	South African	
Matakanya Manaha		Non-executive	South African	
Mdakane Mhlengi		Non-executive	South African	
Saul Tshidiso		Non-executive	South African	
Ntsali Violet		Non-executive	South African	Deceased
Constantinides Catherine		Non-executive	South African	

## Directors' Report (Cont.)

Directors	Office	Designation	Nationality	Changes
Magerman Errol		Non-executive	South African	Resigned 31 July 2023
Masingi Sonnyboy		Non-executive	South African	
Matjila Maupe		Non-executive	South African	
Mthombeni Bengeza		Non-executive	South African	
Ramokhele Bonolo		Non-executive	South African	
Mogale Tlangi		Non-executive	South African	
Mr. Magubane Mxolisi		Executive	South African	

## Changes in responsibilities

The CEO Adv. Thulani Makhubela's contract expired 31 July 2023 and the new CEO Mr Sibusiso Mahlangu the former CFO, commenced his duties as the CEO on the 1st of August 2023. Chief Financial Officer Mr Mxolisi Magubane was appointed on 15th of November 2023.

### 4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2024, the company's investment in property, plant and equipment amounted to R22 745 313 (2023: R 23 576 929), of which R886 186 (2023: R1 336 365) was added in the current year through additions.

### 5. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 6. Going concern

The 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 realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any

pending changes to legislation which may affect the company.

After examining the company's present liquidity and solvency status, the budgets and cash flow predictions for the forthcoming year, and other relevant information, the management of MGSLG determined that there will be adequate funds to support operations for the foreseeable future. Consequently, the going concern method has not been applied in calculating the company's losses.

### 7. Auditors

Lunika Chartered Accountants Inc. continued in office as auditors for the company for 2024. At the AGM, the shareholder will be requested to reappoint Lunika Chartered Accountants Inc. as the independent external auditors of the company and to confirm Mr Samkelo Mxunyelwa CA (SA) as the designated lead audit partner for the 2024 financial year.



## 7. Secretary

The company secretary is Mr Andile Qodashe.

### Postal address:

Postnet Suite 161  
Private Bag X9  
Melville  
Johannesburg  
2092

### Business address:

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

## 8. Date of authorization for issue of financial statements

The financial statements have been authorized for issue by the directors on 26 September 2024. No authority was given to anyone to amend the financial statements after the date of issue.

## Independent Auditor's Report

To the Shareholder of Matthew Goniwe School of Leadership and Governance

### Opinion

We have audited the financial statements of Matthew Goniwe School of Leadership and Governance (the company) set out on pages 78 to 113, which comprise the statement of financial position as at 31 March 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Matthew Goniwe School of Leadership and Governance as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are

further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Matthew Goniwe School of Leadership and Governance financial statements for the year ended 31 March 2024", which includes the

Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 69 to 106. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for



such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise

professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Lunika Chartered Accountants Inc.  
Samkelo Mxunyelwa CA (SA)  
Partner**

**Chartered Accountants (SA) Registered  
Auditors  
31 July 2024**

Statement of Financial Position as at **31 March 2024**

Figures in Rand	Note(s)	2024	2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	3 961 674	4 307 978
Right-of-use assets (land and buildings)	4	18 718 949	19 982 730
Intangible assets	5	562 363	411 155
Trade and other receivables	6	63 241 329	63 241 329
		<b>86 484 315</b>	<b>87 943 192</b>
<b>Current Assets</b>			
Trade and other receivables	6	52 734 655	23 524 344
Cash and cash equivalents	7	8 518 470	34 144 073
		<b>61 253 125</b>	<b>57 668 417</b>
<b>Total Assets</b>		<b>147 737 439</b>	<b>145 611 609</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		<b>66 437 329</b>	<b>86 876 813</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Deferred income</b>	8	18 718 950	17 960 466
		<b>18 718 950</b>	<b>17 960 466</b>
<b>Current Liabilities</b>			
Trade and other payables	10	57 876 554	11 830 184
Lease liabilities	4	-	832 950
Deferred income	8	-	23 163 505
Provisions	9	4 704 606	4 947 691
		<b>62 581 160</b>	<b>40 774 330</b>
<b>Total Liabilities</b>		<b>81 300 110</b>	<b>58 734 796</b>
<b>Total Equity and Liabilities</b>		<b>147 737 439</b>	<b>145 611 609</b>



## Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Other operating income	11	372 641 574	351 664 374
Other operating gains (losses)	12	(31 596)	(68 400)
Other operating expenses		(395 561 976)	(382 720 002)
<b>Operating (loss) profit</b>	13	<b>(22 951 997)</b>	<b>(31 124 028)</b>
Investment income	14	2 583 818	3 813 291
Finance costs	15	(71 305)	(75 686)
<b>Surplus/(Loss) for the year</b>		<b>(20 439 484)</b>	<b>(27 386 423)</b>
Other comprehensive income			
<b>Total comprehensive (loss) income for the year</b>		<b>(20 439 484)</b>	<b>(27 386 423)</b>

## Statement of Changes in Equity

Figures in Rand	Retained Income	Total Equity
<b>Balance at 1 April 2022</b>	114 263 236	114 263 236
Loss for the year	(27 386 423)	(27 386 423)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(27 386 423)</b>	<b>(27 386 423)</b>
Balance at 1 April 2023	86 876 813	86 876 813
Loss for the year	(20 439 484)	(20 439 484)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(20 439 484)</b>	<b>(20 439 484)</b>
<b>Balance at 31 March 2024</b>	<b>66 437 329</b>	<b>66 437 329</b>

## Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
<b>Cash flows from operating activities</b>			
Cash receipts from grants and customers		362 504 021	305 336 965
Cash paid to suppliers and employees		(389 732 710)	(389 998 585)
Cash used in operations	18	(27 228 689)	(84 661 620)
Interest income	14	2 708 715	3 813 291
Finance costs	15	(71 305)	(75 686)
<b>Net cash from operating activities</b>		<b>(24 591 279)</b>	<b>(80 924 015)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(835 984)	(1 336 365)
Proceeds from sale of property, plant and equipment	3	39 887	180 187
Purchases of intangible assets	5	(238 228)	(252 903)
Proceeds from sale of intangible assets	5	-	-
<b>Net cash from investing activities</b>		<b>(1 034 324)</b>	<b>(1 409 081)</b>
<b>Cash flows from financing activities</b>			
Cash repayments on lease liabilities	4	-	(708 857)
<b>Total cash movement for the year</b>		<b>(25 625 603)</b>	<b>(83 041 953)</b>
Cash and cash equivalents at the beginning of the year		34 144 073	117 186 026
<b>Cash and cash equivalents at the end of the year</b>		<b>8 518 470</b>	<b>34 144 073</b>



## Corporate Information

Matthew Goniwe School of Leadership and Governance is a non-profit company incorporated and domiciled in South Africa.

The financial statements for the year ended 31 March 2024 were authorized for issue in accordance with a resolution of the directors on 26 September 2024.

## Accounting Policies

### 1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### 1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act of South Africa as amended.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and

incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

#### 1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the financial statements, are outlined as follows:

#### Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

### Key sources of estimation uncertainty

#### Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

#### Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on

factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

#### Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 9.

#### 1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognized 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. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalization of borrowing costs on qualifying

assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred. Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognized.



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

	<b>Depreciation method</b>	<b>Average useful life</b>
<b>Item</b>		
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	12.5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	9 years
IT equipment	Straight line	3 - 9 years
Other property, plant and equipment	Straight line	9 years

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

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 charge for each year is recognized in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognized immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognized.

#### 1.4 Intangible assets

An intangible asset is recognized 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 recognized at cost.

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

Intangible assets are carried at cost less any accumulated amortization 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. Amortization 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 amortization is provided on a straight-line basis over their useful life.

The amortization period and the amortization method for intangible assets are reviewed every period-end.

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 amortized over its useful life.

**Amortization is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:**

Item	Depreciation Method	Average useful life
Computer software, other	Straight line	9 years

#### 1.5. Land and buildings (Right of use asset)

Land and buildings held and used in the Company's own activities or for administrative purposes are stated in the statement of financial position at their revalued amounts. The revalued amounts equate to the fair value at the date of revaluation, less any depreciation or impairment losses subsequently accumulated. Revaluations are carried out regularly so that the carrying amounts do not materially differ from using the fair value at the date of the statement of financial position.



Any revaluation increase or decrease on land and buildings is credited to the deferred income. Depreciation on revalued buildings is charged to profit or loss so as to write off their value, less residual value, over their estimated useful life of 50 years, using the straight-line method. Once a revalued property is sold or retired, deferred income that is remaining in the property is transferred to statement of profit or loss.

### 1.6 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

#### Financial assets which are debt instruments:

- Amortized cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortized cost; or

Note 22 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

### Trade and other receivables

#### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortized cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect

the contractual cash flows on trade and other receivables.

#### Recognition and measurement

Trade and other receivables are recognized when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortized cost.

The amortized cost is the amount recognized on the receivable initially, minus principal repayments, plus cumulative amortization (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

#### Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 14).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable,

## Annual Financial Statements for the year ended 31 March 2024

provided the receivable is not credit impaired. The gross carrying amount is the amortized cost before adjusting for a loss allowance.

- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortized cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortized cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

### Impairment

The company recognizes a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the

expected life of the receivable.

### Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is limited and represents the amounts receivable from government and investments which are regarded as reasonably stable debtors and amounts expected to be received. The loss allowance, if any, is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

An impairment gain or loss is recognized in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss, if any, is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 13).

### Write off policy

The company writes off a receivable when there is

information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

## Trade and other payables

### Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortized cost.

### Recognition and measurement

They are recognized when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest



rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 15).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 22 for details of risk exposure and management thereof.

#### **Cash and cash equivalents**

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

#### **Bank overdrafts**

Bank overdrafts, if any, are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

#### **1.7 Leases**

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use.

Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

#### **Company as lessee**

A lease liability and corresponding right-of-use asset are recognized at the lease commencement date, for all lease agreements for which the company is a lessee.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the company is a lessee are presented in note 4 Leases (company as lessee).

#### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;

- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognized as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 15).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in

which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.



For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

### 1.8 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 amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognized 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.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization other than goodwill is recognized immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.9 Share capital and equity

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

Ordinary shares are recognized at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognized as a liability in the company in which they are declared.

### 1.10 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those

payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognized 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 expected cost of profit sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

**1.11 Provisions and contingencies**

**Provisions are recognized 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 recognized 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 recognized for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognized for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognized 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.

After their initial recognition, contingent liabilities recognized in business combinations that are recognized separately are subsequently measured at the higher of:

- the amount that would be recognized as a provision; and
- the amount initially recognized less cumulative amortization.

Contingent assets and contingent liabilities are not recognized. Contingencies are disclosed in note 19.

**1.12 Government grants**

Government grants are recognized when there is reasonable assurance that:

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

Government grants are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate.



A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognized as income of the period in which it becomes receivable.

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.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortized deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognized immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognized to date as an expense in the absence of the grant is recognized immediately as an expense.

