Ekurhuleni West TVET COLLEGE

Annual Financial Statements

for the year ended 31 December 2025

General Information

Controlling entity	Department of Higher Education and Training (DHET)
Nature of business and principal activities	To provide continuing education and training to registered students for all learning and training programmes leading to qualifications or part qualifications at levels 1 to 5 of the National Qualifications Framework
Councillors	Visagie, A - Chairperson (Appointed 25 May 2024) Maliseha N - Vice Chairperson (Appointed 5 May 2025) Mongale, N - Independent (Appointed 25 May 2024) Mogaladi, T - Independent (Appointed 25 May 2024) Nhlapo, V - Independent (Appointed 25 May 2024) Dr. Masegare, P - Independent (Appointed 5 May 2025) Mogodi, G - Independent (Appointed 5 May 2025) Thibela, M - Independent (Appointed 5 May 2025) Mabe, M - Principal (Appointed 1 July 2024) Chabalala, R - Lecturer Representative (Appointed 29 July 2024) Nkhumane, P - Support Staff Representative (Appointed August 2024) Molete, W SRC President (Appointed 5 May 2025) Sekoakoa, K - SRC Secretary (Appointed 5 May 2025)
Principal	Mr Molifi Mabe
Deputy Principal Finance (DPF)	Mr Peter Whitney Kgorutle
Registered office	Cnr. Flag and Rose Innes Road Germiston 1400
Business address	Cnr. Flag and Rose Innes Road Germiston 1400
Postal address	Private bag x1030 Germiston 1400
Bankers	ABSA Bank Investec Bank
Auditors	Auditor-General South Africa

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The reports and statements set out below comprise the annual financial statements presented for audit:

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ADPF	Acting Deputy Principal Finance
AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
BANKSETA	Banking Sector Education and Training Authority
CET Act	CET Act No.16 of 2006, as amended
CIEG	Capital Infrastructure and Efficiency Grant
CJMM	City of Johannesburg Metropolitan Municipality
CRR	Capital Replacement Reserve
DPF	Deputy Principal Finance
DHET	Department of Higher Education and Training
Foodbev SETA	Food & Beverages Manufacturing Sector Education and Training Authority
GRAP	Generally Recognised Accounting Practice
INSETA	Insurance Sector Education and Training Authority
MICT SETA	Media Information and Communication Technologies Sector Education and Training Authority
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
IAS	International Accounting Standards
SARS	South African Revenue Services
SETA	Sector Education and Training Authority
SRC	Student Representative Council
TVET	Technical and Vocational Education and Training
VAT	Value Added Tax

Council's Responsibilities and Approval

The Council members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Council members to ensure that the annual 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 period then ended. The Auditor-General was engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records, related data and relevant parties.

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

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

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the college and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or fraud in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the college and all employees 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 risks 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 members accept responsibility to ensure that the college is managed in a responsible manner, considering the interest of all stakeholders, including the 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 members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or fraud.

The Council members have reviewed the college's cash flow forecast for the year to 31 December 2026 and, in the light of this review and the current financial position, they are satisfied that the college has or has access to adequate resources to continue in operational existence for the foreseeable future.

The college is wholly dependent on the DHET for continued funding of operations. The annual 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.

Although the members are primarily responsible for the financial affairs of the college, it is supported by the college's internal auditors.

The annual financial statements set out on pages 9 to 72, which have been prepared on the going concern basis, were approved by the members on 30 March 2026 and were signed on their behalf by:

Alison Visagie

Visagie, A
Chairperson of Council

Report of the auditor-general to minister of Higher Education and Training and the council on Ekurhuleni West Technical and Vocational Education and Training College

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Ekurhuleni West Technical and Vocational Education and Training (TVET) College set out on pages xx to xx, which comprise the statement of financial position as at 31 December 2025, statement of financial performance, statement of changes in net assets and the 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 Ekurhuleni West Technical and Vocational Education and Training College as at 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa 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 matters

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

Restatement of corresponding figures

7. As disclosed in note 33 to the financial statements, the corresponding figures for 31 December 2024 were restated as a result of an error in the financial statements of the college and for the year ended 31 December 2025.

Material impairment of debtors

8. As disclosed in note 23 to the financial statements, material losses of R18 913 254 were incurred as a result of a write-off of irrecoverable student debtors.

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 Standards of 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 these 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 xx, forms part of my 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 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 and performance 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 prepared in accordance with generally recognised accounting practices, as required by section 25 (3) of the CET Act.

19. Material misstatements relating to property, plant and equipment, related parties, payables from non-exchange transactions and the cash flow statement were identified by the auditors in the submitted financial statements. These were subsequently 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 does not include the financial statements and the auditor's report.

21. My opinion on the financial statements and my reports on the audit of 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 misstatement therein, I am required to communicate the matter to those charged with governance and request that the other 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 findings on compliance with legislation included in this report.

26. The college developed an audit action plan to address internal control deficiencies, however the remedial action for root causes identified in relation to prior year audit findings were not adequately addressed and resulted in recurring material findings being reported in the current year.

27. Management did not ensure that the financial statements are supported by adequate and accurate supporting documents which has resulted in material misstatements being identified during the audit.

Auditor - General

Pretoria

31 May 2026

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Statement of Financial Position as at 31 December 2025

	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	576 092 749	763 366 032
Trade and other receivables from exchange transactions	4	26 465 469	56 353 755
Receivables from non-exchange transactions	5	47 983 880	40 783 889
Inventories	6	47 390 848	4 468 614
		697 932 946	**864 972 290**
Non-Current Assets			
Property, plant and equipment	7	892 003 563	778 997 265
Intangible assets	8	32 973	46 202
Investment Property	9	7 980 951	2 560 851
		900 017 487	**781 604 318**
Non-Current Assets		900 017 487	781 604 318
Current Assets		697 932 946	864 972 290
Total Assets		**1 597 950 433**	**1 646 576 608**
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	10	19 744 933	11 731 273
Provisions	11	423 000	376 000
Project liabilities	12	24 861 418	28 686 638
Finance lease liability	13	396 527	2 284 691
Payables from non exchange transactions	14	44 345 202	44 433 545
Unspent conditional grants and receipts	44	3 074 153	5 374 376
		92 845 233	**92 886 523**
Non-Current Liabilities			
Provisions	11	3 040 000	2 782 000
Finance lease liability	13	-	396 527
		3 040 000	**3 178 527**
Non-Current Liabilities		3 040 000	3 178 527
Current Liabilities		92 845 233	92 886 523
Total Liabilities		**95 885 233**	**96 065 050**
Assets		1 597 950 433	1 646 576 608
Liabilities		(95 885 233)	(96 065 050)
Net Assets		**1 502 065 200**	**1 550 511 558**
Accumulated surplus		1 502 065 200	1 550 511 558

Statement of Financial Performance

	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Tuition and related fees	15	135 864 447	126 871 188
Rendering of services	16	67 725	189 225
Rental of facilities and equipment	17	1 157 330	1 866 331
Other income	19	3 474 871	25 216 884
Investment Income	18	47 084 980	60 065 889
Inventories gain (losses/write-downs)	6	-	297 537
Total revenue from exchange transactions		**187 649 353**	**214 507 054**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	20	452 233 937	432 706 409
Public contributions and donations	21	23 763 850	669 206
Other income	19	1 188 545	1 568 398
Total revenue from non-exchange transactions		**477 186 332**	**434 944 013**
		187 649 353	214 507 054
		477 186 332	434 944 013
Total revenue		**664 835 685**	**649 451 067**
Expenditure			
Employee related and DHET management fee costs	22	(296 316 929)	(278 939 844)
Depreciation and amortisation	24	(42 629 395)	(32 220 563)
Impairment loss	45	(3 854 453)	(14 204 089)
Bad debts written off	23	(18 913 254)	(13 653 506)
Repairs and maintenance	26	(25 602 854)	(15 681 865)
Professional services	27	(16 036 375)	(15 932 752)
Finance costs	29	(122 286)	(272 764)
Actuarial losses	11	(30 212)	-
Inventories losses/write-downs	6	(10 917 336)	-
Gain/loss on disposal of assets and liabilities	31	(7 502 712)	(2 548 724)
Debt Impairment	28	(18 501 861)	-
General Expenses	30	(171 283 606)	(114 859 835)
Printing and stationery		(10 115 346)	(8 305 120)
Municipal		(17 239 697)	(9 197 544)
Marketing		(3 064 038)	(2 771 477)
Telephone, postage, internet, network and communication costs		(31 733 402)	(27 510 501)
Books, teaching and learning material	25	(39 418 288)	(20 946 645)
Total expenditure		**(713 282 044)**	**(557 045 229)**
		-	-
Total revenue		664 835 685	649 451 067
Total expenditure		(713 282 044)	(557 045 229)
(Deficit) surplus for the year		**(48 446 359)**	**92 405 838**

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Opening balance as previously reported	1 460 820 789	1 460 820 789
Adjustments		
Correction of errors	(748 306)	(748 306)
Balance at 01 January 2024 as restated*	**1 458 105 720**	**1 458 105 720**
Changes in net assets		
Surplus for the year	92 405 838	92 405 838
Total changes	92 405 838	92 405 838
Restated* Balance at 01 January 2025	**1 550 511 559**	**1 550 511 559**
Changes in net assets		
Surplus for the year	(48 446 359)	(48 446 359)
Total changes	(48 446 359)	(48 446 359)
Balance at 31 December 2025	**1 502 065 200**	**1 502 065 200**

Cash Flow Statement

	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Tuition and related fees		134 742 849	133 583 750
Sale of goods and services		67 725	189 225
Public contributions and donations		11 532	65 992
Interest income		48 100 860	60 824 527
Project Liabilities receipts		26 433 531	39 106 232
Other receipts		-	2 098 358
Rental of Facillities		868 147	1 247 946
Government grants and subsidies		168 567 092	157 231 475
		378 791 736	394 347 505
Payments			
Employee costs		(18 496 793)	(15 649 763)
Suppliers		(358 154 397)	(226 048 832)
Finance costs		(122 285)	(272 765)
Other payments Project Liabilities		(36 825 743)	(35 854 508)
		(413 599 218)	(277 825 868)
Total receipts		378 791 736	394 347 505
Total payments		(413 599 218)	(277 825 868)
Net cash flows from operating activities	32	**(34 807 482)**	**116 521 637**
Cash flows from investing activities			
Purchase of property, plant and equipment		(144 682 397)	(105 051 607)
Purchase of investment property	9	(5 498 712)	-
Net cash flows from investing activities		**(150 181 109)**	**(105 051 607)**
Cash flows from financing activities			
Finance lease capital payments		(2 284 692)	(2 130 666)
Net increase in cash and cash equivalents		**(187 273 283)**	**9 339 364**
Cash and cash equivalents at the beginning of the year		763 366 032	754 026 668
Cash and cash equivalents at the end of the year	3	**576 092 749**	**763 366 032**

Accounting Policies

1. Presentation of Annual Financial Statements

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 annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues 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, which have been consistently applied in the preparation of these annual financial statements are disclosed below.

