



## 2015/16 Annual Report

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





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## MGSLG's Vision, Mission and Values

### MGSLG's Vision

...is to be the BEST training institute in BRICS by 2020

### MGSLG's Mission Statement

...is to provide the highest quality training programmes for school Governors, Principals, Teachers and Parents, using blended learning that includes use of ICT resources and 10-20-70 approach.

### MGSLG's Values

H	• Hardwork
I	• Innovation
P	• Professionalism
P	• Productivity
E	• Efficiency
D	• Discipline

## Foreword by MEC



The Gauteng Department of Education is mandated to address the Gauteng Provincial Government's strategy of Transformation, Modernisation and Reindustrialisation (TMR) that will transform Gauteng into "a seamlessly integrated, socially cohesive, economically inclusive City Region; a leading economy on the African continent underpinned by smart, innovation-driven, knowledge-based and sustainable industries; an accountable, responsive, transparent and clean government and an active citizenry".

Matthew Goniwe School of Leadership and Governance (MGSLG) as a training agency and implementing partner of the GDE was given a clear mandate for the period under review. Through the guidance and leadership of the diverse Board of Directors I am pleased to see this mandate carried out effectively and efficiently.

This year GDE has improved the funding to MGSLG and this is evident in the number and quality of programmes delivered throughout the year through the following highlights:

- **Early Childhood Development (ECD)**

Improvement of early childhood development through the training of ECD Practitioners to upgrade their skills and qualifications. MGSLG delivered a number of ECD cohorts running and targeting both Pre-Grade R and Grade R practitioners. These are long-term programmes run in partnership with Institutions of Higher Learning. Programmes range from NQF level 4 to NQF level 6.

- **Teacher Training**

The upskilling and reskilling of teachers in specific content areas through the residential Secondary School Improvement Programme (SSIP), additional language development programmes rolled out through CiSELT and CiPELT programmes in the Foundation, Intermediate and Senior phases was on point. Teachers for Learners with Special Needs were also capacitated with braille, South African Sign Language and SIAS Policy.

- **Parental Support Programme**

To ensure maximum stakeholder engagement, MGSLG held workshops with over 90 000 parents in various communities to address psycho-social issues experienced by the community. This is one of the highlight of the MGSLG's work, as impact is right at the root of the community.

- **SGB Training**

After the 2015 SGB elections went successfully; SGB members were trained on their roles and responsibilities, School Financial Management and School Development Planning.

- **ICT in Education**

As the department continues to roll out ICT throughout the province, MGSLG continues to support the stakeholders in these schools through training on the integration of ICT in teaching and learning. These stakeholders include teachers, learners, principals, SGB member and parents.

The onsite support at the school went a long way to assist the teachers, Principal, SMT, and the school as a unit had the confidence to perform whilst getting used to the new way of teaching. This process will take some time to show tangible results from the schools. We just need to keep our focus as schools and the community surrounding these schools for support.

As we have rolled out the first and now the second phases of the ICT, constant monitoring and evaluation of the work we put in at the schools is critical to ensure that we capture all lessons learnt to inform new phases moving on. This programme is not once-off, but is the way forward as we transform Gauteng into a seamlessly, integrated, socially cohesive, economically inclusive City Region.

The 2015/16 was a critical phase in the current Administration as it represents the phase where we need to keep momentum and closely monitor and evaluate the programmes we introduced in the previous financial year.

I want to thank the Chairperson of the Board of Directors, Prof. Veronica McKay for having steered MGSLG smoothly throughout the year, the Board of Directors, CEO, management team and staff for a job well done.

I must admit that we are not there yet, but the road is quite open for us to keep innovating to see that our parents and School Governing Bodies are able to govern and understand what is happening in the schools they are governing, school principals and teachers receive the professional development that is relevant and current; our learners receive the quality education they deserve through our institutions of learning. This requires a collective effort from all stakeholders across the education field. I therefore urge us to engage our corporates to come to the party and help us to realise our vision.

*Together we **can** move Gauteng and South Africa forward!*



**Mr Andrek Panyaza Lesufi (MPL)**

**Member of the Executive Council - Education**



## Message by the Chairperson of the Board of Directors



During the year under review MGSLG started the 2020 strategic plan process led by the CEO and management team. A strategic framework was crafted and tabled to the board for adoption. This framework guided the work of MGSLG specifically on internal systems and processes. The Board of Directors will engage fully with the full strategic plan and further engage with broader stakeholders for consultations and finalisation.

This year MGSLG went through rigorous audit processes, including internal audit, external audit, and independent audit by the GDE in terms of performance. Emanating from the internal audit process initiated last year, MGSLG went on to address the audit findings to improve its internal processes. Though this is a long process, I am confident that we are on the right track.

Over the last year CEO, Dr. Chakane together with the management team confirmed the confidence placed in them by the Board of Directors and GDE. They have shown great strides in improvement of internal organisational efficiencies and implementing cautiously the programmes of the department. The team ensured that all performance targets set by the Gauteng Department of Education are met with some being exceeded.

We also welcomed two additional Directors to augment the board with financial management expertise. Mr. Calvin Sehlapelo and Ms Patricia Maloka joined MGSLG in July 2015; they bring with them a wealth of knowledge and expertise that benefits the entire Board and MGSLG as an organisation. Let me also take a moment to thank Mr. Thapelo “Bobo” Mokoena, who resigned as a Director in August 2015. Thank you for the passion you shown in matters of education and valuable contribution to the Board. Chairpersons of all Committees of the Board, thank you for your thoroughness and overall monitoring of programme delivery and always making sure that matters, are being tabled before you and ready for board approval.

I would like to thank Honourable MEC Panyaza Lesufi for his clear mandate to MGSLG; your continued support is greatly valued. CEO, management team and staff, thank you for your commitment, effort and creativity. It has been an honour to serve the organisation and the Department.

On behalf of the Board of Directors of the Matthew Goniwe School of Leadership and Governance (MGSLG), I herewith table the 2015/16 Annual Report as being a true reflection of the work achieved by MGSLG during this reporting period.

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

**Prof Veronica McKay: Chairperson**

## Members of the Board of Directors



Prof. Veronica McKay  
Chairperson



Mr Gregory Malebo  
Deputy Chairperson



Adv. Thulani Makhubela



Mr Mahlomola Kekana



Mr Tseliso Ledimo



Ms Violet Ntsali



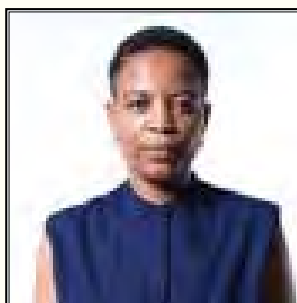
Prof. Brahm Fleisch



Mr Manaha Matakanya



Ms Lorraine Makola



Ms Sarah Mthintso



Ms Gugu Ndima



Mr Calvin Sehlapelo



Ms Patricia Maloka



## Message by the Chief Executive Officer



I would like to take this opportunity to thank the MEC of Gauteng Education, Honour Mr Andrek Panyaza Lesufi and Head of Department, Mr. Edward Mosuwe for having entrusted MGSLG with the critical mandate of supporting the Department's vision of ensuring that every learner feels valued and inspired in our innovative education system.

As I settled in as the CEO, I had a bird's view on all operations and better understood where MGSLG was as an organisation. The planning, budgeting dynamics and the complex nature of the relationship between MGSLG and the department became clearer with time.

Reflecting back on the year, I am proud to announce that MGSLG has made a headway in achieving some of the goals that we had set ourselves last year.

