

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

ANNUAL REPORT

2016/17





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About Us: who are we



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

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

Historical Context: why the name Matthew Goniwe

Matthew Goniwe was a teacher hailing from Cradock. 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 here 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.

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

To keep alive the legacy of dedicated leadership, passionate teaching and community participation, **the Academy for Educational Leadership in Gauteng** was named "Matthew Goniwe School of Leadership and Governance".

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

MGSLG's Vision, Mission and Values

OUR VISION



In delivering on its mandate and purpose, MGSLG reviewed and sets for itself the following vision:

"to be the Leading Development Institute in the Education Sector"

MISSION STATEMENT



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

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

OUR VALUES



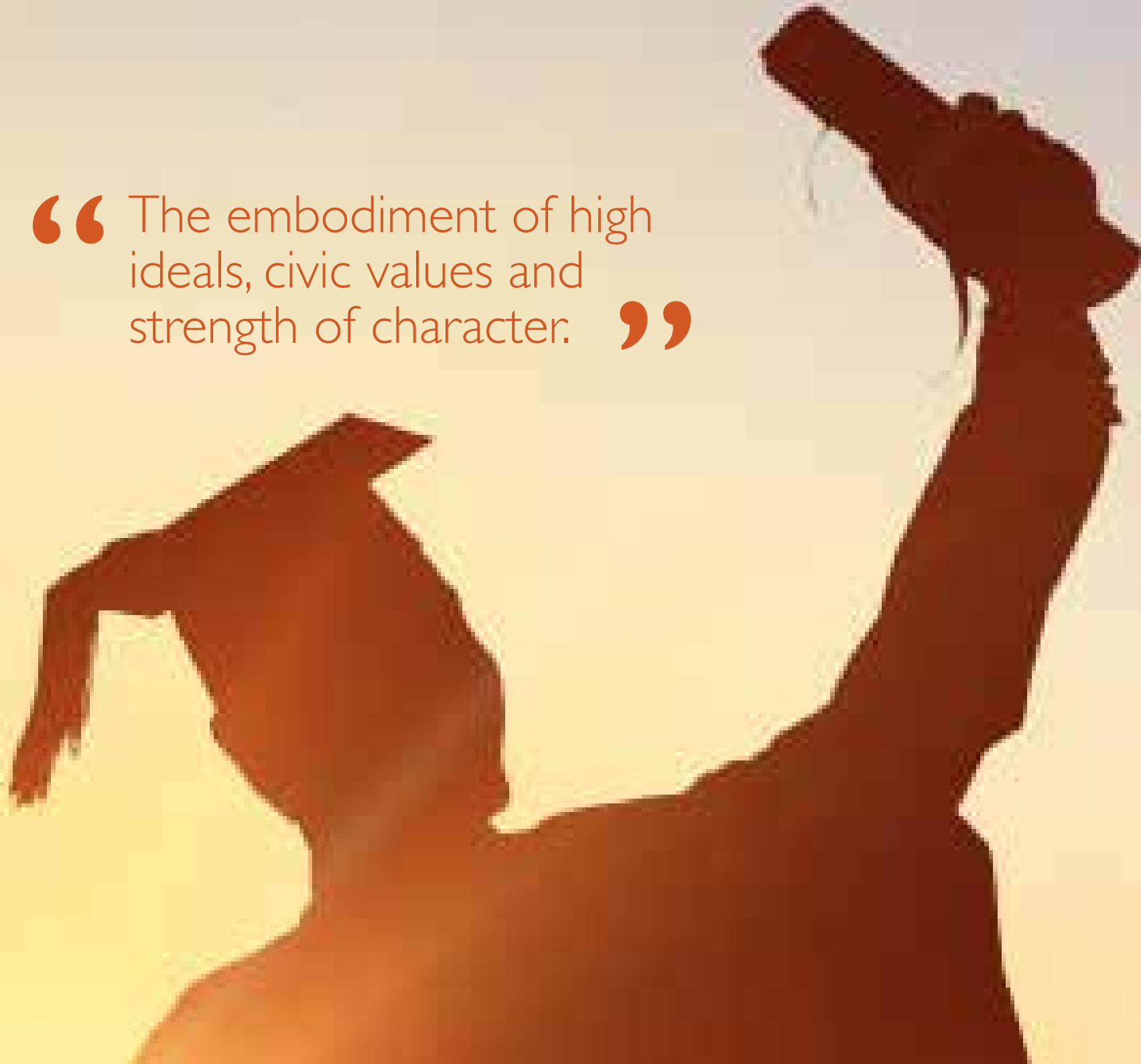
- Ubuntu
- Professionalism
- Accountability
- Collaboration
- Efficiency
- Integrity
- Innovation

SECTION

OVERVIEW



“ The embodiment of high
ideals, civic values and
strength of character. ”



Foreword by MEC



The Constitution of the Republic of South Africa, the National Development Plan, Vision 2030, the Department of Basic Education's Action Plan 2019 and the Gauteng Provincial Government's strategy of Transformation, Modernisation and Reindustrialisation (TMR) all provide a clear direction to improve access, redress, equity, efficiency, inclusivity and quality of learning outcomes through the implementation of the Medium-Term Strategic Framework and our National Strategy for Learner Attainment.

In 2002, the Gauteng Department of Education (GDE) took a conscious and intentional decision to establish a separate entity outside of the department to research, innovate, develop and deliver cutting edge capacity building programmes for stakeholders within the schooling system in the areas of educational management, leadership, school governance and later on, teacher development conclusively and speedily. That entity is the Matthew Goniwe School of Leadership and Governance (MGSLG).

For the year under review, the Board of Directors and management of MGSLG were mandated to continue implementing their mission in alignment with the Department's goals and strategic priorities. I would like to highlight that the institution recorded notable achievements, specifically in the following:

- **ICT in Education**

This is one of the priority mandates for the province and the department. As the department strongly builds on and introduces ICT in schools, MGSLG had to ensure that various stakeholders within the schooling system were trained and ready for integration of ICT into teaching and learning.

I am happy to indicate that MGSLG successfully trained and supported district officials, principals, teachers and learners in the integration of ICT in teaching and learning. School managers were also supported through change management to ensure that the introduction of ICT in their schools yields positive results.

ICTs in Education is a multifaceted programme, the impact of which will be seen through the improvement in our schools. This initiative is one of those that are very close to my heart.

- **Early Childhood Development**

ECD is the official foundation of the education system, as this is where it all starts as children enter the education system. The department through MGSLG introduced the training of ECD Practitioners for Pre-Grade R and Grade R a few years ago. In the year under review, two cohorts of the Pre-Grade R programme on NQF level 4 were enrolled, one cohort of Grade R Practitioners has completed year two of a 3 year NQF level 6 diploma, and finally a B.Ed. programme for Grade R practitioners was launched. All these are long term programmes which will result in full qualifications, thus ensuring that our foundation is built on solid skills and expertise.

Our goal with this programme is to have all ECD Practitioners in the system qualified by the year 2018.

• SGB training and support

In partnership with the school community, the School Governing Body (SGB) plays an integral part in management and governance of teaching and learning.

The SGB is a democratically elected structure, established to ensure that educators, parents, learners and non-teaching staff will actively participate in the governance and management of schools with a view to providing a better teaching and learning environment.

The training and development of this important structure in our schools is critical in keeping with the spirit of the South African Schools Act of 1996. MGSLG was able to analyse SGBs in Gauteng using the functionality tool developed by the Department of Basic Education. This assessment assisted MGSLG in the review of the SGB training programme to be used in the last year of the current SGBs' term of office before the next elections in 2018.

Furthermore, to ensure that there is a neutral body to assist the Department in resolving governance related disputes, in October 2016 we established a Governing Body Advisory Council. MGSLG is encouraged to work closely with the Council to get first hand training and identify development needs of the SGBs related to disputes arising in schools which will be brought to the attention of the Council.

Moving forward in the 2017/18 Financial Year I would like to see MGSLG strengthen the following:

- Customised SGB training based on the needs identified and a closer working relationship with the Governing Body Advisory Council, to better inform the basis of SGB conflicts in schools;
- Digitised teacher training to encompass e-learning fully within interactive platforms;
- Integration of the Harry Gwala interns into the ICT programme in schools;
- Vigorous actions towards impactful partnerships with non-profit organisations operating in the education sphere, the business sector, higher education institutions, research agencies and our provincial counterparts, to improve the quality of education in our country.

I want to thank the Chairperson of the Board of Directors, Adv. Thulani Makhubela for accepting the offer to take over the baton from a great leader, Prof. Veronica McKay. To the Board of Directors, CEO, management team and staff, thank you for innovative initiatives and ever searching for better ways of doing things.

Finally, it is to be noted that the Department's decision to name the institution "Matthew Goniwe" was not by accident, but was made with the strong conviction of the value of the work to which Matthew Goniwe committed his life.

The Board has been mandated to resuscitate and revive the annual memorial activity to celebrate this powerful name. With this name comes a great responsibility to strive towards ensuring that every learner is valued and inspired in our innovative education system.