The presentation and classification and these accounting policies are consistent with the previous year.

These accounting policies are consistent with the previous period, except for the changes set out in note changes in accounting policy.

1.1 Presentation currency

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

All amounts disclosed in the Financial Statements have been rounded to the nearest R1 unless indicated otherwise.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the college will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

Programme funding

Programme funding is allocated to the college by DHET in terms of the CET Act and the National Norms and Standards for Funding of TVET Colleges and is determined by the estimated Full Time Equivalent Students (FTEs) of the college. The allocation is done based on the projected FTEs for the year and if the college fails to register the projected FTEs, a portion of the programme funding can be clawed back in the following year.

The programme funding is allocated by DHET during their financial year which is from April to March, but for the college the funds pertain to the college academic and financial year which is from January to December. Once the college has registered the projected number of FTEs, the condition of the programme funding grant has been met and the grant is recognised in full.

The programme funding is paid out partly in cash tranches, paid to the college, and partly through the Persal system of the DHET, directly to the employees of the college. If management personnel are paid from the programme funding, they should be included in the description. The method and timing of payment of grant does, however, not influence the recognition of revenue.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Employee related and DHET management fee

In terms of the CET Act and DHET Circular 1 of 2015, with effect from 01 April 2015, all non-management personnel of the college, appointed and remunerated through DHET (PERSAL) and the provincial 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. For the period 1 January to 31 March 2015, non-management personnel still remained employees of the college.

Thereafter, management and other personnel (excluding college employees) are remunerated by DHET via Persal. The remuneration of these personnel cannot be classified as an employee expense of the college and is therefore classified as "DHET management fee".

Estimates
Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the college's accounting policies the following estimates, were made:

Trade receivables

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

Allowance for slow moving, damaged and obsolete stock

In making an allowance to write inventory down to the lower of cost or net realisable value, management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus or deficit. For inventory consumed in the supply of services for no or nominal charge, management has made an estimate of the current replacement cost of such inventory and as appropriate have reduced the carrying amount accordingly.

Non-financial asset Impairment

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

Useful lives and residual values of assets; depreciation and amortisation

The college's management determines the estimated useful lives and related depreciation charges for these assets. These estimates are based on industry norms and then adjusted to be college specific. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and vice versa.

Depreciation and amortisation recognised on property, plant and equipment, investment property and intangible assets respectively are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the college's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets. Generally, depreciation is accrued over the useful lives of assets on a straight-line basis.

Effective interest rate

The College uses an appropriate interest rate, taking into account guidance provided in GRAP, and applying professional judgement to the specific circumstances, to discount future cash flows, to the present value of the item being discounted.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value determination of properties

In determining the fair value of investment property (and / or property, plant and equipment) donated or acquired for no consideration, the college applies a valuation methodology to determine the fair value of the properties based on any one of, or a combination of the following factors:
- The market related selling price of the property; or
- The market related rental that can be earned for the property; or
- The market related selling price of similar properties in the area; or
- The rentals currently or previously earned by the property.

Where the above information is not available or reliably determinable the college determines an approximation of fair-value by estimating the Depreciated Replacement Cost of the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Taxation

The College is exempt in terms of Section 10(1)(c)A of the Income Tax Act of 1952 (Act No.58 of 1962).

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:
- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Recognition and measurement

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the college, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

1.4 Investment property (continued)

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property. Refer to note 9 for the estimated useful lives.

Disposals
Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal or when the investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Deemed cost
When the college initially recognises an asset using Standards of GRAP, it measure such assets using either cost or fair value at the date of acquisition (acquisition cost). Where the accounting for assets is incomplete at the start of the reporting year as the acquisition of an asset is not available at that time, acquisition cost is measured using a surrogate value (deemed cost) at the date the college adopted the Standards of GRAP, or the transfer or merger date (the measurement date). Deemed cost is determined as the fair value of an asset at the measurement date.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure 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 during more than one period.

Recognition and measurement
The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the college; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

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 management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

1.5 Property, plant and equipment (continued)

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	Depreciation method	Average useful life
Land	Indefinite	Indefinite
Buildings	Straight line	50-70 years
Finance Lease Assets	Straight line	Shorter of the lease period or the useful life of related assets
Plant, Machinery and Equipment	Straight line	3 - 20 years
Furniture and Fittings	Straight line	5- 18 years
Vehicles	Straight line	10-15 years
Computer Equipment	Straight line	5-15 years
Library books	Straight line	10 years

1.6 Intangible assets

An asset is identifiable if it either:
- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the college or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Recognition and measurement
An intangible asset is recognised 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 college assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management’s best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits 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.

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

Accounting Policies

1.6 Intangible assets (continued)

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Depreciation method	Average useful life
Computer software	Straight line	5-15 years

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

Deemed costs
When the college initially recognises an asset using the Standards of GRAP, it measures such assets using either cost or fair value at the date of acquisition (acquisition cost). Where the acquisition cost of an asset is not available on the adoption of the Standards of GRAP, acquisition cost is measured using a surrogate value (deemed cost) at the date the college adopted the Standards of GRAP (measurement date). Deemed cost is determined as the fair value of an asset at the measurement date.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A financial asset is:
- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Accounting Policies

1.7 Financial instruments (continued)

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Classification

The entity 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:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

The entity 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 measured at amortised cost
Unspend conditional grants and receipts	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at fair value: Fair-value at reporting date
- Financial instruments at amortised cost: Amortised cost using the effective interest rate method, less any impairment losses.
- Financial instruments at cost: Cost, less any impairment losses.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the college reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the college reclassifies the instrument from cost to fair value.

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

1.7 Financial instruments (continued)

Derecognition

Financial assets

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Presentation

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.8 Statutory receivables

Funding receivable from DHET arise from non-contracted arrangements as the basis for DHET funding is found in the Continuing Education and Training Act (CET Act) and the The National Norms and Standards for Funding Technical and Vocational Education and Training Colleges. Cash receivable from DHET as part of programme funding is regarded as a "statutory receivable".

The statutory receivable is initially measured at the transaction amount and subsequently measured using the cost-method, which changes the initial measurement to reflect any impairment or amounts derecognised.

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

1.9 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.

Accounting Policies

1.9 Leases (continued)

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

Finance leases - lessor

The college recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the college's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Other financial liabilities

The College removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a 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, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another College by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the College currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the College does not offset thetransferred asset and the associated liability.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

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

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

1.10 Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the college incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the college.

When inventories are issued to students, the carrying amounts of those inventories are recognised as an expense when the textbooks are distributed. The amount of any write-down of inventories to net realisable value 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 are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Cash and cash equivalents

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

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

1.12 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

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.

Irrespective of whether there is any indication of impairment, the college also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Accounting Policies

1.12 Impairment of cash-generating assets (continued)

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.

When estimating the value in use of an asset, the college estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the college applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the college:
- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the college recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Cash-generating units

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).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the college use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

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.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

1.12 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The college assesses 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 entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. 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 (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

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.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:
- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.13 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

Identification

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

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.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset’s gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an “optimised” basis. The rationale is that the college would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

1.13 Impairment of non-cash-generating assets (continued)

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the college recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

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

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. 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 (net of depreciation or amortisation) 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.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.14 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.14 Employee benefits (continued)

Other long-term employee benefits

Other long-term employee includes long-term compensated absences such as long service or sabbatical leave; other service benefits; long-term disability benefits; bonus, incentive and performance related payments payable twelve months or more after the end of the reporting period in which the employees render the related service; deferred compensation paid twelve months or more after the end of the reporting period in which it is earned; and compensation payable by the college until an individual enters new employment.

The amount recognised as a liability for other long-term employee benefits the net total of the following amounts: the present value of the defined benefit obligation at the reporting date minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The expected costs of these benefits are accrued over the period of employment using the above accounting methodology. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to surplus or deficit in the period in which they arise. These obligations are valued annually by independent qualified actuaries using the projected unit credit method.

For other long-term employee benefits, the entity recognise the net total of the following amounts or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements

Post-employment benefits: Defined contribution plans

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:
- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.14 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:
- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:
- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

DHET management fee
In terms of the CET Act, the college is the employer of the non-management personnel. The management personnel, defined in the CET Act as the principal and deputy principals, have migrated to DHET and are DHET employees.

Management and other personnel are either remunerated directly by the college or by the provincial Department of Education, via Persal, on behalf of DHET. As management personnel are not on college employees, their remuneration cannot be classified as an employee expense of the college and is therefore classified as "DHET management fee".

1.15 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

A contingent liability is:
- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embotying economic benefits or service potential will be required to settle the obligatio; or
- the amount of the obligation cannot be measured with sufficient reliability.

Provisions are recognised when:
- the college has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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, and only when, it is virtually certain that reimbursement will be received if the college settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Accounting Policies

1.15 Provisions and contingencies (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 surplus.

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 an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a 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 entity combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

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, an college recognises the obligation at the higher of:
- the amount determined using in 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.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the college receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.16 Revenue from exchange transactions (continued)

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- 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 acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Tuition fees are recognised over the period of instruction.

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:
- It is probable that the economic benefits or service potential associated with the transaction will flow to the college, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the college, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

1.17 Revenue from non-exchange transactions (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a college either receives value from another college or entity without directly giving approximately equal value in exchange, or gives value to another college or entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the college satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the college.