At the end of the year we managed to achieve the following:

- We brought back the School Leadership and Management branch in MGSLG. This is one of MGSLG's original mandate. The branch is now established and led by a Branch Head;
- I am proud to announce that through this branch we managed to develop a Principals Occupational Qualification and registered it with the Quality Council of Trades and Occupation (QCTO);
- MGSLG Benoni Campus has now been fully converted into an ICT Training Centre;
- As part of the partnership initiatives, UNISA has sponsored an ICT laboratory which will also be able to link up with teacher development centres across Gauteng. This is a major breakthrough in taking forward the ICT Strategy in the province;
- For the first time in a long time, MGSLG provided full onsite support to ICT schools, thus implementing our 10-20-70 training and support model. This model will be further explored in the new year in terms of finding a more sustainable approach to implement it by using fulltime trainers who will be available at all times. This approach will be used for all our programmes;
- A better approach to training teachers to ensure a significant impact has been identified. Teachers are booked for a block release period of 4-5 days for intense training. The dates for training include a weekend and are agreed on with the labour representatives upfront. This model has shown good results in terms of teacher attendance and the quality of the training and participation;
- I am also happy to announce that MGSLG managed to meet all its targets set by the Department in terms of performance;

- A number of audits were commissioned for MGSLG and I am happy to report that MGSLG managed to get unqualified reports. Findings and recommendations from these audits will form the basis of our systems turnaround strategy moving forward;
- New policies were drafted and tabled to the Board for approval. These policies are being used to inform a number of processes internally;
- Procurement processes and timeframes have drastically improved in the last year;
- We also held a consultative strategic workshop with all staff, all inputs were considered in the review of the strategic plan;
- Though we are making great strides in a number of areas, there are areas that still need extra work, these include:
  - Institutional Planning, reporting processes and linkages to the departmental, provincial and national reporting timeframes;
  - Research projects;
  - Impact evaluation of projects;
  - Job profiling and evaluation project;
  - Automation of internal processes;
  - Strengthening of Partnerships and fund raising.

The quality of work being produced internally and the pace that we are moving in terms of the goals we have set ourselves are an achievement on their own; we are definitely on the right track.

I would like to thank the Chairperson of the Board, the entire Board of Directors, Management team and all staff for making this year all worth it. Our partners, ETDP Seta, UNISA, Department of Public Service and Administration for fruitful partnerships in project funding. SGB Associations, Teacher Unions, Project Management and Implementation Teams, District and Head office Officials; without you our achievements would not be possible.

I have the pleasure and privilege of submitting the 2015/16 Annual Report for the Matthew Goniwe School of Leadership and Governance.



**Dr More Chakane**

**Chief Executive Officer**

## MGSLG Senior Management Team



Dr. More Chakane  
CEO



Dr. Thabi Molete  
Branch Head: Teacher  
Development



Dr. Anusha Naidu  
Branch Head: School  
Leadership and Management



Mr. Matime Papane  
Branch Head: Corporate  
Services



Mr. Sibusiso Mahlangu  
Director: Finance



Dr. Timothy Makofane  
Director: School Governance



Mr. Sipho Dlamini  
Director: Teacher Development





## Corporate Governance Report

### Corporate Governance

MGSLG is an agency of the Gauteng Department of Education (GDE), registered and incorporated according to the company laws of the Republic of South Africa as a Non-Profit Company (NPC). 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.

### 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. McKay, Veronica (Non-Executive) - Chairperson        | 9. Matakanya, Manaha (Non-Executive)                           |
| 2. Fleisch, Brahm (Non-Executive)                       | 10. Mokoena, Thapelo (Non-Executive) – resigned 14 August 2015 |
| 3. Kekana, Mahlomola (Non-Executive)                    | 11. Mthintso, Sarah (Non-Executive)                            |
| 4. Ledimo, Tsēliso (Non-Executive)                      | 12. Ndimma, Gugu (Non-Executive)                               |
| 5. Makhubela, Thulani (Non-Executive)                   | 13. Ntsali, Violet (Non-Executive)                             |
| 6. Makola, Lorraine (Non-Executive)                     | 14. Sehlapelo, Calvin (Non-Executive)                          |
| 7. Malebo, Gregory (Non-Executive) - Deputy Chairperson | 15. Chakane, Moretsele (Executive) Chief Executive Officer     |
| 8. Maloka, Patricia (Non-Executive)                     | 16. 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. During the Board meetings, the Board is kept abreast through reports on the budget, strategy and performance on programmes undertaken by MGSLG amongst other issues. During the year under review, a total of seven board meetings were held. The Board conducted four ordinary meetings, one special meeting and an AGM.

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

Director	Date of Appointment	Meeting Dates							TOTAL
		22 April 2015 Ordinary Meeting	22 July 2015 Ordinary Meeting	29 July 2015 Continuation of Ordinary Meeting of 22 July 2015	30 September 2015 Annual General Meeting	21 October 2015 Ordinary Meeting	29 October 2015 Special Meeting	03 February 2016 Ordinary Meeting	
1. McKay Veronica	18/02/2013	x	✓	✓	✓	✓	✓	✓	6/7
2. Chakane Moretsele	01/07/2014	✓	✓	✓	✓	✓	✓	✓	7/7
3. Fleisch Brahm	25/07/2011	x	✓	✓	✓	✓	✓	✓	6/7
4. Kekana Mahlomola	25/07/2011	x	✓	✓	x	✓	✓	x	4/7
5. Ledimo Tsēliso	25/07/2011	✓	✓	✓	✓	✓	✓	✓	7/7
6. Mahlangu Sibusiso	01/03/2007	✓	✓	✓	✓	✓	✓	✓	7/7
7. Makhubela Thulani	01/10/2014	x	✓	✓	✓	x	✓	✓	5/7
8. Makola Lorraine	01/10/2014	✓	x	✓	✓	✓	✓	✓	6/7
9. Malebo Gregory	01/10/2014	✓	x	✓	✓	✓	✓	✓	6/7
10. Maloka Patricia	01/07/2015		✓	✓	✓	✓	✓	✓	6/6
11. Matakanya Manaha	18/02/2013	✓	✓	✓	✓	✓	✓	✓	7/7
12. Mokoena Thapelo	01/10/2014	✓	✓	✓	Resigned				
13. Mthintso Sarah	01/10/2014	✓	x	✓	✓	✓	✓	x	5/7
14. Ndima Gugu	01/10/2014	✓	✓	✓	x	✓	✓	✓	6/7
15. Ntsali Violet	01/10/2014	✓	✓	✓	✓	✓	✓	x	6/7
16. Sehlapelo Calvin	01/07/2015		✓	x	✓	✓	✓	✓	5/6

## 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.

### Academic and Research Committee

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

Directors	15 April 2015	27 July 2015	08 October 2015	27 January 2016
Ledimo Tsēliso (Chairperson)	☑	☑	☑	☑
Chakane Moretsele	☑	☑	☑	☑
Kekana Mahlomola	x	☑	☑	☑
Makofane Timothy	☑	x	☑	x
Makola Lorraine	☑	x	☑	☑
Matakanya Manaha	☑	☑	☑	☑
Mokoena Thapelo	☑	☑	Resigned	
Moletse Bathabile	☑	x	☑	x
Ndima Gugu	x	☑	☑	☑

### Audit Committee

*The Audit Committee convened as follows:*

Directors	22 April 2015	27 July 2015	07 October 2015	28 January 2016
Makhubela Thulani (Chairperson)	x	☑	☑	☑
Chakane Moretsele	☑	☑	☑	☑
Fleisch Brahm	x	☑	☑	☑
Mahlangu Sibusiso	☑	☑	☑	☑
Maloka Patricia		☑	☑	☑
Matakanya Manaha	☑	☑	☑	☑
Mthintso Sarah	☑	x	☑	x
Sehlapelo Calvin		☑	☑	☑

## Human Resources and Remunerations Committee

*The Committee met as follows:*

Directors	15 April 2015	27 July 2015	08 October 2015	20 January 2016
Mokoena Thapelo (Chairperson till July 2015)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Ntsali Violet (Chairperson from October 2015)	x	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chakane Moretsele	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Kekana Mahlomola	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	x
Ledimo Tsēliso	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	x
Malebo Gregory	<input checked="" type="checkbox"/>	x	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Papane Matime	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	x

## School Governing Bodies and RCL Committee

At the beginning of the financial year the Board continued with three Committees and later on a fourth Committee was established. The Board decided to remove the School Governance matters from the Academic and Research Committee to afford enough focus on all areas. The new Committee focuses on School Governance and Youth Leadership matters.

