



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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ANNUAL REPORT

WESTERN TVET COLLEGE

www.westcol.co.za



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Technical and Vocational Education and Training College

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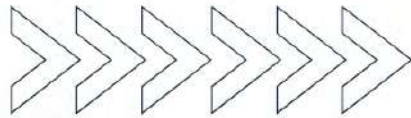
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ABBREVIATIONS AND ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
ARC	College Council Audit and Risk Committee
ASB	Accounting Standards Board
CET	Continuing Education and Training
CETA	Continuing Education and Training Act
CFO/DPF	Chief Financial Officer/Deputy Principal Finance
COS	Centre of Specialization
DHET	Department of Higher Education and Training
EXCO	College Council Executive Committee
FTE	Full Time Equivalent
GRAP	Generally Accepted Accounting Practice
HE	Higher Education
HR	Human Resources
HRD	Human Resource Development
IT	Information Technology
ICT	Information and Communications Technology
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MTSF	Medium Term Strategic Framework
NC (V)	National Certificate Vocational
NDP	National Development Plan
NQF	National Qualifications Framework
NSFAS	National Student Financial Aid Scheme
PERSAL	Personnel Salary System
PLANCO	College Council Planning and Resource Committee
PSET	Post School Education and Training
SACE	South African Council of Educators Act
SETA	Skills Education Training Authorities
SO	Strategic Objective
TVET	Technical, Vocational Education and Training
WESTCOL	Western College for Technical Vocational Training and Education



PART A



GENERAL OVERVIEW

1. MESSAGE FROM THE COUNCIL CHAIRPERSON



It has been a great privilege to me as College Council Chairperson to have walked through 2023 with Western TVET College. As a Council, we dealt with rapid succession of important events and situations, many of which will still unfold in the years to come.

Our Council has always governed with strong and active engagement to advance an integrated, coordinated, and articulated Post School Education Sector system for improved economic participation and social development of

the college youth and adults.

Some of the major achievement during 2023 included an improvement in academic performance and assisting in bringing stability to the college. As a college we experienced minimal interruptions in teaching and learning. In relation to financial performance, the college has maintained a strong financial position.

As we are in our final months as councillors with our tenure ending in 2024, we prepare to step out of office knowing that we made a difference.

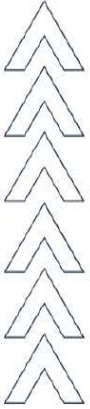
I am proud of all the Council members that played a significant part in balancing the interests of all our stakeholders and enforcing our reputation as a TVET college.

Thank you to the senior management of Westcol as led by the Principal, Mr T Ngcobo. A special thank you to Ms B Kuhn for her sterling performance as Council Secretariat. My appreciation also goes to the staff of Westcol, your efforts does not go unnoticed.

Ms SMS Xaba

COLLEGE COUNCIL CHAIRPERSON

2. THE ACCOUNTING OFFICER'S FOREWORD



As we reflect on the past year, I am filled with pride and gratitude. Our college has continued to flourish with students, lecturers' staff and council working together to achieve profound things.

Despite some extraordinary challenges in 2023, we have learned to shift out learning experiences and enter a world of adaptation to a more modern and holistic approach in teaching and learning.

Our core business is teaching and learning, and we recognised the importance of a valuable support backbone.

Our council and management supported an approach that not only provided the necessary education background to students but assisting them in becoming economically active citizens in society today, either through work placement or promoting entrepreneurship programmes.

Some of the key achievements of 2023 included:

- Council approved the Chinese Culture Centre, EW SETA Solar Plant Manufacturing project.
- The college has successfully installed solar system at three of our business campuses with the funding from WR SETA in December 2023.
- Diversification of Bank Portfolio.
- One of the first colleges to approve an Alternative Energy Strategy.
- Development and implementation of a Disability Policy for students.
- Appointment of 134 staff in relation to Post Provisioning Norms model.
- The college maintained its academic performance in the top ten for the past three years.
- The College obtained a clean audit in 2019 and an unqualified audit opinion for 2020, 2021 and 2022.
- Establishment and effective functioning of a Student Support Advisory Committee.
- Permanently appointed Campus Managers at all campuses
- Participation in 4IR project
- Participation in BRICS TCA by delivering the purpose of the summit

I am grateful and highly obliged to our council, management, and staff for their constant support in all initiatives and achievements. We have a great mission ahead and it is an intention to manifest Western TVET College Nationally as one of the Top 10 colleges. This will only be possible if we all set our minds and hearts to an unfettered approach of strengthening the core of teaching and learning.



Mr JT NGCOBO

ACCOUNTING OFFICER

3. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

1. All information and amounts disclosed throughout the annual report are consistent.
2. The annual report has been prepared in accordance with the guidelines issued by the DEPARTMENT OF HIGHER EDUCATION AND TRAINING.
3. The annual financial statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The accounting officer, i.e. the principal, is responsible for the preparation of the annual financial statements and for the judgements made in this document.
5. The accounting officer, i.e. the principal, is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
6. The Auditor-General express an independent opinion on the annual financial statements.



Mr JT Ngcobo

ACCOUNTING OFFICER

4. LEGISLATION AND OTHER DIRECTIVES

4.1. LEGISLATIVE FRAMEWORK

Western TVET College is enjoined by Section 44(3) of the Act, read in conjunction with section 25(3) of the same Act to prepare and submit to the Minister for Higher Education and Training an annual report. In terms of Sections 25(3) and 25(4) of the Continuing Education and Training (CET) Colleges Act, No 16 of 2006 (as amended), public technical and vocational education and training (TVET) colleges are required to produce annual financial reports and to comply with any reasonable additional reporting requirement established by the Minister.

Moreover, Section 44 of the Act requires colleges to annually report to the Minister in respect of its performance and its use of available resources.

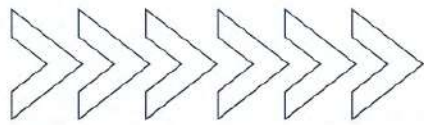
In addition, these pieces of legislation govern and steer the college in terms of achievement of its strategic and performance objectives.

- o Employment of Educators Act (No 76 of 1998)
- o General and Further Education and Training Quality Assurance Act (No 58 of 2001).
- o General and Further Education and Training Quality Assurance Act (No 58 of 2001)
- o National Student Financial Aid Scheme (NSFAS) Act (No 56 of 1999).
- o Labour Relations Act (No 66 of 1995) and
- o National Qualifications Framework (NQF) Act (No 67 of 2008).
- o National Student Financial Aid Scheme Act (No 56 of 1999).
- o Public Finance Management Act (1999).
- o Public Service Regulations (2016).
- o Skills Development Act (No 97 of 1998).
- o Skills Development Levies Act (No 9 of 1999).
- o South African Council of Educators Act (SACE) (No 31 of 2000).

Other policy mandates include:

- o National Norms and Standards for funding TVET Colleges.
- o National Trade Testing Regulations.
- o National Skills Development Plan.
- o Public TVET College Attendance and Punctuality Policy.
- o Policy on the Conduct of National Examinations and Assessment; and
- o Workplace Based Learning Programme Agreement Regulations.

PART B



GOVERNANCE

5. COUNCIL NARRATIVE

5.1. COUNCIL MEMBERS 2023

NR	Title	Initials	Surname	Gender Male/ Female	Disability (Yes/No)	Racial Category	Appointment/Designation
1.	Mr	JT	Ngcobobo	M	N	B	Principal Section 10(4)(a)
2.	Mr	T	Mmotla	M	N	B	External - Section 10(4)(b)
3.	Prof	N	Ngwenya	M	Y	B	External - Section 10(4)(b)
4.	Dr	S	Kumalo	F	N	B	External - Section 10(4)(b)
5.	Ms	P	Mokwena	F	N	B	External - Section 10(4)(b)
6.	Mr	E	Khambule	M	N	B	External - Section 10(4)(b)
7.	Ms	S	Xaba	F	N	B	External - Section 10(6)
8.	Mr	G	Mogaladi	M	N	B	External - Section 10(6)
9.	Mr	K	Maja	M	N	B	External - Section 10(6)
10.	Mr	R	Skosana	M	N	B	External - Section 10(6)
11.	Ms	E	Makgasane-Lefakane	F	N	B	External - Section 10(4)(d)-Donor
12.	Mr	G	Ndou	M	N	B	Internal – Section 10(4)(c)
13.	Mr	K	Mere	M	N	B	Internal – Section 10 (4)(e)
14.	Mr	S	Ngcaku	M	N	B	Internal – Section 10 (4)(f)
15.	Mr	K	Moabelo	M	N	B	Internal – Section 10 (4)(g)
16.	Ms	P	Seleka	F	N	B	Internal – Section 10(4)(g)

5.2. COUNCIL OFFICE BEARERS 2023

Initials and Surname	Portfolio
Ms S Xaba	Chairperson
Mr K Maja	Vice-Chairperson
Ms B Kuhn	Secretariat

5.3. COUNCIL MEETINGS 2023

28/02/2023
23/03/2023
28/03/2023
31/05/2023
28/06/2023
27/09/2023
05/12/2023

5.4. GOVERNANCE STATUTE

Performance of the College Council is measured in terms of its statutory functions as explained in Section 10(1)-(3) of the CET Act and the signed statute contained in Schedule 1 (Section 18) of the CET Act.

Summarised main content as per statute:

Name, seat and powers

The name of the college is Western TVET College. The seat of the college is at 42 Johnstone Avenue, Hectorton, Randfontein. Every public college is a juristic person with legal capacity to perform its functions in terms of this Statute and the Act.

Constitution of college

The college consists of-

- a) the council;
- b) the academic board;
- c) the management staff;
- d) the SRC;
- e) the lecturers and support staff of the college;
- f) students of the college; and
- g) such other offices, bodies or structures as may be established by the council.

No vacancy in any of the offices contemplated in above nor any deficiency in the numbers or defect in the composition of the bodies or structures contemplated in above impairs or affects the existence of the college as a juristic person or any function conferred by the Act or this Statute upon the college.

Functions of Council

Subject to the Act and this statute the council governs the college. The council-

- a) makes rules for the college;
- b) establishes the council committees and determines the composition and functions of each committee;
- c) establishes, in consultation with the academic board, joint committees of the council and the academic board to perform functions which are common to the council and the academic board;
- d) subject to applicable policy and the approval of the Head of Department, determines the student admission policy of the college, after consultation with the academic board;
- e) determines and provides student support services after consultation with the SRC;

- f)* subject to the approval of the Head of Department, determines the language policy of the college, after consultation with the academic board;
- g)* determines tuition fees, accommodation fees and any other fees payable by students as well as accommodation fees payable by employees;
- h)* approves the annual budget of the college; and
- i)* may conclude a loan or overdraft agreement, with the approval of the Minister;

The Council determines conditions of service, code of conduct and privileges and functions of council employees and may, in the manner set out in the code of conduct, suspend or dismiss employees of the college and may order an employee of the college who has been suspended to refrain from being on any premises under the control of the college and to refrain from participating in any of the activities of the college, or issue such other conditions as it may consider necessary.

Composition of Council

The Council consists of

- a)* the principal;
- b)* five external persons appointed by the Minister;
- c)* one member of the academic board elected by the academic board;
- d)* one lecturer elected by the lecturers at the college;
- e)* two students of the college elected by the SRC;
- f)* one member of the support staff elected by the support staff of the college;
- g)* one external member representing donors; and

Termination of membership and filling of vacancies

A member of the council's term of office terminates if-

- a)* he or she Lenders a written resignation;
- b)* the Minister or entity who appointed or elected the member to the council terminates the membership in writing;
- c)* he or she is absent from three consecutive meetings without leave of the council;
- d)* he or she is declared insolvent;
- e)* he or she is removed from an office of trust by a court of law or is convicted of an offence for which the sentence is imprisonment without the option of a fine; or
- f)* he or she is incapacitated to perform his/her functions.

The council has the power to suspend and take disciplinary action against a council member.

Election and term of office of chairperson, vice-chairperson and secretary of council

- a)* The chairperson and vice-chairperson of the council may not be staff or students.

- b) The chairperson, vice-chairperson and secretary of the council are elected for a period not exceeding three years. The chairperson, vice-chairperson and secretary are eligible for re-election.

Nominations for the office of the chairperson, vice-chairperson and secretary of the council must be in writing and directed to the electoral officer. If more than one candidate is nominated, voting is by secret ballot.

Each member of the council has only one vote during a ballot and no proxy is allowed. A person who fills a vacancy in terms of replacement hold office until the end of the term of his or her predecessor.

Meetings of council

The council has at least four ordinary meetings during each academic year. Notice is given 14 days prior to the date of an ordinary meeting.

Special meetings may be called:

- by the chairperson at any time
- by request in writing of at least 5 members if the objective is stated clearly in the request and provided 7 days' notice is provided

No business other than that for which the special meeting was called may be transacted at the meeting.

Emergency meetings may be called by the chairperson or in absence of the chairperson, the principal at any time. Notice will be given in any manner convenient under the circumstances. The objective must be stated and no business other than that stated may be transacted at such a meeting.

Meeting Procedures

The council members must participate in the deliberations of the council in the best interest of the college.

Except where otherwise provided in the statute, all acts or matters authorised or required to be done or decided by the council or its committees and all questions that may come before it are done or decided by the majority of the members present at any meeting, provided that the number present at any meeting is at least half plus one of the total number of members of the council or its committees holding office on the date of such meeting.

In the absence of the chairperson and the vice-chairperson of the council, the members present must elect one of their members to preside at such meeting.

Conflict of interest of council members

A member of the council may not have a conflict of interest with the college. A member of the council who has a direct or indirect financial, personal or other interest in any matter which is to be discussed at a meeting and which entails or may entail a conflict or possible conflict of interest must, before or

during such meeting, declare the interest. Any person may, in writing, inform the chairperson of a meeting, before a meeting, of a conflict or possible conflict of interest of a member of the council of which such person may be aware.

The council member is obliged to recuse himself or herself from the meeting during the discussion of the matter and the voting thereon.

Committees of council

The council appoints-

- a) an executive committee;
- b) an audit committee;
- c) a finance committee;
- d) a conditions of employment committee;
- e) a planning and resource committee; and
- f) such other committees as may be required.

The composition and functions of the committees are determined by the council.

At least 50 per cent of the members of a committee must be external persons who are members of the council. The chairperson of a committee must be a member of the council.

Minutes of council and committee meetings

The secretary of the council keeps the minutes of each meeting of the council and includes such minutes in the agenda of the next council meeting when the agenda is sent out in.

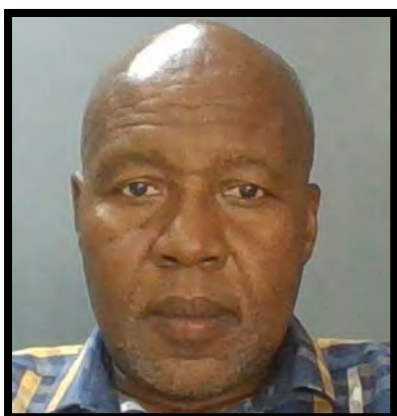
The minutes of all committee meetings must be included in the agenda of the next ordinary meeting of the council following the respective committee meetings.

Drafting, amending or rescinding statute

No motion to draft, amend or rescind a statute or a rule is of force and effect unless adopted by at least 75 per cent of all members of the council present at the meeting, provided that a quorum is present at such meeting.

6. REPORTS BY COMMITTEES OF COUNCIL AND STATUTORY STRUCTURES

6.1. AUDIT AND RISK COMMITTEE



INTRODUCTION

The Westcol Audit and Risk Committee ('the committee') is pleased to submit its report for the year ended 31 December 2023. This report has been prepared in compliance with and in accordance with the mandate given by the College Council.

COMMITTEE COMPOSITION

The appointment of committee members was approved by the College Council.

- Mr R Skosana (Chairperson – External Council)
- Ms E Makgasane-Lefakane (Member – External Council)
- Ms P Mokwena (Member – External Council)

COMMITTEE PURPOSE

The main role of the committee is to provide independent oversight of:

- the integrity of the annual financial statements and other external reports issued by the College; and
- the effectiveness of the organisation's assurance services and functions, particularly focusing on combined assurance arrangements, the finance function, external assurance service providers and the internal audit function.

TERMS OF REFERENCE

The committee terms of reference were approved by the College Council and are aligned with:

1. CET Colleges Act No.16 of 2006, as amended in 2012 (the Act); (formerly the ABET Act);
2. Public Finance Management Act, 1999 (Act No 1 of 1999 as amended by Act 29 of 1999) (PFMA);
3. National Treasury Regulations, March 2005;
4. Draft Treasury Regulations (White Paper) published 30 November 2012;
5. King IV Code of Governance Principles of 2016; and
6. National Treasury Public Sector Risk Framework, April 2010.

MEETINGS

Eleven meetings of the committee were held during the year under review.

The Deputy Principal Finance (Chief Financial Officer), the Risk Manager/Officer, the Council Secretary, and other members of senior management as required, attend committee meetings by invitation, but have no voting rights.

Similarly, external, and internal auditors attend committee meetings by invitation, but have no voting rights.

The Chairperson of the committee reports to the College Council at all College Council meetings on the activities and recommendations of the committee.

The committee met separately with the external auditors and the internal audit service providers without members of executive management being present. This provided a platform to engage each service provider on any concerns they may have of each other as well as management.

The College Council committee structure includes a Finance Committee which also has a role in overseeing the financial reporting and preparation of financial statements and this necessitated that joint meeting be held by the ARC and Finance Committee.

