



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



# ANNUAL REPORT | 2022

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## **1 INTRODUCTION**

The Annual Report presents and showcases the performance and achievements of False Bay TVET College (FBC) during the academic year. The report serves to provide a holistic overview of the extent to which strategic targets have been met in terms of academic, enrolment, financial, management and administrative performance.

The final report includes reports referred to in Sections 25 and 44 of the Continuing Education and Training Act No. 16 of 2006, as amended, and includes:

- A report on the overall management and governance of the College
- A report on its overall performance and use of available resources
- Duly audited Annual Financial Statements
- Any additional information required by the Minister in terms of the Act.

## 2 ABBREVIATIONS AND ACRONYMS

<b>AFS</b>	Annual Financial Statements	<b>MIS</b>	Management Information System
<b>AGSA</b>	Auditor General South Africa	<b>MOA</b>	Memorandum of Agreement
<b>APP</b>	Annual Performance Plan	<b>NATED</b>	National Technical Education
<b>ARC</b>	Audit and Risk Committee	<b>NC(V)</b>	National Certificate (Vocational) Qualification at NQF Levels 2–4
<b>CA</b>	Chartered Accountant	<b>NDP</b>	National Development Plan
<b>CAPEX</b>	Capital Expenditure	<b>NEET</b>	Not in employment, education, or training (youth)
<b>CET Act</b>	Continuing Education and Training Act No. 16 of 2006, as amended	<b>NSDS</b>	National Skills Development Strategy
<b>CfE</b>	Centre for Entrepreneurship	<b>NSF</b>	National Skills Fund
<b>CFERI</b>	Centre for Entrepreneurship/Rapid Incubator	<b>NSFAS</b>	National Student Financial Aid Scheme
<b>CHIETA</b>	Chemical Industries Education & Training Authority	<b>OIHD</b>	Occupations in High Demand
<b>CIC</b>	College Implementation Committee	<b>PLANCO</b>	Planning and Resources Committee
<b>CoS</b>	Centre of Specialisation	<b>PLP</b>	Pre-vocational Learning Programme
<b>CPUT</b>	Cape Peninsula University of Technology	<b>POPIA</b>	Protection of Personal Information Act
<b>DEDAT</b>	Department of Economic Development and Tourism	<b>PPN</b>	Post Provisioning Norms
<b>DHET</b>	Department of Higher Education and Training	<b>PQM</b>	Programme Qualification Mix
<b>EVAP</b>	Entrepreneurship Venture Acceleration Program	<b>PSET</b>	Post-School Education and Training
<b>EXCO</b>	Executive Committee	<b>RI</b>	Rapid Incubator
<b>FBC</b>	False Bay TVET College	<b>SEDA</b>	Small Enterprise Development Agency
<b>GRAP</b>	Generally Recognised Accounting Practices	<b>SETA</b>	Sector Education and Training Authority
<b>HR</b>	Human Resources	<b>SIPS</b>	Strategic Infrastructure Projects
<b>HRC</b>	Human Resources Committee	<b>SMME</b>	Small, Medium and Micro Enterprises
<b>ICT</b>	Information, Communication and Technology	<b>SNG</b>	Sizwe Ntsaluba Gobodo
<b>KPI</b>	Key Performance Indicator	<b>SRC</b>	Student Representative Council
<b>LMS</b>	Learner Management System	<b>TVET</b>	Technical and Vocational Education and Training
<b>LWE</b>	Lecturer Workplace Experience	<b>WBE</b>	Workplace-Based Exposure / Experience
<b>MerSETA</b>	Manufacturing, Engineering and Related Services Sector Education and Training Authority	<b>WIL</b>	Work-Integrated Learning

## PART A: GENERAL OVERVIEW



### 3 MESSAGE FROM THE COUNCIL CHAIRPERSON



2022 was a difficult year for FBC. The College received a qualified audit opinion for the 2021 financial year, the first in its history. The audit outcome and the nature of the findings led to a Council decision to launch an investigation into the underlying causes of the audit findings. Challenges in implementing the decision resulted in Council and its committees focusing much attention in 2022 on our fiduciary role as well as our governance and oversight obligations.

Challenges were also experienced in the building of our new campus at Swartklip. In pursuance of the goal of extending access to post-school education and training opportunities, the College received funding to building two new campuses at Swartklip and Mitchell's Plain. Towards the end of 2021 a security guard at the Swartklip campus was tragically killed and another guard was seriously injured. The College decided to suspend further construction until a comprehensive security plan was developed in consultation with all essential stakeholders. In 2021 the College was also made aware of ground water contamination on the Swartklip site. A Report commissioned by the College to assess the implications of a study undertaken by the Airports Company of South Africa (ACSA) on the contaminated water by ACSA prompted the College Council to take the very tough decision early in December 2022 to indicate an intention to terminate the lease. It should be noted that this decision was suspended in 2023 in order to allow for additional testing and engagement with independent experts and stakeholders about a decision that will be in the best interests of the Khayelitsha community's health and development. In respect of the second major infrastructure project at Mitchells Plain, this remained largely on track. By the end of the year a Site Development Plan (SDP) had been submitted to the City of Cape Town. The project was on track to enter a phase for appointment of a developer in the 2023 year.

The College did not meet its enrolment targets in the National Certificate (Vocational) (NC(V)) and National Technical Education (Nated) programmes resulting in lower fee income for the College than planned. Fortunately, the College was able to compensate for this enrolment shortfall through increasing the number of students enrolled in occupational programmes. This was because of the high number of partnership agreements signed by the College. In 2022 the College signed 77 new host employer agreements; 32 Sector Education and Training Authority (SETA) agreements; 11 agreements with government stakeholders and 20 agreements with industry stakeholders.

The College received national recognition of the Centre of Specialisation (CoS) in Rigging which was an outstanding achievement. The College has plans in place for gradually replacing Nated programmes with occupational programmes which are more responsive to the changing needs of the workplace and involve theory and practice. The College had a very successful strategic review in the middle of the year which identified strategic areas, such as renewable energy and the ocean economy, in which the College wished to introduce new programmes.


The Centre for Entrepreneurship and Rapid Incubator (CFE/RI) continued its stellar performance. A total of 480 entrepreneurs were supported through partnership-funded programmes in 2022. The centre continues to operate as an exemplar to the post-school community.

The College recognizes the significant impact of harassment and gender-based violence on individuals and society as a whole. In 2022 the College approved policies on harassment and gender-based violence as contributions to building a safe, inclusive, supportive, and respectful learning and working environments for all. The Human Resources Committee had a strong focus on ensuring that comprehensive skills development plans were in place to improve performance and enable staff progression.

The Council battled with two vacancies as a result of the resignations of two Ministerial appointees. To replace the specialized financial and auditing capacity needed, the Council appointed two independent members to the ARC and one member to the Finance Committee. Throughout the year appeals were made to the Department to have two of these members appointed as permanent members of Council as it was deemed necessary to have people with a CA qualification serving on Council. By the end of 2022 the vacancies on Council had still not been filled.

Notwithstanding the challenges, by year end the College remained a financially viable entity, in a sound financial position and in the academic sphere the College continued to hold its own among the top Technical and Vocational Education and Training (TVET) Colleges in the country. The College community is determined to work together to address outstanding challenges and continue to position the College as a leading College in the country.

The College community is resolute in its determination to address any remaining challenges and work together to position the College as a leading institution in the country. This collaborative approach will help ensure that the College maintains its academic excellence and continues to provide quality education and training to its students.

  
judy favish (Jun 30, 2023 12:18 GMT+2)

**MS J FAVISH**  
**CHAIRPERSON OF COUNCIL**

#### 4 THE ACCOUNTING OFFICER'S FOREWORD



2022 saw institutions throughout South Africa having to review their strategic plans, as factors in the external environment continue to be felt on all levels in our country - economic challenges brought about through various factors such as rising inflation, rising unemployment, the impact of the war in the Ukraine and Covid-19 variants.

The College continued to witness the devastating impact of Covid-19, reflected in lower throughput rates, graduation rates, employability, and job prospects for our students. Many students coming from the school system into the College, would have missed out on a huge chunk of in- person, academic time in 2020-2021. The College found itself having to increase academic interventions and support in 2022. Keeping every student class is our new challenge.

More importantly, two years later, we are witnessing the huge toll that Covid-19 has taken on the mental health and wellbeing of students and staff.

Furthermore, the College, in response to an ever-increasing pace of technological innovation, has been compelled to address the following challenges in our programme planning and academic delivery: how we equip our students with skills that are not only relevant today, but which will be relevant five years from now, how we remain dynamic, responsive to ever changing skills demands and needs.

“Without change there is no innovation, creativity, or incentive for improvement. Those who initiate change will have a better opportunity to manage the change that is inevitable”, William Pollard.

The South Africa youth unemployment rate for 2021 was 64.18%, a 4.56% increase from 2020. A total of 3.8 million out of 10.2 million people aged 15 to 24 years were not employed or receiving education or training. In 2022, the College strategy supported the growth of youth employment and inclusion through:

1. Expanding Entrepreneurship education and awareness at the College via the CfE, a powerful tool in fighting youth unemployment.
2. Offering on-the-job learning and training through College internships.
3. Breaking the no-job-no-experience cycle through Work Integrated Learning (WIL) placements in industry as part of training.

4. Strategic partnerships with industry, particularly in growth sectors
5. Ensuring a relevant and responsive PQM that linked to jobs in high demand.

In 2022, the College introduced new programmes which offers good career prospects for graduates:

1. NC(V) Transport and Logistics to support a growing sector. The transport and logistics sectors play a key role in the supply chain for many other sectors of the economy.
2. Computer Technician NQF Level5
3. Coded welding
4. PV Installer - in partnership with SARETEC and merSETA, the College trained two candidates who were trained as photovoltaic (PV) installers/technical mentors.

The academic achievements of the College for 2022 were supported by a clear teaching and learning plan, a well-developed academic intervention and student support plan.

The College developed several blended learning strategies. Laptops were allocated to all teaching staff and the College also increased new online content available to students on MYFBC, our online Learner Management System (LMS) platform.

One of our key strategic objectives is to ensure that the College improves its responsiveness to the world of work through the development of partnerships and through increasing the number of students engaged in entrepreneurship programmes and projects.

According to data from the IMF, South Africa's economic recovery has been sluggish, made worse by the load shedding crisis. Despite this, the College did well to expand its partnerships with industry significantly in 2022, to support student placement in internships and WIL. Furthermore, the College CFERI supported a consolidated total of 2602 beneficiaries in 2022, through its entrepreneurial learning programmes and projects. The College also participated in the Allan Gray Entrepreneurial Online Gaming Challenge in 2022.

The Department of Higher Education and Training has supported the College with a Capital Infrastructure Grant (CIEG) since 2018 for the purpose of funding repairs and maintenance on Infrastructure. The funding is made available on a financial year basis through the submission of a costed maintenance plan to the DHET for approval. Since the inception of CIEG, FBC has received a total of R63 737 480 from the DHET of which 27 projects have been approved to date to the value of R52 699 565.

The funding window for the Swartklip campus project came to an end at the end of 2022. Sadly, this project has been beset by a number of challenges, not unlike many construction projects in the country and could not be delivered within the funding timeframe. The future of the development of this campus remains uncertain.

The Mitchells Plain campus of the College moved from its location in Merrydale Road at the end of 2021, to its new temporary location on the grounds of Cedar High School. This will be the home for the College until the new campus is completed at Bayview, Strandfontein in mid-2025.

2022 was not without its challenges and would probably rate as one of the most difficult years in the College history. The College saw multiple changes in finance leadership. The integration of our new finance system with the student information system still presents challenges. These factors no doubt impacted our audit outcome. The audit outcome contributed to a very strained relationship between Management and Council which required a DHET mediation. Management is of the view that areas of weakness as identified by the audit can and will be overcome. It does not reflect the overall management performance at the college which reflects many areas of excellence and achievement. The management of this college has worked hard to address gaps identified in the 2021 audit and remains committed to achieving its goal of obtaining an unqualified audit.

On behalf of the College, I express my sincere thanks to the DHET, the College Council, the College Staff, the SRC and College Students for their continued support.

I also thank our College partners: funders i.e., National Skills Fund (NSF), National Student Financial Aid Scheme (NSFAS), SETAs and other funders, our corporate partners, as well as our community partners for their continued support.



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**MS KA HENDRICKS**  
**PRINCIPAL**

## 5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

1. All information and amounts disclosed throughout annual report are consistent.
2. The annual report has been prepared in accordance with the guidelines issued by the DHET and Training.
3. The AFS (AFS) have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The Accounting Officer, i.e., the Principal, is responsible for the preparation of the AFS and for the judgements made in this document.
5. The Accounting Officer, i.e., the Principal, is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS.
6. The Auditor-General South Africa (AGSA) and/or external auditors express an independent opinion on the AFS.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of FBC for the financial year ended 31 December 2022.



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**MS KA HENDRICKS**  
**PRINCIPAL**

## **6 LEGISLATION AND OTHER DIRECTIVES**

### **6.1 LEGISLATIVE FRAMEWORK**

FBC is enjoined by Section 44(3) of the Act, read in conjunction with Section 25(3) of the same Act to prepare and submit to the Minister for Higher Education and Training an Annual Report.

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

### **6.2 LEGISLATIVE AND OTHER MANDATES**

In terms of Sections 25(3) and 25(4) of the CET Colleges Act, No. 16 of 2006 (as amended), public TVET Colleges are required to produce annual financial reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, Section 44 of the Act requires Colleges to annually report to the Minister in respect of their performance and the use of available resources. In addition, these pieces of legislation govern and steer the College in terms of achievement of its strategic and performance objectives.

### **6.3 LEGISLATIVE AND POLICY MANDATES**

The CET Act, No. 16 of 2006 as amended, provides for FBC to operate as a public TVET College under the auspices of the DHET and Training. Further sets of legislation that impact on the TVET Colleges sector and its strategic and national imperatives are listed below:

- General and Further Education and Training Quality Assurance Act (No 58 of 2001)
- National Student Financial Aid Scheme (NSFAS) Act (No 56 of 1999)
- National Qualifications Framework (NQF) Act (No 67 of 2008)
- Public Service Regulations (2016)
- Public Finance Management Act (1999)
- Skills Development Act (No 97 of 1998)
- Skills Development Levies Act (No 9 of 1999)
- Disaster Management Act (No 57 of 2022).

In addition, the White Paper for Post-School Education and Training mandates delivery and strategic priorities in the TVET Colleges sector. Other policy mandates include:

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

#### **6.4 INSTITUTIONAL POLICIES AND STRATEGIES OVER THE 5 YEAR PLANNING PERIOD**

The White Paper for Post-School Education and Training mandates delivery and strategic priorities in the TVET Colleges sector. Other policy mandates include:

- National Trade Testing Regulations
- SETA Grant Regulations
- National Skills Development Strategy (NSDS)
- National Development Plan (NDP)
- Strategic Infrastructure Projects (SIPS) Strategy
- Public TVET College Attendance and Punctuality Policy
- Policy on the Conduct of National Examinations and Assessment
- National Norms and Standards for funding TVET Colleges
- Basic Conditions of Employment Amendment Act 7 of 2018
- National Plan for Higher Education
- White Paper 6 On Special Needs Education
- Policy on Open Learning and Distance Education
- Rules and Guidelines for the Administration and Management of the DHET and TVET Colleges Bursary Scheme
- Workplace Based Learning Programme Agreement Regulations; and
- Workplace Approval Guidelines document.

**PART B: GOVERNANCE**



## **7 REPORT OF COUNCIL CHAIRPERSON**

### **7.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES**

#### **Council Statement on Governance**

The College strives to comply with all the principles of the King IV Report. We are trying to infuse an ethical approach into the ethos of the College. In 2022 all campuses undertook a SWOT analysis of their stakeholder relations. The College then developed a consolidated strategy which focused on core components which should inform the approach to stakeholders across all campuses and the contextual specificities of each campus. We have not yet developed a comprehensive approach to sustainability across the campuses, but we identified priorities for new programmes which will focus on skills for sustainability. We decided not to introduce an integrated reporting format into our reports but rather to focus on ensuring that an integrated approach to the implementation and monitoring of the strategic plan was adopted through careful attention to the work of the committees. The College did not have a fully functional College Council in 2022. There were 2 vacancies due to resignations of Ministerial appointees. Several efforts were made by the Chair to try to get these members replaced. However, by the end of the financial year this had not yet happened.

In 2022 the Council was very focused on exercising oversight of the College's performance. For the first time in its history the College received a qualified audit with 30 COMAFs. The Audit Report recorded that adequate oversight was exercised by the College Council of the activities of the Council.

Given the extensive reach of the COMAFs the Council decided to initiate an investigation into the underlying contributing factors to the audit outcome. However, challenges were experienced in actioning the Council decision. By the end of the year arrangements for the investigation had not been finalised. Ultimately Council took the extreme decision of sending a memorandum to the Minister of Higher Education Director detailing our concerns about aspects of the performance of the College and requesting the Minister to implement an intervention to mediate the relationship between the Council and Management and enable the investigation to proceed. Several mediation sessions took place in 2023. These will be reported on in the next Annual Report.

In summary, whilst the Department acknowledged that the Council sought to be proactive in identifying and addressing weaknesses that resulted in the qualified audit, the proposed Terms of Reference for the Investigation encroached on the labour relations functions of the Department as the employer of senior management in colleges. It was also emphasised that only the Minister had the legal authority to mount an Investigation into a College. Councils are

only permitted to conduct enquiries into systems, policies and processes in a manner that doesn't impinge on the role of the Department in dealing with disciplinary or performance issues of senior staff. The Council was advised that if it wished to proceed with an enquiry it would need to review the Terms of Reference.

We recommend that in future Councils should be advised during the inductions on how to deal with concerns about performance for any member of the senior staff. Creating awareness of the mechanisms which councils should use to deal with any performance related concerns is critical to ensuring that due diligence is exercised in seeking to hold senior personnel in public institutions accountable for the sustainability, quality and ongoing improvement of the TVET colleges in our country.

### **The Statement of Council on College Functionality**

The Council undertook a comprehensive annual review of the progress in relation to the strategic outcomes in the College's Strategic Plan and put in place strategies to address challenges identified and changing needs. Council approved a 'Budget Policy' and revised the following policies: Student Fees Payment; Gifts, Donations and Sponsorships; Creditors Management; and the Finance Committee Charter.

The College has a number of nationally claimed strengths for which it has won several awards. The Centre of Specialisation in Rigging, the Centre for Entrepreneurship and the range of partnerships that have been established to advance occupational training are notable examples. The academic performance of the College is within the range of the top colleges in the Country. We celebrate all these achievements of the college notwithstanding the challenges experienced in 2022. By the end of the year the College remained sustainable. I have no doubt that the collective commitment of the College management and the Council will enable the college community to overcome the challenges of 2022 with a view to ensuring that the College remains a leading college in the country.