*The Committee was established in October 2015 and met as follows:*

Directors	14 October 2015	01 February 2016
Kekana Mahlomola (Chairperson)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chakane Moretsele	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Makofane Timothy	x	x
Matakanya Manaha		<input checked="" type="checkbox"/>
Ndimu Gugu	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Directors' Fees

2015/2016			
Executive	Fixed remuneration	Company contributions	Total
Chakane Moretsele (CEO)	R 1 428 187,32	R 38 866,08	R 1 467 053,40
Mahlangu Sibusiso (Finance Director)	R 960 740,28	R 129 791,00	R 1 090 531,28
Non-executive	Directors' fees	Total	
Fleisch Brahm	R 6 408,00	R 19 224,00	
Kekana Mahlomola	R 6 408,00	R 19 224,00	
Ledimo Tseliso		R 11 300,00	
Makhubela Thulani		R 4 446,40	
Makola Sarah Lorraine	R 6 408,00	R 19 224,00	
Malebo Gregory (Deputy Chairperson)	R 6 832,00	R 20 072,00	
Maloka Patricia	R 6 408,00	R 12 816,00	
Matakanya Manaha	R 6 408,00	R 19 224,00	
Mckay Veronica (Chairperson)	R 7 516,00	R 22 548,00	
Mokoena Thapelo	R 3 800,00	R 3 800,00	
Mthintso Sarah	R 6 408,00	R 19 224,00	
Ndima Gugu	R 6 408,00	R 7 729,28	
Ntsali Violet	R 6 408,00	R 19 224,00	
Sehlapelo Calvin Paul Mogau Roy	R 6 408,00	R 12 994,00	

2014/2015			
Executive	Fixed remuneration	Company contributions	Total
Chakane Moretsele (CEO)	R 902 488,00	R 20 100,60	R 922 588,60
Mahlangu Sibusiso (Finance Director)	R 897 196,20	R 123 268,76	R 1 020 464,96
Non-executive	Directors' fees	Total	
Fleisch Brahm	R 2 800,00	R 28 480,00	
Kekana Mahlomola	R 2 800,00	R 16 000,00	
Ledimo Tseliso		R 4 555,60	
Makola Sarah Lorraine	R 3 800,00	R 7 600,00	
Malebo Gregory (Deputy Chairperson)	R 4 000,00	R 8 000,00	
Matakanya Manaha	R 2 800,00	R 16 000,00	
Mckay Veronica (Chairperson)	R 4 500,00	R 17 400,00	
Mokoena Thapelo	R 3 800,00	R 7 600,00	
Mthintso Sarah	R 3 800,00	R 7 600,00	
Ntsali Violet	R 3 800,00	R 7 600,00	
Ms MV Sithole	R 2 800,00	R 8 400,00	
Neeshan Balton	R 3 000,00	R 9 000,00	







## Human Resources and Development Report

### Employment Equity and Statistics

MGSLG is an organisation that is mandated by the GDE to deliver on education support projects. It therefore suggests that the institution's staffing and capacities make-up is critical in how it assists in ensuring a responsive staff compliment and abilities to deliver on identifiable gaps as per the education department's development requirement. The core staff of the institution is critical in ensuring institutional memory but also to leverage a flexible ongoing capacity to address these ever-changing needs and to be relevant on our responses.

### Staff Profile

Occupational Category	Male					Male Total	Female					Female Total	Combined Total	Age Groups		
	A	C	I	W	O		A	C	I	W	O			<35	<35-55	>55
Admin Staff	14	1				15	26	5	1			32	47	30	17	
Support Staff	16					16	6					6	22	4	17	3
Middle Managers	8			2		10	7	1	1			9	19	1	12	6
Senior Managers	4					4	2		1			3	7		4	3
TOTALS	42	1		2		45	41	6	2			50	97	35	50	12

However, the bulk of support and training staff are contracted as 'temporary sojourners' external to structures of the institution. We have in our system well over 2500 facilitators who are on short-term contracts and are engaged in response to specific training needs as well as per needs in particularly identified training strategies.

### People Management

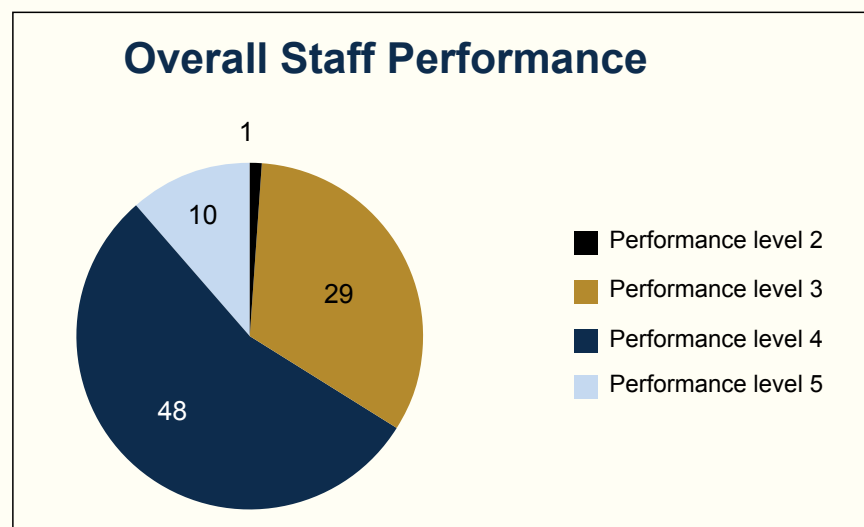
Staff retention is critical in the institution. The following grid represents our success in retaining and in the handling and processing of labour relations arena:

Category	TD Branch	Governance	GM	Leadership	CEO Office
Resignations	0	0	0	0	0
DC	0	0	0	0	0
Grievance	1	1	0	0	0
Contract Expiry	0	0	1	0	0

## Performance Management and Development

The overall performance of staff is consistent with organisational performance. The following charts provides a picture on the performance for the various categories of staff.

