Matthew Goniwe School of Leadership and Governance

ANNUAL REPORT

2019/20

Providing developmental programmes to enhance competence and performance for effective learning in schools

Copyright

CONTENTS

Abbreviations and Acronyms

4IR	FOURTH INDUSTRIAL REVOLUTION
AFS	ANNUAL FINANCIAL STATEMENTS
AGM	ANNUAL GENERAL MEETING
AIDS	ACQUIRED IMMUNODEFICIENCY SYNDROME
BBB	BIG BLUE BUTTON
CATLM	CONTENT, ASSESSMENT, TEACHING & LEARNING METHODOLOGIES
CEO	CHIEF EXECUTIVE OFFICER
CFO	CHIEF FINANCIAL OFFICER
CIPELT	CERTIFICATE IN PRIMARY ENGLISH LANGUAGE TEACHING
CISELT	CERTIFICATE IN SECONDARY ENGLISH LANGUAGE TEACHING
COVID-19	CORONAVIRUS DISEASE 2019
CPD	CONTINUING PROFESSIONAL DEVELOPMENT
DBE	DEPARTMENT OF BASIC EDUCATION
DSD	DEPARTMENT OF SOCIAL DEVELOPMENT
ECD	EARLY CHILDHOOD DEVELOPMENT
e-SSIP	ELECTRONIC SECONDARY SCHOOL IMPROVEMENT PROGRAMME
EXCO	EXECUTIVE COMMITTEE
FAL	FIRST ADDITIONAL LANGUAGE
FET	FURTHER EDUCATION AND TRAINING
FP	FOUNDATION PHASE
GDE	GAUTENG DEPARTMENT OF EDUCATION
GPG TMR	GAUTENG PROVINCIAL GOVERNMENT TRANSFORMATION, MODERNISATION AND REINDUSTRIALISATION
HIV	HUMAN IMMUNODEFICIENCY VIRUS
HOD	HEAD/S OF DEPARTMENT
HR	HUMAN RESOURCES
ICT	INFORMATION AND COMMUNICATION TECHNOLOGY
INTER-SEN	INTERMEDIATE - SENIOR
IQMS	INTEGRATED QUALITY MANAGEMENT SYSTEM
JIT	JUST IN TIME
LMS	LEARNER MANAGEMENT SYSTEM
MEC	MEMBER OF EXECUTIVE COUNCIL
MGSLG	MATTHEW GONIWE SCHOOL OF LEADERSHIP AND GOVERNANCE
MOI	MEMORANDUM OF INCORPORATION

Abbreviations and Acronyms

MST	MATHEMATICS, SCIENCE AND TECHNOLOGY
NDP	NATIONAL DEVELOPMENT PLAN
NPC	NON-PROFIT COMPANY
NQF	NATIONAL QUALIFICATIONS FRAMEWORK
PAM	PERSONNEL ADMINISTRATION MEASURES
POPI ACT	PROTECTION OF PERSONAL INFORMATION ACT
PPM	PROGRAMME PERFORMANCE MEASURES
PSS	PSYCHO-SOCIAL SUPPORT
QMS	QUALITY MANAGEMENT SYSTEM
RCL	REPRESENTATIVE COUNCIL OF LEARNERS
RoS	REORGANISATION OF SCHOOLS
SACE	SOUTH AFRICAN COUNCIL FOR EDUCATORS

SAICA	SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS
SARS	SOUTH AFRICAN REVENUE SERVICE
SGB	SCHOOL GOVERNING BODY
SIAS	SCREENING, IDENTIFICATION, ASSESSMENT, AND SUPPORT
SIP	SCHOOL IMPROVEMENT PROGRAMME
SMT	SCHOOL MANAGEMENT TEAM
SPM	SPEFICIF PROVINCIAL MEASURES
SSIP	SECONDARY SCHOOL IMPROVEMENT PROGRAMME
TLO	TEACHER LIAISON OFFICER
UNISA	UNIVERSITY OF SOUTH AFRICA
VAT	VALUE ADDED TAX

Foreword by the MEC: Gauteng Education and Youth Development

"*Advancing social transformation including quality education.*"

The year under review represents a highlight in our country. It is the beginning of the 6th Administration and the beginning of the final decade towards the country's vision through the National Development Plan 2030.

Education remains one of the most important priorities of the country. Quality education equips people with relevant knowledge, skills and values in order to play a wide range of social and economic roles and to become effective citizens. I am humbled to be entrusted with the Department of Education (and Youth Development) mandate for Gauteng.

At the start of the Administration, we hit the ground running as we vigorously planned for the new term. The result was a document labelled "Education Roadmap 2024" focusing on the long-term priorities of Gauteng, that we hope will make a real difference for our learners, teachers and other education stakeholders. The following comprise Gauteng's mandate for the Sixth Administration:

1. Transforming the economy to serve all people;
2. ***Advancing social transformation including quality education;***
3. Keeping our communities safe;
4. Stepping up the fight against corruption;
5. Re-building and renewing a capable and developmental state;
6. Advancing nation-building and social cohesion; and
7. Building a better Africa and a better world.

Education and Youth Development operate within the second priority, ***Advancing social transformation including quality education***. The focus will be on unlocking the energy and creativity of Gauteng's young and working people, by building their skill and capacity. This is critical for the eradication of poverty, unemployment and inequality.

Our key priorities include:

- Prioritising policies and strategies targeting the achievement of quality teaching and learning outcomes by enhancing the skills and competencies of educators, including the school management team comprising the school principal, deputy principal and subject heads;
- Working to achieve universal access to two years of ECD, namely two years of compulsory quality pre-school enrolment for 4 and 5 year olds before grade 1;
- Appointing adequately qualified educators whose subject content knowledge is at required levels, developing their skills and enforcing accountability;
- Replacing unsafe and inadequate school buildings and sanitation facilities;
- Implementing a mass apprenticeship programme across the economy;
- Implementing innovative ways of assessing learners. through the National Integrated Assessment Framework for Grades 3, 6 and 9 as a replacement for ANA; and
- Amending the curriculum and providing the necessary resources to prepare learners for the 4th Industrial Revolution.

In its 17 years of development and training, MGSLG has shown innovation that actively seeks new and better ways of doing things. Therefore, the Department still considers MGSLG as a strategic partner in the development and training of our teachers, SGB members, SMT members and other education stakeholders. We are in a unique position to work together to enhance and improve our service to the people, making it easier to access development programmes.

I am confident that MGSLG's capability and expertise will assist us in seeing through our vision of ensuring that all learners in Gauteng do well at school and leave their institutions with the values, knowledge, skills and qualifications that will give them the best chance of success in their adult lives.

I would like to thank the Board of Directors for their commitment to the Education and Youth Development community. I look forward to seeing more innovative and progressive projects over the next four years. Through you I am assured that the work of MGSLG will continue to contribute to a brighter future for our learners and communities.

Mr Andrek Panyaza Lesufi (MPL)
Member of the Executive Council – Education and Youth Development

Message by the Chairman of the Board

"The Education Roadmap towards 2024."

As South Africa celebrates 25 years of democracy and enters the next 25 years, the National Development Plan remains the guiding blueprint for the country towards elimination of poverty and reduction of inequalities in South Africa.

The year 2019/20 marked the beginning of the sixth democratic administration for the country. To breakdown the five years of this administration, our principal funder, the Gauteng Department of Education started working on ***"The Education Roadmap towards 2024"*** aimed at making a real difference for learners, teachers, and communities. It links the Department with national and provincial commitments and aligns efforts throughout the education sector.

To address the challenges identified by the NDP and the Province, GDE has the identified Five Strategic Goals and Twenty Priorities that will drive the work of the Sixth Administration and from which MGSLG will underpin its strategy.

These goals are:

Strategic Goal 1: Early Childhood Development (ECD)
Strategic Goal 2: Promote Quality Education across all classrooms and schools
Strategic Goal 3: Create safe schools that embody Social Cohesion, patriotism and non-violence
Strategic Goal 4: Change the Education Landscape to accelerate relevant and quality learning
Strategic Goal 5: To address the needs of Gauteng Youth through development programmes and increasing youth Employability

Policy Review

An annual policy review was conducted and the following policies were established or amended and approved:

- Stakeholder Engagement Policy – new policy
- Corporate Governance Policy – new policy
- Finance Policy
- Human Resources and Remunerations Policy and
- Delegations of Authority

Strategy

In aligning our strategy with the priorities of the province and the country the Board of Directors also reviewed the institutional strategy to ensure the needs of the funder are adequately taken care of.

Following the review of the strategic plan, a set of ten strategic goals emerged:

- SG 1 Early Childhood Development (ECD)
- SG 2 Promote Quality Education across all classrooms and schools
- SG 3 Create safe schools that embody Social Cohesion, patriotism and non-violence
- SG 4 Change the Education Landscape to accelerate relevant and quality learning
- SG 5 Quality Assurance
- SG 6 Research and Innovation
- SG 7 Monitoring and Evaluation
- SG 8 IT and Physical Infrastructure
- SG 9 Funding and Partnerships
- SG 10 Finance & Cost optimisation

Changes to the Board

The Board of Directors continues to provide solid governance and overall oversight on institutional performance. We continue to model and observe good governance as we shape our Board with the right people to assist in our strategic work. During the year, we welcomed the following non-Executive Directors to the Board:

- Mr. Bonolo Ramokhele
- Mr. Mandlenkosi Masingi
- Mr. Samson Mthombeni
- Ms. Catherine Constantinides
- Ms. Nompendulo Mkhatshwa who resigned later in the year
- Mr Errol Magerman
- Ms. Tlangi Mogale and
- Mr Maupe Matjila

Sadly, we lost our Chairman of the Board, Mr. Gregory Malebo who passed away on 24 January 2020. I was subsequently appointed the Chairperson of the Board effective 24 February 2020.

Changes to the Executive Team

Following the resignation of three Executives in the previous year, and vacant positions in the structure, the Board commissioned a vigorous recruitment drive to capacitate the institution. This led to the appointment of:

- Ms. Slindo Shamase as the Chief of Programmes and Institutional Strategy Development,
- Dr. Lindiwe Ginya as the Head of Teacher Development and ICT programmes;
- Ms Patricia Maloka as Director Business Development,
- Ms. Kgaugelo Mkwebane as Director Research, Planning and Quality Assurance,
- Dr. Dempsey Noge as Director School Governance,
- Mr. Victor Ngobeni as Director Leadership and Management and
- Mr. Handson Mlotshwa, who was promoted to Director ICT Programmes; an internal promotion as part of our succession planning strategy. These are critical positions in terms of programme delivery.

Dr. Anusha Naidu who held the position of Head of Leadership and School Governance Programmes, retired on 30 October 2019. We wish her a well-deserved and happy retirement.

Matthew Goniwe Memorial Lecture

Since the resuscitation of the annual Matthew Goniwe Annual Memorial Lecture two years ago, we continue to celebrate this legend through this lecture. The 2019 Matthew Goniwe Annual Memorial Lecture was held in partnership with the Gauteng's 20th National Teachers' Awards, with the intention of bringing public attention to the positive aspects of basic education. The aim of the partnership was to raise the public image of the teaching profession, recognise and promote excellence in teaching performance, honour dedicated creative and effective teachers and schools, and encourage best practice in schools.
The event was a resounding success, attended by various partners and stakeholders in the education sector, as well as the families of Matthew Goniwe, Fort Calata, Sparrow Mkhonto and Sicelo Mhlauli, the Cradock Four members.

Future Outlook

At the 2018/19 Annual General Meeting, the member gave the Board and Executive Management a few mandates to consider moving the institution forward. The Board resolved it critical for MGSLG to undergo the process of strategic repositioning in order to grow its brand and establish a national footprint. The Board deliberated on the following to guide the development of a new strategy towards 2024.

a. Repositioning of MGSLG as a Higher Education Institute;
b. Establishment of a broader role within the SGB election process in Gauteng;
c. Enhance the current ECD programme offering towards achieving universalisation of Grade R and expanding Grade RR access;
d. Expansion of the flagship ICT-integration in classrooms training programme, given the fast-approaching 4th Industrial Revolution (4IR);
e. Revenue diversification with the goal of having more sustainable revenue sources ; and
f. Corporate services in terms of better ICT infrastructure, office building and HR strategy to support the repositioning.

MGSLG is well positioned for this journey. A focussed holistic product offering, provincial presence and significant investments in research and innovation in recent years on our ICT programme provide a strong foundation to build on. Digitalisation and further automation also present new opportunities to work with our stakeholders to advance training and professional development.

We also commissioned an international institutional benchmarking project which was executed from the previous year. The report from this project will be used to inform the repositioning strategy process and help expand our programmes through partnerships with some key institutions internationlly.

MGSLG needs to reposition itself strategically to be a Public Higher Education institution with Diverse and Multiple Revenue Streams to enable Growth and Sustainability. We wil therefore be conduting a feasibility study for this "Institutional Repositioning and Functional Re-engineering" aiming to establish sound principles, processes and a vision for development that are robust enough to guide direction for the future, while being flexible enough to accommodate change over time, recognize new ideas and respond to changing education practices and technologies.

On behalf of the entire Board, we are very proud of the MGSLG team and its willingness to embrace change. Across the organization, our people are working hard to try and meet our set targets, exploring new ideas and committed to fulfilling our mandate. I want to thank each member of the team for all their hard work this year.
I am grateful to the member, Honourable MEC Panyaza Lesufi for the opportunity he offered me to lead the organisation. To my fellow Board members, thank you for your commitment, guidance, valuable input and wise counsel throughout the year. I appreciate each of you and I believe we will continue to execute well on our priorities, legislated responsibilities and offer our stakeholders quality programmes we can all be proud of.

Tšĕliso Ledimo
Chairman of the Board

Board of Directors 2019/20

The Board of Directors for the Period Comprised the Following Non-Executive Directors

Mr. Tšěliso Ledimo

Mr. Gregory Malebo
Deceased (24/01/2020)

Ms. Violet Ntsali

Mr. Bonolo Ramokhele

Mr. Mandlenkosi Masingi

Mr. Manaha Matakanya

Mr. Joconia Matabane

Mr.Alex Mdakane

Ms. Lorraine Makola

Mr. Tshidiso Saul

Ms. Edith Mkefa

Mr. Errol Magerman

Mr. Bengeza Mthombeni

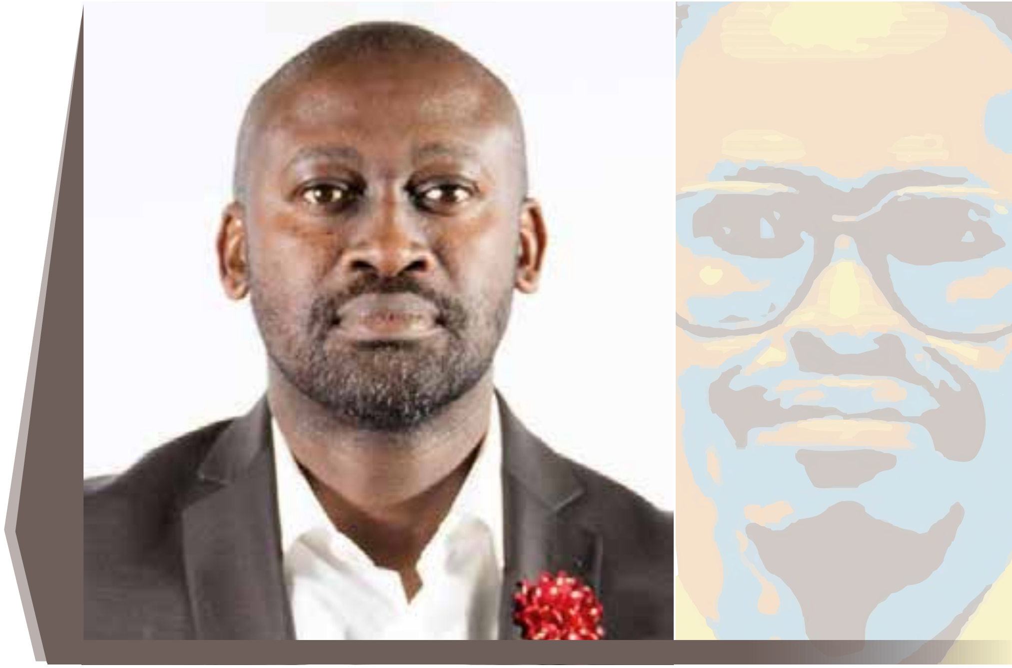
Ms. Catherine Constantinides

Ms. Nompendulo Mkhatshwa
Resigned (13/09/2019)

Mr. Maupe Matjila

Ms. Tlangi Mogale

Chief Executive Officer's Report



> **" *Together, we are transforming the way teaching and learning takes place in our schools* "**

I would like to begin by expressing my gratitude for the continued trust and support of our Member, Honourable MEC Panyaza Lesufi, the Board of Directors, the Head of Department of Education, the Chief Finance Officer, the Deputy Director General: Curriculum Management Delivery and Development, the Deputy Director Education Support, Chief Directors and Directors within the Gauteng Department of Education, project management and implementation teams, partners, the MGSLG executive team, employees and all our stakeholders. Together, we are transforming the way teaching and learning takes place in our schools

As the year under review began, there were a number of vacancies from the previous financial year. The year also closed off under a dark cloud brought by the COVID-19 pandemic, as we saw the country go into a lockdown. On 5 March 2020, the Minister of Health, Zweli Mkhize, confirmed the first known case of COVID-19 infection in South Africa. Later in the month, the President of the Republic of South Africa, Cyril Ramaphosa, was compelled to declare a national state of disaster and institute a national lockdown. The MGSLG executive team was quick to develop a business continuity plan to see us through the pandemic and operationalise what will be the new normal.

Despite these, the following successes can be highlighted.