## Allocation of Council Members 2022

### College Council

Committee	Status	Name	Representative Constituency
Full Members: External	Section 10 (4) (b)	Prof Shaun Pather	Ministerial Appointee
	Section 10 (4) (b)	Mr Achmat Chotia	Ministerial Appointee
	Section 10 (4) (b)	Ms Renecia Tibini	Ministerial Appointee
	Section 10 (4) (b)	Ms Hlubikazi Matshili	Ministerial Appointee <i>(Resigned 30 May 2022)</i>
	Section 10 (4) (b)	Vacant	Ministerial Appointee <i>(G Harris resigned 02 August 2021)</i>
	Section 10 (6)	Prof Anthony Staak	Ministerial Concurrence
	Section 10 (6)	Ms Bernedette Muthien	Ministerial Concurrence
	Section 10 (6)	Ms Lizanne Venter	Ministerial Concurrence
	Section 10 (6)	Ms Judith Favish	Ministerial Concurrence
External Donor Members	Section 10 (4) (d)	Mr Basil Forbes	Council Appointee
Internal Members	Section 10 (4) (a)	Ms Karin Hendricks	Principal
	Section 10 (4) (e)	Mr Malcolm Meyer	Academic Staff
	Section 10 (4) (f)	Ms Jacqueline Layman	Support Staff
	Section 10 (4) (g)	Ms Tamia Hulley	SRC President
	Section 10 (4) (g)	Ms Anethemba Mgijima	SRC Deputy President
	Section 10 (4) (g)	Ms Charlene Matthews	Academic Board Representative
<b>Participating Observers</b>			
Ms Christiana Nel		Deputy Principal	Deputy Principal: Innovation and Development
Mr Mark Cramer		Deputy Principal	<i>(Acting)</i> Deputy Principal: Corporate Services <i>(Appt 01 Dec 2021)</i>
Ms Nozipho Hlongwane		Deputy Principal	Deputy Principal: Finance

## Meetings of Council

Council		
30 March 2022	Ordinary meeting	approval of Draft Annual Financial Statements (AFS) 2021
26 May 2022	Ordinary meeting	approval of audited AFS 2021
31 May 2022	Special meeting	final approval of AFS 2021
23 August 2022	Special meeting	approval of Student Fees
8 September 2022	Ordinary meeting	approval of Strategic Plan, and Annual Performance Plan (APP)
11 November 2022	Special meeting	approval of Council resolution to DHET
24 November 2022	Ordinary meeting	approval of Budget and PQM
7 December 2022	Special meeting	outstanding ARC matters and Swartklip matter

Executive Committee of Council		
External Member	Ms Judith Favish	Chairperson
External Member	Ms Renecia Tibini	Deputy Chairperson (mid-term elections)
External Member	Mr Basil Forbes	Deputy Chairperson elected 26 May 2022
Internal Member	Ms Karin Hendricks	Principal
Meetings Held	09 March 2022 05 May 2022 18 August 2022 02 November 2022	Ordinary meeting Ordinary meeting Ordinary meeting Ordinary meeting

ARC		
External Member	Ms Bernadette Muthien	Chairperson
External Member	Prof Shaun Pather	Ordinary member
External Member	Ms Hlubikazi Matshili	Ordinary member ( <i>resigned 30 May 2022</i> )
External Member	Ms Lizanne Venter	Ordinary member
External Member	Mr Basil Forbes	Ordinary member
External Member	Mr Royston Benjamin	Independent member ( <i>resigned 25 May 2022</i> )
External Member	Mr Terence Arendse	Independent member ( <i>appointment confirmed at 08 September 2022</i> )
External Member	Mr Kyle Williams	Co-opted Member ( <i>appointed at special Council meeting 28 July 2022</i> )
Permanent Invitee	Mr Ignatius Fourie	Auditor General South Africa (AGSA) representative
Participating Observers		
Internal Member	Ms Karin Hendricks	Principal
Internal Member	Ms Nozipho Hlongwane	Deputy Principal: Finance
Internal Member	Mr Mark Cramer	( <i>Acting</i> ) Deputy Principal: Corporate Services ( <i>Appt 1 Dec 2021</i> )
Internal Member	Ms Christiana Nel	Deputy Principal: Innovation and Development
Internal Member	Ms Charlene Matthews	Deputy Principal: Academic Services
Internal Member	Ms Colette Kelly	Asst Director: Internal Audit and Quality Assurance
Internal Member	Ms Souchan Jackson	Campus Manager
Meetings Held	24 March 2022 30 March 2022 23 May 2022 16 August 2022 26 October 2022 07 December 2022	Ordinary meeting Special meeting Ordinary meeting Ordinary meeting Ordinary meeting Special meeting

Notes on ARC:

- The Chairperson and Deputy Chairperson of Council may not chair this Committee.
- Only external members of Council are members of this Committee.
- Council must appoint an independent member to serve on the Committee. The independent member is not part of Council.
- Additional members may be appointed to the committee for additional expertise.

Finance Committee		
External Member	Prof Anthony Staak	Chairperson
External Member	Ms Renecia Tibini	Ordinary Member
External Member	Mr Jamie Louw	Co-opted Member
Internal Member	Ms Karin Hendricks	Principal
Internal Member	Ms Nozipho Hlongwane	Deputy Principal: Finance
Internal Member	Mr Mark Cramer	Deputy Principal: Corporate Services (Acting 01 Dec 2021)
Participating Observers		
Internal Member	Ms Charlene Matthews	Deputy Principal: Academic Services
Internal Member	Ms Christiana Nel	Deputy Principal: Innovation and Development
Internal Member	Ms Mariaana Herne	Campus Manager
Meetings Held	22 February 2022 04 May 2022 15 August 2022 26 October 2022	Ordinary meeting Ordinary meeting Ordinary meeting Ordinary meeting

### Human Resources Committee

External Member	Ms Renecia Tibini	Chairperson
External Member	Ms Hlubikazi Matshili	Ordinary Member ( <i>resigned 30 May 2022</i> )
External Member	Ms Lizanne Venter	Ordinary Member
External Member	Mr Achmat Chotia	Ordinary Member
Internal Member	Ms Karin Hendricks	Principal
Internal Member	Mr Mark Cramer	Deputy Principal: Corporate Services (acting)

### Participating Observers

Internal Member	Ms Karin Hoon	Manager: Human Resources
Internal Member	Ms Charlene Matthews	Deputy Principal: Academic Services
Internal Member	Mr Haido Mteto	Campus Manager
Meetings Held	24 February 2022 19 April 2022 03 August 2022 20 October 2022	Ordinary meeting Ordinary meeting Ordinary meeting Ordinary meeting

### PLANCO

External Member	Prof Shaun Pather	Chairperson
External Member	Prof Anthony Staak	Ordinary Member
External Member	Ms Bernedette Muthien	Ordinary Member
External Member	Mr Basil Forbes	Donor Member
External Member	Ms Judith Favish	Ordinary Member
Internal Member	Ms Karin Hendricks	Principal
Internal Member	Ms Nozipho Hlongwane	Deputy Principal: Finance
Internal Member	Mr Mark Cramer	Deputy Principal: Corporate Services (Acting)

PLANCO		
Internal Member	Ms Charlene Matthews	Deputy Principal: Academic Services
Internal Member	Ms Christiana Nel	Deputy Principal: Innovation and Development
Participating Observers		
Internal Member	Ms Kashifa Latief	Knowledge and Information Manager <i>(Acting)</i>
Internal Member	Ms Colette Kelly	Asst Director: Internal Audit and Quality Assurance
Internal Member	Mr Bradley Schrickker	Campus Manager: Westlake Campus
Internal Member	Ms Sue Mhakure	Campus Manager: Fish Hoek Campus <i>(Acting)</i>
<i>Internal Member</i>	Ms Didi Assure-Wertheim	Head: Ministerial Programmes
Internal Member	Mr Jeremy Schuster	Head: Occupational Programmes
Meetings Held	02 March 2022	Ordinary meeting
	21 April 2022	Ordinary meeting
	28 July 2022	Review of Strategic Plan with Council participation
	18 October 2022	Ordinary meeting

## 7.2 REPORTS BY COMMITTEES OF COUNCIL

### Reports by Committees of Council

#### Audit and Risk Committee



The ARC is appointed by, and reports directly to, Council. The ARC consists of a minimum of three external (non-executive) Council members, and one independent external (non-Council) member who is a professional chartered accountant and auditor.

The Auditor-General has a standing invitation to attend all ARC meetings, and hence attended four(4) ordinary meetings and three (3) special meetings of ARC during the 2022 financial year.

Seven senior College executives serve as participating observers on the ARC: College Principal; four College Deputy Principals (Finance, Corporate Services, Academic Services, and Innovation and Development); one College Manager for Quality Assurance; as well as the College Internal and External Auditors. A Campus Head by annual rotation is designated to attend each Committee of Council as an observer for exposure to governance processes.

Four (4) ordinary ARC meetings were held during this financial year, as well as three (3) special meetings.

Additionally, the ARC has regular joint meetings with the Finance Committee, to discuss the AFS. Three such joint meetings were held in 2022. As required, the chairperson of the ARC reported back on the activities of the Committee to each College Council meeting. The Unaudited AFS were approved at a Council meeting held on 31 March 2023.

In past years the College received unqualified audit opinions with no management findings. Last year (2021 financial year) we received a qualified audit opinion with some management findings, showing that the College's internal financial controls were not fully followed according to approved College procedures and policies. Remedial actions were introduced, and an audit plan was drafted by the College to deal with the findings. Amongst others, an external financial service provider, Ducharme, was appointed to assist in the preparation and review of the AFS for 2022. An extract on the audit of the 2022 Annual Financial Statements from the Auditor-General stated the following: *"In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial*

*statements present fairly, in all material respects, the financial position of the False Bay TVET College as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (CETA)”.*

ARC is appreciative that the entire Council takes collective responsibility of College oversight, as is appropriate.

The internal audit function has been outsourced to SizweNtsalubaGobodo (SNG) Grant Thornton for the second and final term of three years. The scope of the Internal Audit reports for the year under review was approved by Council.

ARC recommended to Council the approval of an Information Communication Technology strategy, as a broad plan to underpin the work of IT. ARC developed an ARC Plan, which was approved by Council, to ensure that all areas of responsibility of ARC were sufficiently covered by its meetings, as per the ARC Charter.

Other areas covered by the ARC during the year were:

- There were no reports of Unauthorised, fruitless, irregular and wasteful expenditure.
- The Whistle-blower Reports were tabled at the ARC and Council, reports which did not identify concerns during the past year.
- The Risk Register was updated, and the top ten strategic risks were prioritised. Amongst others, electricity load shedding risks and the risks associated with the development of new campuses were considered.
- No reports of fraud were reported.
- Quality Assurance reports were submitted on a quarterly basis to ARC.
- ICT Management reports.

A new student information system, Academia, has been implemented at the College. There has been delays in the successful integration of that system with the finance system SAGEX3, which has resulted in 2021 audit findings due to the inaccuracy of certain financial information. The delay in integration causes risks to the College. Significant progress has been made in the integration process and it is envisaged to be finalised soon.

ARC members remain committed to carry out its mandate independently and ethically, in making recommendations to Council. ARC is conscious of the distinction between oversight

and operations, and both management and ARC ensures diligently that it doesn't overstep those boundaries.

ARC is grateful to its stakeholders for their contributions and co-operation that enables the committee to fulfil its mandate.

**Ms Lizanne Venter**

**Audit and Risk Chairperson**

## Report of the Chairperson of the Finance Committee



2022 was a challenging year for FBC. The College received a qualified audit opinion for the 2021 financial year, the first in its history, and during 2022 the appointment of an investigation firm to investigate these audit findings, and matters relating to the appointment became a major focal point for the College Council. These matters also formed a backdrop to meetings of the finance committee.

The Finance Committee met on a quarterly basis to discharge its primary functions and responsibilities. In addition, two Joint meetings were held with the ARC to discuss and review the AFS. All meetings continued to be held virtually.

At each of the quarterly meetings management tabled a financial report, and quarterly reports on bad debt write-offs, credit write-backs and the disposal of fixed assets. These reports were considered by the committee and recommended to Council for approval. However, the College continued to experience problems with the migration to SAGE X3, the finance system adopted in 2021, and its integration with Academia, the academic system. This hampered operations and placed undue pressure on the finance team. As a consequence, neither the bad debt write-offs nor credit write-backs could be completed in the latter part of the year. Significantly, the challenges experienced with the migration to SAGE X3 was one of the underlying causes of the qualified audit opinion for the 2021 financial year, and a concerted effort was made throughout 2022 to address these problems.

In addition, the committee also received regular updates on NSFAS funding and a quarterly report on procurement activity, which included a detailed analysis of any deviation from the standard procurement process of the institution. It is worth observing that throughout the year there was a noticeable decline in number of deviations compared with the similar period in the previous year.

During 2021 the Finance department detected an error in the calculation of fee income as reflected in the 2021 budget, which significantly overstated the income in the 2021 budget. An action plan was developed to address the shortcomings that led to this error. This action plan was monitored at each meeting of the Finance Committee. Significantly this action plan provided the impetus for a Budget Process and Plan, as well as a Budget Policy which was

subsequently developed and considered by the Finance Committee, and recommended to Council for approval.

The Covid-19 pandemic continued to have an impact on the revenue streams of the College. Even though funding for various occupational programmes by SETAs and Corporates appears to have stabilized during 2022, student debt remained a cause for concern and the under-enrolment of students on programmes funded by the Department emerged as a new risk. The decline in NSFAS claims resulting from lower than projected enrolments contributed significantly to the cash-flow problems experienced by the College towards the end of the year.

Delays in the of the development of the Swartklip campus and the need for rental space to accommodate the Mitchells Plain campus also contributed to a strain on College finances during 2022.

The Finance Committee comprises three external Council members (one of whom is appointed as the chairperson of the committee) and three internal members, namely the Principal, the Deputy Principal: Finance and the Deputy Principal: Corporate Services. During 2021 the chairperson of the committee resigned from Council and an acting chair was appointed. An additional external member with the requisite CA qualification was also appointed to the Finance Committee. Throughout the year appeals were made to the Department to have this member appointed as a permanent member of Council as it was deemed necessary to have someone with a CA qualification serving on Council. By the end of 2022 this vacancy on Council had still not been filled.

The events of 2022 made it necessary for Council and its committees to focus much attention on their fiduciary role and their governance and oversight responsibilities. Despite all these challenges, by year end the College remained a financially viable entity, in a sound financial position and in the academic sphere the College continued to hold its own among the top TVET Colleges in the country.

**Prof AP Staak**

**Finance Committee Chairperson (Acting)**

## Human Resources Committee



The HRC is a duly constituted sub-Committee of Council. It comprises members of the College Executive and three external members of Council.

The past year has been tremendously challenging, it has also been a time of growth and development in terms of reaching deep to find solutions in challenging situations and facing obstacles head-on.

The Covid-19 pandemic has had a significant negative influence on society, including the staff of FBC. Unfortunately, numerous of our staff have suffered from Covid-19-related family member losses, long periods of lockdown have negatively impacted their physical and emotional health, and the epidemic has caused catastrophic financial loss for some. Our staff wellness partner, ICAS, has been instrumental in giving assistance to colleagues who have needed it.

The committee focused on staff development, with reports being tracked in accordance with the College's annual Work Skills Plan, looking at and implementing a Succession Policy, and beginning planning for an organization-wide Skills Audit. Although a skills audit was never done for the entire organization, senior management, and lecturers were subjected to one in the past.

Learning and development play a crucial role in ensuring the growth and success of employees and the organization. To effectively address the skill gaps and prepare for the future, it is essential to conduct a skills audit in the TVET College. This skills audit will not only identify the current skill sets and training needs of employees but also serve as a foundation for developing a comprehensive succession plan.

A skills audit and succession plan are vital components of effective learning and development strategies in a TVET College. By identifying skill gaps and implementing targeted training programs, the College can enhance the capabilities of its workforce and prepare for future leadership transitions. The skills audit and succession plan provide a roadmap for building a skilled and resilient workforce that aligns with the College's goals and objectives.

By prioritizing learning and development, the TVET College demonstrates its commitment to the growth and development of its employees, ultimately contributing to the overall success

and excellence of the institution. Even though there is no official policy regarding succession planning, the College continues to expose staff to certain functions and training.

The TVET College recognizes the significant impact of harassment and gender-based violence on individuals and society. The Harassment Policy and Gender-Based Violence Policy in the TVET College are essential tools in combating these pervasive issues in South Africa. By fostering a safe, inclusive, and respectful environment, the College aims to protect the rights and well-being of its students, staff, and stakeholders. These policies reflect the College's commitment to addressing harassment and gender-based violence, promoting gender equality, and creating a supportive learning and working environments for all.

### **Post Provisioning Norms (PPN)**

As a result of the HRC's support for the DHET's directive on the implementation of PPN, the final structure was approved, and staff matched for these positions were moved to the DHET. All staff identified for migration have been completed and moved to the DHET.

It should be noted that the committee approved the request for additional posts for effective program delivery and student support because the number of students increased during the 2022 academic year, resulting in successful recruitment, selection, and appointment throughout the year.

### **The committee has played an important role in overseeing and reporting on issues such as:**

- Recruitment, Selection and Appointments.
- Employment Equity and Transformation.
- Performance Management.
- Training and Development.
- Staff establishment; and
- Labour Relations.

In conclusion, the Human Resource Committee has played a crucial role in ensuring effective human resource management practices throughout the year. The committee's efforts have contributed to the overall development and well-being of employees within the organization. The recommendations and plans mentioned in this report will guide the committee's activities in the coming year.

We said farewell to the HR Manager, Ms Karin Hoon in December 2022 and welcomed Ms Shameemah Baboo as the new Human Resources Manager on January 1, 2023.

We extend our gratitude to all committee members, employees, and stakeholders for their valuable contributions and support throughout the year.

*“The value of a business is a function of how well the financial capital and intellectual capital are managed by human capital. You’d better get the human capital part right” – Dave Bookbinder*

**Ms Renecia Tibini**

**Human Resources Committee Chairperson**

## Planning and Resource Committee



PLANCO is a duly constituted committee of Council. It comprises of members of the College executive and three external members of Council. The core mandate of the committee is focused on the continuous monitoring and oversight of the key programmes, projects and associated activities which promote the achievement of selected strategic goals of the College. By virtue of its mandate the committee seeks to ensure equitable resourcing of activities in pursuit of the strategic goals.

Over the 2022 reporting period the committee's responsibilities included:

- Oversight of the annual strategic plan review;
- Monitoring the College's strategic plan implementation, through quarterly assessment of progress, in relation to the College's APP;
- Monitoring of the College's organizational structuring within the objectives of the College's strategic plan;
- Recommending the formulation of policies and strategies to advance the achievement of the strategic plan of the College.

PLANCO also receives an additional set of reports to facilitate its oversight work. For the 2022 period these included:

- **Growth and Expansion:** Reporting on enrolment targets and actuals, growth opportunities of a strategic nature
- **Programmes:** New programmes that link to Strategic imperatives
- **Surveys:** Assessing levels of satisfaction of different stakeholders
- **Student success:** Certification, throughput and retention rates as relating specifically to exit levels
- **Physical Infrastructure:** State of infrastructure, ageing, maintenance plans, new infrastructure projects
- **Technology Infrastructure:** State of the technology infrastructure, systems overview, new projects, etc.
- **Partnerships:** Report on all types of partnerships including Work-Integrated learning; Local partnerships; International partnerships
- **CfE:** Report on key developments, strategies and strategic opportunities

A total of 3 regular committee meetings were held in 2022, as well as a special Strategic Plan review meeting that included an extended group of stakeholders.

