Matthew Goniwe School of Leadership and Governance

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

Annual Report
2020/21

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CONTENTS

GENERAL INFORMATION

Section 1

General Information

REGISTERED NAME:	MATTHEW GONIWE SCHOOL OF LEADERSHIP AND GOVERNANCE
REGISTRATION NUMBER:	2002/025756/08
PHYSICAL ADDRESS:	40 HULL STREET
	VREDEDORP
	JOHANNESBURG
	2141
POSTAL ADDRESS:	POSTNET SUITE 161
	PRIVATE BAG X9,
	MELVILLE
	2109
TELEPHONE NUMBER/S:	+27 (0)11 830 2200
WEBSITE ADDRESS:	WWW.MGSLG.CO.ZA
EXTERNAL AUDITORS:	LUNIKA CHARTERED ACCOUNTANTS INC.
BANKERS:	STANDARD BANK SOUTH AFRICA
COMPANY/ BOARD SECRETARY:	MR ZIBONELE SIBISI

List of Abbreviations/Acronyms

4IR	FOURTH INDUSTRIAL REVOLUTION
AFS	ANNUAL FINANCIAL STATEMENTS
AGM	ANNUAL GENERAL MEETING
BBBEE	BROAD BASED BLACK ECONOMIC EMPOWERMENT
CEO	CHIEF EXECUTIVE OFFICER
CFO	CHIEF FINANCIAL OFFICER
CIPELT	CERTIFICATE IN PRIMARY ENGLISH LANGUAGE TEACHING
CISELT	CERTIFICATE IN SECONDARY ENGLISH LANGUAGE TEACHING
COP	COMMUNITIES OF PRACTICE
COVID-19	CORONAVIRUS DISEASE 2019
DHAMS	DISTRICT HEAD-OFFICE ADMINISTRATION MANAGEMENT SYSTEM
DSD	DEPARTMENT OF SOCIAL DEVELOPMENT
DTDC	DISTRICT TEACHER DEVELOPMENT CENTRES
ECD	EARLY CHILDHOOD DEVELOPMENT
EFAL	ENGLISH FIRST ADDITIONAL LANGUAGE
e-SSIP	ELECTRONIC SECONDARY SCHOOL IMPROVEMENT PROGRAMME
EXCO	EXECUTIVE COMMITTEE
FET	FURTHER EDUCATION AND TRAINING
FP	FOUNDATION PHASE
GDE	GAUTENG DEPARTMENT OF EDUCATION
HOD	HEAD/S OF DEPARTMENT
HR	HUMAN RESOURCES
ICT	INFORMATION AND COMMUNICATIONS TECHNOLOGY
INTER-SEN	INTERMEDIATE - SENIOR
IQMS	INTEGRATED QUALITY MANAGEMENT SYSTEM
JIT	JUST IN TIME
LITNUM	LITERACY AND NUMERACY (STRATEGY)
LMS	LEARNER MANAGEMENT SYSTEM
MEC	MEMBER OF EXECUTIVE COUNCIL

List of Abbreviations/Acronyms

MGSLG	MATTHEW GONIWE SCHOOL OF LEADERSHIP AND GOVERNANCE
MOI	MEMORANDUM OF INCORPORATION
MST	MATHEMATICS, SCIENCE AND TECHNOLOGY
NDP	NATIONAL DEVELOPMENT PLAN
NPC	NON-PROFIT COMPANY
NQF	NATIONAL QUALIFICATIONS FRAMEWORK
PAM	PERSONNEL ADMINISTRATIVE MEASURES
PFMA	PUBLIC FINANCE MANAGEMENT ACT
PHEI	PRIVATE HIGHER EDUCATION INSTITUTE
POPI ACT	PROTECTION OF PERSONAL INFORMATION ACT
PPM	PROGRAMME PERFORMANCE MEASURES
PSS	PSYCHOSOCIAL SUPPORT
QMS	QUALITY MANAGEMENT SYSTEM
RCL	REPRESENTATIVE COUNCIL OF LEARNERS
SCM	SUPPLY CHAIN MANAGEMENT
SGB	SCHOOL GOVERNING BODY
SIAS	SCREENING, IDENTIFICATION, ASSESSMENT, AND SUPPORT
SMME	SMALL, MEDIUM AND MICRO ENTERPRISES
SMT	SCHOOL MANAGEMENT TEAM
SOS	SCHOOLS OF SPECIALISATION
SPM	SPECIFIC PROVINCIAL MEASURES
SSIP	SECONDARY SCHOOL IMPROVEMENT PROGRAMME
VAT	VALUE ADDED TAX
WHO	WORLD HEALTH ORGANISATION
WSI	WHOLE SCHOOL IMPROVEMENT

Foreword by the Chairperson

The year 2020/21 was a difficult year for the world, including South Africa. It has been just over a year since the first COVID-19 case was reported in South Africa. COVID-19 has not only brought to the fore various 'new normals' in effectively all areas of life, but it has also emphasised the evident inequalities in South African society, and in particular the connection between the right to education and access to resources.

The spread of COVID-19 in South Africa increased at a rapid rate, especially in Gauteng. As at 30 April 2021, over 54 000 COVID-19-related fatalities were recorded and the number of recorded infections was around 1.5 million over the year with a recovery rate of 95%. Gauteng accounted for 26% of the national infection rate.

The institution demonstrated remarkable resilience and resourcefulness as we embraced new ways of working, with many working from home over the year.

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, the following non-executive directors' terms came to an end. The Member appointed them for a further 3-year term to serve as Non-Executive Directors to the Board:

- Mr Tšěliso Ledimo (Board Chairperson)
- Ms Violet Ntsali (Board Deputy Chairperson)
- Mr Mhlengi Mdakane
- Mr Manaha Matakanya
- Ms Lorraine Makola

One Non-Executive Director, Ms Edith Mkefa, resigned on 29 January 2021. Over the past years she has made a valuable contribution to board and committee matters with her astute and insightful discourse and we wish her continued success into the future.

The Board composition is currently 17 Directors (15 Non-Executive Directors and 2 Executive Directors).

Changes to the Executive Team

The Company Secretary, Mr Zibonele Sibisi resigned in December 2020. While we are in the process of appointing a new Company Secretary, the Assistant Company Secretary, Ms Hetisani Mangolele has been filling in as Acting Company Secretary.

Mr Sibisi was a valuable member of the MGSLG family and provided the Board with guidance throughout the years he was with MGSLG. I wish him luck and continued success with his future ventures.

Policy Review

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

- Remuneration Policy - The Remuneration Committee oversees executive management compensation in line with the Remuneration Policy. This policy is also linked to bargaining processes with trade unions, and outlines the bargaining framework in line with labour legislation
- The Protection of Personal Information Act Policy (or POPI Act Policy), and implementation of plans to institutionalise the Act
- Independent Contractor Policy – new policy
- Travel Policy amendments

Matthew Goniwe Memorial Lecture/ Mrs Nyameka Goniwe

Due to the pandemic, our prestigious annual 'Matthew Goniwe Memorial Lecture' was deferred to the next financial year.

In August 2020, we received news of the passing of our greatly honoured Mrs Nyameka Goniwe, with great shock and sadness. Her passing is an unimaginably sad loss for MGSLG as well as the broader education sector in the country.

Fondly known to us as Nyami, she had become a representation and pinnacle of our institution since its founding and establishment in 2002, and launch in 2003.

Her sudden departure is a great setback to the Matthew Goniwe School of Leadership and Governance, as we journeyed faithfully together with her and the broader Cradock Four families and community, in a quest to uphold and preserve the legacy of her husband Matthew by promoting good quality teaching for our school learners - emulating what her husband stood for.

There is no debate about the calibre and stature of the man Matthew Goniwe was. A teacher; prolific leader; a beacon for social equality; and a great man - epitomised through his glorious legacy.

However, 'Nyami' walked and presided alongside this greatness - a lioness of unparalleled courage and deep conviction. A woman of unequalled fortitude, honourable, and yet endearing and gentle at heart.

Nyameka was a soft-spoken soul who best served others. Her passing is a huge loss to MGSLG, our stakeholders, the Cradock community and the country. She will be sadly missed.

Board Legacy Project

The Board adopted a special legacy project focusing on areas of special attention from among the GDE priority areas. The project aims at improving the whole school's ecosystem, focusing on these areas:

- Rural education
- Underperforming schools
- Psychosocial Support
- Youth development
- Parental involvement
- School support-based youth development programmes

The project will be able to identify the symptoms and causes of underperforming schools. It will be implemented in the next financial year.

Strategy

Last year we adopted a strategic plan towards 2024 where we set the following strategic goals to guide us:

- 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 and cost optimisation

Future Outlook

We did not review the strategic plan in the year under review. However, we started working on the following priorities we had set to lead the process of strategic planning:

a. Repositioning of MGSLG as a Private Higher Education Institute (PHEI);
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 an HR strategy to support the repositioning.

We are well on our way to implementing these goals as per the CEO's report in the following pages. Though progress has been slow due to the pandemic, we have made progress with some of the goals.

Many companies in various industries suffered through the year, with some shutting their doors for good. I am proud to announce that as a Board we managed to save all jobs during this trying year. On behalf of the entire Board, we acknowledge and are very proud of the MGSLG team for their resilience, incredible hard work, commitment and positivity, during a particularly challenging period. We also want to pay our respects to all the colleagues we have sadly lost, and to their families, all of whom are very much in our thoughts. And we wish our colleagues who have suffered from the virus a swift and full recovery.

This past year was very challenging. At times we had to convene Board Meetings at short notice. To my fellow Board members who all showed up - thank you for your considerable commitment and flexibility throughout the year.

I would like to extend my thanks to all of our stakeholders for their continued support as we continue to chart our course through these most unusual of times.
My term with the Board ended in 2020, however I am grateful to the member, Honourable MEC Panyaza Lesufi for the continued confidence in me as he offered me the opportunity to lead the organisation for three more years. I am humbled and honoured to serve our country, and the education sector, for access to decent education for the African child.

Tsěliso Ledimo
Chairman of the Board

Board of Directors 2020/21

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


Mr. Tšěliso Ledimo


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. Tlangi Mogale


Mr. Bengeza Mthombeni


Ms. Catherine Constantinides


Ms. Edith Mkefa
(Resigned 29 January 2021)


Mr. Errol Magerman


Mr. Maupe Matjila

Executive Committee (Exco) Members 2020/21

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


Mr. Sipho Dlamini
Director: Teacher
Development


Mr. Handson Mlotshwa
Director: ICT Programmes


Dr. Dempsey Noge
Director: School Governance


Mr. Victor Ngobeni
Director: Leadership &
Management


Mr. Zibonele Sibisi
Company Secretary
(Resigned 31 December 2020)


Ms. Kgaugelo Mkhwebane
Director: Research Planning
& QA


Ms. Patricia Maloka
Director Business Development

Chief Executive Officer's Overview

The year under review was characterised by changes, flexibility, innovation and determination. The country was thrown into responding to the unprecedented effects of the COVID-19 pandemic. The financial year started off with the country on a level-5 lockdown, and the early months of the year were spent swiftly adjusting the plans we had set ourselves to be able to continue with business. We devised a business continuity plan and put systems in place to ensure most of our staff were able to continue working remotely.

We adjusted our business plan for programme delivery in accordance with the COVID-19 needs as per the lockdown regulations and protocols. The final total budget for the year was R271, 417, 000, the initial budget being R241, 833, 000 and an additional R28, 584, 000 for COVID-19-related programmes.

The 2020/21 financial year was very trying, however we are able to report the following:

Programme Delivery

With the country being on varied levels of COVID-19 lockdown for over 400 days, inevitably our performance has been significantly impacted. While no one can be happy to see a decline in performance, in the situation in which we found ourselves, I believe our performance is very creditable.

Due to the lockdown, plans were adjusted to respond to the state of affairs and regulations. Therefore, training was minimal in the early months of the year. We focused mainly on:

- Review of the business and operational plan for the 2020/21 financial year
- Programme customisation, design and development of new materials
- Conversion of current programmes to blended and e-learning
- Preparations for SGB handover processes
- Training of facilitators using Microsoft Teams, in preparation for the roll-out of online training
- Psychosocial support (COVID-19) training via Teams

While this has given rise to the opportunity of transitioning the training offered by the institution into online, a number of challenges prohibited a smooth transition, including the following:

- Poor or lack of connectivity
- Lack of tools of trade
- Lack of proper ICT systems to deliver training and monitor learning
- Lack of buy-in from stakeholders

We had to also provide data for participants to be able to access training. These challenges have affected the number of participants joining up. By the end of the financial year, we delivered eleven programmes and 72 sub-programmes. Due to our inability to do face-to-face training during the year – in line with Disaster Management Act Regulations due to COVID-19 - of the eleven programmes delivered, six reached their annual targets and five did not reach their annual targets. Of the 72 sub-programmes delivered, 27 reached their annual targets.