Establishment of the Business Development Unit

A new unit Business Development has been established as per the approved organisational structure. The unit's functional areas will focus on

- Business Development
- National footprint strategy
- Revenue Diversification and sustainability
- Corporate Marketing and Communication

Human Resources/People

Stemming from the much-needed recruitment drive, our organisational structure has been filled to 86%. This is a total of 186 out of 217 positions on the structure filled. This included the filling of the following critical positions that were new or became vacant the previous financial year:

- Chief of Programmes and Institutional Strategy Development (New)
- Head Teacher Development and ICT programmes
- Director Business Development (New)
- Director Planning, Research and QA
- Director School Governance
- Director Leadership and Management
- Director ICT Programmes
- Manager Human Resources

As part of our job creation strategy, we also managed to absorb ten interns into the organisation who fill various entry level positions and administrative posts.

We commissioned an Employment Equity Report for 2020 to 2023. This was completed and approved by the Board. The report will inform recruitment processes moving forward. We also finalised the Human Resources Strategy and Succession plan. These were also approved by the Board for implementation.

Research and Innovation

The institutional research agenda and plan were approved by the Board in January 2020. The research plan highlights various areas that the MGSLG will be engaged in to preserve and contribute to the academic body of work/world knowledge. The plan will see the institution signing partnership agreements with other institution of higher learning to improve the quality of research in the education landscape and also to influence policy matters.

MGSLG also undertook a research study where the non-participation of parents in SGB elections was investigated. The study provided the Institution with an insight on the new approach to SGB elections and the recommendations will be implemented in the next SGB Elections.

Quality Management System

During the period in review, ten institutional QMS Champions were appointed and trained. This is inline with improving quality in the work that we deliver. They were all deemed competent and will be able to develop and implement a total quality management system in terms of ISO 9001:2015 requirements.

Monitoring and Evaluation

An institutional monitoring and evaluation framework that will guide all processes in the institution has been developed. The framework will also assist the institution to develop its own capacity for future monitoring and evaluation projects.

The following evaluation projects were conducted in the period:

- Impact evaluation of the Secondary School Improvement Programme (SSIP) and
- Impact evaluation of the ICT Programme.

Data Management and Reporting

Throughout the years there have been discrepancies in terms of data management and reporting. This necessitated the implementation of a verifiation system that is now fuly functional and guarantees accurate and reliable reporting. It also contributes to a better Quality Management System.

Institutional ICT

This is one major area where we have been struggling for the past two years, ICT infrastructure and support. We are working towards improving this functional area and we have decided to prioritize it in the new strategy. The team has been further capacitated by two ICT specialist who will help the unit advance their work.

Nonetheless, the following ICT projects were implemented during the year:

- *ICT Enterprise Architecture* - An assessment review of the MGSLG ICT Enterprise Architecture was conducted. A report identifying gaps to be addressed was developed and discussed for implementation. Implementation has, so far, enabled the functioning of Microsoft Office 365 Teams and development of the Intranet.
- *Learner Management System* - The objective of the Learner Management System (LMS) is to streamline paper-driven processes and to assist with data use in the management of training programmes. This system will improve performance and operational effectiveness and data use for decision making, creating institutional intelligence. The LMS will be instrumental in our strategy towards implementing online and blended learning. The project development was commissioned early in the year and has been completed.

Executive Committee (Exco) Members 2019/20

The Executive Committee for the Period Comprised the Following Executives:

Adv. Thulani Makhubela
Chief Executive Officer

Mr. Sibusiso Mahlangu
Chief Finance Officer

Ms. Slindo Shamase
Chief of Programmes
& Institutional Strategy

Mr. Matime Papane
Head: Corporate Services

Dr. Lindiwe Ginya
Head: Teacher Development &
ICT Programmes

Dr. Anusha Naidu
Head: Leadership and SGB
(retired – October 2019)

Mr. Sipho Dlamini
Director: Teacher Development

Mr. Victor Ngobeni
Director: Leadership &
Management

Dr. Dempsey Noge
Director: School Governance

Mr. Handson Mlotshwa
Director: ICT Programmes

Director: Research Planning & QA

Director Business Development

Company Secretary

About the Report

Our 2019/20 Annual Report aims to provide the Member, MEC for Gauteng Education; main funder, the Gauteng Department of Education, partners and other stakeholders with a comprehensive perspective of the past year performance, as well as giving insight into our business strategy and future prospects. It reflects on MGSLG's activities for the year ended 31 March 2020.

Statement of Responsibility and Confirmation of Accuracy

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

a. All information and amounts disclosed throughout the annual report are consistent.
b. The annual report is complete, accurate and is free from any omissions.
c. The financial statements have been 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.
d. The Chief Finance Officer is responsible for the preparation of the Annual Financial Statements
e. The Chief Executive Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements
f. The external auditors are engaged to express an independent opinion on the annual financial statements

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 2020.

Adv. Thulani Makhubela
Chief Executive Officer

ORGANISATIONAL OVERVIEW

SECTION 1

Organisational Overview

About Us

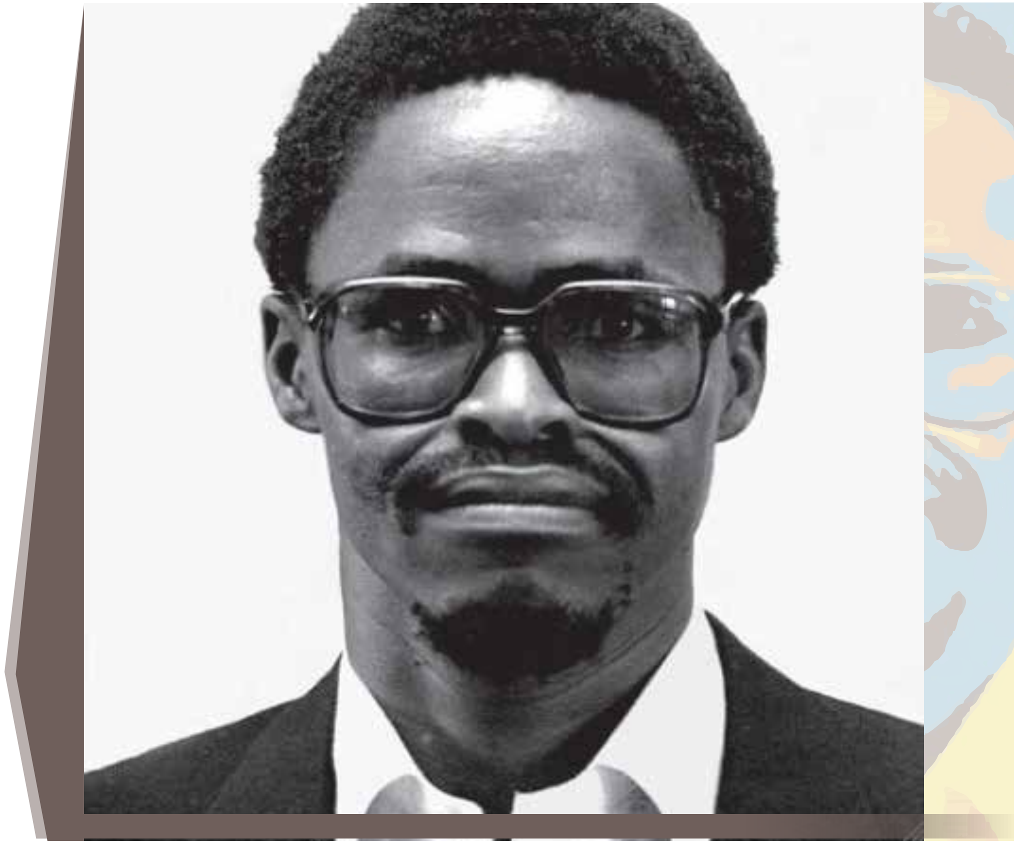
The Matthew Goniwe School of Leadership and Governance (MGSLG) "NPC", is a Non-Profit Company incorporated terms of Section 21 of the Companies Act, No 63 of 1973, which has now been replaced by the Companies Act 71 of 2008 ("the Companies Act"), with registration number 2002/025756/08.

It was established to research, develop and deliver cutting edge capacity building programmes in the areas of **school management & leadership, school governance and teacher development**. MGSLG expanded its scope of work into ICT in Education to remain relevant towards the needs of the country and recently included development of Early Childhood Development Practitioners to our work. Our objective is capacity building of School Management Teams (SMT), School Governing Bodies (SGB), Representative Council of Learners (RCL) and Youth, Department Officials, Teachers and other stakeholders in Education for improved teaching and learning in schools.

The 1996 Education Management Development Task Team commissioned by the first Minister of Education, Professor Sibusiso Bhengu, recommended the setting up of national and provincial management institutes as a strategy to ensure that school leaders and governors were given access to programmes that could capacitate and support them in the execution of their duties.

In 2002, a document titled '***Establishing an Academy for Educational Leadership in Gauteng***' or what became known as ***'The Road Less Travelled'*** put forward a cohesive argument for the establishment of a management and governance academy in Gauteng. Based on that concept, the Matthew Goniwe School of Leadership and Governance (MGSLG) was established in 2002 and officially launched in August 2003.

Historical Context: Why the Name Matthew Goniwe?



Matthew Goniwe was a teacher hailing from Cradock in the Eastern Cape. His widow, Ms Nyameka Goniwe, describes him as a sensitive, down-to-earth man who loved to affirm people. A close family friend recalls him fondly as "a man who loved music, people and ideas". He introduced discipline in schools, gaining the respect of the "children, parents and teachers alike". This suggests that he was a teacher through and through. It is important to note that the name of the institution has been derived from a man who was the embodiment of high ideals, civic values, and strength of character. Here was a teacher who held his profession in high esteem and who was passionate about his work, continuing to develop himself further over time.

Matthew Goniwe's high ideals shone through as he practised, taught, and led in schools like Sam Xhalile High in Graaff Reinet. He was a leader in education - a teacher loved by learners, parents, and the community.

To keep alive the legacy of dedicated leadership, passionate teaching and community participation, the ***Academy for Educational Leadership in Gauteng*** *was named*

> ***"Matthew Goniwe School of Leadership and Governance."***

It is important to note that the name of the institution has been derived from a man who was the embodiment of high ideals, civic values and strength of character.

The Life of Matthew Goniwe

Matthew Matewu Timothy Goniwe is the son of David Goniwe of AmaMpondo, Thahla, Nyawuza Clan and Nomakula Goniwe of the AmaMpondo, Mawawa lineage. He is the last of this couple's eight children, six boys and two girls.

He was born in the old Cradock location in a section called Emagqubeni on 26 December 1947.

Education

In 1953, Matthew Goniwe began his schooling at the St James Primary school, established and administered by Canon Arthur James Calata as an alternative to Bantu Education. One of his brothers, Jamani Jacques Goniwe, had a political influence on him from a very early age. As a result, Matthew joined the ANC in 1958 and also studied the teachings of the Communist Party of South Africa (CPSA) under the guidance of his elder brother Jamani, who was a member of the CPSA and the Secretary of the ANC Youth League Cradock branch. He attended political education gatherings under the revolutionary and visionary leadership of Canon Arthur James Calata at Freedom Square.

In 1960, while still in primary school, Matthew was recruited into the local Communist Party branch by his brother and mentor Jamani. He attended underground political classes of the ANC and the CPSA as both these organisations were banned at the time. His brother Jamani had by this time joined the ANC in exile, linking up with its armed wing Umkhonto We Sizwe.

From 1961 to 1963, he completed part of his high school education at the Cradock Bantu secondary school, a community school built on the back of donations by the Cradock community under the leadership of Canon Arthur James Calata, Matilda Calata and other community leaders. It was at the time as a student at the Bantu Secondary School that he became a member of the Male Voice conducted by his elder brother Velile Nelson Goniwe, an active member of the ANC and the ANC Youth League.

Matthew joined the local boxing club, and also became a member of the Cradock Male Voice Choir.

From 1964 to 1965 he completed his high school education at Healdtown College near Fort Beaufort in the Eastern Cape. He got involved in the Moral Regeneration Movement and played a role in organising small school strikes.

Fort Hare University

He passed his matric (Grade 12) at Healdtown in 1965. From 1966 to 1967 he embarked on full time studies at Fort Hare University, sitting for a South African Teacher's Diploma (STD). He majored in Mathematics, Education and Natural Sciences (Physics and Chemistry). At this time, Steve Biko's Black Consciousness Movement (BCM) was at its formative stages. Matthew was attracted to Biko's vision which espoused the view that Africans should learn to develop themselves and avoid the so-called 'dependency syndrome.'

Matthew was soon immersed in debates of black consciousness with other students. Parallel to this, there were other spirited discussions as the period coincided with socialist revolution playing out in Vietnam. He was also drawn to the teachings of Frantz Fanon and Amilcar Cabral.

Matthew the Teacher

From 1968 to 1972, he taught Mathematics and Science at the Cradock Bantu secondary school. Matthew was an exceptional teacher, and his learners excelled in the subjects he taught. Some of his students went on to become doctors, teachers, community leaders and business people.

He integrated politics in his lessons, spurred on by the view that learners should understand how they were oppressed and that education was the key to liberation.

During 1972 Matthew taught at Sithebe Secondary School within the Dutywa area not very far from Mthatha, the capital town of the then homeland of Transkei. During the same year, he met Meluxolo Silinga with whom later along with Dumisa Ntsebeza, Lungisile Ntsebeza and Michael Mgodolozi, formed a Marxist cell.

In January 1973 he joined Holomisa High school at Mqanduli in the Bityi Village about 40 kilometres from Mthatha. The principal was John Hlekani, an ANC stalwart from Cradock, who once taught Matthew at Cradock Bantu Secondary school at the time he was the Principal there.

Holomisa High School was housed in a dilapidated church building. Matthew, whose reputation was growing as a progressive teacher and transformative intellectual, worked with the local community to transform the building into a structure suitable for educational purposes. He also established a feeding scheme assisted by a businessman friend from Port Elizabeth.

His motivation for pursuing this project was to counter the negative effect and impact poor backgrounds were having on the education of students from impoverished areas. In tune with the sociological and financial problems experienced by the students, He further set up a choir, boxing club, soccer and rugby clubs, as well as a debating society at the school.

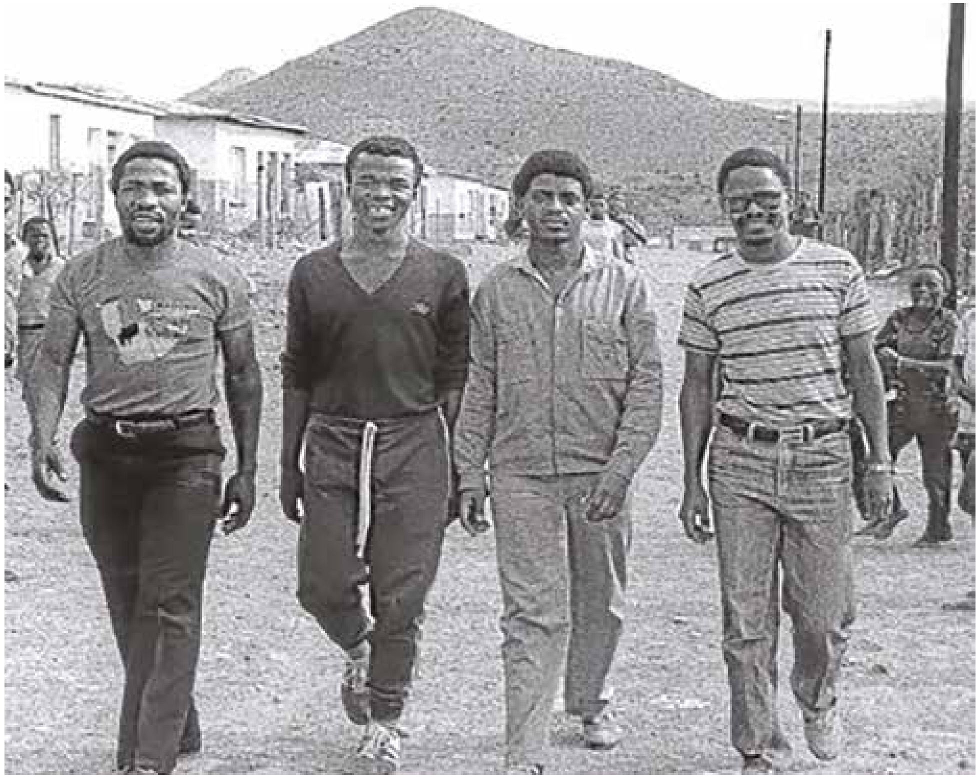
At the beginning of February 1972, he left his teaching post at Cradock Bantu Secondary School so that he could pursue a Bachelor of Science Degree at the University of Fort Hare for which he had applied the previous year. However, having already been accepted, he was shocked to learn that the spaces for the BSC degree in Mathematics and Natural Sciences were reserved for young applicants straight out of high school. He then had to settle on a teaching post and he began his search.

Husband and Father

In 1975 Goniwe married Nyameka who was a nurse and later qualified as a social worker. They had two children, Nobuzwe and Nyaniso. . Nyameka and Matthew loved music and also loved working with people, they had talent in both activities.

Marxist Cell Movement Leader

Having established a Marxist cell movement with Dumisa Ntsebeza, Lungisile Ntsebeza, Meluxolo Silinga and Michael Mgodolozi, Matthew was committed to the establishment of a democratic society in South Africa. This was also the vision of their Marxist cell movement which they later called the 'Peoples' United Front for the Liberation of South Africa'.



They used the forum to agitate for a revolutionary climate in South Africa, establishing Marxist cells in educational institutions such as Fort Hare, and in towns such as Mqanduli, Mthatha, Whittlesea, King Williamstown and beyond. Matthew was fast gaining a reputation as a respected political teacher of liberation education. He believed in the views of Paulo Freire.

In 1975 however, Dumisa, Lungisile, Meluxolo and Michael were arrested. Matthew was arrested in July 1976. They were held in detention in Wellington Maximum Prison, in Mthatha till their case was decided in court in September 1977. They were sentenced to four years in prison under the Suppression of Communism Act. Michael was handed a four-year suspended sentence.

Matthew was released from prison in August 1981. He was head-hunted for a teaching post at Nqweba High School in Graaff Reinet. He was both the Acting Principal and Head of Department: Science and Mathematics.