PERFORMANCE OF THE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2023

The committee began a process of developing focus into areas that are required by the various pieces of legislation and King IV. The areas of focus for the committee included:

- Adequacy of the internal control environment, particularly in the preparation of annual financial statements
- Development of structured and comprehensive management reporting that would include an address to specific items like FRUITLESS & WASTEFUL EXPENDITURE, SUSPECTED FRAUD, etc.
- Training of Council and Committee members on corporate governance and auditing.
- Review of the ARC Charter for College Council approval.
- Development of a combined assurance model through oversight over the governance of the organisation and the continuing maturity of the control environment

Reports received from the internal auditors were escalated to the various Council Committees, which then required regular focused attention and reporting by the specific Committee Chairpersons to the College Council on how management was addressing issues raised by Internal Audit.

Engagements with the external auditors, Auditor General South Africa (AGSA), resulted in the special presentation to all College Council members on the legislative developments about how Material Irregularities are identified and handled by AGSA.

INTERNAL AUDIT

The Internal Audit Work Plan and Charter were reviewed and approved by the College Council. All work conducted by Internal Audit was in line with the annual plan and this included a quality review on the preparation of the Annual Financial Statements for the year ended 31 December 2023.

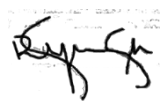
The service of the internal audit function was reviewed to measure the quality of their work and the results were satisfactory. This exercise raised a highlight on the need to look at the in-sourcing part of the function to retain knowledge developed in exercising the various audits.

The Internal Audit function of the College is currently outsourced to a service provider and the College exercised a contract clause to extend the service provider's services up until the end of the financial year. The College is currently engaged in the process of appointing a new service provider and ARC has raised the possibility of having a model that is composed of permanent employees and a service provider.

RISK MANAGEMENT

The absence of a Risk Manager/Officer presented a key challenge to the College and ARC made a move. A risk workshop that included management as well as College Council members was conducted, and this resulted in an updated risk register.

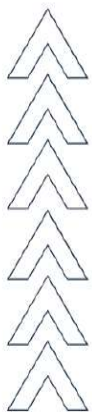
As Chairperson, I want to thank the ARC team for their hard work and dedication during 2023.



Mr R Skosana

AUDIT AND RISK COMMITTEE CHAIRPERSON

6.2. FINANCE COMMITTEE



Introduction

As Chairperson I am proud to present the annual summary from the Western TVET College Finance Committee (FINCOM) for the financial year 2023.

Member Composition

The composition of the FINCOM included:

Mr TG Mogaladi	(Chairperson – External Council)
Ms SMS Xaba	(Member – External Council)
Prof N Ngwenya	(Member – External Council)
Mr JT Ngcobo	(Member – Principal)
Mr AR Alli	(Member – Management)

Number of Meetings

FINCOM had 6 meetings for the period from 01/01/2023 to 31/12/2023.

Key functions and responsibility

As part of its charter, the Finance Committee adopted the Terms of Reference approved by Western TVET College Council and conducted its affairs and discharged its responsibilities in compliance with these terms during the period under review.

The Committee's roles and responsibilities include its statutory duties according to the Public Finance Management Act (PFMA) Act, 29 of 1999 (as amended), requirements of the King Code of Governance Principles (King IV), Companies Act, 71 of 2008 (as amended) and DHET Finance Committee Charter.

In giving effect to its charter during the period under review, the Committee:

- Took overall responsibility for the review of the appropriateness and applicability of financial policies and recommend suitable changes to Council.

- Exercised oversight and by ensuring preparation and approval of college budget and submissions thereof to the College Council for ratification, monitoring of variances and quarterly revisions and ensured that the outputs to be delivered are specific and consistent with the desired outcomes.
- Recommended to Council and ensure that the necessary steps are taken to initiate any financial related investigations into financial misconduct or maladministration when College policy processes to report these matters have not been followed by management. The provisions of Section 46 of the CET Act were followed in this regard
- Ensured that an appropriate management information system is established to provide prompt and accurate financial information
- Considered the quarterly financial reports generated by the Deputy Principal: Finance and ensure that the monthly reports are of an acceptable standard and adequately reflect any shortfalls or under-collections in budgeted income.
- Reviewed and recommended to Council any capital projects, prior to commitment, and to monitor and report on the progress thereon.
- Reviewed and recommended to Council, any necessary and appropriate increases in estimated total costs of projects included in the approved budget, over and above the pre-approved variation in the Supply Chain Management Policy, that management are proposing.
- Reviewed and recommended to Council any sale or disposal of moveable assets proposed by management above the delegation of the Accounting Officer
- Reviewed managements business case before submitting to Council for noting and submission to the Minister to approve the disposal of immovable assets.
- Considered and recommended to Council the write-off of all bad debts or settlement or abandoning of legal actions to recover amounts due to the College.
- Considered and recommended to Council the write-off resulting from impairment of assets per the College's financial policies.
- Considered all financial matters relating to the College's relationship with the Department, NSFAS and any other government organ and made appropriate recommendations to Council, if necessary.

The Committee is satisfied that it has complied with its legal, regulatory, and other responsibilities, in all material respects.

Combined assurance

The Committee provided combined assurance with the Audit and Risk Committee in the review of the Annual Financial Statements. A combined meeting was held in March 2023 to review the presented Financial Statements before submission to the Auditor General of South Africa.

Further developments to integrate and streamline assurance across governance structures will be considered as part of the strategic planning process for 2025 to 2029.

Quarterly Financial Reporting

The committee reviewed the quality of financial performance reporting during 2023. There have been some significant improvements made but further enhancements in relation to actual and budgeted variances will be considered for 2024.

Policy Approval

The Financial Policy was reviewed on 08/02/2023 and the policy was approved and adopted by College Council on 28/03/2023.

Budget Approval

Management presented the final budget for 2023 to the committee on 09/05/2023 and FINCOM presented to Council in June 2023.

Challenges

The Committee specifically dealt with two challenges identified from previous years and within the necessary mechanisms recommended bank portfolio diversification to ensure increased growth of cash reserves within the required risk appetite of the council.

In addition, the committee introduced a quarterly management reporting mechanism in relation to impairment, loss and disposal of assets

Summary

As Chairperson, I would particularly express my appreciation to the fellow members of the committee and management for the good governance practices.



Mr TG Mogaladi

FINCOM CHAIRPERSON

6.3. HUMAN RESOURCE COMMITTEE



Introduction

The Human Resource Committee of the Council was established in terms of the Schedule 1 clause 12(1) of the Standard College Statute from the Continuing Education and Training Act No. 16 of 2006 as amended.

Member Composition

The composition of the HRC included:

Advocate K Maja	(Chairperson – External Council)
Mr T Mmotla	(Member – External Council)
Ms E Makgasane-Lefakane	(Member – External Council)
Mr JT Ngcobo	(Member – Principal)
Mr TPS Mogotsi	(Member – Management)

Number of Meetings

HRC had 4 meetings for the period from 01/01/2023 to 31/12/2023.

Key Functions and Responsibilities

The Human Resource Committee of the Council was established in terms of the Schedule 1 clause 12(1) of the Standard College Statute from the Continuing Education and Training Act No. 16 of 2006 as amended.

The Committee discharged its duties in line with the Governance framework of the college and as agreed upon in the HR Committee Charter approved by the College Council.

The functions discharged for the 2023 year included:

- Overseeing the implementation of the College's strategy on Human Resources arising from the Strategic Plan.
- Advised the Council in relation to Human Resources and Organisational Development Function including but not limited to policies and associated procedures covering recruitment, training, equal opportunities, discipline, and grievances.

- Considered deliberations and impact of all National Collective Bargaining council resolutions, agreements, and decisions on Western TVET College.
- Considered reports on the provision and impact of continuous Professional Development.
- Self-evaluation of the performance of the HR Committee.
- Monitored and reviewed the implementation of all Human Resource policies.
- Regular oversight on all key issues of Human Resources and providing a report to the HRC secretary for submission to Council.
- Providing oversight regarding the implementation of Performance Management systems of both Academic and Support staff in line with the strategic objectives of Western TVET College and National agreements.
- Notified the College Council of any specific areas of risk identified by the Committee for its responsible area.

Committee Achievements for 2023

The committee supported management in an expedited roll out process with the Post Provisioning Norms. At the end of 2023, all campuses had permanent campus managers and the academic staff division was strengthened with more than 85 permanent appointments while support staff grew by 28 additional employees. The committee also noted an improvement in employee wellness and several events that supported the holistic improvement of staff were held.

In addition, there was continuous improvement provided to all staff in relation to available bursaries and training as identified through the human resource development initiatives.

Challenges

One of the challenges identified during 2023, related to Human Resource litigation matters with an extended waiting period. The HRC supported management in introducing additional cost reporting measures. In addition, the HRC proposed the appointment of a legal panel that can support the college in expediting legal matters. The envisaged appointment will be concluded in 2024.

Summary

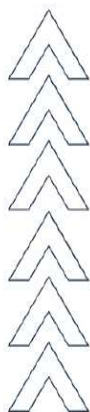
Thank you also to all the committee members for their valuable input during 2023. The committee provided a clear approach to governance matters and should be proud of their participation and contributions.



Advocate K Maja

CHAIRPERSON HUMAN RESOURCE COMMITTEE

6.4. INFORMATION COMMUNICATION AND TECHNOLOGY COMMITTEE



Introduction

The Information Communication and Technology Committee (ITC) had a remarkably busy 2023 with the focus on the improvement of Capital Expenditure. The committee worked extensively with management on the improvement of effective reporting especially in relation to projects and to ensure that project deliverables and outcomes are expedited and achieved.

Member Composition

The composition of ITC included:

Prof N Ngwenya	(Chairperson – External Council)
Mr R Skosana	(Member – External Council)
Mr T Mmotla	(Member – External Council)
Mr JT Ngcobo	(Member – Principal)
Mr TPS Mogotsi	(Member – Management)

Number of Meetings

ITC had five meetings for the period from 01/01/2023 to 31/12/2023.

Key Functions and Responsibilities

The Committee was established in terms of the Schedule 1 clause 12(1)(f) of the Standard College Statute from the Continuing Education and Training Act No. 16 of 2006 as amended.

The Committee discharged its duties in line with the Governance framework of the college and as agreed upon in the IT Committee Charter approved by the College Council.

The functions discharged for the 2023 year included:

- Monitoring the implementation of IT governance and oversight.
- Overall responsibility taken to review the appropriateness and applicability of IT policies and recommended suitable changes to College Council.
- Review of IT resources and application to the benefit of the College.

Committee Achievements for 2023

Internal Audit did a comprehensive audit in relation to Information Technology. Several key findings were reported and the committee in collaboration with management commenced with a strenuous approach to address and find amicable approaches in addressing these findings.

A new Information Technology policy was approved by the committee on 30/10/2023. The policy paved the way forward and specific attention was made to enhance protection to cyber security risks.

Challenges

IT architecture at the college remained a challenge in 2023. This can be attributed to the lack of finding suitable appointees in the relevant organisational structure. The committee is continuously supporting management to improve the capacity within the division and expect fruitful efforts in 2024.

Summary

As the ITC we prescribe to some core values when discharging our governance functions. Our approach is always responsive, respectful and we strive to assist management in finding improved solutions. As a committee we believe that TVET Colleges can find robust technologies that will enhance electronic systems, while secure protection of data remains integral.

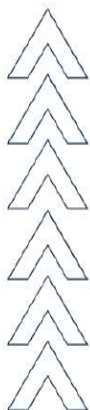
The members of the committee participated extensively and contributed valuable input and I can only commend them for the support.



Prof N Ngwenya

CHAIRPERSON INFORMATION AND COMMUNICATION TECHNOLOGY COMMITTEE

6.5. PLANNING AND RESOURCE COMMITTEE



Introduction

The Planning and Resource Committee (PLANCO) had a remarkably busy 2023 with the focus on the improvement of Capital Expenditure. The committee worked extensively with management on the improvement of effective reporting especially in relation to projects and to ensure that project deliverables and outcomes are expedited and achieved.

Member Composition

The composition of PLANCO included:

Dr E Khambule	(Chairperson – External Council)
Mr TG Mogaladi	(Member – External Council)
Ms SMS Xaba	(Member – External Council)
Dr S Kumalo	(Member – External Council)
Mr JT Ngcobo	(Member – Principal)
Mr JE Kasinde	(Member – Management)
Mr AR Alli	(Member – Management)

Number of Meetings

PLANCO held four meetings for the period from 01/01/2023 to 31/12/2023.

Key Functions and Responsibilities

PLANCO discharged its functions as required by the charter, and within the governance framework of the College Council. The following functions were discharged:

- Overseeing and reviewing the planning, organisation, and review of the College's strategic plan.
- The monitoring of the implementation of the College's strategic plan.
- Functioned as liaison between Council and management on the implementation of the strategic plan.
- Monitored the management's allocation of the College's resources in line with the objectives of the strategic plan.
- Monitored and reviewed all Resource Plans relating to Capital Expenditure based on internal and external funds.

- Reviewed the required resources per the Annual Performance Plans.
- Recommended to Council the approval of the College's strategic plan.

Committee Achievements for 2023

PLANCO and Council attended a strategic plan session on 18 March 2023. The programme provided an opportunity to all members to provide input into the final leg of the 5-year strategic plan. Members actively participated and provided valuable insights and recommendations which were included in the strategic plan.

In 2023, with the oversight of the committee the WR SETA Solar Project was completed. The successful completion of the project was celebrated on 07 December 2023, with the participation of all stakeholders. This project formed part of the approved alternative energy strategy from the college.

There are some exciting projects ahead for the College including the partnership with HALLS, which will include the development of a Cherry Farm. Another partnership at an international level, relates to the building of a Solar Manufacturing Plant with the support of EW SETA and Chinese Culture Centre. The committee is looking forward to form part of these initiatives.

In relation to capital spending for 2024, the Committee trust that management will commence with the construction of the following projects:

- New Corporate Centre
- Classrooms at Krugersdorp Campus

Challenges

A key challenge was the delivering of objectives in relation to the Capital Infrastructure Efficiency Grant (CIEG). The appointed Project Manager resigned in 2023 and subsequently contingency plans had to be put in place to ensure project deliverables are met. The Office of the Principal assisted in providing valuable support during the period from October to December 2023. During the subsequent visit from DHET on 12 December 2023. The Department of Higher Education and Training (DHET) expressed gratitude to the team that was responsible for the implementation of the project. The College will appoint a new project manager from January 2024, and the committee will continue to monitor in terms of governance.

The committee had extensive deliberations with management to improve on capital expenditure performance and trust that the improvement of council aesthetics will be at the forefront in 2024.

Summary

I note as the Chairperson that all committee members played a valuable role in the activities of the Committee. Our debates were substantive, honest and always geared towards the improvement of the College. I thank each member for their commitment and dedication to the work of Planco in 2023.



Dr E Khambule

CHAIRPERSON PLANNING AND RESOURCE COMMITTEE

6.6. STUDENT SUPPORT ADVISORY COMMITTEE



Introduction

The role of the Student Support Advisory Committee is to provide oversight and support to all student support services related matters in the institution.

The CET Act requires in chapter 3, section 3 that the council, after consultation with the student's representative council (SRC), must provide for a suitable structure to advice on policy for students support services within the public college. The Student Support Advisory Committee report to the Academic Board.

Member Composition

The composition of ITC included:

Dr S Kumalo	(Chairperson – External Council)
Mr TG Mogaladi	(Member – External Council)
Mr TPS Mogotsi	(Member – Management)
Mr JE Kasinde	(Member – Management)
Mr AR Alli	(Member – Management)
Mr T Sempe	(Member – Management)
Ms T Swelinkomo	(Member – Management)
SRC President	(Member – Student Representative Council)
SRC Secretary	(Member – Student Representative Council)

Number of Meetings

SSAC had three meetings for the period from 01/01/2023 to 31/12/2023.

Key Functions and Responsibilities

The key responsibilities of the SSAC are to:

- establish the terms of reference of the Student Support Advisory Committee.
- ensure the effective and efficient management of student-related functions of the College, and
- ensure that all activities are within the delegations as approved by Council.

The Committee discharged its duties in line with the Governance framework of the college.

Committee Achievements for 2023

The SSAC approved the Student Support Services Annual Plan on 15/05/2023. This plan guides all the activities of the division for the year in relation to pre-entry, on-course and exit level.

In addition, the committee supported open communication between the Financial Aid division and Student Representative Council by reviewing quarterly reports in relation to NSFAS.

The committee also provided a platform to educate Student Representative Members of governance and to instil what protocol is required for reporting and feedback mechanism back to the student community.

Policies

As a committee we are immensely proud in our policy recommendations that were made to the Academic Board and subsequently approved by council. For 2024, the committee recommended the Attendance and Punctuality policy and the well needed Disability policy.

It is one of the key focus areas for 2024 to further develop supporting policies that will assist in the holistic support of our students.

Summary

This committee is integral to the governance structure of TVET colleges and provide a solid foundation in curbing potential student unrests by supporting and providing an effective and efficient communication stage.

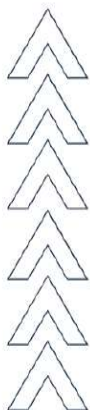
Thank you to the team for their hard work!



Dr S Kumalo

CHAIRPERSON STUDENT SUPPORT ADVISORY COMMITTEE

6.7. ACADEMIC BOARD



Introduction

The Academic Board is constitutionally functional according to the CET Act 16 of 2006 (as amended 2012), the College Council Charter and the Western TVET Statute. The Academic Board conducted its affairs and discharged its responsibilities in compliance with these terms during the reporting period. The Academic Board is elected by Council in terms of representation. The principal is chairperson.