When, as a result of a non-exchange transaction, the college recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Programme funding
The full programme funding allocated to the college in terms of the CET Act, the Funding Norms and the final grant letter received from the department is recognised in full in the college's financial year during which the enrolment and training of students, to which the grant pertains, are performed by the college. It is measured at the total amount allocated to the college by DHET, inclusive of both the the part paid in cash and the part paid via Persal as per note 20.

Transfers

Apart from Services in kind, which are not recognised, the college recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The college recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the college and the fair value of the assets can be measured reliably.

Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Services in-kind

In terms of the CET Act, the college is the employer of the non-management personnel. The management personnel, defined in the CET Act as the principal and deputy principals, have migrated to DHET and are DHET employees.

Management personnel are remunerated from provincial funds and not from the college funds, and this constitutes services in kind which are recognised at the cash value of the services to the State. The income is recognised as "Services in kind" as part of revenue from non-exchange transactions, and the expense is recognised as "DHET management fee".

The college also recognised services in kind in regard to land used by the college for free from Ekurhuleni Local Municipality

The college recognise 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 college 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.

1.18 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Comparative figures

When the presentation or classification of items in the financial statements is amended due to better presentation and/or better understandability and/or comparability and/or due to the implementation of a new or amended standard, prior period comparative amounts are reclassified. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

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 on 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.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

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.

Accounting Policies

1.20 Related parties (continued)

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.

The college is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the college to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the college is exempt from the disclosures in accordance with the above, the college discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.21 Commitments

A commitment is a contractual arrangement that binds the College to incur future expenditure based on items that are still to be received. Disclosure of commitments entered into before year-end are relevant for the following standards of GRAP;

- GRAP 1 on Presentation of Financial Statements (disclosure of unrecognised contractual commitments)
- GRAP 13 on Leases (disclosure of the future minimum lease payments).
- GRAP 17 on Property, Plant and Equipment (disclosure of contractual commitments for Property, Plant and Equipment).
- GRAP 31 on Intangible Assets (disclosure of the contractual commitments for the acquisition of intangible assets)

The college discloses commitments relating to each class of capital assets (PPE, Investment properties, Intangible assets) recognized in the financial statements as well as future minimum lease payments under non-cancellable operating leases for each of the following periods:

- Not later than one year,
- Later than one year and not later than five years, and
- Later than five years.

1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, 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).

The college adjusts the amounts recognised in its finacial 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.

1.23 Prepayments

Payments for the purchase of assets are recognised on delivery of the assets.

Delivery is considered to have taken place when:

- The physical asset or service has been received by the college
- Rights and obligations of ownersjip of the asset have been fully transferred to the college

1.24 Share capital / contributed capital

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

Accounting Policies

1.25 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.26 Segment information

A segment is an activity of an entity:
- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The college has not applied the following standards and interpretations, which have been published and are mandatory for the college's accounting periods beginning on or after 01 January 2026 or later periods:

- Grap 104 (amended): Financial Instruments 1 April 2025 The impact is currently being assessed.

- IGRAP 22: Foreign Currency Transactions and Advance Consideration 1 April 2025 Unlikely there will be a material impact

Additional text
- Additional text
- Additional text
- Additional text

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

The college expects to adopt the amendment for the first time in the 2000 annual financial statements.

Notes to the Annual Financial Statements

	2025	2024

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
Bank balances	3 107 678	92 354 302
Call deposits	157 704 596	278 259 038
Call investments	415 280 475	392 752 692
	576 092 749	**763 366 032**

The college had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Petty Cash	-	-	-	-
ABSA Bank - Grant Call Account 2018/19	-	-	-	-
ABSA Bank - DTI Call Account 2014/15	2 421 473	6 943 480	2 421 473	6 943 480
ABSA Bank - Depositor Plus : Account 1	3 380 632	3 162 413	3 380 632	3 162 413
ABSA Bank - Depositor Plus : Account 2	3 273 245	3 061 958	3 273 245	3 061 958
ABSA Bank - Lottery Call Account	-	69 060	-	69 060
ABSA Bank - Head Office Account	3 107 678	92 354 302	3 107 678	92 354 302
ABSA Bank - Infrastructure Grant Account	23 324 940	43 172 561	23 324 940	43 172 561
ABSA Bank - Skills Development Account	423 030	398 113	423 030	398 113
ABSA Bank - AITD Account	415 280 475	392 752 692	415 280 475	392 752 692
ABSA Bank - Tender Account	13 921	550 272	13 921	550 272
ABSA Bank - NSF Phase 3	526 933	4 082 965	526 933	4 082 965
Investec Bank - Business Top 5A Account	43 651 497	40 792 193	43 651 497	40 792 193
Investec Call Deposits	56 739 647	53 104 380	56 739 647	53 104 380
ABSA NSFAS	23 687 469	49 718 600	23 687 469	49 718 600
ABSA W&R SETA Solar Projects	1 114	1 067	1 114	1 067
ABSA Bank - Grant Call 2023/24	-	31 127 390	-	31 127 390
ABSA Bank - Grant Call 2024/25	1 019	42 073 560	1 019	42 073 560
ABSA Service Seta	1 071	1 026	1 071	1 026
ABSA Bank - Grant Call 2025/256	257 577	-	257 577	-
ABSA Capital Projects	1 028	-	1 028	-
Total	**576 092 749**	**763 366 032**	**576 092 749**	**763 366 032**

Cash and cash equivalents pledged as collateral

No cash and cash equivalents were pledged as collateral.

4. Trade and other receivables from exchange transactions

	2025	2024
Gross balances		
Student debtors	39 736 393	50 339 904
Prepayments	856 931	1 269 896
Creditors with debit balances	2 642	2 376
Staff advances	42 956	34 294
Other trade receivables	4 447 569	5 459 010
Deposits	2 325 421	1 692 857
	47 411 912	**58 798 337**

Notes to the Annual Financial Statements

4. Trade and other receivables from exchange transactions (continued)

	2025	2024
Less: Allowance for impairment		
Student debtors	(20 946 443)	(2 444 582)
Prepayments	-	-
Creditors with debit balances	-	-
	(20 946 443)	**(2 444 582)**
Net balance		
Student debtors	18 789 950	47 895 322
Prepayments	856 931	1 269 896
Staff advances	42 956	34 294
Creditors with debit balances	2 642	2 376
Other trade receivables	4 447 569	5 459 010
Deposits	2 325 421	1 692 857
	26 465 469	**56 353 755**
Student: Ageing		
31 - 60 days	-	150 376
61 - 90 days	595 093	907 313
91 - 120 days	321 028	533 802
121 - 365 days	39 161 162	48 748 413
> 365 days	-	-
	40 077 283	**50 339 904**
Other trade receivables		
Current (0 -30 days)	4 119 919	4 915 196
31 - 60 days	10 493	14 731
61 - 90 days	5 980	57 876
91 - 120 days	3 346	2 100
121 - 365 days	307 831	290 817
> 365 days	-	178 790
	4 447 569	**5 459 510**
Staff advances		
61 - 90 days	-	-
121 - 365 days	42 956	34 294
> 365 days	-	-
	42 956	**34 294**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(2 444 582)	(22 987 858)
Contributions to allowance	(18 501 861)	20 543 276
	(20 946 443)	**(2 444 582)**

Notes to the Annual Financial Statements

	2025	2024

4. Trade and other receivables from exchange transactions (continued)

Receivables from exchange transactions past due but not impaired

At 31 December 2025, R 19 130 840 (2024: R 47 897 823) are past due but not impaired.

Students who are currently studying and are NSFAS Funded for the current and previous year per the NSFAS Funded Listings are not considered for impairment.

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

4 months past due	19 130 840	47 897 823
	19 130 840	**47 897 823**

Receivables from exchange transactions impaired

The amount of the provision was R20 946 443 as of 31 December 2025 (2024: R 2 444 582).

Receivables from exchange transactions are impaired on an individual basis. The impairment of trade receivables has been determined with reference to past default experience.The following are considered for impairment:
Identify all student accounts with material amounts. For all material amounts assess all student accounts based on the payment trends of these debtors in order to provide a portion or the entire debt (based on past payment habits) for impairment.
Separate the student accounts between those are NSFAS Funded per the NSFAS Funded Listing of current and previous year and those who pay for their own studies. Students who have not completed but have outstanding balances, but received bursaries, are likely to pay the remaining portion.
Isolate all student accounts of students whose studies finished at the end of the financial year, but did not pay the entire amount. Provide for the full amount as part of the provision for impairment
For the remaining balance (current students who pay their own fees), for all material amounts assess the payment trends of these debtors in order to provide a portion or the entire debt (based on past payment habits) for impairment.
All other student fees will remain recoverable.

The ageing of these amounts is as follows:

4 months past due	(20 946 443)	(2 444 583)
	(20 946 443)	**(2 444 583)**

5. Receivables from non-exchange transactions

Government grants and subsidies	30 323 133	27 389 910
Less : Provision for debt impairment	-	-
Other Receivables from non exchange	17 660 747	13 393 979
	47 983 880	**40 783 889**

Statutory receivables included in receivables from non exchange transactions :

Statutory receivables as at 31 December 2025, R 30 323 133 ; (2024 : R 27 389 910)

Nature

Statutory receivables comprises of government grants and subsidies.

Transaction amounts are determined based on budget allocations.

Credit quality of receivables from non-exchange transactions:

5. Receivables from non-exchange transactions (continued)

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates: The amounts owed have been regularly received by the TVET based on historical information.

Past due and impaired

None of the statutory receivables that are past due at the reporting date, have been impaired.

6. Inventories

	2025	2024
Carrying value of inventory		
Consumable stores	47 390 848	4 468 614

	2025	2024
Consumable stores include:		
Textbooks	46 590 578	4 257 423
Calculators	800 270	211 191
	47 390 848	**4 468 614**

	2025	2024
Amounts recognised as expense		
Cost of inventory used to provide learning to students in the form of text books and inclued in Statement of Financial Performance	39 050 024	20 632 186
	-	-

No inventories were pledged as security.