In January 1983, he was appointed as principal at Sam Xhali Secondary school in Lingelihle Township in Cradock. Fort Calata was a teacher there. Matthew promoted unity and a culture of teaching and learning in this school. He would visit learners at home to see first-hand how their backgrounds affected them at school. He would help students at home, especially those experiencing learning difficulties in Maths and Science.

He started political underground activities at the behest of the exiled ANC. He conducted political education classes in preparation for the establishment of people's organs of power. He introduced trustworthy activists to the theory and concepts of the national democratic revolution which included personal discipline, organisational discipline and revolutionary discipline. Matthew linked theory, practice and ethics to his sessions.

On the 20 August 1983, a broad church of organisations across South Africa joined forces and launched the United Democratic Front (UDF), opening a new front in the fight against apartheid. The Lingelihle community became part of the UDF through the Cradock Residents Association (CRADORA), with Matthew as Chairman.

He was at the forefront of fighting high rents, apartheid local government structures (Black Local Authorities), and the Tricameral Parliament. Under Matthew's leadership, CRADORA became very vocal in its opposition to the National Party regime's racist policies and it soon appeared on the radar of the ruthless apartheid state.

Matthew worked tirelessly to motivate people to be agents of change and to embody the vision of a new non-racial democratic South Africa. He successfully pushed for the formation of street committees and area committees, part of what became known as the Goniwe-Plan (G-Plan), a strategy which the UDF adopted at a national level.

Matthew's Detention

At the end of 1983, Matthew received a letter transferring him back to Nqweba High school to start teaching there in January 1984. He rejected this transfer, with the Lingelihle community firmly behind him. Students boycotted classes against Matthew's transfer to Nqweba. On the 31 March 1984 Matthew Goniwe, Fort Calata, Madoda Jacobs and Mbulelo Goniwe were detained under the Internal Security Act of 1982 on the suspicion they were instigators of the school boycotts which directly and indirectly led to further school boycotts across South Africa. There was mounting pressure on the government to release Matthew and the three other leaders.

The school boycotts saw a dramatic transformation as students expressed demands for a new, democratic South Africa. Matthew was dismissed from teaching whilst in detention. The four were released from detention in October 1984. The school boycott was called off on 8 April 1985.

Ever the visionary tactician, Matthew Goniwe saw the school boycotts as a victory over apartheid in that it mobilised people in their numbers into the national democratic struggle against apartheid. This is the vision Matthew was prepared to be imprisoned for, the ideal Matthew Goniwe was prepared to die for.

Matthew the UDF Organiser

On 1 March 1985 Matthew was appointed a UDF organiser. He had to establish liberation associations/civic organisations, sector organisations and people's organs of power (street and area committees) within oppressed communities. He did this in 56 towns or areas. This angered the apartheid state which on 25 May 1985 besieged Lingelihle with military commandos and with a low range flying helicopter above Lingelihle challenging Matthew's leadership and threatening him through a loudspeaker. The move, however, only made Matthew more resolute to fight the racist and divisive apartheid system.

Celebrating the Freedom Charter

On 26 June 1985, CRADORA celebrated 30 years of the adoption of the Freedom Charter by the Congress of the People in Kliptown in 1955, with Matthew delivering the keynote address at the gathering.

The next day, 27 June, Matthew Goniwe, Fort Calata, Sparrow Mkhonto and Sicelo Mhlawuli went, travelled to Port Elizabeth, in Matthew's Honda Ballade, to attend a provincial meeting of the UDF in Gelvandale. The meeting dragged on the whole day and went on into the night. While travelling home that fateful evening, they were stopped just outside Port Elizabeth, in the bushes of Bluewater Bay.

The four men, which became known as the Cradock Four, were brutally killed by apartheid security agents. During the 1996 TRC hearings, Matthews's widow, Nyameka Goniwe, told the Commission Matthew received death threats and was constantly harassed by security police.

Slain anti-apartheid activist and teacher Matthew Goniwe believed teachers had to act as transformation intellectuals both in the classroom and in their communities. He believed that before you are a teacher, you are a member of the community [and therefore] you must be rooted in the community. To him there was no boundary between formal and informal education," says Prof Duka who published the book Matthew Goniwe on a South African Frontier. The book chronicles Goniwe's development as a highly politicised student to a teacher and community activist who was passionate about ethical values.

Our Vision, Mission and Values

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

"To be the Leading Development Institute in the Education Sector."

In support of our vision, we define our mission as follows:

"MGSLG provides quality development learning programmes in the education sector, measured against the best internationally, and using a blended approach, to enable quality teaching and learning."

Values and principles have the powerful effect of mobilising everybody in the organisation to successfully implement the vision, mission and goals. MGSLG values are:

- **Accountability**
- **Collaboration**
- **Efficiency**
- **Innovation**
- **Integrity**
- **Professionalism**
- **Ubuntu**

Legislative and other Mandates

Constitutional Mandates

The Constitution mandates the government to provide compulsory basic education to all learners. To fulfil this constitutional mandate, supporting legislation has been drafted.

MGSLG was established to support the GDE in fulfilling its role in Gauteng. It is an agency of the GDE established to research, develop and deliver cutting edge capacity-building programmes in the areas of School Management and Leadership, School Governance and Teacher Development. The relationship between MGSLG and the GDE is regulated by a Memorandum of Understanding ("MOU") , renewable every five years.

Legislative Mandates

Whereas the MOU regulates and provides the context and mandate for MGSLG's operations, various national and provincial legislative, strategy and policy frameworks give effect to how the mandate should be implemented. In developing the strategy of MGSLG it is important to understand the relevant policies and strategies of the national and provincial spheres of government, and then to frame the work of MGSLG in the context of the The following legislation and policies specifically inform the work and focus of MGSLG;
requirements of the GDE.

National

- Constitution of the Republic of South Africa,
- National Educational Policy
- The National Development Plans vision 2030
- Education Vision 2025
- The Basic Education Sector Plan
- Integrated Strategic Planning Framework for Teacher Development 2011-2025
- South Africa Schools Act

Provincial

- Gauteng Schools Education Act as amended
- Gauteng Education Policy Act as amended

Figure 1: Legislative and Policy Mandates

The above-mentioned legislation and policies are not exhaustive, and it is recognised that MGSLG must comply with all national and provincial legislation and regulations, and all municipal by-laws, applicable to its functions or the area in which it operates.
Based on the above mandate and policy framework, MGSLG vision, mission and values have been formulated to provide overall direction and inspiration in meeting and exceeding the objects of the mandate

MGSLG's Mandate and Strategic Alignment

For the sixth administration, GDE has developed a new strategy and produced the Education Roadmap as the guiding document and as such the document from which MGSLG draws its own strategic direction.

MGSLG Mandate

Figure 2. Depicts the alignment that now informs MGSLG's Focus Areas, linked to and informed by the Five GDE Strategic Goals and Provincial Priorities.

GPG Priorities

	GPG Seven Priorities
Pillar 1	Transforming the economy to serve all people
Pillar 2	Advancing social transformation including quality
Pillar 3	Keeping our communities safe
Pillar 4	Stepping up the fight against corruption
Pillar 5	Re-building and renewing a capable and developmental state
Pillar 6	Advancing nation building and social cohesion
Pillar 7	Building a better Africa and a better world

GDE Strategic Goals

	GDE Goals
Goal 1	Early Childhood Development (ECD
Goal 2	Promote Quality Education across all classrooms and schools
Goal 3	Create safe schools that embody social cohesion, patriotism and nonviolence
Goal 4	Change the Education Landscape to accelerate relevant and quality learning
Goal 5	To address the needs of Gauteng Youth through development programmes and increasing youth Employability

MGSLG Mandate

MGSLG`s Focus Areas

1 Early Childhood Development
- ECD Practitioners
- Digital Literacy

2 Teacher Development
- Teacher Training From Foundation to FET Phase
- Inclusive Education

3 Information Communication & Technology
- Integration of ICT in teaching and learning

4. School Leadership and Management
- District Development and Support
- School Leadership training
- School Management Team Training and Support

5. School Governance Development and Support
- SGB Training
- Parental Support
- RCL Training and Support

Figure 2: Alignment of MGSLG to Provincial Priorities and GDE Goals

PROGRAMME DELIVERY

SECTION 2

Programme Delivery

For the 2019/2020 Financial Year, MGSLG had nine Performance Measures (Programmes) to deliver:

SPM103 Number of curriculum development facilitators trained

SPM 201 Number of teachers trained in technical subjects, Science, ICT incl. curriculum content, instructional skills, assessments and the use of resources

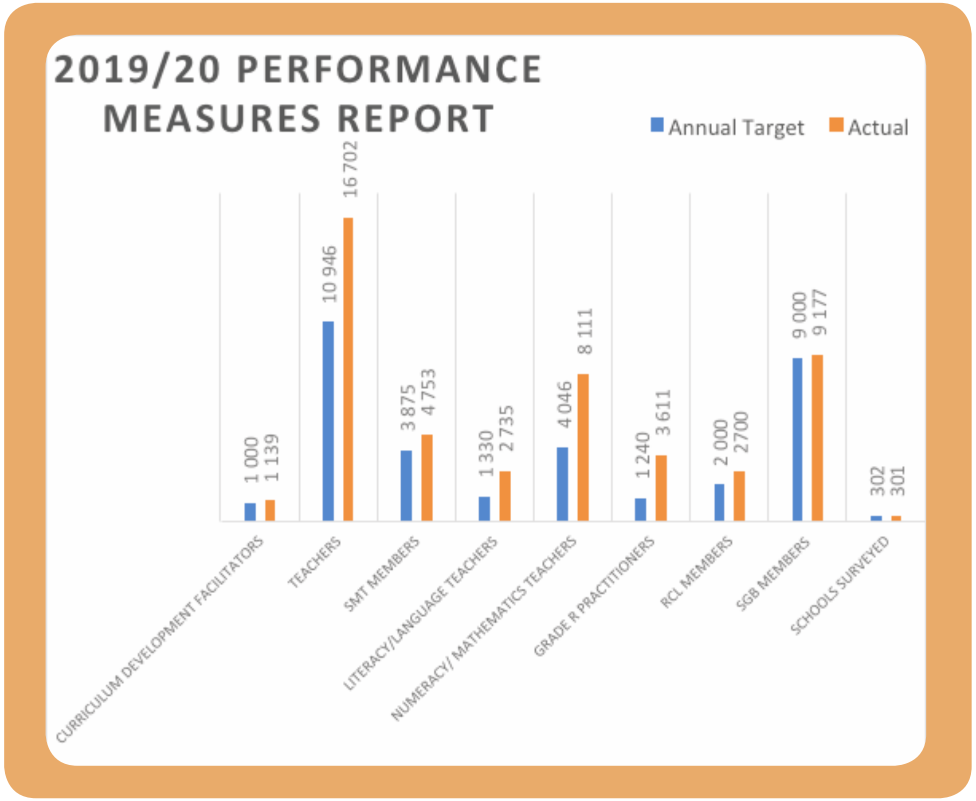
SPM 202 Number of School SMT members trained

PPM 206 Number of teachers trained in Literacy/Language content and methodology

PPM 207 Number of teachers trained in Numeracy/ Mathematics content and methodology

SPM 502 Number of Grade R Practitioners enrolled for training and trained

- **N/A** Number of RCL members trained
- **N/A** Number of SGB members trained
- **N/A** Number of schools surveyed



Within the nine programmes were a total of 56 projects, in all the nine selected performance measures targets were met. Out of the 56 projects rolled out, 40 projects reached their targets, with 36 of the 40 exceeding the targets. For various reasons, 16 projects did not reach the target.

Programme Delivery Highlights

Primary, secondary, tertiary, and further education are crucial for addressing poverty and inequality. The psychosocial wellbeing of learners from early childhood to higher education is also central to the success of a good quality education system.

The MGSLG aims to deliver internationally comparable leadership, management, school governance, and educator training programmes, with learner attainment as the main outcome.

The institution's mission is to provide departmental officials, principals, deputy principals, School Governing Bodies (SGBs), Representative Councils of Learners (RCLs), Heads of Departments (HoDs), educators and Early Childhood Development (ECD) practitioners with development and support. This development and support follows the 10:20:70 principle, combining theory, practice, and workplace integration. The focus is on innovative approaches, blended methodologies, and emerging trends in the field. The institution strives to bring innovation to all the programmes delivered.

The initiatives delivered in 2019/2020 are highlighted in this section of the report.

Programme Partnerships

The MGSLG strives to foster strategic partnerships of mutual interest for the delivery of its programmes. This year, the institution delivered the following programmes through partnerships:

- SGB Financial Management capacity building, in partnership with the South African Institute of Chartered Accountants (SAICA)
- RCL training, in partnership with the University of South Africa (UNISA)
- ICT Networking, in partnership with the United Nations Educational, Scientific and Cultural Organization
- Teacher training of CIPELT/CISELT programme in partnership with the British Council
- Teacher training of Maths, Science and Technical subjects through the Sci-Bono Discovery Centre

Curriculum Review and Design

Effective curriculum processes take place in a continuous cycle from needs analysis to evaluation. The MGSLG's curriculum design and development process establishes a system of rigour in ensuring the delivery of high-quality training and support programmes.

The process is developmental, and learner focused. It embeds a developmental perspective, which states that instruction must be planned and conducted from the learners' point of view. Further, to ensure an inclusive approach, the curriculum design and development process is equitable and accessible to teachers with special educational needs.

The MGSLG believes in lifelong learning and delivering accessible, differentiated, decentralised, needs–driven, quality, cost-effective and practice-based training. Each MGSLG programme, based on adult learning principles, consists of:

- 10% theory-based learning
- 20% practice-based learning
- 70% workplace integrated learning

A move towards a blended approach has started, which integrates technology across all the programmes. Programmes are designed as face to face, fully online, and a hybrid of face to face and online.

Facilitator Development Programme

At the beginning of the year, we recruited 67 ICT trainers and 6 ICT Coordinators as part of the ICT programme. A needs analysis was conducted amongst the trainers and they were taken through an intense three-week orientation programme. These trainers support ICT schools in the province.

A total of 154 ICT schools have been supported by this cohort of 67 ICT trainers.

MGSLG also ran a variety of programmes for Curriculum Facilitators targeting district officials as follows:

- ICT for Subject Advisors
- ICT for District Committees
- PD Online
- Assessment Training
- Microsoft Accessibility (Visually Impaired)
- IQMS for district officials
- Grade R protocol
- District Officials programme for Severely Intellectually Disabled learners

School Governing Body Programmes

The National Development Plan calls for the alignment of the interests of all stakeholders to support the common goal of achieving good educational outcomes that are responsive to community needs and economic development. In line with this, it identifies the strategic importance of School Governing Bodies (SGBs).

2019 was the second year of current SGBs' three-year term in office. The following School Governance programmes were delivered:

- **School Financial Management**

  It has been established that most schools are struggling to compile proper Annual Financial Statements (AFS). The MGSLG established a partnership with the South African Institute of Chartered Accountants (SAICA) and the GDE to capacitate School Finance Committees on the preparation of public school financial statements and management of audit and examination processes.

- **School Development Planning**

  This training is key to developing three-year plans based on the vision of the newly elected SGBs.

- **School Improvement Planning**

  School Improvement Programme (SIP) training is critical as schools need to put together their annual plans for the next year.

- **Administration of the SGB Functionality Survey Tool**

  Each year, a survey on the SGB functionality in selected schools is conducted. Through 45 field workers, the 2019 survey reached 301 schools.

- **School Policy Development and Learner Discipline**

  Mediation of school policies and learner discipline procedures for SGB members.

- **Section 17 Governing Bodies (Twinning Schools)**

  The GDE officially launched a "Twinning Programme" in the year, in a move to transform schools and foster social cohesion. This programme is part of the department's wider strategic framework and its "Re-organisation of Schools" strategy.

  The Twinning Programme aims to create an environment for cultural exchange through sharing expertise and resources across suburban and township schools. This will ensure that learners are exposed to peers from diverse socio-economic backgrounds, improve equality of access to high-quality education, and strengthen the quality of education. Another benefit of the programme is that the resources can be shared between schools. Learners and educators can also participate in shared teaching and learning activities, including subject content, and improve learner performance.

  The MGSLG had support sessions with SGBs from the seven pairs of the twinned schools and their respective districts to participate, reflect and present the extent of implementation, challenges and recommendations.

Representative Council of Learners

The programme aims to improve the capacity of RCLs and Teacher Liaison Officers (TLOs) in public ordinary secondary schools to better contribute to a positive learning environment for improved learning in schools. This programme involved:

- Examining the role of the RCLs in contributing to a positive learning environment. Key issues were highlighted and discussed intensively, including the lack of support from school management to RCLs, poor learner attendance, school violence, substance abuse, discrimination and sexual abuse.
- RCLs were encouraged to play a bigger role in pushing for excellence in attaining better results.

This programme is delivered in partnership with UNISA.

Leadership and Management

The quality of leadership and management makes a significant difference to school and learner outcomes. Schools require effective leaders and managers if they are to achieve success and provide a world class education for their learners. The following programmes were delivered to principals, deputy principals, Heads of Departments, and School Management Teams:

- Orientation programme for deputy principals on induction, curriculum management, financial management, teacher induction and support
- Programme for capacitating Foundation Phase departmental heads to lead and manage the Grade R learning environment
- Programme for training School Management Teams on classroom discipline, diversity, human relations, and strategic planning
- Programme for training HoDs on the management of Grade R
- Programme for training facilitators on IQMS

Early Childhood Development (ECD)

The South African government, through various initiatives, strives to ensure all children can access and benefit from a high-quality education. This requires a range of early childhood development services and programmes that support the holistic development of young children.
The MGSLG offers the following early childhood development programmes to Grade R practitioners at public ordinary schools, and pre-Grade R practitioners from community sites registered with the Department of Social Development (DSD):

- Pre-Grade R programme for ECD practitioners on the introduction of the Reggio Emilia approach
- Pre-Grade R 0-4 learning programme that focuses on the National Early Learning Standards and the National Curriculum Framework for Children from Birth to Four, for pre-Grade R practitioners at community sites.
- ECD practitioners NQF Level 4 Further Education and Training Certificate programme
- Grade R practitioners programme on National Protocol on Assessment Guidelines
- Grade R practitioners NQF Level 6 Diploma in Grade R Teaching programme
- Grade R practitioners NQF Level 7 Bachelor of Education: Foundation Phase programme

Information and Communication Technology (ICT) Programmes

In the government's 5th administration, ICT rollout focused primarily on the deployment of ICT resources and infrastructure in schools and districts. The training programmes that were developed and rolled out were mostly device-oriented and generic, as they intended to introduce teachers and other stakeholders to the use of digital technology tools and features. Under the 6th administration, new priorities have been identified, which have been discussed in the Chairperson's message in this report. The MGSLG's ICT programmes are currently being redesigned to address critical and desired needs identified from the needs analysis conducted on the programme. A differentiated training approach has been adopted that focuses on teacher competency levels.