Member Composition

The composition of the Academic Board included:

Mr T Ngcobo	(Principal)
Dr S Kumalo	(Member – External Council)
Dr E Khambule	(Member – External Council)
Mr K Maja	(Member – External Council)
Mr T Mogotsi	(Deputy Principal Academic)
Mr AR Alli	(Deputy Principal Finance)
Mr JE Kasinde	(Deputy Principal Registrar)

Assistant Directors

All Post Level 3 to 5's

Academic Board Committee members

SRC Representatives

Number of Meetings

The Academic Board held four meetings for the period from 01/01/2023 to 31/12/2023.

Key Functions and Responsibilities

The Committee's statutory duties is defined according to the CET Act, College Council Charter and Western TVET College Statute.

The key responsibility of the Academic Board is to effectively conduct all the teaching, learning, research, and academic functions of the college.

Committee Achievements for 2023

The Academic Board reviewed the following quarterly reports:

- Accreditation and New Programmes
- Occupational Health and Safety
- Curriculum
- Examinations and Assessments
- NSFAS/Financial Aid
- Student Support Services
- Management Information System and Enrolments/Registrations
- Partnerships
- Quality Assurance
- Human Resource Administration and Labour Relations
- Marketing
- Capital and Infrastructure Reporting relating to Teaching and Learning
- Risk Management
- Finance and Management Accounting

Key achievements and resolutions made in alignment with strategic outcomes:

- Resolved that root cause analysis will be completed on poor performing subject and interventions be developed.
- Intense involvement in the phasing out of Programme 191 levels.
- Approved and recommended to College Council new programmes aligned to the Programme Qualification Mix of the college.
- Assist in the implementation of Occupational Health and Safety standards to ensure compliance.
- Provided governance oversight to ensure all Learning and Teaching Material are delivered on time.
- Reviewed class fees and recommendation to College Council.
- Reviewed admission policy and recommendation made to the College Council for approval.
- Reviewed and made recommendations in terms of governance oversight on the Strategic Plan and Annual Performance Plan.
- Reviewed all operational plans of divisions.
- Reviewed and recommended to College Council the approval of the disability policy.
- Assisted in the development of a blended learning plan for the college and providing support on proposed implementation.
- Review of quarterly SRC reports.

Summary

Thank you to all board members for their participation in the effective functioning during 2023!



Mr JT Ngcobo

CHAIRPERSON ACADEMIC BOARD

6.8. STUDENT REPRESENTATIVE COUNCIL



The Student Representative Council (SRC) had a very good mutual relationship with Council, Management, Student Support Services, and other members of staff. As SRC we worked towards a common goal of having students enjoy a fair and pleasant educational journey. Teamwork was evident and communication provided a great working space with one another.

As the President of the SRC, the experience was full of lessons and not losses, coming from workshops to being able to spread these lessons to fellow leaders and students. Working as one team and addressing issues and concerns internally so we could have the stability to best help the students.

The loss of fellow SRC members during 2023, did take a toll but we regrouped and found new strategies for working, ensuring that we keep one another accountable.

As we bid farewell to 2023, we make the following recommendations to the SRC for 2023:

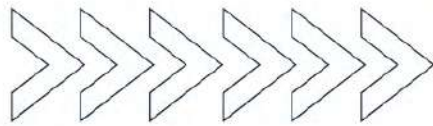
- SRCs can achieve even greater heights if they are monitored academically and emotionally, thus avoiding being viewed as failures, but rather as examples to follow. It is important for SRCs to have the skills and tools to work with the less fortunate students.
- Establish regular communication channels to keep students informed about SRC activities.
- Use social media, newsletters, and other platforms to share updates and gather feedback.
- Encourage student participation in SRC activities, projects, and decision making.
- Create opportunities for students to suggest ideas, provide feedback, and actively engage with the SRC.

A handwritten signature in black ink, appearing to read 'K Moabelo'.

Mr K Moabelo

STUDENT REPRESENTATIVE COUNCIL PRESIDENT

PART C



PERFORMANCE

7. COLLEGE OVERALL PERFORMANCE

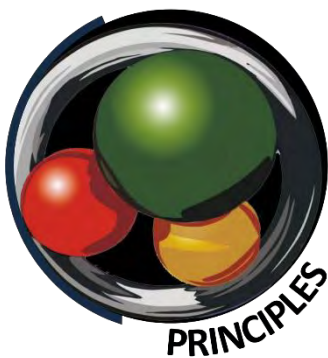
7.1. STRATEGIC OVERVIEW



Westcol is your
INNOVATIVE and **HOLISTIC**,
partner in
LIFELONG LEARNING.



We provide **RELEVANT**
and accessible **QUALITY**
education, training and
development opportunities
through **INNOVATIVE** teamwork
that benefits our students,
communities, and country.



- Batho Pele
- Innovation
- Integrity
- Honesty
- Respect
- Teamwork
- Quality

7.2. STRATEGIC DELIVERY

Western TVET College responds to the National Outcomes from the DHET by specifically focusing on four strategic outcomes including:

Strategic Outcome 1 - Expanded access to TVET college opportunities

Number of headcount enrolments in differentiated programme types

Key Strategies and Implementation Plan

- Annual Plan of enrolments and management in accordance with standard procedures and funding
- Implementation of Standard operating procedures on enrolment
- Implementation of dedicated campuses for specific programmes
- Implementation of admission policy
- Development of dedicated online learning platform

Strategic Outcome 2 - Improved success and efficiency of TVET systems

Number of students completing college programmes at NCV L4 and N6

Key Strategies and Implementation Plan

- Training on subject and content knowledge
- Establishment of campus academic board for early detection of learning gaps
- Annual Award Ceremony for lecturers in best performing subjects to provide incentive
- Strengthening of Classroom Monitoring according to Academic Management as well as Teaching and Learning plans
- Technology in the classroom used daily inclusive of improved IT connectivity
- Movement of full ICT capability in terms of 4th Industrial Revolution

Strategic Outcome 3 - Improved quality of TVET college provision

% compliance with governance standards

% compliance with examination standards and policy

% of registered students qualifying for examinations

% TVET lecturers placed in industry

Number of partnership agreements

Key Strategies and Implementation Plans

- Governance specific training for all Council members
- Redesigning of the college culture through communication and understanding applicable legislation
- Strengthening of communication of exam related regulations
- Marketing of the college to industry specifically to improve relationships and advance placement of students
- Establishment of fully fledged placement office in line with the PPN model

Strategic Outcome 4 - Improved responsiveness of TVET colleges to the world of work

Number of students enrolled in programmes relating to OIHD and priority skills

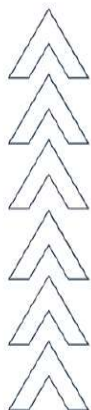
Number of students engaged in entrepreneurship programmes

Number of students placed for WPBL at exit levels – NCV L4 and N6

Key Strategies and Implementation Plans

- Entrepreneurship programme for students wanting to start own business after graduation
- Partnership establishment with commerce and industry
- Mentorship programme for interns placed with monthly monitoring
- Tutoring systems – linking students with qualified mentors

8. ACADEMIC PERFORMANCE



8.1. ACADEMIC RESULTS

The college improved in academic performance for 2023. This can be attributed to the significant commitment of all staff. Western TVET College is on an improvement trajectory in terms of student performance for certification and pass rates.

Engineering (Programme 191)

The college has been performing satisfactorily on the retention rate in Engineering faculty. The Engineering department has surpassed the 60% threshold in retention. N1 has been performing better than other levels. When students progress to N2 performance of students tend to decline. The college in terms of its interventions, amended the admission policy to only accept students with passes in maths and science. This intervention however did not have the desired effect and additional measures will be implemented from 2024. These measures will include the introduction of peer tutoring system to improve results.

Business (Programme 191)

The business studies department retention rate is more satisfactory. The pass rate is always above the 60% threshold. Even though the performance is good in comparison nationally the college has only achieved the top 10 in the Region.

PLP

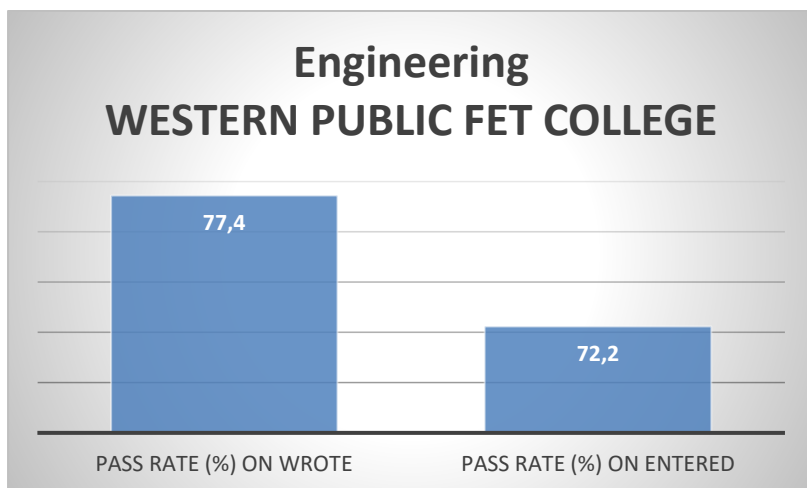
The PLP programme is a one-year foundational course to prepare students for further study at a TVET. It is aimed at school leavers with Grades 9 -11 who did not meet the entry criteria for a specific course. This programme prepares the student to follow a specific vocational learning path, with improved chances of completion.

The PLP retention rate has steadily increased to almost 80%.

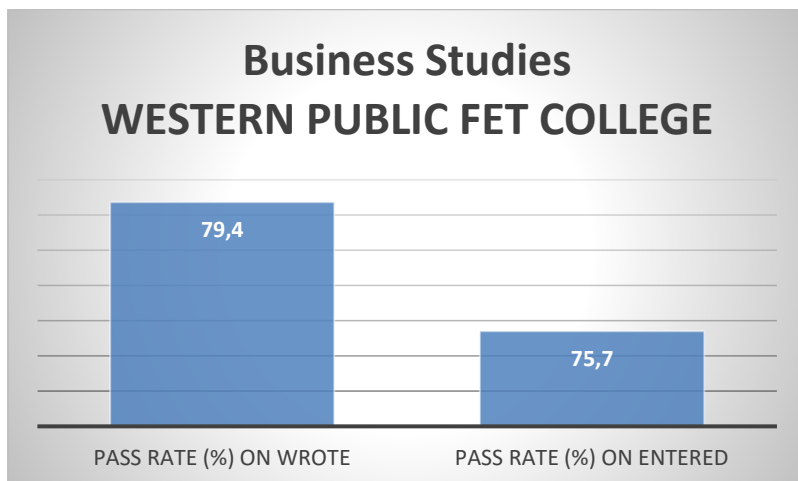
The college was ranked in terms of National and Regional Performance as follows:

Programme	Regional	National
NC (V)	1	7
Programme 191 Business	9	22
Programme 191 Engineering	7	19

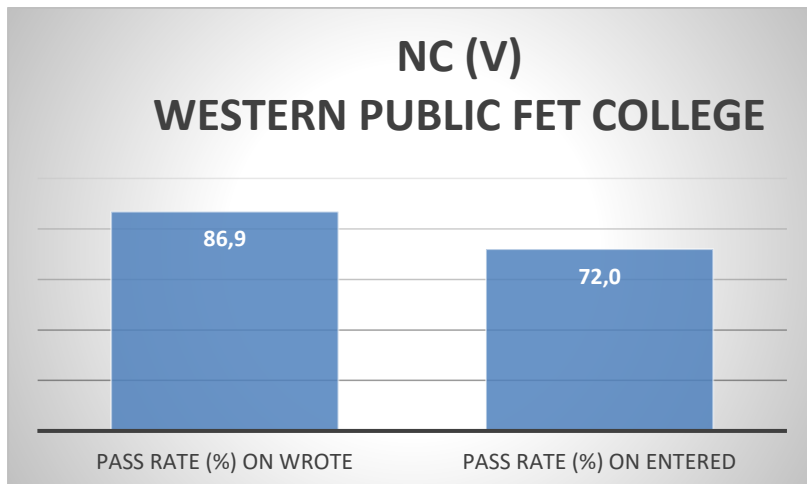
The Engineering Faculty achieved a 77.4% pass rate on number of students that wrote and 72.2% on the number of students that enrolled.



The Business Faculty achieved a 79.4% pass rate on number of students that wrote and 75.7% on the number of students that enrolled.



The NC(V) Faculty achieved a 86.9% pass rate on number of students that wrote and 72.0% on the number of students that enrolled.



8.2. KEY ACHIEVEMENT IN THE ACADEMIC DIVISION

- Permanently appointed Campus Managers at all campuses
- Participation in 4IR project with first cohort of students to enrol 2024
- Initiated process to align programmes to niche campuses
- Commenced with project to obtain accreditation of workshops on campuses
- Enhanced curriculum delivery by development of online material for students

Thank you to all the colleagues in all the division for making 2023 another year of academic excellence.

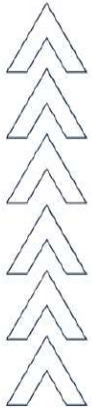


Mr TPS Mogotsi

DEPUTY PRINCIPAL ACADEMIC

9. CORPORATE PERFORMANCE

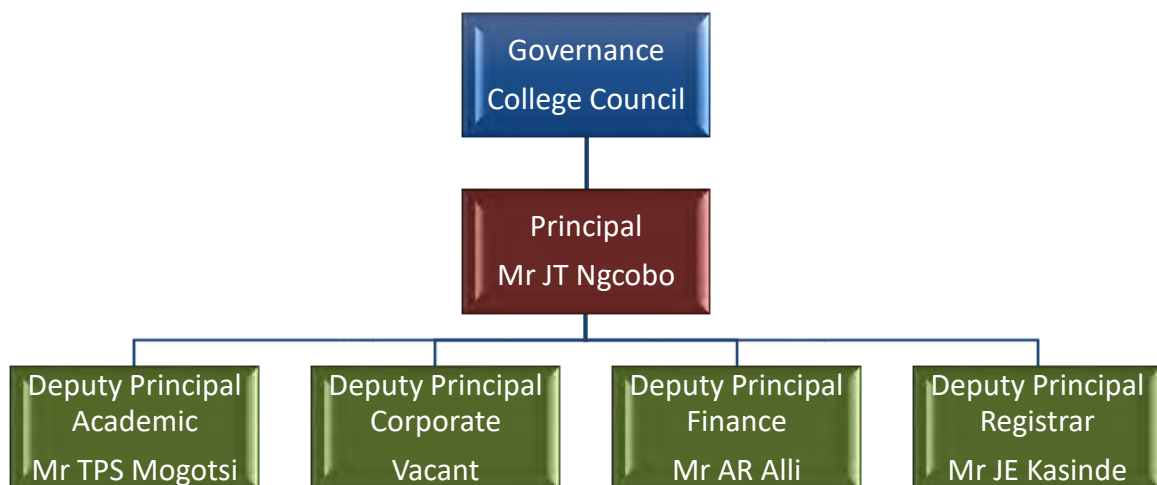
9.1. CORPORATE OVERALL PERFORMANCE



The overall performance in relation to the Corporate Division was effective. The Human Resource Administration Division need to be commended for their effective and efficient functioning which resulted in an integral improvement in the number of employees, wellness drives and development of staff. At a strategic level improvement on IT Architecture and Infrastructure are critically and these have been included in the action plans for 2024.

Marketing performed well in attendance of several exhibitions and career days in 2023. There is a need for further development of the website which will be addressed in 2024.

9.2. HIGH LEVEL ORGANOGRAM



9.3. RECRUITMENT AND SELECTION

At the end of December 2023, we achieved the following PPN implementation:

Academic Staff 85 positions were filled:

Deputy Chief Education Specialists (PL5) = 2

Education Specialists (PL2) = 29

Senior Education Specialists (PL3) = 10

Lecturers (PL1) = 44

Support Staff 22 positions were filled:

DP: Registrar (SL12)	Senior Registration Officer (SL8)
ASD: Labour Relations (SL9)	Senior IT Technician (SL8)
ASD: Student Support Services (SL10)	Senior Job Placement (SL8)
ASD: Office of the Principal (SL9)	Chief Personnel Officer (SL8)
ASD: Supply Chain and Asset Management (SL9)	IT Technician (SL7)
Senior Labour Relations (SL8)	Student Support Services Officers (SL7) X2
Senior Student Support Services Officer (SL8)	Finance Clerks (SL5) X 3
Senior Provisioning Officer: Supply Chain and Asset Management (SL8)	Exam Clerk (SL5)
	Groundsman (SL2) X 3

9.4. EMPLOYEE HEALTH AND WELLNESS EVENTS IN 2023

The following health and wellness events were hosted in 2023.

- Staff Wellness Day - held for all staff at Green Hills stadium on 31 March 2023.
- Capacity building for all interns – held on 05 May 2023 at Corporate Office.
- Men’s Forum – held on 23 June 2023 at The Garden Venue.
- Financial literacy workshop by ABSA group – held on 04 August 2023 at Randfontein Campus.
- Women’s Day Celebration – held on 11 August 2023 at the Garden Venue.
- Financial literacy workshop by PM Skills – held on 15 September 2023 at Corporate Office.
- Cancer Awareness Day – held on 27 October 2023 in all the Campuses including Corporate Office.

9.5. STAFF DEVELOPMENT

Staff Bursaries

45 bursaries were awarded to staff for the 2023 academic year (37 academic and 8 support staff).

Achievements: The college had 24 staff members who completed their studies and received their qualifications in 2023 through college bursary.

Integrated Quality Management System (IQMS)

Total number of staff = 190

178 qualified for pay progression.

12 did not qualify due to promotions.

Performance Management Development System (PMDS)

Total number of staff = 90

58 qualified for pay progression.

21 did not qualify (maximum notch)

11 did not qualify due to Resolution 1 of 2012.