Of the various matters on the agenda of PLANCO, it is required to provide oversight to the College in respect of the Strategic Goal “*To have adequate infrastructure and systems in place to provide access and effective services to students through a variety of delivery modes.*” In pursuance of this, two substantive campus infrastructure projects at Swartklip and Mitchell’s Plain occupied an ample part of the committee’s deliberations. The Swartklip project had already suffered a setback towards the end of 2021 with the fatal shooting of a worker resulting in the project coming to a halt and the main contractor giving notice. Throughout 2022, the committee waded through several critical issues related to the Swartklip project with a view to minimise all the associated risks, yet to still seek solutions to meet the goal of expanded infrastructure and concomitant TVET program delivery in Khayelitsha. Regretfully, over the course of the year, despite many meetings, multi-stakeholder engagement, deliberations, and substantive effort of all the role-players, not all issues were resolved, and the project thus remained in suspension. It is fervently hoped, that by the end of 2023, solutions would be found to ensure that the original objectives can still be met. In respect of the second major infrastructure project at Mitchells Plain, this remained largely on track. By the end of the year a SDP (SDP) had been submitted to the City of Cape Town. The project was on track to enter a phase for appointment of a developer in the 2023 year.

PLANCO also received quarterly reports on Capital Infrastructure and Efficiency Grant (CIEG) projects. At the commencement of 2022 PLANCO noted that the College had a total of 22 CIEG projects to the value of R 48 525 277.80 in progress. Of those 15 were in progress for the 2022 period (with 7 completed the prior year). It was further noted that 4 projects were in planning and design stages; 5 in appointment stage; and 6 were in close-out stage. By the end of 2022, a further 5 projects were completed. Based on the reporting to PLANCO, no major risks to the remaining 10 CIEG projects were identified.

PLANCO also monitors Strategic Goal 3, in relation to “*developing partnerships and maintaining good stakeholder relations to increase the number of students who are adequately prepared to enter the labour market, further and higher learning opportunities and to pursue entrepreneurship development*”. In this regard PLANCO is really pleased that the College continues to perform well. In pursuance of developing partnerships for *improving teaching and learning and relevance of programmes* the College sought to strengthen its relationships with employers, government departments and community structures. This resulted in the achievement of the annual target of which 145 agreements were signed, comprising 77 new

host employer agreements; 32 SETA agreements; 11 agreements with government stakeholders and 20 agreements with industry stakeholders.

One of the FBC's performing stars is its CFE/RI. The CFE/RI operates with a mandate to pursue a strategic outcome of *Improved responsiveness to the world of work*. In so doing its activities seek to increase the entrepreneurial interest, appetite, intention, and activity amongst student entrepreneurs. The CFE/RI also drives programs to support entrepreneurs in surrounding communities. A total of 480 entrepreneurs were supported through partnership-funded programmes in 2022. Over its lifespan the Centre has supported over two-thousand, six hundred and two (2602) beneficiaries with entrepreneurial learning and business development support services. The CFE/RI is performing optimally and has managed to regain the momentum that was lost during the global pandemic period. The centre continues to operate as an exemplar to the higher education fraternity.

Finally, I would like to record our very sincere appreciation to the College management, its staff, and the Council secretariat. PLANCO is especially appreciative for the quality and detail of reports it receives from the executive. It is further appreciative to Council Secretariat, Ms Clayton, for the sterling manner in which she renders support to the committee. While 2022 has been a year of both challenges and successes, PLANCO is of the view that it has performed satisfactorily in meeting its mandate as a sub-committee of Council.

**Professor Shaun Pather**

**Chairperson of The Planning and Resources Committee**

### **7.3 ACADEMIC BOARD REPORT**

As mandated by the CET Act, the Academic Board of the College is accountable to the Council for all the teaching, learning, research, and academic functions of the College, as well as the promotion of the participation of women and students with disabilities in its learning programmes. Furthermore, it has established internal academic monitoring and quality promotion mechanisms.

#### **Composition of the Academic Board**

Members of the Academic Board include the Principal, Deputy Principal (Academic), Programme Heads, lecturers at the College, members of the College Council, members of the SRC and additional persons as may be determined by the Council. The majority of the Academic Board members are lecturing staff members. All Campus Managers are represented on the Academic Board as well as the SRC Campus Chairperson and Vice Chairpersons from all five campuses. The voice of the students on the Academic Board is a critical part of the functioning of the Academic Board.

As the Student Representative Council (SRC) representation on the Academic Board changes each year with the annual SRC elections, the outgoing SRC representatives on the Academic Board were thanked for their sterling service and the newly elected SRC members were welcomed onto the Academic Board. FBC had a fully functional Academic Board in place for the 2022 academic year. Academic Board meetings took place on virtual platforms and all necessary functionality of the Academic Board was achieved during 2022. The Academic Board Charter and Academic Board Code of Conduct were shared with new members to ensure that all members of the Academic Board understood their roles and responsibilities as a governance structure.

#### **Duties and Responsibilities of the Academic Board**

The Academic Board of the College is responsible for developing new policies and introducing new programmes which are informed by student enrolment, annual academic performance, job placement statistics of graduates, critical and scarce skills and local economic and development needs.

The Academic Board ensures that the College implements all policies related to quality education and training delivery.

The Academic Board also has an oversight role with regard to:

- Monitoring of teaching and learning.
- Conditions of teaching and learning facilities, teaching methodology, lesson delivery and classroom management.
- Monitoring the attendance of students and lecturers.
- Academic support with specific reference to the utilisation and impact of academic support programmes.
- Monitoring of certification, throughput, and retention in all ministerial programmes as well as implementation, completion rates and certification of occupational programmes.
- Approval of new learning programmes.
- Confirmation of discontinuation of learning programmes.
- Accreditation status of programmes.
- Annual approval of the PQM.
- Student matters (e.g., Code of Conduct, revision and updates of the Code of Conduct, SRC matters).
- Quality Assurance (academic monitoring, Quality Promotion Mechanisms and Quality Management Systems and/or audit reports).
- Reporting on the Teaching and Learning Plan and the Student Support Services Monitoring tool.
- Monitoring and tracking the outstanding certificates for Vocational and Occupational Programmes.

Four quarterly meetings were held via virtual platforms during 2022. This allowed the Academic Board to continue its mandate as per the CET Act.

There was a strong focus on teaching interventions and plans to mitigate academic gaps. All interventions, as well as revised teaching and learning approaches were presented to ensure that the Academic Board was informed about the different types of support offered to students in order for them to be successful in the 2022 academic year.

The 2023 PQM was presented to the Academic Board in October 2022. The PQM was informed by unemployment trends in the country, the skills shortages in South Africa, the skills mismatch in the economy and the College policies.

The focus on the development of the 2023 PQM was to ensure that the College was offering programmes within the 13 identified Priority Trades. FBC offers the following programmes as

identified Priority Trades: Renewable (Green) Energy Technology, Steel and Fabrication, Tourism, Transport and Logistics, skills within the Digital Economy, ICT Computer Science and Robotics.

The Academic Support Plan was presented to the Academic Board to highlight the activities that would be put in place to support teaching and learning.

The College retained its accredited status of 82 occupational qualifications across eight SETAs and the QCTO. In addition, it registered 107 assessors and 51 moderators who are delivering occupational programmes.

Training continued to be offered at the two Centres of Specialisation (CoS). The Centres are Rigging and Mechanical Fitting. On 30 September 2022, 24 Mechanical Fitters and 27 Riggers successfully completed the newly developed Occupational Certificate Qualification with a success and throughput rate of 89% in Mechanical Fitting and 91% in Rigging. During the three-year period, positive feedback from the employer associations, the Sector Education and Training Authority (SETAs) and apprentices, who are now qualified artisans was received.

The Deputy Director General (DDG), of the TVET branch with the Special Project Unit hosted a National graduation ceremony on 29 November 2022 for apprentices who successfully completed the Integrated Summative Assessment. The event took place at the Emperors Palace Conference Centre in Gauteng, with 26 TVETS in attendance and 310 apprentices graduating across the 13 different trades. With a total of 51 Graduates at the event, FBC was the top achieving institution at this event.

The following sub-Committees reported their activities to the Academic Board:

- Academic Programme Review Committee: This Committee interrogates new proposed programmes and presents a clear set of recommendations to the Academic Board on proposed new programmes as well as any programmes identified for discontinuation and the reasons to support these decisions.
- Student Services Committee: This Committee addressed issues that related specifically to student support and development services including relevant policy review. The Committee tabled reports to Academic Board for consideration.

#### **Academic Board Committee: CfE**

The CfE/RI Advisory Committee is a sub-committee of the FBC Academic Board mandated to provide governance oversight, advisory support and guidance to the CfE. The formal Advisory

Committee Charter was adopted in July 2022. The CET act (Act No.16) provides for establishment of sub-committees and therefore the Charter provides a framework for the functioning of the CFE Advisory Committee. The CFE AC reports to the Academic Board on performance pertaining to entrepreneurship program delivery matters, and alternatively to the Planning and Resource Committee on key performance indicators (KPI), such as Partnerships, Projects and Income Generation. The advisory committee of the CFE/RI met four times in 2022.

**The Advisory Committee is constituted as follows:**

- Chairperson: Mr Basil Forbes
- FBC CfE Manager: Ms Nafeesa Dinie
- FBC CfE Programme Manager: Mr Thomas Mvumvu
- FBC: Deputy Principal - (Innovation and Development: Ms Christiana Nel
- FBC: Finance Manager: Ms Tersia Klein

*External Representatives from:*

- Small Enterprise Development Agency (SEDA): Ms Zaida Jackson
- Chamber of Commerce/SkyLAR: Mr Jonathan Jacobs
- Cape Peninsula University of Technology (CPUT): Professor Iwu Gervase
- Ms Charleen Duncan – Allan Gray Orbis Empowerment Foundation
- Mr John Stephenson – Rotary International: District 9350
- Ms Thandi Mabena – Enablis / Consultant & Part-time Lecturer University of Stellenbosch

The CFE/RI is a SEDA funded incubator as part of a national network of Incubators and CfE and Rapid Incubators. incubator network.

CFE/RI (CFERI) seeks to raise the entrepreneurial confidence of graduates, students, community entrepreneurs and unemployed youth by providing them with bespoke targeted transformative entrepreneurial learning to start, launch and build their own small business. The CFE/RI has designed a practical and reflective six-month, non-credit bearing Entrepreneurship Venture Acceleration Programme (EVAP) to attain this strategic imperative to provide FBC students and unemployed youth with an additional exit gateway to start their own business. This strategy seeks to increase employability by transforming job seekers into job creators. A total of 2204 beneficiaries benefitted from these entrepreneurial support programmes

The Centre drives entrepreneurship amongst youth, women and unemployed in the artisan trades, vocational, occupational, technical, technology and digital entrepreneurial pathways as opportunities for new venture creation. The FBC CFE/RI is a place where ideas and opportunity come alive, therefore enabling students and youth entrepreneurs to thrive and contribute to local economic development and job creation.

The CFE/RI offers diverse incubation and acceleration programs to meet the needs of its target market, with an emphasis on inclusivity, diversity, and sustainable impact, creating meaningful jobs and economic empowerment.

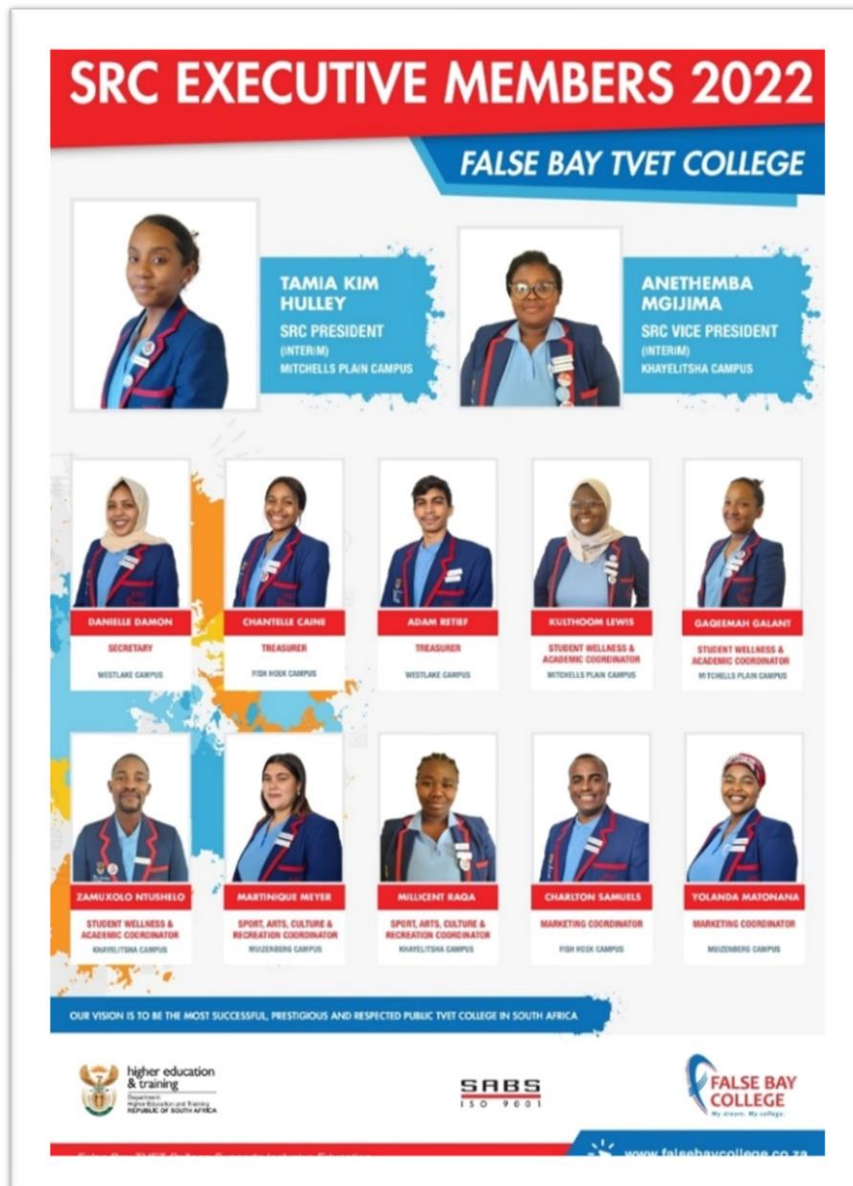
Over the years the Centre has made significant strides in elevating entrepreneurship within the TVET space and has become renowned as one of the leading TVET institutions driving student-entrepreneurship. As a result, it was selected by DHET to host the inaugural 2022 DHET best practices annual workshop. This brought together the TVET Sister-Colleges community, SETA's, DHET officials, SEDA, Allan Gray Makers as well as other key stakeholders in the SMME and Enterprise Development arena.

TVET students have a quicker pathway to entrepreneurship due to the TVET skills training and development model, which is embedded in theory, practical, experiential, and work-integrated learning. The CFE/RI is the catalyst for them to transition to formal and self-sustainable enterprises by offering access to entrepreneurial learning, coaching, mentoring, and facilities conducive for them to develop, test, and run enterprises.

The CFE/RI offers demand-based incubation, entrepreneurial learning, and business services to support nascent, emerging, and existing entrepreneurs. It offers demand-based incubation, entrepreneurial learning, and business services.

## 7.4 SRC REPORT

The narrative report includes activities and performance by the Student Representative Council.



### Background

The SRC had a successful year. They were able to function without restrictions and implemented their 2022 Plan of Action with great initiative and maximum student involvement. The SRC remains dedicated to providing their constituency with effective service that responds to student needs.

The SRC sought to foster a caring mindset, offer the best service, and encourage respect for diversity and individuality. The goal of every SRC event was to create a lasting impression on future student leaders.

## Highlights of our SRC year activities include:

- Registration and Orientation Support
- Valentine's Day Celebration
- Class Reps Induction Support
- Various Awareness Campaigns
- Youth and Women's Month Campaigns
- Student Leadership Development
- Sport, Arts and Culture

## Registration and Orientation Support

### Registration Support

During the registration period, the SRC assisted all students by giving them the following support:

- Information (directing them to the right station)
- Bursary Application Information
- Assistance with registration requirements, where necessary
- Sharing of Covid-19 Protocols – when it was still applicable
- Being the SSDS and other departments' link for registration
- Attending to all student queries

### Orientation Support

The SRC, across all campuses, played a very crucial role in supporting the orientation. This is a very important programme for all new students; and the SRC ensured that all students received the attention required.



### Valentine's Day Celebration

This is an event to welcome all the new students to our campuses and to introduce them to the fun part of life as a student at our college. Apart from introducing the fun

element, this event is aimed at educating students about relationships and sexual education.



### Class Representatives Induction Support

An induction session was held for the newly elected 2022 class representatives on March 13 2022. Their responsibilities were explained, as well as the expected cooperation for it to be carried out. Several members of the campus management teams had a meet and greet with the class representatives. Fun activities were arranged, and a delicious lunch served before departure.

### Various Awareness Campaigns

#### Academic Support Campaign

The SRC promoted all academic programmes incorporated a range of academic support campaigns in the 2022 Plan with the goal of motivating students to perform well.

The first SRC academic campaign ran for three weeks and was promoted throughout all of our social media channels.



## Young Men Education

The SRC through their SSOs, organised an educational session with young men, facilitated by an NGO (Man-Up). Some of the topics discussed were:

- Men and Circumcision
- Role of a young man
- Life and Health Orientation



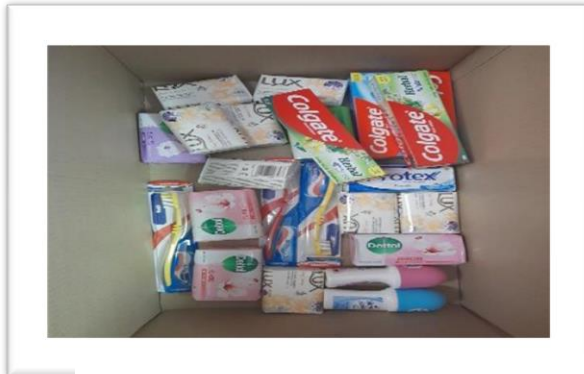
## Clothing Drive

The SRC ran a clothing drive on the 28th of April and collected clothes for women. The main beneficiary of these clothes was women's shelter for abused women.



### **Student Social Support**

A successful toiletry drive for students in need was conducted by the SRC at campus level. This drive is one of the student social support programmes. The student leadership also assisted with the student feeding scheme (Nutritional Support Project).



### **Health and Wellness Day Support**

In the month of July, SSDS had a student health and wellness week with the local clinic and various other organisations visiting our campuses. counselling on sexual health, as well as family planning were all present. The SRC played a very crucial role in ensuring the success of this activation across the campuses.