Inventory write-downs recognised

The write downs represents the adjustment for the lower of weighted average cost and fair value per GRAP 12 during inventory valuation. The details of these write downs are as follows:

	2025	2024
Inventories losses/write-downs	(10 917 336)	297 537

7. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	64 936 591	-	64 936 591	37 873 627	-	37 873 627
Buildings	633 346 465	(141 259 093)	492 087 372	517 073 709	(127 988 912)	389 084 797
Capital Working in Progress	148 187 736	(11 872 411)	136 315 325	214 470 627	(11 872 411)	202 598 216
Finance Lease Assets	10 100 398	(9 773 864)	326 534	10 100 398	(7 753 784)	2 346 614
Vehicles	20 945 823	(12 342 189)	8 603 634	20 258 578	(11 231 728)	9 026 850
Furniture and Fittings	56 952 968	(31 070 710)	25 882 258	51 375 680	(29 393 349)	21 982 331
Plant, Machinery and Equipment	207 527 909	(105 029 858)	102 498 051	164 673 049	(96 448 708)	68 224 341
Computer Equipment	102 538 804	(41 198 190)	61 340 614	83 257 987	(35 410 682)	47 847 305
Library books	1 152 240	(1 139 056)	13 184	1 152 240	(1 139 056)	13 184
Total	**1 245 688 934**	**(353 685 371)**	**892 003 563**	**1 100 235 895**	**(321 238 630)**	**778 997 265**

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	37 873 627	27 062 964	-	-	-	-	64 936 591
Buildings	389 084 797	5 133 326	(5 261 168)	120 808 723	(13 888 091)	(3 790 215)	492 087 372
Capital Working in Progress	202 598 216	78 859 790	-	(145 142 681)	-	-	136 315 325
Finance Lease Assets	2 346 614	-	-	-	(2 020 080)	-	326 534
Vehicles	9 026 850	687 245	-	-	(1 110 461)	-	8 603 634
Furniture and Fittings	21 982 331	5 638 917	(361 493)	1 282 469	(2 654 618)	(5 348)	25 882 258
Machinery and Equipment	68 224 341	22 930 907	(825 100)	23 051 489	(10 883 586)	-	102 498 051
Computer Equipment	47 847 305	26 587 865	(1 054 950)	-	(11 980 718)	(58 888)	61 340 614
Library books	13 184	-	-	-	-	-	13 184
	778 997 265	**166 901 014**	**(7 502 711)**	**-**	**(42 537 554)**	**(3 854 451)**	**892 003 563**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	37 873 627	-	-	-	-	-	37 873 627
Buildings	399 067 195	689 182	(167 846)	-	(10 503 734)	-	389 084 797
Capital Working in Progress	155 146 633	59 323 994	-	-	-	(11 872 411)	202 598 216
Finance Lease Assets	4 366 708	-	-	-	(2 020 094)	-	2 346 614
Vehicles	9 264 987	945 665	(37 033)	(261)	(1 146 508)	-	9 026 850
Furniture and Fittings	21 289 809	3 266 669	(287 286)	-	(2 286 092)	(769)	21 982 331
Machinery and Equipment	71 661 820	8 749 991	(1 391 207)	261	(8 478 246)	(2 318 278)	68 224 341
Computer Equipment	25 730 364	30 271 912	(657 191)	-	(7 497 780)	-	47 847 305
Library books	13 184	-	-	-	-	-	13 184
	724 414 327	**103 247 413**	**(2 540 563)**	**-**	**(31 932 454)**	**(14 191 458)**	**778 997 265**

Building disposals relate to derecognition of damaged roofing at various campuses.

Notes to the Annual Financial Statements

	2025	2024

7. Property, plant and equipment (continued)

Property, plant and equipment pledged as security

No property, plant and equipment pledged as security.

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Included within Equipment	Included within Furniture	Total
Opening balance	140 796 175	60 519 573	1 282 469	202 598 217
Additions/capital expenditure	48 389 108	30 470 678	-	78 859 786
Transferred to completed items	(120 808 723)	(23 051 489)	(1 282 469)	(145 142 681)
	68 376 560	**67 938 762**	**-**	**136 315 322**

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Equipment	Included within Furniture	Total
Opening balance	148 763 330	5 100 835	1 282 469	155 146 634
Additions/capital expenditure	3 642 756	55 681 238	-	59 323 994
Impairment of Work in Progress	(11 609 911)	(262 500)	-	(11 872 411)
	140 796 175	**60 519 573**	**1 282 469**	**202 598 217**

Included in 2024 Work in Progress are projects taking a significant amount of time to complete, these have been capitalised in 2025. These projects have a carrying value of R62 406 738 in 2024. The reasons for the delay in completing these projects in 2024 are as follows;

- Lack of funds to complete the projects.
- Disputes between the contractors, professional engineers and the College
- Terminations of contracts and the lengthy procurement process to appoint contractors.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Repairs and maintenance	25 602 854	15 681 865

8. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 460 633	(2 427 660)	32 973	2 460 633	(2 414 431)	46 202

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Impairment loss	Total
Computer software	46 202	(13 229)	-	32 973

Notes to the Annual Financial Statements

	2025	2024

8. Intangible assets (continued)

Reconciliation of intangible assets - 2024

	Opening balance	Disposals	Amortisation	Impairment loss	Total
Computer software	127 127	(8 160)	(60 134)	(12 631)	46 202

9. Investment Property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Villa Bianca - Building S	741 041	(449 192)	291 849	741 041	(440 608)	300 433
Villa Bianca - Building T	1 038 466	(629 480)	408 986	1 038 466	(617 451)	421 015
Villa Bianca - Building U	1 184 658	(718 096)	466 562	1 184 658	(704 374)	480 284
Villa Bianca - Building V	1 537 534	(931 997)	605 537	1 537 534	(914 188)	623 346
Land	735 773	-	735 773	735 773	-	735 773
WIP - Investment Property	1 603 236	-	1 603 236	-	-	-
Villa Bianca - Boundary Wall and Guard House	3 895 476	(26 468)	3 869 008	-	-	-
Total	**10 736 184**	**(2 755 233)**	**7 980 951**	**5 237 472**	**(2 676 621)**	**2 560 851**

Reconciliation of investment property - 2025

	Opening balance	Additions	Transfers	Depreciation	Total
Villa Bianca - Building S	300 433	-	-	(8 584)	291 849
Villa Bianca - Building T	421 015	-	-	(12 029)	408 986
Villa Bianca - Building U	480 284	-	-	(13 722)	466 562
Villa Bianca - Building V	623 346	-	-	(17 809)	605 537
Land	735 773	-	-	-	735 773
WIP - Investment Property	-	5 498 712	(3 895 476)	-	1 603 236
Villa Bianca - Boundary Wall and Guard House	-	-	3 895 476	(26 468)	3 869 008
	2 560 851	**5 498 712**	**-**	**(78 612)**	**7 980 951**

Reconciliation of investment property - 2024

	Opening balance	Depreciation	Total
Villa Bianca - Building S	309 269	(8 836)	300 433
Villa Bianca - Building T	433 397	(12 382)	421 015
Villa Bianca - Building U	494 410	(14 126)	480 284
Villa Bianca - Building V	641 680	(18 334)	623 346
Land	735 773	-	735 773
	2 614 529	**(53 678)**	**2 560 851**

	2025	2024

9. Investment Property (continued)

Work in Progress Reconciliation 2025

	Included in Buildings	Total
Additions	5 498 712	5 498 712
Transfers to completed items	(3 895 476)	(3 895 476)
	1 603 236	**1 603 236**

Estimated useful lives

Class	Useful lives
Buildings	50 - 70
Land	Indefinite Life

Investment property pledged as security

No investment properties were pledged as security.

Other information

	2025	2024
Rental income from investment property	327 135	1 110 242
Other direct operating expenses from rental generating property	(2 619)	(26 094)
	324 516	**1 084 148**

10. Trade and other payables from exchange transactions

	2025	2024
Accrued expenses	3 746 699	3 915 408
Debtors with credit balances	5 685 264	5 161 104
Deposits	3 700	3 700
Retentions	1 785 597	463 549
Trade payables	7 481 001	1 368 531
Accrued leave pay	38 574	74 350
Other payables	1 004 098	744 631
	19 744 933	**11 731 273**

The Retentions amount relates to amounts held by the College for Capital Work in Progress.

Fair value of trade and other payables

	2025	2024
Trade payables	19 744 932	11 731 274

Trade and other payables reflect their fair values which is the cost.

Notes to the Annual Financial Statements

	2025	2024

11. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Current Service Cost	Interest Cost	Acturial Loss/ (Gain)	Benefits Paid	Total
Long Service Awards	3 158 000	254 000	315 000	30 212	(294 212)	3 463 000

Reconciliation of provisions - 2024

	Opening Balance	Current Service Cost	Interest Cost	Acturial Loss/ (Gain)	Benefits Paid	Total
Long Service Awards	3 117 000	261 000	338 000	(123 254)	(434 746)	3 158 000

	2025	2024
Non-current liabilities	3 040 000	2 782 000
Current liabilities	423 000	376 000
	3 463 000	**3 158 000**

	2025	2024
Net expense recognised in the statement of financial performance		
Current service cost	254 000	261 000
Interest cost	315 000	338 000
Benefits paid	(294 212)	(434 746)
Actuarial gains	-	(123 254)
Actuarial Loss	30 212	-
	305 000	**41 000**

	2025	2024
Calculation of actuarial losses/(gains)		
Unexpected Changes in Membership	(113 788)	(18 254)
Changes in economic variables	144 000	(105 000)
	30 212	**(123 254)**

Key assumptions used
Assumptions used at the reporting date

	2025	2024
Discount rate	8,15 %	10,09 %
Inflation rate	3,77 %	4,99 %
Average retirement age	63years	63years

Sensitivity analysis

The valuation is only an estimate of the cost of providing Long service leave award benefits. The actual cost to the College will be dependent on actual future levels of assumed variables and the demographic profile of the membership.

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:
- 20% increase/decrease in the assumed level of withdrawal rates;
- 1% increase/decrease in the Normal Salary cost inflation.

11. Provisions (continued)

Consumer price inflation

The cost of the long service awards has been assumed to increase on average annually by around CPI inflation. CPI inflation changes will thus have a direct effect on the liability of future employees.

The effect of a 1% p.a. change in the inflation assumption is as follows:

	2025	2025	2024	2024
	-1% CPI	+1% CPI	-1% CPI	+1% CPI
Total Accrued Liability	3 241 000	3 711 000	2 963 000	3 375 000
Current Service Cost	254 000	297 000	236 000	274 000
Interest Cost	263 000	303 000	294 000	337 000

Withdrawal rate

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the College. If the actual rates of withdrawal turns out to be higher than the rates assumed in the valuation basis, then the cost to the College in the form of benefits will reduce and vice versa.

The effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20% is as follows:

	2025	2025	2024	2024
	-20% Withdrawal rate	+20% Withdrawal rate	-20% Withdrawal rate	+20% Withdrawal rate
Total Accrued Liability	3 528 000	3 404 000	3 241 000	3 711 000
Current Service Cost	284 000	266 000	254 000	297 000
Interest Cost	288 000	277 000	263 000	303 000

Long Service Award

Long service benefits are awarded by the College in the form of fixed cash amounts (after 10, 15, 20, 25, 30, 35 and 40 years of continuous service). In addition, monetary gesture (fixed cash) amounts are also awarded by the College to staff members who resign for each year of past service of the resigning staff member. The long service awards amounts (for a given financial year of the College) are all paid-out together once a year at 31 December. If an employee whom has earned a long service award during a financial year then thereafter chooses to resign (before 31 December in the same financial year) then the employee will no longer receive his/her long service award payment that he/she has earned earlier in the financial year. However, a resigning employee will still revive the monetary gesture amounts that are due to the employee. The respective fixed cash amounts are increased annually on the 1st of January (depending upon the discretion of the College).

Notes to the Annual Financial Statements

12. Project liabilities

Project liabilities comprises of:

	2025	2024
SETAs and other funders	24 861 418	28 686 638

Movement during the year

	2025	2024
Balance at the beginning of the year	28 686 638	23 888 812
Prior year Balances with Debit Balances (Refer to Note 5)	(13 393 979)	(10 299 006)
Prior year Balances transferred to Unspent Conditional grants (Refer to Note 43)	5 374 376	3 825 506
Balances transferred to Unspent Conditional grants (Refer to Note 43)	(3 074 153)	(5 374 376)
Additions during the year	26 433 531	39 106 231
Income recognition during the year	(1 350 000)	(1 391 467)
Utilised Expenses	(35 475 743)	(34 463 041)
2025 Balances with Debit Balances (Refer to Note 5)	17 660 748	13 393 979
	24 861 418	**28 686 638**
Current liabilities	24 861 418	28 686 638
	24 861 418	**28 686 638**

Project liabilities relate to funds received from sponsors to address work placement issues relating to the students of the college. It is mandatory for students to undergo work placement before they can obtain certification. The funds received from funders which are mainly used to pay stipends to the students during the course of the training/placement are recognised as a liability until stipends are disbursed.

Notes to the Annual Financial Statements

	2025	2024

13. Finance lease liability

Minimum lease payments due		
- within one year	400 000	2 400 000
- in second to fifth year inclusive	-	400 000
	400 000	2 800 000
less: future finance charges	(3 473)	(118 781)
Present value of minimum lease payments	**396 527**	**2 681 219**

Present value of minimum lease payments due		
- within one year	396 527	2 284 692
- in second to fifth year inclusive	-	396 527
	396 527	**2 681 219**

Non-current liabilities	-	396 527
Current liabilities	396 527	2 284 691
	396 527	**2 681 218**

The average lease term was 5 years and the average effective borrowing rate was 7% for 2025, (7%: 2024).

Finance Leases consists of the following:

The college leased some of its equipment under finance leases. The lease term is for 60 months. Interest rate implicit in the lease agreement is 7% pa. Interest rates were fixed.

No contingent rent is payable.

No restrictions are imposed by lease arrangements.

14. Payables from non exchange transactions

NSFAS	44 345 202	39 620 081
DHET capped funding	-	4 813 464
	44 345 202	**44 433 545**

The college receives upfront payments from National Student Financial Aid Scheme (NSFAS). The amount will then be allocated to students when the college receives NSFAS remmittance list.

15. Tuition and related fees

Tuition fees paid directly by students or private bursaries		
Tuition fees - Students (NCV)	108 897 465	98 832 301
Tuition fees - students (Report 191)	17 654 485	18 388 255
Other tuition fees	9 312 497	9 650 632
	135 864 447	**126 871 188**

16. Rendering of services

Rendering of services		
Administration fee	67 725	189 225

17. Rental of facilities and equipment

Operating lease income	1 157 330	1 866 331

Notes to the Annual Financial Statements

	2025	2024

18. Investment income

	2025	2024
Interest revenue		
Interest - Bank	47 021 516	59 997 442
Other Interest	63 464	68 447
	47 084 980	**60 065 889**

19. Other income

	2025	2024
Other Income from exchange transactions		
Actuarial gains	-	123 254
Printing	12 790	11 827
Student support services	59 709	19 700
Study guide income	9 585	15 975
Sundry income	2 850 752	2 520 569
Bad debts recovered	272 139	1 791 654
Bad debt provision adjustment	-	20 543 276
DayCare Income	269 896	190 629
	3 474 871	**25 216 884**

	2025	2024
Other Income from non-exchange transactions		
Insurance payouts	-	770 538
Tender fees	462 001	522 000
Project Income private funders	726 544	275 860
	1 188 545	**1 568 398**

Notes to the Annual Financial Statements

	2025	2024

20. Government grants and subsidies

Operating grants

Programme funding : DHET Persal salaries	277 799 939	263 458 524
Programme funding : Grants paid cash	171 463 038	163 589 460
DHET Infrastructure (CIEG) and skills development	1 620 960	4 266 708
Other grant income	1 350 000	1 391 717
	452 233 937	**432 706 409**

Programme funding : DHET Persal salaries

Current-year receipts	277 799 939	263 458 524
Conditions met - transferred to revenue	(277 799 939)	(263 458 524)
	-	-

Programme funding : Grants paid cash

Current-year receipts	171 463 038	163 589 460
Conditions met - transferred to revenue	(171 463 038)	(163 589 460)
	-	-

Skills development grant

Current-year receipts	1 620 960	-
Conditions met - transferred to revenue	(1 620 960)	-
	-	-

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DHET Infrastructure (CIEG)

Current-year receipts	-	4 266 708
Conditions met - transferred to revenue	-	(4 266 708)
	-	-

Other Grant income

Current-year receipts	1 350 000	1 391 717
Conditions met - transferred to revenue	(1 350 000)	(1 391 717)
	-	-

Conditions still to be met - remain liabilities (see note 12).

21. Public contributions and donations

Donations	11 532	669 206
Public contributions	23 752 318	-
Total public contributions	**23 763 850**	**669 206**

All contributions received during the year were recognised as revenue.

	2025	2024

22. Employee related costs

Salaries & Wages	11 049 875	8 531 468
Contributions for UIF, pensions and medical aids	329 904	165 041
Travel, motor car, accommodation, subsistence and other allowances	429 476	171 199
Overtime payments	331 842	388 981
Long Service Awards - Interest Cost	315 000	338 000
Long-service awards - Current Service Cost	254 002	271 211
Other employee related costs	837 301	806 440
Bonus	4 969 590	4 808 980
	18 516 990	**15 481 320**

Remuneration of Principal

Annual Remuneration	877 969	425 888
Performance Bonuses	73 892	30 421
Contributions to UIF, Medical and Pension Funds	114 136	55 365
Other Allowance	253 215	110 279
	1 319 212	**621 953**

Principal - 1 July 2024 - 31 December 2025

Remuneration of Acting Principal

Annual Remuneration	-	364 334
Performance Bonuses	-	59 291
Contributions to UIF, Medical and Pension Funds	-	47 363
Other	-	144 738
	-	**615 726**

Acting Principal - 1 January 2024 - 30 June 2024.

Remuneration of Deputy Principal Finance

Annual Remuneration	759 554	710 556
Performance Bonuses	64 603	86 186
Contributions to UIF, Medical and Pension Funds	98 742	92 372
Other	197 102	153 739
	1 120 001	**1 042 853**

Chief Financial Officer - 01 January 2024 - 31 December 2025.

Remuneration of Acting Deputy Principal: Academic Affairs

Annual Remuneration	-	301 453
Performance Bonuses	-	51 734
Contributions to UIF, Medical and Pension Funds	-	50 049
Other Allowances	-	10 224
	-	**413 460**

Acting Deputy Principal : Academic Affairs - 01 January 2024 - 30 June 2024.

Remuneration of Deputy Principal: Corporate Services

Notes to the Annual Financial Statements

	2025	2024
22. Employee related costs (continued)		
Annual Remuneration	794 247	742 848
Performance Bonuses	67 554	64 181
Contributions to UIF, Medical and Pension Funds	103 252	96 570
Other Allowances	205 430	188 233
	1 170 483	**1 091 832**

Deputy Principal : Corporate Services- 01 January 2024 - 31 December 2025.

Remuneration of Acting Deputy Principal: Registrar

Annual Remuneration	777 816	727 974
Performance Bonuses	66 145	69 208
Contributions to UIF, Medical and Pension Funds	175 276	155 148
Other Allowances	93 708	146 372
	1 112 945	**1 098 702**

Acting Deputy Principal : Registrar - 01 January 2024 - 31 December 2025.

Remuneration of Deputy Principal: Academic Affairs

Annual Remuneration	322 368	378 515
Performance Bonuses	63 086	27 037
Contributions to UIF, Medical and Pension Funds	41 908	49 207
Other Allowances	69 790	91 182
	497 152	**545 941**

Deputy Principal : Registrar - 01 July 2024 - 31 May 2025.