## 2. New Standards and Interpretations

### 2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2023 or later periods:

#### **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss of control is recognized in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognized in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the company's financial statements.

#### **Effective date of amendments to IAS 7 and IFRS 7 01 Jan 2024**

On 25 May 2023, the IASB issued 'Supplier Finance

Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after 1 January 2024.

#### **Effective date of amendments to IFRS 16 01 Jan 2024**

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

#### **Lease liability in a sale and leaseback**

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

It is unlikely that the amendment will have a material impact on the company's financial statements.

#### **Initial application of IFRS 17 and IFRS 9 - Comparative information**

## Annual Financial Statements for the year ended 31 March 2024

---

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.

The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have any impact on the company's financial statements as the company does not issue insurance contracts.

### **Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12**

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognized on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the company's financial statements.

### **Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.**

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the company's financial statements.

### **Definition of accounting estimates: Amendments to IAS 8**

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.



It is unlikely that the amendment will have a material impact on the company's financial statements.

#### **Classification of Liabilities as Current or Non-Current - Amendment to IAS 1**

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the company's financial statements.

#### **IFRS 17 Insurance Contracts**

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 01 January 2023.

It is unlikely that the standard will have any impact on the company's financial statements as the company does not issue insurance contracts.

#### **Used within the company**

Buildings

Furniture and fixtures

Motor vehicles

Office equipment

## Notes to the Financial Statements

### 3. Property, plant and equipment

#### Figures in Rand

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
<b>Used within the company</b>						
Furniture and fixtures	1 796 526	(1 424 913)	371 613	1 796 526	(1 312 296)	484 230
Motor vehicles	721 085	(360 543)	360 543	721 085	(216 326)	504 759
Office equipment	2 457 686	(1 513 908)	943 778	2 325 467	(1 268 525)	1 056 942
IT equipment	5 508 025	(3 291 772)	2 216 253	4 930 893	(2 778 357)	2 152 536
Other property, plant and equipment	492 583	(423 095)	69 487	492 583	(383 072)	109 511
	<b>10 975 904</b>	<b>(7 014 230)</b>	<b>3 961 674</b>	<b>10 266 554</b>	<b>(5 958 576)</b>	<b>4 307 978</b>
<b>Reconciliation of property, plant and equipment 2024</b>	<b>Opening balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Scrappings</b>	<b>Depreciation</b>	<b>Total</b>
Furniture and fixtures	484 230	-	-	-	(112 617)	371 613
Motor vehicles	504 759	-	-	-	(144 217)	360 543
Office equipment	1 056 942	132 219	-	-	(245 382)	943 779
IT equipment	2 152 536	703 765	(75 483)	-	(564 565)	2 216 253
Other property, plant and equipment	109 511	-	-	-	(40 023)	69 487
	<b>4 307 978</b>	<b>835 984</b>	<b>(75 483)</b>	<b>-</b>	<b>(1 106 804)</b>	<b>3 961 674</b>
<b>Reconciliation of property, plant and equipment 2023</b>	<b>Opening balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Scrappings</b>	<b>Depreciation</b>	<b>Total</b>
Furniture and fixtures	616 534	-	-	-	(132 304)	484 230
Motor vehicles	648 976	-	-	-	(144 217)	504 759
Office equipment	665 234	637 354	-	-	(245 646)	1 056 942
IT equipment	2 216 821	680 242	(180 187)	(68 399)	(495 941)	2 152 536
Other property, plant and equipment	130 532	18 769	-	-	(39 790)	109 511
	<b>4 278 097</b>	<b>1 336 365</b>	<b>(180 187)</b>	<b>(68 399)</b>	<b>(1 057 898)</b>	<b>4 307 978</b>



## 4. Leases (company as lessee)

### Figures in Rand

The company leases the premises in the building called Trap der Jeugd Building, a 974 sqm situated at; corner 8th Street and Solomon Street, Vrederdorp, Johannesburg. The second building is located in the same area. These buildings were leased to MGSL&G by the GDE at a zero rental rate.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2024			2023		
	Cost revaluation	or Accumulated depreciation	Carrying value	Cost revaluation	or Accumulated depreciation	Carrying value
Buildings	27 501 046	(8 782 097)	1 8 718 949	31 327 634	( 11 344 907)	1 9 982 730

### Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

### Depreciation recognized on right-of-use assets

Depreciation recognized on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 13), as well as depreciation which has been capitalized to the cost of other

### Buildings

18 718 949

19 982 730

### Other disclosures

Interest expense on lease liabilities

-

73 284

**Figures in Rand**

The maturity analysis of lease liabilities is as follows:

Within one year  
 Two to five years  
  
 Less finance charges component  
  
 Non-current liabilities  
 Current liabilities

2024

2023

		860 355
		-
	-	860 355
		(27 405)
	-	832 950
	-	-
	-	832 950
	-	832 950

5. Intangible assets

	2024		2023			
	Cost Valuation	Accumulated amortization	Carrying value	Cost Valuation	Accumulated amortization	Carrying value
Computer software, other	993 749	(431 386)	562 363	755 521	(344 366)	411 155

**Reconciliation of intangible assets - 2024**

Opening	Additions	Disposals/ Write-offs	Ammortization	Total balance
411 155	238 228	-	(87 019)	562 363

**Reconciliation of intangible assets - 2023**

Opening	Disposals/ Additions	Write-offs	Ammortization	Total balance
213 534	252 903	-	(55 282)	411 155



## 6. Trade and other receivables

### Figures in Rand

#### Financial instruments:

Trade receivables

Accrued income

Trade receivables at amortized cost Other receivable

#### Non-financial instruments:

VAT

Other debtors

#### Total trade and other receivables

#### Split between non-current and current portions

Non-current assets

Current assets

Financial instrument and non-financial instrument components of trade and other receivables

At amortized cost

Non-financial instruments

#### Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The organization's exposure to credit risk is influenced mainly by the individual characteristics of the GDE. The demographics of the GDE, including the default risk of the industry and country, in which the GDE operates, has major influence on credit risk.