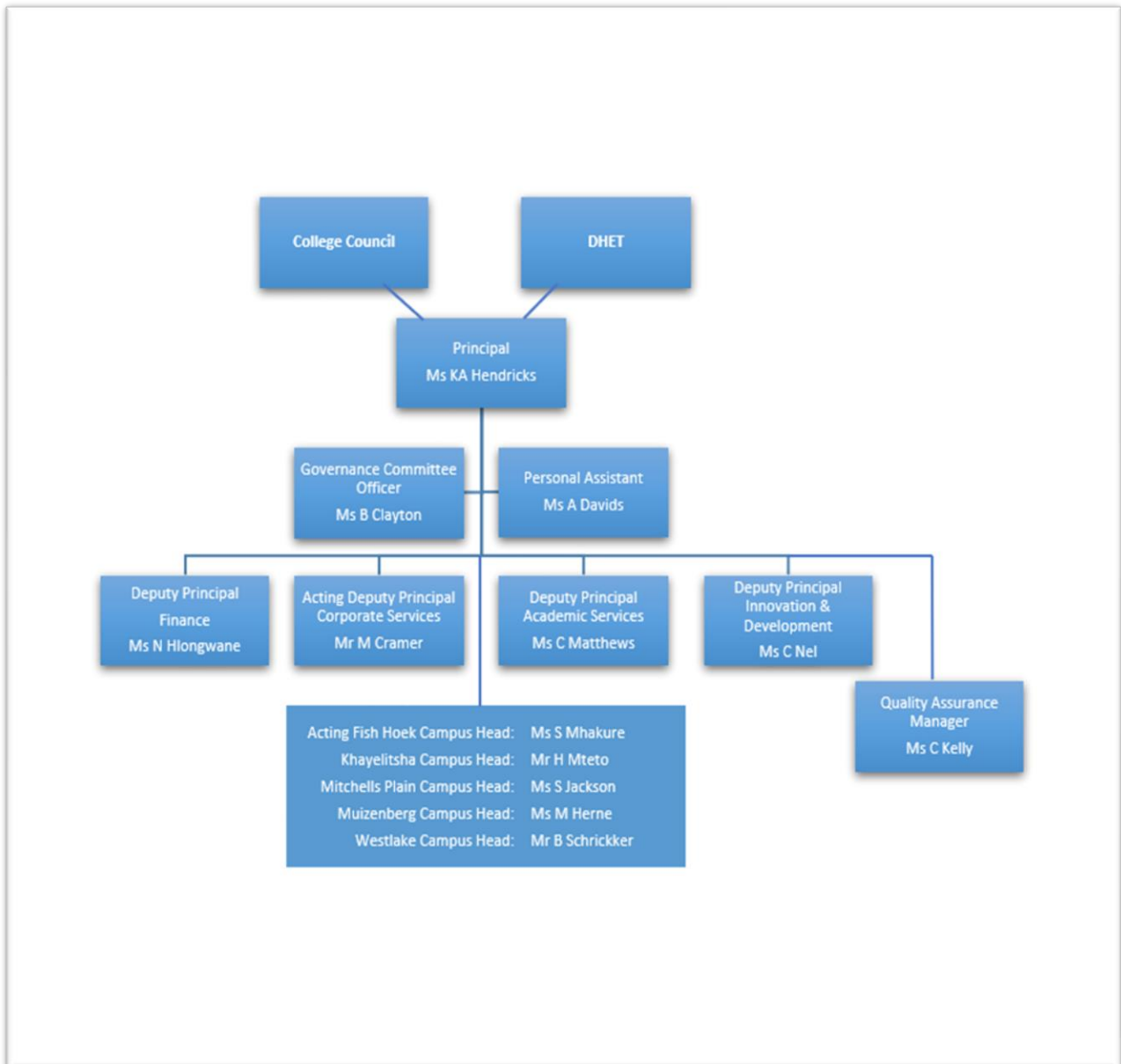
**PART C: PERFORMANCE INFORMATION**



## 8 REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

The College has enjoyed relative stability in the senior management structure. The Fish Hoek Campus Manager position is vacant, but is currently being filled by an Acting Campus Manager.

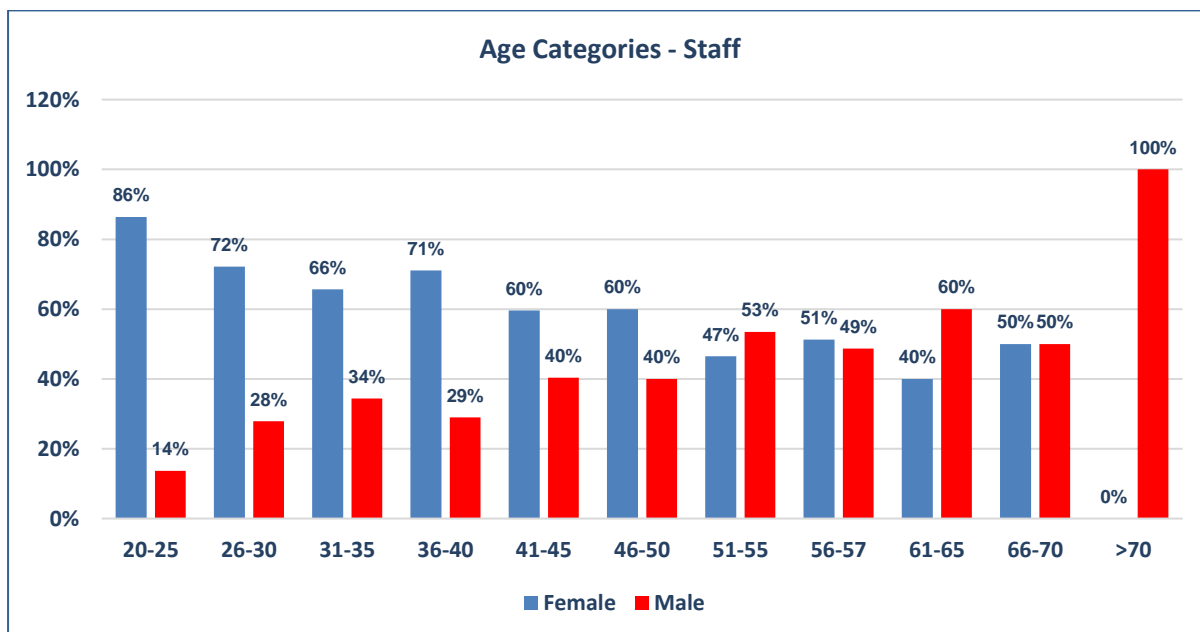
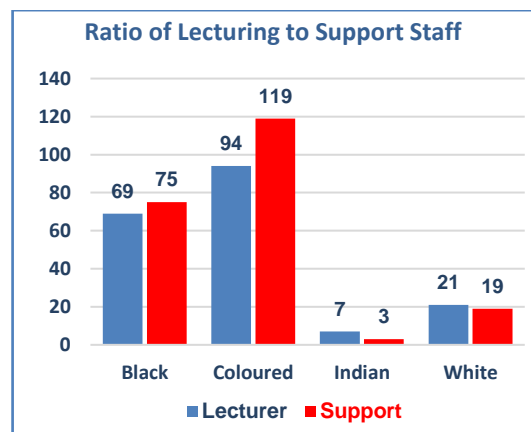
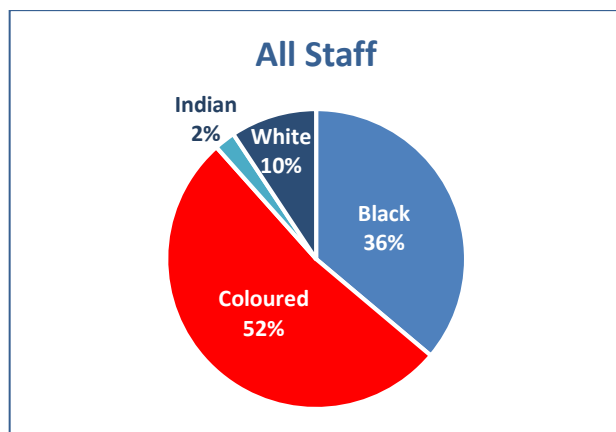
The Deputy Principal Corporate Services position is vacant due to the incumbent taking up a promotion position in the public sector. The College has appointed an Acting Deputy Principal (Corporate Services).



**Total number of personnel including vacancies and internships  
as at 31 December 2022:**

Staff Description	Staff excluding Vacancies	Vacancies	Acting Positions
Management	5	1	1
Lecturing Staff	206	9	17
Support Staff	195	18	5
Interns	29	0	0
<b>Total</b>	<b>435</b>	<b>28</b>	<b>23</b>

**Ethnic Profile**



## **E-LEARNING**

Blended Learning has been a strong focus at FBC for years. The College employs dedicated staff in the e-learning department to support academic staff. FBC has been using a LMS called Moodle. It has been used in the classroom for teaching and learning, for content design, delivery, storage and assessment for all modes of delivery.

Through our LMS, we have been able to support a range of functionality and features:

- Students could access programmes on-demand that were in different locations and through different devices, enabling us to schedule assessments, with randomised questions, and record assessment results in the student's record.
- The use of a variety of assessment methods, enabling us to track and monitor students' use of the tool.
- Produce reports on student progress, content management functionality, user Upload Functionality.
- Allow different user group accessibility.
- Customize client reports and customise dashboard for different user groups.

Various activities and interventions were introduced during 2022 to increase the number of on-line assessments and online remote teaching.

The College has broad Wi-Fi coverage on all campuses enabling students to download teaching and learning resources when on campus. Every lecturer was issued with a laptop as well as technical resources to assist them with new pedagogy/teaching approach. Lecturers created WhatsApp groups with class groups to avail themselves to all students, but more importantly to students who struggled academically.

The College has been committed to building lecturer capacity to implement blended teaching and learning approaches through the ongoing training of staff. All our lecturers received Digital Literacy training.

## **Programme Planning**

The Academic Board approved the Programme Qualification Mix (PQM) for 2022. The following factors informed the final College PQM:

- Needs of industry- engagements with employers, and with SETAs
- Study of scarce and critical skills
- Placement challenges
- Economic trends - both nationally and provincially.

## **Partnerships**

Strategic partnerships with goals that are aligned to the College's vision and mission are supported at various levels within the College. The College has a well-established linkages and partnerships unit reporting to the Deputy Principal: Innovation and Development that drives partnership and linkages development with Government, SETA's, industry, and local community.

A major focus of the Linkages and Partnerships Department is the establishment of strategic partnerships that support they key strategic imperatives of the College.

In 2022:

- FBC maintained sound relationships with 17 SETAs.
- the College signed a total of 145 agreements with SETA's, government, and corporates with an agreement value of R113 522 328.99 supporting a total of 2 073 beneficiaries, for Work-Integrated Learning (WIL), training and development and entrepreneurial development activities.

## **Entrepreneurship Training and Development**

The FBC CFE/RI is a flagship unit of the College that provides incubation and entrepreneurship learning and development programs, projects, and activation events to 2204 program participants. The CFE/RI promotes entrepreneurship across the College, providing students with opportunities to expand their skill sets and earn a meaningful income. In 2022, the Centre exceeded its APP targets.

The CFE/RI has supported the start-up of 21 new businesses and 88 existing businesses, as well as the creation of 63 new jobs and the retention of 113 jobs. These businesses supported by the CFE/RI generated a consolidated revenue of over R5 million. In addition, it provides learning and coaching programs to additional beneficiaries through SETA-funded projects.

During the year the Centre was awarded 5 Sector Education & Training Authorities (SETA's) projects which supported a total a total of 236 programme participants across 5 sector-specific programmes. These included partnership programmes with WRSETA, CHIETA, MERSETA, INSETA to mention a few. FBC celebrated in partnership with CHIETA, the graduation of its 1<sup>st</sup> green cohort. This demonstrates the focus of the College in driving the green economy.



*Photo (above): CHIETA Green Certification Handover Ceremony 2022*

Entrepreneurship is therefore widely promoted within the College community as an alternative career choice through a structured incubation and entrepreneurial learning and mentoring program. FBC expanded its entrepreneurial support services through the rollout of Ignition Cafés across all 5 campuses in 2022. During the phase 1 activations, the CFE/RI reached over 300 students across the 5 campuses, increasing student entrepreneurial interest. The Ignition Café is a connector of students and communities to an enabling and supportive environment, as well as an ecosystem of network partners for small businesses to thrive.

The Centre has entered into funding partnerships with other private and public sector partners to benefit student and community entrepreneurs, including collaborations with the British High Commission, DEDAT, and De Beers Marine.

The 1<sup>st</sup> National Allan Gray & Future Managers Annual TVET Entrepreneurship 2022 Competition attracted over 1500 students to register on the competition online platform, with a total of 90 students submitting entries to proceed to the pitch-evaluation phase of the competition. Sponsors and prize donations were sourced from various businesses and private sectors partners through corporate social responsibility sponsorships. These included sponsorship from Allan Gray, Future Managers, ZHAUNS, ABSA, ZAQ, SEDA and others.

## **9 College Performance and Organisational Environment**

FBC is an urban College located along the FBC Coastline and serves communities residing in the South Peninsula and East Metropole footprint of Cape Town. These include communities such as Ocean View, Masiphumelele, Mitchell's Plain, Khayelitsha, Philippi, Westlake and the surrounding communities. The geographical footprint

incorporates some of the most marginalised and poor communities in the Cape Town Metropole.

The College has six operational campuses, namely, Swartklip, Khayelitsha, Mitchell's Plain, Westlake, Fish Hoek, and Muizenberg. All campuses are within a radius of 28 kilometres from the Central Office, which is located in Muizenberg.



Students are recruited from across the Western Cape, other provinces and neighbouring countries.

## 10 Performance Reporting

### Achievement of Strategic Objectives

The key strategic outcomes for FBC:

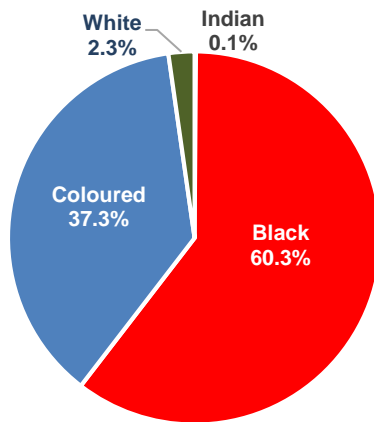
1. Expanded access to TVET opportunities.
2. Improved success and efficiency of TVET systems.
3. Improved quality of TVET provision.
4. Improved responsiveness to the World of Work.

#### Expanded access to TVET opportunities.

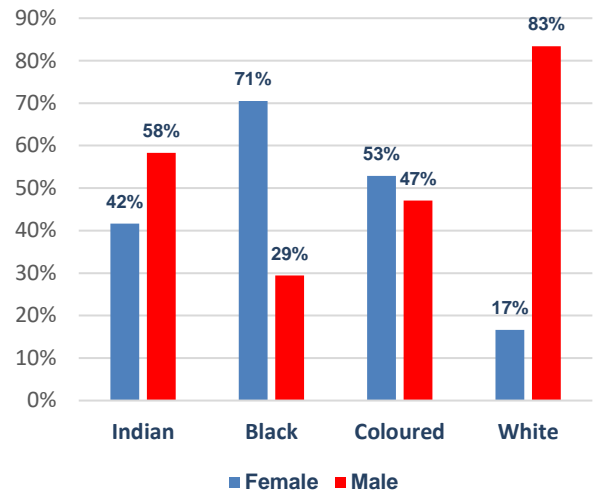
The College had a good start to the 2022 academic year. Enrolments in January 2022 in DHET funded programmes were good, with the College having met most of its targets at entry intake levels.

## Student Demographics 2022

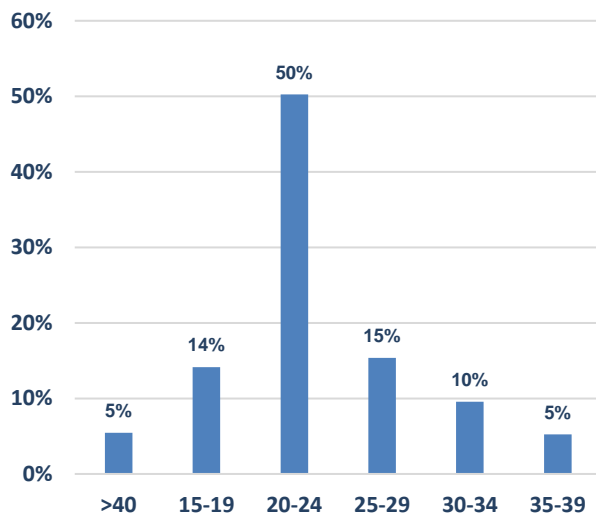
### Ethnic Group



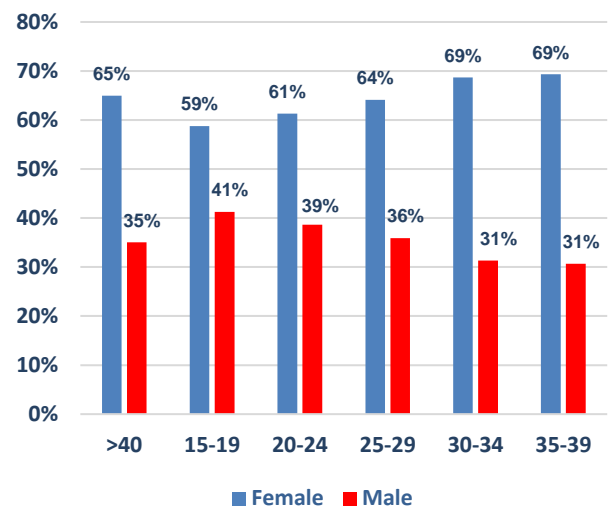
### Ethnic Group per Gender



### Age



### Age per Gender



## Academic Achievements 2022

The College engages in an analysis of academic performance after every examination cycle, to inform the strategy for continuous academic improvement. Intervention strategies include the identification of high-risk subjects with focused academic support intervention plans, as well as exploring opportunities for enriching the curriculum to enhance relevance.

## 2022 Student Enrolments

Programme Type	2021	2022	Var	Increase/ Decrease
NC(V)	1 293	1 294	1	0,08%
NATED	6 065	6 392	327	5,39%
PLP	123	123	0	0,00%
Higher Certificate	76	114	38	50,00%
Occupational	1 081	1 261	180	16,65%
COS	57	44	-13	-22,81%
Skills	754	593	-161	-21,35%
<b>Total</b>	<b>9 449</b>	<b>9 821</b>	<b>372</b>	<b>3,94%</b>

There has been a low growth in student enrolment in the NC(V) and NATED programmes, mainly due to the cap on funding by the state. The College did not meet its overall enrolment targets in NC(V) and NATED programmes in 2022. While entry enrolment targets were met, throughput for NC(V) Levels 2 and 3, N2, N3 and N4 were lower than projected.

Given the above, enrolment growth has been mainly supported through expansion of and increased enrolments in occupational programmes via the funding generated through partnerships with SETAs. However, in 2022 enrolment numbers in the occupational area at the College was limited by the fact that no funding was received by the NSF. Funding will only be received in 2023. Furthermore, funding from SETAs was curtailed due to slow economic recovery due to Covid-19.

### (NC(V) LEVELS 2 – 4

Socio-economic factors, a weak basic education academic foundation and a lack of motivation continue to be factors that contribute to the high dropout rate. While Covid-19 does not dominate our lives as it did in the recent past, its after effects can still be felt in the students' academic performance, as well as the economy, which has an impact on our students. Several students were disqualified for the final exams because they did not meet academic requirements. Despite the huge challenges that faced education and training delivery, the academic achievement in the NC(V) programmes was nevertheless pleasing when measured against targets that were set. The College:

- achieved a certification rate of 76% against a target of 75% for NC(V) Level 2
- achieved a certification rate of 81% against a target of 72% for NC(V) Level 3

- achieved a certification rate of 94% against a target of 67% for NC(V) Level 4
- Achieved a 100% pass in 24 subjects out of 112 subjects across campuses.
- 6 subjects across campuses achieved a pass % of below 50%, which required specific focussed and targeted intervention. 12 Subjects across campuses achieved a pass percentage between 50-69%. Focussed and targeted academic interventions were put in place for these subjects.