9.6. MARKETING

The following events and exhibitions were attended to by the Marketing Division in 2023:

- Save the Date Campaign for applications
- Nic Diederick High School Careers EXPO
- Ahmed Timol Secondary School Visit
- Toekomsrus Secondary School Career EXPO
- Thuto Kitso Comprehensive School Visit
- Dan Thloome Community Outreach
- Afri Village Expo
- Roodepark School Visit
- Edenglen High School Visit
- BRICS Educational Event

9.7. INFORMATION TECHNOLOGY

The Human Resource capacity of the department remains a challenge. These vacancies have dire consequences for the college service and management employed additional support by extending delivery requirements to a service provider to assist.

In 2023, the Internal Auditors did a comprehensive Information Technology audit, and several findings were raised. The college commenced with a vigorous process in addressing these findings and by the end of 2023 the updated Information and Communication Technology Policy was approved and adopted by College Council.

Upgrading of facilities remain a key focus of the division and the computer lab at Randfontein Campus was upgraded in 2023.

Thank you to all staff for their contribution in 2023.



Ms M Hlatshwayo

ASSISTANT DIRECTOR: HUMAN RESOURCE ADMINISTRATION

10. REGISTRAR PERFORMANCE



The Registrar Portfolio for 2023 considered the following units, Central Office Administration (Enrolments and Management Information Systems), Partnerships and Linkages and Student Support Services.

Our aim as a unit is to primarily focus on the strategic outcomes as encapsulated in our strategic plan and provide the relevant support to the core of the college which is Teaching and Learning.

Special attention for 2023 was made to the improvement of data integrity in relation to the Student Enrolment Standard Operating Procedures (SOP) and we are positive that significant strides has been made.

We present the following report with pride and welcome to the commitment of all members in the various units.

10.1. ENROLMENTS

SOP rollout meetings were held between August and September 2023. The meetings supported campuses in alignment of the enrolment process and to ensure that registration for 2024 continue effectively and efficiently.

It was evident from previous enrolment cycles that educating students in relation to the Central Application Portal is essential. Challenges were identified in relation to upload of documents and delayed response from students to finalise registrations. Unfortunately, the late release of results did impact on enrolment, but the college mitigated the challenge by creating additional open window opportunities for enrolment.

In relation to maturity of the SOP process, the college has improved and showed signs of innovation. Further improvement is expected in 2024. The college will also commence with the development of an online repository process in 2024.

10.2. STATISTICS ON HEADCOUNT ENROLMENT 2023

HEADCOUNT

Course/TP	Westcol						
	NCV/PLP/ T1/S1	T2/S2	T3	TOTAL	ACTUAL HEADCOUNT	PROJECTED HEADCOUNT	DIFFERENCE HEADCOUNT
NCV	2103			2103	2103	2297	-194
PLP	66			66	66	90	-24
Trimester 1	2177			2177	6231	5194	1037
Trimester 2		2177		2177			
Trimester 3			1877	1877			
Semester 1	3223			3223	6917	6851	66
Semester 2		3694		3694			
TOTAL	7569	5871	1877	15317	15317	14432	885

SUBJECT TOTALS

Course/TP	Westcol				
	NCV/PLP/ T1/S1	T2/S2	T3	TOTAL	ACTUAL SUBJECTS
NCV	15155			15155	15155
PLP	264			264	264
Trimester 1	7155			7155	19730
Trimester 2		6984		6984	
Trimester 3				5591	
Semester 1	12687			12687	23481
Semester 2		10794		10794	
TOTAL	35261	17778	0	58630	58630

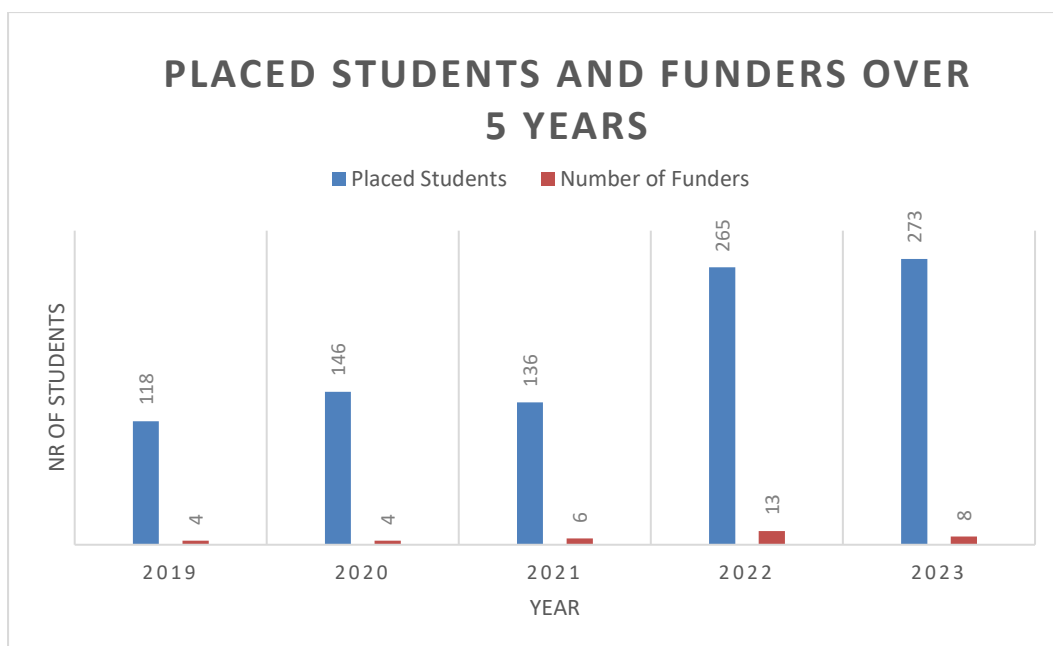
FULL TIME EQUIVALENCE (FTE)

Course/TP	Westcol						
	NCV/PLP/ T1/S1	T2/S2	T3	TOTAL	ACTUAL FTE	PROJECTED FTE	DIFFERENCE FTE
NCV	2165			2165	2165	2297	-132
PLP	66			66	66	90	-24
Trimester 1	596			596	1644	1731	-87
Trimester 2		582		582			0
Trimester 3			466	466			0
Semester 1	1586			1586	2935	3426	-491
Semester 2		1349		1349			0
TOTAL	4413	1931	466	6810	6810	7544	-734

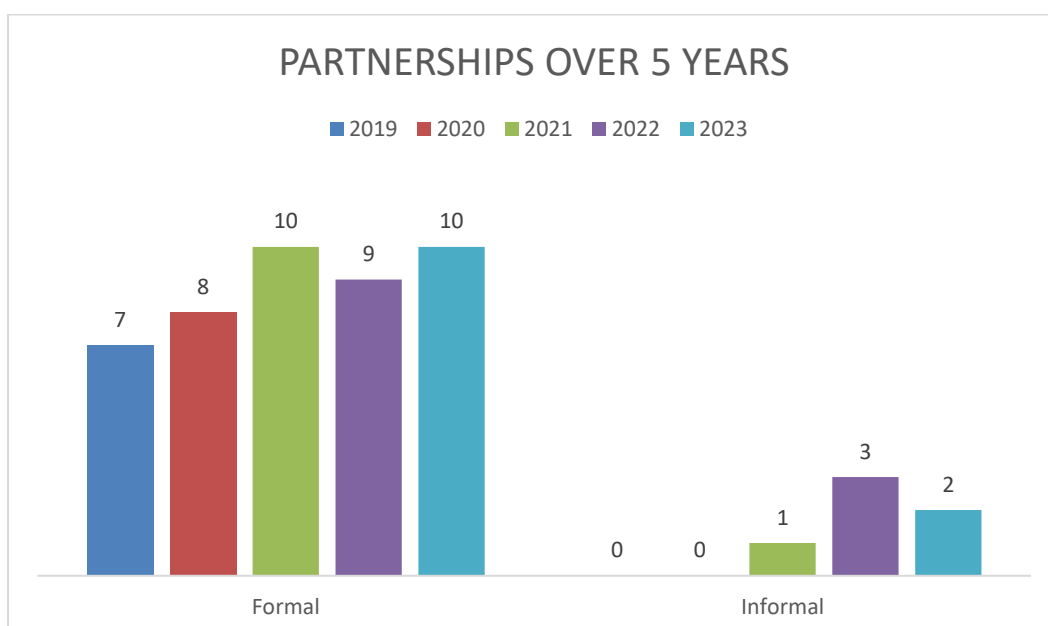
10.3. PARTNERSHIPS AND LINKAGES

10.3.1. WORK INTEGRATED LEARNING

In 2019 the college only had partnerships with four service providers for the funding of student placements. The placement interventions have allowed students to complete their 18 and 24 months practical/experiential learning to qualify for their National N Diploma in Business and Engineering studies, respectively. In 2023, these partnerships have consistently grown. As part of strengthening these partnerships agreement, the college has issued an expression of interest inviting interested organizations to partner with the college on various interventions.



To effectively facilitate the work integrated learning intervention programmes, there was a need for the college to establish partnerships with commerce and industry. As such, the college managed to force partnerships as follows:



10.4. SKILLS DEVELOPMENT PROGRAMMES

The college partnered with the University of Johannesburg to offer the following skills programmes:

2023			2022		
SMME	E-GOV	ICT SKILLS	SMME	E-GOV	ICT SKILLS
9	9	40	25	9	25

These training interventions assist local businesses with business and ICT skills which they could apply in their businesses. We also trained local young people as e-government ambassadors who would be able to be placed in centres like assist the communities in accessing the online government services.

10.5. STUDENT SUPPORT

Student Support Services (SSSS) provided all year-round support in relation to the four pillars including pre-entry, on-course, exit level and student wellness.

Some of the key achievements in 2023 included:

- Partnership formed with West View clinic to address Gender Based Violence and substance abuse.
- South African Police Services monthly talks and dialogues to reduce rape incidents.
- College participation in National and Provincial sporting events and performing exceptional.
- Dedicated training sessions for SRC members.
- Entrepreneurship advocacy campaigns held during open days.
- Mr and Ms Westcol.

As we look ahead to 2024, we can only continue to build on past achievements to ultimately become an innovative and responsive institution to our community, students, and sector.



Mr JE Kasinde

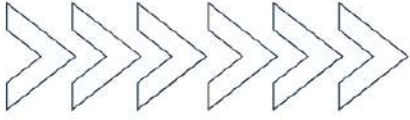
DEPUTY PRINCIPAL REGISTRAR

11. PERFORMANCE INDICATORS

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2023 PLANNED TARGET	TVET COLLEGE 2023 ACHIEVEMENT
SO 1 Expanded access to TVET college opportunities	1.1 Students enrolled and managed as per enrolment plan	Number of students enrolled in different programme types		
		NCV	2297	2103
		Report 191 Business Engineering	6851 5194	6917 6231
		PLP	90	66
		Occupational qualifications	240	0
		Trades (COS)	0	0
		Higher Certificates	110	0
		Shorter skills programmes (accredited and non-accredited)	150	21
	1.2 College student accommodation is optimally utilized	Occupation rate (%) per enrolment cycle	0	0
SO2 Improved success and efficiency of TVET systems	2.1 Apprentices in trade programmes qualify and pass trade test	Number of artisans exiting COS or college	0	0
	2.2 Students complete qualifications and programmes and exit the college	Number of students at exit levels exiting college programmes		
		*Number of students exiting NCV L4	176	139
	2.3 NCV students complete qualification within 3 years	Number of students exiting N6	1228	691
	2.4 PLP students are retained	Retention rate (%) in PLP	85%	79%
	2.5 PLP students progress into initial programmes of choice	Progression rate (%) of PLP students	50%	56%
SO3 Improved quality of TVET college provision	3.1 College councils are constituted and comply with standards	% compliance with governance standards	100%	97%
	3.2 Examinations are conducted with minimum irregularity reported	% compliance with examinations standards and policy	100%	98%

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2023 PLANNED TARGET	TVET COLLEGE 2023 ACHIEVEMENT
	3.3 More students meet the requirements for writing examinations	% of registered students (based on subject enrolment) qualifying for examinations	86%	86%
	3.4 TVET college lecturers are placed in industry for specified periods to gain relevant experience	% of TVET college lecturers placed in industry	10%	0%
	3.5 Partnerships signed for improving teaching and learning and relevance of programmes	Number of partnership agreements (locally and internationally) for purposes of exchanging and/or placing college students and /or lecturers	9	11
SO4 Improved responsiveness of TVET colleges to the world of work	4.1 More students are enrolled in identified programme offerings relating to OIHD and priority skills	Number of students enrolled in programmes relating to OIHD and priority skills	150	0
	4.2 Entrepreneurship hubs are established and supported	Number of students engaged in entrepreneurship programmes and initiatives	200	30
	4.3 Students are placed for WBPL at exit levels	Number of students placed for WBPL at exit levels		
		*Number of students placed for WBPL at NCV L4	10	0
		*Number of students placed for WBPL at N6	140	295

12. STRATEGY TO DEAL WITH UNDERPERFORMANCE

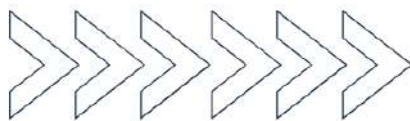
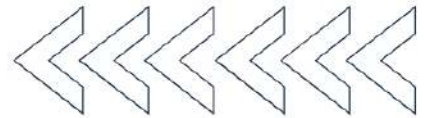


Improvement in Strategic Outcome 1: Expanded Access

- Quarterly visits of the Senior Management Team to campuses to review current infrastructure, implementation of capital projects and overall aesthetics.
- Improvement of capacity in contract management, project management, cost-benefit analysis, and stakeholder management.
- Alignment of Western TVET College programmes to local economy.
- Mindset shift to gear programmes towards occupations and the acquisition of mid-level skills.

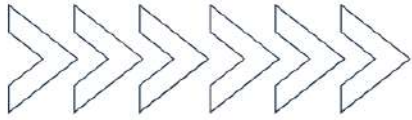
Improvement in Strategic Outcome 2: Improved Success

- In depth analysis of results and identifying poor performing subjects and possible cause and effect scenarios. Interventions that can amend these scenarios to be implemented and monitored at Monthly Broad Management Meetings.
- Development of the online learning management system and continuous enhancement and improvement.
- Implementation of a tutoring policy that assist students in poor performing subjects and those students that failed specific assessments and test.
- The development of online learning material that is relevant, easy to understand and modern.
- Research and benchmarking initiatives to learn from best practices and utilise identified successes and incorporating into academic system.



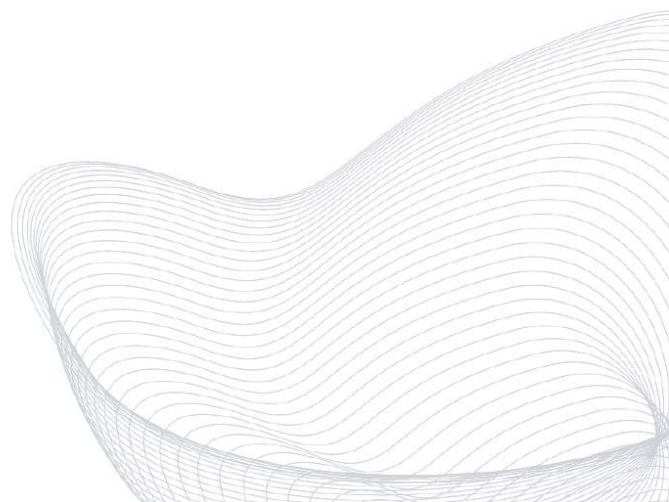
Improvement in Strategic Outcome 3: Quality of TVET Provision

- Implementing a holistic continuing professional development model that include lecturers obtaining professional qualifications, coaching, mentoring, peer observation and a system that provides feedback.
- Exposure of Western TVET College lecturers to global educational trends to improve the quality for sustainable global growth and development.
- Practical professional development for lecturers.
- Modern and equipped workshops for skills acquisition.



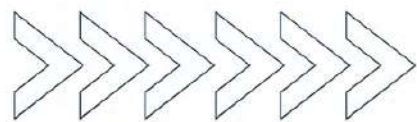
Improvement in Strategic Outcome 4: Improved Responsiveness to the world of work

- Campuses initiated Work Integrated Learning offices on campuses to improve the required target set for Workplace-Based Experience of students.
- Student Support Services to improve key initiatives in their Annual Plan to support students both mentally and emotionally.
- Increased partnerships both national and international with relevant private industry to ensure placement of both students and lecturers through improvement of Partnership and Linkages Annual Plan.
- Development of a partnership framework including appropriate policies and procedures to guide partnership formation.
- Establish a performance monitoring and evaluation framework to monitor SETA college partnerships in the TVET College.
- Increased participation in international forums, conferences, and seminars to benefit Post-School Education Sector in South Africa.





PART D



FINANCIALS

13. FINANCE PERFORMANCE



As Deputy Principal Finance, it is my pleasure to present the financial results of the college and performance of the college for the fiscal year ended December 31, 2023.

13.1. OVERALL RESULTS

The College achieved a surplus of R137 805 205 for the year that was 12.1% higher than the amount of the corresponding year of R122 848 370. Total net assets (equity) increased by 15,25% to R1 041 659 576.

Current Assets

Cash and Cash Equivalents

The College's cash and cash equivalents increased by 20% or R56 639 244 amounting to R934 287 793 mainly as a result of substantially higher interest rates and diversification of the investment portfolio.

Receivables from exchange transactions

Student debtors balance after impairment charges were R5 029 736 higher at R22 865 180 due to delays in the receipt of bursary remittances and economic challenges faced by students not being able to pay their tuition fees.

Inventories

Inventories relate to the value of learning material and textbooks and was marginally down to R4 001 167 due to improved management controls implemented over orders.