Mr Andrek Panyaza Lesufi (MPL)

Member of the Executive Council - Education

Message from the Chairperson



It is that time of the year where we reflect on institutional performance for the year. On behalf of the Board of Directors, I would like to acknowledge the efforts of the CEO and senior management team in achieving the targets set by MGSLG and the Gauteng Department of Education for the year.

Over the last year we bade farewell to some colleagues. We saw the departure of the previous Chairperson, Prof. Veronica McKay, NED Mr Mahlomola Kekana and the CEO, Dr More Chakane. I would like to thank them for their leadership and exceptional service.

In July 2016, the Board appointed a fulltime Company Secretary, Mr. Zibonele Sibisi. We also welcomed three new Non-Executive Directors to the Board. These are: Mr. Joconia Matabane, Mr. Tshidiso Saul and Ms. Ntuthu Mfeka who joined the Board of Directors in November 2016. These colleagues bring with them a wealth of knowledge and expertise that will benefit both the Board and the organisation.

During the year under review the Board made a number of strategic decisions. Critical of these decisions was the review of the five-year strategy in order to enable the organisation to remain relevant and keep up with the highly competitive and changing environment. This review resulted in revised and enhanced vision and mission for MGSLG and a review of strategic priorities for the remainder of the period.

Furthermore, the Board performed overall institutional oversight and worked well with management, internal auditors, external auditors, and all other stakeholders.

A special thank you to the Chairpersons of all the Committees of the Board for the meticulous way in which they executed their responsibilities.

I would like to thank Honourable MEC, Mr Panyaza Lesufi for his confidence in me, the Board and the management team of MGSLG. Achieving success in the current financial environment was not an easy task. As the Board we remain acutely aware of the mammoth task and challenges ahead of us and pledge our full commitment to the values and principles of good governance. This will definitely ensure sustainability of MGSLG without losing focus on our work. Your unwavering support ensures that we are able to deliver on our mandate no matter the challenges.

We look forward to the year ahead with great determination and enthusiasm.

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

Adv. Thulani Makhubela
Chairperson



Message from the Chief Executive Officer



I am honoured to present the Matthew Goniwe School of Leadership and Governance's (MGSLG) Annual Report for the 2016/17 Financial Year.

MGSLG has made tremendous progress towards meeting the set goals and targets through providing training and support to stakeholders in different spheres of schooling. Though not all targets have been met, a lot has been achieved.

This year was a critical one for MGSLG in its 5 year strategic plan. As we were implementing our plan we realised a need to review our business model and approaches in order to remain relevant and on point to our client, the Gauteng Department of Education and the education sector in general. This was necessitated by the ever-changing environment informed by competition and saturation in the sector; stakeholder expectations, the need for more funding, technology, innovation, and internal and external processes affecting our work, amongst other factors. The review resulted in a new vision, mission, values and business model for sustainability.

As part of the facilities refurbishment and maintenance plan, we renovated the Vrededorp campus to improve its look and feel. The offices were upgraded and a new, bigger boardroom established. We also upgraded the security system throughout the organisation, for both Vrededorp and Benoni campuses.

To supplement the funding received from the GDE, a number of partnerships were entered into by MGSLG. One of these is partnership with the University of South Africa (UNISA). This is a partnership between UNISA, Department of Basic Education, and GDE through MGSLG. This partnership's objective is to improve the quality of managing teaching practice arrangements and extending student

online access through ICT infrastructure and systems development. The project entails extending online access and support to students, especially those living in the rural and remote areas, by establishing 34 ICT Access Centres at Department of Basic Education (DBE) Teacher Centres (TCs) in various provinces. The sites are upgraded with WiFi connectivity, laptops, cutting-edge video conference facilities and student assistants to facilitate access and support. In Gauteng there are only two sites, one being the MGSLG Benoni ICT Training Centre. This partnership centre was launched on 24 November 2016.

Our vision of having fulltime trainers has come to reality, as MGSLG was able to recruit and contract ICT trainers, SGB trainers and coordinators. The goal is to ensure that stakeholders within the schooling system are continually trained, supported and mentored throughout the year as and when required.

One of the challenges for MGSLG has been the drive to improve internal processes through the automation and modernisation of systems. This is a big project that requires time, money and change management of all aspects of performing our everyday tasks. It was anticipated that the project would have been implemented. However, funding had to be prioritised for our core mandate, i.e. delivery of training and support in our schooling system. This project is critical to the overall success of MGSLG and one that will require extensive fund raising to ensure that its implementation is successful. This project will have a significant impact on how we do our work, how we are structured as an organisation and our efficiency.

Though we are making great strides in a number of areas, there are areas that still need extra work. These include, but are not limited to:

- Internal process in terms of accurate reporting and management of data;
- The review of our organisational structure, in order to ensure a more streamlined coordination of functions to reflect the impact that modernisation, innovation and technology will have.

I would like to thank the Chairperson of the Board for support and guidance throughout the year, as well as the Board of Directors, MGSLG's management team and all staff for their hard work and support. The previous CEO, Dr. More Chakane; your immense contribution to MGSLG over the past two and a half years has been central to most of our achievements this past year. As a leader, you have helped take us through a period of incredible growth and change and I wish you every success on your new path. It has been an honour and a pleasure to work with you.

Our partners, the ETDP Seta, UNISA, Department of Public Service and Administration for fruitful partnerships in project funding. Thanks as well to the SGB Associations, Teacher Unions, Project Management and Implementation Teams, District and Head office Officials; without you our achievements would not be possible.

I would also like to take this opportunity to thank the MEC of Gauteng Education, Honourable Mr Andrek Panyaza Lesufi and Head of Department, Mr. Edward Mosuwe for having confidence in MGSLG to support the Department's vision.

I have the pleasure of submitting the 2016/17 Annual Report for the Matthew Goniwe School of Leadership and Governance.



Dr Anusha Naidu
















Acting Chief Executive Officer





“ The goal is to ensure that stakeholders within the schooling system are continually trained, supported and mentored throughout the year as and when required. ”

MGSLG Board of Directors for 2016/17

				
Adv Thulani Makhubela (Chairperson)	Mr Gregory R Malebo (Deputy Chairperson)	Mr Calvin Sehlapelo	Ms Violet L Ntsali	Mr Tséliso Ledimo
				
Prof Brahm Fleisch	Mr Manaha Matakanya	Ms Lorraine S Makola	Ms Sarah Mthintso	Ms Patricia Maloka
				
Mr Mahlomola Kekana	Ms Gugu F Ndima	Mr Joconia Matabane	Mr Tshidiso Saul	Ms Edith Mkefa

MGSLG Senior Management Team for 2016/17



Dr More Chakane
CEO
(resigned 28 February 2017)



Dr Thabi Molete
Head of Programmes:
Teacher Development



Dr Anusha Naidu
Branch Head:
Leadership and Management



Mr Matime Papane
General Manager



Mr Sibusiso Mahlangu
Director: Finance



Dr Timothy Makofane
Director: School Governance



Mr Sipho Dlamini
Director: Teacher
Development



Dr Nokulunga Ndlovu
Director: Teacher
Development



Dr. Thabang Matobako
Director Planning, Research
and QA



Mr Zibonele Sibisi
Company Secretary

“
*Collaboration:
We work as a
team and in
partnership
with others.*
”

SECTION

2

CORPORATE GOVERNANCE





“ Accountability: We take personal accountability for our actions and results. ”

Corporate Governance

MGSLG is an agency of the Gauteng Department of Education, making it an entity of state duly registered and incorporated according to the company laws of the Republic of South Africa as a Non-Profit Company. In order to ensure that the Company remains at the forefront of best corporate governance practices, MGSLG complies with the Companies Act 71 of 2008, the Public Finance Management Act 1 of 1999 ("PFMA"), and King III Code on Corporate Governance (King III).

Board of Directors

MGSLG has a unitary Board Structure with majority of its members being independent non-executive directors, all of whom were appointed by the MEC. The following were Directors during this reporting period:

1. Makhubela, Thulani (Non-Executive) – Chairperson
2. Malebo, Gregory (Non-Executive) – Deputy Chairperson
3. McKay, Veronica (Non-Executive) – resigned 18 August 2016
4. Fleisch, Brahm (Non-Executive)
5. Kekana, Mahlomola (Non-Executive) – resigned 18 January 2017
6. Ledimo Tsêliso (Non-Executive)
7. Makola, Lorraine (Non-Executive)
8. Maloka, Patricia (Non-Executive)
9. Matakanya, Manaha (Non-Executive)
10. Mthintso, Sarah (Non-Executive)
11. Ndimba, Gugu (Non-Executive)
12. Ntsali, Violet (Non-Executive)
13. Sehlapelo, Calvin (Non-Executive)
14. Matabane, Joconia (Non-Executive) – appointed 1 November 2016
15. Mkefa, Edith (Non-Executive) – appointed 1 November 2016
16. Saul, Tshidiso (Non-Executive) – appointed 1 November 2016
17. Chakane, Moretsele (Executive) Chief Executive Officer
– resigned 28 February 2017
18. Mahlangu, Sibusiso (Executive) Finance Director

Board of Directors' Meetings

The Board meets at least four times a year. In addition to the four quarterly Board meetings, there are special meetings which are called as and when required as well as the Annual General Meeting (AGM) held once a year.