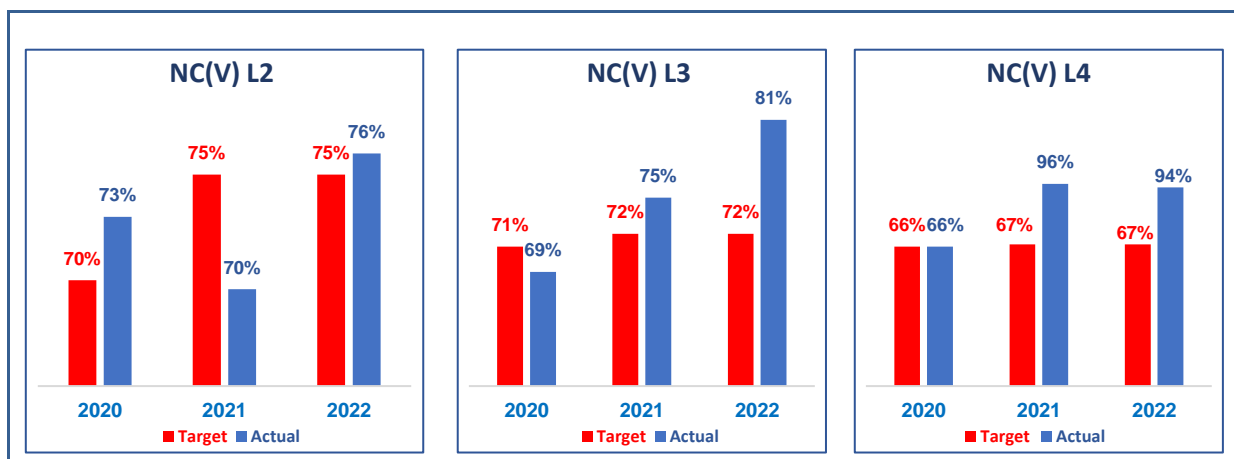
There were 77 subjects across the various campuses that achieved a pass percentage between 70-99%.

NC(V)	Subject Pass Rates			Retention Rates				Certification Rates			
Level	2020	2021	2022	2020	2021	2022 Target	2022 Actual	2020	2021	2022 Target	2022 Actual
L2	87%	85%	89%	58%	50%	55%	61%	73%	70%	75%	76%
L3	87%	92%	89%	80%	66%	70%	76%	69%	75%	72%	81%
L4	85%	92%	91%	82%	70%	70%	78%	66%	96%	67%	94%

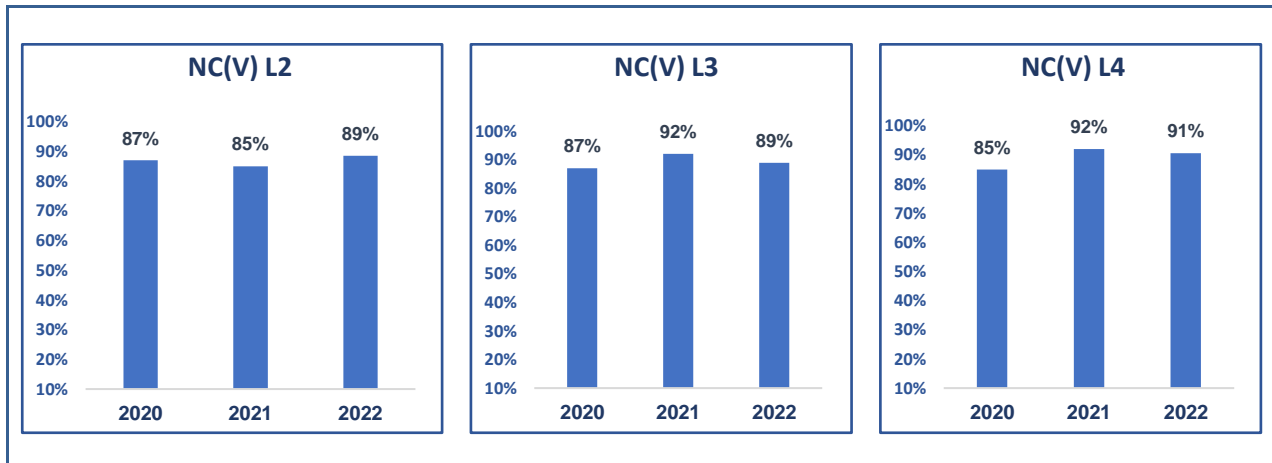
The College had an overall subject pass rate of 89% and a certification rate of 81%. There was a good performance for certification, with an improvement of 4% across all levels. The College achieved a certification rate of 94% at level 4,

The retention rate was higher than the target set for all levels. This is due to students returning to 100% face to face contact sessions and a well-planned academic support plan.

### NC(V) Certification



## NC(V) Subject Pass Rates

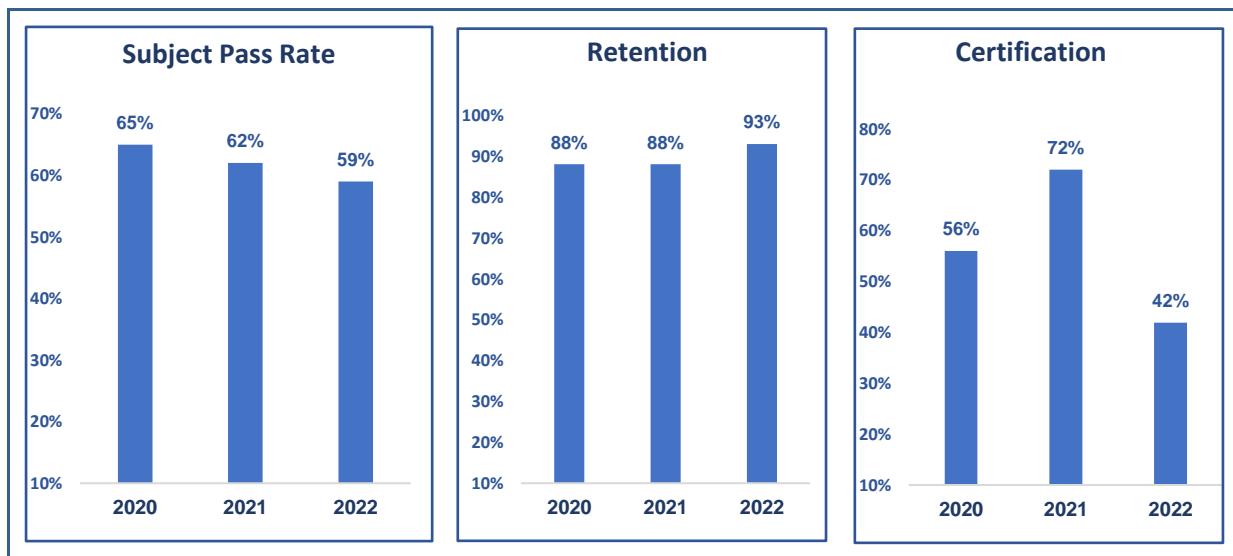


The graphs above reflect the number of subjects that were passed at the required level. It must be noted that the vocational subjects within the NC(V) qualifications have a 50 % pass requirement.

## PRE-VOCATIONAL LEARNING PROGRAMME (PLP)

The PLP was introduced as a pilot project at the Khayelitsha Campus in 2018 to address the need for a bridging programme as preparation for entry into the NC(V) or NATED programmes. The College was part of the pilot in 2018 and was recognised as the top performing College in terms of the implementation of the PLP programme. The programme was extended to Westlake and Muizenberg Campuses in 2020.

PLP Level	Subject Pass Rate			Retention Rates			Certification Rate		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Level 2	65%	62%	59%	88%	88%	93%	56%	72%	42%

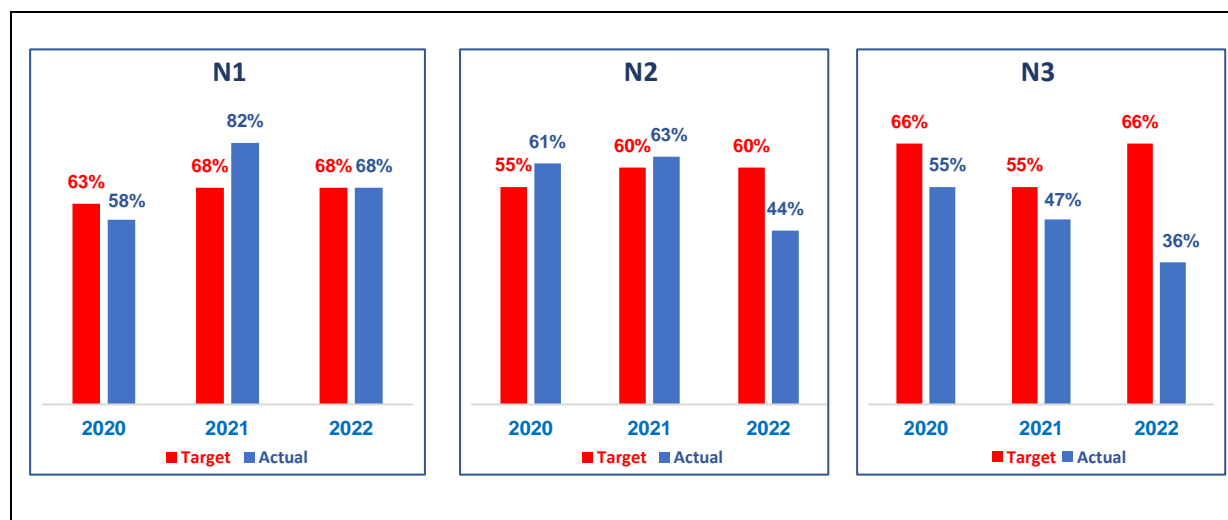


In 2022, there were 117 students who wrote examinations, of whom 49 passed all four subjects. This is significantly lower than the number of students who passed all 4 subjects in 2021. Lecturers reported that this was a weaker cohort of students than the previous year. This signalled that more care must be taken with the selection of PLP students. The purpose of this programme is for it to serve as a pipeline for NC(V) and NATED engineering programmes, and to give a student with a weaker mark, with potential, an opportunity to access the College mainstream programmes as a stronger candidate, after having completed this programme successfully.

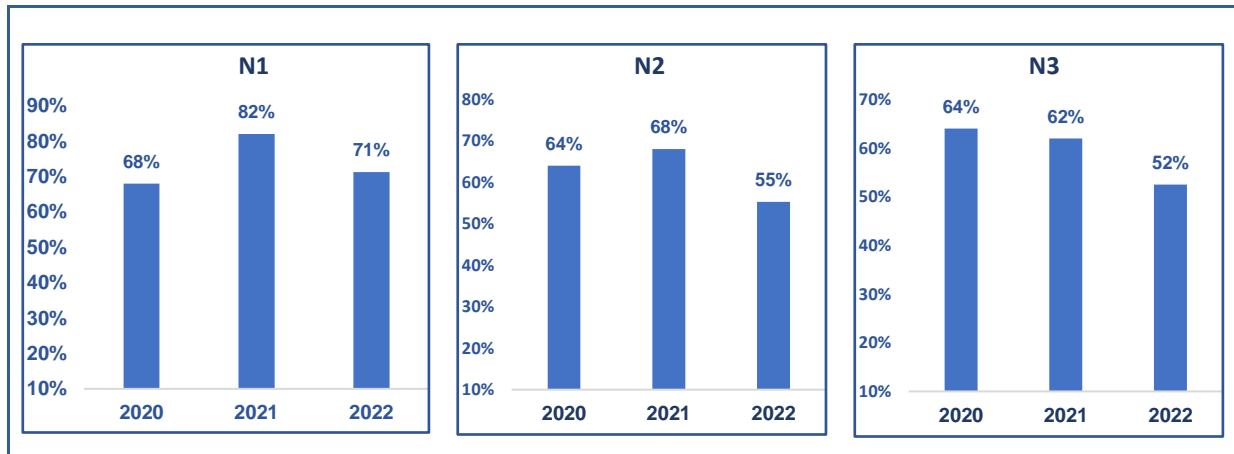
### N1 – N3 Engineering Programme Certification Rates

Trimester	Subject Pass Rates			Retention Rates				Certification Rates			
Level	2020	2021	2022	2020	2021	2022 Target	2022 Actual	2020	2021	2022 Target	2022 Actual
N1	68%	82%	71%	69%	54%	60%	73%	58%	82%	68%	68%
N2	64%	68%	55%	76%	72%	75%	84%	61%	63%	60%	44%
N3	64%	62%	52%	85%	74%	78%	84%	55%	47%	66%	36%

### N1 - N3 Certification



## N1 - N3 Subject Pass Rates



The engineering programmes are hampered by some challenges. It is always a challenge to consolidate and reinforce content because this is a fast-paced programme that is 10 weeks in duration, including assessment days for two assessments for all subjects. This challenge is exacerbated by the late release of results, which inevitably shortens the 10 weeks to even fewer weeks for teaching and learning. The College has a mitigating measure in place, but this does not eliminate the negative impact of the late release of results by the DHET.

After each assessment and academic period, results are analysed to inform interventions to improve results.

## N4 – N6 Business Studies & Utilities Rates

### Business Studies N4-N6

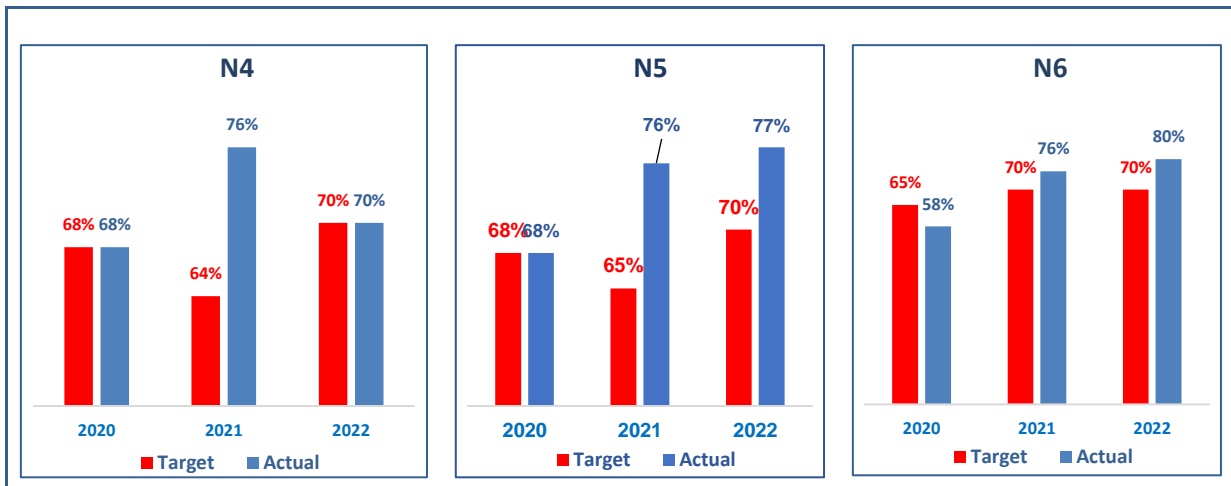
The College exceeded certification targets for all levels for semester programmes, and significantly so at N4 and N5 levels. The College:

- achieved a progression rate of 83% in semester programmes.
- achieved a certification rate of over 77% in 14 programmes in NATED Business Studies.
- achieved a 100% subject pass rate in 22 subjects across campuses.
- achieved a pass percentage of below 50% in 5 semester subjects, which have been deemed high risk subjects requiring specific and focused academic intervention in 2023. 22 subjects had a pass rate of below 70%, which have been earmarked for focussed and targeted academic intervention.

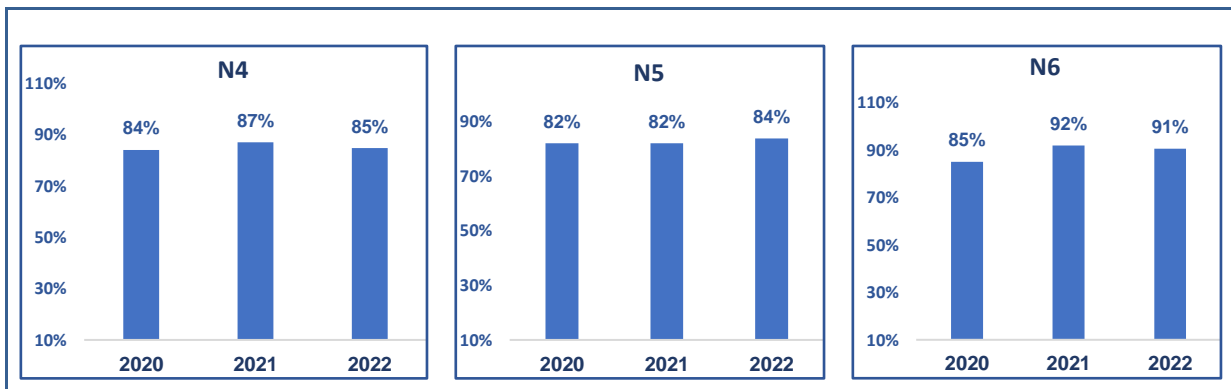
Semester	Subject Pass Rates			Retention Rates				Certification Rates			
Level	2020	2021	2022	2020	2021	2022 Target	2022 Actual	2020	2021	2022 Target	2022 Actual
N4	84%	87%	85%	77%	68%	75%	77%	70%	78%	70%	70%
N5	82%	82%	84%	84%	77%	75%	84%	69%	76%	70%	77%
N6	79%	84%	83%	87%	85%	75%	86%	59%	76%	70%	80%

Certification rates have been steady for the last 3 academic periods at each of the levels. Certification targets were exceeded during the last academic period, at all levels except at N4, the certification % was the same as the target %. There was a slight decrease for N4 from 2021 to 2022 due to students' progressing but not passing all subjects on the level. This means that there must be a sharp focus at entry level to bring certification on par with the other levels.

#### N4 - N6 Certification



#### N4 - N6 Subject Pass Rates



The College retained good pass rates within semester programmes and enjoyed a good reputation with industry partners. The College is able to place graduates with a high level of skill and who are able to contribute to the success of the business.

### **Academic Intervention**

The College developed an Academic Support and Intervention Plan based on careful post examination analysis of academic performance, paying close attention to subjects at risk/poorly performing subjects.

**Academic support** refers to a wide variety of academic intervention strategies, such as those related to instructional methods, educational services or College resources provided to students in an effort to help them accelerate their learning progress, catch up with their peers, meet the teaching and learning standards and succeed at the College. This support also includes accommodation of a variety of teaching and learning styles and academic counselling (e.g. tutoring study skills, test-taking skills). The College adopted various academic interventions and support strategies, noting that many of our students need academic support.

Academic interventions included:

- Class WhatsApp groups which allowed students to highlight problems that they were experiencing, and to ask questions. Worksheets were shared on this same platform.
- Study guides and packs of notes were issued to students.
- Students had access to past question papers and marking guidelines.
- Additional content and self-assessments were available via the College Learning Management System.
- Saturday classes with a different lecturer were conducted.
- Students completed more formative assessments.
- Study techniques classes were conducted at all campuses during orientation.
- Extra lessons were built into the timetable for intervention lessons, where lecturers made themselves available during their administration periods.
- Remedial classes were arranged for students who struggled with concepts and terminology.
- Student Support Officers played a pivotal role in contacting parents where students were absent for more than 3 days, and made appointments for follow-up and counselling.
- All campuses have a feeding scheme, which relays the message that we care.
- We celebrated success, acknowledged achievements and shared success stories.
- Analysis of VARK assessments with students and lecturers.

- Lecturers were encouraged, not only to play a greater role in the provision of quality teaching and learning, but also in the creation of a conducive and inclusive teaching and learning environment. They were encouraged to use different teaching methods, which encourage active classroom engagements and to use different classroom assessment techniques.
- Lecturers worked in collaboration with Student Support Services when conducting academic support programmes to ensure that the student is provided with holistic support.
- Peer Tutoring is a highly regarded intervention that allows students to receive one-on-one assistance. Use was made of peer tutoring to reach struggling students.
- Students had access to CAMI Educational Software which is installed on computer labs at the campuses. This software assisted with literacy, mathematics and mathematical literacy.