As such, the programmes developed seek to strengthen the use of ICT at institutional and instructional levels, as well as the development of new teaching materials and strategies.

The main target groups are:

- School-based ICT Committees, who are responsible for advocacy, professional development, and asset management
- School Management Teams, who are the custodians of the curriculum at school level and determine how subjects are taught
- School Development Teams, who are mainly involved in teacher appraisal processes through IQMS
- District-based ICT Committees
- Teachers, through in-classroom support
- Teachers receive support and training mainly through the approaches that follow.

ICT - Onsite Support and Training

The purpose of onsite support and training is to provide in-school and in-classroom support to teachers through one on one support and small group training in schools. The teachers are oriented into Digital Literacy course, for which they can accumulate 15 continuous professional development (CPD) points with the South African Council for Educators (SACE). The course is modularised, as the learning journey progresses through beginner, intermediate and advanced modules. This approach ensures that teachers receive 'just-in-time' support and training, and its effectiveness is acknowledged by the Wits E-Readiness Study (2018).

The following activities were provided as part of onsite support and training;

- Support to newly launched ICT Schools

  - Noordgesig Secondary School
  - East Rand School of the Arts (SoS)
  - Protea Glen 2 Secondary School
  - National School of the Arts
  - Soshanguve Engineering School of Specialization

- 4IR Elements Exhibition

  MGSLG participated in a week-long Arts Exhibition titled 4IR Elements, through microwave workshops on coding & robotics, drone technology, developing webpages and using simulation for teaching. The main activity also involved an exhibition of smart class.

ICT - Online Professional Development (MG Online)

The purpose of the MG Online platform is to capacitate teachers with e-learning knowledge and skills. These online programmes were developed to support teachers who have completed the beginner Digital Literacy course offered as a part of onsite support and training. Teachers begin with Technological Literacy, move to Knowledge Deepening, and finally on to Knowledge Creation modules which focus on the development of an online learning environment. Two cohorts of 400 teachers are enrolled to participate yearly on the online platform. Currently, the institution is working on increasing the programme offering as well as capacity to handle more participants.

Four modules of Project-based Learning have been successfully translated into an online course. The course will be offered to (Reorganisation of Schools) RoS schools as blended. The platform has also activated the Big Blue Button (BBB), which enables virtual learning.

ICT - Online Professional Development for District Officials

The online ICT integration course has been offered to Head Office and District Office through the PD Online programme, targeting curriculum support units. The objective is to empower them to better support teachers. As part of the institutionalisation plan, the institution envisages that online facilitation will be offered by relevant district support staff.

Integrated Quality Management System (IQMS) Programme

This programme is aimed at closing the gaps identified for effective performance and teaching in the classroom.

Certificate in Secondary/ Primary English Language Training (CIPELT/CISELT) Programme

The Certificate in Secondary/Primary English Language training course is a programme implemented by the DBE under the auspices of the British Council. It aims to improve the capacity of English First Additional Language (FAL) teachers to better deliver and manage the curriculum for improved learning in schools. It seeks to entrench communicative language teaching.

Mathematics, Science and Technology (MST) Programme

This programme is implemented through Sci-Bono Discovery Centre as a partner in teacher development. The programme aims to develop the capacity of teachers to effectively teach Mathematics, Science and Technology subjects with the aim to improve learner performances in targeted schools.

Rural Education

In rural areas, where the population density is very low, it is common for a group of children of different ages to receive their first few years of education from a single teacher. In most instances, teachers in rural schools are subjected to multi-grade teaching where they are required to teach different subjects and different grades in one class. This has serious repercussions for these teachers, who must plan lessons for each day and each period, balance their time to teach different grades, conduct assessment tasks for learners, maintain discipline, and so on.
This project aims to develop the capacity of teachers in rural school to better manage and deliver the curriculum under trying circumstances, including in a multi-grade context.

Secondary School Improvement Programme (SSIP)

The Secondary School Improvement Programme targets teachers in schools that obtained a pass rate below 80% in the National Senior Certificate examinations over the last four years. It aims to prepare teachers in best practices in pedagogy, assessment, ICT integration and examination skills for teaching and learning. The SSIP is informed by the diagnostic and moderators' reports, which highlights the gap in content knowledge.

Psycho-Social Support Programme

he Psycho-social Support programme is a collaborative effort between the institution, the Gauteng Department of Education, and the Department of Social Development (DSD). The MGSLG put together a task team consisting of the two departments, the MGSLG and a variety of providers. The programme employs a group of service providers from diverse backgrounds with overlapping and unique services.
The programme is made up of the three projects.

24-hour, Toll-free Crisis Line

This is a support and counselling line for learners, parents and teachers who are experiencing psychosocial problems. The programme also allows for face-to-face sessions at the seven satellite stations around the Johannesburg area. The crisis line is delivered through the service of ChildLine, and has proven to be a successful intervention process. Presence and profile cards on ChildLine have been printed and distributed to schools and to learners.
The most common cases reported over the year involved physical abuse, emotional abuse, and sexual abuse, followed by child neglect.

Grade R Child Abuse Protocol Guide Training

This project ensures that Grade R practitioners are capacitated in identifying, supporting, and reporting child abuse cases. The training creates awareness and understanding of the legal aspects of child protection, and understanding of the learners' rights and responsibilities.

Isibindi Ezikoleni

The project places child care and youth workers in schools to identify and assist 'at-risk' learners. Where there was a need, the interventions made available individual sessions, observations, home visits, homework supervision and referrals to learners.

The programme provided psycho-social support to vulnerable learners to help them realise their developmental goals, in respect to education, health and their development and their transition into adulthood.

Inclusive Education Programme

Inclusive education trains teachers and district officials in Screening Identification Assessment and Support (SIAS). The Policy on Screening, Identification, Assessment, and Support is a framework for standardising the procedures to identify, assess and provide programmes for all learners who require additional support to enhance their participation and inclusion in school. Inclusive education improves access to quality education for vulnerable learners. Barriers which may impede their learning include family disruption, language, the impact of poverty, learning difficulties, an inflexible curriculum, and so on.

From this, the inclusive education programme intends to provide support to School Management Teams, educators, and therapists in implementing the SIAS policy in all schools and districts. It is an introduction to SIAS principles and procedures, and will assist educators to use these documents effectively in their daily practice.

Induction of the Novice Teachers Programme

The programme aims to capacitate newly appointed teachers in their roles and responsibilities and build their confidence in their teaching practice. The newly appointed teachers are guided on the policies and legislation that informs their roles and responsibilities and conditions of service, including the Personnel Administration Measures (PAM) document, Professional Ethics for Educators, and Code of Conduct for the Public Service.

SECTION 3

Corporate Services

The Corporate Services branch of the MGSLG currently includes Human Resources, , ICT and Facility Management as functional areas. As a non-profit company, the MGSLG is obliged to adhere to the King II, III and IV Reports that require companies and entities to report on staffing and human capital matters and remuneration of members of committees for transparency purposes. This report will, therefore, include issues critical to reporting as well as to provide information on the critical functional and service aspects of this branch as a support unit.

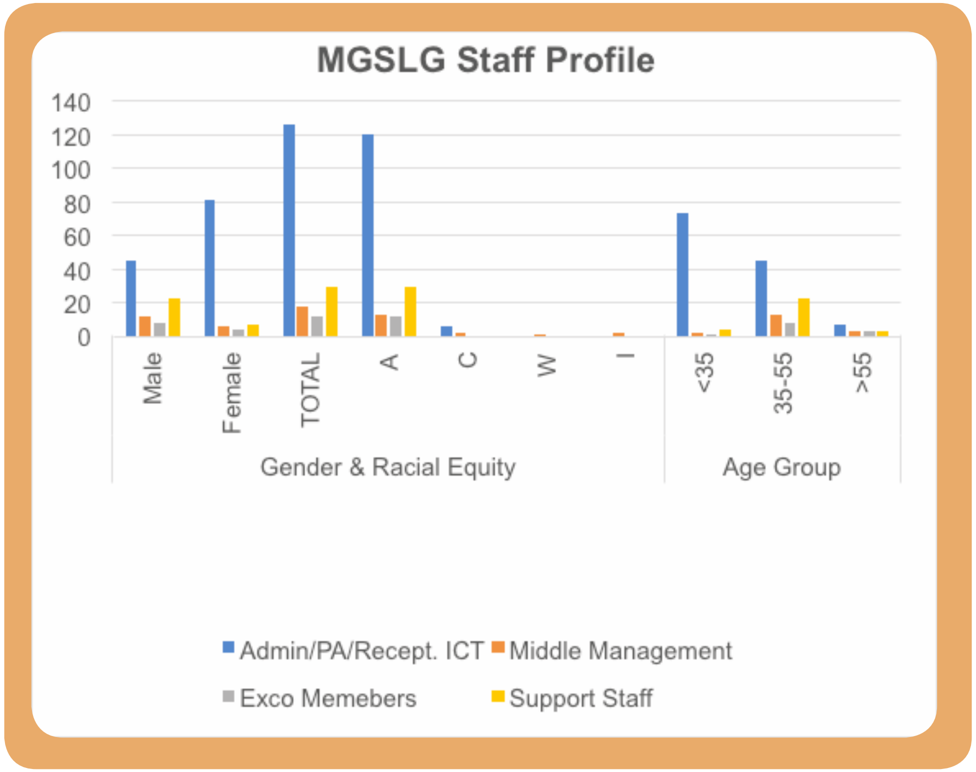
Staff Profile

The MGSLG has significant demographic imbalances at the executive and middle management levels, as most members are male and African. There is, however, an approved Employment Equity Plan that will address the imbalance going forward.

We have an overall staff compliment of 186, which does not include staff employed temporarily for the purposes of SGB facilitation and support for school developmental purposes.

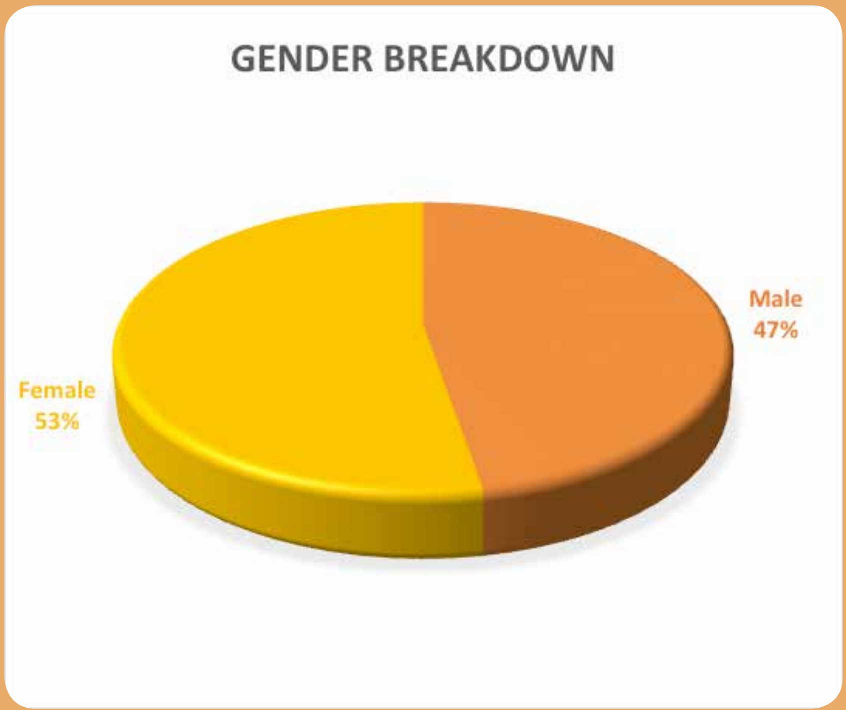
MGSLG Staff Profile										
Occupational Category	**Gender & Racial Equity**							**Age Group**		
	Male	**Female**	**Total**	**A**	**C**	**W**	**I**	**<35**	**35-55**	**>55**
Administrator/ PA/ Receptionist/ ICT Facilitator	45	81	**126**	120	6	0	0	74	45	7
Middle Management	12	6	**18**	13	2	1	2	2	13	3
EXCO Members	8	4	**12**	12	0	0	0	1	8	3
Support Staff	23	7	**30**	30	0	0	0	4	23	3
TOTALS	**88**	**98**	**186**	**175**	**8**	**1**	**2**	**81**	**89**	**16**

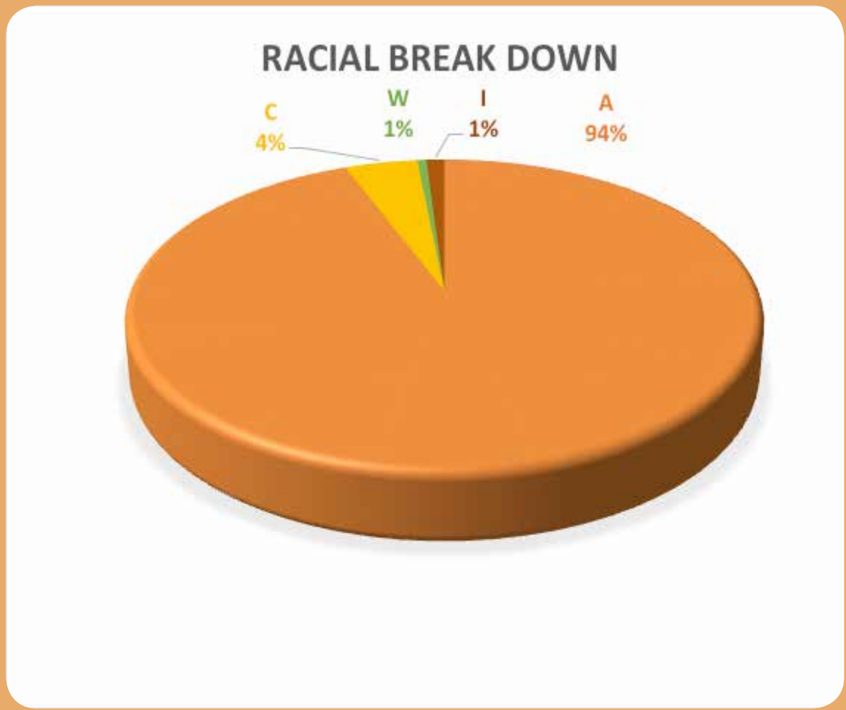
An overall staff compliment of 186 does not include the component of staff employed temporarily for the purposes of SGB facilitation, and support for school developmental purposes.



Gender and Racial Gender breakdown

The discrepancy in equity balance is glaring, as vividly depicted in the graph below. There is an imbalance in that most staff members are of the African racial grouping and the institution needs to create a more balanced staff recruitment approach. The employment or attraction of White, Coloured, and Indian staff is almost non-existent. The MGSLG needs to attract these groups and ensure their retention. The pie chart below provides a clearer picture of the challenge.





Labour Relations and Staff Retention

Staff retention within the MGSLG is critical. The table below represents the institution's success in retaining staff as well as processing labour relations matters:

Category	MGSLG Departments					
	Teacher Development	School Governance	Corporate Services	School Leadership	Office of the CEO	Totals
Resignations	0	0	2	0	0	2
Disciplinary Hearings	0	0	1	0	0	1
Expired Contracts	0	0	0	0	0	0
Retirements	0	1	1	0	0	2
Deceased	1	0	0	0	0	1
TOTAL	**6**					

During the period under review, only one disciplinary hearing was conducted, resulting in the dismissal of the employee. Two resignations were registered in the period, all of which took place due to better offers and conditions of employment being found somewhere else.

Two long serving employees, Dr Anusha Naidu and Ms Thoko Mdluli, retired from the institution.

On a sad note, one employee, Mr Adam Matloa passed on in the year.

Employees are benefitting from the implementation of the institutional bursary policy that has been operational for a while. The table below provides a picture of the beneficiary table for Training and Development through the institution for 2019/2020. Most staff offered bursaries are in either their second or final year of study; this is an encouraging sign of a learning organisation.

Training Programme Description	Employee Level			
	Senior Management	Middle Management	Administration	Support Staff
B. Compt.			1	
National Certificate: Mechanical Engineering N4 – N6				1
Bachelor of Commerce: Human Resources Management			1	
PGD Labour Law		1		
Master's Degree Business Administration			1	
Doctor of Philosophy	1			
Management Assistant				1
Degree Bachelor of Law			1	
Bachelor of Commerce in Project Management			1	
Degree Human Resource Management			1	
MEd in ICT in Education		2		
Bachelor of Arts			1	
Master's Degree: Public Administration			1	
B. Com Hon: Marketing Management			1	
TOTAL	1	3	9	2
	15			

Health and Safety

A new Health and Safety team was nominated into the committee. At the end of the year, the team went into planning for the COVID-19 pandemic and were at the forefront of the institutional readiness and planning.

A health and safety audit was conducted by a certified external service provider on the facilities and systems in both the Benoni and Vrededorp premises. Both premises were scored more than 90% compliant, except administrative matters which were outstanding. This has since been rectified and the gaps mediated in accordance with the requirements of the audit.