The Board is informed during Board meetings, through reports on the budget, strategy and performance on programmes undertaken by MGSLG, as well as other issues.

During the year under review, a total of six board meetings were held, consisting of four ordinary meetings, one special meeting and an Annual General Meeting.

**“ Integrity:
We say what
we do and do
what we say. ”**



Corporate Governance

The details of individual attendance of Board Meetings are set out hereunder:

Director	Date of Appointment	Meeting dates						TOTAL	
		12 May 2016 Ordinary Meeting	26 August 2016 Ordinary Meeting	26 October 2016 Ordinary Meeting	31 January 2017 Ordinary Meeting	20 February 2017 AGM	3 March 2017 Special Meeting		
1. McKay Veronica (Chairperson till 18 August 2016)	18/02/2013	✓	Resigned					1/1	
2. Makhubela Thulani (Chairperson from 23 August 2016)	01/10/2014	✓	✓	✓	✓	✓	×	×	4/6
3. Malebo Gregory	01/10/2014	✓	✓	×	✓	✓	✓	✓	5/6
4. Fleisch Brahm	25/07/2011	✓	✓	×	✓	×	×	×	3/6
5. Kekana Mahlomola	25/07/2011	✓	✓	✓	Resigned			3/3	
6. Ledimo Tsēliso	25/07/2011	✓	×	✓	✓	×	✓	✓	4/6
7. Makola Lorraine	01/10/2014	✓	✓	✓	✓	✓	✓	✓	6/6
8. Maloka Patricia	01/07/2015	✓	×	×	✓	×	✓	✓	3/6
9. Matakanya Manaha	18/02/2013	✓	✓	✓	✓	✓	✓	✓	6/6
10. Mthintso Sarah	01/10/2014	✓	✓	✓	×	×	✓	✓	3/6
11. Ndimu Gugu	01/10/2014	×	✓	×	×	×	×	×	1/6
12. Ntsali Violet	01/10/2014	×	✓	✓	×	✓	✓	✓	5/6
13. Sehlapelo Calvin	01/07/2015	×	✓	✓	✓	✓	×	✓	4/6
14. Saul Tshidiso	01/11/2016				✓	×	✓	✓	2/3
15. Matabane Joconia	01/11/2016				✓	✓	×	✓	2/3
16. Mkefa Edith	01/11/2016				✓	✓	✓	✓	3/3
17. Chakane Moretsele	01/07/2014	✓	✓	✓	✓	✓	✓	✓	6/6
18. Mahlangu Sibusiso	01/03/2007	✓	✓	✓	✓	✓	✓	✓	6/6

Board Committees

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

At the beginning of the financial year the Board had four Committees. Later, the SGB/RCL Committee was dissolved and merged with the Academic and Research Committee during the last quarter. This decision to merge the SGB/RCL Committee with the Academic and Research Committee was made after the chairperson of the SGB/RCL committee resigned. There had been constant difficulties with the committee not being able to secure the required quorum for its meetings. The merged committee focuses on all core business units/branches within the institution.

Academic and Research Committee

This committee convened as follows during the reporting period.

Directors	10 August 2016	8 November 2016	24 January 2017	11 April 2017
Ledimo Tsšliso (Chairperson)	✓	✓	✓	✓
Fleisch Brahm	✓	x	✓	✓
Makola Lorraine	x	✓	✓	✓
Matakanya Manaha	✓	✓	x	✓
Ndimu Gugu	x	x	x	x
Chakane Moretsele (CEO)	✓	✓	x	Resigned

Audit Committee

The committee convened as follows during the reporting period:

Directors	11 August 2016	26 October 2016	13 April 2017
Makhubela Thulani (Chairperson till 25 August 2016)	✓	Board Chairperson	
Sehlapelo Calvin (Chairperson from 26 August 2016)	✓	✓	✓
Maloka Patricia	✓	x	✓
Mthintso Sarah	x	✓	x
Chakane Moretsele (CEO)	✓	✓	Resigned
Mahlangu Sibusiso (Finance Director/CFO)	✓	✓	✓

Human Resources and Remunerations Committee:

The Committee convened as follows during the reporting period:

Directors	11 August 2016	17 October 2016	26 January 2017	12 April 2017
Ntsali Violet (Chairperson)	✓	✓	✓	✓
Kekana Mahlomola	x	✓	Resigned	
Ledimo Tsēliso	✓	x	✓	x
Malebo Gregory	✓	✓	x	✓
Chakane Moretsele (CEO)	✓	x	✓	Resigned

School Governing Bodies and RCL Committee:

The committee convened as follows during the reporting period:

Directors	10 August 2016	17 October 2016	23 January 2017
Kekana Mahlomola (Chairperson)	✓	✓	✓
Matakanya Manaha	✓	✓	✓
Ndimu Gugu	x	x	✓
Chakane Moretsele	✓	x	✓

SECTION

3

HUMAN RESOURCES AND DEVELOPMENT





“ Ubuntu:
We put others first, we
carry ourselves with
dignity and self-respect.
”

Human Resources and Development

Employment equity and statistics

MGSLG is an organisation that is mandated by the Gauteng Department of Education to deliver on education support strategies. Our adherence to national policies and legislation is therefore central to our work and informs our value system. Our staffing and recruitment policies are in line with the national equity requirement. However, we also strive to have the best skills within the sector to ensure a cohesive response to sectoral needs and interventions.

Staff Profile

MGSLG Staff Profile											
No	Occupational Category	Gender & Racial Equity							Age Group		
		Male	Female	TOTAL	A	C	W	I	<35	35-55	>55
1	Administrator	13	30	43	36	7	0	0	21	22	0
2	Middle Management	10	5	15	13	1	1	0	2	12	1
3	Senior Management	5	3	8	7	0	0	1	0	5	3
4	Support Staff	14	8	22	22	0	0	0	11	11	0
TOTALS		42	46	88	78	8	1	1	34	50	4

MGSLG had a pool of temporary staff (owing to the nature of our operations and project based work). We have in the year to date, absorbed the administration pool based on project needs but also as per the Amended Labour Relations Act regulations regarding temporary employment. However, the bulk of support and training staff are still contracted as 'temporary sojourners' external to structures of the institution. We still have well over 2500 facilitators in our system who are on short-term contract. They are engaged in response to specific training needs and strategies. This is in line with any change in legislation.

Termination and other disciplinary issue

Staff retention is critical in the institution. The following grid represents our success in staff retention and in the handling and processing of labour relations:

Category	MGS LG Departments				
	Teacher Development	School Governance	General Management	School Leadership	Office of the CEO
Resignations			2		1
Disciplinary Hearings		1	1		1
Grievance					
Expired Contracts		1			
Retirements			1	1	
TOTALS	0	2	4	1	2

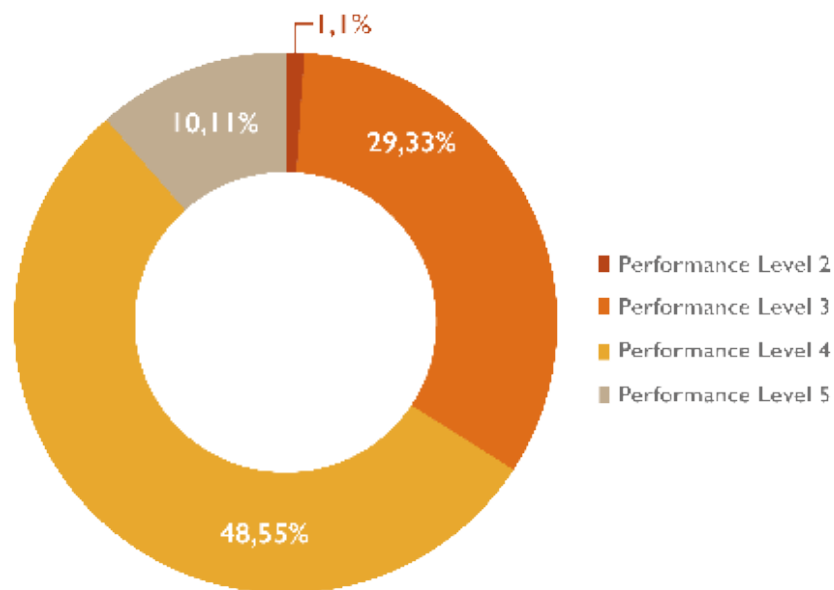
Notes: Office of the CEO includes Registry and Finance departments

Performance Management and Development

The overall performance of staff is consistent with organisational performance. The following chart provides a picture on performance for the various categories of staff, calculated before the moderation process.

The overall staff performance sits between level 3 and 4. This is critical in that it suggests an organisation that has done fairly well in terms of staff productivity and as based on the yardstick in our performance management system.