The organization does not have a customer base and as such does not require to analyze customers individually for creditworthiness before the organization's standard payment terms and conditions are offered. The transactions with the GDE over the years have had no implications on losses having to be incurred.

The current year balance for Trade debtors is not material and as such no allowance for impairment and expected losses in respect of Trade and other receivables has been accounted for in accordance with IFRS 9.

#### Fair value of trade and other receivables

The fair value of trade and other receivables that are financial instruments approximates their carrying amounts.

	2024	2023
Trade receivables	63 241 329	63 241 329
Accrued income	14 624	290 806
Trade receivables at amortized cost Other receivable	63 255 953	63 532 135
<b>Non-financial instruments:</b>		
VAT	52 641 770	23 097 868
Other debtors	78 261	135 669
<b>Total trade and other receivables</b>	<b>115 975 984</b>	<b>86 765 673</b>
<b>Split between non-current and current portions</b>		
Non-current assets	63 241 329	63 241 329
Current assets	52 734 655	23 524 344
	<b>115 975 984</b>	<b>86 765 673</b>
Financial instrument and non-financial instrument components of trade and other receivables		
At amortized cost	92 885	438 214
Non-financial instruments	115 883 099	86 327 459
	<b>115 975 984</b>	<b>86 765 673</b>

**Figures in Rand**

**2024**

**2023**

**Fair value of trade and other receivables**

The fair value of trade and other receivables that are financial instruments approximates their carrying amounts.

**7. Cash and cash equivalents**

Cash and cash equivalents consist of:

- Cash on hand
- Short-term deposits
- Other cash and cash equivalents

4 000	4 000
8 512 382	34 139 562
2 088	511
<b>8 518 470</b>	<b>34 144 073</b>

18 718 950	17 960 466
-	23 163 505
<b>18 718 950</b>	<b>41 123 971</b>

**8. Deferred income**

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

- Non-current liabilities
- Current liabilities

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

The non-current liabilities arises from a 99 year building lease with GDE: R18 718 950 (2023: R17 960 466) less current year transfer of R0.00 results in the current year balance of R18 718 947 (2023: R17 960 466).

The deferred income liability is subject to terms and conditions of the grant provided by the GDE. The amount so distributed can only be used for the specified conditions as per the Service Level Agreements. Any amount not used is either carried forward or returned to the GDE. The GDE has discretion to redirect the use of the residual balances of projects completed.



Figures in Rand

2024

2023

**Grant income earned**

**Description**

Opening balance	41 123 971	87 592 776
Grant received - projects	280 537 976	293 922 001
Grant received - overheads	10 803 000	11 068 000
Amortization of right of use	(550 003)	(550 003)
Project expenditure - revenue recognized	(302 392 994)	(339 840 803)
Overheads usage -revenue recognized	(10 803 000)	(11 068 000)
	<b>18 718 950</b>	<b>41 123 971</b>

9. Provisions

**Reconciliation of provisions - 2024**

	Opening balance	Additions	Utilized during the year	Reversed during the year	Total
Provision for performance bonus	4 529 795	1 484 652	(1 634 890)	-	4 379 557
Provision for 13th Cheque	417 896	382 994	-	(417 896)	382 994
Provision - Other	-	(57 945)	-	-	(57 945)
	<b>4 947 691</b>	<b>1 809 701</b>	<b>(1 634 890)</b>	<b>(417 896)</b>	<b>4 704 606</b>

**Reconciliation of provisions - 2023**

	Opening balance	Additions	Utilized during the year	Reversed during the year	Total
Provision for performance bonus	4 575 398	4 529 795	(4 575 398)	-	4 529 795
Provision for 13th Cheque	499 627	417 896	(499 627)	-	417 896
	<b>5 075 025</b>	<b>4 947 691</b>	<b>(5 075 025)</b>	<b>-</b>	<b>4 947 691</b>

## 10. Trade and other payables

### Figures in Rand

Financial instruments:

Trade payables

Accrued leave pay

Other accruals

Accrued audit fees

	2024	2023
	46 011 608	3 374 433
	3 129 388	3 391 625
	7 535 558	4 284 056
	1 200 000	780 070
	<b>57 876 554</b>	<b>11 830 184</b>

Financial instrument and non-financial instrument components of trade and other payables

At amortized cost

	57 876 554	11 830 183
--	------------	------------

## 11. Other operating income

Compensation from insurance claims

Skills Development Levy refund

Right of use of Heritage Site Building

Other income

Government grants

	16 825	31 032
	152 124	168 537
	550 002	550 002
	9 418 602	6 000
	362 504 021	350 908 803
	<b>372 641 574</b>	<b>351 664 374</b>

## 12. Other operating gains (losses)

### Gains (losses) on disposals, scrappings and settlements

Non-current assets sold, including property and equipment

	(31 596)	(68 400)
--	----------	----------

## 13. Operating profit (loss)

Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:

### Auditor's remuneration - external

Audit fees

Auditor's remuneration - internal

**Remuneration, other than to employees, consulting and professional services**

	1 167 544	971 452
	274 696	302 943
	13 019 078	2 744 334

**Figures in Rand****Employee costs**

Salaries, wages, bonuses and other benefits

**2024****2023**

63 704 584

63 119 376

**Depreciation and amortization**

Depreciation of property, plant and equipment

1 106 804

1 607 901

Depreciation of right-of-use assets

1 100 005

713 607

Amortization of intangible assets

87 019

55 282

**Total depreciation and amortization****2 293 828****2 376 790**

## 14. Investment income

**Investments in financial assets:**

Interest earned from short term deposits

2 583 818

3 813 291

## 15. Finance costs

**Lease liabilities**

Interest paid to the bank

-

**73 284**

71 305

2 402

71 305

75 686

## 16. Employee costs

Basic

56 962 411

57 216 312

Provident fund and Medical aid - company contributions

4 959 767

3 794 030

UIF

549 762

540 315

WCA

391 435

773 786

SDL

811 570

765 293

Other payroll levies

29 640

29 640

**63 704 584****63 119 376**

## 17. Depreciation, amortization and impairment losses

Right-of-use assets

1 100 005

1 607 901

Property, plant and equipment

1 106 804

713 607

**2 206 809****2 321 508****Amortization**

Intangible assets

**87 019****55 282****Total depreciation, amortization and impairment Depreciation****2 293 828****2 376 790**

**Figures in Rand****18. Cash used in operations**

	<b>2024</b>	<b>2023</b>
Profit (loss) before taxation	(21 092 506)	(27 386 423)
Adjustments for non-cash items:		
Depreciation, amortization, impairments and reversals of impairments	2 293 829	2 376 790
Losses on sale of assets and liabilities	29 628	68 400
Movements in provisions	(341 949)	(127 334)
Adjust for items which are presented separately:		
Interest income	(2 583 818)	(3 813 291)
Finance costs	71 305	75 686
Changes in working capital:		
(Increase) decrease in trade and other receivables	(29 198 572)	(15 361 678)
Increase (decrease) in trade and other payables	45 998 415	5 975 035
Increase (decrease) in deferred income	(22 405 021)	(46 468 805)
	<b>(27 228 689)</b>	<b>(84 661 620)</b>

**19. Contingencies**

The organization is in a protracted dispute with South African Revenue Services (SARS) over the VAT taxability of the grants received. The entity contends that the amounts so received are not subject to VAT.

The organization continued to receive an assessment from SARS in respect of output VAT to a total of R211 059 610 (2023: R200 633 969) on government grant income received from the GDE. A corresponding asset may exist on the VAT receivable from SARS and its related interest as it has been outstanding for more than a year. No accrual of the interest has been raised as it impracticable at this stage.

Management has lodged an objection on this assessment and the matter is currently on appeal. Management is confident that the dispute will be favourable to the organization. In the event that the dispute is unsuccessful, management will enter into an arrangement with SARS to afford the organization to settle without facing liquidity and solvency challenges.



## 20. Related parties

### Relationships

Entities under common control

Entity or body with control

Members of key management

SciBono Discovery Centre NPC

Babhuti Research Institute

Gauteng Department of Education (as a main funder of the entity since it has no shareholder(s)

The list of members of key management including directors is listed below and in the directors report.

### Related party transactions

Purchases from (sales to) related parties

SciBono Discovery Centre NPC

SciBono Discovery Centre NPC

Babhuti Research Institute

Grants received/(refunded) from/(to) related parties -

Gauteng Department of Education

Compensation to directors and other key management

Short-term employee benefits

11 700 000	11 000 000
-	-
14 693 060	41 635 000
362 504 021	304 990 000
21 551 992	
1 437 959	8 036 892
<b>411 887 032</b>	<b>365 661 892</b>

**Figures in Rand**

21. Directors' and prescribed officer's emoluments

**Executive**

**2024**

Directors' emoluments

Services as director or prescribed officer

Makhubela Thulani

Mahlangu Sibusiso

Mxolisi Magubane

	2024	2023
	<b>Emoluments</b>	<b>Company contributions</b>
		<b>Total</b>
	839 477,64	80 664,92
	2 596 485,01	281 238,40
	893 731,48	70 537,36
		920 142,56
		2 877 723,41
		964 268,84

**2023**

Directors' emoluments

Services as director or prescribed officer

Makhubela Thulani

Mahlangu Sibusiso

	2024	2023
	<b>Emoluments</b>	<b>Company contributions</b>
		<b>Total</b>
	2 649 745	222 439
	2 574 874	240 264
		2 872 184
		2 815 138

**Non-executive**

**2024**

Directors' emoluments

**Services as director or prescribed officer**

Ledimo Tseliso

Makola Lorraine

Matabane Joconia

Matakanya Manaha

Mdakane Mhlengi

Saul Tshidiso

Ntsali Violet

Constantinides Catherine

Magerman Errol

	Total fees	Total fees
	779 700,00	609 700
	217 000,00	243 000
	361 000,00	291 000
	365 000,00	299 000
	299 000,00	239 000
	417 000,00	235 000
	450 000,00	462 000
	246 000,00	240 148
	184 000,00	237 000

**Figures in Rand****2024****2023****Non-executive (Cont.)  
2024**

Directors' emoluments

**Total fees****Total fees****Services as director or prescribed officer**

Masingi Sonnyboy

490 000,00

242 000

Matjila Maupe

284 000,00

219 000

Mthombeni Bengeza

329 000,00

235 000

Ramokhele Bonolo

268 000,00

245 000

Mogale Tlangi

305 000,00

225 000

Gwabeni Sivuyisiwe

149 000,00

-

Khawe Jacob

50 000,00

-

**5 193 700,00****4 021 848****Prescribed officers  
2024****Directors' emoluments**

Services as prescribed officers

Dlamini Siphon (Branch Head Teacher Development)