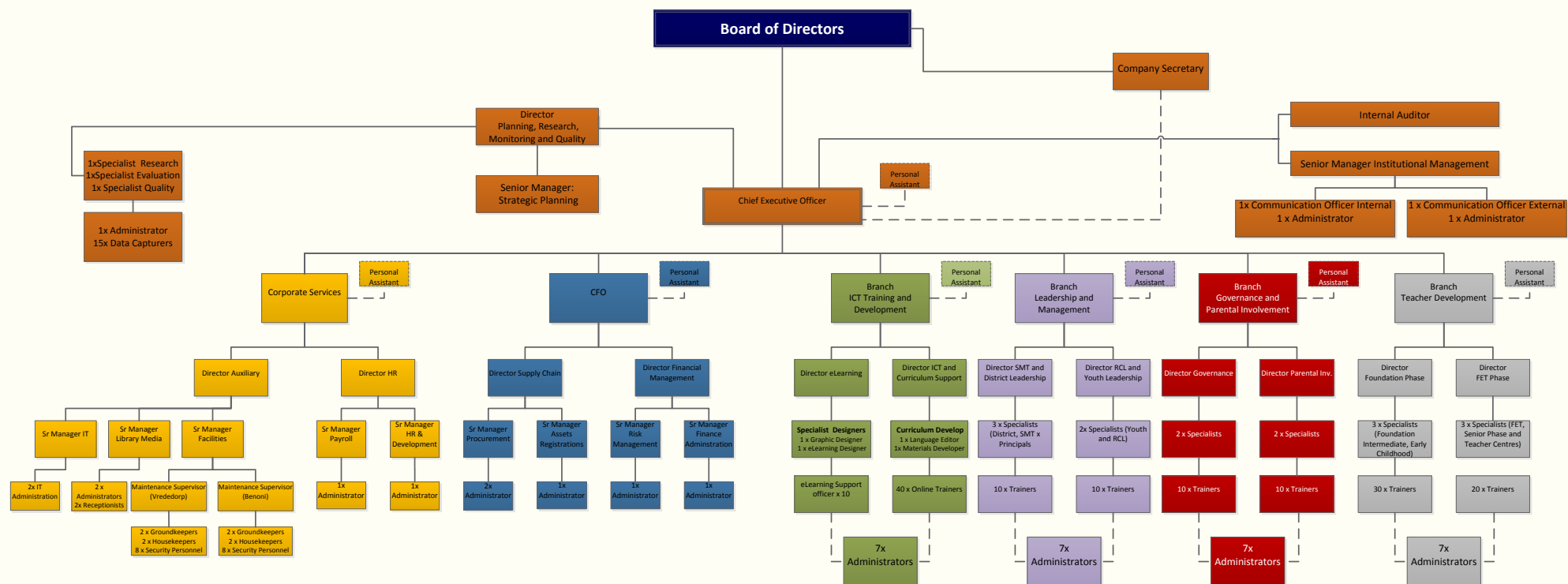
The overall staff performance seats between the level 3 and 4 and this is critical in that it suggests an organisation that has done fairly well in terms of staff productivity and as based on the yardstick in our performance management system.



**Training and Development**

Training Beneficiaries in the period 2015/2016						Male				Female			
Programme and Training	SMT	Middle Managers	Administrators	Support Staff	Total Number of Delegates	A	C	I	W	A	C	I	W
Procurement & Supply		1	2		3	1				2			
ICT Conference	2	3			5	2			1	2			
Pastel Software Training	1	1	4		6	2				3	1		
Libwin Library Systems Training		1			1					1			
Minute Taking workshop			1		1					1			
Pastel Evolution Training	1	2	4		7	3				3	1		
Econ & Management Science (Bursary)			2		2	1					1		
BCom Accounting (Bursary)			1		1	1							
SQL Server Training			2		2	1				1			
Business Management			1		1					1			
Chairing Disciplinary Hearings	1	1			2	2							
Masters in Management			1		1					1			
<b>TOTALS</b>	<b>5</b>	<b>9</b>	<b>18</b>	<b>0</b>	<b>32</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>15</b>	<b>3</b>	<b>0</b>	<b>0</b>

## Organogram







## Highlights of Programme Achievements

In the 2015/16 Financial Year, MGSLG continued to play a central role in contribution towards GDE's outcomes in terms of its mandate in building the capability of the various stakeholders in 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, continuous onsite support, the development of resources and supporting district based initiatives. These initiatives ensured that all stakeholders are continually supported in their critical role of delivering the curriculum.

### The Early Childhood and Development (ECD)

The Early Childhood and Development (ECD) programmes consisted of training practitioners in the Birth to Four Curriculum to ensure that ECD centres are not places where young children are kept during the day but that they actually learn. This was supported by the Learn not to Burn programme that taught practitioners about safety. Accredited programmes at NQF Level 4 and 6 were part of the menu offered to increase the knowledge, skills and competence of practitioners in the area of early childhood development. The high pass rate of 98% obtained by practitioners in these accredited programmes is proof of the high quality of training and support received by the practitioners.

### Inclusive Education

Inclusive Education hosted a successful Focus Week for teachers in Special Schools that won a GDE Service Excellence Award for 2015. The accredited training of teachers in Braille and Sign Language helped prepare teachers to handle the task of supporting learners with special educational needs. These accredited courses achieved an 80% and 97% pass rate consecutively. MGSLG trained Head Office, District and Quality Assurance staff including School

Management Teams (SMTs) and Teachers on the newly promulgated Screening, Identification, Assessment and Support (SIAS) Policy. Through the funding from the DPSA special software to support the implementation of the SIAS policy is nearing completion. This will alleviate the administrative burden of teachers when supporting these learners.

### District Development for School and Teacher Support

Foundation, Intermediate and Senior Phase Subject Advisors and Lead Teachers received training in the Certificate in Primary English Language Teaching (CiPELT) and Certificate in Secondary English Language Teaching CiSELT through a partnership between the Department of Basic Education (DBE), the British Council and MGSLG. In addition, lesson plans for these levels were completed and mediated to support teachers in the classroom. Multi-grade lesson plans were also completed within this financial year to support rural schools. The teachers in these phases were trained in Mathematics using the Teacher Resource Files.

### Integration of ICT for Improved School Management, Teaching and Learning

The training of teachers at the Further Education and Training (FET) level was dominated by capability building in the integration of technology in the classroom. The introduction of ICTs is one of the pillars of the GDE strategy.

Maximum utilisation of technology as an enabler in a classroom environment for teaching and learning. Building classrooms of the future which are paperless and technology driven.

MEC's vision and pronouncements on ICT

The ICT pillar primarily focuses on creating Schools of the Future that have successfully integrated technology for teaching and learning, communication and administration. After the successful implementation of phase one in the previous financial year, phase two of the ICT project commenced. It involved Grade 12 classes in non-fee paying schools; schools that achieved 100% in their National Senior Certificate (NSC) results; 14 Special Schools; Twinning Schools; Special Intervention Schools; Head Office and District Officials.

In order to realise the GDE vision of paperless classrooms in Gauteng schools by 2019, it is required that all teachers and other stakeholders be trained to acquire knowledge, skills, values and attitudes to integrate ICT into teaching and learning.

GDE's 10 pillars for education transformation	
1. Curriculum and Assessment Development	<b>ICT transformation will include these elements</b> <ol style="list-style-type: none"> <li><b>Connectivity:</b> System-wide access</li> <li><b>Content:</b> Digital teaching and learning resources</li> <li><b>Capacity:</b> Training, support and ICT skills development</li> <li><b>Infrastructure:</b> e-Equipped schools and GDE offices</li> <li><b>Support:</b> Efficient technical support, management etc</li> <li><b>Innovation:</b> Identify &amp; adopt feasible &amp; useful innovations</li> </ol>
2. Teacher Provision and Support	
3. Leadership and Management	
4. Infrastructure Development and maintenance	
5. Planning, finance and resourcing	
6. ICT in Education	
7. Social Cohesion	
8. School functionality including community Involvement	
9. Skills Development	
10. Access to quality Early Child Development (ECD)	

MGSLG adopted a three-tiered approach to the GDE Pillar on Integrating ICT in Education.