Overall Staff Performance

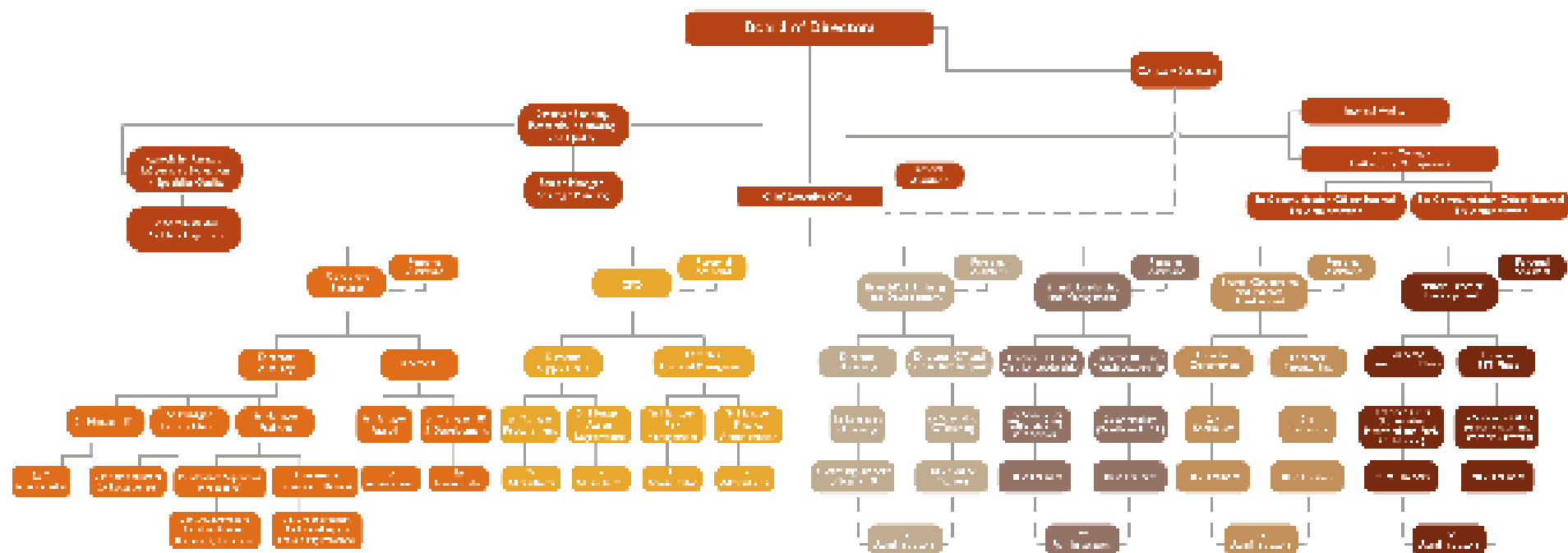


“Efficiency: We always work in a well-organised and competent way.”

Training and Development

Training Beneficiaries for period 2016/2017													
Training Programme	Employee Level				TOTAL	Male				Female			
	Senior Management	Middle Management	Administrator	Support Staff		A	C	I	W	A	C	I	W
Business Management			2		2					2			
Bachelor of Accounting Sciences			1		1								
Business Management		1			1	1							
Bachelor of Public Administration Honours			1		1	1							
BTech Public Management			1		1					1			
Bachelor of Arts			1		1	1							
B.Ed. Honours ICT			1		1						1		
BCom Accounting			1		1	1							
Masters in Information Technology		1			1	1							
Masters in Business Administration		1			1	1							
Post Graduate Diploma HRD NQF L8		1			1	1							
BCom Human Resource Management			1		1	1							
BA Sociology		1			1	1							
BTech Project Management			1		1					1			
Advanced Diploma: Procurement & Supply Chain			2		2					2			
Managing Discipline and Disciplinary Hearings	7	14	0	0	21	11			1	6	1	2	
Quality Assurance Monitoring & Evaluation	0	0	21	0	21	7				13	1		
IODSA Workshop incl. Board of Directors	7	0	0	0	7	4				2		1	
Pastel Evolution Training	1	2	5	0	8	4				3	1		
Diploma: Facilities Management		1			1				1				
IT Management for CIO NQF L6		1			1	1							

Organogram





SECTION

4

PERFORMANCE
REPORT





“ **Innovation:**
We break new ground.”

Highlights of Programme Achievements

MGSLG continued to play a central role in contribution towards GDE's outcomes in terms of the core mandate of building the capability of the various stakeholders in the education sphere relating to content knowledge, pedagogy, assessment, management, governance and integration of technology in education. This was done through the provision of accredited programmes, just-in-time training, continual onsite support, the development of resources and supporting district and school based initiatives. These initiatives ensured that all stakeholders are continually supported in their critical role of delivering the curriculum.

Our work is informed and responds directly to the priorities of the GDE which are derived from the National Development Plan 2030, the Education Sector's Action Plan to 2019: Towards the realisation of Schooling 2030 and Gauteng's TMR Plan of Action.

Reflecting on the year, we note that MGSLG has made headway in achieving some of the goals that we had set ourselves last year. However, some targets were not met. At the end of the year these are some of the achievements we can highlight:

- The Principal's Occupational Qualification that we developed a year ago was registered with the South African Qualifications Authority: the new year will focus on developing the programme for piloting.
- This year was the final year for the delivery of parental support programme. This was a popular programme, reaching over 130 000 parents in the reporting period.
- We launched the ECD B.Ed. programme in partnership with UNISA.
- Again MGSLG managed to obtain an unqualified audit report. The introduction of an internal audit function was a big plus.
- Establishment and implementation of an internship programme. Through this initiative, ten interns were recruited to provide post-graduate experience in the real work environment with the intention of improving their employment opportunities.
- We also regularised the temporary/casual employment contracts by switching to permanent contracts for administrative staff.

- MGSLG has adopted the ADDIE model as its instructional design and delivery approach. The model entails:
 - Assessment: Training or Intervention Needs Analysis (TNA): What do participants need to know to accomplish job-related tasks?
 - Design: What will the training programme look like?
 - Development: What content, learning methods and resources will we need?
 - Implementation: How will we deliver the training and support programme effectively? and
 - Evaluation: How will you know if the training programme is meeting /has met the needs of the participants?
- We have also continued to submit our teacher training programmes to the South African Council of Educators for accreditation for Continued Professional Teacher Development points. This is to ensure that teachers attending MGSLG programmes are able to accumulate their CPTD points.
- Linking with our instructional design approach, we have started with our own internal research projects on the work that we do. Some of these include:
 - Conceptual framework for Whole School Improvement for eight schools at risk
 - ICT Conceptual framework
 - District Based ICT Committees Programme Design
- We were able to analyse and assess SGB functionality in schools. This analysis is able to further inform training needs of SGBs in our schools which will assist in the review of material in the New Year. However, the target of training 9 000 SGB members was not achieved.

Early Childhood Development (ECD)

The Early Childhood Development project provides in-service training opportunities for Pre Grade R and Grade R practitioners in accredited courses offered at NQF Level 4, NQF Level 6 as well as opportunities in capacity building programmes such as the pre Grade R curriculum training and the Learn not to Burn programme.

Practitioners in Grade R NQF Level 6 diploma programme have completed year two of the three year Diploma. The project has had a high level of participation by practitioners over the year with a total of 1 039 practitioners. The evaluation of the project was also initiated to study and assess if there are any changes taking place in the ECD Centres as a result of the training.

A B.Ed. Programme was launched in the period.

Inclusive Education

To effectively implement the new Screening Identification Assessment and Support (SIAS) policy the first and second cohorts of teachers were trained on the SIAS policy. SIAS software, funded through the DPSA, was also developed for piloting.

Inclusive education training also focussed on the Autism Spectrum Disorder (ASD). Teachers were also provided with onsite support after the training was conducted.

A week-long training for inclusion teachers is conducted annually around July where various training on inclusion takes place, namely "Focus Week". This year, the week was a success reaching over 1 190 teachers.



Teacher Training, Development and Support

Secondary School Improvement Programme (SSIP): Teacher Training

The Secondary School Improvement Programme (SSIP) for educators is intended to equip educators in Gauteng Schools who obtained less than 80 % pass rate in the identified twelve gateway subjects. The educators are trained in the topics that have demonstrated to be difficult for learners, based on the DBE National Senior Certificate results, the 2015 Diagnostic report as well as the GDE Internal Moderator's Reports. This programme targeted Grade 11 – 12 teachers from schools at risk, to assist them in teaching the intended curriculum effectively to improve learner performance in these specific subjects and topics. Training was well received by over 2200 teachers who attended. The use of ICT in teaching was integrated in the training.

Integration of ICT in Teaching and Learning

Since its introduction in 2015, a strategy for ICT in Education has been developed and implemented. To improve the uptake of ICT integration by teachers MGSLG has continued with the training of teachers and subject advisors. Subject advisors were trained on SMART Notebook Learning Suite 16.1. School based support was provided through ICT trainers to continue with the school based support and training of school stakeholders.