Revenue and Expenses

Total revenue for the year was R358 613 218 an increase of R24 219 029 or 7,2% mainly attributed in a substantial increase in interest income and donations received. Subsidy and grant income declined by R18 956 366 due to budgetary cuts.

Operating expenses increased to R219 872 917 or 4% primarily due to impairment charges of student debtors and tighter implemented cost containment controls implemented. All other expenditure remained within the approved budget. No major variations in any expenditure were recorded.

Capital expenditure

During the year total capex expenditure amounted to R21 152 046 with most of that expenditure relating to building plans on the proposed new building projects

13.2. BUDGET

The Council approved the 2024 budget In March 2024 with a projected surplus of R139M before capital expenditure.

Capital expenditure of for 2024 was pencilled in at R478,560,709 with more than R384,226,609 earmarked for the building of a new corporate centre, additional classrooms, and guard houses. It is anticipated that construction on these projects will commence later during this year.

The College is urgently prioritising several infrastructures at various levels to improve the current physical status of all its buildings at all campuses

13.3. LOOKING AHEAD

The College is currently in a strong cash position and will be able to finance all its capital projects from its own reserves. The 2024 budget was reduced by the Department of Higher Education and Training and the college will be looking at various other project initiatives with other participation SETA's and external parties to compensate for these reductions.

The 2023 audit has been concluded. The college received an unqualified opinion from the Auditor General of South Africa for the year. Internal Audit completed its annual requirements as part of their 3-year audit plan. A comprehensive risk assessment was performed with Council last year together with the appointment of a contract risk manager.



Mr AR Alli

DEPUTY PRINCIPAL FINANCE

14. FINANCIAL REPORTING

14.1. AUDITOR GENERAL SOUTH AFRICA REPORT



Auditor's Report

Western Technical Vocational Education and Training College (WESTCOL)

31 May 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to minister of Higher Education, Science and Technology and the council on the Western Technical, Vocational Education and Training College

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Technical, Vocational Education and Training College set out on pages 68 to 134, which comprise the statement of financial position as at 31 December 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Technical, Vocational Education and Training College as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (CET Act).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the college in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material impairments of debtors

7. As disclosed in note 4 to the financial statements, material losses of R9 737 443 was incurred as a result of a write-off of irrecoverable debtors.

Restatement of corresponding figures

8. As disclosed in note 28 to the annual financial statements, the corresponding figures for 31 December 2022 were restated as a result of errors in the financial statements of the college at, and for the year ended, 31 December 2023.

Responsibilities of the council for the financial statements

9. The council is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the CET Act; and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the council is responsible for assessing the college's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the college or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page ..., forms part of our auditor's report.

Report on the audit of the annual performance report

13. In terms of the CET Act, the college is not required to prepare an annual performance report.

Report on compliance with legislation

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The council is responsible for the college's compliance with legislation.
15. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
16. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial management of the college, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
17. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

18. The financial statements submitted for auditing were not fully prepared in accordance with generally recognised accounting practice, as required by section 25(3) of the CET Act.
19. Material misstatements of other expenses, property plant and equipment and correction of error disclosure note identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

20. The council is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
21. My opinion on the financial statements and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

22. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material inconsistency therein, I am required to communicate to those charged with governance and request that the information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
25. The matters reported below are limited to the significant internal control deficiencies that resulted in the material finding on compliance with legislation included in this report.
26. Council did not adequately exercise oversight responsibility regarding financial reporting, monitoring compliance with laws and regulations and related internal controls to ensure that the financial statements submitted for audit are free from material misstatements and are of the required quality as per the GRAP requirements and supported by reliable, complete and credible financial information.
27. Management did not prepare accurate and complete financial reports that were supported and evidenced by reliable information. This is evidenced by material misstatements that were detected on the submitted annual financial statements.
28. Management did not implement adequate controls over the daily processing/recording of transactions and month-end closure controls could not ensure that the financial records were complete and accurate.

Auditor - General

Pretoria

31 May 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the college's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the college's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the college to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My

conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a college to cease operating as a going concern

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

Communication with those charged with governance

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the council with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Continuing Education and Training Act No. 16 of 2006	Section 3(3) Section 10(9)(c); 10(9)(e)(iii); 10(9B) Section 20(7)(b); 20(8);(a)-(c) Section 25(1)(b); 25(3) Section 44(1) Section 46; 46(1)(a)(i); 46(1)(a)(ii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)

14.2. AUDITED FINANCIAL STATEMENTS



westcol
Technical and Vocational Education and Training College

WESTERN TVET COLLEGE

ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2023



Councillors

Chairperson

Ms S Xaba

Vice-Chairperson

Adv K Maja

Other Councillors

Mr E Khambule

Dr S Xakaza-Kumalo

Ms E Makgasane-Lefakane

Mr TG Mmotla

Mr GT Mogaladi

Ms P Mokwena

Prof NT Ngwenya

Mr R Skosana

Principal

JT Ngcobo

Deputy Principal Finance

AR Alli

Registered office

42 Johnstone Street
Hectorton
Randfontein
1760

Bankers

Absa Bank

Nedbank

First National Bank

Auditors

Auditor-General of South Africa

WESTERN TVET COLLEGE
Annual Financial Statements for the year ended 31 December 2023
INDEX

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

General Information	69
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Statement of Financial Performance	75
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Supplementary Schedule CIEG Grant Disclosure	134

The council is required by the Continuing Education and Training Act No. 16 of 2006, as amended, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of council to ensure that the financial statements fairly present the state of affairs of the College as at the end of the financial year and the results of its operations and cash flows for the year ended, in conformity with GRAP. The external auditors were engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records, related data and relevant parties.

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) and in the manner required by the Minister of Higher Education and Training.

The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

Council acknowledges that it is ultimately responsible for the system of internal financial control established by the College and places considerable importance on maintaining a strong control environment, which includes the safeguarding of assets and compliance with relevant legislation. To enable the council to meet these responsibilities, the council sets standards for internal control aimed at reducing risk in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting and other procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the College, and employees and management are required to maintain the highest ethical standards in ensuring the College's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the College is on identifying, assessing, managing and monitoring all known forms of risk across the College. While operating risk cannot be fully eliminated, the College endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council accepts its responsibility to ensure that the College is managed in a responsible manner, considering the interest of all stakeholders, including the Department of Higher Education and Training (DHET), unions, employees, students, local communities and creditors. Responsible management entails, inter alia, compliance with applicable statutory and regulatory requirements, including risk management.

The council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements and that the financial statements are free from material misstatement, whether due to fraud or error. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The council has reviewed the College's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, it is satisfied that the College has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The College is dependent on the DHET for continued funding of operations in line with the annual DHET programme funding allocation. The financial statements are prepared on the basis that the College is a going concern and that the DHET has neither the intention nor the need to liquidate or curtail materially the scale of the College's operations.

The external auditors are responsible for independently auditing and reporting on the College's financial statements, and their report is presented with these financial statements.

The financial statements set out on pages 74 to 134 were approved by the council on 27 March 2024 and were signed on its behalf by:



Mr J T Ngcobo
Principal
27 March 2024

WESTERN TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2023

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 74 to 134 in the manner prescribed by the Minister of Higher Education and Training in terms of the Continuing Education and Training Act No. 16 of 2006, as amended and which I have signed on behalf of the college.

These Annual Financial Statements were presented to the Council for approval on the 27th of March, 2024.



Mr J T Ngcobo
Principal
27 March 2024



Mr A R Alli
Deputy Principal - Finance
27 March 2024



Ms S Xaba
Chairperson of the Council
27 March 2024

WESTERN TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in Rands	Note	2023 R	2022 R
ASSETS			
Current assets		970,642,290	853,380,178
Cash and cash equivalents	3	934,287,793	777,648,549
Receivables from exchange transactions	4	22,865,180	17,835,444
Receivables from non-exchange transactions	5	9,488,150	53,597,513
Inventories	6	4,001,167	4,298,672
Non-current assets		101,516,859	83,719,526
Property, plant and equipment	7	101,433,114	83,552,036
Intangible assets	8	83,745	167,490
Total assets		1,072,159,149	937,099,704
LIABILITIES			
Current liabilities		30,499,573	33,245,333
Payables from exchange transactions	9	9,195,662	9,387,432
Payables from non-exchange transactions	10	21,154,514	23,199,021
Provisions	11	-	6,173
Deferred income	12	149,397	652,707
Total liabilities		30,499,573	33,245,333
Net assets		1,041,659,576	903,854,371
Accumulated surplus		1,041,659,576	903,854,371
Total net assets and liabilities		1,072,159,149	937,099,704

WESTERN TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Performance

Figures in Rands	Note	2023 R	2022 R
Revenue			
Revenue from exchange transactions		131,224,746	90,115,009
Tuition and related fees	13	59,093,252	53,305,615
Rental of facilities and equipment	14	87,000	54,700
Interest Earned	15	71,484,806	36,146,158
Other Income	16	559,688	608,536
Revenue from non-exchange transactions		227,388,472	244,279,180
Transfers and other grants received	17	225,133,988	244,090,354
Other income	16	2,254,484	188,826
Total revenue		358,613,218	334,394,189
Expenses			
Employee related costs	19	(139,858,433)	(136,181,530)
Impairment of debtors	20	(13,233,354)	(9,745,092)
Depreciation and amortisation	21	(4,034,568)	(3,826,152)
Books and learning materials	22	(12,920,466)	(12,046,379)
Finance costs		-	(6,907)
Other expenses	23	(49,826,096)	(49,491,269)
Total expenses		(219,872,917)	(211,297,329)
Other gains/losses			
Other gains/losses		(935,096)	(248,490)
Loss on disposal of assets	24	(693,080)	(148,732)
Impairment (Loss)/Reversal of impairment loss on assets	25	(242,016)	(99,758)
Surplus for the year		137,805,205	122,848,370

WESTERN TVET COLLEGE**Annual Financial Statements for the year ended 31 December 2023****Statement of Changes in Net Assets**

Figures in Rands		R	R
Note	37	Accumulated Funds	
		Accumulated Surplus	Total: Net Assets
Balance at 31 December 2021 as previously reported		775,361,797	775,361,797
Correction of error (Note 28)		5,644,204	5,644,204
Balance at 01 January 2022 as restated		781,006,001	781,006,001
Surplus for the year		122,848,370	122,848,370
As previously reported		117,358,871	117,358,871
Correction of error (Note 28)		5,489,501	5,489,501
Balance at 01 January 2023 as restated		903,854,371	903,854,371
Surplus for the year		137,805,205	137,805,205
Balance at 31 December 2023		1,041,659,576	1,041,659,576

WESTERN TVET COLLEGE**Annual Financial Statements for the year ended 31 December 2023****Cash Flow Statement**

Figures in Rand	Note	2023 R	2022 R
Cash flows from operating activities			
Receipts			
		247,289,021	208,856,082
Tuition and related fees		42,005,363	42,840,352
Interest		70,255,154	33,614,562
Transfers and other grants received		134,369,415	131,753,933
Other Receipts		659,089	647,236
Payments			
		(69,497,735)	(89,816,594)
Employee costs		(5,028,210)	(22,505,827)
Suppliers		(64,469,526)	(67,310,767)
Net cash flows from operating activities	27	177,791,286	119,039,488
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(21,152,041)	(7,564,093)
Net cash flows from investing activities		(21,152,041)	(7,564,093)
Net increase in cash and cash equivalents		156,639,244	111,475,394
Cash and cash equivalents at the beginning of the year		777,648,549	666,173,162
Cash and cash equivalents at the end of the year	3	934,287,793	777,648,549

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

1. ACCOUNTING POLICIES

1.1 Presentation of Financial Statements and Basis of Preparation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and in the manner prescribed by the Minister of Higher Education and Training in terms of the Continuing Education and Training Act No. 16 of 2006, as amended.

These financial statements have been prepared using the accrual basis of accounting and are in accordance with the historical cost convention as the basis of measurement unless specified otherwise.

Assets, liabilities, revenue and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies is disclosed below. The college changes an Accounting Policy only if the change:

- (a) Is required by a Standard of GRAP; or
- (b) Results in the Annual Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the college's financial position, financial performance or cash flow.

Accounting Policies have been consistently applied, except where otherwise indicated below.

For the years ended 31 December 2023 and 31 December 2022 the college has adopted the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

1.2 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the College.

1.3 Going concern assumption

Management and council have made the assessment that the entity is a going concern, and the financial statements have been prepared on a going concern basis.

1.4 Offsetting

Assets, Liabilities, Revenues and Expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.5 Significant judgements and sources of estimation uncertainty

The use of judgement, estimates and assumptions is inherent to the process of preparing financial statements. These judgements, estimates and assumptions affect the amounts presented in the financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements:

Programme funding

In terms of the CET Act and DHET Circular 1 of 2015, with effect from 1 April 2015, all non-management personnel of the College, appointed and remunerated through the Department of Education (PERSAL) and the allocation or programme funding, have migrated to DHET and are DHET employees. Non-management personnel not remunerated from provincial allocations or programme funding remain employees of the College as they are appointed by the College.

ACCOUNTING POLICIES continued...

Campuses or other property used and controlled but not owned by the College

Certain campuses and other property are used by the College and are not registered in the name of the College. The lack of legal ownership could affect whether or not the College has control over the campus. Where, inter alia, beneficial control exists, the campus in question is recognised, measured and included in the financial statements as either property, plant and equipment (campuses or other property) or investment property (other property) in terms of the definition of an asset as per the Framework for the Preparation and Presentation of Financial Statements and the definition of Property, Plant and Equipment in GRAP 17 Property, Plant and Equipment or Investment Property in GRAP 16 Investment Property.

Classification of land and buildings as property, plant and equipment or investment property

Judgement is needed to determine whether a property qualifies as investment property. The College developed the following criteria so that it can exercise that judgement consistently in accordance with the definition of investment property:

- The purpose for which the property is used i.e. if for education purposes then the property is not regarded as an investment property.
- If the property is held for the purpose of generating rental income or to appreciate in value, then the property is regarded as an investment property
- If other assets used in conjunction with the property to provide education, then the property is not regarded as an investment property
- Land held for a currently undetermined future use is regarded as investment property

Based on an evaluation of the above, the college does not hold investment property.

Revenue Recognition

Accounting Policy on Revenue from Exchange Transactions and Accounting Policy on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the college.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the college, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the college is satisfied that recognition of the revenue in the current year is appropriate.

Financial Assets and Liabilities

The classification of Financial Assets and Liabilities into categories is based on judgement by management. Accounting Policy on Financial Assets Classification and Accounting Policy on Financial Liabilities Classification describes the factors and criteria considered by the management of the college in the classification of Financial Assets and Liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of Financial Instruments as set out in GRAP 104 (Financial Instruments).

Debt impairment

The Accounting on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the college considered the detailed criteria of impairment of Financial Assets as set out in GRAP 104 (Financial Instruments) and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the college is satisfied that impairment of Financial Assets recorded during the year is appropriate.

ACCOUNTING POLICIES continued...

Impairment of Trade Receivables

The College assesses its financial assets for impairment at the end of each financial year. In determining whether an impairment loss should be recorded in surplus or deficit, the College makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The College has implemented a policy to classify all student debts as irrecoverable where they have been outstanding for more than one year (12 months). These amounts are then transferred to a provision for doubtful debts which is adjusted annually. All non-recoveries of these impaired amounts are then recognised as bad debts written off in the following year through the provision for impairment in the statement of financial position. This practice is based on the past patterns of the history of payments by students after considering the period the debt has been outstanding for. Attempts at recovery include sending letters of demand and handing debts over to collection agencies as guided by the financial policy of the College.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Useful lives and residual values of assets; depreciation and amortisation

As described in the relevant Accounting Policies below, the college depreciates its Property, Plant and Equipment and amortises its Intangible Assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The useful lives of assets are based on management's estimation. Management has considered whether there are any indicators that useful lives and residual values may have changed since the previous reporting period. Management considered the impact of technology, availability of capital funding, and service requirements in order to determine the optimum useful life expectation, where appropriate.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives and in what condition they will be at that time.

Impairment: Write-down of Property, Plant & Equipment, Intangible Assets and Inventories

Accounting Policy on Impairment of Assets, Accounting Policy on Intangible Assets – Subsequent Measurement, Amortisation and Impairment and Accounting Policy on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the college. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Current Replacement Cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21 (Impairment of Non-cash Generating Assets) and GRAP 26 (Impairment of Cash Generating Assets). In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Current Replacement Cost for Inventories involves significant judgement by management.

Estimated impairments during the year to Property, Plant and Equipment, Intangible Assets and Inventory are disclosed in Notes 6,7 and 8 to the Annual Financial Statements, if applicable.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

1.6 Property, plant and equipment

Property, plant and equipment include:

Land
Buildings
Vehicles
Furniture and Fittings
Computer Equipment
Training and classroom equipment
Leasehold Improvements

Property, Plant and Equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes and are expected to be used for more than one year.

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the college and if the cost or fair value of the item can be measured reliably. Assets of less than three thousand rand (R3000) are expensed, and recorded in a minor asset register in the year they were purchased.

Property, Plant and Equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grants or donations, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of Property, Plant and Equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the college. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.'

When significant components of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Where an asset is acquired by the college for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of Property, Plant and Equipment acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up unless the fair value of the asset received is more clearly evident. If the acquired item cannot be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and standby equipment that are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Subsequent Measurement

Subsequent expenditure relating to Property, Plant and Equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the college, and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the college replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently, all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Compensation from third parties for items of Property, Plant and Equipment that were impaired, lost or given up is included in the Statement of Financial Performance when the compensation becomes receivable.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the college. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The assets' residual values, estimated useful lives and depreciation method are reviewed annually for indicators that these factors may have changed and adjusted prospectively, if appropriate, at each reporting date.