Remuneration of Acting Deputy Principal: Academic Affairs

Annual Remuneration	360 196	-
Performance Bonuses	55 813	-
Contributions to UIF, Medical and Pension Funds	46 825	-
Other Allowances	37 583	-
	500 417	**-**

Acting Deputy Principal Finance - 17 June 2025 - 31 December 2025

DHET Management Fee Cost	277 799 939	263 458 524
Total employee costs and DHET management fees	296 316 929	278 939 844

23. Bad debts written off

Bad debts written off	18 913 254	13 653 506

24. Depreciation, amortisation

Property, plant and equipment	42 664 209	32 206 938
Intangible assets	13 229	60 134
Investment property	78 612	53 678
	42 756 050	**32 320 750**

Notes to the Annual Financial Statements

	2025	2024

25. Books, teaching and learning materials

Books and learning material	39 050 024	20 632 186
Teacher Support Material	368 263	314 459
	39 418 287	**20 946 645**

26. Repairs and maintenance

Property, plant and equipment	25 602 854	15 681 865

27. Professional services

Audit Fees - External	2 924 750	2 260 185
Consultation Fee	3 660 136	3 598 047
Audit Fees - Internal	2 205 450	350 426
Legal fees	4 255 847	4 134 338
Other professional services	2 375 012	3 550 725
Psychological services	615 180	2 039 031
	16 036 375	**15 932 752**

28. Debt Impairment

Debt impairment	18 501 861	-

29. Finance costs

Interest charges- Legal	6 977	3 430
Finance leases	115 309	269 334
	122 286	**272 764**

30. General expenses

Small items	43 970	221 622
Bank charges	860 872	916 055
Cleaning	85 612	329 969
Council expenditure	1 223 435	201 111
Debt collection commission	35 528	50 538
Exam registration fees	121 607	84 107
Insurance	5 363 289	3 527 977
Other expenses	556 909	583 294
License fees- vehicles	90 432	108 856
Fuel, staff development, skills costs, rev.rel.exp, other expenses	14 730 084	11 474 585
Program costs	36 067 940	17 941 782
Rates and taxes	6 185 557	5 753 628
Student support services	17 738 116	11 047 532
Subscription, membership fees and levies	319 920	589 881
Travel and Accomodation	5 179 841	1 417 023
Uniforms , Protective clothing and Health and safety	337 670	223 814
Year-end function	1 817 313	-
Catering expenses	2 888 704	2 283 036
Outsourced services	66 618 643	50 556 083
Consumables- Other	4 597 195	2 869 489
Ceremonies, functions and conferences	6 420 969	4 679 453
	171 283 606	**114 859 835**

Notes to the Annual Financial Statements

	2025	2024

31. Loss on disposal of assets

	2025	2024
Property, plant and equipment	7 502 712	2 548 724

32. Cash (used in) generated from operations

	2025	2024
Surplus for the year	(48 446 359)	92 405 838
Adjustments for:		
Depreciation and amortisation	42 629 395	32 220 563
Loss on disposal of assets	7 502 712	2 548 724
Inventory gain (losses/write-down)	10 917 336	(297 537)
Other income non cash items	(105 070)	-
Donations Received	(23 752 318)	(603 215)
Credit balance reversals	(2 009 837)	(1 669 021)
Impairment Loss	3 854 453	14 204 089
Debt impairment	18 501 861	(20 543 276)
Bad debts written off	18 913 254	13 653 506
Other non cash movements	(850 567)	-
Acturial gains/(loss)	30 212	(123 254)
Movements in provisions	305 000	41 000
Persal Income	277 799 939	(263 458 524)
DHET management fee (Persal expense)	(277 799 939)	263 458 524
Changes in working capital:		
(Increase)/ decrease in inventories	(81 972 259)	(22 601 037)
(Increase)/ decrease in trade and other receivables from exchange transactions	25 074 822	(3 393 579)
(Increase)/decrease in other receivables from non-exchange transactions	(7 199 991)	(9 103 408)
Increase/(decrease) in Trade and other payables from exchange transactions	8 013 660	11 074 741
Increase/(decrease) in payables from non-exchange	(88 343)	2 360 807
Project liabilities	(3 825 220)	4 797 826
Increase/(decrease) in Unspent conditional grants	(2 300 223)	1 548 870
	(34 807 482)	**116 521 637**

Notes to the Annual Financial Statements

	2025	2024

33. Prior period error

During the year the following correction of errors occurred

1. **Trade and other Receivables from exchange -** correction of tuition fees, registration fees and card fees as a result of cancellations relating to 2024 and prior years. The other correction of errors relates to rental fees and bad debts reinstatement.

2. **Receivables from exchange transactions** - write off of Skills Levy debtor and corresponding Government Grants and subsidies of R1 554 529 as a result of no claim submitted for Skills Levy Grant in 2024. Correction of CFE income incorrectly recognised in 2024 and prior. Correction of NBI Welder and NBI Bakery incorrectly treated as college expenses in 2024. Reclassification of BCTC income from Government Grants and Subsidies to Other Income from non exchange as a result of a classification error.

3. **Property, plant and equipment -** Understatement of leasehold property depreciation of R772 467 in 2024.

4. **Trade and other payables from exchange transactions** - Unrecorded Accruals in 2024 and prior of R968 149. Understatement and overstatement of Trade Payables and Debtors with Credit Balances relating to 2024 and prior.

5, **Accumulated Surplus -** Aggregate of correction of errorrs relating to 2024 and prior revenue and expenses line items.
6. **Employee related costs -** Unrecorded payroll accruals relating to 2024.

7. **Repairs and maintenance -** understaement and overstatement of repairs in 2024.

8. **General expenses -** correction of errors due to overstatement of 2024 general expenses and unrecored accrued expenditure and payables.

9. **Telephone, postage, internet, network and communication costs -** correction of unrecored payables relating to 2024 telephone expenditure.

10.**Marketing -** overstatement of 2024 marketing expenses.

11.**Municipal Services -** overstament of 2024 municipal expenses.

	2025	2024
	-	1

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Statement of financial position	Reference	As previously reported	Reclassification	Correction of error	Restated
Current Assets		-	-	-	-
Trade and other receivables from exchange	1	56 450 215	-	(96 461)	56 353 755
Trade and other receivables from non-exchange	2	42 721 057	-	(1 937 170)	40 783 889
Non-Current Assets		-	-	-	-
Property Plant and Equipment	3	779 495 248	-	(772 470)	778 722 781
Current Liabilities		-	-	-	-
Trade and other payables from exchange transactions	4	(10 111 317)	-	(1 619 961)	(11 731 274)
Non -Current liabilities		-	-	-	-
		-	-	-	-
Net Assets		-	-	-	-
Accumulated Surplus	5	(1 560 967 053)	-	4 426 047	(1 556 541 001)
		(692 411 850)	**-**	**-**	**(692 411 850)**

33. Prior period error (continued)

Statement of financial performance	Reference	As previously reported	Correction of error	Restated
Revenue from exchange transactions		-	-	-
Tuition and related fees	1	126 882 549	(11 362)	126 871 188
Rental of facilities and equipment	1	2 059 461	(193 131)	1 866 331
Other income	1	25 014 424	202 459	25 216 884
		-	-	-
Transfer Revenue		-	-	-
Government grants and subsidies	2	434 790 173	(2 083 766)	432 706 409
Other Income from non exchange	2	1 292 538	275 858	1 568 398
Expenditure		-	-	-
Employee related costs	4, 5, 6	(278 966 821)	26 973	(278 939 844)
Repairs and maintenance	4, 5, 7	(15 650 175)	(31 694)	(15 681 865)
Depreciation and amortisation	3	(31 548 282)	(772 471)	(32 320 750)
General expenses	4, 5, 8	(114 258 547)	(601 292)	(114 859 835)
Telephone, postage, internet, network and communication costs	4, 5, 9	(27 305 838)	(204 667)	(27 510 501)
Marketing	4, 5, 10	(2 771 698)	217	(2 771 477)
Municipal Services	4, 5, 11	(8 912 142)	(285 406)	(9 197 544)
		110 625 642	**(3 678 282)**	**106 947 394**

Note 34 - Commitments

During the year it was noted that there were errors in movements and contracts that were not included in the 2024 Audited commitments. As a result the following correction of errors occurred:

COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE **Already contracted for but not provided for**	Previously Reported	Correction of error	Restated
Buildings	6 685 240	(552 789)	6 132 451
Equipment	3 297 621	13 978 613	17 276 234
	9 982 861	**13 425 824**	**23 408 685**

COMMITMENTS IN RESPECT OF OPERATIONAL EXPENDITURE **Already contracted for but not provided for**	Previously Reported	Correction of error	Restated
Service contracts	125 878 844	(171 716)	125 707 128
Operational contracts	6 270 589	2 180 367	8 450 956
	132 149 433	**2 008 651**	**134 158 084**

During the year it was noted that the Reconciliation of allowance for impairment disclosure in Note 4 of 2024 Audited was incorrectly disclosed .

The effects of the correction of the disclosure note are as follows:

Note 4 - Trade and other receivables from exchange transactions **Reconciliation of allowance for impairment**	Previously Reported	Restated
Balance at the beginning of the year	(22 987 858)	(22 987 858)
Contributions to impairment	25 432 441	20 543 275
	2 444 583	**(2 444 583)**

Notes to the Annual Financial Statements

	2025	2024

33. Prior period error (continued)

	2025	2024

34. Change in estimate

Property, plant and equipment

Management reassessed the condition, utilisation, and expected service potential of certain assets in accordance with the indicators outlined in GRAP 17 paragraph 57.
Based on the outcome of the assessment, management concluded that the remaining useful lives of certain assets should be extended to better reflect their expected future service potential. Consequently, the estimated useful lives of these assets were revised prospectively as a change in accounting estimate in accordance with GRAP 17.