To inform our programme design, a further literature review was conducted to identify successful Continuous Professional Development models for ICT integration that could be used to align with the Programme Design Matrix.

Integrated Quality Management System (IQMS) Programme

The Integrated Quality Management System consists of three programmes viz. Developmental Appraisal, Performance Measurement and Whole School Evaluation. Teachers were trained as per IQMS needs from the different Districts in Gauteng on four IQMS standards, i.e. Classroom Management, Strategic Planning, Human Relations and Managing Diversity.

This programme will be continuing in the next reporting period to cover the other eight IQMS standards for the school based education staff which includes Teachers and School Management Teams (SMTs).

CIPELT and CISELT Programme

The two programmes for teachers focussed on methods for the teaching of English. A total 3 987 Teachers were trained. Lead teachers are trained to provide continuous support to teachers in their schools.

Accredited Programmes for Teachers

A partnership with the ETPD-Seta saw training of the foundation, intermediate and senior phase teachers on accredited courses. Four programmes were rolled out for Geography teachers.



Leadership and Management Training, Development and Support

District Development, Training and Support

1 331 district Officials were trained and supported through various programmes. These programmes included, ICT for Lead Teachers, Professional Learning Communities and District- Head office Administration Management System (DHAMS) amongst others.

Occupational Qualification for School Principals

A year ago MGSLG applied to the Quality Council for Trade and Occupation (QCTO) to develop an Occupational Qualification for School Principals. MGSLG was appointed as the Development Quality Partner (DQP) and the qualification curriculum was then developed with all relevant stakeholders. In September 2016 the Qualifications Council of South African Qualifications Authority (SAQA) approved the qualification which was duly registered. This achievement is ground breaking for MGSLG and the country. The programme will assist principals to become more functional with support and assessment directly in the schools. MGSLG will be trailblazers in providing the first Occupational Qualification to school principals. The title of the Qualification is "School Principal (School Manager).

Curriculum Management Programme for Principals

This programme responded to the mandate by the Department of Basic Education. The goal was to develop and train principals in curriculum management. 1833 principals successfully completed the training.



Induction for newly appointed Principals

54 newly appointed principals were inducted into their positions. This training is meant to assist new principals to settle into their leadership position with ease.

Change Management and SMT training

As a follow-up to the Change Management training, 22 schools have received on site support for integration of ICT into teaching and learning. 1137 SMT members were trained on Financial Management.

School Governing Body and Parental Support Programme

Over 130 000 parents were trained through the Parental Support Programme. This is a skills programme to assist parents to combat teenage pregnancy, drug and substance abuse, bullying etc. This is one of MGSLG's most popular projects.

In terms of SGB training, we fell short of the planned target of 9 000 by training only 2 301 SGB members.





Training Report

SPM/PPM	Indicator	Training Type (Name)	Target Audiences/ Phases	Annual Target	Actuals	Variation From Target	Comments On Variations
Spm 103	Number of Curriculum Development Facilitators Trained	Total		950	990	40	Target achieved and exceeded due to high demand for ICT Training
		ICT Smartboard For Lead Teachers	Facilitators		111		
		SWSIS	District Officials		153		
		SDDM	District Officials		546		
		PLC	District Officials		140		
		ICT Navigation	Subject Advisors		40		
SPM 201	Total number of teachers Trained in Technical Subjects, Maths, Science, Literacy, ICT, Curriculum Content Instructional Skills, Assessment And The Use of Resources	Total		11 750	11 989	239	Target achieved and exceeded due to high demand for ICT Training
		MST Maths Sp	Educators		616		
		MST Natural Sciences	Educators		432		
		MST NS & Tech	Educators		385		
		MST Technology	Educators		434		
		ICT E-SSIP Training	FET		2259		
		ICT Mop Up Training	FET		1873		
		MST Maths FP	Foundation Phase		3642		
		ICT Smartboard For Grade 11	FET		232		
		MST Civil Technology	FET		72		
		Electrical Engineering	FET		98		
		IQMS Training	ALL		1007		
		ICT Smartboard For Committee Members	ALL		745		
		RCL Coordinators	Educators		39		
		Level-B SSIP	FET		155		
	No Of Special Schools Teachers Trained	Sub-Total		4000	4003	3	Target achieved
		Inclusion Focus Week	Special Schools		1193		
		Inclusion Sias Cohort 2	ALL		2272		
		Inclusion Autism	Special Schools		202		
		SASL	Special Schools		39		
		Inclusion SIAS Cohort 4	Special Schools		297		

SPM/PPM	Indicator	Training Type (Name)	Target Audiences/ Phases	Annual Target	Actuals	Variation From Target	Comments On Variations
SPM 202	Number of School Smt Members Trained	Total		3700	3772	72	Target achieved
		Financial Management	Facilitators		28		
		Financial Management	SMT		1137		
		Change Management	SMT		26		
		Curriculum Management	SMT		1833		
		Newly Appointed Principals	Principals		54		
		ICT Smartboard In Leadership	SMT		425		
		Ethical in Leadership- Seminar	Principals		269		
SPM 502		Total		750	682	68	Target not achieved due to drop outs
	Number of Pre-Grade R Practitioners Trained	ECD Nqf Level 4 Cohort 4	ECD		432		
		ECD Birth To Four Cohort 3	ECD		250		
	Number of Grade R Practitioners Trained	ECD NQF Level 6	ECD	750	1039	289	Target achieved and exceeded due to high demand and cost savings
PM 211	Number of Educators Trained on Language And Literacy Content and Methodology	Total		3900	3987	37	Target achieved and exceeded due to low targets sets compared to training needs identified
		Cipelt/ Ciselt For Educators	Teachers		3937		
		Cipelt/ Siselt For Lead Teachers	Lead Teachers		50		
PM 212	Number of Educators Trained in Numeracy/ Mathematics Content and Methodology	MST Maths IP	Intermediate Phase	900	917	17	Target achieved and exceeded
Special Projects		Total		0	1 404	1 404	These are special projects with no specific targets set
		HIV/ AIDS Life Skills	Teachers		955		
		ICT Gcra Interns	Homework Supervisors		246		
		Inclusion Autism Spectrum For Parents	Parents		203		
School Governance	School Functionality Including Community Involvement	Total		120 000	137 420	17 420	Target achieved and exceeded due to high demand and an efficient mode of training used
		Parental/Learner Support Programme	Parents and Learners		137 420		
		Total		9 000	2301	6 699	Target not achieved – training strategy no longer suitable. To be reviewed and implemented in the new financial year
		SGB Training: School Financial Management	SGB		1246		
		SGB Training: School Development Planning	SGB		1168		
		RCL & TLO Training	RCL & TLO	2000	2345	345	Target achieved

SECTION

5

FINANCIALS





“ Professionalism: We are professional at all times. ”

Finance Report and Annual Financial Statements

The activities of MGSLG are principally funded from the GDE transfers. The total actual transfers for 2016/17 are R210 million made up of R202 million from project budgets and R8,4 million for the overhead costs. The funding was received mainly from the Curriculum Branch.

Review of Results

Revenue grew by R32 million from R233,9 million in 2016/17 to R265,9 million during the reporting period. The increase represents a nominal growth of 13,7% as a result of commencement of the ECD project for the training of practitioners in Bachelor of Education Foundation Phase and Change Management in ICT.

The Teacher Development Branch accounts for 79,01% of the actual transfers received in 2016/17, mainly from the following projects: Teacher Training or CATLM (Content, Assessment, Teaching & Learning Methodologies) including Resourcing of Teacher Centres R76,9 million, ICT in Education R45 million, Early Childhood Development (ECD) R34 million. School Governance Directorate and the Leadership Branch contributed 20,99% through SGB Training R20,1 million and School Leadership and Management Training R18,4 million.

Interest income decreased from R9,4 million to R6,7 million, representing a 27% decline derived from the low interest rate environment and delayed actual transfer of funds. Other income grew by R124,925 from R14,628 (2015/16) to R139,553 (2016/17). The increase in other income is a result of an increase of the skills levy refund.

Project expenditure went up by over R13,4 million (or 6,46%) from R207 million in the prior reporting period to R220 million in 2016/17. The increase in project spending is in line with revenue increase, growing by 6,46% and 13,7%, respectively. Operating expenses grew by R2,7 million (or 6,58%) from R41,7 million to R44,5 million although the operational budget received from GDE remained at R8 million. The operational budget shortfall was funded through 16% cost recovery from project revenue.

MGSLG recorded a surplus of R7,4 million during 2016/17 - a recovery from a deficit of R5,8 million in 2015/16. As a result retained earnings grew from R34,7 million reported in 2015/16 to R42,1 million in 2016/17.