Deliverables	Annual Target	Actual	Achieved / Not Achieved
PPM208: Number of educators trained in literacy/language, content/methodology	2 422	881	Not achieved
PPM209: Number of educators trained in numeracy/mathematics content	2 151	4396	Achieved
MT201: The average hours spent by teachers on professional development	12	15	Achieved
MT202: Number of teachers who have written the self-diagnostic assessments.	300	N/A	Not achieved
MT203: Percentage of teachers meeting required content knowledge levels	15%	35,5%	Achieved
Number of teachers reskilled with ICT Skills	2 500	2661	Achieved
SPM 201: Number of SMT members trained	380	1758	Achieved
SPM 103: Number of curriculum development facilitators trained	330	205	Not achieved
Number of SGBs trained	9 000	6119	Not achieved
Number of RCLs trained	2 000	343	Not achieved
Number of special school teachers trained	800	3536	Achieved

Human Resources/ People

There was not much change in our structure and the staff complement during the year of reporting. We did not have any new recruits; two of our staff members passed on; and two resigned.

We ramped up the institutional wellness programme for all staff members to be able to reach out for help.

Quality Assurance

In our quest to ensure that our programmes are of a high standard, we developed a quality assurance system. In the year under review we managed to train 12 Quality Assurance champions. These are the people who will drive the system within the institute. To guide our processes and sector standards, we also developed fifteen Standard Operating Procedures. All programmes delivered throughout the year were verified and submitted for audit purposes.

Research and Innovation

Feasibility Study

To initiate the repositioning of MGSLG into a Public Higher Education Institute (PHEI), we commissioned a feasibility study to explore the possibility of converting into a PHEI. The feasibility study was conducted and completed in the reporting period. The feasibility study for 'Institutional repositioning and functional re-engineering' aimed to establish sound principles, processes and a vision for development that are robust enough to guide direction for the future, and flexible enough to accommodate change over time, recognise new ideas and respond to changing education practices and technologies.

Business Continuity Study

We also conducted a second research study aimed at improving the programme offerings and the strategic vision of the institute. The study is titled a 'Business Continuity Study' where an analysis of similar institutions' reactions to natural disasters and pandemics was done. This qualitative study investigated what other institutions have survived and how they have dealt with the above issues. The paper attempts to capture most of the changes that have taken place internationally and locally in the higher education and training and development landscapes in response to pandemics such as the global spread of the Coronavirus and other emergencies (civil unrest, war, and natural disasters). The purpose for doing so is to provide recommendations on how MGSLG can respond to such pandemics and other disruptions to ensure business continuity in the future.

High-Risk Schools Study

This impact analysis study investigates the 34 high-risk schools for factors that impact on the performance of schools beyond the classroom. The study aims to assist the Institution in planning for future training within the high-risk schools. Although the study focuses on the 34 identified schools, the preliminary findings indicate that issues such as poverty, violence and crime play a huge influence in the school environment, and that the school is a reflection of the community that it is situated in. Due to the unavailability of further data, this study could not be completed.

Business Development

In the previous financial year we established the Business Development unit to focus on:

- Business development
- National footprint strategy
- Revenue diversification and sustainability
- Corporate marketing and communication

Through the unit we have established networking as part of the corporate marketing strategy for MGSLG. We participated in the following events:

- E-Learning Conference for Higher Education
- Standard Bank Top Women Awards

MGSLG Institutional Corporate Identity and Website

One of Business Development's focus areas is brand repositioning. MGSLG is gearing up to write the next chapter in its history with its anticipated repositioning as a PHEI. Strategically, this is an ideal time to take an unsentimental look at our brand versus peer and competitor institutional brands amongst which MGSLG endeavours to stand tall. In this period, we managed to kick-start the corporate identity and website development project.

The project aims to develop a Corporate Identity (CI) Manual to be used as a tool to reflect a complete image of MGSLG; and develop an innovative and interactive website to be used as a market positioning platform and promote MGSLG's brand image, as well as to interact with external stakeholders and prospective investment and joint venture partners. The project will be completed in the next financial year.

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.

Institutional ICT

With most of our staff working from home we had to amplify our ICT security environment and to provide support and platforms to make this transition smooth. We also had to ensure that the platforms for online training were secure, and easy to access and use.

We started rolling out video conferencing facilities in the District Teacher Development Centres (DTDC's). The purpose of the project was to equip the DTDC's and the Benoni office with an instant livestreaming technological one-to-many video and communication system, so that the Benoni campus can deliver a high definition, real-time teaching solution for teacher development across Gauteng province.

As part of phase one, the Benoni campus and four DTDC's were equipped with video conferencing facilities. The facilities were installed in the following centres:

- Dalpark DTDC in Brakpan
- Ndondo DTDC in Moroka, Soweto
- Kopanong DTDC in Sharpeville
- Soshanguve DTDC in Soshanguve

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 assist through the improvement of performance and operational effectiveness and use of data for decision-making, creating institutional intelligence. The project development was commissioned early in the year, and has been completed. This system will be instrumental in our strategy towards online and blended learning.

Despite the sobering performance of the past financial year, the MGSLG remains well placed to respond to the challenges posed by the COVID-19 crisis and educational needs going forward. As always, we remain committed to the education sector and the relationships that underpin the development of our children. I am thankful for the meaningful insights, leadership and continued support provided by the Board of Directors. My thanks also go to the MEC, HOD, and the GDE Executive Team for still believing and having the confidence in us. I am grateful to the MGSLG Executive Team for sharing the load, and I want to especially thank MGSLG employees for their resilience and dedication to the development of quality education and training for fair and equitable access to opportunities for all our children.

About the Report

Our 2020/21 Annual Report aims to provide the Member, the MEC for Gauteng Education; the main funder, the Gauteng Department of Education (GDE); partners; and other stakeholders with a comprehensive perspective of the past year's 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 2021.

Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

a. All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements (AFS) audited by the External Auditor
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 CFO is responsible for the preparation of the AFS
e. The CEO is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS
f. The external auditors are engaged to express an independent opinion on the AFS

In my opinion, the annual report fairly reflects the operations, performance information, human resources and the financial affairs of Matthew Goniwe School of Leadership and Governance for the financial year ended 31 March 2021.

Adv. Thulani Makhubela
Chief Executive Officer

ORGANISATIONAL OVERVIEW

Section 2

Organisational Overview

About Us

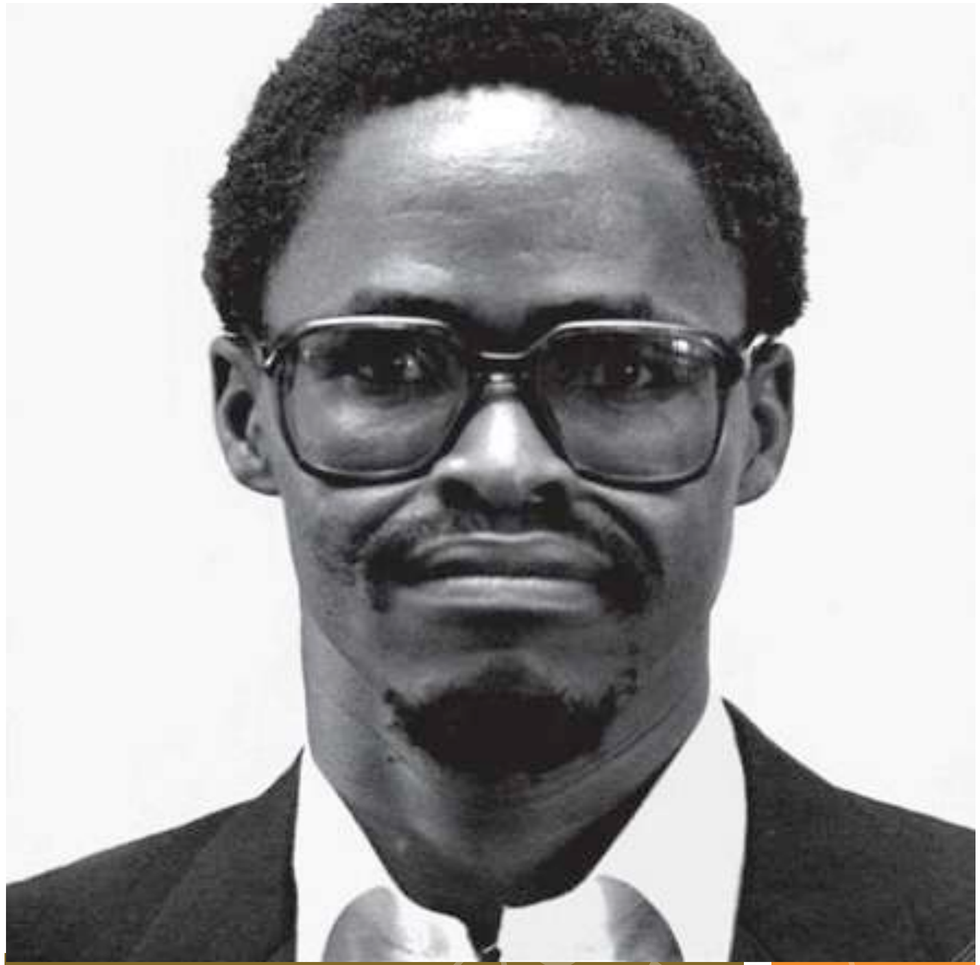
The Matthew Goniwe School of Leadership and Governance (MGSLG) "NPC", is a Non-Profit Company incorporated terms of Section 21 of the Companies Act, No 63 of 1973, which has now been replaced by the Companies Act 71 of 2008 ("the Companies Act"), with registration number 2002/025756/08.

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?



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.

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".

Strategic Overview

Vision

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

"The leading development institute in the education sector."

Mission

In supporting our vision, MGSLG's mission (aim) is as follows:

"To provide innovative and quality development learning programmes in the education sector, measured against the best internationally, to enable quality teaching and learning."

This mission will be achieved as MGSLG focuses on its role as follows:

a. to empower all the beneficiaries of MGSLG programmes through the delivery of well researched, customised and quality programmes; and
b. to evaluate the impact of the MGSLG programmes and benchmark the pro grammes on similar interventions inter nationally.

Values

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

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

Legislative and other Mandates

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

The applicable legal framework governing MGSLG is as follows:

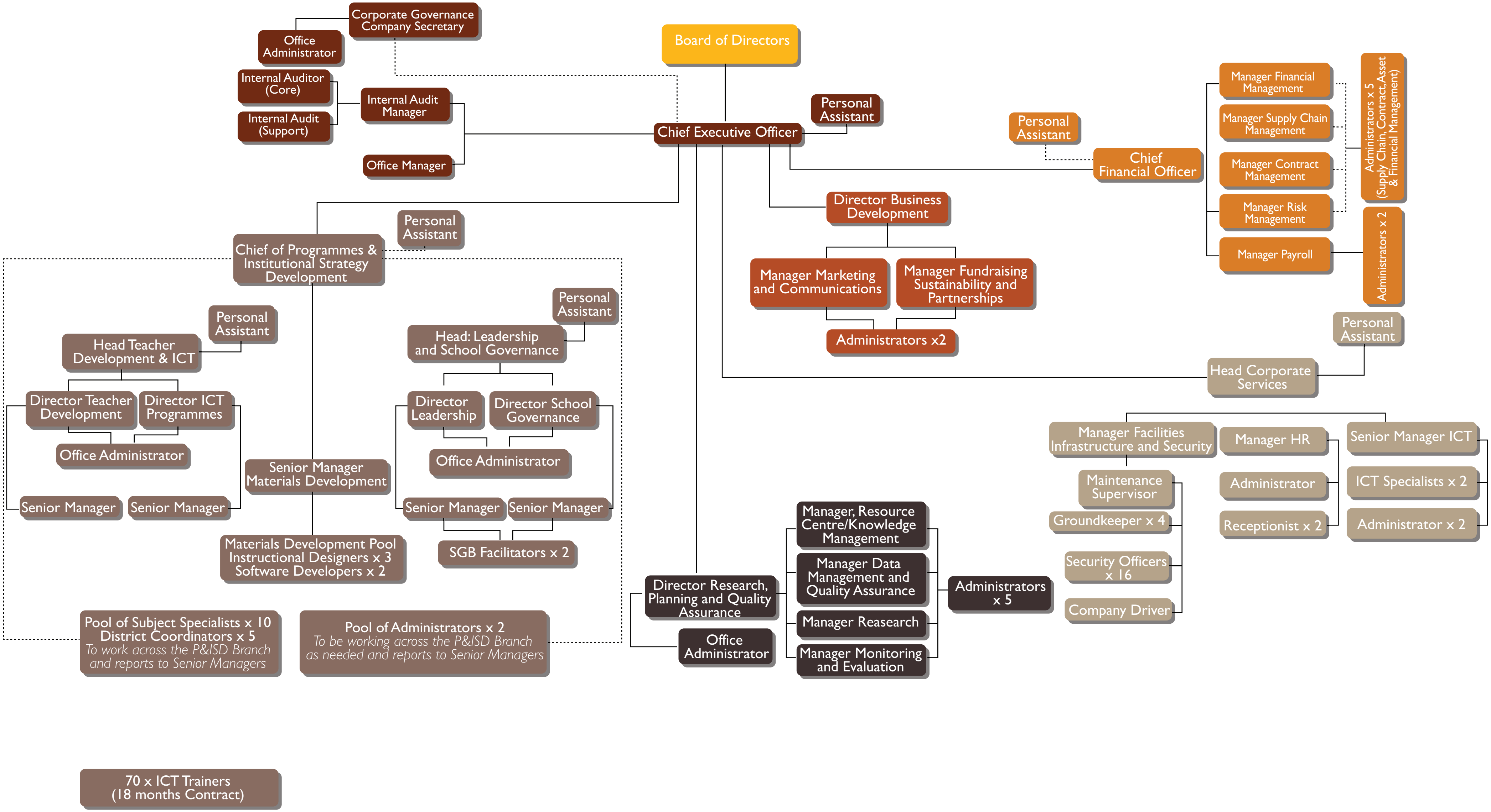
- Constitution of the Republic of South Africa ('the Constitution')
- Companies Act 71 of 2008 ('Companies Act')
- Companies Act Regulations 2011 ('the Companies Regulations')
- King IV Report
- Public Finance Management Act 01 of 1999 ('PFMA')

Our mandate is informed by the following:

- The National Development Plan (NDP) 2030
- The Gauteng Provincial Government's goals and priorities
- The Gauteng Department of Education (GDE) priorities
- Policies and other legislative mandates impacting our stakeholders: e.g.