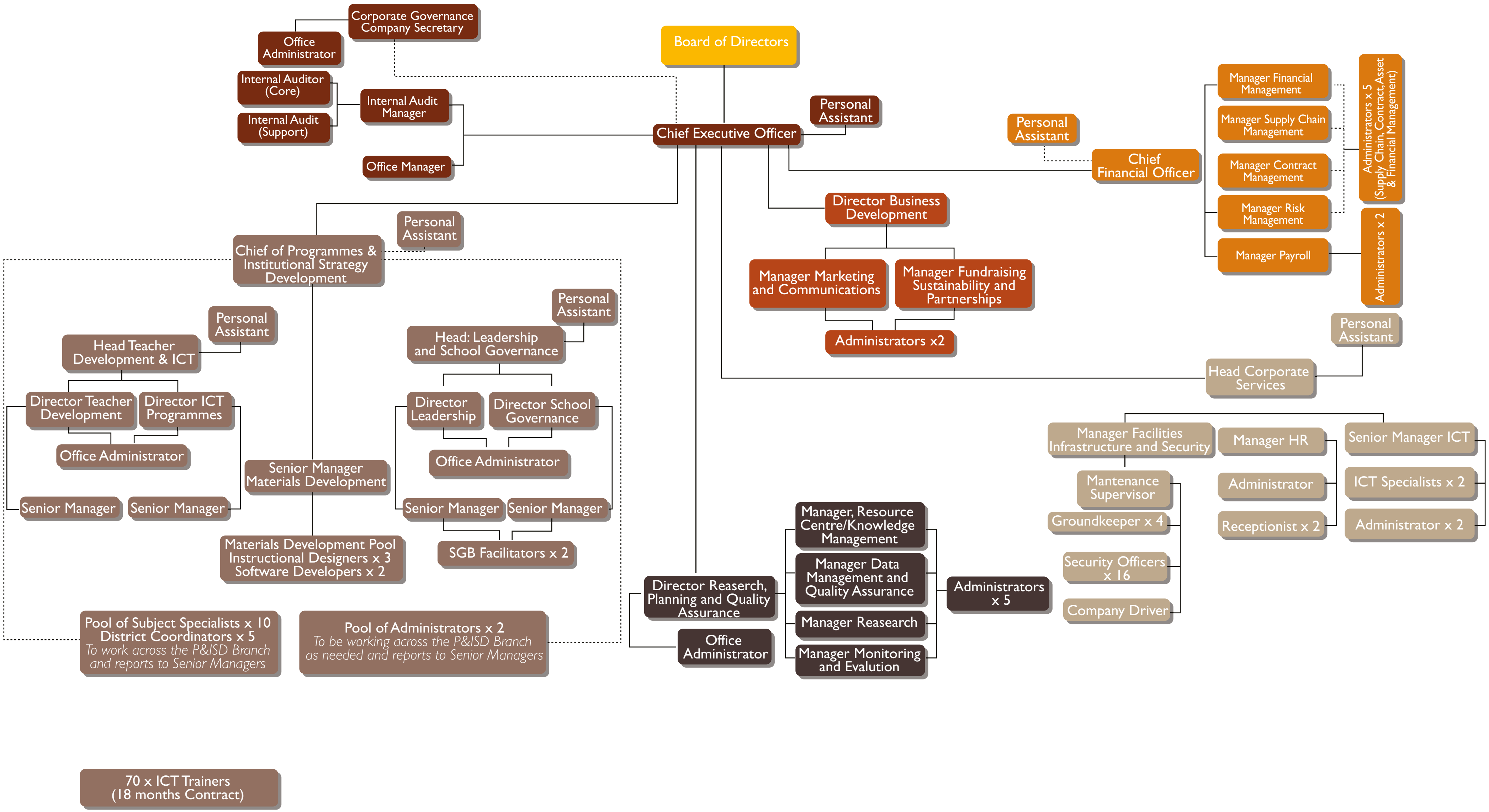
Research in underway to inform the purchase of a building in line with institutional strategy and spatial needs. The staff compliment has grown by almost 80% in the period in review. Given the size of operations, standards, and number of current staff, the space required is 1129m^2. The institution currently occupies 531.5m^2. The increased usage and staff per metre rate has put significant strain on institutional infrastructure.

ICT Management

A Board-approved technology governance framework and Technology Governance Charter are in place. The Board has delegated to management the responsibility of implementing technology governance. IT is embedded in the MGSLG's risk management programme, and these risks are reviewed on a quarterly basis at Audit and Risk Management Committee meetings.

This includes processes and systems changes over the past 24 months to bring the institution into compliance with the Protection of Personal Information Act (POPI Act). The safeguarding and protection of data, particularly customer information, is of paramount importance to the MGSLG.

Our Structure



CORPORATE GOVERNANCE

SECTION 4

Corporate Governance

The 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.

Legal Framework

To ensure that the Company remains at the forefront of best corporate governance practices, the MGSLG complies with, amongst others, the following legislation which apply to it:

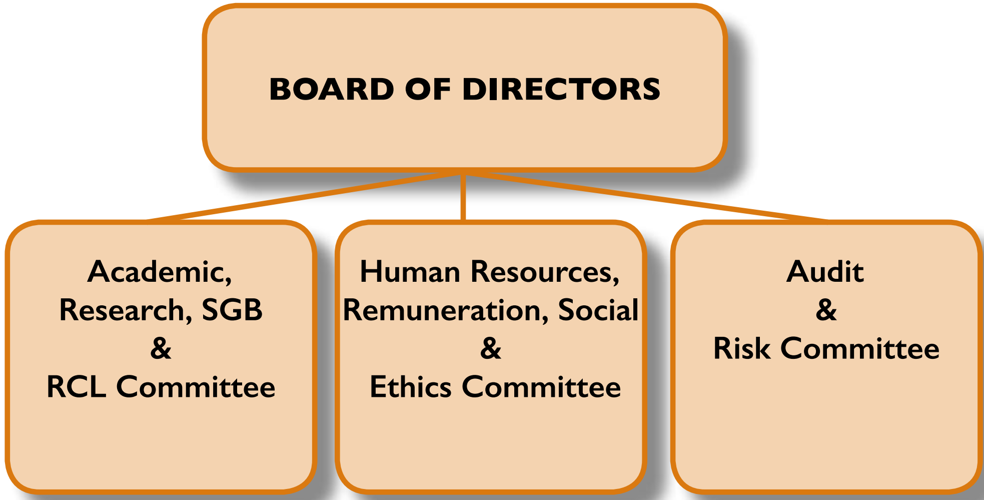
- Constitution of the Republic of South Africa Act 108 of 1996
- Companies Act 71 of 2008
- Public Finance Management Act 1 of 1999 (PFMA)
- South African Schools Act 84 of 1996 (SASA)
- Protection of Personal Information Act 4 of 2013 (POPI)
- Employment Equity Act 55 of 1998 (EEA)
- Labour Relations Act 66 of 1995 (as amended) (LRA)
- Basic Conditions of Employment Act 75 of 1997 (BCEA)

In addition, the institution complies with:

- King IV Code on Corporate Governance (King IV)

Board of Directors

The majority of the MGSLG's governance structure members are independent Non-Executive Directors, all of whom were appointed by the MEC in terms of the Memorandum of Incorporation (MOI).



Members of the Board

In terms of the MOI, the Board shall comprise of no less than three (3) Non-Executive Directors, and no more than 15. The Board of Directors during this reporting period were:

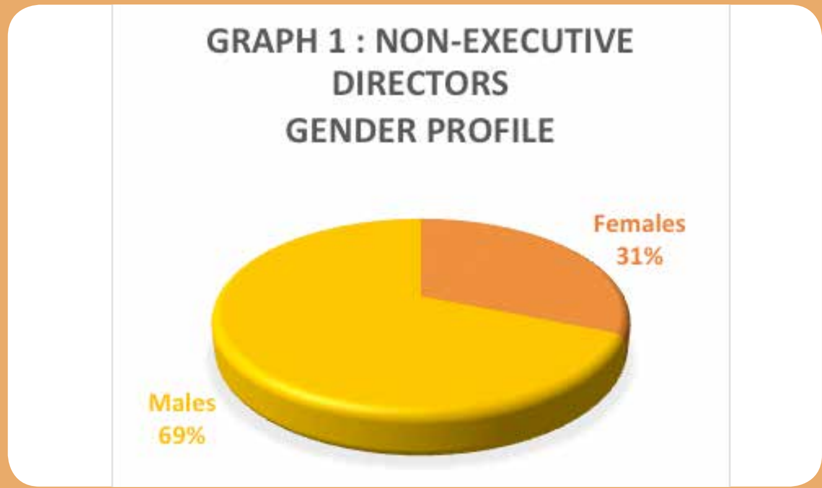
1. Malebo, Gregory Raymond (Non-Executive) – Chairperson – Passed away on 24 January 2020
2. Ledimo, Tsěliso Teboho Jeffery (Non-Executive) - Deputy Chairperson
3. Makola, Lorraine Sarah Mathoto (Non-Executive)
4. Matakanya, Manaha (Non-Executive)
5. Ntsali, Violet Nomvuyo (Non-Executive)
6. Matabane, Joconia Babsy (Non-Executive)
7. Mkefa, Edith (Non-Executive)
8. Saul, Tshidiso (Non-Executive)
9. Mdakane, Mhlengi Alex (Non-Executive)
10. Mkhatshwa, Nompendulo Thobile (Non- Executive)- Resigned on the 13 Sept 2019
11. Mthombeni, Samson Bengeza (Non- Executive)
12. Ramokhele, Bonolo Molemo (Non- Executive)
13. Constantinides, Catherine Sophia (Non- Executive)
14. Mogale, Tlangi Jina (Non- Executive)
15. Magerman, Errol Vincent (Non- Executive)
16. Matjila, Maupe George (Non- Executive)
17. Masingi, Sonnyboy Mandlenkosi (Non-Executive)
18. Makhubela, Thulani (Executive) Chief Executive Officer
19. Mahlangu, Sibusiso Justice (Executive) Chief Financial Officer

Chairperson and Deputy Chairperson

Mr Tsěliso Ledimo was appointed Acting Board Chairperson of the MGSLG for a period of six (6) months, ending 30 April 2019. The Deputy Chairperson was Mr Gregory Malebo. On 1 May 2019, Mr Gregory Malebo was appointed Board Chairperson on 1 May 2019 and Mr Tsěliso Ledimo was appointed Deputy Chairperson on 1 May 2019.

Upon the passing of the Chairperson Mr Gregory Malebo on 24 January 2020, Mr Tsěliso Ledimo was appointed Board Chairperson on 24 February 2020. Ms Violet Ntsali was appointed Deputy Chairperson on 24 February 2020.

Board Demographics



Company Secretariat

The Company Secretary is responsible for the secretariat function, governance advisory services, and compliance management. The Company Secretary also plays a critical role in providing legal advice to the Board and organisation. The Company Secretary 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 organisation. The Company Secretary is responsible for the on-going training of Board members and the scheduling, preparation and administration of Board and Committee meetings.

Board of Directors Remuneration

As a non-profit company, all MGSLG property and income – whether obtained by donations or profit by means of income generating 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. Board 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 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 employees of the company.

Director Development

During the reporting period, the following training courses were conducted by the Board, as per the approved development plan:

- Corporate Governance and Board Effectiveness
- Financials for Non-Financial Directors
- Legislative framework

The following courses were also conducted during the quarterly Board meeting:

- Voting procedure in Board meetings
- Gauteng Education Policy Act 12 of 1998

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 of Directors Meetings and Attendance

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 the MGSLG, amongst other issues.

During the financial year under review, a total of thirteen (13) Board Meetings were held. The Board conducted four (4) ordinary meetings, one (1) Board Session, five (5) special meetings, one (1) Strategic Workshop meeting, one (1) Repositioning Meeting, continuation Board Meetings, and an Annual General Meeting.

	Date of Appointment	30 Apr 2019 Special Board Meeting	14 May 2020 Ordinary Board Meeting	18 Jun 2019 Special Board Meeting	07&08 Aug 2019 Strategic Workshop	15 Aug 2019 Ordinary Board Meeting	29 Aug 2019 Board Session	30 Sept 2019 Special Board Meeting	15 Oct 2019 AGM	31 Oct 2019 Ordinary Board Meeting	27 Jan 2020 Special Board Meeting	27 Feb 2020 Ordinary Board Meeting	06 Mar 2020 Board Meeting Repositioning	17 March 2020 Special Board Meeting	TOTAL
Malebo, Gregory *(Chairperson)*	**01/10/2014**	☑	×	☑	×	☑	×	×	×	×					**3/11**
Ledimo, Tšěliso *(Deputy Chairperson)*	**01/10/2014**	☑	☑	☑	☑	×	☑	☑	☑	☑	☑	☑	☑	☑	**10/11**
Ntsali, Violet	**01/10/2014**	☑	☑	☑	×	☑	☑	☑	☑	☑	☑	☑	☑	☑	**10/11**
Makola, Lorraine	**01/10/2014**	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**
Mkhatshwa, Nompendulo	**01/04/2019**	☑	☑	☑	☑	☑	×								**4/11**
Matakanya, Manaha	**18/02/2013**	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**
Saul, Tshidiso	**01/11/2016**	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**
Matabane, Joconia	**01/11/2016**	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**
Mkefa, Edith	**01/11/2016**	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**
Mdakane, Mhlengi	**24/11/2017**	☑	☑	☑	☑	×	☑	☑	×	☑	☑	☑	☑	☑	**9/11**
Ramokhele, Bonolo	**01/04/2019**	×	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**10/11**
Masingi, Mandlenkosi	**01/04/2019**	☑	×	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**
Mthombeni, Samson	**01/04/2019**	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**
Constantinides, Catherine	**01/04/2019**	×	☑	×	☑	×	×	☑	×	☑	☑	☑	☑	☑	**6/11**
Magerman, Errol Vincent	**01/11/2019**										☑	☑	☑	☑	**3/11**
Mogale, Tlangi	**01/11/2019**										☑	☑	☑	☑	**3/11**
Matjila, Maupe	**01/03/2020**												☑	☑	**1/11**
Makhubela, Thulani *(CEO)*	**01/08/2014**	☑	☑	×	☑	×	☑	×	☑	☑	☑	☑	☑	☑	**8/11**
Mahlangu, Sibusiso *(CFO)*	**01/03/2007**	☑	×	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	**11/11**

☑ **In Attendance** × **Apology/not present** ■ **Resigned/Not appointed/Non-executive directors meeting only** ■ **Passed away**

Board committees

Board Committees play an important role in enhancing good corporate governance and improving internal controls to ensure the sustainable performance of the MGSLG. They provide feedback and recommendations to the main Board, and as such, are chaired by independent Non-Executive Directors.

The Board has established the following committees:

- Academic, Research, School Governing Bodies (SGB) and Representative Council of Learners (RCL) Committee
- Audit and Risk Committee
- Human Resources, Remuneration, Social and Ethics Committee
- All the committees have terms of reference, and during the 2019/2020 financial year all these terms of reference were reviewed and formally approved by the Board of Directors.

Academic, Research, SGB & RCL Committee

During the reporting period, this committee convened as follows:

Directors	23 April 2019- Quarterly Meeting	17 July 2019 - Quarterly Meeting	14 October 2019 - Quarterly Meeting	29 October 2019 – Continuation Meeting	27 January 2020 - Quarterly Meeting	20 February 2020 - Continuation Meeting
Ledimo, Tsěliso *(Committee Chairperson)*	☑	☑	☑	☑	☑	☑
Makola, Lorraine	☑	☑	☑	☑	☑	☑
Matakanya, Manaha	☑	☑	☑	☑	☑	☑
Mkefa, Edith	☑	☑	☑	☑	☑	☑
Mkhatshwa, Nompendulo	☑	×				
Mogale, Tlangi					☑	☑

Audit & Risk Committee

During the reporting period, this committee convened as follows:

Directors	29 April 2019 Quarterly Meeting	06 May 2019- Continuation Meeting	22 July 2019- Quarterly Meeting	18 October 2019- Quarterly Meeting	29 January 2020- Quarterly Meeting
Bonolo, Ramokhele *(Committee Chairperson)*	☑	☑	☑	☑	☑
Matabane, Joconia	☑	☑	☑	☑	☑
Mdakane, Alex	☑	☑	☑	☑	☑
Mthombeni, Samson	☑	☑	☑	☑	☑
Constantinides, Catherine	×	×	☑	×	☑

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

Human Resources, Remuneration, Social & Ethics Committee

During the reporting period, this committee convened as follows:

Directors	02 April 2019 - Shortlisting	03 April 2019 - Interviews	04 April 2019 - Interviews	15 April 2019- Interviews	16 April 2019- Interviews	17 April 2019 - Interviews & Shortlisting	24 April 2019 - Quarterly Meeting	29 April 2019 - Special	03 May 2019- Interviews	13 May 2019- Special	16 May 2019- Shortlisting	27 May 2019 -Interviews	28 May 2019 - Interviews	29 May 2019 - Interviews	30 May 2019 - Interviews	11 June 2019 – Special	22 July 2019 – Quarterly Meeting	26 September 2019 - Special	16 October 2019 - Quarterly Meeting	28 January 2020 – Quarterly Meeting	13 March 2020 – Special
Ntsali, Violet *(Committee Chairperson)*	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Ledimo, Tsĕliso	☑	☑	☑	☑	☑	☑	☑	☑	×	☑	☑	×	×	☑	☑	☑	×	×	☑	☑	
Malebo, Gregory	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑					
Saul, Tshidiso	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Matakanya, Manaha	☑	☑	☑	☑	×	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Masingi, Mandlenkosi								☑	×	×	×	☑	☑	☑	☑	☑	☑	☑	×	☑	☑
Magerman, Vincent																				☑	☑

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

Declaration by Company Secretary

The Company Secretary is Mr Zibonele Sibisi

I hereby confirm, in my capacity of secretary of Matthew Goniwe School of Leadership and Governance NPC that for the financial year ended 31 March 2020, the entity has filed all required returns and notices in terms of the Companies Act of 2008 and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

Zibonele Sibisi
Company Secretary

FINANCIAL REPORT
AND AUDITED FINANCIAL STATEMENTS

SECTION
5

Financial Report and Annual Financial Statements

The impact of COVID-19 on MGSLG operations was insignificant on the results of the financial year under review.