Review of Operations

During the period under review MGSLG successfully implemented and completed the following programmes/projects as per approved annual performance plan:

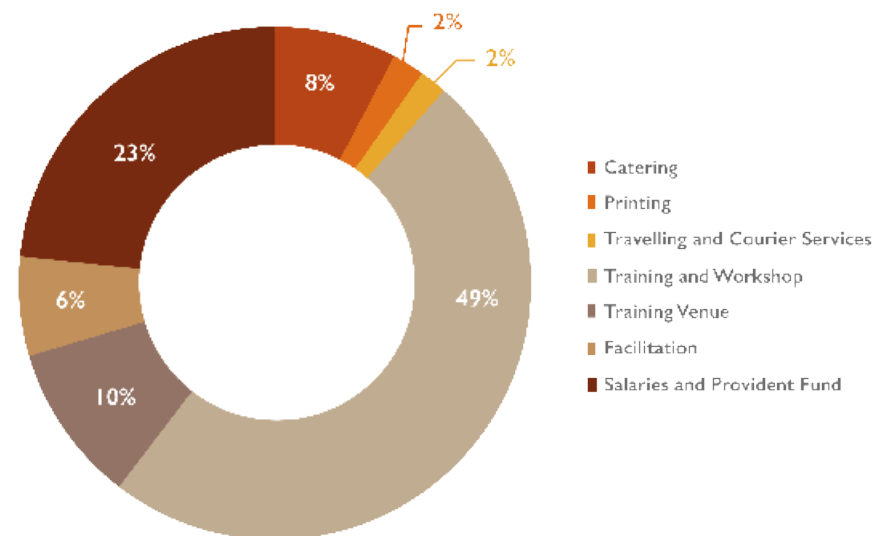
- Teacher Training targeting 11,000 teachers focusing on CiPELT/CiSELT, IQMS Needs, SSIP & Just-In-Time Residential Training, MST Training, Multi-Grade Training, African Languages and review of lesson plan amounting to R77,6 million;
- SGB/RCL capacitating SGBs on school financial management and inducting of newly elected school governors as well as youth leadership development for RCLs at R9,4 million;
- PFSP project targeting 60,000 parents on skills training to prevent and combat teenage pregnancy, drug and substance abuse, xenophobia, bullying, homework supervision, etc. amounting to R21,3 million;
- ICT in Education at a cost of R45,3 million on integration of ICTs tools in the classroom and providing on-site support to teachers, district officials, ICT committees and learners;
- Inclusion focusing on SAIS Policy training and curriculum differentiation (Focus week) costing R4,4 million;
- ECD providing tuition for ECD NQF Level 4, NQF L6 and B.Ed. in Foundation Phase at R45,3 million; Leadership and Management focusing on ICT Change Management for school leaders in ICT Schools to ensure sustainable implementation and utilisation of ICTs in schools, Induction Training and SMT training;

- Out of School Learning Programmes costing R1 million;
- Assessment and Psycho-Social Programmes were not delivered during the financial year due to last minute cancellation of a contract by the appointed service provider and delayed tendering processes, respectively.

The implementation of projects is synchronised with the school calendar which results in a number of projects not completed within the financial year requiring the roll-over of funds to the following reporting period. As a result the deferred income stood at R82,6 million as at 31 March 2017, an improvement of R30 million from 2015/16.

The total expenditure recorded by MGSLG for the reporting period is R265 million up by R17 million from R248 million in 2015/16. The expenses comprise of costs incurred on training and workshops (49%) a 10 increase from 2015/16; remuneration of employees (23%) which is a 2% increase below the 6% inflation rate; training venues (10%); catering (8%); facilitation (6%) and both printing and courier services at (2%). Printing has come down drastically with the introduction of ICT from double digit figure prior to the ICT in Education programme. The graph below illustrates the cost drivers recorded for the reporting period:

MGSLG Cost Drivers 2016/2017



Review of Financial Position

Total assets went down by R8 million (or 4, 40%) from R182 million to R174 million, trade and other receivables R58 million (VAT input R34 million and PFSP receivable of R24 million) and cash & cash equivalents decreased from R133 million to R87million as a result of improved project delivery and performance. Deferred income decreased from R112 million to R82, 6 million mainly due to ECD, Teacher Training and ICT roll-overs.

Retained earnings increased from R34,7 million in 2015/16 to R42,1 million in 2016/17. Trade and other payables increased by R14,1 million from R12,9 million to R27 million as a results of unpaid facilitator claims as at year end and the payable for MST due to lack of supporting evidence and incomplete documentation.

Conclusion

Going forward MGSLG will look into diversifying its income streams by growing its market into other provinces and sourcing donor fund to supplement GDE funding and to minimise revenue risk. Secondly, the institution is embarking on a modernisation and automation project to reduce redundancies and improve efficiency both in project delivery and support. This process will introduce a new service delivery model which will ensure maximum utilisation of human resources.

MGSLG will continue to implement the cost rationalisation strategy to ensure realisation of maximum value on all purchases. This will be accomplished by avoiding the purchase of non-essential goods and services and identifying and purchasing only cost-effective goods and services.



Mr Sibusiso Mahlangu
Director: Finance

Declaration by Company Secretary

The company secretary is Mr Zibonele Sibisi

I hereby confirm, in my capacity of secretary of Matthew Goniwe School of Leadership and Governance NPC that for the financial year ended 31 March 2017, the entity has filed all required returns and notices in terms of the Companies Act of 2008 and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.



Mr Zibonele Sibisi
Company Secretary





OFFICIAL OPENING OF THE
MGS LG ICT
TRAINING CENTRE
BY
THE HONOURABLE MEC OF
EDUCATION - GAUTENG PROVINCE
MANTYAZA LESUFI
30 SEPTEMBER 2015

Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

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Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

General Information

Country of incorporation and domicile

South Africa

Nature of business and principal activities

School Leadership, School Governance and Teacher Development Training.

Directors

Makhubela Thulani (Chairperson)

Malebo Gregory (Deputy Chairperson)

Fleisch Brahm

Ledimo Tseliso

Mahlangu Sibusiso (Finance Director)

Makola Lorraine

Maloka Patricia

Matabane Joconia

Matakanya Mahana

Mkefa Edith

Mthintso Sarah

Ndimu Gugu

Ntsali Violet

Saul Tshidiso

Sehlapelo Calvin

Registered office

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

Business address

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

Postal address

Postnet Suite 161, Private Bag X9, Melville, 2109

Bankers

Standard Bank of South Africa

Auditors

SizweNtsalubaGobodo Incorporated

Registered Auditors

Company registration number

2002/025756/08

Preparer

The annual financial statements were internally compiled by:

Sibusiso Mahlangu

Finance Director



Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements. The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent 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 sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2018 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 annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 49 to 50.

The annual financial statements set out on pages 51 to 77, which have been prepared on the going concern basis, were approved by the board on 28 July 2017 and were signed on their behalf by:



Dr. D Naidu

Acting CEO



Adv. T Makhubela

Chairperson

Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)
Annual Financial Statements for the year ended 31 March 2017

Independent Auditor's Report

To the shareholder of Matthew Goniwe School of Leadership and Governance

We have audited the annual financial statements of Matthew Goniwe School of Leadership and Governance set out on pages 54 to 73 which comprise the statement of annual financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Matthew Goniwe School of Leadership and Governance as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of professional conduct for registered auditors (IRBA code) and other independence requirements applicable to performing audits of the annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the Annual Financial Statements

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

We also identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)
Annual Financial Statements for the year ended 31 March 2017

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 March 2017, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 74 to 76 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



Per: Loganathan Govender

Director Registered Auditors

28 July 2017

Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Matthew Goniwe School of Leadership and Governance for the year ended 31 March 2017.

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.

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 operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not, in our opinion, require further comment.

The company recorded a net profit for the year ended 31 March 2017 of R7 462 752. This represented an increase of R1 3 284 854 from the net loss of the prior year of (R5 822 102).



Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

3. Directorate

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

Directors	Office	Designation	Nationality	Changes
Makhubela Thulani	Chairperson	Nonexecutive Independent	South African	
Malebo Gregory	Deputy Chairperson	Nonexecutive Independent	South African	
Chakane Moretsele	Chief Executive Officer	Executive	South African	Resigned Tuesday, 28 February 2017
Fleisch Brahm		Nonexecutive Independent	South African	
Kekana Mahlomola		Nonexecutive Independent	South African	Resigned Wednesday, 18 January 2017
Ledimo Tseliso		Nonexecutive Independent	South African	
Mahlangu Sibusiso	Finance Director	Executive	South African	
Makola Lorraine		Nonexecutive Independent	South African	
Maloka Patricia		Nonexecutive Independent	South African	
Matabane Joconia		Nonexecutive Independent	South African	Appointed Tuesday, 01 November 2016
Matakanya Mahana		Nonexecutive Independent	South African	
Mckay Veronica		Nonexecutive Independent	South African	Resigned Thursday, 18 August 2016
Mkefa Edith		Nonexecutive Independent	South African	Appointed Tuesday, 01 November 2016
Mthintso Sarah		Nonexecutive Independent	South African	
Ndimu Gugu		Nonexecutive Independent	South African	
Ntsali Violet		Nonexecutive Independent	South African	
Saul Tshidiso		Nonexecutive Independent	South African	Appointed Tuesday, 01 November 2016
Sehlapelo Calvin		Nonexecutive Independent	South African	

Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

4. Events after the reporting period

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

5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and realisation of assets and settlement of liabilities. The ability of the entity to continue as a going concern is dependent on the ongoing funding of operations from GDE.