  - South African Schools Act 84 of 1996
  - The South African Council for Educators *Act 31 of 2000*
  - Skills Development Act 97 of 1998
  - National Policy Framework for Teacher Education and Development
  - Integrated Strategic Planning Framework for Teacher Education and Develoment in South Africa
  - National Integrated ECD Policy
  - Others based on the needs of our stakeholders

Organisational Structure



PERFORMANCE REPORT

Section 3

Performance Report

Situational Analysis

Macro Environment

The 2020/21 financial year was marked by a total shutdown of the country due to the COVID-19 pandemic. The South African education system was also shut down during this period, marking a period of uncertainty for most organisations including MGSLG. With the Financial Year commencing in April 2020, the institution became uncertain as to whether it would be able to deliver on its mandate due to the fact that most programme offerings of the institute were meant to be delivered on a contact basis.

Most training Institutions in and around the country converted their training programmes to online training, and MGSLG had to follow suit - converting most of its programmes to online.

Current Context

This report deals with all activities conducted by MGSLG to ensure development of Educators, SGB`s and RCL`s in the province. Due to COVID-19-related regulations, MGSLG had to revise the annual and quarterly targets, resulting in quarter 1 of the 2020/21 financial year reporting zero performance, because this quarter was characterised by the revision of plans; translation of materials; and orientation of beneficiaries to the new method of delivery of programmes.

Although dependent on the level of knowledge of IT, quarter 2 improved, as the institute began to perform differently and deliver programmes online. Following quarter 2's improved performance, quarter 3 saw an increase in attendance of online programmes because participants were now used to online training, and connectivity also improved during this quarter. Quarter 4 - as the final quarter of the financial year - was characterised by both contact and online learning and most programmes were delivered during this quarter.

Service Delivery Environment

As a training and development institute, MGSLG was not prepared to roll out all its programmes online in the early months of the financial year. Neither were the course and programme beneficiaries prepared to receive their developmental programmes online. In the first quarter, the focus was on planning, as most programmes were converted to online delivery. This brought another challenge that reflected on the socio-economic dynamics of the country. Educators who are based in affluent areas were able to connect to the training programmes without any glitches, whilst those in rural areas and the outskirts of the Province struggled with connectivity issues.

At the start of the financial year, MGSLG had to provide participants with data so that they could access training on the day of the session. MGSLG administrators had to first call identified participants and load their details onto the system so that they could acquire the data offered by MGSLG. Once data was loaded, participants were able to access and attend training. However, the data offering by MGSLG was not a guarantee that course participants would attend and stay for the duration of the training programme. As observed in the analysis of the data from the comma separated value files, some participants just presented themselves in training for few minutes and then logged off without apology to the facilitator or the programme organisers. This impacted on some programmes not being able to reach their targets because the verification process of attendance is done in compliance with the MGSLG Certification Policy.

Organisational Environment

COVID-19 Regulations impacted on the MGSLG working schedule and environment, where employees had to operate onsite and remotely due to the shared office restrictions. The institute operated on a 50% rotational basis for most of the year. This impacted on some work being delayed because of issues of connectivity - especially for those that reside in the outer areas of the province. Apart from these regulations, there were no other major policy or regulatory changes that impacted on the work of the institute.

COVID-19 Impact on Programme Delivery

The impact of the COVID-19 pandemic has widened the scope of delivering our programmes for the 2020/2021 financial year, and has also resulted in many changes from the original Annual Performance Plan, including:

Seven programmes were suspended/deferred for the financial year 2020/21:

a. Leadership SMT Training and Support: Whole School Improvement (WSI)
b. Leadership District Training and Support: Whole School Improvement (WSI)
c. Leadership District Training and Support: District Head-Office Administration Management System (DHAMS)
d. Foundation Phase Home Language training, which is GDE and district driven
e. RCL programmes: Basic Peer Counselling and Support; Basic Project Management; How to Develop a Portfolio; and Community Support and Issues of Social Cohesion
f. SGB Induction, School Improvement Planning, and School Development Planning – will be revised for provision to newly elected School Governing Bodies
g. School Financial Management and School Policy Review and Development – were delivered successfully in the previous year

The following programmes were converted from face-to-face into blended mode:

a. Induction of Newly Appointed Teachers, District Officials, Principals and Deputies
b. LITNUM Strategy (Khari Ambe)
c. QMS Training for School Management: Collaborative Leadership and Critical Thinking for SMTs
d. CIPELT – Training of Foundation Teachers in EFAL
e. Training of Teachers in School-Based Assessments (Intermediate Phase)
f. CISELT - Training of Senior Phase Teachers in School-Based Assessments

Strategic Outcome Oriented Goals

The following are our strategic goals as reflected in our Strategic Plan:

Strategic Goal	Description
Strategic Goal 1: Early Childhood Development	• Professionalise ECD practice • Curriculum training and capacity development • Introduce digital literacy and programmes • Entrench reading and numeracy levels
Strategic Goal 2: Promote quality education across all classrooms and schools	• Exiting grade/ phase focus • HOME LINK programme • Flip the classroom • Strengthen JIT SSIP • Advocacy of the Schools of Specialisation (SoS) • Re-skilling educators in multi-certificate programmes • ICT integration at all levels
Strategic Goal 3: Create safe schools that embody social cohesion, patriotism and non – violence	• Capacity build School Management Teams and SGBs • Psychosocial programmes • Constitutional and human rights education
Strategic Goal 4: Change the education landscape to accelerate relevant and quality learning	• HODs' capacity development programme • Strengthen existing training programmes • Communities of Practice (CoP) • Diversified schools intervention strategy • Accredited SGB facilitators
Strategic Goal 5: Quality assurance	• Develop and implement a total quality management system • Quality assurance in terms of ISO
Strategic Goal 6: Research and innovation	• Institution-wide research • Training programme evaluation • Capacity building
Strategic Goal 7: Monitoring and evaluation	• Assess the impact of the MGSLG program

Strategic Goal	Description
Strategic Goal 8: ICT and physical infrastructure	• Develop a comprehensive ICT strategy • Develop an integrated automated system • ICT capacitation • Modernisation of internal processes • Acquire and capacity physical Infrastructure •
Strategic Goal 9: Funding and partnerships	• New client acquisition • Grant and tender proposals • Partnerships and joint ventures • Corporate brand establishment • Events management
Strategic Goal 10: Finance and cost optimisation	• Financial management • Cost optimisation • Supply chain management • Payroll management • Risk management

Performance Information

Programme 1: Early Childhood Development

Linked To Strategic Goal: Early Childhood Development

Across government policies, early child development (ECD) is a national priority programme included to support the principle of investment in young children. The GDE has prioritised ECD as goal number one and will focus on Grade R universalisation, and begin the preparations for the introduction of Grade RR. This means raising the training qualification of Grade R teachers to a Bachelor of Education.

Investment in ECD is critical to ensure better performance in formal schooling that will result in improved post-schooling outcomes, including employment. MGSLG has embarked on being in the forefront of training, capacity development and the professionalisation of ECD practitioners. ECD also provides fertile ground for the introduction of digital literacy and skills, and thus gives us a platform to assist teachers to integrate ICT into their teaching.

As a strategic partner to the Department, MGSLG offered the following ECD 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):

PROGRAMME/ACTIVITY/OBJECTIVE: RESKILLING OF ALL ECD PRACTITIONERS IN THE PROVINCE					
Performance Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021	Comment on Deviations
Total number of ECD practitioners trained (NQF Level 4)	240	240	323	83	
Number of Grade R practitioners trained (NQF Level 7)	240	240	240	0	
Number of Grade R practitioners trained: National Protocols on Assessment Onsite Support Grade R Teacher Assessment	2058	1000	250	750	As a result of closures of ECD Centres due to COVID-19 the ECD practitioners couldn't access the training. Most lack resources (data and smart phones)
Training of Grade R practitioners on NCF curriculum	731	1000	1470	470	
Number of Grade R HODs trained	240	240	312	72	The training was rolled over to Q1 of the 2021/22 financial year
Train ECD practitioners programme: NQF Level 4	240	240	323	83	

Strategy to Overcome Areas of Under-Performance

Key Performance Indicator	Action Plan
Number of Grade R practitioners trained (NQF Level 7)	The programme was rescheduled to commence in the 2021/22 academic year. This was informed by the closure of institutions and because beneficiaries could not be registered with the preferred service provider on time.
Number of Grade R HODs trained	The training was rescheduled to Quarter1 of the 2021/22 financial year. This is contact training since most of the participants do not have the technology to access online training.

Programme 2: ICT Integration in the Classroom

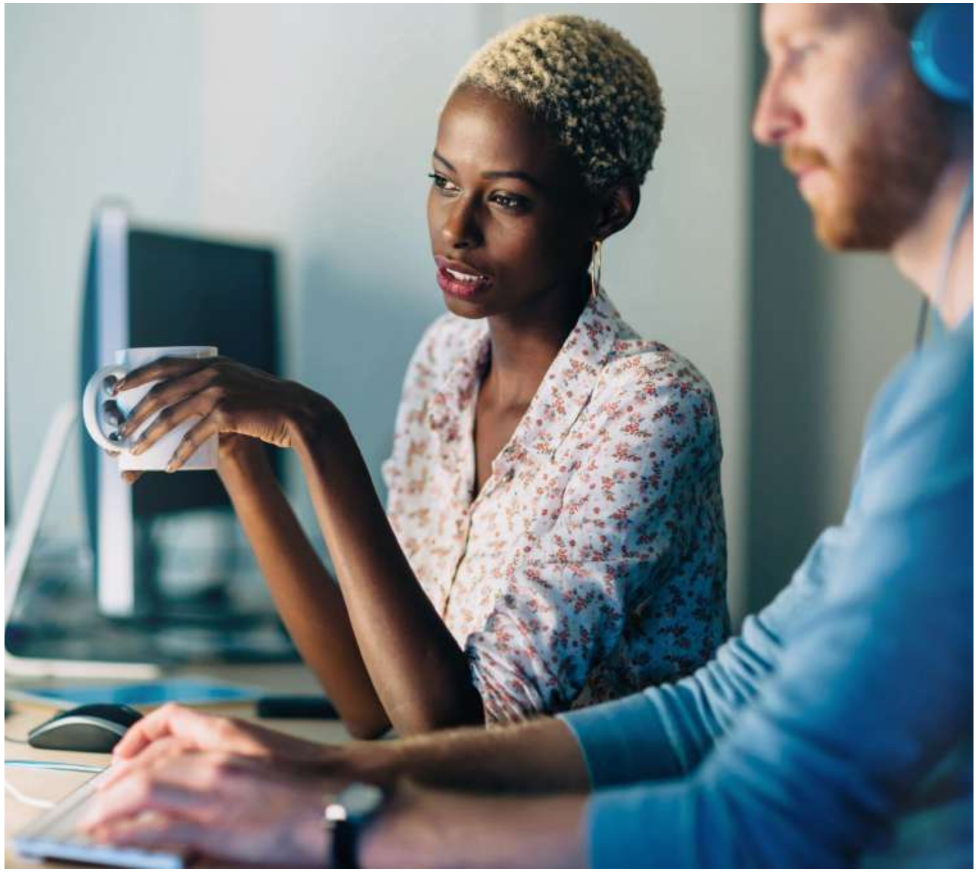
Linked to Strategic Goal: Promote Quality Education Across all Classrooms and Schools