The 2019/20 MGSLG approved budget was R281 million, up by R61 million from R220 million in 2018/19, as per Figure 1 below. The institution is funded by GDE programme budget transfers. The budget allocation is the total of operational and programme budgets valued at R 15 million and R266 million respectively (Figure 2).

Figure 1: Transfers

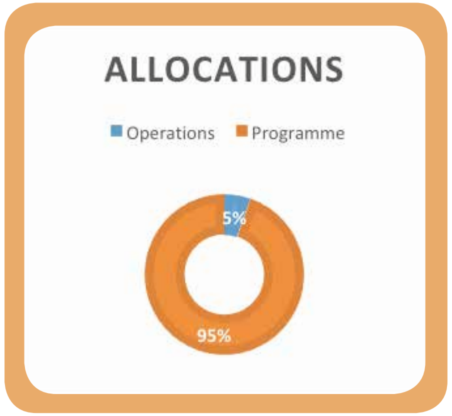


Figure 2: Allocations

Review of Results

Revenue recognised increased by R55 million (25%) () from R222 million in 2018/19 to R277 million in 2019/2020. This was a result of completion of projects on time and an increase in the budget allocation.

The programme budget was allocated as per the approved business plan as follows: Teacher Development or CATLM (Content, Assessment, Teaching & Learning Methodologies) R79 million; ICT in Education R50 million; Early Childhood Development (ECD) R40 million; Leadership & Management R30 million; Psycho-Social Support (PSS) & Life Skills R26 million; School Governance R18 million; ICT Technical On-Site Support (Harry Gwala Programme) R13 million and Out of School Youth Programmes R9 million.

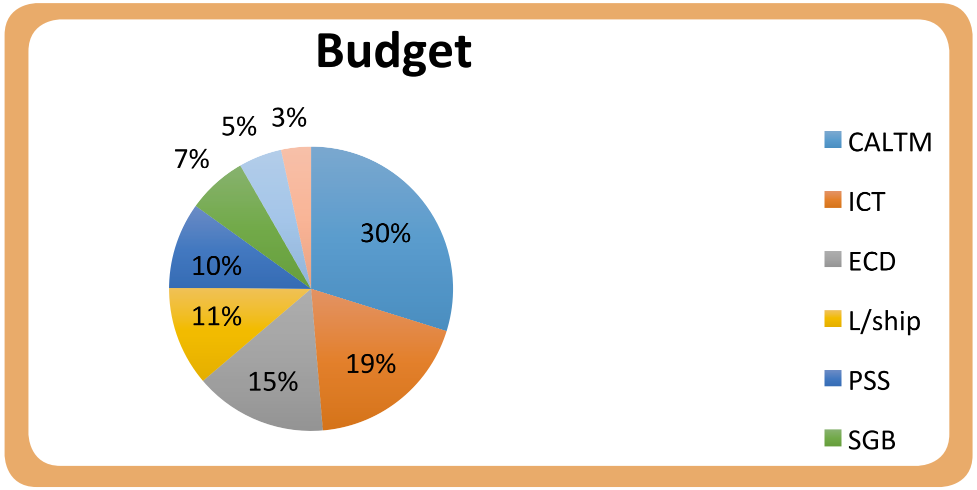


Figure 3: Budget

Investment income decreased by R3,1 million from R6,7 million to R3,6 million, representing a 46% decline as a result of the low interest environment.

Project expenditure increased by R44 million (or 28%) from R158 million in the prior reporting period to R202 million in 2019/20. The increase in project expenditure (28) was in line with the increase in revenue (25%). This was a result of increased scope in projects such as CALTM, ICT, PSS and Youth programmes. Operating expenses rose by R25 million (or 50%) from R50 million to R75 million. The sharp rise in operational expenses was a result of the increase in compensation of employees due to the implementation of the new job grading system and organisational structure. Operational expenses are funded by a 16% management fee levied on projects.

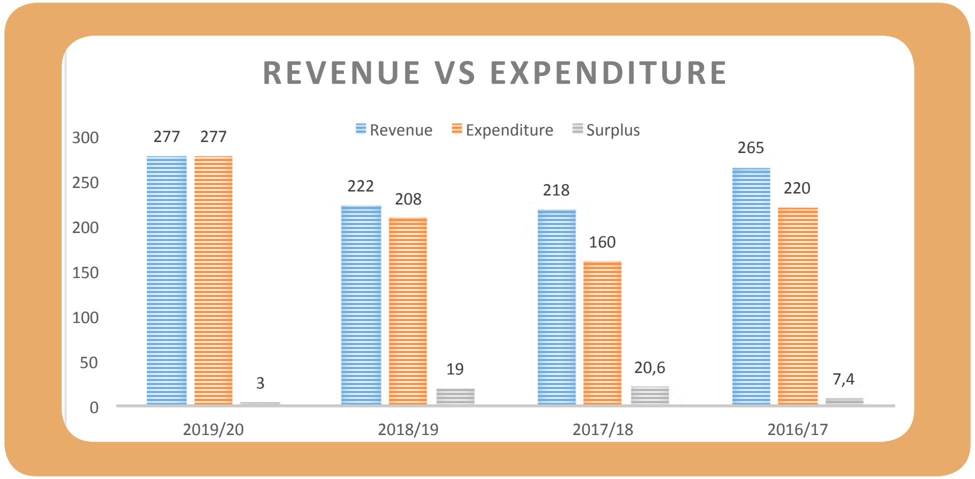


Figure 4: Revenue vs Expenditure

MGSLG recorded a surplus of R2,9 million during 2019/20 - a decrease of R16 million as opposed to a surplus of R19 million in 2018/19. The overall increase in expenses was mainly a result of the increase in personnel costs due to revised job grades and the population of the revised organisational structure. As a result, retained earnings grew from R82 million as reported in 2018/19 to R85 million in 2019/20.

Review of Operations

During the period under review MGSLG successfully implemented and completed the following programmes/projects as per the approved annual performance plan. Below are the projects with related actual expenditure

- Teacher Development at a cost of R79 million focusing on the following programmes: Foundation Phase (FP) Numeracy Programmes, Inter-Sen MST Programmes, Further Education and Training (FET) Technical Subjects, Language & Literacy Programmes, JIT e-SSIP, e-Assessment, Induction of newly appointed teachers, Schools of Specialisation;
- SGB/RCL training focused on school financial management, recruitment practices, discipline and youth leadership programmes at R11,2 million;
- Out of School Youth Programme at R9,2 million for youth development programmes;
- ICT in Education at a cost of R38 million on integration of ICT tools in the classroom and providing on-site support to teachers, district officials, ICT committees and learners;
- Inclusion Focus Week and SIAS Policy to improve performance in special schools at R1,7 million;
- Early Childhood Development providing tuition for ECD NQF Level 4 and B.Ed. in FP at R25 million; Leadership and Management focusing on Induction Training and SMT training at R11,9 million;
- HIV/AIDS training for primary and secondary school teachers at R6,2 million;
- Psycho-Social Training for teachers and school assistants on suicide preventions, child-abuse, and provision of the 24-hour child line at R3,9 million;
- Out of School Youth at R9,3 million; and
- ICT On-Site Support (Harry Gwala Programme) at R14,3 million.

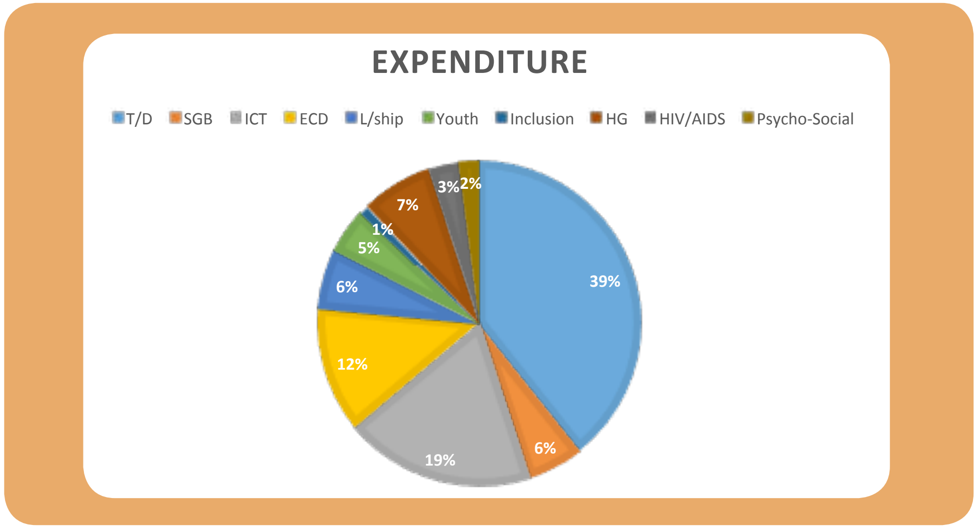


Figure 5: Expenditure

The total expenditure recorded by MGSLG for the reporting period is R277 million, up by R69 million from R208 million in 2018/19.

Review of Financial Position

Total assets increased by R11 million or 5% from R187 million in 2018/19 to R197 million in 2019/20. Trade and other receivables is at R59 million made up of VAT input of R58,8 million. Cash and cash equivalents increased slightly by R1 million to R112 million.

Deferred income increased slightly by R5 million from R80 million to R85 million. Retained earnings increased from R82,2 million in 2018/19 to R85,2 million in 2019/20. Trade and other payables increased by R1,4 million from R2 million to R3,4 million. The minor increase was a result of the lockdown imposed during the last two weeks of the financial year.

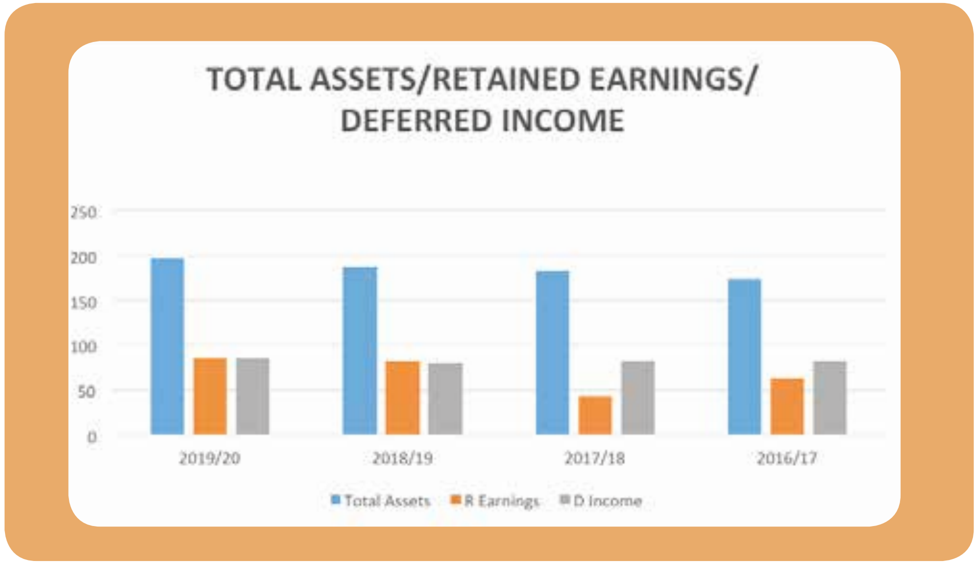


Figure 6:Total Assets/ Retained Earnings/ Deferred Income

Conclusion

Covid-19 manifested towards the end of the reporting period. Although it did not affect the results Covid19 has subsequently had a significant impact on business and the South African economy. A number of measures are being taken by the government to protect jobs and livelihoods and support the economy during the COVID19 pandemic.

The organisation has assessed the impact of the outbreak on its activities and financial standing into the future. A negative impact on the operations and valuation of assets from the financial year 2020/2021 onwards is anticipated. This also gives rise to opportunities to MGSLG to relook at its operations and delivery model as face-to-face or contact training will not be possible to implement under the current lockdown regulations. To this end, MGSLG has embarked on a process to digitise all training materials and increased the capacity of MG Online which is the institute's virtual learning platform.

The main source of income for the organisation is government grants and transfers from the GDE, and the burden of limited resources is expected to affect the allocations negatively in the future. Also, the VAT matter remains a major risk to the sustainability of institution as it is unresolved. The Board of Directors and management are working tirelessly with SARS in trying to find a lasting and amicable solution to this matter.

As at 31 August 2020, the organisation had approximately R120 million in cash to fulfil grant conditions and projects. The GDE has approved a R241 million budget for the 2020/21 financial year. 50% of the budget will be transferred by the end of second quarter of the financial year. As a result, management believes that the organisation has enough liquidity to withstand the impact of COVID19 and will remain a going concern for the foreseeable future. However, this estimate is inherently uncertain as it is based on the expectations of future events, including the length of the closure period and the ultimate impact of COVID- 19 on the economy.

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	School Leadership, School Governance and Teacher Development Training
Directors	Ledimo Tšěliso Makhubela Thulani Mahlangu Sibusiso Makola Lorraine Matabane Joconia Matakanya Manaha Mkefa Edith Saul Tshidiso Ntsali Violet Constantinides Catherine Magerman Errol Masingi Sonnyboy Matjila Maupe Mthombeni Bengeza Ramokhele Bonolo Mogale Tlangi Mdakane Mhlengi
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 2141
Postal Address	Postnet Suite 161 Private Bag X9 Melville Johannesburg 2109
Bankers	Standard Bank of South Africa
Auditors	Sizwe Ntsaluba Gobodo Grant Thornton Inc.
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: Sibusiso Mahlangu CFO

Contents

Preparer
Sibusiso Mahlangu
CFO

Published

October , 2020

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, 2021 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 60 to 61.

The financial statements set out on pages 55 to 104, which have been prepared on the going concern basis, were approved by the board of directors on 22 October, 2020 and were signed on their behalf by:

Approval of financial statements

Makhubela Thulani

Ledimo Tsěliso

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, 2020.

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 organisation 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 profit for the year ended 31 March, 2020 of R2,965,522. This represented a decrease of 85% from the net profit of the prior year of R19,136,132 .

The actual transfers received in 2019/20 were R281 million up by R61 million from R220 million received in 2018/19. The funds were allocated to projects as per approved annual performance plan and budget.

3. Directorate

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

Directors	Office	Designation	Nationality	Changes
Ledimo Tsěliso	Chairman/Deputy Chairman	Non-executive Independent	South African	Appointed Chairman, Friday, 24, February, 2020
Malebo Gregory	Chairman	Non-executive Independent	South African	Deceased Friday, 24, January, 2020
Makhubela Thulani	Chief Executive Officer	Executive	South African	
Mahlangu Sibusiso	Chief Finance Officer	Executive	South African	
Makola Lorraine		Non-executive Independent	South African	
Maloka Patricia		Non-executive Independent	South African	Resigned Sartuday, 30, June, 2018
Matabane Joconia		Non-executive Independent	South African	
Matakanya Manaha		Non-executive Independent	South African	
Mdakane Mhlengi		Non-executive Independent	South African	
Mkefa Edith		Non-executive Independent	South African	
Saul Tshidiso		Non-executive Independent	South African	
Ntsali Violet	Deputy Chairman	Non-executive Independent	South African	Appointed as Deputy Chairman Monday, 24, February, 2020
Constantinides Catherine		Non-executive Independent	South African	Appointed Monday, 1, April, 2019
Magerman Errol		Non-executive Independent	South African	Appointed Friday, 1, November , 2019
Masingi Sonnyboy		Non-executive Independent	South African	Appointed Monday, 1, April, 2019
Matjila Maupe		Non-executive Independent	South African	Appointed Monday, 1 April 1, 2020
Mthombeni Bengeza		Non-executive Independent	South African	Appointed Monday, 1, April , 2019
Ramokhele Bonolo		Non-executive Independent	South African	Appointed Monday, 1, April , 2019
Mkhatshwa Nompendulo		Non-executive Independent	South African	Appointed Monday, 1, April , 2019, resigned Friday, 13, September , 2019
Mogale Tlangi		Non-executive Independent	South African	Appointed Friday, 1, November , 2019
Sibisi Zibonenle	Company Secretary		South Africa	

There have been no other changes to the directorate for the year under review.

4. Events after the Reporting Period

Consideration of the impact of COVID-19

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a global pandemic. On the 15th of March 2020 the President of the Republic of South Africa declared COVID-19 a national disaster and announced a mandatory lockdown with the exception of essential services which has over time been eased in a staged approach.

Covid-19 has had a significant impact on broader business and the South African Economy. A number of measures are being taken by the government to protect jobs and livelihoods and support the economy during the COVID-19 pandemic.

The organization has assessed the impact of the outbreak on its activities and financial standing into the future. Although this has had no impact on the performance of the company as reported for the year ended 31 March 2020, there is anticipated negative impact on the operations and valuation of its assets from the 2020 financial year.

The main source of income for the organization is government grants and transfers from the GDE and the burden of limited resources is expected to negatively affect the allocations in the future.

As at 22 October 2020, the organization had approximately, R173 million in cash to fulfill the grant conditions and projects. The GDE has approved R241 million budget for the 2020/21 financial year and 60% of the budget will be transferred in the second quarter of the financial year. As a result, management believes that the organization has enough liquidity to withstand the impact of COVID-19 and will remain a going concern for the foreseeable future. However, this estimate is inherently uncertain as it is based on the expectations of future events, including the length of the closure period and impact on the economy.

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

5. Going Concern

The directors believe that the organization 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.

As at 16 October 2020 we remained compliant with all financial and grant covenants/conditions and was solvent and liquid.

Management and the board continuously assess the impact of COVID-19 and we are adapting our operations to this 'new normal'. The health and safety of our employees, customers and suppliers remains our first priority. We have a robust and diversified business model and we have already taken proactive measures to ensure the sustainability of our operations.