Changes in depreciation resulting from reassessment of remaining useful lives are as follows;

Impact on Depreciation	Depreciation on historical	Depreciation on Revised	Change in Estimate
Computers & Printers	3 785 177	3 046 432	738 745
Equipment & Machinery	5 282 020	4 654 375	627 645
Furniture and Fittings	1 595 491	1 451 521	143 970
Buildings	7 327 875	6 987 820	340 055
Vehicles	1 055 169	985 430	69 740
Investment buildings	53 678	52 144	1 534
Software	18 552	13 229	5 323
	19 117 962	**17 190 951**	**1 927 012**

The impact of the change in estimate on the carrying amounts of the reassessed remaining useful lives are as follows;

Impact on Carrying Amount	Carrying amount on historical RUL	Carrying amount on Revised RUL	Change in estimate
Computers & Printers	10 058 510	10 797 256	(738 745)
Equipment & Machinery	33 260 810	33 888 455	(627 645)
Furniture and Fittings	12 892 590	13 036 561	(143 970)
Buildings	229 552 200	229 892 255	(340 055)
Investment buildings	1 771 399	1 772 933	(1 534)
Vehicles	7 098 840	7 168 580	(69 740)
Software	27 650	32 973	(5 323)
	294 661 999	**296 589 013**	**(1 927 012)**

The projected impact of the change in estimate on depreciation in the future periods are as follows:

Impact on future periods depreciation	Projected Depreciation 2026	Projected Depreciation 2027
Buildings	7 109 143	7 109 143
Computers & Printers	2 860 960	2 830 956
Equipment & Machinery	4 585 007	4 582 409
Furniture and Fittings	1 433 287	1 433 223
Investment buildings	52 144	52 144
Software	13 229	13 123
Vehicles	924 418	924 418
	16 978 188	**16 945 416**

Notes to the Annual Financial Statements

35. Commitments

COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE

	2025	2024
Already contracted for but not provided for		
• Building	156 280 124	6 132 451
• Equipment	10 199 461	17 276 234
Property, Plant and Equipment	**166 479 585**	**23 408 685**
Total capital commitments		
Already contracted for but not provided for	166 479 585	23 408 685

COMMITMENTS IN RESPECT OF OPERATIONAL EXPENDITURE

	2025	2024
Already contracted for but not provided for		
• Service contracts	207 028 337	125 707 128
• Operational contracts	42 982 271	8 450 956
	250 010 608	**134 158 084**
Total operational commitments		
Already contracted for but not provided for	250 010 608	134 158 084

Notes to the Annual Financial Statements

36. Contingent liabilities

	2025	2024
Contractual dispute		
MTN Business vs Ekhuruleni West Tvet College, MTN is seeking to recover R11 827 464.83 which has accumulated as a result of non-payment. The contract between MTN and EWC expired in 2022. MTN continued billing EWC and the total amount accumulated to R11 827 464.83.	11 827 464	11 827 464
The College is in the process of approaching City of Ekhurhuleni Munipality to attend to a transfer of a property, Farm Katlehong 151 IR (ERF 702 Palima Township) in terms of section 125. The estimated financial implications for the process is R500 000	-	500 000
Ekurhuleni West TVET College vs VMR Architects CC During or around March 2025, VMR Architects CC have served a letter of demand to EWC, wherein they have also included their notice in terms of section 3 of the Institution of Legal Proceedings against Certain Organs of State Act	5 343 022	-
Ekurhuleni West TVET College vs Waste Plan Gauteng (Pty) Ltd Waste Plan Gauteng (Pty) Ltd ("Waste Plan") lodged a claim against Ekurhuleni West TVET College of R527 588.68 with interest at a rate of 2% per month from the date of issuance of each invoice issued by Waste Plan to Ekurhuleni West TVET College between 28 March 2024 and 17 September 2024, until date of final payment.	685 865	-
Kgakana Stemmer Madisha V Wellington Mudau & Ekurhuleni West TVET College -a claim was lodged by the plaintiff against the College for general damages in the amount of R100,000.00 (one hundred thousand rands), together with interest at the prescribed rate from date of issue of summons to date of final payment, and costs of suit. As at the date of this response, the matter has not been finalised and remains pending. Based on the pleadings and the quantum presently claimed, and subject to the inherent uncertainties of litigation, the maximum exposure on the pleaded claim is presently R100,000.00 (one hundred thousand rands) together with potential interest and an award of costs in the Court's discretion (subject to any amendment of pleadings and/or orders of Court).	100 000	-
A former employee was dismissed on 31 July 2025 by EWC and subsequently challenged the dismissal in court. In March 2026, the court ruled in favour of the employee and ordered reinstatement. EWC has lodged an appeal against this judgment. As at 31 December 2025, the estimated potential financial exposure amounts to R211 946,20, representing salary costs that may become payable should EWC be unsuccessful in its appeal. An additional amount of R508 670,40 is estimated in respect of a further 12-month period, reflecting potential salary costs due to the anticipated duration of the appeal process.	720 617	-
	18 676 968	**12 327 464**

	2025	2024
Contingent Assets		
Ekurhuleni West TVET College vs Winny Nukeri & Occupants. Initial Application has been finalised. The matter is currently at a Taxation stage, as a result of the cost order granted in the favour of Ekurhuleni West TVET College. The College is set to recoup costs of R123 575 subject to taxation.	123 575	-
EWC is in the process of transferring land from the City of Ekurhuleni, Farm Katlehong 151 IR (ERF 702 Palima Township) in terms of section 125. The fair market value of the land is R1 480 000.00 (One Million Four Hundred and Eighty Thousand Rand). The College will recognise an asset in their books once the transfer process has been completed therefore there is a contingent asset of R1 480 000.	-	1 480 000
Ekurhuleni West TVET College // Eviction Application. Initial Application has been finalised. The matter is currently at a Taxation stage, as a result of the three cost orders granted in the favour of Ekurhuleni West TVET College. The College are set to recoup costs of R487 391 subject to taxation	487 391	-

Notes to the Annual Financial Statements

	2025	2024
36. Contingent liabilities (continued)		
	610 966	**1 480 000**

Notes to the Annual Financial Statements

	2025	2024

37. Related parties

Relationships	
Day to day management of the EWC TVET	Members of key membership Council members refer to page 1
Responsible government department	Department of Higher Education and Training (DHET)
Under the same government sphere	All National Departments All national public entities
Under the common control DHET	National Skills Fund (NSF) SETA's TVET and CET Colleges The Quality Council for Trades and Occupations (QCTO) All public universities National Student Financial Aid Scheme (NSFAS) South African Qualifications Authority (SAQA) Council of Higher Education and Training

Related party balances

	2025	2024
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Food and Beverages Manufacturing Sector Education and Training Authority (FoodBev SETA)	1 144 384	1 861 180
Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA)	4 392 489	789 268
Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) SPVT	4 726 424	2 700 324
National Student Financial Aid Scheme (NSFAS) -receivable	125 000	125 000
National Student Financial Aid Scheme (NSFAS)	(33 606 244)	(33 316 153)
Department of Higher Education and Training (DHET)	30 198 133	27 264 910
DHET Capped funding	-	(4 813 464)
Chemical Industries Education & Training Authority	-	914 195
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	-	33 812
Department of Higher Education and Training (DHET)	(7 000)	251 035
Mining Qualifications Authority: MQA	310 887	222 054
Construction Education and Training Authority (CETA)	2 878 016	2 038 213
DHET Artisan Graduation	2 928 881	2 928 881
DHET BRICS Campaign	743 239	743 239
Media, Information and Communication Technologies (MICT SETA)	-	475 376
Energy and Water SETA	-	210 000
AgriSETA	114 112	-
INSETA CFE	172 237	-
Bankseta	71 810	-
Project Liabilities balance		
DHET SACPO	-	(29 106)
Health & Welfare SETA	-	(13 500)
Insurance SETA (INSETA)	(1 310 648)	(2 161 466)
Insurance SETA (INSETA) - CFE	-	(92 739)
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	(10 094 245)	(9 764 283)
SEDA	(301 071)	(301 071)
National Skills Fund (NSF DSPP)	(10 296 475)	(10 296 475)
Bankseta	-	(2 098 739)
Food Processing and Manufacturing SETA (FP&M SETA)	(298 931)	(298 931)
BankSETA CFE	(11 000)	(11 000)
Service Seta	(162 469)	(151 994)

Notes to the Annual Financial Statements

	2025	2024
37. Related parties (continued)		
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	(492 493)	-
Energy and Water SETA	(511)	-
Unspent conditional grants and receipts		
National Skills Fund	(48 847)	(2 628 359)
Insurance SETA (INSETA) - CFE	-	(92 739)
University of Johannesburg	(2 527 993)	(2 653 279)
The Media, Information and Communication Technologies Sector Education and Training Authority (MICTSETA)	(497 313)	-

Related party transactions

	2025	2024
Amounts received from related parties		
Banking Sector Education and Training Authority (BANKSETA)	(1 963 223)	(5 430 575)
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	(1 057 625)	(1 172 995)
Department of Higher Education and Training - Direct Subsidies	(170 150 775)	(156 857 925)
Department of Higher Education and Training (DHET) Infranstructure	-	(4 266 708)
Food and Beverages Manufacturing Sector Education and Training Authority (FoodBev SETA)	(4 649 242)	(2 386 276)
Food processing and Manufacturing SETA (FP&M SETA)	-	(624 600)
Insurance SETA (INSETA)	(976 725)	(1 660 776)
Wholesale and Retail Sector Edication and Training Authority	(1 109 773)	(338 233)
Bankseta CFE	-	(2 700 000)
Media, Information and Communication Technologies (MICT SETA	(1 930 226)	(175 000)
Merseta SPVT	(2 692 250)	(705 375)
National Skills Fund (NSF)	(2 157 901)	(8 625 137)
National Student Financial Aid Scheme (NSFAS)	(104 889 609)	(100 784 624)
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSETA Artisan Development)	(4 641 525)	(6 446 283)
University of Johannesburg	-	(1 500 000)
SERVICE SETA	(1 286 958)	(515 755)
Mining Qualification Authority (MQA	(31 500)	(1 680 878)
AGRISETA	(515 725)	-
EWSETA	(928 305)	-
DHET Management Fee Cost		
Salaries and Wages	277 799 939	263 458 524

Key management personnel's detailed emoluments have been disclosed on note 22 - Employee related costs

	2025	2024
Administration fees paid to (received from) related parties		
Banking Sector Education and Training Authority (BANKSETA)	(67 725)	(189 225)
Allowances paid to Council Members		
Chuene, M M	-	15 154
Hlope, P P	-	23 248
Lekala, M	-	4 005
Mohlala, M	-	8 010
Naidoo, T	-	13 406
Petje, M I	-	21 348
Setlhako, M C	-	23 314
Thwala, W D	-	6 703
Visagie, A	90 027	35 779
Sebake, M M	-	-

Notes to the Annual Financial Statements

	2025	2024
37. Related parties (continued)		
Mogaladi T G	-	12 099
Nhlapo PV	100 648	21 941
Mongale S N	46 071	9 401
Maliseha N	75 169	-
Masegere	38 392	-
Mogodi GM	35 996	-
Mogaladi GT	90 168	-
Allowances paid to additional ARC Member	-	-
Mkhabela F M	-	6 703
	-	-

The College purchased electronic devices for Council members amounting to R746 964.