The online learning environment is as much a business tool for a school as it is a learning tool for learners. Technology will continue to make its way into our classrooms and education systems in new and diverse ways. MGSLG has been in the forefront of training and developing teachers and their classrooms to take advantage of digital tools and online platforms. To support the GDE Mandate, MGSLG worked with various stakeholders in education, from devices to content creation to ensure that we are part of the holistic development of learners and educators. Most of our programmes have been translated for online learning, therefore, ensuring that teachers are well prepared and capacitated to use the platforms is key. The following programmes were implemented for the objective of integrating ICT in the classroom:

Programme/activity/objective: ICT Integration in the Classroom					
Performance Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021	Comment on Deviations
ICT onsite support	2500	3000	3920	920	
ICT MG online	651	400	239		Training deferred to 2021
ICT integration	504	1500	0	1500	Training deferred to 2021
Train Grade 8 - 12 onsite support & training	2000	1500	0	1500	Training deferred to 2021
Train Grade 8 to 12 teachers on MG online	New Performance Indicator	400	0	400	Training deferred to 2021
Mobile classroom solution	150	100	116	16	
School-based ICT committees	91	200	244	44	
Computer training for visually impaired teachers	31	30	32	2	
ICT integration for African languages	New Performance Measure	150	0	150	Training deferred to 2021
Number of ICT district committees trained	150	150	29	29	Training deferred to 2021
PD Online training	100	60	0	60	Training deferred to 2021

Strategy to Overcome Areas of Under-Performance (Indicators and Action Plans)

Key Performance Indicator	Action Plan
Total number of educators trained on ICT MG Online	The Institution has negotiated with network service providers to make all ICT training programmes data-free programmes
ICT integration	
Onsite support (Grade 8-12) MGSLG Online	
ICT integration for African languages	
Number of district committee members trained	
PD Online	



Programme 3: School Governance

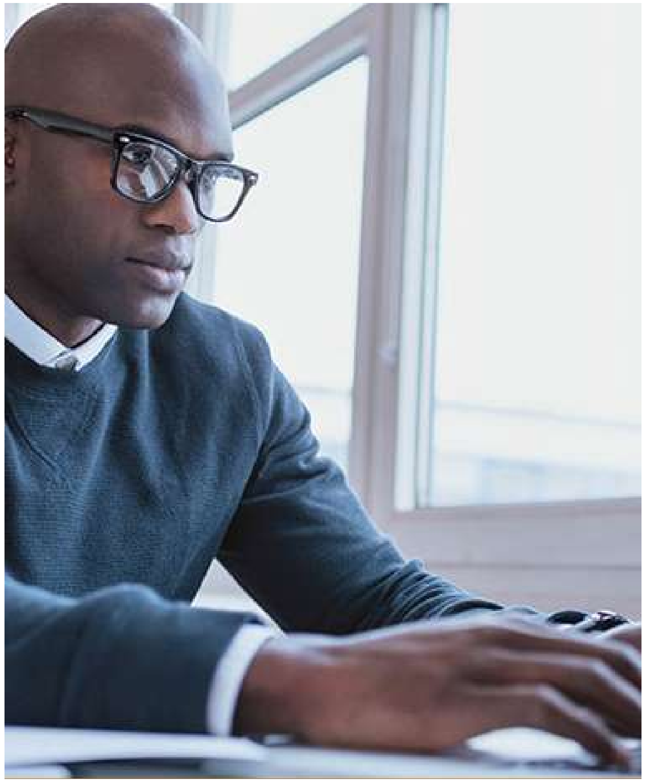
Linked to Strategic Goal 3: Create Safe Schools that Embody Social Cohesion, Patriotism and Non-Violence

The School Governance Programme supports the GDE’s mandate to strengthen the capacity of School Governing Body members in public schools within Gauteng Province through the following programmes:

Programme/Activity/Objective: SGB and RCL TRAINING					
Performance Indicator	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement for 2020/2021**	**Comment on Deviations**
Total number of SGB members trained in handover practices	New indicator	2000	4782	2782	
Total number of SGB members trained on self -selected programmes (COVID-19)		1000	2506	1506	
Total number of SGB members trained on election protocols	New indicator	5000	3359	1649	The training has been rolled over to the new financial year, as the process of elections takes place between March and June.
Number of SGB members trained on school twinning system	New Indicator	35	0	35	
Number of high-risk schools supported	New Indicator	35	0	35	
Total number of RCL executives trained	2700	1000	343	657	Due to COVID-19 and the closure of schools over a long period, most schools did not have RCLs in place

Strategy to Overcome Areas of Under-performance (Indicators and Action Plans)

Key Performance Indicator	Action Plan
Orientate Deputy Principals on induction, curriculum management, financial management, teacher induction and support	The programmes were rescheduled to commence in the 2021/22 academic year.
Train and certify SMT on ethics	
SMT training on collaborative leadership and critical thinking	



Programme 4: School Management

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

Leadership and management development is a critical aspect towards school improvement and Heads of Departments (HoDs) are important instructional leaders. The objective of the Leadership and Management Programme is to capacitate HoDs with leadership and management skills to optimally manage their departments and at the same time contribute to the SMT. The following programmes were implemented:

Programme/Activity/Objective: SMT Training on Ethics, Financial Management and Roles and Responsibilities					
Performance Indicator	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement for 2020/2021**	**Comment on Deviations**
Induction of HODs	399	225	427	202	
Orientate Deputy Principals on induction, curriculum management, financial management, teacher induction and support	226	350	140	210	Due to COVID-19; lack of resources; and difficulty in connecting, some SMT members could not attend online training sessions
Train and certify SMT on ethics	1736	4412	0	4412	
Train HODs in roles and responsibilities; policy planning for curriculum delivery; managing curriculum implementation and assessment; compiling portfolios of evidence	226	225	0	225	
SMT support on COVID-19	New indicator	2500	1373	1127	
SMT training on collaborative leadership and critical thinking	1423	500	0	500	
Train SMT on the value of data	New performance measure	1350	0	1350	Due to COVID-19; lack of resources; and difficulty in connecting, some SMT members could not attend online training sessions
High-risk training for Principals	New performance measure	141 Principals	0	141	
Novice educators' induction	1500	1300	44	1256	

Strategy to overcome Areas of Under-performance (Indicators and Action Plans)

Key Performance Indicator	Action plan
Orientate Deputy Principals on induction, curriculum management, financial management, teacher induction and support	The programmes were rescheduled to commence in the 2021/22 academic year
Train and certify SMT on ethics	
SMT training on collaborative leadership and critical thinking	

Programme 5: Education Leadership Development

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

Programme/Activity/Objective: Education Leadership Development					
Performance Indicator	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement for 2020/2021**	**Comment on Deviations**
Train HODs on leading and managing a subject/ phase	150	225	427	202	This performance measure is dependent on the total number of HODs appointed during the course of the financial year
Orientate Deputy Principals on induction, curriculum management, financial management, teacher induction and support	399	350	148	202	This performance measure is dependent on the total number of Principals appointed during the course of the financial year
Number of HODs trained in literacy and numeracy	226	2110	0	2110	This performance indicator is dependent on the total number of HODs appointed during the course of the financial year
Number of curriculum facilitators trained	198	150	149	1	The incumbent could not attend training due to natural attrition

Strategy to Overcome Areas of Under-performance (Indicators and Action Plans)

Key Performance Indicator	Action Plan
Orientate Deputy Principals on induction, curriculum management, financial management, teacher induction and support	The programmes were rescheduled to commence in the 2021/22 academic year
Train and certify SMT on ethics	
SMT training on collaborative leadership and critical thinking	

Programme 6: Teacher Development

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

Teacher development positions the MGSLG as a leading agent in supporting and developing teachers and officials. Training initiatives were focused on the critical role that the MGSLG can play in visioning the future of training programmes to meet emerging demands on teachers, and to ensure that training initiatives continually support the teacher in the delivery of the curriculum. Teacher development programmes focused on strategic interventions identified by the GDE to ensure that as an organisation, support was provided for increasing the National Senior Certificate target, as well as consolidating training imperatives throughout the education system. Evidence of a systems approach to training and development finds expression in MGSLG's commitment to strengthening capacity at the grade R, Early Childhood Development, Inclusion, Primary and Secondary levels of the teaching profession. The support to teachers has extended to promoting leadership capability at both school and district levels. The following programmes were implemented:

Programme/Activity/Objective: Teachers Trained in Pedagogy, Literacy and Languages					
Performance Indicator	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement for 2020/2021**	**Comment on Deviations**
Teacher training on content, pedagogy and assessment (Just-in-Time; e-SSIP A) - Excludes Mathematics, Mathematical Literacy and Numeracy. Subjects offered: Geography, Physical Science, Life Science, Accounting, Economics, Business Studies	3523	1417	2011	594	Due to issues of connectivity most educators could not access the training programme
Teacher training on content, pedagogy and assessment (SSIP Level B) Subjects offered: History, Tourism, Hospitality Studies, Consumer Studies, EFAL	331	324	84	240	Due to issues of connectivity most educators could not access the training programme
Teacher training on content, pedagogy and assessment (Intermediate Phase Science and Technology)	1760	1159	788	371	Due to issues of connectivity most educators could not access the training programme
Teacher training on content, pedagogy and assessment (Senior Phase Science and Technology)	2474	1200	1604	404	

Programme/Activity/Objective: Teachers Trained in Pedagogy, Literacy and Languages					
Performance Indicator	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement for 2020/2021**	**Comment on Deviations**
Teacher training on content, pedagogy and assessment (FET Technical Subjects)	261	1500	0	1500	Due to issues of connectivity most educators could not access the training programme
Social Sciences IP	New Indicator	100	95	5	
SID training (special schools) SIAS, focus week; curriculum differentiation; revised CAPS; COVID-19; and safety and wellness	480	1500	85	1415	Due to issues of connectivity most educators could not access the training programme
SIAS and curriculum differentiation (special schools)	1801	2000	3373	1373	
Teacher training on content, pedagogy and assessment (FET e-SSIP EFAL)	126	60	44	16	Due to issues of connec-tivity most educators could not access the training programme
Teacher training (FET CiSELT)	114	120	32	88	Due to issues of connectivity most educators could not access the training programme
Training Foundation Phase teachers EFAL (SP CiPELT)	638	500	73	427	
Training FET Phase teachers (Intermediate Phase CiSELT)	377	120	101	19	
Training Senior Phase teachers (CiSELT)	213	150	418	268	
African languages SP	91	150	153	3	
African languages IP	New Indicator	100	65	35	Due to issues of connectivity most educators could not access the training programme
Train Foundation Phase teachers in literacy	210	535	0	535	

Strategy to Overcome Areas of Under Performance (Indicators and Action Plans)

Key Performance Indicator	Action Plan
Teacher training on content, pedagogy and assessment (Just-in-Time e-SSIP A) - Excludes Mathematics, Mathematical Literacy and Numeracy. Subjects offered: Geography, Physical Science, Life Science, Accounting, Economics, Business Studies	All these programmes have been converted to data free programmes, whereby educators can access them without any additional cost
Teacher training on content, pedagogy and assessment (SSIP Level B) Subjects offered: History, Tourism, Hospitality Studies, Consumer Studies, EFAL	
Teacher training on content, pedagogy and assessment (FET Technical Subjects)	
SIAS and curriculum differentiation (special schools)	
Teacher training on content, pedagogy and assessment (FET e-SSIP EFAL)	
Teacher training (FET CiSELT)	

Programme 7: Teacher Training (Numeracy and Sciences)

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

Programme/Activity/Objective: Teachers Trained in Pedagogy, Numeracy and Sciences					
Performance Indicator	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement for 2020/2021**	**Comment on Deviations**
Teacher training on content, pedagogy and assessment (Foundation Phase Numeracy)	3607	1440	1757		
Training Intermediate Phase teachers in MST subject assessment (Intermediate Phase) Sasol Inzalo	1993	1859	1594		Due to issues of connectivity most educators could not access the training programme
Teacher training on content, pedagogy and assessment (Senior Phase Mathematics)	1430	1880	935		Due to issues of connectivity most educators could not access the training programme
Teacher training on content, pedagogy and assessment (FET Mathematics)	477	338	358		
Teacher training on content, pedagogy and assessment (FET Mathematical Literacy)	376	119	388		
Teacher training on content, pedagogy and assessment (Maths Lead Teachers)	0	164	83		Due to issues of connectivity most educators could not access the training programme
Teacher training on content, pedagogy and assessment (FET Technical Mathematics)	159	105	77		

Strategy to Overcome Areas of Under-performance (Indicators and Action Plans)

Key Performance Indicator	Action Plan
Training Intermediate Phase teachers in MST subject assessment (Intermediate Phase) Sasol Inzalo	All these programmes have been converted to data-free programmes, whereby educators can access them without any additional cost
Teacher training on content, pedagogy and assessment (Senior Phase Mathematics)	
Teacher training on content, pedagogy and assessment (Maths Lead Teachers)	
Teacher training on content, pedagogy and assessment (FET Technical Mathematics)	

CORPORATE GOVERNANCE

Section
4

Corporate Governance

Introduction

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

Governance Framework

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

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

Board of Directors

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

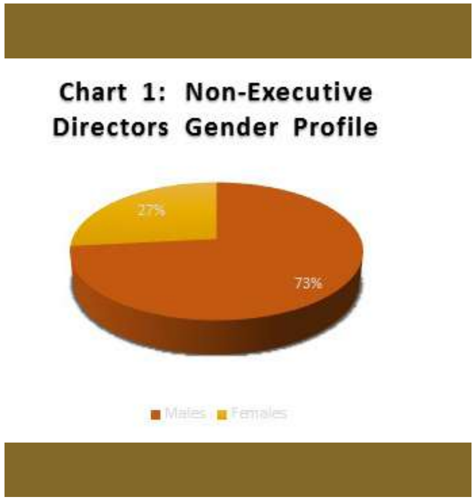
In terms of the MOI, the Board shall not comprise less than three (3) Non-Executive Directors and not more than 15.