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gains are not classified as revenue.

Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.7 Intangible assets

Intangible assets include:

Computer Software

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets. The college recognises an Intangible Asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the college and the cost or fair value of the asset can be measured reliably.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item cannot be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

For internally generated intangible assets, expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

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

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an Intangible Asset at a later date.

Amortisation only commences when the asset is available for use unless stated otherwise. The amortisation rates are based on the following estimated useful lives:

Computer Software 5 -7 Years

Intangible Assets are tested for impairment as described in Accounting Policy on Impairment of Assets, including Intangible Assets not yet available for use. Where items of Intangible Assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. The impairment loss is the difference between the carrying amount and the recoverable service amount.

The estimated useful life, residual values and amortisation method are reviewed annually for indicators that these factors may have changed at the end of the financial year. Any adjustments arising from the review are applied prospectively as a Change in Accounting Estimate in the Statement of Financial Performance..

Intangible Assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an Intangible Asset is determined as the difference between the proceeds of disposal and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Financial instruments

The College has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

A Financial Asset is any asset that is a cash, a contractual right to receive cash or another financial asset from another entity. In accordance with GRAP 104, the Financial Assets of the college are classified as follows:

Financial Assets measured at Amortised Cost are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market. They are included in Current Assets, except for maturities greater than 12 months, which are classified as Non-current Assets. Financial Assets at Amortised Cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. After initial recognition, Financial Assets are measured at amortised cost, using the Effective Interest Rate Method less a provision for impairment.

Class

Receivables from Exchange Transactions
Cash and Cash Equivalents

Category

Financial asset at amortised cost
Financial asset at amortised cost

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). Cash Equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, which are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks. The college categorises Cash and Cash Equivalents as Financial Assets at Amortised Cost.

A Financial Liability is a contractual obligation to deliver cash or another Financial Assets to another entity.

The College has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from Exchange Transactions	Financial liability at amortised cost
Payables from Non-exchange Transactions	Financial liability at amortised cost

Initial and Subsequent Measurement

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

Financial Liabilities:

Financial Liabilities held at Amortised Cost

Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in the Statement of Financial Performance by applying the effective interest rate.

Prepayments are carried at cost less any accumulated impairment losses.

Impairment and uncollectability of financial assets

Financial Assets are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence, the recoverable amount is estimated, and an impairment loss is recognised in accordance with GRAP 104.

Financial assets measured at amortised cost:

Accounts Receivable encompass Receivables from Exchange Transactions (Tuition Fee Debtors) and Receivables from Non-exchange Transactions (Other Debtors).

An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off after two years. Amounts receivable within 12 months from the date of reporting are classified as current.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

A provision for impairment of Accounts Receivables is established when there is objective evidence that the college will not be able to collect all amounts due according to the original terms of receivables. The provision is made in accordance with GRAP 104, whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Tuition Fee Debtors, where the carrying amount is reduced through the use of an allowance account. When a Tuition Fee Debtors is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

Derecognition

Financial assets

The college derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the college neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the college recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the college retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the college continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The college derecognises Financial Liabilities when, and only when, the college's obligations are discharged, cancelled, or they expire.

The college recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.9 Statutory receivables

The statutory receivable is included in Other receivables from non-exchange transactions. Refer to note 5..

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the college and the transaction amount can be reliably measured.

Initial measurement

Statutory Receivables are initially measured at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP.

Subsequent measurement

Statutory Receivables are measured after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

- Interest or any other charges that may have accrued on the receivable where applicable;
- Impairment losses; and
- Amounts derecognised.

Impairment

Statutory receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables.

If there is such evidence, the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

1.10 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.

When a lease includes both land and building elements, the College assesses the classification of each element separately.

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 or liability.

1.11 Inventories

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution through a non-exchange transaction; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Recognition as an expense

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Cash and cash equivalents

Cash and cash equivalents consist of the following:

- i) cash;
- ii) cash in current bank accounts;
- iii) cash in interest-bearing bank accounts or money market accounts where the funds are available immediately; and
- iv) fixed term deposits used to deposit funds until it is needed for the operations of the College, where the maturity date does not exceed three months from the reporting date. Longer-term fixed deposits are classified as other financial assets.

1.12 Impairment of cash-generating assets

Cash-generating assets are those assets managed by the College with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated College, it generates a commercial return.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The College assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the College estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value, less costs to sell and its value in use. The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the College determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

The College assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the College estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

1.13 Impairment of non-cash-generating assets

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The College assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the College estimates the recoverable service amount of the asset.

The recoverable service amount of a non-cash generating asset is the higher of its fair value, less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
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ACCOUNTING POLICIES continued...

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

Recognition and measurement

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

Reversal of an impairment loss

The college assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

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

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

1.14 Employee-related costs - employed by the college

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The costs of all short-term employee benefits, such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year-end and is shown as a creditor in the Statement of Financial Position. The College recognises the expected cost of performance bonuses only when the College has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

1.15 Provisions and Contingencies

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the College settles the obligation.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the College has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the College has a detailed formal plan for the restructuring, identifying at least:

- the activity/operating unit or part of an activity/operating unit concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the College

No obligation arises as a consequence of the sale or transfer of an operation until the College is committed to the sale or transfer, that is, there is a binding arrangement.

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

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Where a fee is received by the College for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged, and the College considers that an outflow of economic resources is probable, a College recognises the obligation at the higher of:

- the amount determined using the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

ACCOUNTING POLICIES continued...

1.16 Revenue from exchange transactions

General

Revenue is derived from a variety of sources, which include tuition fees, grants from other tiers of government and revenue from trading activities and other services provided.

The college recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the college and when specific criteria have been met for each of the college's activities as described below, except when specifically stated otherwise. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The college bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue from Exchange Transactions refers to revenue that accrued to the college directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from Non-exchange transactions refers to transactions where the college received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been met:

- the college has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the college retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the College; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the College;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other act, the recognition of revenue is postponed until the significant act is executed.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

Unknown deposits older than two years are transferred to revenue.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the Time-proportionate Basis that takes into account the effective yield on the investment.

Rentals received

No rental income contracts are in place and enforced. Rental Income is therefore recognised on an ad-hoc basis.

1.17 Revenue from non-exchange transactions

An inflow of resources from a Non-exchange transaction that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the college and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a Non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Public Contributions

Donations and funding are recognised as revenue to the extent that the college has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment when such items of property, plant and equipment are brought into use.

Assets acquired from non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

Government Grants and Receipts

Conditional grants, donations and funding are recognised as revenue to the extent that the college has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the college with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the creditor and if it is the college's interest, it is recognised as interest earned in the Statement of Financial Performance.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment when such items of property, plant and equipment are brought into use.

ACCOUNTING POLICIES continued...

Services in-kind

The College recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the College's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the nature and type of services in-kind received during the reporting period is disclosed.

When the criteria for recognition are satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition.

The management of the College consists of the Principal and the Deputy Principals. The remuneration of the management employees is paid for by DHET from its own budget and prior to 1 April 2015 it was paid for by the Provincial Department of Education (PDE). This service in kind is measured at the cost of the management remuneration to DHET, inclusive of leave, bonus and other employee-related accruals and/or provisions, as and when incurred by DHET. The related revenue is recognised as a management remuneration subsidy as per note 17. The related expense is recognised as a DHET management fee expense as per note 19.

1.18 General expenses

General Expenditure is recognised on an accrual basis of accounting. Unless permitted by another standard of GRAP, general expenditure has not been offset against revenue.

1.19 Comparative figures

When the presentation or classification of items in the Annual Financial Statements is amended, prior-period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.20 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control or joint control. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Significant influence may be exercised in several ways, usually by representation in the governing body but also, for example, by participation in the policy-making process, material transactions between entities within an economic entity, interchange of managerial personnel or dependence on technical information.

Significant influence may be gained by an ownership interest, statute or agreement or otherwise. With regard to an ownership interest, significant influence is presumed in accordance with the definition contained in the Standard of GRAP on Investments in Associates.

Management are those persons responsible for planning, directing and controlling the activities of the College, including those charged with the governance of the College in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the College.

Transactions with related parties, including not at arm's length and at arm's length, or not in the ordinary course of business, are disclosed.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

ACCOUNTING POLICIES continued...

1.21 Commitments

Commitments are future expenditure to which the college committed, and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes. A distinction is made between capital and current commitments.

Commitments are disclosed for:

- Approved, and contracted commitments, where the expenditure has been approved, and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.
- Approved but not yet contracted commitments, where the expenditure has been approved, and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the college commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services that have not yet been received are disclosed in the disclosure notes to the Annual Financial Statements.
- Other commitments for contracts that are non-cancellable or only cancellable at significant cost should relate to something other than the business of the college.

1.22 NET ASSETS

Included in the Net Assets of the college are the following Reserves that are maintained in terms of specific requirements:

Accumulated Surplus

Accumulated surplus comprise of rolled-over funds from the current and prior years based on the recorded surplus or deficit for the period. The reserve is not cash-backed.

1.23 Events after the reporting date

Events after the reporting date are those events, both favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Reporting date means the date of the last day of the reporting period to which the financial statements relate. The reporting date of the College is 31 December 2023.

The College adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting date. The College does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
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2. Standards, amendments to Standards, Directives and Interpretations issued but not yet effective

The following Standards of GRAP and / or amendments thereto have been approved by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The College has not early-adopted any of these new Standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

Title of the standard and nature of impending changes in accounting policy and expected impact	Effective date (Periods starting on or after)	Financial year in which the College plans to apply the Standard initially
GRAP 25 - Employee benefits (revised)	01 April 2023	31 December 2024 - Unlikely that there will be an material impact
Amendments to GRAP 1 on Presentation of Financial Presentation of Financial Statements	01 April 2023	31 December 2024 - Unlikely that there will be an material impact
Improvements to Standards of GRAP, 2020	01 April 2023	31 December 2024 - Unlikely that there will be an material impact
GRAP 104 - Financial instruments (revised)	01 April 2025	31 December 2026 - Unlikely that there will be an material impact
IGRAP 21 - The Effect of Past Decisions on Materiality	01 April 2023	31 December 2024 - Unlikely that there will be an material impact
IGRAP 22 - Foreign Currency Transactions and Advance Consideration	01 April 2025	31 December 2026 - Unlikely that there will be an material impact
IGRAP 7 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01 April 2023	31 December 2024 - Unlikely that there will be an material impact

The ASB Directive 5, paragraph 29, sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands

Note	2023	2022
	R	R

Standards, amendments to Standards, Directives and Interpretations issued but not yet effective continued...

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued but is not yet in effect, the college may select to apply the principles established in that standard in developing an appropriate Accounting Policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. There are no new standards approved but not yet effective that could have an impact on the college.

Management has considered all of the above-mentioned GRAP Standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the college.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Cash at bank

Call deposits

725,991,995	777,648,549
208,295,798	-
934,287,793	777,648,549

Other not included in cash and cash equivalents - Restricted Cash Carletonville Community Trust

Bank statement balance at beginning of year

Bank statement balance at end of year

168,406	162,102
180,005	168,406

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands

Note
2023
R
2022
R

4. Receivables from exchange transactions

31 December 2023

Student debtors
Employee advances
Prepayments
Accrued interest
Total trade and other receivables

Gross Balances R	Provision for Doubtful Debts R	Net Balance R
30,355,081	(13,332,899)	17,022,182
774	-	774
139,147	-	139,147
5,703,077	-	5,703,077
36,198,079	(13,332,899)	22,865,180

31 December 2022

Student debtors
Employee advances
Prepayments
Accrued interest
NWU - Hall rental
Total trade and other receivables

Gross Balances R	Provision for Doubtful Debts R	Net Balance R
23,003,633	(9,836,988)	13,166,645
1,774	-	1,774
177,600	-	177,600
4,473,425	-	4,473,425
16,000	-	16,000
27,672,432	(9,836,988)	17,835,444

Students: Ageing

Current (0 – 30 days)
31 - 60 Days
61 - 90 Days
91 - 120 + Days
Total

140,205	(18,435)
3,298	(1,032)
1,820,146	153,954
28,391,431	22,869,147
30,355,079	23,003,633

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
<i>Receivables from exchange transactions continued...</i>			
Employee advances: Ageing			
121 + Days	774	1,774	
Total	774	1,774	
Prepayments: Ageing			
Current (0 – 30 days)	139,147	177,600	
Total	139,147	177,600	
Other receivables: Ageing			
Current (0 – 30 days)	5,703,077	4,473,425	
91 - 120 Days	-	16,000	
Total	5,703,077	4,489,425	
Reconciliation of the provision for debt impairment			
Balance at beginning of the year	9,836,988	6,336,543	
Contributions to provision	13,233,354	9,745,092	
Doubtful debts written off against provision	(9,737,443)	(6,244,648)	
Balance at end of year	13,332,899	9,836,988	

The provision for bad debts is based on management's experience of debtors. Based on management's experience, many of the debtors are expected to settle outstanding amounts during the next year's registration process. Only receivables outstanding for more than 12 months are considered for impairment.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
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Receivables from exchange transactions continued...

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

Less than 30 days	5,982,429	4,632,590
31 to 60 days	3,298	(1,032)
61 to 90 days	1,820,146	153,954
91 to 120 days	15,058,532	13,032,158
Greater than 120 days	774	17,774
	22,865,178	17,835,444

None of the receivables from exchange transactions that are fully performing have been renegotiated in the last year.

Trade and other receivables impaired

The ageing of these receivables is as follows:

Greater than 120 Days	13,332,899	9,836,988
	13,332,899	9,836,988

Credit quality of trade and other receivables from exchange transactions

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to historical payment trends. Accordingly, the credit quality of the customers included in the balance of trade and other receivables from exchange transactions is determined internally by applying managerial knowledge and experience.

Trade and other receivables from exchange transactions pledged as security

None of the other receivables from exchange transactions were pledged as security.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands

Note 2023 2022
 R R

5. Receivables from non-exchange transactions

Statutory receivable: Government grants and subsidies

NSFAS Receivable

SETA's

CIEG Grant

Total receivables from non-exchange transactions

6,434,389	51,968,219
125,000	-
543,796	21,096
2,384,965	1,608,198
9,488,150	53,597,513

Statutory receivable: Government grants and subsidies

Included in receivables from non-exchange transactions are Statutory receivables that represent the cash portion of allocated Programme Funding to be paid to the College by DHET. The portion of the Programme Funding that is paid directly to the College employees employed by DHET, via Persal is recognised as "services-in-kind" non-exchange revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. The remaining portion of the programme funding is settled in cash and reflected as a subsidy in the books of the college.

Impairment

At year-end, there is no amount included in the carrying amount of statutory receivables that is past due and not impaired. All amounts outstanding at year-end are recoverable from the Department.

Other receivables from non-exchange transactions pledged as security

The college does not hold deposits or other security for its Receivables. None of the Receivables have been pledged as security for the college's financial liabilities.

6. Inventories

Consumable stores include:

Textbooks

Total

4,001,167	4,298,672
4,001,167	4,298,672
4,001,167	4,298,672

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands

Note	2023	2022
	R	R

Inventories continued...

Amounts recognised as an expense

The following amounts related to inventory were recognised in the statement of financial performance during the year:

Cost of textbooks and learning materials in the ordinary course of business

12,920,466	12,046,379
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Total amount of Inventories recognised in the statement of financial performance during the year. (Note 22)

12,920,466	12,046,379
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WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
<i>Inventories continued...</i>			
Reconciliation of movement			
Opening balance		4,298,672	4,888,420
Purchases		12,620,232	11,455,557
Stock issues		(12,753,900)	(11,934,831)
Gains		236,187	325,364
Losses		(400,023)	(435,838)
Closing		4,001,167	4,298,672

Inventory is measured using the weighted average cost.

The current year expenditure recognised is disclosed as per Note 22, which is the account for the learning materials.

Notes to the Annual Financial Statements for the year ended 31 December 2023

Figures in Rands

7. Property, plant and equipment

	2023			2022		
	Cost	Accumulated Depreciation and Impairment	Carrying Value	Cost	Accumulated Depreciation and Impairment	Carrying Value
	R	R	R	R	R	R
Land	15,445,200	-	15,445,200	15,445,200	-	15,445,200
Buildings	81,499,784	(11,793,140)	69,706,644	61,152,735	(10,695,551)	50,457,184
Vehicles	3,539,325	(1,880,627)	1,658,698	3,896,840	(1,783,083)	2,113,757
Furniture and Fittings	4,947,066	(2,854,965)	2,092,101	4,808,922	(2,574,880)	2,234,042
Computer Equipment	22,148,879	(10,441,264)	11,707,615	21,152,797	(8,974,733)	12,178,064
Training and Classroom Equipment	4,475,465	(3,699,932)	775,533	4,691,573	(3,648,797)	1,042,776
Leasehold Improvements	336,900	(289,577)	47,323	336,900	(255,887)	81,013
Total	132,392,619	(30,959,505)	101,433,114	111,484,967	(27,932,931)	83,552,036

Reconciliation of Property Plant and Equipment - 2023

	Carrying Value Opening Balance	Additions	Additions Donated assets and insurance claims	Disposals	Depreciation	Transfers	Impairment loss	Impairment reversal	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R
Land	15,445,200	-	-	-	-	-	-	-	-	15,445,200
Buildings	50,457,184	20,257,049	90,000	-	(1,031,039)	-	(66,550)	-	-	69,706,644
Vehicles	2,113,757	58,659	-	(206,671)	(209,668)	-	(97,380)	-	-	1,658,698
Furniture and Fittings	2,234,042	168,408	79,300	(26,129)	(363,521)	-	-	-	-	2,092,100
Computer Equipment	12,178,064	594,029	1,445,651	(456,737)	(1,979,882)	-	(73,510)	-	-	11,707,615
Training and Classroom Equipment	1,042,776	73,901	-	(3,544)	(333,023)	-	(4,576)	-	-	775,534
Leasehold Improvements	81,013	-	-	-	(33,690)	-	-	-	-	47,323
Total	83,552,036	21,152,046	1,614,951	(693,080)	(3,950,823)	-	(242,016)	-	-	101,433,115

Notes to the Annual Financial Statements for the year ended 31 December 2023

Figures in Rands

Property, plant and equipment continued...