1 743 895

188 272

1 932 167

Papane Matime (Head Corporate Services)

707 983

70 550

778 532

Mlotshwa Handson (Director ICT)

1 554 525

130 528

1 685 052

Shamase Slindokuhle Patiance (COP)

1 838 990

178 288

2 017 277

Maloka Patricia (Director Business Development)

1 306 525

121 015

1 427 540

Ginya Lindiwe (Branch Head Teacher Development)

1 810 206

146 053

1 956 260

Mkhwebane Kgaugelo (Director Research)

1 446 722

119 990

1 566 712

Ngobeni Victor (Director Leadership)

1 479 225

112 547

1 591 773

Noge Dempsey (Director Governance)

1 453 867

120 146

1 574 013

Qodashe Andile (Company Secretary)

1 513 863

120 146

1 634 009

Nzula Eugene (Director Teacher Development)\*\$

1 502 492

130 424

1 632 916

**16 358 292****1 437 959****17 796 251**

**Figures in Rand****2023****Directors' emoluments****Services as prescribed officers**

Dlamini Sipho (Branch Head Teacher Development)
Papane Matime (Head Corporate Services)
Mlotshwa Handson (Director ICT)
Shamase Slindokuhle Patiance (COP)
Maloka Patricia (Director Business Development)
Ginya Lindiwe (Branch Head Teacher Development)
Mkhwebane Kgaugelo (Director Research)
Ngobeni Victor (Director Leadership)
Noge Dempsey (Director Governance)
Qodashe Andile (Company Secretary)
Nzula Eugene (Director Teacher Development)*\$

	2024	2023
	<b>Emoluments</b>	<b>Company contributions</b>
		<b>Total</b>
	1 776 003	174 310
	2 060 404	193 344
	1 486 957	123 499
	2 160 126	171 602
	1 466 317	123 496
	1 792 132	127 346
	1 498 107	107 960
	1 510 027	101 124
	1 515 067	108 140
	1 456 563	107 659
	1 519 000	123 607
	<b>18 240 703</b>	<b>1 462 087</b>
		<b>19 702 790</b>

**22. Financial instruments and risk management****Categories of financial instruments****Categories of financial assets****2024**

Trade and other receivables
Cash and cash equivalents

**2023**

Trade and other receivables
Cash and cash equivalents

	<b>Amortized cost</b>	<b>Fair value</b>
	6 115 975 984	115 975 984
	7 8 518 470	8 518 470
	<b>124 494 454</b>	<b>124 494 454</b>
	6 86 765 673	86 765 673
	7 34 144 073	34 144 073
	<b>120 909 746</b>	<b>120 909 746</b>



## Figures in Rand

### Categories of financial liabilities

#### 2024

Trade and other payables  
Finance lease obligations

10  
4

	2024	2023
	Amortized cost	Fair value
	57 876 554	57 876 554
	-	-
	<b>57 876 554</b>	<b>57 876 554</b>

#### 2023

Trade and other payables  
Finance lease obligations

10  
4

	2024	2023
	Amortized cost	Fair value
	11 830 184	11 830 184
	832 950	832 950
	<b>12 663 134</b>	<b>12 663 134</b>

### Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximize stakeholder returns sustainably.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Lease liabilities  
Trade and other payables  
**Total borrowings**  
Cash and cash equivalents  
**Net borrowings**  
  
Equity  
  
Gearing ratio

	-	(832 950)
	(57 876 554)	(11 830 184)
	<b>(57 876 554)</b>	<b>(12 663 134)</b>
	8 518 470	34 144 073
	<b>(49 358 084)</b>	<b>21 480 939</b>
	56 437 329	86 876 813
	-87%	25%

## Financial risk management

### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both

regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. The company's main debtor is its related party and funder, the Gauteng Department of Education and the bulk of the receivables expected from it are received in the form of government grants. All other receivables are either in the form of service receivables or investment accruals.

The long-term receivable is a tax authority receivable and thus is not a financial instrument. Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognized for all debt instruments, but

excluding those measured at fair value through profit or loss.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management considers information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because



of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level.

Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort.

When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables.

**The maximum exposure to credit risk is presented in the table below:**

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortized cost/fair value	Gross carrying amount	Credit loss allowance	Amortized cost/fair value
Trade and other receivables	6	115 975 984	-	115 975 984	86 765 673	-	86 765 673
Cash and cash equivalents	7	8 518 470	-	8 518 470	34 144 073	-	34 144 073
		124 494 454	-	124 494 454	120 909 746	-	120 909 746

### **Liquidity risk**

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amount.

## 23. Fair value information

### **Fair value hierarchy**

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

**Level 1:** Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

**Level 2:** Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

### **Valuation processes applied by the company**

The fair value of financial assets and liabilities included in trade and other receivables, cash and cash equivalents and trade and other payables is performed by the company's finance department and operations team, on an annual basis. The finance department reports to the Chief Financial Officer (CFO). The valuation reports are discussed with the Board Audit committee in accordance with the company's reporting policies

The fair value determination of the above captions is based on Level 2 fair value hierarchy classification as it is based on some observable data and input.

Cash and cash equivalents represents assets that are readily convertible to cash and are short- term.

Trade and other receivables represents mainly interest accruals from investment in short term deposits and are readily convertible to cash on receipt.

Trade and other payables are usually on 30 day credit terms and are also classified as Level 2 due to their short-term nature.



## 24. Going concern

The 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 realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors are satisfied that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The directors reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and do not believe that the company has adequate financial resources to continue in operation for the foreseeable future. The financial statements have accordingly not been prepared on the going concern basis.