The Board of Directors during this reporting period were:

1. Ledimo, Tsěliso Teboho Jeffery (Non-Executive) - Chairperson
2. Ntsali, Violet Nomvuyo (Non-Executive) – Deputy Chairperson
3. Makola, Lorraine Sarah Mathoto (Non-Executive)
4. Matakanya, Manaha (Non-Executive)
5. Matabane, Joconia Babsy (Non-Executive)
6. *Mkefa, Edith (Non-Executive) – resigned on 31 January 2021*
7. Saul, Tshidiso (Non-Executive)
8. Mdakane, Mhlengi Alex (Non-Executive)
9. Mthombeni, Samson Bengeza (Non-Executive)
10. Ramokhele, Bonolo Molemo (Non-Executive)
11. Constantinides, Catherine Sophia (Non-Executive)
12. Mogale, Tlangi Jina (Non-Executive)
13. Magerman, Errol Vincent (Non-Executive)
14. Matjila, Maupe George (Non-Executive)
15. Masingi, Sonnyboy Mandlenkosi (Non-Executive)
16. Makhubela, Thulani (Executive) Chief Executive Officer
17. Mahlangu, Sibusiso Justice (Executive) Chief Financial Officer

Composition of the Board of Directors

Non-Executive Director Demographics



Non-Executive Director Gender and Race Profiles

Chairperson and Deputy Chairperson

Mr Tšěliso Ledimo was initially appointed as the Board Chairperson on the 24th February 2020, and his term of office as a Director was renewed on the 1st of October 2020 for a period of three years. Ms. Violet Ntsali was initially appointed as the Deputy Chairperson on the 24th February 2020 and her term of office was renewed on the 1st of October 2020 for a period of three years.

Company Secretary

The Company Secretary is responsible for the secretariat function, governance advisory services, compliance management, and also plays a critical legal advisory role within the 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 the Board of Directors and the scheduling, preparation for and administration of Board and Committee meetings.

Board of Directors Remuneration

As a not-for-profit company, all MGSLG property and income - whether obtained by donations or profit by means of income generation activities - must be used to further its objectives. No company income may be paid to a member/ shareholder or directors.

Payment is only permissible when it is remuneration for goods delivered, services rendered and reimbursements for expenses arising from advancement of the objectives of the company.
Director's fees are approved by the Member (MEC) on recommendations made by the Board through its Human Resources, Remuneration and Social Ethics Committee. The Board Directors' fees for the reporting period were formally approved by the Member.

Executive Directors are only compensated for their services in line with their applicable employment contracts as non-executive directors of the company.

Director Development

During the reporting period the Board were trained on Technology and Information Governance as per the approved development plan. The training aimed at equipping the Board of Directors with knowledge, insights and perspectives on technology governance and the risks it may pose in a business. The following are other topics on which Board members were trained during quarterly board meetings:

- Protection of Personal Information (POPI) Act
- Tax Advisory Services

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.

Board Directors therefore declare any interest they may have, at every Board and Committee Meeting. In addition, an Annual Declaration is conducted and recorded in the Declaration Register.

Board Committees

Board Meetings and Attendance

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

During the financial year under review, a total of nine (9) Board Meetings were held. The Board conducted three (3) ordinary meetings; one (1) board session on the feasibility study/repositioning; four (4) special meetings; and one (1) Annual General Meeting.

	Date of Appointment	15 May 2020 Ordinary Board Meeting	11 Jun 2020 Special Board Meeting	07 Aug 2020 Special Board Meeting	01 Sept 2020 Special Board Meeting	30 Sept 2020 Ordinary Board Meeting	22 Oct 2020 Special Board Meeting	12 November 2020 AGM	03-04 December 2020 Board Session (Repositioning)	09 December 2020 Ordinary Board Meeting	TOTAL
1. Ledimo, Tšeliso *(Board Chairperson)*	**01/10/2014**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
2. Ntsali, Violet *(Deputy Chairperson)*	**01/10/2014**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
3. Makola, Lorraine	**01/10/2014**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
4. Matakanya, Manaha	**18/02/2013**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
5. Saul, Tshidiso	**01/11/2016**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
6. Matabane, Joconia	**01/11/2016**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
7. Mkefa, Edith	**01/11/2016**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
8. Mdakane, Mhlengi	**24/11/2017**	☑	☑	×	×	×	☑	☑	☑	☑	**06/09**
9. Ramokhele, Bonolo	**01/04/2019**	×	☑	☑	☑	☑	☑	☑	☑	☑	**08/09**
10. Masingi, Mandlenkosi	**01/04/2019**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
11. Mthombeni, Samson	**01/04/2019**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
12. Constantinides, Catherine	**01/04/2019**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
13. Magerman, Errol Vincent	**01/11/2019**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
14. Mogale, Tlangi	**01/11/2019**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
15. Matjila, Maupe	**01/03/2020**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
16. Makhubela, Thulani *(CEO)*	**01/08/2014**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**
17. Mahlangu, Sibusiso *(CFO)*	**01/03/2007**	☑	☑	☑	☑	☑	☑	☑	☑	☑	**09/09**

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

Board Meetings and Attendance

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

All the committees have terms of reference and during the 20/21 financial year all these terms of references were reviewed and formally approved by the Board of Directors

The Board has established the following committees:

- Academic, Research, School Governing Bodies (SGB) & Representative Council of Learners (RCL) Committee
- Human Resources, Remuneration, Social & Ethics Committee
- Audit & Risk Committee

Academic, Research, SGB & RCL Committee

The committee convened as follows during the reporting period:

Directors	26 May 2020 Quarterly Meeting	26 Aug 2020 Special Meeting	16 Sept 2020 Quarterly Meeting	26 Nov 2020 Quarterly Meeting	23 Feb 2021 Special Meeting
Matakanya, Manaha (*Committee Chairperson)*	☑	☑	☑	☑	☑
Matabane, Jaconia	☑	☑	☑	☑	☑
Ledimo, Tsěliso	☑	☑	☑	☑	☑
Makola, Lorraine	☑	☑	☑	☑	☑
Matjila, Maupe	☑	☑	☑	☑	☑
Mkefa, Edith	☑	☑	☑	☑	×
Mogale, Tlangi	☑	☑	☑	☑	☑
Makhubela, Thulani (*CEO*)	☑	☑	☑	☑	☑
Mahlangu, Sibusiso (*CFO*)	☑	☑	☑	☑	☑

Audit & Risk Committee

The committee convened as follows during the reporting period:

Directors	22 May 2020 Quarterly Meeting	18 September 2020 Quarterly Meeting	20 October 2020 Quarterly Meeting	27 November 2020 Quarterly Meeting
Ramokhele, Bonolo *(Committee Chairperson)*	☑	☑	☑	☑
Matabane, Joconia	☑	☑	☑	☑
Mdakane, Alex	☑	☑	☑	×
Mthombeni, Samson	☑	☑	☑	☑
Constantinides, Catherine	☑	☑	☑	☑
Makhubela, Thulani *(CEO)*	☑	☑	☑	☑
Mahlangu, Sibusiso *(CFO)*	☑	☑	☑	☑

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

Human Resources, Remuneration, Social & Ethics Committee

The committee convened as follows during the reporting period:

Directors	28 May 2020 Quarterly Meeting	17 September 2020 Quarterly Meeting	23 September 2020 Continuation Meeting	23 September 2020 Continuation Meeting	20 October 2020 Special Meeting	19 November 2020 Special Meeting	30 November Quarterly Meeting	10 February 2021 Special Meeting	03 March 2021 Workshop	18 March 2021 Shortlisting
Masingi, Mandlenkosi *(Committee Chairperson)*	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Ntsali, Violet	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Saul, Tshidiso	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Matakanye, Manaha	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Magerman, Vincent	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Makhubela, Thulani (*CEO)*	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Mahlangu, Sibusiso (*CFO*)	☑	☑	☑	☑	☑	☑	☑	☑	☑	×

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

CORPORATE SERVICES

Section
5

CORPORATE SERVICES

Introduction

The Human Resource priorities for the year under review and the impact of these priorities were the following:

- To anticipate and predict future workforce requirements to meet the changing strategic direction of the institution.
- To respond to the emerging model of service delivery as part of the changing strategic direction of the institution.
- To ensure effective planning for workforce changes in relation to the desired quality improvement and provision of services in line with the vision of becoming the best education institution of its kind in the province and nationally.
- To position HR as a strategic business partner that understands the business needs of the line managers and adds value to MGSLG rather than being a support function that facilitates transactional (mostly administrative) HR processes.

Recruitment

Workforce planning framework and key strategies for recruitment

Our strategic approaches were linked to the overall institutional strategy and direction that include responding to a number of key elements in our policies. The institutional strategies sought to grow the institution beyond the province, as well as deepening our programmes and provision related to the new approaches of eLearning and online learning. Our recruitment was therefore linked to these institutional needs and the prioritisation of skills within the realm of ICT as well as specialised research skills.

Our policies, particularly those related to remuneration were also geared towards the retention of critical skills and ensuring retention of staff with scarce skills as an enhancement for our new strategic plan.

Employee Performance

The MGSLG Performance Management Policy is linked to development and identification of gaps. This is aligned to the Remuneration Policy that incentivises those who are performing at a higher level. However, in the last year we could not do proper reviews for staff for a number of reasons, one being the changes in job profiles, evaluation and grading that was completed in the early period of the year under review. We also entered into this period with the impact of COVID-19, and most programmes had to be either frozen or facilitated remotely. This disadvantaged a number of employees and reviews were frozen until we were able to do justice to this process.

Employee Wellness

MGSLG has a vibrant wellness programme that entails a number of physical activities, but most of these activities were held in abeyance due to the COVID-19 lockdown. However, we introduced a new programme with Discovery Health, that focusses on employee wellbeing. The programme took into consideration the psychological needs and emotional wellbeing of staff during this testing period. This is an assistance programme that also looks at counselling for the legal, trauma and financial aspects of staff wellbeing.

Policy Development

MGSLG develops policy through engagement with all staff as well as executives in a process that is all-inclusive. The inputs from this process are then formulated as proposals for the Board of Directors' consideration and approval. It's an annual process that seeks to ensure that all policies in the HR realm are in line with national legislation, and that all staff and management are updated and informed about the need for compliance therewith.

In the year under review, we have finalised changes and amendments to all HR policies. In addition, we have adopted new polices including POPI Act compliance and planning. We are currently institutionalising the POPI Act after the policy was adopted by the Board of Directors.

Health and Safety

Our Health and Safety team has been operational for the year under review. A new health and safety team was nominated and was appointed to the committee. The team went into planning for the COVID-19 pandemic and were at the forefront of institutional readiness, planning and having support systems in place for the effective operation of teams under different circumstances.

The institution operated on a phased-in operational plan during the COVID-19 pandemic in line with World Health Organisation (WHO) recommendations. The institution recorded 21 positive COVID-19 cases in the financial year and sadly one employee passed on due to COVID-19-related complications.

No workplace incidents were reported during this period. For the past three years our infrastructure has been stretched in terms of usage, with more staff per metre^2 than before. Considering the COVID-19 pandemic and the current work from home arrangement, a new way of working and the need for physical office special needs will have to be reviewed.

Planned, preventative and reactive maintenance and renovations continue on a yearly basis to assist with the upkeep of and improvements to the institution's buildings.

ICT Management

The Board has delegated the responsibility for the implementation of technology governance to management. ICT is embedded in MGSLG's risk management programme, and these risks are reviewed on a quarterly basis at Risk Management Committee meetings.

Information governance is currently the responsibility of the IT Manager and the Corporate Services Head. This includes changes to processes and systems over the past 24 months, in preparation for the Protection of Personal Information Act (POPI Act) given that the institution has necessarily adopted a policy of compliance with this regulation. The safeguarding and protection of data - particularly customer information - is of paramount importance to MGSLG as an institution.