Reconciliation of Property Plant and Equipment - 2022

	Carrying Value Opening Balance	Additions	Additions Donated Assets	Disposals	Depreciation	Transfers	Impairment loss	Impairment reversal	Other	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R
Land	15,445,200	-	-	-	-	-	-	-	-	15,445,200
Buildings	45,171,064	6,265,048	-	-	(978,928)	-	-	-	-	50,457,184
Vehicles	2,331,267	-	-	-	(217,510)	-	-	-	-	2,113,757
Furniture and Fittings	2,026,129	501,591	-	-	(293,678)	-	-	-	-	2,234,042
Computer Equipment	13,155,828	778,410	177,507	(148,732)	(1,685,193)	-	(99,756)	-	-	12,178,064
Training and Classroom Equipment	1,353,716	19,046	-	-	(329,984)	-	(2)	-	-	1,042,776
Leasehold Improvements	114,744	-	-	-	(33,733)	-	-	-	-	81,011
Total	79,597,949	7,564,095	177,507	(148,732)	(3,539,026)	-	(99,758)	-	-	83,552,034

Estimated useful lives

The annual depreciation rates are based on the following estimated asset useful lives in ranges varying between two limits as indicated:

Class	Useful Life in Years
Land	Indefinite Life
Buildings	25 to 50
Computer Equipment	10 to 15
Furniture and Fittings	12 to 25
Motor Vehicles	9 to 20
Leasehold Improvements	10
Training and Classroom Equipment	6 to 15

Property, plant and equipment which is in the process of being constructed or developed

Notes to the Annual Financial Statements for the year ended 31 December 2023

Figures in Rands

Property, plant and equipment continued...

Cumulative expenditure recognised in the carrying value of property, plant and equipment which is in the process of being constructed:

	2023			2022		
	Opening Balance	Additions	Closing Balance	Opening Balance	Additions	Closing Balance
	R	R	R	R	R	R
Buildings	12,942,101	11,307,712	24,249,813	10,305,608	2,636,493	12,942,101
	12,942,101	11,307,712	24,249,813	10,305,608	2,636,493	12,942,101

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected, including reasons for any

	Reason for delay	2023	2022
		Carrying Value R	Carrying Value R
Land		-	-
Buildings	The construction for student support centres is deferred to a future date not exceeding five years due to other competing priorities.	12,942,101	12,942,101
		12,942,101	12,942,101

Repairs and maintenance incurred 2023:

	Employee related costs and DHET management fee	Garden Services	Repairs and maintenance	Telephone, postage, internet, network and communication costs	Total Repairs and maintenance incurred
Land	-	76,576	58,090	-	134,665
Buildings	2,960	-	1,444,765	-	1,447,725
Vehicles	-	-	197,656	-	197,656
Furniture and Fittings	-	-	18,400	-	18,400
Computer Equipment	-	-	486,992	-	486,992
Training and Classroom Equipment	-	-	136,057	-	136,057
	2,960	76,576	2,341,959	-	2,421,495

2022:

	Employee related costs and DHET management fee	Garden Services	Repairs and maintenance	Telephone, postage, internet, network and communication costs	Total Repairs and maintenance incurred
Land	-	53,470	29,973	-	83,443
Buildings	22,915	-	8,664,712	-	8,687,627
Vehicles	-	-	181,483	-	181,483
Furniture and Fittings	-	-	38,834	-	38,834
Computer Equipment	-	-	160,203	-	160,203
Training and Classroom Equipment	-	-	58,205	-	58,205
	22,915	53,470	9,133,411	-	9,209,795

Other information

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands

8. Intangible assets

	2023			2022		
	Cost	Accumulated Amortisation and Impairment	Carrying Value	Cost	Accumulated Amortisation and Impairment	Carrying Value
	R	R	R	R	R	R
Computer Software	1,435,634	(1,351,889)	83,745	1,435,634	(1,268,144)	167,490
Total	1,435,634	(1,351,889)	83,745	1,435,634	(1,268,144)	167,490

Reconciliation of Intangible Assets - 2023

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Impairment reversal	Internally Developed	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R
Computer Software	167,490	-	-	-	(83,745)	-	-	-	-	83,745
Total	167,490	-	-	-	(83,745)	-	-	-	-	83,745

Reconciliation of Intangible Assets - 2022

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Impairment reversal	Internally Developed	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R
Computer Software	454,617	-	-	-	(287,127)	-	-	-	-	167,490
Total	454,617	-	-	-	(287,127)	-	-	-	-	167,490

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
9. Payables from exchange transactions			
Trade creditors		8,242,107	7,891,014
Retentions		464,281	1,141,612
Payroll Creditors		12,994	56,724
Staff Bonuses		61,358	80,844
Other payables		414,922	217,238
Total creditors		9,195,662	9,387,432

Debtors with credit balances are included in trade creditors:
R 5 502 405 (2022: R 5 185 527)

10. Payables from Non-exchange Transactions

NSFAS Bursaries and allowances		13,866,703	17,190,934
W&R Seta - Bursary claims		256,357	-
NSFAS Creditors		241,141	-
Payment received in advance		6,790,313	6,008,087
Total		21,154,514	23,199,021

No credit period exists for Payables from Non-exchange transactions, neither has any credit period been arranged.

The college did not default on any payment to its creditors.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands

Note

2023
R

2022
R

11. Provisions

Reconciliation of Movement in Provision - 2023

Opening Balance
 Amounts Used
Closing Balance

Performance Bonus	Trust fund	Total
R	R	R
6,174	-	6,174
(6,174)	-	(6,174)
-	-	-

Reconciliation of Movement in Provision - 2022

Opening Balance
 Amounts Used
Closing Balance

Performance Bonus	Trust Funds	Total
R	R	R
51,123	-	51,123
(44,949)	-	(44,949)
6,174	-	6,174

Performance Bonus

Performance Bonuses accrue to employees on an annual basis, subject to certain conditions.

The bonus is based on employees who are paid from the council payroll. Thirteenth Cheque bonuses (guaranteed structured payments) are determinable and due at year end and therefore recorded under payables from exchange transactions.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
12. Deferred Income			
Grants from other spheres of Government		149,397	652,707
8% Missing Middle Subsidy		149,397	652,707
Total Deferred Income		149,397	652,707
Movements during the year			
Balance at the beginning of year		(652,707)	(1,006,224)
Additions during the year		503,310	353,517
Balance at the end of the year		(149,397)	(652,707)

The Missing Middle Subsidy is a special-purpose grant introduced by the Department of Higher Education to reduce the impact of fee increases on students to a maximum of 8% per annum.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
13. <u>Tuition and related fees</u>			
Tuition fees paid directly by students			
Tuition fees - students (Report 191)		31,890,117	32,358,631
Tuition fees - students (NCV)		26,835,515	20,518,056
Pre-vocational learning programme		367,620	428,928
		59,093,252	53,305,615
14. <u>Rental of facilities and equipment</u>			
Other Facilities		87,000	54,700
Total rentals		87,000	54,700

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
15. Interest earned			
Interest - Financial assets		71,484,806	36,146,158
Total interest income		71,484,806	36,146,158
Total investment income		71,484,806	36,146,158

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
16. Other income			
From exchange transactions			
Sundry income		69,426	27,300
Insurance pay-outs		317,670	31,613
Bad Debts Recovered		172,592	549,623
		559,688	608,536
From non-exchange transactions			
Revenue in kind - Donated Assets		1,725,495	177,507
NSFAS - Admin fee		500,000	-
ETDP - SDL Refund		28,989	11,319
		2,254,484	188,826

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands

Note

2023
R

2022
R

17. Transfers and other grants received

Reconciliation of Movement - 2023

Programme funding: Services in Kind paid via Persal
 Programme funding: Grants paid cash
 National SETA Projects
 Infrastructure Grant
Total Transfers

Balance unspent at beginning of year	Current year transfers	Transferred to revenue	Conditions still to be met - remain liabilities
R	R	R	R
-	134,899,615	(134,899,615)	-
-	77,338,274	(77,338,274)	-
-	8,126,170	(8,126,170)	-
-	4,769,929	(4,769,929)	-
-	225,133,988	(225,133,988)	-

Reconciliation of Movement - 2022

Programme funding: Grants paid via Persal
 Programme funding: Grants paid cash
 National SETA Projects
 Infrastructure Grant
Total Transfers

Balance unspent at beginning of year	Current year transfers	Transferred to revenue	Conditions still to be met - remain liabilities
R	R	R	R
-	114,001,396	(114,001,396)	-
-	118,398,791	(118,398,791)	-
-	3,867,959	(3,867,959)	-
-	7,822,208	(7,822,208)	-
-	244,090,354	(244,090,354)	-

Persal Funding

DHET funds many of the activities of the college through means of a grant allocation. PERSAL funding is for the portion of funding that is paid via DHET's own PERSAL payroll and classified as a DHET management fee in the AFS.

Programme Funding

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
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Transfers and other grants received continued...

DHET funds many of the activities of the college through means of a grant allocation. Programme funding also consists of a cash portion that is paid to the college. The cash portion is used for the funding of the day-to-day operations of the college.

National: SETA Projects

The SETA Projects grant is designed to improve student placements in the private sector. The grant promotes student placements through learnerships. Only the admin fee and other project costs, where applicable, are recorded as revenue. During the financial year under review the College received an Infrastructure development grant for the installation of Solar Power, with the aim to advance the national objective of post-school education and training.

Missing Middle Subsidy

The Missing Middle Subsidy is a special-purpose grant introduced by the Department of Higher Education to reduce the impact of fee increases on students to a maximum of 8% per annum.

Infrastructure Grant

The Infrastructure Grant is a special-purpose grant introduced by the DHET to improve the maintenance of college facilities.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023	2022
		R	R

18. Service in kind - Free use of some properties

The College has the right to use the Randfontein Campus and Corporate Office for free. The value of the service in kind cannot be determined as it is impractical. There are no properties in the area where the college is operating for which comparatives can be obtained and used to determine the fair value for rental that shall be paid for such use.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
19. Employee related costs			
Employee related costs			
Employee related costs - Salaries and Wages		3,138,336	15,627,311
Employee related costs - Contributions for UIF, pensions and medical aids		289,304	604,502
Travel, motor car, accommodation, subsistence and other allowances		1,156,903	5,610,325
Housing benefits and allowances		1,357	19,672
Overtime payments		284,802	83,603
Performance and other bonuses		88,116	234,720
		4,958,818	22,180,133
DHET management fee cost			
Employee related costs - Salaries and Wages		113,429,770	95,894,218
Employee related costs - Contributions for pensions and medical aids		21,469,845	18,107,179
		134,899,615	114,001,397
Total employee related costs and DHET management fee		139,858,433	136,181,530
Expenses paid via Persal from College programme funding:			
Management remuneration		4,479,652	3,317,665
		4,479,652	3,317,665
Remuneration of Executive Management:			
Remuneration of the Principal			
Annual Remuneration		889,664	906,500
Car and Other Allowances		264,161	179,007
Company Contributions to Medical and Pension Funds		135,538	129,325
Total		1,289,363	1,214,832
Remuneration of the Deputy Principal: Registrar			
Annual Remuneration		706,136	-
Car and Other Allowances		180,767	-
Company Contributions to Medical and Pension Funds		95,785	-
Total		982,689	-
Remuneration of the Deputy Principal: Academic Services			
Annual Remuneration		817,223	810,478
Car and Other Allowances		112,194	61,640
Company Contributions to Medical and Pension Funds		130,132	124,202
Total		1,059,549	996,319

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
<i>Employee related costs continued...</i>			
Remuneration of the Deputy Principal: Finance			
Annual Remuneration		845,052	831,090
Car and Other Allowances		193,023	170,347
Company Contributions to Medical and Pension Funds		109,975	105,076
Total		<u>1,148,051</u>	<u>1,106,513</u>
Expenses paid via College payroll:			
Management remuneration		208,191	132,565
		<u>208,191</u>	<u>132,565</u>

In terms of the CET Act, employees that are employed by DHET have a dual accountability towards the council and DHET respectively.

In-kind Benefits

Services in kind (Paid via Persal, but not from College funding): Transfers from DHET included Services In-kind amounting to R 134 899 615 paid via PERSAL (2022 R 114 001 397)

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
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20. Impairment of debtors

Changes in debt impairment provision		(13,233,354)	(9,745,092)
Receivables from Exchange Transactions		(13,233,353)	(9,745,092)
		(13,233,354)	(9,745,092)

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
21. Depreciation and amortisation			
Property, plant and equipment		3,950,823	3,539,025
Intangible assets		83,745	287,127
		4,034,568	3,826,152
22. Books and learning materials			
Books and learning materials		(12,920,466)	(12,046,379)
		(12,920,466)	(12,046,379)

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
23. <u>Other expenses</u>			
Advertising		334,271	142,986
Audit fees		2,599,819	2,787,195
Bank charges		203,250	198,718
Conferences and delegations		457,345	239,654
Council remuneration		691,080	474,839
Debt collection commission		27,252	75,306
Vehicle Expenses		631,885	612,753
Insurance		3,328,847	3,103,173
License fees - computers & software		1,842,442	2,107,134
Membership fees		295,029	301,403
Rental of Facilities and Equipment		1,600,970	1,126,781
Stocks and material		6,462,549	6,165,067
Recruitment		97,022	40,590
Professional fees		3,703,251	1,732,404
Council General Expenses		182,706	75,444
Repairs and maintenance of assets		2,341,960	9,133,411
Legal Fees		1,951,570	63,837
Student Excursions		3,282,694	1,464,860
Staff Welfare		1,910,074	1,780,342
Telephone Cost		712,225	821,929
Travel and Substance		1,067,990	534,712
Prize Giving		177,302	508,570
Garden Services		76,576	53,470
National Skills Fund Expenses		445,989	428,633
Marketing		915,176	1,882,594
Municipal Services		4,084,822	4,095,945
Postage and Courier		159,724	157,490
Printing and Stationery		2,213,584	2,174,874
Security Services		6,535,952	5,337,551
Internet and Email Expenses		632,572	624,850
Examination Expenses		197,829	260,473
Entertainment		359,077	232,243
Gifts		20,054	227,050
Covid-19 Expenses		-	269,007
Financial losses		-	121,231
Assets below threshold		283,208	134,750
		49,826,096	49,491,269
24. <u>(Loss) on disposal of assets</u>			
Property, plant and equipment		(693,080)	(148,732)
		(693,080)	(148,732)

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rands	Note	2023 R	2022 R
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25. Impairment (Loss) on assets

Property, plant and equipment		(242,016)	(99,758)
Total Impairment (loss)/Reversal of Impairment Loss		(242,016)	(99,758)

26. Financial Instruments

Classification

FINANCIAL ASSETS:

In accordance with GRAP 104.13, the Financial Assets of the college are classified as follows:

Financial Assets	Classification				
Receivables from Exchange Transactions					
Student Debtors Control	Amortised cost	Notes 4	17,022,182	13,166,645	
Other Services	Amortised cost	Notes 4	5,842,998	4,668,799	
Receivables from Non-exchange Transactions					
SETA's and	Amortised cost	Notes 5	543,796	21,096	
NSFAS	Amortised cost	Notes 5	125,000		
CIEG - Grant	Amortised cost	Notes 5	2,384,965	1,608,198	
Cash and Cash Equivalents					
Bank Balances	Amortised cost	Notes 3	934,287,793	777,648,549	

FINANCIAL LIABILITIES:

In accordance with GRAP 104.13, the Financial Liabilities of the college are classified as follows:

Financial Liabilities	Classification				
Payables from Exchange Transactions					
Trade Creditors	Amortised cost	Notes 9	8,242,107	7,891,014	
Retentions	Amortised cost	Notes 9	464,281	1,141,612	
Staff Bonuses	Amortised cost	Notes 9	61,358	80,844	
Other Creditors	Amortised cost	Notes 9	414,922	217,238	
Payroll Creditors	Amortised cost	Notes 9	12,994	56,724	
Payables from Non-exchange Transactions					
Payments in Advance	Amortised cost	Notes 10	6,790,313	6,008,087	
NSFAS Creditors	Amortised cost	Notes 10	241,141	-	
Student Bursaries	Amortised cost	Notes 10	13,866,703	17,190,934	
W&R Seta - Bursary claims	Amortised cost	Notes 10	256,357		

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
27. Cash flows from operating activities			
Surplus for the year		137,805,205	122,848,372
Adjustment for:			
Depreciation and amortisation		4,034,568	3,826,152
Movement in provisions		(25,660)	(209,023)
Contribution to impairment		13,233,354	9,745,092
Loss on disposal of assets		693,080	148,732
Non-cash inventory movement		163,836	110,474
Other non-Cash - Included in trade and other payables from exchange transactions payroll movements		19,486	164,073
Impairment loss/reversal of impairment loss on assets		242,016	99,758
Revenue Received-in-kind: Persal Grant		134,899,615	114,001,397
Expenditure Received-in-kind: Persal Grant		(134,899,615)	(114,001,397)
Revenue in-kind: Donated assets		(1,725,495)	(177,507)
Revenue insurance claims directly paid to 3rd parties assets		(3,599)	
Expenditure revenue in-kind: Donated assets below threshold		114,142	-
		154,550,934	136,556,123
Changes in working capital:			
Increase in inventories		133,669	479,274
(Increase) in trade and other receivables from exchange transactions		(18,301,543)	(13,012,859)
(Increase)/decrease in other receivables from non-exchange transactions		44,109,363	2,007,170
Decrease in deferred income		(503,310)	(353,517)
(Decrease) / increase in trade and other payables from exchange transactions		(191,773)	2,600,026
Decrease in Payables from Non-exchange transactions		(2,044,507)	(9,400,710)
Payments in advance		38,453	163,980
Net cash flows from operating activities		177,791,286	119,039,488