6. Auditors

Sizwe Ntsaluba Gobodo Incorporated will continued in office as auditors for the company in accordance with section 90 of the Companies Act 71 of 2008.

7. Secretary

The company secretary is Mr Zibonele Sibisi.

Postal address

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Johannesburg
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Business address

40 Hull Street
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Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Position as at 31 March 2017

		2017	2016
	Notes	R	R
Assets			
Non Current Assets			
Property, plant and equipment	3	28 561 033	29 015 068
Intangible assets	4	248 440	289 404
		28 809 473	29 304 472
Current Assets			
Trade and other receivables	5	58 018 084	19 138 580
Cash and cash equivalents	6	87 358 692	133 831 046
		145 376 776	152 969 626
Total Assets		174 186 249	182 274 098
Equity and Liabilities			
Equity			
Retained income		42 172 411	34 709 659
Liabilities			
Non Current Liabilities			
Deferred income	9	21 260 535	21 810 556
Current Liabilities			
Trade and other payables	8	27 023 735	12 985 312
Deferred income	9	82 676 942	112 401 876
Provisions	7	1 052 626	366 695
		110 753 303	125 753 883
Total Liabilities		132 013 838	147 564 439
Total Equity and Liabilities		174 186 249	182 274 098

Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

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Statement of Profit or Loss and Other Comprehensive Income

		2017	2016
	Notes	R	R
Revenue	10	265 929 938	233 948 354
Project expenditure	11	(220 827 484)	(207 425 475)
Gross surplus		45 102 454	26 522 879
Other income	12	139 553	14 628
Operating expenses		(44 551 209)	(41 780 851)
Operating surplus (deficit)	13	690 798	(15 243 344)
Investment income	14	6 771 954	9 421 242
Surplus (deficit) for the year		7 462 752	(5 822 102)
Total comprehensive surplus (deficit) for the year		7 462 752	(5 822 102)

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Statement of Changes in Equity

	Retained income	Total equity
	R	R
Balance at 01 April 2015	40 531 761	40 531 761
Loss for the year	(5 822 102)	(5 822 102)
Total comprehensive Loss for the year	(5 822 102)	(5 822 102)
Balance at 01 April 2016	34 709 659	34 709 659
Profit for the year	7 462 752	7 462 752
Total comprehensive income for the year	7 462 752	7 462 752
Balance at 31 March 2017	42 172 411	42 172 411

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Statement of Cash Flows

		2017	2016
	Notes	R	R
Cash flows from operating activities			
Cash used in operations	15	(52 149 714)	8 992 487
Interest income		6 771 954	9 421 242
Net cash from operating activities		(45 377 760)	18 413 729
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 104 351)	(4 591 427)
Sale of property, plant and equipment	3	26 661	85 580
Purchase of other intangible assets	4	(16 904)	(195 736)
Net cash from investing activities		(1 094 594)	(4 701 583)
Total cash movement for the year		(46 472 354)	13 712 146
Cash at the beginning of the year		133 831 046	120 118 900
Total cash at end of the year	6	87 358 692	133 831 046

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Accounting Policies

1. Summary of significant accounting policies

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

1.1 Basis of preparation

The annual 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 annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The annual financial statements have been prepared on the historic cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual 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.

Key sources of estimation uncertainty

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 7.

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.

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.

Expenditure incurred subsequently, 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.

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any 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 the straight line method.

Matthew Goniwe School of Leadership and Governance

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Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

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

Item	Depreciation method	Average useful life
Buildings	Straight line	years 50
Furniture and fixtures	Straight line	years 12,5
Motor vehicles	Straight line	years 5
Office equipment	Straight line	years 9
IT equipment	Straight line	years 9

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.

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.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate.

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

Item	Useful life
Computer software, other	years 9

1.5 Financial instruments

Initial recognition and measurement Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Matthew Goniwe School of Leadership and Governance

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Accounting Policies

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor; probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Short term receivables with no interest rate are measured at their original invoice amount, if the effective discounting is immaterial.

Trade and other payables

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

Cash and cash equivalents

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

1.6 Leases

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

Operating leases – lessee

Operating lease payments are recognised as an expense on a straightline basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset/ liability. This liability is not discounted.

1.7 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.

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.

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..

1.8 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.

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Accounting Policies

1.9 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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 16.

1.10 Revenue

Revenue is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Revenue 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.

Revenue related to assets, including nonmonetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income.

1.11 Interest Income

Interest is recognised, in profit or loss, using the effective interest rate method.



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Notes to the Annual Financial Statement

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 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IAS 7: Disclosure initiative	01 January 2017	Unlikely there will be a material impact

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Notes to the Annual Financial Statement

3. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	27 501 046	(4 932 025)	22 569 021	27 501 046	(4 382 004)	23 119 042
Furniture and fixtures	2 148 403	1 043 009)	1 105 394	2 033 215	(874 861)	1 158 354
Motor vehicles	363 636	(78 719)	284 917	359 521	(5 342)	354 179
Office equipment	1 829 057	(664 176)	1 164 881	1 590 041	(470 121)	1 119 920
IT equipment	4 902 643	(1 889 579)	3 013 064	4 645 706	(1 389 667)	3 256 039
Other property, plant and equipment	638 566	(214 810)	423 756	185 755	(178 221)	7 534
Total	37 383 351	(8 822 318)	28 561 033	36 315 284	(7 300 216)	29 015 068

Reconciliation of property, plant and equipment 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	23 119 042	-	-	(550 021)	22 569 021
Furniture and fixtures	1 158 354	115 188	-	(168 148)	1 105 394
Motor vehicles	354 179	4 115	-	(73 377)	284 917
Office equipment	1 119 920	239 016	-	(194 055)	1 164 881
IT equipment	3 256 039	293 221	(26 661)	(509 535)	3 013 064
Other property, plant and equipment	7 534	452 811	-	(36 589)	423 756
	29 015 068	1 104 351	(26 661)	(1 531 725)	28 561 033

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Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statement

Reconciliation of property, plant and equipment 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	23 555 178	1 12 018	-	(548 154)	23 119 042
Furniture and fixtures	500 031	853 372	(29 009)	(166 040)	1 158 354
Motor vehicles	-	359 521	-	(5 342)	354 179
Office equipment	460 830	765 178	-	(106 088)	1 119 920
IT equipment	1 268 872	2 501 338	(56 571)	(457 600)	3 256 039
Other property, plant and equipment	27 967	-	-	(20 433)	7 534
	25 812 878	4 591 427	(85 580)	(1 303 657)	29 015 068

4. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	539 813	(291 373)	248 440	522 909	(233 505)	289 404

Reconciliation of intangible assets 2017

	Opening balance	Additions	Impairment loss	Total
Computer software, other	289 404	16 904	(57 868)	248 440

Reconciliation of intangible assets 2016

	Opening balance	Additions	Amortisation	Total
Computer software, other	145 204	195 736	(51 536)	289 404

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Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statement**5. Trade and other receivables**

Trade receivables

VAT

2017**2016**

25 792 307

4 500

32 225 777

19 134 080

58 018 084**19 138 580****6. Cash and cash equivalents****Cash and cash equivalents consist of:**

Petty cash

Standard Bank fixed deposits account

Standard Bank 32 Day Notice

4 000

4 000

84 876 803

78 049 925

2 477 889

55 777 121

87 358 692**133 831 046****7. Provisions****Reconciliation of provisions 2017**

Opening balance

Additions

Utilised
during the
year

Total

Provision for performance bonus

Provision for 13th cheque

-

750 000

-

750 000

366 695

302 626

(366 695)

302 626

366 695**1 052 626****(366 695)****1 052 626****Reconciliation of provisions 2016**

Provision for performance bonus

Provision for 13th cheque

293 374

-

(293 374)

-

340 921

366 695

(340 921)

366 695

634 295**366 695****(634 295)****366 695**

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Notes to the Annual Financial Statement

8. Trade and other payables

Trade payables

Accrued leave pay

Other accrued expenses

9. Deferred income

Noncurrent liabilities

Current liabilities

The non current liabilities arises from a 99 year building lease with GDE: R21 810 556 less current year transfer of R550 021 results in the current year balance of R21 260 535

The current liabilities relates to the government grants received from GDE.