## 25. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report, other than what has been disclosed above already.

## Detailed Income Statement

### Figures in Rand

Other operating income
Compensation from insurance claims
Other recoveries
Other income 2
Other income
Government grants
Other operating gains (losses)
Losses on disposal of assets or settlement of liabilities
Expenses
Operating (loss) profit
Investment income
Finance costs
<b>(Loss) profit for the year</b>
<b>Other operating expenses</b>
Advertising
Arnotization
Auditor's remuneration - external audit
Auditor's remuneration - internal audit
Bad Debts
Bank charges
Cleaning
Computer expenses
Consulting and professional fees - accounting
Consulting and professional fees 1
Consulting and professional fees - legal fees
Depreciation
Employee costs
Catering
Conference and seminars

	2024	2023
	16 825	31 032
	152 124	168 537
	550 002	550 002
	200	6 000
	361 784 870	350 908 803
	<b>362 504 021</b>	<b>351 664 374</b>
	(31 596)	(68 400)
	<b>396 266 031</b>	<b>382 720 002</b>
	<b>(33 793 605)</b>	<b>(31 124 028)</b>
	2 721 371	3 813 291
	(71 305)	(75 686)
	<b>(31 143 539)</b>	<b>(27 386 423)</b>
	(4 944 256)	(620 439)
	(87 019)	(55 282)
	(1 167 544)	(971 452)
	(274 696)	(302 943)
	(98 528)	-
	(244 462)	(214 655)
	(20 046)	(51 842)
	(1 095 956)	(1 400 519)
	(27 400)	-
	(6 687 144)	(2 205 841)
	(6 331 934)	(538 493)
	(2 206 809)	(2 321 508)
	(63 704 584)	(63 119 376)
	(303 939)	(321 447)
	(1 266 346)	(729 133)



## Detailed Income Statement (Cont.)

### Figures in Rand

	2024	2023
General expenses	(958 353)	(1 385 658)
Licence fees	(1 105 788)	(854 780)
Records management expenses	(45 529)	(39 474)
Rental recoveries	-	71 104
Government grant utilization - cost of projects carried out	(291 870 674)	(294 034 606)
Hire	(653 034)	(614 519)
Insurance	(480 841)	(473 756)
IT expenses	(307 164)	-
Motor vehicle expenses	(514 434)	(180 827)
Municipal expenses	(650 074)	(644 765)
Placement fees	(197 420)	(187 806)
Printing and stationery	(205 746)	(490 645)
Repairs and maintenance	(337 488)	(764 280)
Security	(74 623)	(20 658)
Staff welfare	(1 025 082)	(749 889)
Subscriptions	(253 271)	(1 290 197)
Telephone and fax	(1 307 588)	(858 936)
Training	(1 282 031)	(718 244)
Travel - local	(6 639 130)	(6 629 136)
	<b>(396 368 931)</b>	<b>(382 720 002)</b>