All our campuses have extra access points to allow students to access Wi-Fi and download any content needed. The Open Learning Centres' operating hours were extended to allow for further access for students.

The College recognises that in the next few years, the quality of learning will become heavily dependent on the level and quality of digital access and that it would therefore have to strengthen its ICT-based infrastructure, and improve the technical infrastructure capability of the College to support blended and online learning competencies, capability, and pedagogies.

### **College Responsiveness to The World Of Work: Partnerships**

Whilst the College retains its focus on the development of strategic partnerships, the effect of Covid-19 and its negative impact on business and industry, most certainly resulted in a decline in the pool of employers that were committed to hosting students for workplace-based learning without a stipend, which is normally covered through a funding agreement that the College signs with a SETA.

Despite the above-mentioned impact, the College signed 82 new host agreements with employers in 2022. A total of 24 expressions of interest from companies representing various economic sectors have been signed, following an intense drive to recruit new employers. 376 graduates from ministerial programmes were successfully placed in the workplace. The period of placement ranges between 12 and 18 months for these students. Furthermore, 200 students in occupational and artisanal related programmes were placed with employers to complete the compulsory workplace training component as determined by their qualifications.

Collaboration and placement opportunities for student placement in the engineering and construction sectors remains challenging.

Funding agreements were signed with various SETAs in support of Work-Integrated Learning, benefiting more than 376 students in ministerial programmes. The funding secured, reflects the commitment from the DHET and SETAs to support WIL. However, not all agreements were implemented during this performance period, due to the late awarding of contracts from SETAs in 2022.

## **Entrepreneurship Development**

### **Incubation, Partnerships and Income Generation**

The Centre is measured on impact-driven outcomes, and in this regard has various socio-economic measurement indicators as key indicators.

The CFE/RI's main incubation program is funded by SEDA and measured on 19 KPIs. It has maintained an average performance score of above 90% quarter-on-quarter, resulting in a 100% overall performance rating and full approved baseline budget.

#### **The CFE/RI KPI Dashboard – 2022:**

Financial Year	SMME's Created	Clients Supported	Jobs Created	Jobs Sustained	Students Trained	Clients Graduated	Turnover Generated R/c's
2022	25	122	71	145	2204	52	7 634 370

## **Sustainability**

The total additional beneficiaries supported across all CFE/RI non-SETA and SEDA special funded programmes in 2022 benefited 105 entrepreneurs, equating to a total private sector and other funded projects contracts value of more than R4.5 million. Across the CFE/RI in 2022 the Centre's SETA funded programs supported a total of 236 entrepreneurs with a consolidated SETA contracts value of more than R7.2 million for the year.

## **Community Engagement**

The Centre worked with various community structures within the geographical footprint in the Southern and Northern Suburbs, inclusive of the Cape Flats and surrounding township areas, to reach 1,550 community entrepreneurs, demonstrating the College's mission to expand learning opportunities and make entrepreneurship accessible to all. This is part of

the centre's outreach programs and creates opportunities for collaboration and the co-creation of knowledge and learning models.



*Photo (Above) – CFE/RI Community Outreach Sessions*

### **Partnerships**

The CFE/RI actively seeks partnerships with organizations in the entrepreneurial ecosystem and within the public, private, and civil society sectors to support entrepreneurship. The Centre worked with 33 stakeholders and eco-system network partners to provide funding, technical, and programmatic support. The FBC CFE/RI partnership with Rotary International continues and currently has 16 participants benefiting from the Mentoring Business Advisory Program (MBAP).

### **Youth/Students**

The Ignition Cafe program's rollout in 2022 has increased student-entrepreneurship activities, aiming to convert ideas and business intentions into viable business start-ups. It also encourages innovation and new product technology design and development projects.

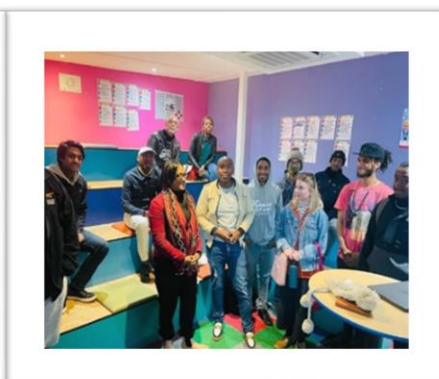
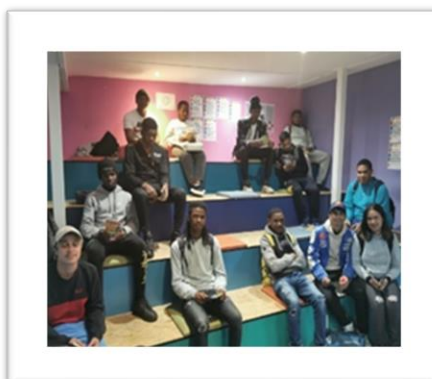




Photo (above): Ignition Café activations across all campuses

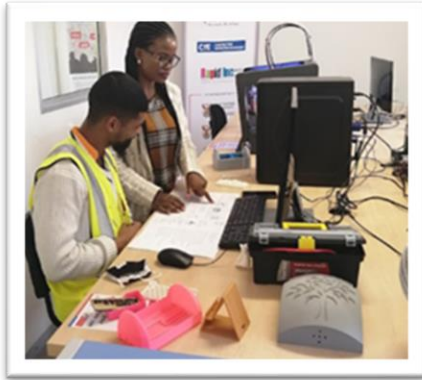
In 2022, the CFE/RI focused on building on its Innovation, 4IR, and Digital Technology Ideation and Design Thinking Programs, which aim to build the next generation of TVET innovators and inventors.



Above Photo's: Call for Expression Media Adverts

The CFE/RI Technology Lab and Makerspace Hub has been a great investment sponsored by SEDA and DEDAT to boost the innovation, 4IR, AI, and digital technology knowledge skills of student-entrepreneurs. This has resulted in a significant increase in the number of new

product development ideas in prototype and testing phases. This is a testament to the level of innovative ideas within the campus student community.



*Above Photos: Students using factories, makerspace hub and the technology lab for new product development*



The FBC Poster and Pitch Annual Competition has seen an increase in participants, sparking interest in business ideas and increasing the number of participants.

The TVET National Entrepreneurship Competition was held in 2022, with all 50 TVET Colleges participating in a 3-round competition with internal College rounds, regional rounds, and national rounds. The event was sponsored by Allan Gray and Future Managers.



The Northern and Western Cape Regions hosted their Inter Regional Prize giving in September 2022, with FBC being the host College.



*Photo (above):* Ms Buhle Lindwa, owner of Lindwa Communications, a Digital Marketing Agency was the FBC CFE/RI overall winner in the competition category “ I have a paying customer”.

Buhle won the national award at a gala prize-giving event in Gauteng in September 2022. Since then, she has launched her first book and made public speaker appearances at various entrepreneurship events.

### **Marketing, Promotions and Public Relations**

The FBC Marketing Department supported a strategic PR and marketing campaign that saw an increase in expressions of interest and foot traffic. It was featured in many articles, including the Western Cape Government HRDC Q3 Report. This resulted in increased expressions of interest and foot traffic at the centre.



The Centre also held its 2022 annual expo, showcasing student entrepreneurs and SMME's in action.

### **FBC CFE/RI Hosted Conferences**

The DHET TVET Entrepreneurship Best Practices Workshop took place on October 6 and 7, 2022, hosted by FBC TVET. There were 70 participants, including senior executive

management officials from the DHET, 25 participating TVET Colleges, 5 SETAs, and SMME eco-system network partners and agencies.



The College played a pivotal role in ensuring the success of the 1<sup>st</sup> DHET Entrepreneurship Best Practices workshop held in 2022.

*Photo (left): FBC (CFE) hosted the DHET Entrepreneurship best practices workshop at the FBC Westlake campus.*

## 10.1 ANNUAL PERFORMANCE ACHIEVEMENTS

### College Achievements in terms of Strategic System Targets

#### Strategic Outcome 1

To provide quality TVET (TVET) services and increase academic achievement and success of students.

<b>Outcome 1:</b> Expanded access to TVET opportunities	Plans are afoot for the establishment of the new Mitchells Plan campus. These campuses will increase the PQM in vocational and occupational programmes which relate to scarce and critical skills, as well as skills in high demand.
<b>Impact Statement:</b>	FBC enrolment reduces the Not in employment, education, or training (youth) (NEET) cohort and increases youth participation in education and training and employment in areas of critical skills and occupations in high demand (OIHD).

No	Outcome 1 - Output Indicators	Target	Actual
1.1	Number of students enrolled in different programme types	10 685	9 821
	NC(V)	1 502	1 294
	Report 191	6 983	6 392
	PLP	127	123
	Occupational qualifications	719	1 261
	Trades (COS)	72	44

No	Outcome 1 - Output Indicators	Target	Actual
	Higher Certificates	120	114
	Shorter Skills programmes (accredited and non-accredited)	1234	593
1.2	Residence Occupation rate (%)	45%	47%

### Narrative on Outcome 1

Even though the Covid-19 pandemic was not new in 2022, the challenges persisted in 2022. It still impacted on our pass rates, throughput, and retention rates, which influenced enrolment numbers. The impact on Occupational programmes was linked to students not being able to complete workplace components due to the Covid-19 pandemic and therefore not being able to progress to the next level. We are currently addressing the issues and finding solutions to ensure that the relevant theory and practical components are covered for the qualifications.

### Strategic Outcome 2

To have adequate infrastructure and systems in place to provide access and effective services to students through a variety of delivery modes.

<b>Outcome 2:</b> Improved success and efficiency of TVET systems	The College has procured a new Student Information System, Academia, which is fully operational. This has allowed the College to move to online applications and registrations. It is an efficient and effective system which integrates many important functions and systems into a single seamless system. There have been some issues with the integration of the finance system.
<b>Impact Statement:</b>	An increased number of qualified TVET College graduates due to good industry links and programmes to support work readiness.

No	Outcome 2 - Output Indicators	Target	Actual
2.1	Number of artisans exiting COS or College	72	182
2.2	Number of students at exit levels exiting College programmes	965	711
	Number of students exiting NC(V) L4	195	112
	Number of students exiting N6	770	599
2.3	Throughput rate (%) of NC(V) L4 student cohort	19%	21%
2.4	Retention rate (%) in PLP	85%	96%
2.5	Progression rate (%) of PLP students	70%	50%

### Narrative on Outcome 2

NC(V) Level 4 throughput rate as well as trade testing exceeded the target during 2022. The PLP progression rate was less than the target, however the retention rate exceeded the target. NCV throughput rate increased with 2% and exceeded the target. N6 students exiting the system was lower than the target due to students who did not pass all 4 of their subjects. These students will rewrite the subject failed.

### Strategic Outcome 3

To ensure continuous business excellence in terms of good corporate governance and effectual management of all College resources as well as information and data reporting.

<b>Outcome 3:</b> Improved quality of TVET provision	The College will continue to engage in an analysis of academic performance after every examination cycle to inform the strategy for continuous academic improvement. Intervention strategies will include the identification of high-risk subjects with focused academic support intervention plans, as well as exploring opportunities for enriching the curriculum to enhance relevance.
<b>Impact Statement</b>	Effective teaching and learning supported by efficient governance and management through the support of policies and procedures according to a set standard.

No	Outcome 3 - Output Indicators	Target	Actual
3.1	% compliance with governance standards	100%	100%
3.2	% compliance with examinations standards and policy	100%	99%
3.3	% of registered students (based on subject enrolment) qualifying for examinations	72%	63%
3.4	% of TVET College lecturers placed in industry	5%	4%
3.5	Number of partnership agreements (locally and internationally) for purposes of exchanging and/or placing College students and or lecturers	145	145

### Narrative on Outcome 3

Funding for generators has been approved and tender and procurement process are completed. This forms an important part of examination standard compliance.

An important aspect of technical vocational education and training teaching is education that is strongly linked to current industry practices. Due to the fact that many workplaces were operating under lockdown conditions, it was very challenging to place staff in industry in 2022.

14 out of 145 agreements, funding to value of more than R26 million were signed with various SETAs in support of Work-Integrated Learning, benefiting 454 students in ministerial programmes. The funding secured, reflects the commitment from the DHET and SETAs to support WIL.

Furthermore, the College signed 13 new funding agreements with various SETAs, government departments and corporates in support of the delivery occupational training to the value of more than R78 million inclusive of training and stipend funding. A total of 1016 unemployed youth benefitted from these partnerships.

Funding agreements with partners inclusive of SETAs, government and corporates were signed to support the expansion of entrepreneurship training and communities. The total rand value of these agreements is more than R 7.9 million, benefitting 485 young people. Other partnership agreements (19 (Nineteen) to the value of over R 1.8 million was signed and enhanced collaboration between the College and industry.

#### **Strategic Outcome 4**

To develop partnerships and maintain good stakeholder relations to increase the number of students who are adequately prepared to enter the labour market, further and higher learning opportunities and to pursue entrepreneurship development.

<b>Outcome 4:</b> Improved responsiveness to the World of Work	The College will grow quality partnerships to support Work-Integrated Learning. The College will grow its focus on entrepreneurial development as a work pathway through the partnering with various community structures.
<b>Impact Statement</b>	Graduates are employable and increasingly find employment (self, informal or formal). Entrepreneurship is a strong focus within the institution.

No	Outcome 4 - Output Indicators	Target	Actual
4.1	Number of students enrolled in programmes relating to OIHD and priority skills	1 438	1 167
4.2	Number of students engaged in entrepreneurship programmes and initiatives	680	2 204
4.3	Number of students placed for WBPL at exit levels	298	539
	Number of students placed for WBPL at NC(V) L4	52	58
	Number of students placed for WBPL at N6	246	481

#### **Narrative on Outcome 4**

The College signed 82 new host agreements with employers in 2022. A total of 24 expressions of interest from companies representing various economic sectors have been signed, following an intense drive to recruit new employers.

#### **10.2 STRATEGY TO DEAL WITH UNDERPERFORMANCE**

After each examination cycle, an in-depth analysis is done of all subjects and programmes, looking at certification, retention, and throughput rates. The analysis looks at achievement at subject level, programme level, campus level and overall College achievement. This informs the implementation of our College academic support plan as referred to above.

A blended learning approach is also encouraged where students are able to access the LMS for additional resources as well as past examination papers and marking guidelines. The LMS also contains additional resources for revision and reinforcement of the curriculum.

A number of strategies were introduced in 2022 to enhance teaching and learning. Workshops on study skills have been conducted to assist students to identify their preferred learning style; and to show them how knowing how they learn best, can make learning and engaging with study material more accessible. Peer study groups were encouraged, and students were guided on how to manage their self-study. Students also completed a questionnaire to determine their learning style, and support in the form of posters was given to students to guide them on what is the best approach to content, based on their particular learning style.

For identified subjects, there were extra classes on a Saturday as well as during the week after College hours, to give students the benefit of additional teaching time. Lecturers have been working through questions from past question papers to expose students to exam type questions and the responses that are expected in the examinations.

Lecturers have created WhatsApp groups with class groups to avail themselves to all students; but more importantly to students who struggle. Students appreciate having this kind of access to their lecturers. Lecturers have used the facility on Microsoft Teams to record lessons so that they are available for students to catch up or revise. Lecturers also availed themselves for a dedicated period or a break on a particular day during the week when students were able to schedule time to deal with areas with which they are struggling.

Academic support is coordinated at a central point and additional class sessions put in place to support underperformance. The performance after each examination cycle is measured

against the targets as set out in the Strategic Plan and this informs PQM decisions in the next academic year. The monitoring of set targets and actual achievement is a collective approach by all academic staff.

**PART D: FINANCIAL INFORMATION**

**11 FINANCIAL REPORTING**

**11.1 SEE REPORT TITLED “FALSE BAY TVET COLLEGE 2022 AUDITED AFS (13 JUNE) – STAMPED”**











# False Bay TVET College 2022 Annual Report Final

Final Audit Report

2023-06-30

Created:	2023-06-29
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Status:	Signed
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**FALSE BAY TVET COLLEGE**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**AUDITOR - GENERAL  
SOUTH AFRICA**

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13 June 2023

# FALSE BAY TVET COLLEGE

## Annual Financial Statements For The Year Ended 31 December 2022

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### **ABBREVIATIONS**

ASB	Accounting Standards Board
CET Act	Continuing Education and Training Act No.16 of 2006, as amended
DHET	Department of Higher Education and Training
GRAP	Standards of Generally Recognised Accounting Practice
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
SARS	South African Revenue Services
TVET College	Technical and Vocational Education and Training College



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13 June 2023

# Report of the auditor-general to the minister of Higher Education Science and Innovation and the Council on the False Bay Technical and Vocational Education and Training College (trading as the False Bay College)

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the False Bay Technical and Vocational Educational and Training (TVET) College set out on pages 12 to 77, which comprise the statement of financial position as at 31 December 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the False Bay TVET College as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (CETA).

### Basis for qualified opinion

#### Corresponding figures for 31 December 2021

##### Inventory

3. During the prior year audit, I was unable to obtain sufficient appropriate audit evidence for inventory (textbooks), as internal controls had not been appropriately established for the receipt and issuance of the textbooks before their initial entry into the financial records. I could not confirm the existence and completeness of textbooks that had been recorded by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventory (textbooks) stated at R11 677 818. My audit opinion on the financial statements for the period ended 31 December 2021 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the inventory for the current period.

## **Context for opinion**

4. 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.
5. 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.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of matters**

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

### **Material impairment**

8. As disclosed in note 2 to the financial statements, a material impairment provision of R29 739 682 (2021: R14 589 195) has been made for receivables from exchange transactions.

### **Restatement of corresponding figures**

9. As disclosed in note 42 to the financial statements, the corresponding figures for 31 December 2021 were restated as a result of an error in the financial statements of the college for the year ended 31 December 2022.

## **Other matter**

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

### **Supplementary information**

11. The annexure to the financial statements on page 78, namely the supplementary schedule relating to the capital infrastructure and efficiency grant (CIEG), does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

## **Responsibilities of the council for the financial statements**

12. The council, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the CETA, 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.

13. 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**

14. 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.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### **Performance information reporting**

16. The college is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act 1 of 1999 (PFMA) and such reporting is not required in terms of the entity's specific legislation.

### **Report on compliance with legislation**

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The council is responsible for the college's compliance with legislation.
18. 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.
19. 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.

20. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Financial statements**

21. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and supported by complete accounting records, as required by section 25(1)(b) and 25(3) of the CETA.
22. Material misstatements of current assets, liabilities and disclosure items identified by the auditors in the submitted financial statements were corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

### **Other information in the annual report**

23. The college is responsible for the other information included in the annual report. The other information referred to does not include financial statements and the auditor's report.
24. My opinion on the financial statements, and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
25. 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.
26. 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**

27. 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.

28. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.
29. Sufficient controls were not implemented in the prior year for the receipt and issuing of textbooks to ensure that alternative procedures could be performed in respect of existence and completeness of inventory (textbooks), resulting in material misstatements in the corresponding figures.
30. A lack of adequate reviews by various assurance providers and insufficient monitoring of compliance resulted in material non-compliance being identified in the current year's audit. Further, a lack of adequate reviews by various assurance providers resulted in the material misstatement of various financial statements note disclosures and the cashflow statement that had to be corrected.