We are focused on cost optimisation, cash preservation and maintaining liquidity. The forecasts used in assessing the going concern assumption involved significant judgements and estimates regarding the impact of this crisis on our organization, namely our forecast activity levels under the various stages of lockdowns experienced across our operations, the impact of cost optimisation measures including payment holidays, working capital requirements and commitments with our suppliers.

Considering the above factors, the board was satisfied that the organisation was sufficiently solvent and liquid to be able to support the operations for the next 12 months. As such, the financial statements have been prepared on the going concern basis.

6. Auditors

Sizwe Ntsaluba Gobodo Grant Thornton Inc. continued in office as auditors for the company for 2020.

At the AGM, the shareholder will be requested to appoint as the independent external auditors of the company and to confirm Mr Vincent Motholo CA (SA) as the designated lead audit partner for the 2021 financial year.

7. Secretary

The company secretary is Mr Zibonele Sibisi.

Postal Address: Postnet Suite 16
Private Bag X9
Melville, Johannesburg
2109

Business Address: 40 Hull Street
cnr 8th and Hull Street
Vrededorp, Johannesburg
2141

8. Date of Authorisation for Issue of Financial Statements

The financial statements have been authorised for issue by the directors on Thursday, 22 October 2020. No authority was given to anyone to amend the financial statements after the date of issue.

Independent Auditor's Report

To the Member of the Executive Council of Gauteng Basic Education

Opinion

We have audited the financial statements of Matthew Goniwe School of Leadership and Governance set out on pages 62 to 104, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2020, 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 (ISAs). 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

SARS Vat Receivable and Contingent Liability

We draw attention to note 21 of the financial statements, which indicates that during the 2019/20 financial year, the company received an assessment from the South African Revenue Services (SARS) in respect of output vat of R186 844 413 on grant income received from the Gauteng Department of Education. Management has lodged an objection on this assessment and the matter is currently on appeal. Our opinion is not modified in respect of this matter.

Prior Period Errors

We draw attention to note 24 of the financial statements which indicates the prior period error relating to leased assets which were incorrectly accounted for. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Director's Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's reports 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Vincent Motholo
Sizwe Ntsaluba Gobodo Grant Thornton Inc.
Director Registered Auditor

30 October 2020
20 Morris Street East
Woodmead

Statement of Financial Position as at 31 March 2020

	Note(s)	2020	2019 Restated *	2018 Restated *
			R	R
Assets				
NonCurrent Assets				
Property, plant and equipment	3	25,633,197	26,635,443	28,198,500
Rightofuse assets	4	499,815	1,042,706	1,638,539
Intangible assets	5	179,642	249,710	325,514
		26,312,654	**27,927,859**	**30,162,553**
Current Assets				
Trade and other receivables	6	59,717,983	49,330,265	78,466,287
Cash and cash equivalents	7	112,275,781	111,379,246	77,709,620
		171,993,764	**160,709,511**	**156,175,907**
Total Assets		**198,306,418**	**188,637,370**	**186,338,460**
Equity and Liabilities				
Equity				
Retained income		85,340,052	82,375,134	63,239,002
Liabilities				
NonCurrent Liabilities				
Lease liabilities	4	-	428,717	926,993
Deferred income	10	19,610,473	20,160,494	20,710,515
		19,610,473	**20,589,211**	**21,637,508**
Current Liabilities				
Trade and other payables	9	3,493,295	2,059,659	18,101,836
Lease liabilities	4	428,717	498,276	317,108
Deferred income	10	85,403,767	80,498,400	81,977,264
Provisions	8	4,030,114	2,616,690	1,065,742
		93,355,893	**85,673,025**	**101,461,950**
Total Liabilities		**112,966,366**	**106,262,236**	**123,099,458**
Total Equity and Liabilities		**198,306,418**	**188,637,370**	**186,338,460**

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2020	2019 Restated *
		R	R
Revenue	11	277,444,023	222,056,385
Cost of sales	12	(202,202,212)	(158,924,688)
Gross Profit		**75,241,811**	**63,131,697**
Other operating income	13	117,666	150,471
Other operating gains (losses)	14	(70,430)	(85,753)
Other operating expenses		(75,882,389)	(50,779,089)
Operating (Loss) Profit	15	**(593,342)**	**12,417,326**
Investment income	18	3,604,237	6,785,851
Finance costs	19	(45,373)	(67,045)
Profit for the Year		**2,965,522**	**19,136,132**
Other comprehensive income		-	-
Total Comprehensive Income for the Year		**2,965,522**	**19,136,132**

Statement of Changes in Equity

	Retained Income	Total Equity
	R	R
Originally stated - 1 April 2018	62,844,564	62,844,564
		-
Prior period error	394,438	394,438
		-
Opening 2018 restated	63,239,002	63,239,002
		-
Profit for the year 2019	**19,136,132**	**19,136,132**
		-
Closing balance as at 31 March 2019, restated	82,375,134	82,375,134
		-
Opening March 2019 as orifinally stated	82,259,421	82,259,421
		-
Prior period error	115,713	115,713
		-
Opening 1 April 2019 restated	82,375,134	82,375,134
		-
Profit for the year	**2,965,522**	**2,965,522**
		-
Closing balance as at 31 March 2020	**85,340,052**	**85,340,052**

Statement of Cash Flows

	Note(s)	2020	2019 Restated *
		R	R
Cash Flows from Operating Activities			
Cash generated from operations	20	(1,267,998)	27,503,381
Interest income		3,604,237	6,785,851
Finance costs		(45,373)	(67,045)
Net Cash from Operating Activities		**2,290,222**	**34,222,227**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	3	(818,726)	(264,166)
Sale of property, plant and equipment	3	70,928	95,252
Purchase of other intangible assets	5	(6,251)	-
Net Cash from Investing Activities		**(754,049)**	**(168,914)**
Cash Flows from Financing Activities			
Payment on lease liabilities		(639,638)	(383,687)
Total Cash Movement for the Year		**896,535**	**33,669,626**
Cash at the beginning of the year		111,379,246	77,709,620
Total Cash at End of the Year	7	**112,275,781**	**111,379,246**

Accounting Policies

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, 2020 were authorised for issue in accordance with a resolution of the directors on Thursday, 22 October, 2020.

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 Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 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 recognised 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 recognised in the financial statements, are outlined as follows:

Lease Classification

The company is party to leasing arrangements as a lessee. The treatment of leasing transactions in the financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

The company entered into a 3 year lease, from July 2017, of building with annual rentals of R 610,000. Significant judgment was applied by management in concluding the correct lease classification. Leases of land and buildings are typically classified as operating leases. The present value of the future minimum lease payments amounted to approximately 13% of the estimated fair value of the building.

The company entered into a 99 year lease to utilise a Heritage Site Building from GDE. The usage of the building is at no charge and represented an allocation of resources/grant and has been recorded in the financial statements as such.

Accounting Policies (continued)

The valuation of the Heritage Site is carried out at every five-year interval and the last valuation was carried out in 2015. The valuation is used to determine the amount to recognise as grant income in the books of the company. The useful life is based on the usage terms.

Critical Judgments 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. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of R 295,188.

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 determine 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 unit to which the asset belongs.

Useful Lives of Property, Plant and Equipment

Management assess 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 8.

Estimation Uncertainty of Contingent Liabilities

The company utilises the external legal practitioners that are mandated on litigations on behalf of the company to determine the estimates of the litigation outcomes.

Where information is available on disputes with suppliers and or regulators, the estimates are based on the amounts claimed by the authorities in the event that the disputed matter is in the regulators favour.

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 recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Accounting Policies(continued)

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 capitalisation of borrowing costs on qualifying assets and adjustments, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

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 derecognised.

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

Item	Depreciation Method	Average Useful Life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	12.5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	9 years
IT equipment	Straight line	9 years
Security Systems	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 recognised 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 recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised 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 derecognised.

Accounting Policies(continued)

1.4 Intangible Assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

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

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

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

The amortisation period and the amortisation method for intangible assets are reviewed 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 amortised over its useful life.

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

Amortisation 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 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 equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised 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

Accounting Policies (continued)

- Fair value through other comprehensive income. (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 achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); 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).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 26 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 recognised and derecognised 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 amortised 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 recognised 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 amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (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 18).

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

Accounting Policies(continued)

- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised 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 amortised 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 recognises 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 widespread and does not show significantly different loss patterns for different customer segments. The loss allowance 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 recognised 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 is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 15).

Write off Policy

A trade receivable is classified as in default when the terms of repayment have been breached. 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 recognised in profit or loss.

Trade and other Payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and Measurement

They are recognised 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 amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised 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 amortised 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 19).

Accounting Policies(continued)

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 26 for details of risk exposure and management thereof.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank Overdrafts

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

1.6 Tax

Value Added Tax

Transactions and assets are recognised net of the Value Added Tax amount where applicable. The net amount of Value Added Tax recoverable from, or payable to, South African Revenue Service is included as part of receivables or payable in the statement of financial position.

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 determine 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 recognised 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.

Accounting Policies(continued)

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 recognised 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 19).

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 recognised 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.

When the company incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position in note 8 Provisions.

Accounting Policies(continued)

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 recognised in profit or loss unless it is included in the carrying amount of another asset.

The leases were assessed for impairment at the initial adoption date and no indication for impairment were noted.

On transition to IFRS the weighted average incremental borrowing rate applied to leases recognised was 6%.

On transition for leases previously accounted for as operating leases with the remaining lease term of less than 12 months and for leases of low value assets the entity has applies the optional exemptions to not recognise the right-of-use assets but to account for lease expense on a straight line basis over the remaining lease term.

All the leases that the institution has entered have been disclosed on these annual financial statement. Therefore no leases were entered into before the end of the financial year that are yet to commence.

The right of use lease has an option for renewal, and as yet it is not clear at this stage that the option for extension will be exercised. The uncertainty is resulting from restrictions arising from Covid-19 protocols.

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 amortisation is recognised 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 recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

Accounting Policies (continued)

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 recognised for the asset in prior periods.

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

1.9 Equity

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

1.10 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 recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised 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/provident funds 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 recognised when:

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

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

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

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

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

Accounting Policies(continued)

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 21.

1.12 Government Grants

Government grants are recognised when there is reasonable assurance that:

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

Government grants are recognised 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 recognised 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-amortised 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 recognised 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 recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.13 Investment Income - Interest

Interest accrued from financial assets designated at fair value through profit or loss are recognised in the statement of comprehensive income as part of investment income.

Accounting Policies (continued)

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 1 April, 2020 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 on the loss of control is recognised 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 recognised 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.

Definition of a Business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after 1 January, 2020.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

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

Presentation of Financial Statements: Disclosure Initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 1 January, 2020.

Accounting Policies (continued)

The company expects to adopt the amendment for the first time in the 2021 financial statements.

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

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure Initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 1 January, 2020.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

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

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018–2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.

The effective date of the amendment is for years beginning or after 1 January, 2022.

The company expects to adopt the amendment for the first time in the 2023 financial statements.

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

IAS 1 Presentation of Financial Statements

Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

1 January 2020

1 January 2022

Accounting Policies(continued)

The company expects to adopt the amendment for the first time in the 2021 financial statements.

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

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

1 January 2020

The company expects to adopt the amendment for the first time in the 2021 financial statements.

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

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

1 January 2022

The company expects to adopt the amendment for the first time in the 2023 financial statements.

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

IAS 19 Employee Benefits

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19): The amendments require an entity to use the updated assumptions from a remeasurement net defined benefit liability or asset resulting from a plan amendment, curtailment or settlement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

1 January 2019

Accounting Policies(continued)

The company expects to adopt the amendment for the first time in the 2020 financial statements.

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

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

1 January 2022

The company expects to adopt the amendment for the first time in the 2023 financial statements.

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

The company expects to adopt the amendment for the first time in the 2021 financial statements.

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 1 January, 2021.

The company expects to adopt the standard for the first time in the 2022 financial statements.

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

IFRS 16 Leases

COVID-19-Related Rent Concessions: Amendment providing lessees with an exemption from assessing whether a COVID-19-related rent concession (a rent concession that reduces lease payments due on or before 30 June 2021) is a lease modification.

1 June 2020

Notes to the Financial Statements

3. Property, Plant and Equipment

	2020			2019 Restated *		
	R			R		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Used within the Company						
Buildings	27,501,046	(6,582,088)	20,918,958	27,501,046	(6,032,067)	21,468,979
Furniture and fixtures	2,496,250	(1,614,332)	881,918	2,442,450	(1,418,084)	1,024,366
Motor vehicles	363,636	(296,901)	66,735	363,636	(224,174)	139,462
Office equipment	2,354,597	(1,396,371)	958,226	2,254,969	(1,153,467)	1,101,502
IT equipment	5,776,509	(3,182,178)	2,594,331	5,659,603	(3,041,741)	2,617,862
Security systems	638,566	(425,537)	213,029	638,566	(355,294)	283,272
Total	**39,130,604**	**(13,497,407)**	**25,633,197**	**38,860,270**	**(12,224,827)**	**26,635,443**

Reconciliation of Property, Plant and Equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Used within the Company					
Buildings	21,468,979	-	-	(550,021)	20,918,958
Furniture and fixtures	1,024,366	53,800	-	(196,248)	881,918
Motor vehicles	139,462	-	-	(72,727)	66,735
Office equipment	1,101,502	130,777	(19,650)	(254,403)	958,226
IT equipment	2,617,862	634,149	(51,278)	(606,402)	2,594,331
Security systems	283,272	-	-	(70,243)	213,029
	26,635,443	**818,726**	**(70,928)**	**(1,750,044)**	**25,633,197**

Reconciliation of Property, Plant and Equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Used within the Company					
Buildings	22,019,000	-	-	(550,021)	21,468,979
Furniture and fixtures	1,101,765	140,381	(27,892)	(189,888)	1,024,366
Motor vehicles	212,189	-	-	(72,727)	139,462
Office equipment	1,320,317	27,279	-	(246,094)	1,101,502
IT equipment	3,191,715	96,506	(67,360)	(602,999)	2,617,862
Security systems	353,514	-	-	(70,242)	283,272
	28,198,500	**264,166**	**(95,252)**	**(1,731,971)**	**26,635,443**

Notes to the Financial Statements(continued)

4. Leases (Company as Lessee)

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

The company adopted IFRS 16 for the first time in the current financial period. Comparative figures have been retrospectively accounted for in accordance with IFRS 16. The information presented in this note for right-of-use assets includes the current and prior period restated balances.

The company has the option to purchase the plant at a nominal amount on completion of the lease term

Net Carrying Amounts of Right-of-use Assets

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

	2020	2019 Restated *
	R	R
Buildings	499,815	1,042,706

Additions to Right-of-use Assets

Depreciation Recognised on Right-of-use Assets

Depreciation recognised 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 15), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	642,891	595,832

Other Disclosures

Interest expense on lease liabilities	41,363	66,579

Lease Liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	439,814	539,638
Two to five years	-	439,814
	439,814	979,452
Less finance charges component	(11,097)	(52,459)
	428,717	**926,993**
Non-current liabilities	-	428,717
Current liabilities	428,717	498,276
	428,717	**926,993**

Notes to the Financial Statements(continued)

5. Intangible Assets

	2020			2019 Restated *		
	R			R		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	695,373	(515,731)	179,642	689,122	(439,412)	249,710

Reconciliation of Intangible Assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	249,710	6,251	(76,319)	179,642

Reconciliation of Intangible Assets - 2019

	Opening balance	Amortisation	Total
Computer software, other	325,513	(75,803)	249,710

Notes to the Financial Statements(continued)

6. Trade and other Receivables

	2020 R	2019 Restated * R
Financial Instruments:		
Trade receivables	12,258	-
Accrued income - interest	439,113	331,173
Trade receivables at amortised cost	451,371	331,173
Other receivable	4,500	4,500
Non-financial Instruments:		
VAT	58,886,470	48,994,592
Prepayments	375,642	-
Total Trade and other Receivables	**59,717,983**	**49,330,265**
Split Between Non-current and Current Portions		
Current assets	59,717,983	49,330,265
Financial Instrument and Non-financial Instrument Components of Trade and other Receivables		
At amortised cost	455,871	335,673
Non-financial instruments	59,262,112	48,994,592
	59,717,983	**49,330,265**

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 analyse 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.

Notes to the Financial Statements(continued)

Fair Value of Trade and other Receivables

The fair value of trade and other receivables approximates their carrying amounts.

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	2020	2019 Restated *
	R	R
Cash on hand	4,000	4,000
Short-term deposits - Standard bank Fixed Deposits	112,271,781	111,059,908
Cash on call - Standard Bank 32 Day Notice	-	315,338
	112,275,781	**111,379,246**
Cash and cash equivalents held by the entity that are not available for use by the company.	112,275,781	111,379,246

Notes to the Financial Statements(continued)

8. Provisions

Reconciliation of Provisions - 2020

	R	R	R	R
	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonus	2,260,000	4,413,517	(3,153,692)	3,519,825
Provision for 13th Cheque	356,690	1,319,095	(1,165,496)	510,289
	2,616,690	**5,732,612**	**(4,319,188)**	**4,030,114**

Reconciliation of Provisions - 2019

	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonuses	770,000	3,386,892	(1,896,892)	2,260,000
Provision for 13th Cheque	295,742	997,612	(936,664)	356,690
	1,065,742	**4,384,504**	**(2,833,556)**	**2,616,690**

Notes to the Financial Statements(continued)

9. Trade and other Payables

	2020	2019 Restated *
Financial Instruments:	R	R
Trade payables	870,151	446,313
Accrued leave pay	1,992,644	678,998
Accrued expense	43,004	369,448
Accrued audit fees	587,496	564,900
	3,493,295	**2,059,659**
Financial Instrument and Non-financial Instrument Components of Trade and other Payables		
At amortised cost	3,493,296	2,059,661

10. Deferred Income

	2020	2019 Restated *
Non-current liabilities	19,610,473	20,160,494
Current liabilities	85,403,767	80,498,400
	105,014,240	**100,658,894**

The nature and extent of government grants recognised 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: R20 160 494 less current year transfer of R550 021 results in the current year balance of R19 610 473.