10. Revenue

Government grants

2017	2016
R	R
25 679 752	11 059 064
622 558	468 590
721 425	1 457 658
27 023 735	12 985 312
21 260 535	21 810 556
82 676 942	112 401 876
103 937 477	134 212 432
265 929 938	233 948 354

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Notes to the Annual Financial Statement

11. Project Expenditure

Rendering of services

12. Other income

Skills Development Levy refund

Insurance claim

Other income

13. Operating profit (loss)

Operating surplus/(deficit) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration external

Audit fees

Remuneration, other than to employees

Consulting and professional services

2017	2016
R	R
220 827 484	207 425 475
113 323	11 336
21 116	-
5 114	3 292
139 553	14 628
620 125	605 000
1 518 060	6 700 511

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Notes to the Annual Financial Statement

Employee costs

Salaries, wages, bonuses and other benefits

Short term benefit

Long term incentive scheme

Total employee costs**Depreciation and amortisation**

Depreciation of property, plant and equipment

Amortisation of intangible assets

Total depreciation and amortisation**14. Interest income**

Interest income

Bank

15. Cash used in operations

Profit before taxation

Adjustments for:

Depreciation and amortisation

Interest income

Movements in provisions

2017	2016
R	R
30 556 553	23 370 522
1 325 355	1 477 932
1 324 179	1 170 773
33 206 087	26 019 227
1 531 725	1 303 657
57 868	51 536
1 589 593	1 355 193
6 771 954	9 421 242
7 462 752	(5 822 102)
1 589 593	1 355 193
(6 771 954)	(9 421 242)
685 931	(267 600)

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Notes to the Annual Financial Statement

Changes in working capital:

Trade and other receivables

Trade and other payables

Deferred income

16. Contingencies

SARS Contingent Liability

2017	2016
R	R
(38 879 504)	(11 107 718)
14 038 423	5 634 859
(30 274 955)	28 621 097
(52 149 714)	8 992 487
120 546 574	91 067 166

During the 2016 financial year the company received an assessment from South African Receiver of Revenue (SARS) in respect of output vat to a total of R91 067 166 (exclusive of interest and penalties) on income received from GDE. An amount of R210 567 200 was received from GDE during the current financial period, resulting in an increase in contingent liability by R29 479 408. Management has lodged an objection on this assessment and are comfortable that SARS will rule in their favour. Investigation by SARS on this matter is still in progress.

17. Related parties

Relationships

Matthew Goniwe School of Leadership and Governance exist to support and provide capacitybuilding service to the Gauteng Department of Education (GDE).

SciBono Discovery Centre NPC is a coagent of Gauteng Department of Education (GDE) appointed to provide Maths and Science training on behalf of Matthew Goniwe School of Leadership and Governance.

Related party balances

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Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statement**Amounts included in Trade receivable (Trade Payable) regarding related parties**

GDE

SciBono Discovery Centre NPC

Deferred Income Received

GDE

Operating expenses

Sci Bono Discovery Centre NPC

Compensation to directors and other key management

Shortterm employee benefits

2017	2016
R	R
24 000 000	-
(15 524 400)	-
210 567 200	262 299 000
28 202 291	26 225 196
2 469 988	1 995 834

Matthew Goniwe School of Leadership and Governance

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Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statement

18. Directors' emoluments**Executive**

	2017 R			2016 R		
	Emoluments	Company contributions	Total	Emoluments	Company contributions	Total
Chakane Moretsele (CEO)	1 463 892	135 841	1 599 733	1 428 187	38 866	1 467 053
Mahlangu Sibusiso (Finance Director)	999 170	98 407	1 097 577	960 740	129 791	1 090 531
Makofane Timothy (Governance Director)	898 745	83 299	982 044	864 178	83 299	947 477
Dlamini Sipho (Teacher Development Director)	898 745	81 809	980 554	864 178	81 809	945 987
Naidu Anusha (Leadership Branch Head)	1 068 563	98 589	1 167 152	434 375	98 589	532 964
Papane Matime (General Manager)	1 312 665	128 961	1 441 626	1 286 649	116 077	1 402 726
Molete Ruth (Teacher Development Branch Head)	1 442 255	130 577	1 572 832	1 308 745	126 119	1 434 864
*Ndlovu Nokulunga (Teacher Development Director)	314 272	30 303	344 575			
	8 398 307	787 786	9 186 093	7 147 052	674 550	7 821 602

Notes

* Appointed on 15 November 2016

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Notes to the Annual Financial Statement**Non-executive**

	2017		2016	
	R		R	
	Directors' fees	Total	Directors' fees	Total
Makhubela Thulani (Chairperson)	2 975	2 975	4 446	4 446
Mckay Veronica (Chairperson)	15 032	15 032	22 548	22 548
Malebo Gregory (Deputy Chairperson)	34 160	34 160	20 072	20 072
Fleisch Brahm	32 040	32 040	19 224	19 224
Kekana Mahlomola	32 040	32 040	19 224	19 224
Ledimo Tseliso	8 706	8 706	11 300	11 300
Makola Lorraine	32 040	32 040	19 224	19 224
Maloka Patricia	32 040	32 040	12 816	12 816
Matabane Joconia	12 816	12 816	-	-
Matakanya Mahana	32 040	32 040	19 224	19 224
Mkefa Edith	12 816	12 816	-	-
Mokoena Thapelo	-	-	3 800	3 800
Mthintso Sarah	32 040	32 040	19 224	19 224
Ndimma Gugu	32 040	32 040	7 729	7 729
Ntsali Violet	32 040	32 040	19 224	19 224
Saul Tshidiso	12 816	12 816	-	-
Sehlapelo Calvin	32 040	32 040	12 994	12 994
	387 681	387 681	211 049	211 049

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Notes to the Annual Financial Statement

19. Risk management

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities and netsettled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2017	Less than 1 year
Trade and other payables	R27 023 735

Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to the changes in the market interest rate. The company does not at present hedge its exposure to adverse interest rate movements.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

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

Financial instrument	2017	2016
Standard Bank	R87 358 692	R133 831 046

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Detailed Income Statement

	notes	2017 R	2016 R
Revenue			
Grant Income		265 929 938	233 948 354
Project Expenditure			
Project expenditure		(220 827 484)	(207 425 475)
Gross surplus		45 102 454	26 522 879
Other operating income			
Other income		139 553	14 628
Operating expenses (Refer to page 24)		(44 551 209)	(41 780 851)
Operating surplus (deficit)	13	690 798	(15 243 344)
Investment income	14	6 771 954	9 421 242
Profit (loss) for the year		7 462 752	(5 822 102)
Other operating expenses			
Advertising		(109 959)	(255 433)
Amortisation		(57 868)	(51 536)

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Detailed Income Statement

notes	2017	2016
	R	R
Other operating expenses		
Advertising	(109 959)	(255 433)
Amortisation	(57 868)	(51 536)
Auditors remuneration	(620 125)	(605 000)
Bad debts	-	(10 000)
Cleaning	(161 795)	(112 062)
Computer expenses	(637 193)	(667 252)
Accounting fees	(33 623)	(136 228)
Consulting and professional fees I	(1 562 456)	(5 966 514)
Consulting and professional fees legal fees	(631 787)	(614 577)
Consumables	(179 831)	(176 740)
Depreciation	(1 531 725)	(1 303 657)
Employee costs	(33 206 087)	(26 019 227)
Entertainment	(274 277)	(312 572)
Equipment hire	(2 163 785)	(2 516 669)
Insurance	(215 774)	(169 907)
Motor vehicle expenses	(28 969)	-
Postage	(1 992)	(13 630)
Printing and stationery	(648 773)	(319 715)
Repairs and maintenance	(1 335 632)	(1 628 378)
Royalties and license fees	(66 788)	(41 798)
Security	(113 981)	(54 510)
Staff welfare	(35 877)	(24 784)
Subscriptions	(65 818)	(40 933)
Telephone and fax	(579 988)	(549 433)
Training	(15 527)	-
Travel local	(271 579)	(190 296)
	(44 551 209)	(41 780 851)

Matthew Goniwe School of Leadership and Governance

Trading as Matthew Goniwe School of Leadership and Governance (Registration number: 2002/025756/08)

Annual Financial Statements for the year ended 31 March 2017

Supplementary Information

I. Deferred Income Reconciliation

Description	ECD	Inclusion	Teacher Development	Leadership and Change Management	Assessment	Psycho Social Training	HIV/AIDS	Out of School Learners Prog	FQE/QLTC2	PSP	ICT	SGB/RCL	Total
Opening Balance	R 45 548 679,71	R 2 919 007,55	R 45 963 129,92	R 8 143 607,89	R 0,00	R 18 646 965,20	R 8 000 000,00	R 0,00	R 993 009,66	-R 49 398 260,94	R 27 253 240,55	R 4 332 496,91	R 112 401 876,45
Income Received	R 34 091 000,00	R 1 948 000,00	R 80 000 000,00	R 18 440 200,00	R 1 500 000,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 45 000 000,00	R 20 100 000,00	R 201 079 200,00
Less Total Cost Utilised /	-R 45 350 946,19	-R 4 489 096,55	-R 77 652 001,59	-R 19 621 168,91	R 0,00	R 0,00	-R 6 189 914,87	-R 1 061 543,76	-R 322 583,46	-R 21 347 786,62	-R 45 334 666,04	-R 9 434 426,00	-R 230 804 133,99
BALANCE	R 34 288 733,52	R 377 911,00	R 48 311 128,33	R 6 962 638,98	R 1 500 000,00	R 18 646 965,20	R 1 810 085,13	-R 1 061 543,76	R 670 426,20	-R 70 746 047,56	R 26 918 574,51	R 14 998 070,91	R 82 676 942,46

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





Head Office

Branch Office