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
28. Correction of error			
		2022 R	2021 R
During the year the following correction of errors occurred:			
(Error 1) Revenue for SETA's not closed in prior years was recognised.			86,963
(Error 2) Rental for the use of the hall for exams NWU was not recognised in 2022		16,000	
(Error 3) An accrual was raised for Ezevee Computer Solutions for learning material purchased that was not raised in the previous financial year (2022). Furthermore, the College also identified accruals not raised for Atlantis travel group and Utshlalomani in the prior year.		(35,134)	
(Error 4) The College conducted a yearly verification process to verify the existence and conditions of all its fixed assets. Assets disposed in 2019 were derecognised, duplicated assets, donated assets not received as well as an asset incorrectly derecognised identified by the auditors during the 2022 audit was corrected.		770	(62,229)
(Error 5) The final tranche for the CIEG grant for the 2022 financial year was paid in January 2024 and was not accrued for in the 2022 financial year		1,608,198	
(Error 6) The College changed the original useful life of 50 years for air-conditioners part of building infrastructure to 25 years.		(27,110)	(13,520)
(Error 7) The College capitalised capital projects previously expensed		1,434,213	3,694,103
(Error 8) Student fees: Credit notes and invoices incorrectly raised in the 2023 financial year were corrected.		(39,035)	(2,938)
(Error 9) The college corrected interest accrued not recognised in previous years.		2,531,600	1,941,825
Reclassifications: 1) Operational commitments to Capital commitments 2) ETD - SDL refund from revenue from exchange transactions to revenue from non-exchange transactions 3) Council remuneration from employee cost to other expenditure: refer to Note 35			
Total Change in Surplus		5,489,501	5,644,204
The comparative amount has been restated as follows:			
Statement of financial position			
Payables from Non-exchange Transactions previously reported		23,285,983	32,686,693
Correction (Error1)		(86,963)	(86,963)
Restated Balance		23,199,020	32,599,731
Trade and other receivables from exchange transactions		13,387,992	12,792,767
Correction (Error 2)		16,000	-
Correction (Error 8)		(41,973)	(2,938)
Correction (Error 9)		4,473,424	1,941,825
Restated Balance		17,835,444	14,731,654

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
Correction of error continued...			
Trade and other receivables from Non-exchange transactions previously reported		51,989,315	
Correction (Error5)		1,608,198	
Restated balance		53,597,513	
Payables from exchange transactions - previously reported		9,352,298	
Correction (Error 3)		35,134	
Restated balance		9,387,432	
PPE- previously reported		78,525,810	75,979,595
Correction (Error 4)		(61,459)	(62,229)
Correction (Error 6)		(40,630)	(13,520)
Correction (Error 7)		5,128,316	3,694,103
Restated balance		83,552,037	79,597,949
Statement of financial performance			
Revenue from non-exchange transactions - previously reported		242,693,074	
Correction (Error 5)		1,608,198	
Correction (Error 4)		(33,412)	
Restated balance		244,267,861	
Revenue from exchange transactions previously reported		87,617,762	
Correction (Error 2)		16,000	
Correction (Error 8)		(39,035)	
Correction (Error 9)		2,531,600	
Restated balance		90,126,327	
Books and learning materials -previously reported		12,036,017	
Correction (Error 3)		10,362	
Restated balance		12,046,379	
Depreciation and amortisation - previously reported		3,833,223	
Correction (Error 4)		(34,182)	
Correction (Error 6)		27,110	
Restated balance		3,826,151	
General expenses - previously reported		50,425,868	
Correction (Error 3)		24,772	
Correction (Error 7)		(1,434,213)	
Restated balance		49,016,427	
Net effect on Accumulated surplus opening balance		5,489,501	5,644,204
Cash flow statement			
Net cash flows from operating activities			
As previously reported		117,605,270	117,890,396
Corrections		1,434,217	3,631,872
Restated Balance		119,039,487	121,522,268

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
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29. Change in estimate

The useful lives for intangible assets have been adjusted as management intends to use the software implemented for another two years before replacing it.

	New Amortisation	Change in estimate	Amortisation 2022
Change in amortisation as a result of a change in useful life	83,745	(203,382)	287,127
Intangible asset - Software	83,745	(203,382)	287,127

The effect of this assessment has decreased the amortisation charge in the current period by R 203 382. It is impracticable to estimate the effect of this change on future periods.

30. Operating leases

At the reporting date, the College has outstanding commitments under operating leases, which fall due as follows:

Operating lease arrangements

Lessee

The previous contract with Konica Minolta ended in November 2021. A new contract was entered into during December 2021 that came into effect from 01 July 2022 for a three-year period. The new contract consists of a component pertaining to a fixed monthly rental (that meets the requirements of GRAP 13) operating lease payments and a component of future operating expenditure which does not meet the requirements of GRAP 13. An estimation for non-lease commitments was made based on the average number of copies made per month in the current and prior year. Expected lease payments recognised in the statement of financial performance:

R 2 120 783 (2022: R 2 224 110)

At the reporting date, the College had outstanding commitments under the operating leases, which fall due as follows:

Not later than one year;

later than one year and not later than five years; and

Later than 5 years

2,120,783	2,224,110
1,060,391	3,336,165
-	-
3,181,174	5,560,274

Expected 2024 (2023) Lease and sublease payments to be recognised in the statement of financial performance

Minimum lease payments

Contingent rents

1,590,620	1,590,620
530,163	633,490
2,120,783	2,224,110

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
31. Commitments			
<i>COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE</i>			
- Approved and contracted for PPE		10,447,239	4,502,526
Buildings		10,447,239	4,502,526
Total capital commitments		10,447,239	4,502,526
<i>COMMITMENTS IN RESPECT OF OPERATIONAL EXPENDITURE</i>			
- Approved and contracted for Other Operational Expenditure		94,813,961	11,374,550
		94,813,961	11,374,550
Total operational commitments		94,813,961	11,374,550
32. Contingent liabilities			
Claim unfair dismissal		192,000	192,000
Claim by ex-employee in Labour Court for compensation for alleged unfair dismissal. The correspondent attorney has discussed a possible settlement with the Applicant's attorney. No offer has been made.			
Claim permanent employment		573,160	573,160
A claim by an ex-employee alleging that she was permanently employed and not on a fixed-term contract, the claim is pending in Labour Court. Applicant claims payment of salary for the period 5 September 2016 to 1 August 2021. The College is in the process of determining an offer to be made to the employee.			
A claim by an ex-employee that was employed on a part-time basis claiming that she had an fixed-term contract. She is claiming compensation for the remainder of the contract.		34,632	-

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
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33. Related parties

Related Party Transactions can be conducted at arm's length and no arm's length unless stated otherwise.

Councillors and/or management of the college had relationships with businesses during the financial period as indicated below:

Entities with whom the College has a relationship:

Controlling Entity:

Department of Higher Education and Training

Entities under Common Control:

*All Sectorial Education and Training Authorities (SETA's)
National Skills Fund (NSF)
National Student Financial Aid Scheme (NSFAS)
All other Entities under DHET
Council on Higher Education
South African Qualification Authority Quality Council for Trades and Occupations
Other CET and TVET colleges*

All national departments and all public entities under national sphere of government

Related party balances

Amounts included in Receivable (Payable) regarding related parties

DHET	6,434,389	51,968,219
Cathseta	-	3,597
NSFAS	125,000	-
Foodbev	242,112	
MICT	284,184	-
DHET - CIEG	2,384,965	1,608,198
W&R Seta	(256,358)	-
MQA	17,500	17,500
Total	<u>9,231,793</u>	<u>53,597,514</u>

The college did not render any services during the year to anyone who can be considered as a related party. During the year, the income was received from the following Related Parties that are related to the college as indicated:

Transfers Received

DHET, Including Infrastructure grant	260,894,300	237,291,966
NSFAS (Tuition fees and allowances)	34,957,812	36,489,786
W&R Seta Tuition fees and allowances)	306,560	
Total	<u>296,158,672</u>	<u>273,781,752</u>

Transfers from DHET included Services In-kind amounting to R 134 899 615 paid via PERSAL (2022: R 114 001 397)

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
<i>Related parties continued...</i>			
Skills Training cash grants received			
DHET		870,582	1,322,231
Cathseta		3,600	69,879
W&R		306,000	50,000
W&R Solar		6,500,000	
Foodbev		2,956,559	2,620,800
Inseta			684,676
PSETA		2,442,008	2,540,000
HW Seta		360,000	394,000
MQA			841,500
UJ		1,500,000	1,500,000
MICT		308,160	
Total		<u>15,246,909</u>	<u>10,023,085</u>

Related party transactions

Compensation of Management Personnel is set out in Note 19

Key management personnel employee cost

Chairperson

Ms S Xaba	132,042	99,586
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Vice-Chairperson

Adv K Maja	117,379	144,505
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Other Councillors

Dr S Xakaza-Kumalo	79,662	37,908
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Mr E Khambule	78,485	43,590
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Mr GT Mogaladi	53,836	34,260
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TG Mmotla	14,096	28,674
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Mr R Skosana	133,738	36,690
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Prof NT Ngwenya	56,788	27,756
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Ms ED Makgasane-Lefakane	25,055	21,870
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Total	<u>691,080</u>	<u>474,839</u>
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34. Events after the reporting date

Non-adjusting events

The College awarded a contract for the purchase of laptops to Bidvest Waltons in November 2023. In late January 2024 Bidvest Waltons advised the College that they would not be able to deliver on that price and would need to revise their prices. The award would have to be made to the next lowest bidder MTechnologies for R 3 077 433.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
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35. Reclassification of comparative information

The following comparative information have been reclassified

Commitments note 31

Reclassification of operational commitments to capital commitments. Capital commitments previously included in operational commitments in the amount of R 4 502 526 were reclassified.

Revenue from exchange transactions - Other revenue note 16

Reclassification of revenue from exchange transactions to revenue from non-exchange transactions - ETDP SDL refund in the amount of R 11 319.

Employee cost

Reclassification of council remuneration from employee related cost to other expenses in the amount of R 474 839.

The reclassification resulted in the following adjustments:

36. Going concern

Management considered the following matters relating to the Going Concern:

- (i) The Council approved the proforma 2024 Budget in November 2023. This is sufficient to support the ongoing delivery of educational services to students and meet all operational costs of the College.
- (ii) DHET's grant allocation is unlikely to increase due to slightly fewer registered FTE students on the approved Strategic Plan.
- (iii) Daily cash management processes are embedded in the college's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes are complemented by monthly and quarterly reporting, highlighting the actual cash position, including the associated risks and commitments to be settled.
- (iv) As the college has the power to levy tuition fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of student services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms, are closely monitored, and the necessary corrective actions are instituted. Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis since the College has adequate resources to meet all its obligations in the foreseeable future.

37. Net Assets

In terms of the CET Act, the Minister of Higher Education and Training may close a public College subject to certain conditions. In such a case, the net assets of the College, comprising the accumulated surplus and reserves, will vest in the Minister of Higher Education and Training after the settlement of all liabilities.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
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38. Risk management and other financial instrument disclosures

Maximum credit risk exposure

Credit risk exposure arises mainly from cash deposits, cash equivalents and trade debtors. The College 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, mainly comprised of students of the College. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council. The utilisation of credit limits is regularly monitored.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the college. The college has a sound debt management policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The college uses its own trading records to assess its major customers. The college's exposure of its counterparties is monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, tuition fee debtors, other debtors, and bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The college limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with the major banks. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by students, and other organs of state are presented net of impairment losses. The college does not have a credit risk policy in place, but the exposure to credit risk is monitored on an ongoing basis. The college is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness.

In the case of debtors whose accounts become in arrears, very few actions can be instituted against these debtors since the restriction of services is inappropriate given government's objectives for TVET colleges. However, as a last resort, accounts are handed over for collection as applicable in terms of the Council's Credit Control and Debt Management Policy.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The college's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The college has no significant concentration of credit risk, with exposure spread over a large number of students, and is not concentrated in any particular sector or geographical area.

The college establishes an allowance for impairment that represents its estimate of anticipated losses with respect to trade and other receivables.

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
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Risk management and other financial instrument disclosures continued...

The college does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The college defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The financial assets expose the College to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets:

Cash and cash equivalents	3	934,287,793	777,648,549
Trade and other receivables from exchange transactions	4	22,865,180	17,835,444

Refer to note 4 for Analysis for debtors impaired and debtors not impaired

Collateral held and other credit enhancements

There is no collateral held by any institution in relation to these instruments.

Liquidity risk

The College's risk to liquidity is a result of the funds available to cover future commitments. The College 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 college ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following table details the college's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets.

Non-Interest bearing

Trade and other receivables from exchange transactions	4	36,198,079	27,672,432
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2023

		Three months or less	Later than three months
Trade and other receivables from exchange transactions	4	7,805,872	28,392,205

2022

		Three months or less	Later than three months
Trade and other receivables from exchange transactions	4	4,785,512	22,886,921

The following tables detail the college's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the college can be required to pay.

Non-Interest bearing

Payables from exchange transactions	9	9,195,662	9,387,432
Payables from - Non exchange transactions	10	21,154,514	23,199,021

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
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Risk management and other financial instrument disclosures continued...

2023

		Six months or less	Later than six months
Payables from exchange transactions	9	8,780,740	414,922
Payables from - Non exchange transactions	10	7,046,670	14,107,844

2022

		Six months or less	Later than six months
Payables from exchange transactions	9	9,170,194	217,238
Payables from - Non exchange transactions	10	6,008,087	17,190,934

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, tuition fee debtors, other debtors, and bank and cash balances.

The college limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank and Nedbank. No investments with a tenure exceeding twelve months are made.

Tuition Fee Debtors comprise of a large number of students dispersed across different industries and geographical areas. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, very few actions can be instituted against these debtors since "restriction of services" is inappropriate given government's objectives for TVET colleges. However, as a last resort, accounts are "handed over for collection" as applicable in terms of the Council's Financial Policy.

The college is not exposed to credit interest rate risk as it has no borrowings.

The college's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

At year-end, financial instruments exposed to interest rate risk were as follows:

- Call deposits	3	208,295,798	-
- Bank balances	3	725,991,995	777,648,549

Interest rate risk sensitivity analysis

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the college's:

Impact

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
for the year ended 31 December 2023

Figures in Rand	Note	2023 R	2022 R
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Risk management and other financial instrument disclosures continued...

2023

Interest income

Interest rate increase of 100 basis points	8,559,682
Interest rate decrease 100 basis points	(8,559,682)

2022

Interest income

Interest rate increase of 100 basis points	7,249,705
Interest rate decrease 100 basis points	(7,249,705)

Other price risk

The college is not exposed to equity price risks arising from equity investments as the college does not trade these investments.

Financial assets pledged as security

None of the assets were pledged as security for liabilities. None of the financial assets that are fully performing have been renegotiated in the last year.

Credit quality of Financial Assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

The College uses the following hierarchy to determine the fair value of those instruments carried at fair value:

Group 1 - High certainty of timely payment. Liquidity factors are strong, and the risk of non-payment is small.

Group 2 - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding needs may enlarge financing requirements. The risk of non-payment is small.

Group 3 - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However, the risk factors of non-payment is larger.

At the reporting date, the College held the following financial assets carried at fair value:

2023				
Receivables from Exchange Transactions Counterparties without external credit rating:-	Group 1	Group 2	Group 3	Total
Student Debtors	30,355,081			30,355,081
Total	30,355,081	-	-	30,355,081

2022				
Receivables from Exchange Transactions Counterparties without external credit rating:-	Group 1	Group 2	Group 3	Total
Student Debtors	23,003,633			23,003,633
Total	23,003,633	-	-	23,003,633

WESTERN TVET COLLEGE
Notes to the Annual Financial Statements
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Figures in Rand	Note	2023 R	2022 R
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39. Financing Facilities

ABSA-Unsecured Fleet Card Facility, reviewed annually and payable monthly:

- Amount unused		200,000	200,000
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WESTERN TVET COLLEGE

SUPPLEMENTARY SCHEDULE TO THE 2023 ANNUAL FINANCIAL STATEMENTS RELATING TO THE CAPITAL INFRASTRUCTURE AND EFFICIENCY GRANT (CIEG) BY WESTCOL TVET COLLEGE

Figures in Rand	Note	2023 R	2022 R
DISCLOSURE ITEMS			
CIEG bank balance brought forward at 01 January 2022		56,166,795	57,999,735
Total CIEG Grant funding received from the Department of Higher Education and Training		3,993,163	6,214,010
Plus: Interest received on the CIEG dedicated bank account since 2018		4,145,977	2,313,951
=Total CIEG funding received		64,305,935	66,527,696
Less: Bank charges/finance charges		1,245	1,015
Less: Expenditure paid in terms of approved work package approvals issued by the Department of Higher Education and Training		7,476,178	10,359,886
= Total CIEG funds per dedicated CIEG bank account		56,828,512	56,166,795
Less: Committed expenditure not yet paid in terms of approved work package approvals issued by the Department of Higher Education and Training		-	1,875,419
=Total AVAILABLE CIEG GRANT funding		56,828,512	54,291,376