- Macro Level** – a path from the pilot stage to system-wide integration has been described through the development of a comprehensive ICT Training and Support Strategy to ensure institutionalisation of the project within the system.
- Meso Level** – an eco-system is being created through the identification and capability building of the various district- and school-based stakeholders as described in the Learning Journey to ensure the development of the appropriate knowledge, skills and values and sustainability of the project.
- Micro Level** – the UNESCO Competency Framework for Teachers has been adopted as the most appropriate model for Teacher Development to ensure that there is effective integration of technology by the teachers in the classroom.

Districts and Head Office staff were also supported in the integration of technology. Various curriculum stakeholders such as Subject Advisors, Quality Assurance staff, Subject Coordinators, e-Learning staff, Assessment staff and the technically inclined Harry Gwala Interns were trained. Thus ensured that a broad base of ICT competent staff at all levels of the system are trained. We also hosted an ICT Symposium for the Curriculum Management and Development Branch where managers at different levels had an opportunity to interact with the technology used by teachers in the classroom.

## Parental Support on Psycho-social Issues

The outbreak of violence in Etwatwa schools necessitated an immediate intervention by MGSLG on psycho-social issues. A team of Psychologists, Clinical Psychologists, and Clinical Social Workers were dispatched to the eleven affected schools in the East Rand. They offered both individual and group counselling to learners to ensure that they are settled before they write their year-end examinations. The needs analysis report compiled from this experience helped shape the Psycho-Social Model adopted by MGSLG that is now being rolled out to more schools.

The programme encourages parents to be more active and involved in their children's education and also focuses on assisting parents to deal with issues of teen pregnancy, bullying, sexual abuse, teenage discipline, substance abuse, gangsterism, harmful religious practices, anti-xenophobia and introduction of ICT in schools. The content of the programme is also customised to the community being engaged.

Through this the institution is not just task focused but also cares about the people in the system by first getting to understand the environment they live and have to function in.

## School Governing Body Training

Following the successful SGB elections at the beginning of 2015, SGB members across Gauteng were trained on their roles and responsibilities as a governing body in the school. The training aims to encourage SGB members involvement, by training them to engage in all aspects of the education process and participate in developing dynamic School Governance that supports effective teaching and learning. This will in turn strengthen accountability and improve management at the school, community and district level.

## School Leadership

The registration of a School Leadership qualification for principals with the Quality Council for Trades and Occupation (QCTO) was initiated in the last financial year. During the period under review, the process was finalised and submitted for approval. Through this process, MGSLG was approved as a Development Quality Partner for the development for the Principals Qualification with QCTO.

The outcome of the process will be reported in the next financial year.

## Training Report

SPM/PPM	Training	Target	Actual
		500	601
	Training Breakdown		
SPM 103: Number of curriculum development facilitators trained	ICT for Subject Advisers		66
	MST Training for Lead Teachers (Natural Sciences) SP		90
	CiPELT/ CiSELT for District Subject Advisers		59
	Smart Mathematics Workshop for FP		40
	IIAL Lead Teachers		34
	MST Training for Lead Teachers (Technology) SP		61
	MST Training for Lead Teachers (Maths) IP		132
	SSIP Curriculum Developers FET		119

SPM/PPM	Training	Target	Actual
		11 000	13 002
	Training Breakdown		
SPM 201: Total number of teachers trained in technical subjects, Maths, Science, Literacy, ICT, curriculum content instructional skills, assessment and the use of resources	MST Training for Educators (Natural Sciences)		257
	MST Training for Educators (Technology)		178
	MST Training for Educators (Physical Sciences)		106
	MST Training for Educators (Mathematics)		1044
	MST Training for Educators (Life Sciences)		108
	ICT Onsite Support Training		1355
	ICT Microsoft Office Training		1836
	ICT Launch at ZOJAZEM		18
	SSIP E-ICT 4+1 Schools for Educators		494
	ICT 100% Twinning School		564
	ICT Smartboard Training (376 Schools)		3316
	ICT Content Training for 5+2 Schools		126
	Inclusion Focus Week		1210
	INCLUSION SIAS DBE		2014
	ICT Tablet Training		376

SPM/PPM	Training	Target	Actual
		500	1231
	Training Breakdown		
SPM 202: Number of school SMT members trained	Curriculum Management		19
	Change Management		117
	SMT Data Management Seminar		370
	Grade R HoD's Capacity Building		588
	SSIP Accounting for HoD's		137

SPM/PPM	Training	Target	Actual
		500	507
	Training Breakdown		
PM 211: Number of Educators Trained on Language and Literacy Content and Methodology	Incremental Introduction for African Languages		260
	CiPELT/ CiSELT for Lead Teachers		247

SPM/PPM	Training	Target	Actual
		500	515
	Training Breakdown		
PM212: Number of educators trained in Numeracy/ Mathematics content and methodology	Mathematics Capacity Building		184
	MST Mathematics Tech Subjects		176
	MST Mathematics AET		50
	MST Training for Foundation Phase Educators (Mathematics)		105

SPM/PPM	Training	Target	Actual
		500	1494
	Training Breakdown		
SPM 502: Number of Grade R practitioners trained	ECD Level 4 Pre Grade R Practitioners		175
	ECD level 6 Grade R Practitioners		1227
	ECD AET Level 1 Practitioners		92

SPM/PPM	Training	Target	Actual
Number of SGB members trained	Induction, ICT and School Financial Management	9 000	11 529

SPM/PPM	Training	Target	Actual
Number of Parents trained	Psycho-social issues	60 000	91 683







**FINANCE REPORT AND  
AUDITED FINANCIAL STATEMENTS**



## FINANCE REPORT AND AUDITED FINANCIAL STATEMENTS

The activities of MGSLG are principally funded from the GDE transfers. The total actual project transfers for 2015/16 are R253 million received mainly from the Curriculum Branch.

### REVIEW OF RESULTS

Project funding grew by R70, 3 million from R163, 6 million in 2014/15 to R233, 9 million during the reporting period. The increase represent a nominal growth of 30, 05% resulting from accelerated implementation of the ICT in Education and new projects.

The Teacher Development Branch accounts for 70, 15% of the actual transfers received in 2015/16, mainly from the following projects: Teacher Training R88, 5 million; Early Childhood Development (ECD) R49 million and ICT R40 million. School Governance Directorate and the Leadership Branch contributed the 29, 85% through SGB Training, School Leadership and Management Training and Psycho-Social Services Interventions to the value of R74, 6 million.

Interest income grew from R6, 7 million to R9, 4 million, representing a 27% growth derived from increased revenue, higher interest rates and on time transfer of funds. There has been insignificant income from other sundry sources reported in the period under review to the total amount of R14, 628 (2015/16) down from R243, 587 (2014/15).

The level of spending went up by over R76 million (or 58%) from R131 million in the prior reporting period to R207 million in 2015/16. The increase in project spending is in line with revenue increase, growing by 33, 8% and 36%, respectively. Operating expenditure grew by 21% from R32, 9 million to R41, 7 million although the operation budget received from GDE remained at R8 million. The operational budget shortfall was funded from project surplus funds.

MGSLG recorded a deficit of R5,8 million during 2015/16 down from the surplus of R5, 7 million reported in 2014/15, resulting in the decrease of retained income to R34, 7 million.