Information Technology and Communication systems have been fine-tuned to support remote working, given the national lockdown as a result of the COVID-19 pandemic. Information security has also been strengthened to ensure the security of our information whilst working in transit. All our information is currently stored, and accessed securely from within the cloud environment.

Employment Statistics

MGSLG has an imbalance in 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.

MGSLG Staff Profile											
	Occupational Category	Gender & Racial Equity							Age Group		
		Male	Fe-male	TOTAL	A	C	W	I	<35	35-55	>55
1	Administrator/ PA/ Receptionist/	20	34	**54**	47	7	0	0	23	26	5
2	ICT Trainers / ECD Facilitators	25	63	**88**	86	1	1	0	59	15	14
3	Middle Management	12	8	**20**	14	2	1	3	2	14	4
4	EXCO Members	7	4	**11**	11	0	0	0	1	7	3
5	Support Staff	19	7	**26**	26	0	0	0	3	20	3
TOTALS		**83**	**116**	**199**	**184**	**10**	**2**	**3**	**88**	**82**	**29**

Key: A – African; C – Coloured; W – White; I - Indian

Table 1: MGSLG Staff Profile

The overall staff compliment of 199 does not include the component of staff employed temporarily for the purposes of SGB facilitation and support for school developmental purposes. There is an imbalance in that most staff members are of the African racial grouping and we need to create a more balanced staff recruitment approach.

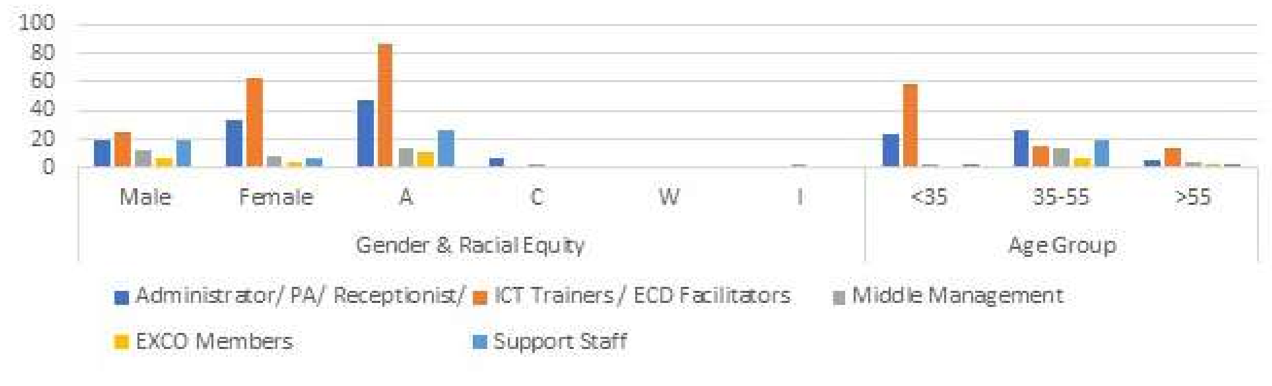


Figure 2: MGSLG Staff Profile

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

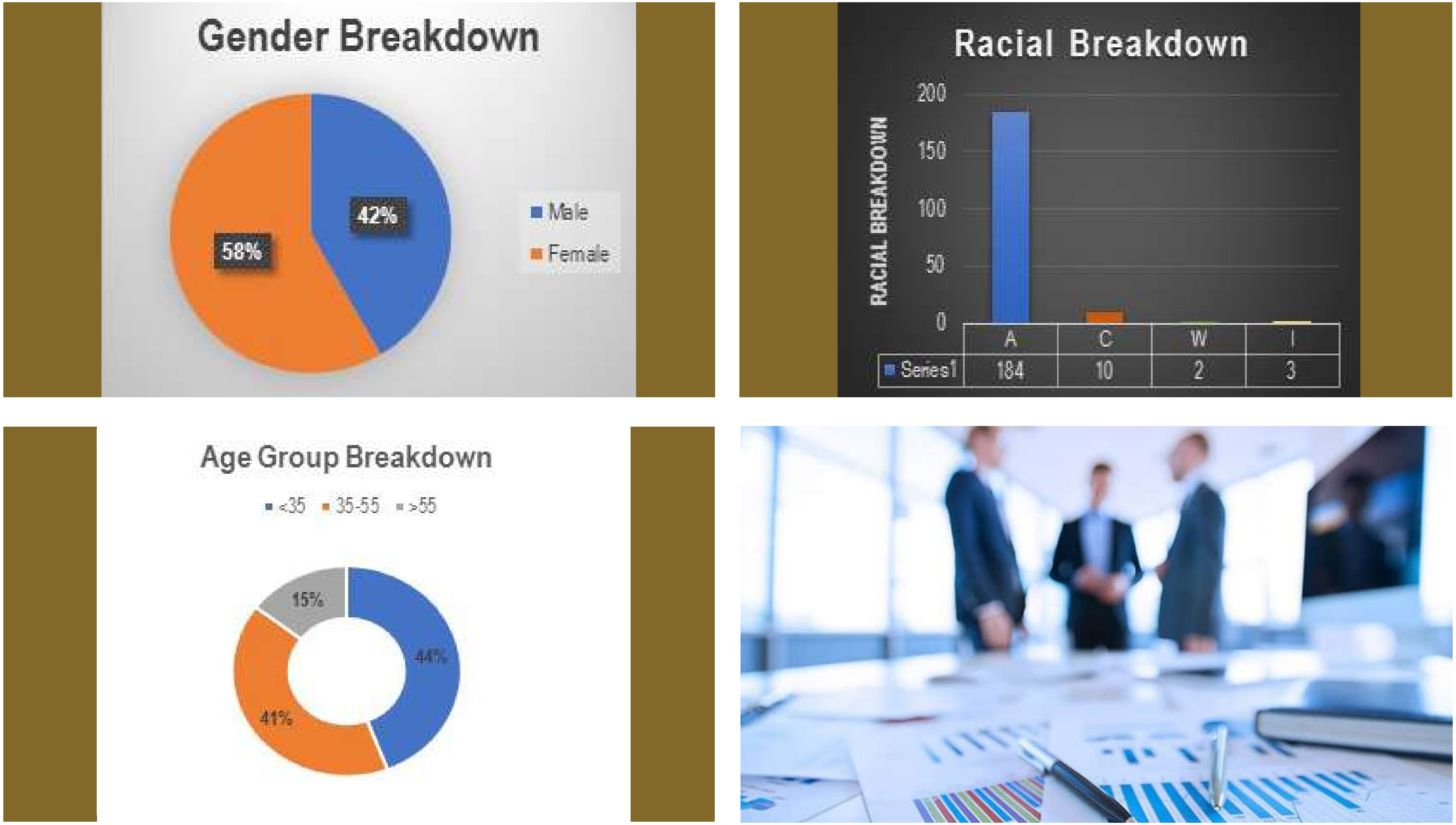


Figure 3: MGSLG Staff Gender, Racial & Age Group Breakdown

Staff Retention

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

Category	MGSLG Departments					Totals
	Teacher Development and ICT	**School Governance**	**Corporate Services**	**School Leadership**	***Office of the CEO**	
Resignations	2	0	0	0	1	**3**
Disciplinary Hearings	0	1	0	1	0	**2**
Expired Contracts	0	0	0	0	0	**0**
Retirements	0	0	0	0	0	**0**
Deceased	1	0	1	0	0	**2**

Table 3: Staff Retention

During the period under review, two disciplinary hearing were conducted, resulting in Final Written Warnings being issued to the two employees.

Two ICT Facilitators resignations were registered in the period as well as one resignation in the office of the CEO, all of which took place due to better offers and conditions of employment being found elsewhere.

Sadly, two employees passed on: Ms Annah Makate, the ICT Facilitator in Teacher Development, stationed at Benoni; and Ms Joyce Ngobeni, the Housekeeper in the Corporate Services station at Vrededorp.

Staff Development

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

The table below provides a picture of the beneficiaries of institutional training and development for 2020/2021:

Programme Description	**Employment Level**			
	Admin Staff	**Middle Manage-ment**	**Senior Manage-ment**	**Support Staff**
Advanced Diploma in Business Management	1			
Bachelor of Arts: Communication Science	1			
Bachelor of Business Administration	1			
Bachelor of Arts	1	1		
Bachelor of Commerce in Human Resource Management	2			
Bachelor of Commerce in Project Management	1			
Bachelor of Information Science		1		
Bachelor of Public Administration	1			
BCom Financial Accounting	1			
Bachelor of Commerce: Information and Technology Management	1			
CIS Company Secretary	1			
Degree: Human Resource Management	1			
Degree: Bachelor of Law	1			
Diploma in Office Administration	1			

Programme Description	Employment Level			
	Admin Staff	Middle Manage-ment	Senior Manage-ment	Support Staff
Diploma in Transport & Supply Chain Management	1			
Doctor of Philosophy			1	
Global Executive Development Programme			1	
Higher Certificate in Economics & Management Science	1			
MA in Public Management and Governance	1			
Management Assistant				1
Master's Degree in Business Administration	1			
Master's Degree in Public Administration	1			
Master's Degree in Governance and Policy		1		
Master's Degree: Public Administration	1			
Master's Degree: Business Administration	1			
MEd in ICT in Education		2		
National Certificate Mechanical Engineering N4-N6				1
National Certificate: Business Management				1
National Certificate: Electrical Engineering				1
Post Graduate Diploma in Labour Law		1		
PhD – Thesis			1	
Post Graduate Diploma in Corporate Governance	1			
Post Graduate Diploma in Management		1		
Post Graduate Diploma in Human Resource Development	1	1		
Post Graduate Diploma in Project Management		1		

Table 4: MGSLG Training Beneficiaries

FINANCIAL REPORT

Section
6

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 Tseliso
	Makhubela Thulani
	Mahlangu Sibusiso
	Makola Lorraine
	Matabane Joconia
	Matakanya Manaha
	Saul Tshidiso
	Ntsali Violet
	Constantinides Catherine
	Magerman Errol
	Masingi Sonnyboy
	Matjila Maupe
	Mthombeni Bengeza
	Ramokhele Bonolo
	Mogale Tlangi
Registered office	40 Hull Street
	cnr 8th and Hull Street
	Vrededorp
	Johannesburg
	2092

Business address	40 Hull Street cnr 8th and Hull Street Vrededorp Johannesburg 2092
Postal address	Postnet Suite 161 Private Bag X9 Melville Johannesburg 2092
Bankers	Standard Bank of South Africa
Auditors	Lunika Chartered Accountants Inc. Registered Auditors
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
30 September 2021

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 2022 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 64 to 65.

The financial statements set out on pages 66 to 109, which have been prepared on the going concern basis, were approved by the board of directors on 30 September 2021 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 2021.

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 after tax for the year ended 31 March 2021 of R 43 963 239. This represented an increase of 1 417% from the net profit after tax of the prior year of R2 965 522.

The actual transfers received in 2020/21 were R270 million (2020: R281 million) and were allocated funds as per approved business plan as follows: Teacher Training or CATLM (Content, Assessment, Teaching & Learning Methodologies) and ICT in Education R165 million; Early Childhood Development (ECD) R42 million, Psycho Social Services (PSS) & Life Skills R32 million, School Governance R15 million and Operations R10 million.

3. Directorate

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

Directors	Office	Designation	Nationality	Changes
Ledimo Tseliso	Chairperson	Non-executive	South African	
Makhubela Thulani	Chief Executive Officer	Executive	South African	
Mahlangu Sibusiso	Finance Director	Executive	South African	
Makola Lorraine		Non-executive	South African	
Matabane Joconia		Non-executive	South African	
Matakanya Manaha		Non-executive	South African	
Mdakane Mhlengi		Non-executive	South African	
Mkefa Edith		Non-executive	South African	Resigned Friday, 29 January 2021
Saul Tshidiso		Non-executive	South African	
Ntsali Violet		Non-executive	South African	
Constantinides Catherine		Non-executive	South African	
Magerman Errol		Non-executive	South African	
Masingi Sonnyboy		Non-executive	South African	
Matjila Maupe		Non-executive	South African	
Mthombeni Bengeza		Non-executive	South African	
Ramokhele Bonolo		Non-executive	South African	
Mogale Tlangi		Non-executive	South African	

4. Events after the Reporting Period

The board is aware of the COVID-19 pandemic as well as the country's downgrade to sub-investment grade. The pandemic is considered to be a non-adjusting event and there is no immediate concern around going concern. Management has established high-level task teams that are continually assessing and monitoring developments with regard to the disease and at the time of finalising the report, the board is confident that our responses are adequate and the crisis is being continuously monitored to assess the impact on the company. The financial estimate cannot be determined reliably as the extent of COVID -19 is unknown. An analysis has been prepared by the board, regarding the potential long-term effect of the disease, based on information available at approval date. This analysis is continuously updated.