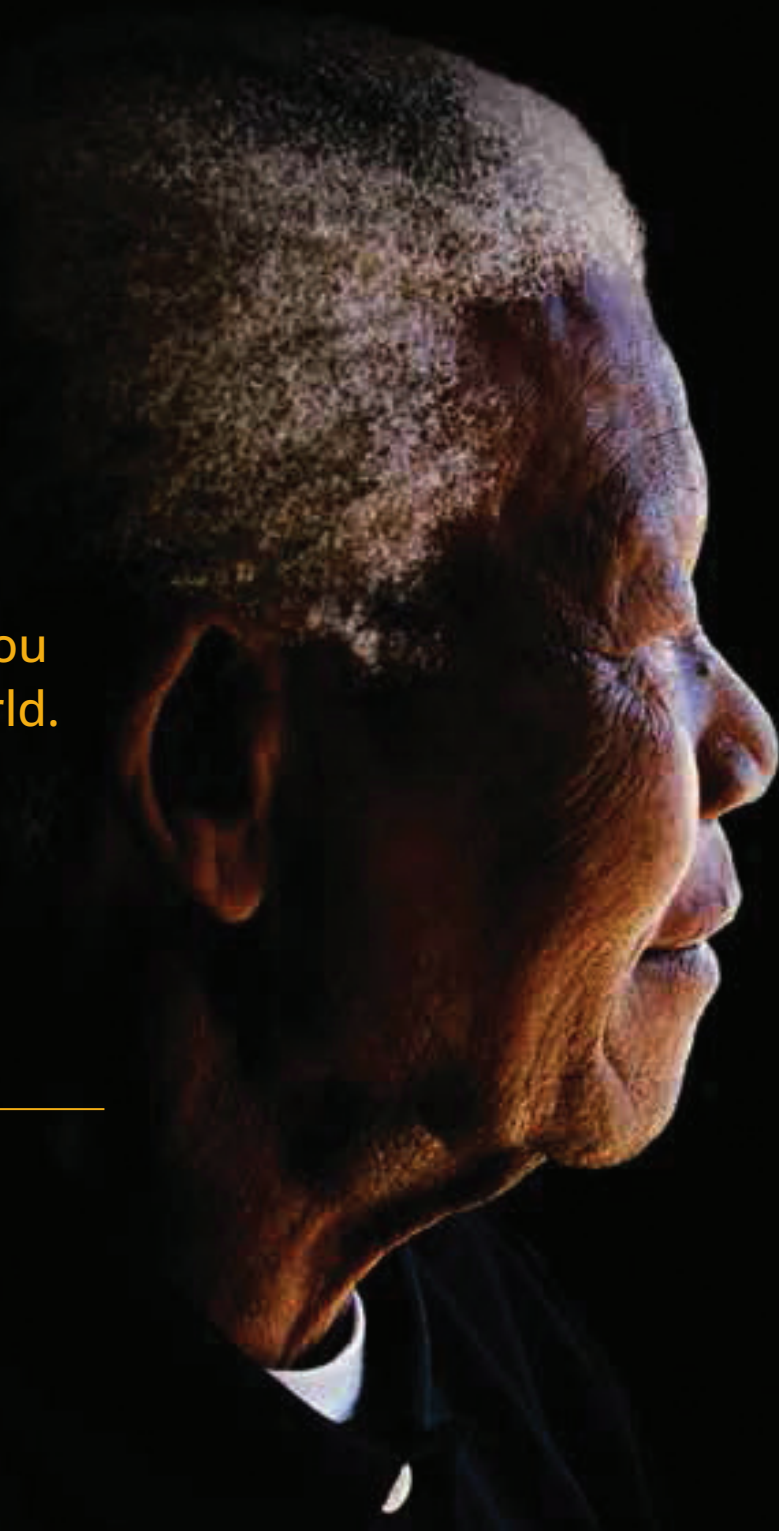


Education is the most powerful weapon which you can use to change the world.



Nelson Mandela

---





SCAN TO READ  
OTHER REPORTS

## HEAD OFFICE BRANCH OFFICE

### Vrededorp Campus

40 Hull Street, Johannesburg

**Telephone:** +27 (0) 11 830 2200

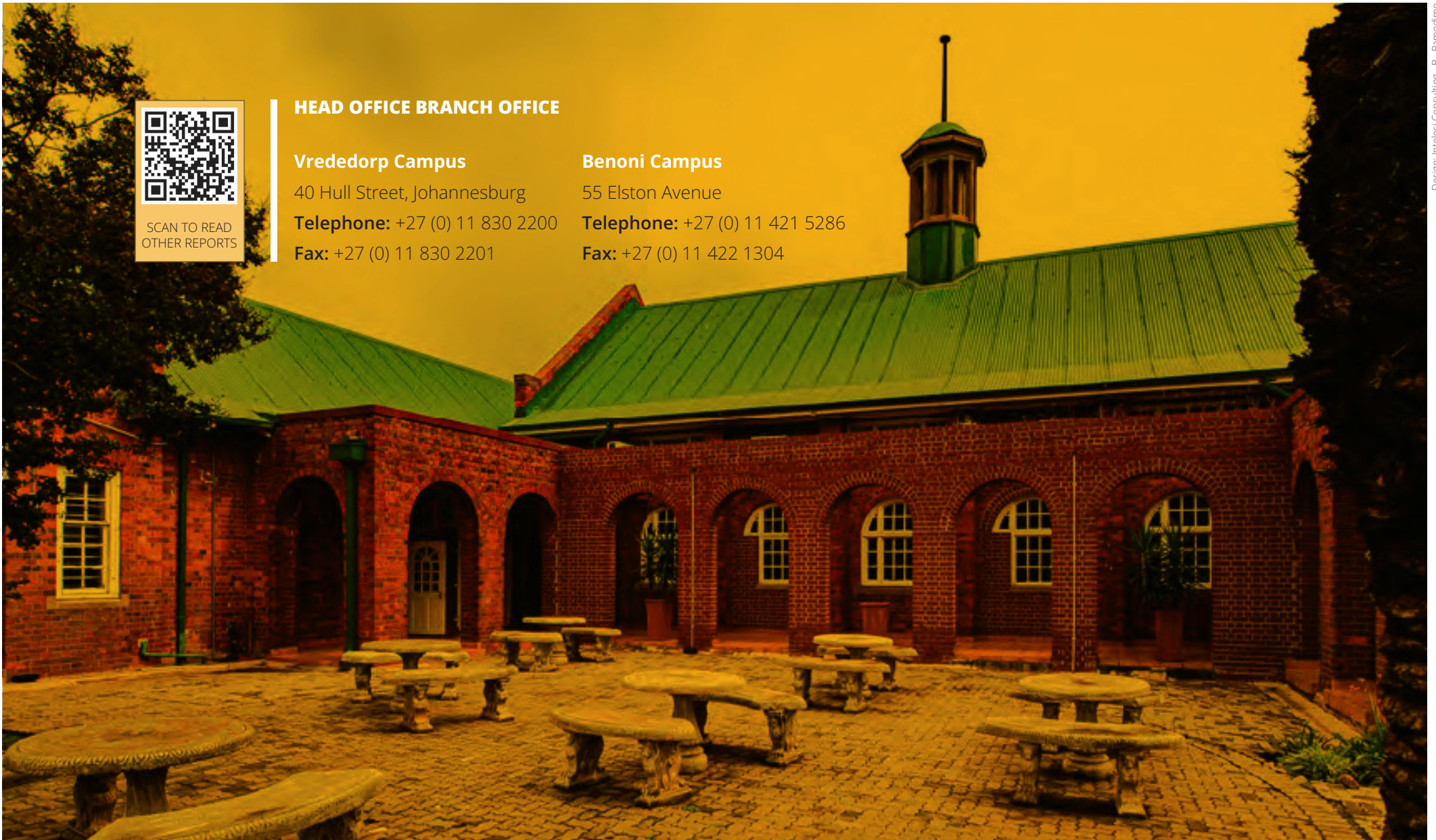
**Fax:** +27 (0) 11 830 2201

### Benoni Campus

55 Elston Avenue

**Telephone:** +27 (0) 11 421 5286

**Fax:** +27 (0) 11 422 1304



Design: Inteles Consulting - B. Ramodimo