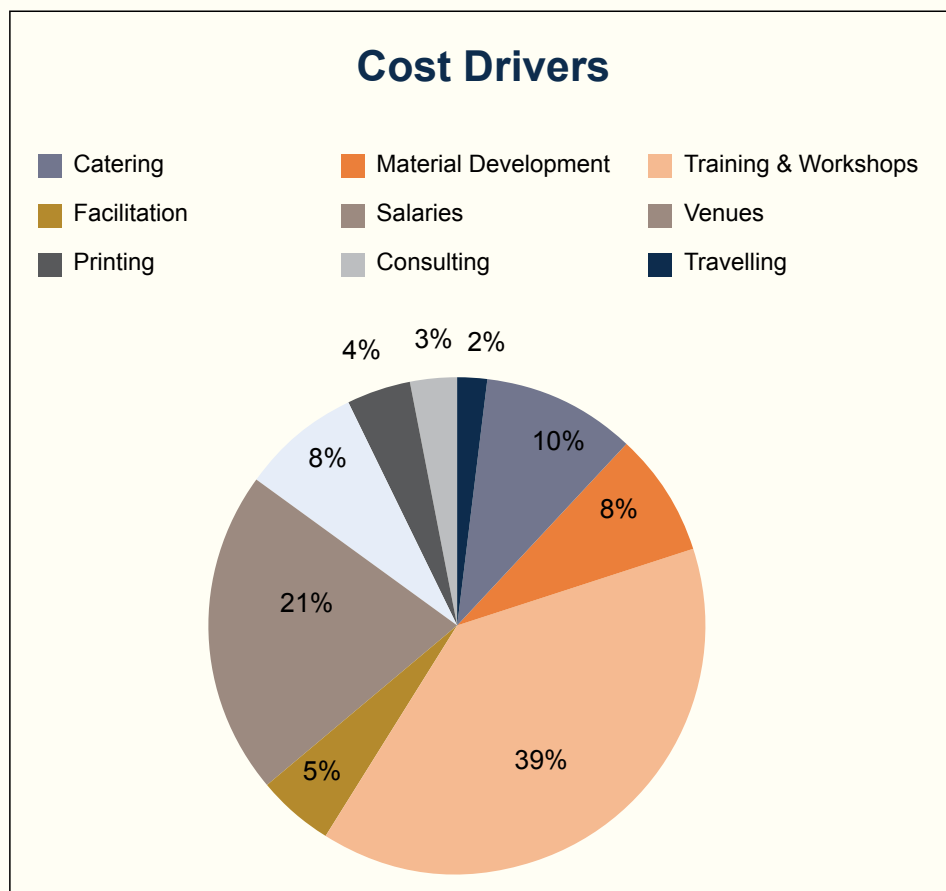
### REVIEW OF OPERATIONS

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, SSIP & Just-In-Time Training and Lesson plan development amounting to R40, 2 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 R7,1 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 R22, 1 million;
- ICT in Education at a cost of R66,8 million on improving computer skills of teachers and providing on-site support to teachers, district officials, ICT committees and learners;
- LSEN focusing on SAIS, SASL and Focus week costing R19,7 million;
- ECD providing tuition for ECD NQF Level, NQF L6 and Learn Not to Burn at R46,9 million; and
- Change Management for school leaders in ICT Schools to ensure sustainable implementation and utilisation of ICTs in schools at R600, 000 as a pilot project.

The implementation of projects is synchronised to 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 R112 million as at 31 March 2016.

The total expenditure recorded by MGSLG for the reporting period is R248 million and comprised of costs incurred on training and workshops 39%, remuneration of employees 21%, catering 10%, materials development and consulting services both at 8%, facilitation 5% and printing 4%. The graph below illustrates the cost drivers recorded for the reporting period.



## REVIEW OF FINANCIAL POSITION

Total assets went up by 18, 18% from R154 million to R182 million, trade and other receivables (VAT input of R19 million) and cash increase to R133 million from R120 million boosting the liquidity of MGSLG.

Deferred income increased from R83 million to R112 million mainly due to ECD, Teacher Training and ICT roll-overs.

Retained earnings decreased from R40, 5 million in 2014/15 to R34, 7 million in 2015/16. Trade and other payables increased to R12,9 million as a results of unpaid facilitator claim as at year end.



## Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
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## General Information

<b>Country of incorporation and domicile</b>	South Africa	<b>Registered office</b>	40 Hull street Corner 8th and Hull street Vrededorp Johannesburg, 2092
<b>Nature of business and principal activities</b>	School Leadership, School Governance and Teacher Development Training	<b>Business address</b>	40 Hull street Corner 8th and Hull street Vrededorp Johannesburg, 2092
<b>Directors</b>	Chakane Moretsele (CEO) Fleisch Brahm Kekana Mahlomola Ledimo Tseliso Mahlangu Sibusiso (Finance Director) Makhubela Thulani Makola Sarah Lorraine Malebo Gregory (Deputy Chairperson) Maloka Patricia Matakanya Manaha Mckay Veronica (Chairperson) Mokoena Thapelo Mthintso Sarah Ndimu Gugu Ntsali Violet Sehlapelo Calvin Paul Mogau Roy	<b>Postal address</b>	Postnet Suite 161 Private Bag X9 Melville, 2109
		<b>Bankers</b>	Standard Bank of South Africa
		<b>Auditors</b>	SizweNtsalubaGobodo Inc. Registered Auditors
		<b>Company secretary</b>	Gildenhuys Malatji Inc
		<b>Company registration number</b>	2002/025756/08
		<b>Preparer</b>	The annual financial statements were independently compiled by: Sibusiso Mahlangu: Finance Director

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 sets standards for internal control are 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 annual financial statements set out on pages 37 to 55, which have been prepared on the going concern basis, were approved by the Board on 26 August 2016 and were signed on its behalf by:

MB akane

Director

Hubbs

Director



## Independent Auditors' Report

### To the Members of Matthew Goniwe School of Leadership and Governance

We have audited the annual financial statements of Matthew Goniwe School of Leadership and Governance, as set out on pages 29 to 53, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Matthew Goniwe School of Leadership and Governance as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.



### Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended March 31, 2016, 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. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

### Supplementary information

We draw your attention to the fact that the supplementary information set out on page 56 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  
Sizwe Ntsaluba Gobodo Incorporated  
Registered Auditors

26 August 2016

20 Morris Street East  
Woodmead

## Directors' Report

The directors submit their report on the annual financial statements of Matthew Goniwe School of Leadership and Governance for the year ended 31 March 2016.

### 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 loss after tax for the year ended 31 March 2016 of R (5,822,102). This represented a decrease from the net profit for the prior year of R5,780,575.

### 3. Directors

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

Directors	Nationality	Designation	Changes
Chakane Moretsele (CEO)	South African	Executive	
Fleisch Brahm	South African	Non-executive Independent	
Kekana Mahlomola	South African	Non-executive Independent	
Ledimo Tseliso	South African	Non-executive Independent	
Mahlangu Sibusiso (Finance Director)	South African	Executive	
Makhubela Thulani	South African	Non-executive Independent	
Makola Sarah Lorraine	South African	Non-executive Independent	
Malebo Gregory (Deputy Chairperson)	South African	Non-executive Independent	
Maloka Patricia	South African	Non-executive Independent	Appointed on 1 July 2015
Matakanya Manaha	South African	Non-executive Independent	
Mckay Veronica (Chairperson)	South African	Non-executive Independent	
Mokoena Thapelo	South African	Non-executive Independent	Resigned on 4 August 2015
Mthintso Sarah	South African	Non-executive Independent	
Ndima Gugu	South African	Non-executive Independent	
Ntsali Violet	South African	Non-executive Independent	
Sehlapelo Calvin Paul Mogau Roy	South African	Non-executive Independent	Appointed on 1 July 2015

#### **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. This basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities. Contingent obligations and commitments will occur in the ordinary course of business. The ability of the entity to continue as a going concern is dependent on the ongoing funding of operations from GDE.