The deferred income represent unspent conditional grant. 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 carried forward for fulfilment of MGSLG objectives. The GDE has discretion to redirect the use of the residual balances of projects completed.

Notes to the Financial Statements(continued)

	2020	2019 Restated *
Reconciliation of Deferred Income	R	R
Opening balance	100,658,894	102,687,779
Grant received - Projects	266,799,369	211,042,500
Grant received - Overheads	15,000,000	8,985,000
Amortisation of right of use	(550,021)	(550,021)
Project expenditure - revenue recognised	(261,894,002)	(212,521,364)
Overhead usage - revenue recognised	(15,000,000)	(8,985,000)
Closing balance	105,014,240	100,658,894

11. Grant Income Earned

Grant Income - Summary

Government grants and transfers	276,894,002	221,506,364
Right of use of Heritage Site Building	550,021	550,021
	277,444,023	**222,056,385**

12. Cost of Projects Carried out

Rendering of services on approved projects as per SLA	202,202,212	158,924,688

13. Other Operating Income

Compensation from insurance claims	44,853	21,361
Skills Development Levy refund	72,813	94,907
Other income	-	34,203
	117,666	**150,471**

Notes to the Financial Statements(continued)

14. Other Operating Gains (Losses)

	2020	2019 Restated *
Gains (Losses) on Disposals, Scrappings and Settlements	**R**	**R**
Profit/(loss) on sale of non-current assets	(70,430)	(85,753)

15. Operating Profit (Loss)

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

Auditor's Remuneration - External		
Audit fees	625,040	564,900
Auditor's Remuneration - Internal	**432,402**	**142,179**
Remuneration, other than to Employees		
Consulting and professional services	2,014,035	2,496,844
Employee Costs		
Salaries, wages, bonuses and other benefits	53,322,270	32,106,373
Depreciation and Amortisation		
Depreciation of property, plant and equipment	1,750,044	1,731,971
Depreciation of right-of-use assets	642,891	595,832
Amortisation of intangible assets	76,319	75,804
Total Depreciation and Amortisation	**2,469,254**	**2,403,607**

16. Employee Costs

Employee Costs		
Basic	49,914,947	29,515,749

Notes to the Financial Statements (continued)

	2020	2019 Restated *
	R	R
Medical aid - company contributions	2,244,574	1,833,669
UIF	490,186	327,522
WCA	-	49,303
SDL	635,523	356,536
Other payroll levies	37,040	23,594
	53,322,270	**32,106,373**

17. Depreciation, Amortisation and Impairment Losses

	2020	2019 Restated *
Depreciation		
Property, plant and equipment	1,750,044	1,731,971
Right-of-use assets	642,891	595,832
	2,392,935	**2,327,803**
Amortisation		
Intangible assets	76,319	75,804
Total Depreciation, Amortisation and Impairment		
Depreciation	2,392,935	2,327,803
Amortisation	76,319	75,804
	2,469,254	**2,403,607**

Notes to the Financial Statements(continued)

	2020	2019 Restated *
18. Investment Income	**R**	**R**
Interest Income		
Investments in Financial Assets:		
Bank and other cash	3,604,237	6,785,851
19. Finance Costs		
Lease liabilities	41,363	66,579
Interest paid	4,010	466
Total Finance Costs	**45,373**	**67,045**
20. Cash (used in)/Generated from Operations		
Profit before taxation	2,965,522	19,136,132
Adjustments for:		
Depreciation and amortisation	2,469,254	2,403,607
Losses on disposals, scrappings and settlements of assets and liabilities	70,430	85,753
Interest income	(3,604,237)	(6,785,851)
Finance costs	45,373	67,045
Movements in provisions	1,413,424	1,550,947
Deferred income	(550,021)	(550,021)
Changes in Working Capital:		
Trade and other receivables	(10,387,718)	29,136,022
Trade and other payables	1,404,608	(16,061,389)
Deferred income	4,905,367	(1,478,864)
Total cach generated from operations	**(1,267,998)**	**27,503,381**

Notes to the Financial Statements(continued)

21. Contingencies

SARS Contingent Liability

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 R186 844 413 on government grant income received from the GDE.

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.

22. Related Parties

Relationships	Matthew Goniwe School of Leadership and Governance exist to support and provide capacity building service to the GDE.
Main related parties	SciBono Discovery Centre NPC is a co-agent of GDE appointed to provide Maths and Science training on behalf of Matthew Goniwe School of Leadership and Governance. All other public sector and government entities are related parties of the organization, including SARS.
Members of key management	The list of members of key management including directors is listed below and in the directors report.

Related Party Balances

Related Party Transactions

	2020	2019 Restated *
	R	R
Purchases from (Sales to) Related Parties		
SciBono Discovery Centre NPC	25,282,417	14,150,000
Grants Received from Related Parties		
Gauteng Department of Education	281,799,369	211,042,500
Compensation to Directors and other Key Management		
Short-term employee benefits	21,688,186	11,536,260

Notes to the Financial Statements(continued)

23. Directors' and Prescribed Officer's Emoluments

Executive

2020

	R	R	R
	Emoluments	Company contributions	Total
Makhubela Thulani	2,328,423	189,541	2,517,964
Mahlangu Sibusiso	2,171,017	198,896	2,369,913
	4,499,440	**388,437**	**4,887,877**

2019

	Emoluments	Company contributions	Total
Makhubela Thulani	1,687,911	150,856	1,838,767
Mahlangu Sibusiso	1,210,485	121,087	1,331,572
	2,898,396	**271,943**	**3,170,339**

Non-executive

2020

	R	R
	Directors' fees	Total
Ledimo Tseliso	951,300	951,300
Malebo Gregory	203,000	203,000
Makola Lorraine	273,750	273,750
Matabane Joconia	256,000	256,000
Matakanya Manaha	418,000	418,000
Mdakane Mhlengi	211,800	211,800
Mkefa Edith	256,000	256,000
Saul Tshidiso	386,000	386,000
Ntsali Violet	570,000	570,000
Constantinides Catherine	128,283	128,283

Notes to the Financial Statements(continued)

Magerman Errol	86,600	86,600
Masingi Sonnyboy	325,500	325,500
Matjila Maupe	20,000	20,000
Mthombeni Bengeza	221,500	221,500
Ramokhele Bonolo	299,000	299,000
Mkhatshwa Nompendulo	79,200	79,200
Mogale Tlangi	86,300	86,300
	4,772,233	**4,772,233**

2019	R	R
	Directors' fees	Total
Ledimo Tseliso	282,300	282,300
Malebo Gregory	108,000	108,000
Fleisch Brahm	48,100	48,100
Makola Lorraine	56,000	56,000
Maloka Patricia	42,000	42,000
Matabane Joconia	51,000	51,000
Matakanya Manaha	116,000	116,000
Mdakane Mhlengi	36,400	36,400
Mkefa Edith	52,000	52,000
Mthintso Saraha	49,400	49,400
Saul Tshidiso	100,000	100,000
Ntsali Violet	140,000	140,000
Sehlapelo Calvin	50,000	50,000
	1,131,200	**1,131,200**

Notes to the Financial Statements (continued)

Prescribed officers

2020

	R	R	R
	Emoluments	Company contributions	Total
Dlamini Sipho (Teacher Development Director)	1,326,499	95,670	1,422,169
Naidu Anusha (Leadership Branch Leader)!	949,762	72,354	1,022,116
Papane Matime (General Manager)	1,850,396	167,669	2,018,065
Mlotshwa Handson (Director ICT)&	1,003,788	79,698	1,083,486
Shamase Slindokuhle (COP)#	1,319,438	58,027	1,377,465
Maloka Patricia (Director Business Development)*	1,050,916	92,972	1,143,888
Ginya Lindiwe(Branch Head teacher Development)#	1,194,567	89,178	1,283,745
Mkhwebane Kgaugelo (Director Research)#	969,029	74,355	1,043,384
Ngobeni Victor (Director Leadership)$	747,467	56,849	804,316
Noge Dempsey (Director Governance)$	766,007	63,435	829,442
	11,177,869	**850,207**	**12,028,076**

2019

	R	R	R
	Emoluments	Company contributions	Total
Dlamini Sipho (Teacher Development Director)	1,005,064	80,394	1,085,458
Naidu Anusha (Leadership Branch Leader)!	1,189,336	107,183	1,296,519
Papane Matime (General Manager)	1,582,781	144,256	1,727,037
Molete Ruth (Teacher Development Branch Head)%	1,428,686	110,166	1,538,852
Ndlovu Nokulunga (Teacher Development Director)+	853,467	77,294	930,761
Matobako Thabang (Director Registry) @	602,201	53,893	656,094
	6,661,535	**573,186**	**7,234,721**

Notes to the Financial Statements(continued)

Notes:

*- Appointed May 2019
#- Appointed June 2019
!- Retired November 2019
%- Resigned February 2019
@- Resigned October 2018
+- Resigned January 2019
&- Appointed July 2019
$- Appointed August 2019

24. Prior Period Errors

The company did not apply IAS 17 in its lease accounting in the previous years and resolved to adopt IFRS 16 retrospectively in order to rectify the previous errors.

The correction of the error(s) results in adjustments to the balances in the respective statements as follows:

	2019 Restated *	2018 Restated *
	R	R
Statement of Financial Position		
Right of use of asset	1042,706	1,638,539
Lease liability	(926,993)	(1,244,101)
Profit or Loss		
Depreciation - right of use of asset	595,832	446,874
Interest on lease liability	66,579	61,296
Rent and repairs and maintenance	(778,124)	(902,608)

25. Comparative Figures

During the year under review, it was noted that the figures below had been incorrectly captured due to system error. The correction are made to provide fair presentation.

Note 15: The internal audit fees are being disclosed for the first time in 2020 and the disclosure is done retrospectively: 2019: R142,179; 2018: R727,054

Notes to the Financial Statements(continued)

26. Financial Instruments and Risk Management

Categories of Financial Instruments

Categories of Financial Assets

2020

	Notes	R	R	R
		Amortised cost	Total	Fair value
Trade and other receivables	6	455,871	455,871	455,871
Cash and cash equivalents	7	112,275,781	112,275,781	112,275,781
		112,731,652	**112,731,652**	**112,731,652**

2019

	Notes	R	R	R
		Amortised cost	Total	Fair value
Trade and other receivables	6	335,673	335,673	335,673
Cash and cash equivalents	7	111,379,246	111,379,246	111,379,246
		111,714,919	**111,714,919**	**111,714,919**

Notes to the Financial Statements(continued)

Categories of Financial Liabilities

2020

	Notes	R	R	R	R
		Amortised cost	Leases	Total	Fair value
Trade and other payables	9	3,493,296	-	3,493,296	3,493,296
Finance lease obligations	4	-	428,717	428,717	-
		3,493,296	**428,717**	**3,922,013**	**3,493,296**

2019

		Amortised cost	Leases	Total	Fair value
Trade and other payables	9	2,059,661	-	2,059,661	2,059,661
Finance lease obligations	4	-	926,993	926,993	-
		2,059,661	**926,993**	**2,986,654**	**2,059,661**

Notes to the Financial Statements(continued)

Capital Risk Management

The company's objective when managing capital (which includes retained earnings, 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 maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the issue of new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

	Notes	2020	2019 Restated *
		R	R
Lease liabilities		428,717	926,993
Trade and other payables	9	3,493,296	2,059,661
Total Borrowings		**3,922,013**	**2,986,654**
Cash and cash equivalents	7	(112,275,781)	(111,379,246)
Net Borrowings		**(108,353,768)**	**(108,392,592)**
Equity		85,340,052	82,375,132

Notes to the Financial Statements(continued)

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. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

Notes to the Financial Statements(continued)

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 consider 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 and contract assets 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, contract assets and lease 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, contract assets or lease receivables.

For trade receivables and contract assets 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, contract assets and lease 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, contract assets or lease receivables.

Notes to the Financial Statements(continued)

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

	Notes		2020			2019 Restated *	
			R			R	
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	455,871	-	455,871	335,673	-	335,673
Cash and cash equivalents	7	112,275,781	-	112,275,781	111,379,246	-	111,379,246
		112,731,652	**-**	**112,731,652**	**111,714,919**	**-**	**111,714,919**

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.

Notes to the Financial Statements(continued)

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 amounts.

2020

	Notes	R	R	R
		Less than 1 year	Total	Carrying amount
Current Liabilities		3,493,296	3,493,296	3,922,013
Trade and other payables		3,493,296	3,493,296	3,493,296
Lease liabilities		-	-	428,717

2019

	Notes	Less than 1 year	Total	Carrying amount
Non-current Liabilities				
Lease liabilities		-	-	428,717
Current Liabilities				
Trade and other payables	9	2,059,661	2,059,661	2,059,661
Lease liabilities		-	-	498,276
		(2,059,661)	**(2,059,661)**	**(2,986,654)**

Notes to the Financial Statements(continued)

27. Going Concern

The directors believe that the organization 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.

As at 22 October 2020 we remained compliant with all financial and grant covenants/conditions and was solvent and liquid.

Management and the board continuously assess the impact of COVID-19 and we are adapting our operations to this 'new normal'. The health and safety of our employees, customers and suppliers remains our first priority. We have a robust and diversified business model and we have already taken proactive measures to ensure the sustainability of our operations.

We are focused on cost containment, cash preservation and maintaining liquidity. The forecasts used in assessing the going concern assumption involved significant judgements and estimates regarding the impact of this crisis on our organization, namely our forecast activity levels under the various stages of lockdowns experienced across our operations, the impact of cost containment measures including payment holidays, working capital requirements and commitments with our suppliers.

Considering the above factors, the board was satisfied that the organisation was sufficiently solvent and liquid to be able to support the operations for the next 12 months. As such, the financial statements have been prepared on the going concern basis.

28. Events After the Reporting Period

Consideration of the Impact of COVID-19

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a global pandemic. On the 15th of March 2020 the President of the Republic of South Africa declared COVID-19 a national disaster and announced a mandatory lockdown with the exception of essential services which has over time been eased in a staged approach.

Covid-19 has had a significant impact on broader business and the South African Economy. A number of measures are being taken by the government to protect jobs and livelihoods and support the economy during the COVID-19 pandemic.

The organization has assessed the impact of the outbreak on its activities and financial standing into the future. Although this has had no impact on the performance of the company as reported for the year ended 31 March 2020, there is anticipated negative impact on the operations and valuation of its assets from the 2020 financial year.

The main source of income for the organization is government grants and transfers from the GDE and the burden of limited resources is expected to negatively affect the allocations in the future.

As at 22 October 2020, the organization had approximately, R75 million in cash to fulfil the grant conditions and projects. The GDE has approved R241 million budget for the 2020/21 financial year and 60% of the budget will be transferred in the second quarter of the financial year. As a result, management believes that the organization has enough liquidity to withstand the impact of COVID-19 and will remain a going concern for the foreseeable future. However, this estimate is inherently uncertain as it is based on the expectations of future events, including the length of the closure period and impact on the economy.

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

Detailed Income Statement

	Note(s)	2020	2019 Restated *
		R	R
Revenue			
Government grants		276,894,002	221,506,364
Miscellaneous other revenue		550,021	550,021
	11	**277,444,023**	**222,056,385**
Cost of Sales			
Project costs		(202,202,212)	(158,924,688)
Gross Profit		**75,241,811**	**63,131,697**
Other Operating Income			
Compensation from insurance claims		44,853	21,361
Skills Development Levy refund		72,813	94,907
Other income		-	34,203
	13	**117,666**	**150,471**
Other operating Gains (Losses)			
Losses on disposal of assets or settlement of liabilities		(70,430)	(85,753)
Expenses (Refer to page 106-107)		**(75,882,389)**	**(50,779,089)**
Operating (Loss) Profit	15	**(593,342)**	**12,417,326**
Investment income	18	3,604,237	6,785,851
Finance costs	19	(45,373)	(67,045)
Profit for the Year		**2,965,522**	**19,136,132**

Detailed Income Statement(continued)

Other Operating Expenses	Notes	2020	2019 Restated *
		R	R
Advertising and promotions		(383,456)	(297,786)
Amortisation		(76,319)	(75,804)
Auditors remuneration - external auditors	15	(625,040)	(564,900)
Auditors remuneration - internal audit	15	(432,402)	(142,179)
Bank charges		(170,194)	(144,126)
Cleaning		(241,539)	(222,256)
Computer expenses		(4,581,028)	(1,565,429)
Consulting and professional fees - accounting		(299,284)	-
Consulting and professional fees		(1,350,452)	(914,249)
Consulting and professional fees - legal fees		(364,299)	(1,582,595)
Depreciation		(2,392,935)	(2,327,803)
Employee costs		(53,322,270)	(32,106,373)
Catering		(225,413)	(199,191)
Conference and seminars		(264,057)	(133,590)
General expenses		(96,682)	(30,142)
License fees		(649,745)	(725,736)
Records management expenses		(43,751)	(40,787)
Hire		(515,351)	(781,677)
Insurance		(379,659)	(342,318)

Detailed Income Statement(continued)

Other Operating Expenses	Notes	2020	2019 Restated *
		R	R
Rentals		610	(265)
Motor vehicle expenses		(124,005)	(96,864)
Municipal expenses		(308,026)	(266,871)
Placement fees		(1,300,000)	(1,302,397)
Postage		(1,416)	(950)
Printing and stationery		(920,640)	(422,423)
Repairs and maintenance		(858,023)	(674,768)
Security		(135,563)	(27,084)
Staff welfare		(447,807)	(408,863)
Subscriptions		(211,319)	(155,376)
Telephone and fax		(698,682)	(443,438)
Training		(1,321,892)	(973,380)
Travel - local		(2,111,589)	(3,144,260)
Travel - overseas		(1,030,161)	(601,209)
IT Expense			(64,000)
Total		**(75,882,389)**	**(50,759,513)**

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