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

These conditions give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

6. Auditors

Lunika Chartered Accountants Inc. continued in office as auditors for the company for 2022.

At the AGM, the shareholder will be requested to reappoint Lunika Chartered Accountants Inc. as the independent external auditors of the company and to confirm Mr Samkelo Mxunyelwa CA (SA) as the designated lead audit partner for the 2022 financial year.

7. Secretary

Mr Zibonele Sibisi (resigned in December 2020) and Ms Hetisani Mangolele (Acting Company Secretary January 2021 – March 2021)

Postal address:	Postnet Suite 161 Private Bag X9 Melville Johannesburg 2092
Business address:	40 Hull Street cnr 8th and Hull Street Vrededorp Johannesburg 2092

8. Date of Authorisation for Issue of Financial Statements

The financial statements have been authorised for issue by the directors on Monday, 30 September 2021. No authority was given to anyone to amend the financial statements after the date of issue.

Independent Auditor's Report

To the Directors of Matthew Goniwe School of Leadership and Governance

Opinion

I have audited the financial statements of Matthew Goniwe School of Leadership and Governance set out on pages 66 to 109 , which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my 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 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

SARS Contingent Liability

We draw attention to note 21 of the financial statements, which indicates that during the 2020/21 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.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report as set out on page 61 to 63 and the supplementary information set out on page 110 to 112. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I 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 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.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Report on Other Legal and Regulatory Requirements

I terms of the IRBA Rule published in Government Gazette 39475 dated 4 December 2015, we report that Lunika Inc has been appointed as the auditor of Matthew Goniwe School of Leadership and Governance for 3 years, however this is our first year of audit.audit.

Lunika Incorporated
Samkelo Mxunyelwa (CA) SA, RA
Director
Chartered Accountant (SA) | Registered Auditor

20 September 2021
Unit 5
Lonehill Office Park
Sandton
Johannesburg

Statement of Financial Position as at 31 March 2021

Figures in Rand (R)

	Note(s)	2021	2020
Non-Current Assets			
Property, plant and equipment	3	24 227 157	25 633 197
Right-of-use assets	4	2 140 993	499 815
Intangible assets	5	142 001	179 642
Trade and other receivables	6	58 886 470	-
		85 396 621	**26 312 654**
Current Assets			
Trade and other receivables	6	4 983 289	59 717 983
Cash and cash equivalents	7	156 342 735	112 275 781
		161 326 024	**171 993 764**
Total Assets		**246 722 645**	**198 306 418**
Equity and Liabilities			
Equity			
Retained income		129 303 291	85 340 052
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	1 541 807	-
Deferred income	10	19 060 471	19 610 473
		20 602 278	**19 610 473**
Current Liabilities			
Trade and other payables	9	4 833 537	3 493 295
Lease liabilities	4	599 186	428 717
Deferred income	10	84 317 680	85 403 767
Provisions	8	7 066 673	4 030 114
		96 817 076	**93 355 893**
Total Liabilities		**117 419 354**	**112 966 366**
Total Equity and Liabilities		**246 722 645**	**198 306 418**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand (R)

	Note(s)	2021	2020
Revenue	11	272 053 088	277 444 023
Cost of sales	12	(151 295 412)	(202 202 212)
Gross profit		**120 757 676**	**75 241 811**
Other operating income	13	108 046	117 666
Other operating gains (losses)	14	(20 815)	(70 430)
Other operating expenses		(80 062 994)	(75 882 389)
Operating profit (loss)	15	**40 781 913**	**(593 342)**
Investment income	18	3 198 571	3 604 237
Finance costs	19	(17 245)	(45 373)
Profit for the year		**43 963 239**	**2 965 522**
Other comprehensive income		-	-
Total comprehensive income for the year		**43 963 239**	**2 965 522**

Statement of Changes in Equity for the year 31 March 2021

Figures in Rand (R)

	Retained Income	Total Equity
Balance at 01 April 2019	**82 374 530**	**82 374 530**
Profit for the year	2 965 522	2 965 522
Other comprehensive income	-	-
Total comprehensive income for the year	**2 965 522**	**2 965 522**
Balance at 01 April 2020	**85 340 052**	**85 340 052**
Profit for the year	43 963 239	43 963 239
Other comprehensive income	-	-
Total comprehensive income for the year	**43 963 239**	**43 963 239**
Balance at 31 March 2021	**129 303 291**	**129 303 291**

Statement of Cash Flows for the year ended 31 March 2021

Figures in Rand (R)

	Note(s)	2021	2020
Cash flows from operating activities			
Cash generated from operations	20	41 439 390	(1 268 642)
Interest income		3 198 571	3 604 237
Finance costs		(17 245)	(45 373)
Net cash from operating activities		**44 620 716**	**2 290 222**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(134 443)	(818 726)
Sale of property, plant and equipment	3	9 398	70 928
Purchase of other intangible assets	5	-	(6 251)
Net cash from investing activities		**(125 045)**	**(754 049)**
Cash flows from financing activities			
Payment on lease liabilities		(428 717)	(639 638)
Total cash movement for the year		**44 066 954**	**896 535**
Cash at the beginning of the year		112 275 781	111 379 246
Total cash at end of the year	7	**156 342 735**	**112 275 781**

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 2021 were authorised for issue in accordance with a resolution of the directors on 30 September 2021.

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 of South Africa 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 Rand, 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 extended the three year lease that ended in July 2020 by a lease for a further 2 years from January 2021, 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.

Accounting Policies (continued)

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.

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 -.

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 cash generating 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 in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are 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	3 - 9 years
Other property, plant and equipment	Straight line	9 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is 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 mis match; 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 24 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:

Accounting Policies (continued)

- 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.
- If a receivable is a purchased or originated as credit-impaired, then a cred it-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 sub sequently 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.

Accounting Policies (continued)

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).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 24 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 Hedge Accounting

1.7 Tax

Current Tax Assets and Liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax assets and Liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax Expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Accounting Policies (continued)

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

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

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.

1.8 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.

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.

Accounting Policies (continued)

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.

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.

Accounting Policies (continued)

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.

1.9 Leases (Comparatives under IAS 17)

1.10 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.

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.

1.11 Share Capital and Equity

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

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

Accounting Policies (continued)

1.12 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.

1.13 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 re structuring by starting to implement that plan or announcing its main features to those affected by it.

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.

Accounting Policies (continued)

1.14 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.

1.15 Revenue from Contracts with Customers

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.16 Investment income - Interest and Dividends

Dividends are recognised when the right to receive payment is established, meaning on the last day for registration in respect of listed securities and when declared in respect of unlisted securities. Dividend and 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.

Notes to the Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2021 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.

IFRS 17 Insurance Contracts

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

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

The company expects to adopt the standard for the first time in the 2024 financial statements.

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

Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 16

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the company is for years beginning on or after 01 January 2021.

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

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

Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the company is for years beginning on or after 01 January 2021.

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

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

Notes to the Financial Statements (continued)

Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 7

The amendment sets out additional disclosure requirements related to interest rate benchmark reform.

The effective date of the company is for years beginning on or after 01 January 2021.

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

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

Annual Improvement to IFRS Standards 2018 2020: Amendments to IAS 41

"Taxation" has been removed from the list of cash flows excluded from the fair value determination of biological assets.

The effective date of the company is for years beginning on or after 01 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.

Onerous Contracts Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the company is for years beginning on or after 01 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.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the company is for years beginning on or after 01 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.

Classification of Liabilities as Current or Non Current Amendment to IAS 1

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

Notes to the Financial Statements (continued)

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

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

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

The company expects to adopt the amendment for the first time in the 2024 financial statements.

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

Annual Improvement to IFRS Standards 2018 2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the company is for years beginning on or after 01 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.

COVID 19 Related Rent Concessions Amendment to IFRS 16

The COVID 19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID 19 pandemic and only if:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payment affects only payments originally due on or before 30 June 2021 and
- there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after 01 June 2020.

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

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

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Notes to the Financial Statements (continued)

Figures in Rand (R)

3. Property, Plant and Equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Used within the company						
Buildings	27 501 046	(7 132 090)	20 368 956	27 501 046	(6 582 088)	20 918 958
Furniture and fixtures	1 796 526	(1 044 449)	752 077	2 496 250	(1 614 332)	881 918
Motor vehicles	363 636	(363 636)	-	363 636	(296 901)	66 735
Office equipment	2 069 097	(1 192 720)	876 377	2 354 597	(1 396 371)	958 226
IT equipment	4 703 046	(2 643 489)	2 059 557	5 776 509	(3 182 178)	2 594 331
Other property, plant and equipment	473 813	(303 623)	170 190	638 566	(425 537)	213 029
Total	**36 907 164**	**(12 680 007)**	**24 227 157**	**39 130 604**	**(13 497 407)**	**25 633 197**

Reconciliation of Property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Used within the company						
Buildings	20 918 958	-	-	(550 002)	-	20 368 956
Furniture and fixtures	881 918	9 755	(2 906)	(136 690)	-	752 077
Motor vehicles	66 735	-	-	(66 735)	-	-
Office equipment	958 226	124 670	(3 526)	(202 993)	-	876 377
IT equipment	2 594 331	-	(118)	(510 205)	(24 451)	2 059 557
Other property, plant and equipment	213 029	18	(2 848)	(40 009)	-	170 190
Total	**25 633 197**	**134 443**	**(9 398)**	**(1 506 634)**	**(24 451)**	**24 227 157**

Notes to the Financial Statements (continued)

Figures in Rand (R)

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
Other property, plant and equipment	283 272	-	-	(70 243)	213 029
	26 635 443	**818 726**	**(70 928)**	**(1 750 044)**	**25 633 197**

Notes to the Financial Statements (continued)

Figures in Rand (R)

4. Leases

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

Net carrying amounts of right-of-use assets

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

	2021	2020
Buildings	2 140 993	499 815

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	499 815	642 891

Other disclosures

Interest expense on lease liabilities	11 095	41 363

Lease liabilities

Lease liabilities have been included in the borrowings line item on the statement of financial position. Refer to note Borrowings.

The maturity analysis of lease liabilities is as follows:

Within one year	711 037	439 814
Two to five years	1 541 807	-
	2 252 844	439 814
Less finance charges component	(111 851)	(11 905)
	2 140 993	**427 909**
Non-current liabilities	1 541 807	-
Current liabilities	599 186	428 717
	2 140 993	**428 717**

Notes to the Financial Statements (continued)

Figures in Rand (R)

5. Intangible Assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	479 808	(337 807)	142 001	695 373	(515 731)	179 642

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software, other	179 642	(37 641)	142 001

Reconciliation of intangible assets - 2020

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

Notes to the Financial Statements (continued)

Figures in Rand (R)

6. Trade and other Receivables

	2021	2020
Financial Instruments:		
Trade receivables - VAT	58 907 170	12 258
Accrued income - interest	325 860	439 113
Trade receivables at amortised cost	59 233 030	451 371
Other receivable	103 028	4 500
Non-financial instruments:		
VAT	4 312 811	58 886 470
Prepayments	220 890	375 642
Total trade and other receivables	**63 869 759**	**59 717 983**
Split between non-current and current portions		
Non-current assets	58 886 470	-
Current assets	4 983 289	59 717 983
	63 869 759	**59 717 983**
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	59 336 058	455 871
Non-financial instruments	4 533 701	59 262 112
	63 869 759	**59 717 983**

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 organisation'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 organisation does not have a customer base and as such does not require to analyse customers individually for creditworthiness before the organisation'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)

Figures in Rand (R)

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:

	2021	2020
Cash on hand	4 000	4 000
Short-term deposits - Standard bank Fixed Deposits	156 338 250	112 271 781
Cash on call - Standard Bank 32 Day Notice	485	-
	156 342 735	**112 275 781**

8. Provisions

Reconciliation of provisions - 2021

	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonus	3 519 825	6 533 280	(3 519 825)	6 533 280
Provision for 13th Cheque	510 289	533 393	(510 289)	533 393
	4 030 114	**7 066 673**	**(4 030 114)**	**7 066 673**

Reconciliation of provisions - 2020

	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonuses	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**

Notes to the Financial Statements (continued)

Figures in Rand (R)

9. Trade and other Payables

Financial instruments:	2021	2020
Trade payables	1 043 094	870 151
Accrued leave pay	3 279 801	1 992 644
Accrued expense	103 458	43 004
Accrued audit fees	407 184	587 496
	4 833 537	**3 493 295**

10. Deferred Income

	2021	2020
Non-current liabilities	19 060 471	19 610 473
Current liabilities	84 317 680	85 403 767
	103 378 151	**105 014 240**

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: R19 610 473 less current year transfer of R550 021 results in the current year balance of R19 060 471.