#### **6. Auditors**

SizweNtsalubaGobodo Inc. will continue 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 Gildenhuys Malatji Inc.

Postal address	P O Box 619 Pretoria 0001
Business address	GMI House, Harlequins Office Park 164 Totius Street Groenkloof

## Statement of Financial Position as at 31 March 2016

	Note(s)	2016 R	2015 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	29,015,068	25,812,878
Intangible assets	3	289,404	145,204
		<b>29,304,472</b>	<b>25,958,082</b>
<b>Current Assets</b>			
Trade and other receivables	4	19,138,580	8,030,862
Cash and cash equivalents	5	133,831,046	120,118,900
		<b>152,969,626</b>	<b>128,149,762</b>
<b>Total Assets</b>		<b>182,274,098</b>	<b>154,107,844</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		34,709,659	40,531,761
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	6	21,810,556	22,358,710
<b>Current Liabilities</b>			
Trade and other payables	8	12,985,312	7,350,453
Deferred income	6	112,401,876	83,232,625
Provisions	7	366,695	634,295
		<b>125,753,883</b>	<b>91,217,373</b>
<b>Total Liabilities</b>		<b>147,564,439</b>	<b>113,576,083</b>
<b>Total Equity and Liabilities</b>		<b>182,274,098</b>	<b>154,107,844</b>



## Statement of Comprehensive Income

	Note(s)	2016 R	2015 R
Revenue	9	233,948,354	163,658,848
Project expenditure	10	(207,425,476)	(131,924,743)
<b>Gross surplus</b>		<b>26,522,878</b>	<b>31,734,105</b>
Other income	11	14,628	243,587
Operating expenses		(41,780,849)	(32,901,682)
<b>Operating deficit</b>		<b>(15,243,343)</b>	<b>(923,990)</b>
Investment revenue	12	9,421,242	6,704,565
<b>(Deficit)/Surplus for the year</b>		<b>(5,822,102)</b>	<b>5,780,575</b>
Other comprehensive income		-	-
<b>Total comprehensive (deficit)/surplus for the year</b>		<b>(5,822,102)</b>	<b>5,780,575</b>

## Statement of Changes in Equity

	Retained Income	Total equity
	R	R
<b>Balance at 1 April 2014</b>	<b>34,751,186</b>	<b>34,751,186</b>
Surplus for the year	5,780,575	5,780,575
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>5,780,575</b>	<b>5,780,575</b>
<b>Balance at 01 April 2015</b>	<b>40,531,761</b>	<b>40,531,761</b>
Deficit for the year	(5,822,102)	(5,822,102)
Other comprehensive income	-	-
<b>Total comprehensive Loss for the year</b>	<b>(5,822,102)</b>	<b>(5,822,102)</b>
<b>Balance at 31 March 2016</b>	<b>34,709,659</b>	<b>34,709,659</b>

## Statement of Cash Flows

	Note(s)	2016 R	2015 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	14	9,078,066	12,332,670
Interest income		9,421,242	6,704,565
<b>Net cash from operating activities</b>		<b>18,499,308</b>	<b>19,037,235</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(4,591,427)	(361,804)
Purchase of other intangible assets	3	(195,735)	(152,369)
<b>Net cash from investing activities</b>		<b>(4,787,162)</b>	<b>(514,173)</b>
<b>Total cash movement for the year</b>		<b>13,712,146</b>	<b>18,523,062</b>
Cash at the beginning of the year		120,118,900	101,595,838
<b>Total cash at end of the year</b>	<b>5</b>	<b>133,831,046</b>	<b>120,118,900</b>

## Accounting Policies

### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

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

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 7 - Provisions.

#### Property, Plant and Equipment

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

### 1.2 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided for using the straight line method to write down the cost, less residual value over the useful life of the of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	50
Furniture and fixtures	12,5
Office equipment	9
Computer equipment	9
Security system	9

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

### 1.3 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost. The amortization period and the amortization method of intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate.

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

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

Item	Useful life
Computer software	9

### 1.4 Financial instruments

#### Initial recognition and measurement

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.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

### 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.

### 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 the 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 short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.



## 1.5 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 straight-line 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.

## 1.6 Impairment of assets

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

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

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

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.

## 1.7 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.

## 1.8 Revenue

1.8.1 Government grants are recognised when there is reasonable assurance that:

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

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

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

Grants related to income are presented as a credit in the surplus/(deficit).

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

## 1.9 Related parties

Related party transactions and related outstanding balances are disclosed in the company's annual financial statements.

#### 1.10 Standards, interpretations and amendments to published standards that are not yet effective

Standards	Details of Amendment	Date
IFRS 7 Financial Instruments: Disclosures	Annual Improvements 2012-2014 Cycle: Amendment clarifying under what circumstances an entity will have continuing involvement in a transferred financial asset as a result of servicing contracts.	1 January 2016
IFRS 9 Financial Instruments	Annual Improvements 2010–2012 Cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities included under IFRS 9.	1 January 2018
IFRS 15 Revenue from Contracts from Customers	New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.	1 January 2018
IAS 1, Presentation of Financial Statements	Disclosure Initiative: Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements.	1 January 2016
IAS 16 Property, Plant and Equipment	Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.	1 January 2016
IAS 19 Employee Benefits	Annual Improvements 2012-2014 Cycle: Clarification of the requirements of to determine the discount rate in a regional market sharing the same currency	1 January 2016
IAS 38 Intangible Assets	Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset.	1 January 2016

## Notes to the Annual Financial Statements

	2016 R	2015 R
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### 2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	27,501,046	(4,382,004)	23,119,042	27,389,028	(3,833,850)	23,555,178
Furniture and fixtures	2,033,215	(874,861)	1,158,354	1,309,055	(809,024)	500,031
Motor vehicles	359,521	(5,342)	354,179	-	-	-
Office equipment	1,590,041	(470,120)	1,119,921	824,862	(364,032)	460,830
Computer equipment	4,645,705	(1,389,667)	3,256,038	2,200,940	(932,068)	1,268,872
Security System	185,755	(178,221)	7,534	185,755	(157,788)	27,967
<b>Total</b>	<b>36,315,283</b>	<b>(7,300,215)</b>	<b>29,015,068</b>	<b>31,909,640</b>	<b>(6,096,762)</b>	<b>25,812,878</b>

### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Land	23,555,178	112,018	-	(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	765,179	-	(106,088)	1,119,921
Computer equipment	1,268,872	2,501,337	(56,571)	(457,600)	3,256,038
Other property, plant and equipment	27,967	-	-	(20,433)	7,534
	<b>25,812,878</b>	<b>4,591,427</b>	<b>(85,580)</b>	<b>(1,303,657)</b>	<b>29,015,068</b>

	2016 R	2015 R
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#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	24,102,959	-	-	-	(547,781)	23,555,178
Furniture and fixtures	597,545	8,799	-	(2,016)	(104,297)	500,031
Office equipment	573,418	62,811	(25,832)	(140,825)	(8,742)	460,830
Computer equipment	1,252,142	283,199	(96,244)	38,629	(208,854)	1,268,872
Securities system	41,148	6,995	-	-	(20,176)	27,967
	<b>26,567,212</b>	<b>361,804</b>	<b>(122,076)</b>	<b>(104,212)</b>	<b>(889,850)</b>	<b>25,812,878</b>

Land and buildings are capitalised under a 99 year lease agreement commencing 1 September 2005. The Land and buildings are situated in Benoni and Vrededorp.