	2025	2024
Government Grants and Subsidies		
Department of Higher Education and Training (DHET)	(449 262 977)	(427 047 984)
Department of Higher Education and Training (DHET) Infranstructure Grantd	-	(4 266 708)
Skills Development Grant	(1 620 960)	-
Project or Grant Income		
Centre of Entrepreneurship (CFE)	(1 350 000)	(1 350 000)
Small Enterprise Development Agency (SEDA)	-	(41 717)

Remuneration of key management personnel

Key management

2025

Name	Annual Remuneration	Bonuses	Contributions to UIF, Medical and Pension Funds	Other allowances	Total
Principal (01 Jan - 31 Dec 2025)	877 969	73 892	114 136	253 215	1 319 212
Deputy Principal: Academic Affairs (01 Jan 2025 - 31 May 2025)	322 368	63 086	41 908	69 790	497 152
Deputy Principal: Finance (01 Jan-31 Dec 2025)	759 554	64 603	98 742	197 102	1 120 001
Acting Deputy Principal: Academic Affairs (17 June-31 Dec 2025)	360 196	55 813	46 825	37 583	500 417
Deputy Principal Corporate Services (01 Jan-31 Dec 2025)	794 247	67 554	103 252	205 430	1 170 483
Acting Deputy Principal: Registrar (01 January -31 Dec 2025)	777 816	66 145	175 276	93 708	1 112 945
	3 892 150	**391 093**	**580 139**	**856 828**	**5 720 210**

2024

Name	Annual Remuneration	Bonuses	Contributions to UIF, Medical and Pension Funds	Other Allowances	Total
Principal (01 July- 31 Dec 2024)	425 888	30 421	55 365	110 279	621 953
Acting Principal (01 Jan-30 June 2024)	364 334	59 291	47 363	144 738	615 726
Deputy Principal: Finance (01 Jan-31 Dec 2024)	710 556	86 186	92 372	153 739	1 042 853

Notes to the Annual Financial Statements

				2025	2024

37. Related parties (continued)

Deputy Principal: Academic Affairs (01 July-31 Dec 2024)	378 515	27 037	49 207	91 182	545 941
Acting Deputy Principal: Academic Affairs (01 Jan-30 June 2024)	301 453	51 734	50 049	10 223	413 459
Deputy Principal Corporate Services (01 Jan-31 Dec 2024)	742 848	64 181	96 570	188 233	1 091 832
Acting Deputy Principal: Registrar (01 January -31 Dec 2024)	727 974	69 208	155 149	146 371	1 098 702
	3 651 568	**388 058**	**546 075**	**844 765**	**5 430 466**

*Refer to note 22 for "Employee related costs".

	2025	2024

38. Going concern

We draw attention to the fact that at 31 December 2025, the college had an accumulated surplus of R1 502 065 200 and that the college's total assets exceed its liabilities by R1 502 065 200.

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

The ability of the College to continue as a going concern is dependent on a number of factors. The most significant of these is that the College is dependent on programme funding received from DHET at a level which, when combined with other revenue generated by the College, is sufficient to fund the operations of the College.

39. Subsequent events

Management has assessed events after the reporting date defined to be events which are both favourable and unfavourable, that occur between the reporting date and the date when the Annual Financial Statements are authorised for issue

Management together with the Council of the College has assessed events after 31 December 2025 (reporting date) till 31 March 2026 being the date of approval of the financial statements.

Management identified a matter relating to a former employee who was dismissed by EWC on 31 July 2025 and subsequently challenged the dismissal in court. In March 2026, the court ruled in favour of the employee and ordered reinstatement. EWC has lodged an appeal against this judgment.

40. Risk management and other financial instrument disclosures

Maximum credit risk exposure

Credit risk exposure arise 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, comprising mainly 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.

The college has no significant concentrations of credit risk other than self funded students failing to pay their fees due to economic hardships. For banks and financial insititutions, only independently rated parties are accepted and the college has policies in place to ensure that rendering of education service are made to students with an appropriate credit history. The college's maximum exposure to credit risk is represented by the carrying amount of theses financial assets on the statement of financial position.

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	576 092 749	763 366 032
Receivables from exchange transactions	26 465 469	56 353 755
	602 558 218	**819 719 787**

	2025	2024

40. Risk management and other financial instrument disclosures (continued)

Liquidity risk

Liquidity risk is the risk that the college will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The college's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the college's reputation.

Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cashflow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met. 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 borrowings.

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

The table below analyses the college’s financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2025	Not later than one year	Later than one year
Finance lease liability	396 527	-
Trade and other payables from exchange transactions	19 744 932	-
	20 141 459	**-**

2024	Not later than one year	Later than one year
Finance lease liability	2 284 692	396 527
Trade and other payables from exchange transactions	11 731 274	-
	14 015 966	**396 527**

Interest rate risk

As the college has no significant interest-bearing assets, the college’s income and operating cash flows are substantially independent of changes in market interest rates.

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

At year end, financial instruments exposed to interest rate risk were as follows:		
Call deposits	157 704 596	278 259 038
Call investments	415 280 475	392 752 692
	572 985 071	**671 011 730**

Interest rate risk sensitivity analysis

The susceptibility of the college's financial performance to changes in interest rates can be illustrated as follows:

	2025	2024

40. Risk management and other financial instrument disclosures (continued)

2025	Impact
Interest income	
Interest rate increase of 25 basis points	1 432 463
Interest rate decrease 25 basis points	(1 432 463)
	-

2024	
Interest income	
Interest rate increase of 25 basis points	1 677 529
Interest rate decrease 25 basis points	(1 677 529)
	-

The method applied to determine the interest rate sensitivity analysis has the following limitations that may result in the information not being fully representative of the actual future results:

Most interest bearing call accounts are linked to prime and a change in the interest rate would cause an increase or decrease in the interest received for the year.

No changes were made to the methods and assumptions applied, in the prior year, to the determination of the sensitivity analysis.

Other price risk

The college has no exposure to price risk as it does not have any instrument affected by market price fluctuations.

FInancial assets pledged as security

No financial assets were pledged as security for liabilities.

Credit quality of financial assets carried at amortised cost

Method of determining credit quality of other non-current financial assets:

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to credit ratings obtained, for the customers included in the balance, from external credit ratings agencies.

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 through application of the entity's own credit policy. Based on the evaluation of the historical payment trends, customers included in the balance are categorised into the following:

High credit quality - Customers included in this category have evidenced no defaults or breaches in the contractual repayments.

Medium credit quality - Customers included in this category are prone to late payments, but seldomly default on the entire balance owing.

Low credit quality - Customers included in this balance includes customers that frequently default on their outstanding balances and breach contract.

Impairment and reconciliation disclosures related to financial assets

Impairment disclosures for current financial assets carried at amortised cost

Notes to the Annual Financial Statements

	2025	2024

40. Risk management and other financial instrument disclosures (continued)

Reconciliation between gross and net balances	Gross Balances	Provision for Doubtful Debts	Net Balance
Trade and other receivables from exchange transations - 2025	47 752 802	(20 946 443)	26 806 359
Trade and other receivables from exchange transations - 2024	58 798 337	(2 444 582)	56 353 755

Reconciliation of the doubtful debt provision		
Balance at the beginning of the year	(2 444 583)	(22 987 858)
Contributions to provisions	(18 501 861)	20 543 275
	-	-
	(20 946 444)	**(2 444 583)**

The age analysis have been disclosed on note 4 -Trade and other receivables from exchange transactions

Financial assets carried at amortised cost past due but not impaired

Financial assets carried at amortised cost which are less than 1 months past due are not considered to be impaired.

Other current financial liabilities measured at amortised cost through surplus and deficit

Finance lease obligation	396 527	2 284 691
Trade and other payables from exchange transactions	19 744 934	11 731 270
	20 141 461	**14 015 961**

41. Taxation

The College is exempt from normal taxation in terms of section Section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No.58 of 1962).

42. 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 circumstances, the net assets of the College, comprising the accumulated surplus and reserves, will vest in the Minister of Higher Education after the settlement of all liabilities.

43. Segment Information

General information

Identification of segments

The College is organised on the basis of nine (9) functional locations (campuses) in Gauteng Province. All of the segments offer teaching and learning of various courses, and they generate economic benefits (tuition from students) to the College. Results from the campuses are regularly reviewed by College management to make decisions about resources to be allocated to that activity and in assessing its performance. Management uses these same segments for determining strategic objectives. The Campuses of the College are listed below:

1. Germiston
2. Kathorus
3. Kempton Park
4. Tembisa
5. Alberton
6. Boksburg.
7. Centre for Entrepreneurship
8. Corporate Centre
9. Germiston Skills Centre.

Notes to the Annual Financial Statements

	2025	2024

43. Segment Information (continued)

Segment separate financial information

The College's financial system does not permit production of financial information per each Segment as the information is centralised. The cost required to upgrade the financial system to produce the required segment financial information would be excessive. Therefore, the College is unable to report on separate segment financial information. The College does not produce separate financial information and do not manage the segments based on their financial performance.

44. Unspent conditional grants and receipts

	2025	2024
Designated at fair value		
SETAs and other funders	3 074 153	5 374 376
Current liabilities		
Current liabilities	3 074 153	5 374 376

45. Impairment of assets

	2025	2024
Impairments		
Property, plant and equipment	3 854 453	14 191 458
Intangible assets	-	12 631
	3 854 453	**14 204 089**
	3 854 453	14 204 089
	-	-

46. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At fair value	Total
Cash and cash equivalents	576 092 749	576 092 749
Trade and other receivables from exchange transactions	26 806 359	26 806 359
Receivables from non-exchange transactions	47 983 880	47 983 880
	650 882 988	**650 882 988**

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	19 744 932	19 744 932
Payables from non-exchange transactions	33 606 244	33 606 244
Project liabilities	24 861 418	24 861 418
Unspent conditional grants and receipts	3 074 153	3 074 153
	81 286 747	**81 286 747**

2024

Financial assets

	At fair value	Total

Notes to the Annual Financial Statements

	2025	2024

46. Financial instruments disclosure (continued)

Cash and cash equivalents	763 366 032	763 366 032
Trade and other receivables from exchange transactions	56 353 755	56 353 755
Receivables from non-exchange transactions	40 783 889	40 783 889
	860 503 676	**860 503 676**

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	11 731 274	11 731 274
Project liabilities	28 686 638	28 686 638
Payable from non-exchange transactions	38 129 617	38 129 617
Unspent conditional grants and receipts	5 374 376	5 374 376
	83 921 905	**83 921 905**