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

Notes to the Financial Statements (continued)

Figures in Rand (R)

	2021	2020
Opening balance	105 014 240	100 658 894
Grant received - Projects	260 388 000	266 799 369
Grant received - Overheads	10 029 000	15 000 000
Amortisation of right of use	(550 002)	(550 021)
Project expenditure - revenue recognised	(261 474 087)	(261 894 002)
Overhead usage - revenue recognised	(10 029 000)	(15 000 000)
	-	-
	-	-
Closing balance	103 378 151	105 014 240
	-	-

11. Grant Income Earned

	2021	2020
Grant income - summary		
Government grants and transfers	271 503 086	276 894 002
Right of use of Heritage Site Building	550 002	550 021
	272 053 088	**277 444 023**

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

	2021	2020
Rendering of services		
Services revenue	271 503 086	276 894 002
Other revenue		
Miscellaneous other revenue	550 002	550 021
Total revenue from contracts with customers	**272 053 088**	**277 444 023**

Notes to the Financial Statements (continued)

Figures in Rand (R)

12. Cost of Projects Carried out

	2021	2020
Rendering of services	151 295 412	202 202 212

Rendering of services

Costs incurred	151 295 412	202 202 212

13. Other Operating Income

Compensation from insurance claims	1 823	44 853
Skills Development Levy refund	85 102	72 813
Other income	21 121	-
	108 046	**117 666**

14. Other Operating Gains (Losses)

Gains (losses) on disposals, scrappings and settlements

Non-current assets held for sale and disposal groups	(20 815)	(70 430)

Notes to the Financial Statements (continued)

Figures in Rand (R)

15. Operating Profit (loss)

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

	2021	2020
Auditor's remuneration - external		
Audit fees	1 147 208	625 040
Auditor's remuneration - internal	**603 414**	**432 402**
Remuneration, other than to employees		
Consulting and professional services	722 811	2 014 035
Employee costs		
Salaries, wages, bonuses and other benefits	60 543 184	53 322 270
Leases		
Operating lease charges		
Premises	182 816	(610)
Depreciation and amortisation		
Depreciation of property, plant and equipment	1 506 634	1 750 044
Depreciation of right-of-use assets	499 815	642 891
Amortisation of intangible assets	37 641	76 319
Total depreciation and amortisation	**2 044 090**	**2 469 254**
Impairment losses		
Property, plant and equipment	24 451	-

Notes to the Financial Statements (continued)

Figures in Rand (R)

16. Employee Costs

Employee costs	2021	2020
Basic	56 086 345	49 914 947
Medical aid - company contributions	3 129 716	2 244 574
UIF	670 657	490 186
SDL	621 426	635 523
Other payroll levies	35 040	37 040
	60 543 184	**53 322 270**

17. Depreciation, Amortisation and Impairment Losses

Depreciation		
Property, plant and equipment	1 506 634	1 750 044
Right-of-use assets	499 815	642 891
	2 006 449	**2 392 935**
Amortisation		
Intangible assets	37 641	76 319
Impairment losses		
Property, plant and equipment	24 451	-

Notes to the Financial Statements (continued)

Figures in Rand (R)

Total depreciation, amortisation and impairment	**2021**	**2020**
Depreciation	2 006 449	2 392 935
Amortisation	37 641	76 319
Impairment losses	24 451	-
	2 068 541	**2 469 254**

18. Investment Income

Interest income		
Investments in financial assets:		
Bank and other cash	3 198 571	3 604 237

19. Finance Costs

Lease liabilities	11 095	41 363
Interest paid	6 150	4 010
Total finance costs	**17 245**	**45 373**

Notes to the Financial Statements (continued)

Figures in Rand (R)

20. Cash Generated from/(used in) Operations

	2021	2020
Profit before taxation	43 963 239	2 965 522
Adjustments for:		
Depreciation and amortisation	2 044 090	2 469 254
Losses on disposals, scrappings and settlements of assets and liabilities	20 815	70 430
Interest income	(3 198 571)	(3 604 237)
Finance costs	17 245	45 373
Net impairments and movements in credit loss allowances	24 451	-
Movements in provisions	3 036 559	1 413 424
Deferred income	(550 002)	(550 021)
Changes in working capital:		
Trade and other receivables	(4 151 776)	(10 387 718)
Trade and other payables	1 319 427	1 404 608
Deferred income	(1 086 087)	4 904 723
	41 439 390	**(1 268 642)**

21. Contingencies

SARS Contingent Liability

The organisation 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 organisation 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. A corresponding asset may exist on the VAT receivable from SARS and its related interest as it has been outstanding for more than a year. No accrual of the interest has been raised as it impracticable at this stage.

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

Notes to the Financial Statements (continued)

Figures in Rand (R)

22. Related Parties

Relationships

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

	2021	2020
Purchases from (sales to) related parties		
SciBono Discovery Centre NPC	16 800 000	25 282 417
SciBono Discovery Centre NPC	(840 000)	-
Grants Received from Related Parties		
Gauteng Department of Education	270 417 000	281 799 369
Compensation to directors and other key management		
Short-term employee benefits	6 137 130	7 717 753

Notes to the Financial Statements (continued)

Figures in Rand (R)

23. Directors' and Prescribed Officer's Emoluments

Executive

2021

	Emoluments	Company Contributions	Total
Makhubela Thulani	2 430 074	158 833	2 588 907
Mahlangu Sibusiso	2 289 746	204 932	2 494 678
	4 719 820	**363 765**	**5 083 585**

2020

	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**

Notes to the Financial Statements (continued)

Figures in Rand (R)

Non-executive

2021

	Directors' Fees	Total
Ledimo Tseliso	364 500	364 500
Makola Lorraine	161 000	161 000
Matabane Joconia	189 000	189 000
Matakanya Manaha	251 000	251 000
Mdakane Mhlengi	111 000	111 000
Mkefa Edith	145 000	145 000
Saul Tshidiso	185 000	185 000
Ntsali Violet	330 000	330 000
Constantinides Catherine	157 000	157 000
Magerman Errol	183 400	183 400
Masingi Sonnyboy	205 000	205 000
Matjila Maupe	157 000	157 000
Mthombeni Bengeza	153 000	153 000
Ramokhele Bonolo	148 000	148 000
Mogale Tlangi	161 000	161 000
	2 900 900	**2 900 900**

Notes to the Financial Statements (continued)

Figures in Rand (R)

2020

	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
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**

Notes to the Financial Statements (continued)

Figures in Rand (R)

Prescribed Officers

2021

	Emoluments	Company Contributions	Total
Dlamini Sipho (Director Teacher Development)	1 326 499	95 670	1 422 169
Papane Matime (Head Corporate Services)	1 909 016	163 955	2 072 971
Handson Mlotshwa (Director ICT)&	1 345 376	107 239	1 452 615
Slindokuhle Patiance Shamase (COP)#	1 740 655	147 618	1 888 273
Maloka Patricia (Director Business Development)*	1 243 732	106 222	1 349 954
Ginya Lindiwe(Branch Head teacher Development)#	1 474 212	109 096	1 583 308
Mkhwebane Kgaugelo (Director Research)#	1 243 732	92 582	1 336 314
Ngobeni Victor (Director Leadership)$	1 247 042	86 587	1 333 629
Noge Dempsey (Director Governance)$	1 273 778	88 432	1 362 210
	12 804 042	**997 401**	**13 801 443**

Notes:

* Appointed May 2019
# Appointed June 2019
! Retired November 2019
& Appointed July 2019
$ Appointed August 2019

Notes to the Financial Statements

Figures in Rand (R)

2020

	Emoluments	Company Contributions	Total
Dlamini Sipho (Director Teacher Development)	1 326 499	95 670	1 422 169
Naidu Anusha (Branch Head Leadership & Governance)!	949 762	72 354	1 022 116
Papane Matime (Head Corporate Services)	1 850 396	167 669	2 018 065
Handson Mlotshwa (Director ICT)&	1 003 788	79 698	1 083 486
Slindokuhle Patiance Shamase (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**

Notes:

* Appointed May 2019
# Appointed June 2019
! Retired November 2019
& Appointed July 2019
$ Appointed August 2019

Notes to the Financial Statements (continued)

Figures in Rand (R)

24. Financial instruments and Risk Management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	59 336 058	59 336 058	59 336 058
Cash and cash equivalents	7	156 342 735	156 342 735	156 342 735
		215 678 793	**215 678 793**	**215 678 793**

2020

	Note(s)	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**

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	4 833 537	-	4 833 537	4 303 771
Finance lease obligations	4	-	2 140 993	2 140 993	-
		4 833 537	**2 140 993**	**6 974 530**	**4 303 771**

Notes to the Financial Statements (continued)

Figures in Rand (R)

2020

	Note(s)	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**

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.

	Note(s)	2021	2020
Lease liabilities		2 140 993	428 717
Trade and other payables	9	4 833 537	3 493 296
Total borrowings		**6 974 530**	**3 922 013**
Cash and cash equivalents	7	(156 342 735)	(112 275 781)
Net borrowings		**(149 368 205)**	**(108 353 768)**
Equity		129 303 291	85 340 052
Gearing ratio		(116)%	(127)%

Notes to the Financial Statements (continued)

Figures in Rand (R)

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)

Figures in Rand (R)

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)

Figures in Rand (R)

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

	Note(s)	2021			2020		
		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	59 336 058	-	59 336 058	455 871	-	455 871
Cash and cash equivalents	7	156 342 735	-	156 342 735	112 275 781	-	112 275 781
		215 678 793	**-**	**215 678 793**	**112 731 652**	**-**	**112 731 652**

Liquidity Risk

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

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

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.
The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Financial Statements (continued)

Figures in Rand (R)

2021

	Note(s)	Less than 1 year	Total	Carrying amount
Non-current liabilities				
Lease liabilities		-	-	1 541 807
Current liabilities				
Trade and other payables		4 303 771	4 303 771	4 833 537
Lease liabilities		-	-	599 186
		(4 303 771)	**(4 303 771)**	**(6 974 530)**

2020

	Note(s)	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	9	3 493 296	3 493 296	3 493 296
Lease liabilities		428 717	428 717	428 717

25. Going Concern

The directors believe that the organisation 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.

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 organisation, 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.

Detailed Income Statements

Figures in Rand (R)

	Note(s)	2021	2020
Revenue			
Government grants		271 503 086	276 894 002
Miscellaneous other revenue		550 002	550 021
	11	**272 053 088**	**277 444 023**
Cost of sales			
Project costs		(151 295 412)	(202 202 212)
Gross profit		**120 757 676**	**75 241 811**
Other operating income			
Compensation from insurance claims		1 823	44 853
Skills Development Levy refund		85 102	72 813
Other income		21 121	-
	13	**108 046**	**117 666**
Other operating gains (losses)			
Losses on disposal of assets or settlement of liabilities		(20 815)	(70 430)
Expenses (Refer to page 109 - 110)		**(80 062 994)**	**(75 882 389)**
Operating profit (loss)	15	**40 781 913**	**(593 342)**
Investment income	18	3 198 571	3 604 237
Finance costs	19	(17 245)	(45 373)
Profit for the year		**43 963 239**	**2 965 522**

Detailed Income Statements (continued)

Figures in Rand (R)

Other operating expenses	Note(s)	2021	2020
Advertising and promotions		(145 352)	(383 456)
Amortisation		(37 641)	(76 319)
Auditors remuneration - external auditors	15	(1 147 208)	(625 040)
Auditors remuneration - internal audit	15	(603 414)	(432 402)
Bank charges		(107 493)	(170 194)
Cleaning		(249 690)	(241 539)
Computer expenses		(1 371 028)	(4 581 028)
Consulting and professional fees - accounting		(23 700)	(299 284)
Consulting and professional fees		(575 206)	(1 350 452)
Consulting and professional fees - legal fees		(123 905)	(364 299)
Depreciation		(2 006 449)	(2 392 935)
Employee costs		(60 543 184)	(53 322 270)
Catering		(138 168)	(225 413)
Conference and seminars		(409 400)	(264 057)
General expenses		(4 663 751)	(96 682)
License fees		(697 452)	(649 745)
Records management expenses		(30 672)	(43 751)
Hire		(485 823)	(515 351)
Impairment		(24 451)	-
Insurance		(393 699)	(379 659)
IT expenses		(1 001 575)	-
Rentals		(182 816)	610
Motor vehicle expenses		(78 287)	(124 005)
Municipal expenses		(329 636)	(308 026)

Detailed Income Statements (continued)

Figures in Rand (R)

	Note(s)	2021	2020
Placement fees		(158 010)	(1 300 000)
Postage		-	(1 416)
Printing and stationery		(603 615)	(920 640)
Repairs and maintenance		(530 941)	(858 023)
Security		(23 616)	(135 563)
Staff welfare		(343 325)	(447 807)
Subscriptions		(205 730)	(211 319)
Telephone and fax		(806 630)	(698 682)
Training		(922 949)	(1 321 892)
Travel - local		(1 098 178)	(2 111 589)
Travel - overseas		-	(1 030 161)
		(80 062 994)	**(75 882 389)**

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