### 3. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	522,909	(233,505)	289,404	327,173	(181,969)	145,204

#### Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	145,204	195,735	(51,536)	289,404

#### Reconciliation of intangible assets - 2015

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	103,790	152,369	(29,441)	(81,514)	145,204

	2016 R	2015 R
<b>4. Trade and other receivables</b>		
Trade receivables	4,500	(2,600)
VAT	19,134,080	8,033,462
	<b>19,138,580</b>	<b>8,030,862</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	4,000	4,000
Bank balances	59,219,547	2,247,482
Short-term deposits	74,607,499	117,867,418
	<b>133,831,046</b>	<b>120,118,900</b>
<b>6. Deferred income</b>		
Non-current liabilities	21,810,556	22,358,710
Current liabilities	112,401,876	83,232,625
	<b>134,212,432</b>	<b>105,591,335</b>

The non current liabilities arises from a 99 year building lease with the GDE: R22 358 710 less current transfer of R548 154 results in the current balance of R21 810 556.

The current liabilities relates to the government grants received from the GDE, refer to the supplementary note on page 22 for the detailed breakdown.

## 7. Provisions

### Reconciliation of provisions - 2016

	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonus	293,374	-	(293,374)	-
Provision for 13th cheque	340,921	366,695	(340,921)	366,695
	<b>634,295</b>	<b>366,695</b>	<b>(634,295)</b>	<b>366,695</b>



			2016 R	2015 R
Reconciliation of provisions - 2015				
	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonus	416,812	293,374	(416,812)	293,374
Provision for 13th cheque	302,800	340,921	(302,800)	340,921
	719,612	634,295	(719,612)	634,295
8. Trade and other payables				
Trade payables			11,059,064	6,179,581
Accrued leave pay			468,590	620,872
Accrued audit expenses			605,000	550,000
Accrued purchases			1,027,628	-
Other accrued expenses			(174,970)	-
			12,985,312	7,350,453
9. Revenue				
Grant income			233,948,354	163,658,848
10. Project Expenditure				
Rendering of services				
Project expenses			207,425,476	131,903,118
11. Other income				
Other income 1			14,628	243,587

	2016 R	2015 R
<b>12. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	9,421,242	6,704,565
<b>13. Auditors' remuneration</b>		
Fees	513,144	484,098
<b>14. Cash generated from operations</b>		
(Loss)/Profit before taxation	(5,822,102)	5,780,575
<b>Adjustments for:</b>		
Depreciation and amortisation	1,355,193	1,023,584
Loss on sale of assets	85,579	68,024
Interest received - investment	(9,421,242)	(6,704,565)
Movements in provisions	(267,600)	(85,317)
<b>Changes in working capital:</b>		
Trade and other receivables	(11,107,718)	(6,212,055)
Trade and other payables	5,634,859	2,548,235
Deferred income	28,621,097	15,914,189
	<b>9,078,066</b>	<b>12,332,670</b>

#### 15. Contingent Liabilities

The company received an assessment from the South African Revenue Services (SARS) for R91 067 1666 in respect of income received from GDE .Management has lodged an objection on this assessment and are comfortable that SARS will rule in their favour.

	2016 R	2015 R
<b>16. Related parties</b>		
Relationships		
MGSLG exists to support and provide capacity-building service to the Gauteng Department of Education (GDE).		
<b>Related party balances</b>		
<b>Trade and other receivables</b>		
GDE	-	-
<b>Deferred Income</b>		
GDE	134,212,432	105,591,335
<b>Grant income received</b>		
Grant income received	262,299,000	178,592,499

## 17. Directors emoluments

Executive directors	2,557,585	1,943,054
Non-executive directors	211,050	138,236

## 18. 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 net-settled 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.

		2016 R	2015 R
At 31 March 2016	Less than 1 year		
Trade and other payables	11,059,064		
At 31 March 2015	Less than 1 year		
Trade and other payables	6,179,581		

### 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 counter-party.

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	2016	2015
Standard Bank	133,831,046	120,114,900

## Detailed Income Statement

	Note(s)	2016 R	2015 R
<b>Revenue</b>			
Grant Income		233,948,354	163,658,848
<b>Projecy expenditure</b>			
Project expenditure		(207,425,476)	(131,924,743)
<b>Gross profit</b>		<b>26,522,878</b>	<b>31,734,105</b>
<b>Other income</b>			
Other income		14,628	243,587
Interest received	12	9,421,242	6,704,565
		<b>9,435,870</b>	<b>6,948,152</b>
<b>Operating expenses (Refer to page 55)</b>		<b>(41,780,850)</b>	<b>(32,901,682)</b>
<b>(Deficit)/Surplus for the year</b>		<b>(5,822,102)</b>	<b>5,780,575</b>



## Detailed Income Statement

	Note(s)	2016 R	2015 R
Operating expenses			
Accounting fees		(136,228)	-
Advertising		-	(110,380)
Auditors remuneration	13	(513,144)	(484,098)
Bad debts		(10,000)	-
Bank charges		(108,664)	(110,298)
Cleaning		(112,062)	(106,123)
Computer expenses		(667,252)	(686,269)
Depreciation, amortisation and impairments		(1,355,193)	(1,023,584)
Discount allowed		-	260,620
Employee costs		(26,019,227)	(25,995,368)
Consulting		(9,172,796)	(1,928,853)
Magazines, books and periodicals		(197)	-
Municipal expenses		(176,740)	(441,746)
Postage		(11,482)	(21,153)
Printing and stationery		(421,108)	(311,417)
Loss on sale of assets and liabilities		(78,930)	(68,024)
Repairs and maintenance		(1,628,378)	(219,286)
Security		(54,510)	(28,397)
Software expenses		(317,905)	(288,554)
Telephone and fax		(549,433)	(496,170)
Travel - local		(447,601)	(138,485)
		(41,780,850)	(32,901,682)

## Supplementary Information

### Deferred Income Reconciliation

DESCRIPTION	ECD	INCLUSION	AET	SSIP LESSON PLAN	TEACHER DEVELOPMENT - TD	SIMULATION TRAINING	LEADERSHIP AND CHANGE MANAGEMENT	PSYCHO SOCIAL TRAINING	HIV/AIDS	GPLMS	FQE/QLTC	PSP	ICT	SCB/RCL/SFM	TOTAL
Opening Balance	43,033,815.93	8,644,654.25	2,269,515.30	2,573,013.22	-	2,628,872.38	-	-	-	21,659,396.14	3,738,344.81	(29,821,362.43)	34,207,059.41	(5,700,683.62)	83,232,625.39
Income Received	49,489,000.00	14,000,000.00	-	914,716.78	87,614,283.22	-	9,600,000.00	20,000,000.00	8,000,000.00	(19,898,875.49)	-	-	59,898,875.49	23,580,000.00	253,198,000.00
Less Total Cost Utilised / Transferred to Revenue	(46,974,136.22)	(19,725,646.70)	(2,269,515.30)	(3,487,730.00)	(41,651,153.30)	(2,628,872.38)	(1,456,392.11)	(1,353,034.80)	-	(1,760,520.65)	(2,745,335.15)	(19,576,898.51)	(66,852,694.35)	(13,546,819.47)	(224,028,748.94)
<b>BALANCE</b>	<b>45,548,679.71</b>	<b>2,919,007.55</b>	<b>-</b>	<b>-</b>	<b>45,963,129.92</b>	<b>-</b>	<b>8,143,607.89</b>	<b>18,646,965.20</b>	<b>8,000,000.00</b>	<b>-</b>	<b>993,009.66</b>	<b>(49,398,260.94)</b>	<b>27,253,240.55</b>	<b>4,332,496.91</b>	<b>112,401,876.45</b>

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

## NOTES

## NOTES



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