*Auditor-General*

Cape Town

13 June 2023



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## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the college's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
  - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the college to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a college to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

### Compliance with legislation – selected legislative requirements

5. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Continuing Education and Training Act 16 of 2006	Section 3(3) Section 10(9)(c) Section 10(9)(e)(iii) Section 10(9B) Section 25(1)(b) Section 25(3) Section 20(7)(b) Section 20(8)(a)-(c) Section 44(1) Section 46(1)(a)(i),(ii)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

# FALSE BAY TVET COLLEGE

## Annual Financial Statements For The Year Ended 31 December 2022

### General Information

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<b>Controlling entity</b>	Department of Higher Education and Training (DHET)
<b>Financial Statements relate to</b>	False Bay TVET College
<b>Domicile, legal form and jurisdiction</b>	The College is a Public Technical and Vocational Education and Training College, constituted in terms of the CET Act No. 16 of 2006, as amended, and operates from a Central Office situated in Muizenberg, South Africa, with campuses in the following locations and serving the surrounding areas: Muizenberg, Fish Hoek, Westlake, Mitchells Plain, Swartklip and Khayelitsha.
<b>Nature of business and principal activities</b>	To provide continuing education and training to registered students for all learning and training programmes leading to qualifications or part qualifications at NQF levels 1 to 6 of the National Qualifications Framework.
<b>Council Members</b>	
External	Ms J Favish (Chairperson) (Reappointed 1 April 2019)
External	Ms R Tibini (Deputy Chairperson) (Reappointed 1 April 2019)
External	Mr A Chotia (Appointed 1 April 2019)
External	Prof S Pather (Appointed 1 April 2019)
External	Ms H Matshili (Resigned on 30 May 2023)
External	Ms B Muthien (Appointed 1 April 2019)
External	Ms L Venter (Appointed 1 April 2019)
External	Prof A Staak (Appointed 1 April 2019)
External	Mr B Forbes (Appointed 27 May 2021)
Internal	Mrs K Hendricks (Principal)
Internal	Mrs C Matthews (Appointed 1 October 2021)
Internal	Ms T Hulley
Internal	Ms A Mgijima
Internal	Ms J Layman (Elected 1 April 2019)
Internal	Mr M Meyer (Elected 1 April 2019)
<b>Deputy Principal: Finance</b>	Ms N Hlongwane
<b>Registered office</b>	131 Main Road, Muizenberg
<b>Business address</b>	131 Main Road, Muizenberg
<b>Postal address</b>	Private Bag X25, Tokai, 7966
<b>Bankers</b>	ABSA Limited
<b>Auditors</b>	Auditor-General of South Africa



## **FALSE BAY TVET COLLEGE**

### **Annual Financial Statements for the year ended 31 December 2022**

#### **Council's Responsibilities and Approval**

---

The Council is required by the Continuing Education and Training Act No. 16 of 2006, as amended, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of Council 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 year then ended, in conformity with Standards of GRAP. The Auditor-General was engaged to express an independent opinion on the 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 the Standards of GRAP including any interpretations, guidelines and directives issued by the ASB and in the manner required by the Minister of Higher Education, Science and Technology.

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

Council acknowledges that it is ultimately responsible for the system of internal financial control established by the College and places considerable importance on maintaining a strong control environment, which includes the safeguarding of assets and compliance with relevant legislation. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing risk in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting and other procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the College and employees and management are required to maintain the highest ethical standards in ensuring the College's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

The annual financial statements have been prepared on the basis that the College is and will remain a going concern. This is supported by three key factors:

- The Council has reviewed the College's cash flow forecast for the year to 31 December 2023. In the light of this review and the current financial position, it is satisfied that the College has, or has access to, adequate financial resources to continue in operational existence for the foreseeable future.
- The College remains dependent on the DHET for continued funding of operations, in line with the annual DHET programme funding allocation. The Council is not aware that the DHET has either the intention or the need to liquidate or materially curtail the scale of the College's operations.
- Given information available at this time, it is highly probable that the COVID-19 pandemic will continue to impact College operations. However, the full extent of this impact over time is impossible to determine precisely. Management is continuously monitoring the situation, and preparing strategic responses to the potential scenarios. Council is actively monitoring these scenarios.

The Auditor-General is responsible for independently auditing and reporting on the College's annual financial statements and the report is presented with these annual financial statements.

The annual financial statements set out on pages 12 to 76 were approved by the Council Representative on 13 June 2023 and were signed on its behalf by:



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Ms J Favish  
Council Chairperson  
13 June 2023

# FALSE BAY TVET COLLEGE

## Statement of Financial Position at 31 December 2022

		Actual	
	Note	2022	2021
		R	Restated R
<b>ASSETS</b>			
<b>Current Assets</b>		<b>560 248 863</b>	<b>572 304 715</b>
Inventories	1	11 057 422	12 815 209
Receivables from Exchange Transactions	2	26 674 461	30 685 815
Statutory Receivables from Non-exchange Transactions	3	21 636 144	20 007 430
Cash and Cash Equivalents	4	500 743 930	508 659 433
Operating Lease Receivables	5	136 906	136 828
<b>Non-Current Assets</b>		<b>251 217 240</b>	<b>255 409 854</b>
Property, Plant and Equipment	6	251 217 240	255 409 854
<b>Total Assets</b>		<b>811 466 103</b>	<b>827 714 568</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>490 561 146</b>	<b>474 429 004</b>
Provisions	8	2 215 084	2 502 578
Payables from Exchange Transactions	9	26 834 954	15 775 792
Payables from Non-exchange Transactions	10	10 003 150	12 348 119
Unspent Conditional Grants and Receipts	11	449 141 024	441 537 587
Operating Lease Liabilities	12	1 630 092	1 528 085
Current Portion of Long-term Loans	13	736 842	736 842
<b>Non-Current Liabilities</b>		<b>5 157 895</b>	<b>5 894 737</b>
Long-Term Loans	13	5 157 895	5 894 737
<b>Total Liabilities</b>		<b>495 719 041</b>	<b>480 323 741</b>
<b>NET ASSETS</b>		<b>315 747 062</b>	<b>347 390 827</b>
Accumulated Funds		315 747 062	347 390 827
<b>Net Assets and Liabilities</b>		<b>811 466 103</b>	<b>827 714 568</b>



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# FALSE BAY TVET COLLEGE

## Statement of Financial Performance for the year ended 31 December 2022

		Actual	
	Note	2022	2021
		R	Restated R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>			
Government Grants and Subsidies	14	189 004 273	168 373 597
Public Contributions and Donations	15	90 000	516 467
Other Revenue	16	24 386	225 222
<b>Revenue from Exchange Transactions</b>			
Tuition and Related Fees	17	70 943 003	75 095 881
Rental of Facilities and Equipment	18	740 068	721 397
Investment Income	19	1 327 217	2 239 523
Sale of Goods and Rendering of Services	20	679 696	580 313
Other Revenue	21	7 163 229	8 290 537
<b>Total Revenue</b>		<b>269 971 872</b>	<b>256 042 937</b>
<b>EXPENDITURE</b>			
Employee Related Costs	22	176 081 692	175 149 666
Depreciation and Amortisation	23	14 791 542	14 208 189
External Audit Fees	24	2 199 900	1 537 763
Impairment Losses	25	15 433 048	-1 005 667
Marketing Expenses	26	2 852 676	2 049 479
Printing and Stationery	27	2 118 588	2 116 962
Repairs and Maintenance - Contracted Services	28	16 586 948	16 230 935
Finance Costs	29	548 944	527 816
Books and Learning Materials	30	17 123 993	15 595 341
Operating Lease Expense	31	7 556 402	3 529 086
Municipal Services	32	9 539 124	8 882 990
Student Support Services	33	1 508 252	796 446
Students Residents Meals and Expenses	34	2 371 486	3 288 434
Professional Services	35	1 465 759	1 692 462
Security	36	8 119 739	7 410 759
Travel, Accommodation and Entertainment	37	527 314	192 851
Telephone and Internet	38	1 893 662	1 848 091
Staff Development and Training	39	544 672	104 390
Other Expenditure	40	20 101 396	21 699 934
Loss on Disposal of Property, Plant and Equipment	41	250 502	844 322
<b>Total Expenditure</b>		<b>301 615 639</b>	<b>276 700 248</b>
<b>DEFICIT FOR THE YEAR</b>		<b>(31 643 766)</b>	<b>(20 657 310)</b>



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## FALSE BAY TVET COLLEGE

### Statement of Changes in Net Assets for the year ended 31 December 2022

Description	Accumulated Funds			Total Accumulated Funds
	Building Reserve	Self Insurance Reserve	Accumulated Surplus / (Deficit)	
	R	R	R	R
<b>2021</b>				
Balance at 31 December 2020	118 692 111	1 509 739	247 928 563	368 130 413
Correction of Error (Note 42)	-	-	(82 275)	-82 275
<b>Restated Balance</b>	<b>118 692 111</b>	<b>1 509 739</b>	<b>247 846 288</b>	<b>368 048 138</b>
Deficit for the year			(20 657 310)	(20 657 310)
Previously reported			(10 277 058)	(10 277 058)
Correction of Error (Note 42)			(10 380 253)	(10 380 253)
<b>Balance at 31 December 2021</b>	<b>118 692 111</b>	<b>1 509 739</b>	<b>227 188 977</b>	<b>347 390 827</b>
<b>2022</b>				
Balance at 31 December 2021	118 692 111	1 509 739	227 188 977	347 390 827
<b>Restated Balance</b>	<b>118 692 111</b>	<b>1 509 739</b>	<b>227 188 977</b>	<b>347 390 827</b>
Deficit for the year	-	-	(31 643 766)	(31 643 766)
Contributions to Funds and Reserves	-	85 837	(85 837)	-
<b>Balance at 31 December 2022</b>	<b>118 692 111</b>	<b>1 595 577</b>	<b>195 459 374</b>	<b>315 747 061</b>



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13 June 2023

# FALSE BAY TVET COLLEGE

## Cash Flow Statement for the for the year ended 31 December 2022

	Note	2022 R	2021 Restated R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Stipend Funding	2	22 237 625	22 325 360
Government Grant and Subsidies	11	94 357 918	88 518 671
Interest capitalised to Government Grant and Subsidies	11	24 465 367	15 755 387
Public Contributions and Donations	15	90 000	316 895
Tuition and Related Fees	17	62 365 567	79 189 167
Interest	19	1 319 190	2 274 638
Sale of Goods and Rendering of Services	20	679 696	580 313
Other	16 + 21	7 909 618	7 764 824
<b>Payments</b>			
Stipend Funding	2	(29 328 629)	(20 171 834)
Government Grant and Subsidies	11	(19 533 332)	(11 435 746)
Government Grant and Subsidies Refunded	11	(10 713 876)	(1 072 608)
Employee Related Costs	22	(64 090 065)	(80 434 142)
Interest	29	(548 944)	(527 816)
Suppliers	28	(65 524 524)	(62 118 734)
Other	40	(19 770 344)	(21 320 738)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>43</b>	<b>3 915 267</b>	<b>19 643 638</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	6	(11 093 928)	(20 304 267)
Proceeds on Disposal of Property, Plant and Equipment	6	-	24 991
Proceeds on Disposal of Intangible Assets	7	-	41
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(11 093 927)</b>	<b>(20 279 235)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowings	13	(736 842)	(736 842)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(736 842)</b>	<b>(736 842)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(7 915 503)</b>	<b>(1 372 439)</b>
Cash and Cash Equivalents at Beginning of Year		508 659 433	510 031 872
Cash and Cash Equivalents at End of Year	4	500 743 930	508 659 433



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# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### 1. PRESENTATION OF FINANCIAL STATEMENTS AND BASIS OF PREPARATION

#### 1.1 Presentation of Annual Financial Statements

The Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board applicable to Public TVET Colleges in terms of Directive 5 and in the manner prescribed by the Minister of Higher Education, Science and Technology in terms of the Continuing Education and Training Act, 2006 (Act No. 16 of 2006), as amended.

These financial statements have been prepared in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.

#### 1.2 Standards, Amendments to Standards and Interpretations issued but not yet Effective

Standard of GRAP / Nature of Impending Changes / Expected Impact		Effective Date	Expected impact
•	<b>Guideline</b> <b>GRAP 25 – Employee Benefits</b>	Not yet determined	Unlikely impact will be material
•	<b>Guideline</b> <b>The Application of Materiality to Financial Statements</b> No changes expected	Not yet determined	Unlikely impact will be material
•	<b>IGRAP 21</b> <b>The effect of Past Decisions on Materiality</b> No changes expected	01-Apr-23	Unlikely impact will be material
•	<b>Guideline</b> <b>GRAP 104 - Financial Instruments</b>	01-Apr-25	Unlikely impact will be material
•	<b>GRAP 1</b> <b>Presentation of Financial Statements</b>	01-Apr-23	Unlikely impact will be material
•	<b>GRAP</b> <b>Improvements to Standards of GRAP 2020</b>	01-Apr-23	Unlikely impact will be material
•	<b>GRAP 7</b> <b>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</b>	01-Apr-23	Unlikely impact will be material

#### 1.3 Significant Judgements and Sources of Estimation Uncertainty

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements.

Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

These estimates and underlying assumptions are reviewed on an on-going basis.



# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### Judgements

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

#### **1.3.1 Revenue Recognition**

Accounting Policy 9.1 on Revenue from Exchange Transactions and Accounting Policy 9.2 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the College.

As far as Revenue from Non-exchange Transactions is concerned, particularly whether the college, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof.

Student fee revenue is recognised at the amount charged for registered courses, accommodation, and other fees. No discount is provided for the probability of uncollectable amounts as the colleges is required to collect all revenue due. Therefore, the probability of non-collection of student fees is not considered as part of revenue recognition, but is taken into account when considering the collectability of the student debtor as part of the financial assets. Refer also to the paragraph in Impairment of Financial Assets.

#### **1.3.2 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 by DHET in the following year.

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

Programme funding is paid to the College, partly in cash tranches and partly through DHET's Persal Salary System, directly to the DHET management and staff working at the College. The total amount of programme funding of management salaries is disclosed under "services in kind" in the Annual Financial Statements. The method and timing of payment of the grant, however, does not influence the recognition of revenue.

#### **1.3.3 Employee Related Costs and DHET Management Fee**

In terms of the CET Act, the DHET is the employer of the management and the staff in posts as established in the organisational structure under the Post Provisioning Norms of the DHET.

Management and staff in posts established in the organisational structure of the DHET are paid by the DHET. This category of personnel is not College employees, so their remuneration cannot be classified as an employee expense of the College and is therefore classified as "services in kind." Separate disclosure of the remuneration of programme funded College management is shown in the financial statements under "DHET management fee." Other staff in posts established by the College are employed and remunerated by the College.



## FALSE BAY TVET COLLEGE

### Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

#### 1.3.4 Land used and controlled, but not owned by the College

Certain campuses used by the College reside on land are not yet registered in the name of the College. The lack of legal ownership could affect whether or not the College has control over the property. Where, inter alia, beneficial control can be illustrated, the property in question is recognised, measured and included in the Financial Statements as Property, Plant and Equipment in terms of the definition of an asset as per the framework for the preparation and presentation of financial statements and the definition of property, plant and equipment in GRAP 17.

#### 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.

The following estimates were made in the process of applying the College's accounting policies:

#### 1.3.5 Trade Receivables, Held-to-Maturity Investments and Loans and Receivables

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

The impairment of trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### 1.3.6 Inventory

- Allowance for slow moving, damaged and obsolete stock:  
An allowance is made to write stock 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.

#### 1.3.7 Impairment Testing

- Provisions:  
Provisions are raised and management determines an estimate based on the information available. Additional disclosure regarding estimates of provisions is included in the notes to the annual financial statements.

#### 1.3.8 Useful lives of assets, depreciation and amortisation

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

Depreciation and amortisation recognised on property, plant and equipment and intangible assets is 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 assets' condition, expected condition at the end of the period of use, their current use, expected future use, the impact of technology, minimum service requirements and the College's expectations about the availability of finance to replace the assets at the end of their useful lives.



# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### 1.3.9 Effective interest rate

The College uses an appropriate interest rate, taking into account guidance provided in the standards and applies best estimates to the specific circumstances in order to discount future cash flows, where material.

### 1.4 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.

### 1.5 Segment Reporting

The College is based in the Western Cape with campuses in Fishoek, Muizenberg, Westlake, Khayalitsha and Mitchells Plain, with the central office being located in Muizenberg.

The College is assessed to have no reportable segments as per the requirements of GRAP 18. All campuses are regarded as a single segment.

## 2. NET ASSETS

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

### 2.1 Reserves

#### 2.1.1 Building Reserve

The Building Reserve is the value that was added to the College's properties when they were fairly valued at the time of their acquisition. This reserve will remain unchanged unless any part or whole of the properties are sold.

#### 2.1.2 Self-insurance Reserve

The Self-insurance reserve represents the funds the College has put aside to self-insure. Self-insuring means the College takes the risk for certain classes of assets and will self-fund the replacement thereof from the Self-insurance Reserve.

Reinsurance premiums paid to external reinsurers are regarded as an expense and are shown as such in the Statement of Financial Performance. The net surplus or deficit on the insurance operating account is transferred to or from the insurance reserve via the Statement of Changes in Net Assets.

The balance of the Self-insurance Reserve is invested in short-term cash investments. Interest earned on the Insurance Reserve is recorded as interest earned in the Statement of Financial Performance.

### 2.2 Accumulated Surplus

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



# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### 3. PROPERTY, PLANT AND EQUIPMENT

#### 3.1 Recognition and Initial Measurement

Property, Plant and Equipment are initially recognised at cost.

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

Property, plant and equipment consist of the following:

- *Immovable Assets*: Land and buildings which comprise mainly lecture rooms and facilities, workshops, student residences and administrative offices, including leasehold improvements on rented buildings.
- *Moveable Assets*: Furniture and fittings, library books, text books, computer equipment, motor vehicles and equipment.

#### 3.2 Subsequent Measurement

All Property, Plant and Equipment is measured at cost, less accumulated depreciation and accumulated impairment losses.

#### 3.3 Depreciation

Depreciation on assets other than land is calculated using the *Straight-line Method*, to allocate their cost to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

Class	Useful Life in Years
Buildings	40
Leasehold improvements	5 - 10
Vehicles	5 - 25
Furniture and Fittings	5 - 15
Plant, Machinery and Equipment	5 - 15
Computer Equipment	5 - 15
Library books	30

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

Capital Work-in-progress is stated at historical cost and depreciation only commences when the asset is completed and available for use.

#### 3.4 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the college or, where shorter, the term of the relevant lease if there is no reasonable certainty that the college will obtain ownership by the end of the lease term.

#### 3.5 Derecognition

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in surplus or deficit when the item is derecognised.

# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### 4. INTANGIBLE ASSETS

#### 4.1 Recognition and Initial Measurement

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets. Intangible Assets are initially recognised at cost.

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

Expenditure on research is recognised as an expense when it is incurred. An asset arising from development 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, and
- The expenditure attributable to the asset during its development can be measured reliably.

#### 4.2 Subsequent Measurement, Amortisation and Impairment

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

Amortisation is charged on a *Straight-line Method* over the Intangible Assets' useful lives.

The amortisation rates are based on the following estimated useful lives:

Class	Useful Life in Years
Software	2 - 3

#### 4.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised.

### 5. IMPAIRMENT OF ASSETS

The College classifies all assets held with the primary objective of generating a commercial return as *Cash Generating Assets*. All other assets are classified as *Non-cash Generating Assets*.

#### 5.1 Impairment of Cash Generating Assets

The College assesses at each reporting date whether there is any indication that an asset may be impaired.

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

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

## **FALSE BAY TVET COLLEGE**

### **Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022**

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

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

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

#### **5.2 Impairment of Non-cash Generating Assets**

The College assesses at each reporting date whether there is any indication that an asset may be impaired.

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

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

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

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.



# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### 6. FINANCIAL INSTRUMENTS

#### 6.1 Financial Assets – Classification

The College has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Trade Debtors	Financial Assets at Amortised Cost
Sundry Debtors	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents	Financial Assets at Amortised Cost

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

#### 6.2 Financial Liabilities – Classification

The College has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Long-term Liabilities (Borrowings)	Financial Liabilities at Amortised Cost
Trade Creditors	Financial Liabilities at Amortised Cost
Sundry Creditors	Financial Liabilities at Amortised Cost

#### 6.3 Initial and Subsequent Measurement

##### Financial Instruments measured at Amortised Cost

*Financial Instruments at Amortised Cost* are measured at amortised cost using the *Effective Interest Method*. (less any impairment on financial assets).

##### Amortised Cost

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

##### Financial Assets measured at Cost

Financial Assets at Cost are initially measured at the transaction amount and transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at cost less any impairment.

##### Value

Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in Surplus or Deficit.

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



# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### Cost

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

The College recognises the difference between the carrying amount of the Financial Instrument extinguished or transferred to another party and the consideration received/paid, in the Surplus or Deficit.

## 7. STATUTORY RECEIVABLES

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

- (a) Interest or other charges that may have accrued on the receivable (where applicable);
- (b) Impairment losses; and
- (c) Amounts derecognised.

Statutory receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables (such as the probability of insolvency or significant financial difficulties of the debtor).

In assessing whether statutory receivables are impaired, the College assesses whether there are any indications that individually significant receivables are impaired; and/or groups of similar, individually insignificant, receivables are impaired.

The College groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the College. The College uses the following groupings:

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

Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

## 8. INVENTORIES

Inventories sold are valued at the lower of cost and net realisable value.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost.

The cost of inventory is determined using the Weighted Average Cost -method.

## 9. REVENUE

### 9.1 Revenue from Exchange Transactions

#### 9.1.1 Tuition Fees

Tuition fees are levied in terms of approved tariffs.



# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

Tuition Fees are recognised when billed, or over the period of instruction, if the period of instruction runs into the next financial year.

### 9.1.2 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

### 9.1.3 Interest Earned

Interest earned on investments is recognised in the Statement of Financial Performance on the *Time-proportionate Basis* using the effective interest method.

### 9.1.4 Sale of Goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable when ownership and effective control has passed to the purchaser.

### 9.1.5 Services Rendered

Revenue associated with the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date.

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.

## 9.2 Revenue from Non-exchange Transactions

### 9.2.1 Public Contributions

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

### 9.2.2 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

### 9.2.3 Government Transfers

Conditional grants, donations and funding are recognised as revenue to the extent that the College has complied with any of the criteria, conditions or obligations embodied in the agreement.

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

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



## **FALSE BAY TVET COLLEGE**

### **Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022**

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

#### **9.2.4 Program 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 part paid in cash and the part paid via Persal.

#### **9.2.5 Services-in-Kind**

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

#### **9.2.6 Debt Forgiveness and Assumption of Liabilities**

The College recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured as the carrying amount of debt forgiven.

## **10. PROVISIONS**

The best estimate of the expenditure required to settle the present obligation is the amount that the College would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the college, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

## **11. EMPLOYEE BENEFIT LIABILITIES**

### **11.1 Short-term Employee Benefits**

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

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



# FALSE BAY TVET COLLEGE

## Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022

### 11.1.1 Post-employment Benefits

The College provides retirement benefits for its employees by contribution to post-employment plans.

### 11.1.2 Defined Contribution Plans

The College's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The College has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## 12. LEASES

### 12.1 The college as Lessee

#### 12.1.1 Finance Leases

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the college uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the *Effective Interest Rate Method*. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

#### 12.1.2 Operating Leases

The college recognises operating lease rentals as an expense in the Statement of Financial Performance on a Straight-line Basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### 12.1.3 The college as Lessor

Rental revenue from Operating Leases is recognised on a *Straight-line Basis* over the term of the relevant lease.

## 13. BORROWING COSTS

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

## 14. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, entity or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Public Finance Management Act (Act No 1 of 1999).



## **FALSE BAY TVET COLLEGE**

### **Accounting Policies to the Annual Financial Statements for the year ended 31 December 2022**

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### **15. IRREGULAR EXPENDITURE**

Irregular Expenditure is expenditure that is contrary to the Public Finance Management Act (Act No 1 of 1999), the Continuing Education and Training Act (Act No 16 of 2006), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

#### **16. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### **17. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

#### **18. COMMITMENTS**

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

The College discloses each class of capital asset and material operating expenditure commitment in the financial statements. Future minimum lease payments are disclosed 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.

#### **19. RELATED PARTIES**

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party or vice versa, or a person or 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.

#### **20. EVENTS AFTER THE REPORTING DATE**

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements.

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.



# FALSE BAY TVET COLLEGE

## Notes to the Financial Statements for the year ended 31 December 2022

	2022 R	2021 R
<b>1. INVENTORIES</b>		
Consumable stores	856 609	1 137 391
Text Books	10 200 813	11 677 818
<b>Total Inventories</b>	<b>11 057 422</b>	<b>12 815 209</b>

Inventory expensed during 2022 amounted to R15 279 490 (2021: R15 500 388)

The prior year amount for Inventories has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.

### 1.1 Allocation for Cash Flow:

#### Suppliers Paid:-

Inventory - Opening Balance	12 815 209	15 533 597
Inventory - Closing Balance	(11 057 422)	(12 815 209)
Total Inventory allocated to Suppliers Paid	<b>1 757 787</b>	<b>2 718 388</b>
<b>Total Inventories allocated to Cash Flow</b>	<b>1 757 787</b>	<b>2 718 388</b>

## 2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
<b>As at 31 December 2022</b>			
Student Debtors	31 521 569	(27 939 106)	3 582 463
Prepaid Expenses	701 826		701 826
Corporate and SETAS	11 176 503	(1 439 735)	9 736 768
Interest accrued	55 402		55 402
NSFAS Student Transport	3 583 081	(360 840)	3 222 241
Stipend Receivables	8 189 193		8 189 193
Sundry Debtors	727 598		727 598
Other Receivables	458 971		458 971
<b>Total Receivables from Exchange Transactions</b>	<b>56 414 143</b>	<b>(29 739 682)</b>	<b>26 674 461</b>

	Gross Balances R	Provision for Impairment R	Net Balances R
<b>As at 31 December 2021</b>			
Student Debtors	25 891 186	(13 153 600)	12 737 586
Prepaid Expenses	843 111		843 111
Corporate and SETAS	12 673 910	(1 074 755)	11 599 155
Interest accrued	47 374		47 374
NSFAS Student Transport	3 583 081	(360 840)	3 222 241
Stipend Receivables	1 098 190		1 098 190
Sundry Debtors	694 677		694 677
Other Receivables	443 482		443 482
<b>Total Receivables from Exchange Transactions</b>	<b>45 275 010</b>	<b>(14 589 195)</b>	<b>30 685 815</b>

With the previous year's financial statements SETA Debtors were grouped with Sundry Debtors. It was now again disclosed separately as was before the previous financial year.

The prior year amount for Receivables from Exchange Transactions has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.



**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>Reconciliation of Stipend Receivables:</b>		
Opening Balance	1 098 190	3 251 716
Students Funded	29 328 629	20 171 834
Grants Received	(22 237 625)	(22 325 360)
Closing Balance	<u>8 189 193</u>	<u>1 098 190</u>
<b>2.1 Allocation for Cash Flow:</b>		
	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>Government Grants and Subsidies Received:-</b>		
Receivables: Government Grants and Subsidies - Opening Balance	12 673 910	5 926 922
SETA's	<u>12 673 910</u>	<u>5 926 922</u>
Receivables: Government Grants and Subsidies - Closing Balance	(6 797 707)	(12 673 910)
SETA's	<u>(6 797 707)</u>	<u>(12 673 910)</u>
Total Exchange Receivables allocated to Government Grants and Subsidies Received	<u>5 876 203</u>	<u>(6 746 988)</u>
<b>Tuition and Related Fees:-</b>		
Receivables: Tuition and Related Fees - Opening Balance	30 168 944	23 975 335
Student Debtors	<u>25 891 186</u>	<u>12 470 407</u>
Sundry Debtors - Opening Balance	694 677	2 089 437
NSFAS Student Transport	<u>3 583 081</u>	<u>9 415 491</u>
Receivables: Tuition and Related Fees - Closing Balance	(40 211 044)	(30 168 944)
Student Debtors - Closing Balance	<u>(31 521 569)</u>	<u>(25 891 186)</u>
Sundry Debtors - Closing Balance	(5 106 394)	(694 677)
NSFAS Student Transport	<u>(3 583 081)</u>	<u>(3 583 081)</u>
Total Exchange Receivables allocated to Tuition and Related Fees	<u>(10 042 100)</u>	<u>(6 193 609)</u>
<b>Interest Earned:-</b>		
Interest Accrued - Opening Balance	47 374	82 489
Interest Accrued - Closing Balance	(55 402)	(47 374)
Total Exchange Receivables allocated to Interest Earned	<u>(8 028)</u>	<u>35 115</u>
<b>Stipend Receivables:-</b>		
Funds Received	22 237 625	22 325 360
Total Exchange Receivables allocated to Stipend Funds Received	<u>22 237 625</u>	<u>22 325 360</u>
<b>Other Receipts:-</b>		
Other Receivables - Opening Balance	443 482	128 784
Other Receivables - Closing Balance	(458 971)	(443 482)
Total Exchange Receivables allocated to Other Receipts	<u>(15 489)</u>	<u>(314 698)</u>
<b>Stipend Receivables:-</b>		
Students Funded	(29 328 629)	(20 171 834)
Total Exchange Receivables allocated to Stipend Fund Payments	<u>(29 328 629)</u>	<u>(20 171 834)</u>
<b>Suppliers Paid:-</b>		
Suppliers - Opening Balance	843 111	1 418 509
Prepaid Expenses	<u>843 111</u>	<u>1 418 509</u>
Suppliers - Closing Balance	(701 826)	(843 111)
Prepaid Expenses	<u>(701 826)</u>	<u>(843 111)</u>
Total Exchange Receivables allocated to Suppliers Paid	<u>141 284</u>	<u>575 398</u>
<b>Total Exchange Receivables allocated to Cash Flow</b>	<b><u>(11 139 133)</u></b>	<b><u>(10 491 255)</u></b>



# FALSE BAY TVET COLLEGE

## Notes to the Financial Statements for the year ended 31 December 2022

### 2.2 Ageing of Receivables from Exchange Transactions

As at 31 December 2022

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
<b>Student Debtors:</b>					
Gross Balances		584 699	336 167	30 600 703	31 521 569
Less: Provision for Impairment				(27 939 106)	(27 939 106)
<b>Net Balances</b>	<b>-</b>	<b>584 699</b>	<b>336 167</b>	<b>2 661 597</b>	<b>3 582 463</b>
<b>Prepaid Expenses:</b>					
Gross Balances				701 826	701 826
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>701 826</b>	<b>701 826</b>
<b>Corporate and SETAS:</b>					
Gross Balances		152 213	962 974	10 061 317	11 176 503
Less: Provision for Impairment				(1 439 735)	(1 439 735)
<b>Net Balances</b>	<b>-</b>	<b>152 213</b>	<b>962 974</b>	<b>8 621 581</b>	<b>9 736 768</b>
<b>Interest accrued:</b>					
Gross Balances		8 028		47 374	55 402
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>-</b>	<b>8 028</b>	<b>-</b>	<b>47 374</b>	<b>55 402</b>
<b>NSFAS Student Transport:</b>					
Gross Balances				3 583 081	3 583 081
Less: Provision for Impairment				(360 840)	(360 840)
<b>Net Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 222 241</b>	<b>3 222 241</b>
<b>Stipend Receivables:</b>					
Gross Balances	4 606 112			3 583 081	8 189 193
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>4 606 112</b>	<b>-</b>	<b>-</b>	<b>3 583 081</b>	<b>8 189 193</b>
<b>Sundry Debtors:</b>					
Gross Balances	235 158	492 440			727 598
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>235 158</b>	<b>492 440</b>	<b>-</b>	<b>-</b>	<b>727 598</b>
<b>Other Receivables:</b>					
Gross Balances	-	458 971			458 971
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>-</b>	<b>458 971</b>	<b>-</b>	<b>-</b>	<b>458 971</b>

As at 31 December 2022 Receivables of R21 833 191 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
<b>All Receivables:</b>					
Gross Balances	4 841 270	1 696 350	1 299 141	48 577 382	56 414 143
Less: Provision for Impairment				(29 739 682)	(29 739 682)
<b>Net Balances</b>	<b>4 841 270</b>	<b>1 696 350</b>	<b>1 299 141</b>	<b>18 837 700</b>	<b>26 674 461</b>



**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

As at 31 December 2021

	<b>Current</b>	<b>Past Due</b>			<b>Total</b>
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
<b>Student Debtors:</b>					
Gross Balances	5 731 013	106 417	83 340	19 970 416	25 891 186
Less: Provision for Impairment				(13 153 600)	(13 153 600)
<b>Net Balances</b>	<b>5 731 013</b>	<b>106 417</b>	<b>83 340</b>	<b>6 816 816</b>	<b>12 737 586</b>
<b>Prepaid Expenses:</b>					
Gross Balances	843 111				843 111
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>843 111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>843 111</b>
<b>Corporate and SETAS:</b>					
Gross Balances	2 720 531	1 017 702	164 316	8 771 361	12 673 910
Less: Provision for Impairment				(1 074 755)	(1 074 755)
<b>Net Balances</b>	<b>2 720 531</b>	<b>1 017 702</b>	<b>164 316</b>	<b>7 696 606</b>	<b>11 599 155</b>
<b>Interest accrued:</b>					
Gross Balances	47 374				47 374
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>47 374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47 374</b>
<b>NSFAS Student Transport:</b>					
Gross Balances	3 583 081				3 583 081
Less: Provision for Impairment	(360 840)				(360 840)
<b>Net Balances</b>	<b>3 222 241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 222 241</b>
<b>Stipend Receivables:</b>					
Gross Balances	1 098 190				1 098 190
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>1 098 190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 098 190</b>
<b>Sundry Debtors:</b>					
Gross Balances	694 677				694 677
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>694 677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>694 677</b>
<b>Other Receivables:</b>					
Gross Balances	443 482				443 482
Less: Provision for Impairment					-
<b>Net Balances</b>	<b>443 482</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443 482</b>

As at 31 December 2021 Receivables of R15 885 197 were past due but not impaired. The age analysis of these Receivables is as follows:

	<b>Current</b>	<b>Past Due</b>			<b>Total</b>
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
<b>All Receivables:</b>					
Gross Balances	15 161 458	1 124 119	247 656	28 741 777	45 275 010
Less: Provision for Impairment	(360 840)			(14 228 355)	(14 589 195)
<b>Net Balances</b>	<b>14 800 618</b>	<b>1 124 119</b>	<b>247 656</b>	<b>14 513 422</b>	<b>30 685 815</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

	2022 R	2021 R
<b>2.3 Reconciliation of the Provision for Impairment</b>		
Balance at beginning of year	14 589 195	16 914 873
Impairment Losses recognised (refer to note 25)	15 188 551	(1 005 667)
Amounts written off as uncollectable	(38 064)	(1 320 011)
<b>Balance at end of year</b>	<b>29 739 682</b>	<b>14 589 195</b>

#### 2.3.1 Allocation for Cash Flow:

<b>Allowance for Impairment at beginning of Year</b>	<b>14 589 195</b>	<b>16 914 873</b>
<b>Movement in Non-cash Transactions:-</b>		
Impairment Losses Recognised	15 188 551	(1 005 667)
Total Movement in Allowance for Impairment allocated to Adjustment for Non-cash Transactions	15 188 551	(1 005 667)
<b>Tuition and Related Fees:-</b>		
Tuition and Related Fees - Amounts written off as uncollectable	(38 064)	(1 320 011)
<b>Allowance for Impairment at end of Year</b>	<b>29 739 682</b>	<b>14 589 195</b>

#### 2.4 Credit quality of financial assets carried at amortised cost

##### The credit quality of trade and other receivables from exchange transactions

Student Debtors	Medium	31 521 569	25 891 186
SETAs	High	11 176 503	12 673 910
Interest accrued	High	55 402	47 374
NSFAS Student Transport	Medium	3 583 081	3 583 081
Sundry Debtors	Medium	727 598	694 677
Other Receivables	Medium	458 971	443 482
		<b>47 523 123</b>	<b>43 333 709</b>

##### Method of determining credit quality

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to historical payment trends. Accordingly the credit quality of the customers included in the balance of trade and other receivables from exchange transactions is determined internally by applying managerial knowledge and experience. 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 seldom 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. No external credit quality determination has been performed.

##### Method of determining credit quality

The credit quality of financial assets that are fully performing, as well as those that are past due but not impaired can be assessed by reference to external credit ratings, if available or to historical information about counterparty default rates.

### 3. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
<b>As at 31 December 2022</b>			
Government Grants and Subsidies:			
DHET Personnel (Persal) Funding Debtor	21 232 511	-	21 232 511
DHET Non Personnel Non Capital (NPNC) Funding Debtor	403 633	-	403 633
<b>Total Receivables from Non-exchange Transactions</b>	<b>21 636 144</b>	<b>-</b>	<b>21 636 144</b>

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	Gross Balances R	Provision for Impairment R	Net Balances R
<b>As at 31 December 2021</b>			
Government Grants and Subsidies			
DHET Non Personnel Non Capital (NPNC) Funding Debtor	20 007 430	-	20 007 430
<b>Total Receivables from Non-exchange Transactions</b>	<b>20 007 430</b>	<b>-</b>	<b>20 007 430</b>
		<b>2022</b>	<b>2021</b>
		R	R

**3.1 Allocation for Cash Flow:**

**Government Grants and Subsidies Received:-**

Receivables: Government Grants and Subsidies - Opening Balance	20 007 430	29 992 020
Receivables: Government Grants and Subsidies - Closing Balance	(21 636 144)	(20 007 430)
Adjustment for Non-cash Transactions:-	-	(20)
Total Non-Exchange Statutory Receivables allocated to Government Grants Received	<u>(1 628 714)</u>	<u>9 984 570</u>
<b>Total Exchange Statutory Receivables allocated to Cash Flow</b>	<b><u>(1 628 714)</u></b>	<b><u>9 984 570</u></b>

**3.2 Ageing of Statutory Receivables from Non-exchange Transactions**

**As at 31 December 2022**

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
<b>DHET Personnel (Persal) Funding Debtor:</b>					
Gross Balances	21 232 511				21 232 511
<b>Net Balances</b>	<b>21 232 511</b>	-	-	-	<b>21 232 511</b>
<b>DHET Non Personnel Non Capital (NPNC) Funding Debtor:</b>					
Gross Balances	403 633				403 633
<b>Net Balances</b>	<b>403 633</b>	-	-	-	<b>403 633</b>
<b>All Statutory Receivables:</b>					
Gross Balances	21 636 144				21 636 144
<b>Net Balances</b>	<b>21 636 144</b>	-	-	-	<b>21 636 144</b>

**As at 31 December 2021**

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
<b>DHET Non Personnel Non Capital (NPNC) Funding Debtor:</b>					
Gross Balances	20 007 430				20 007 430
<b>Net Balances</b>	<b>20 007 430</b>	-	-	-	<b>20 007 430</b>

**4. CASH AND CASH EQUIVALENTS**

Bank Accounts	6 219 281	11 501 086
Short-Term Investments including Call Deposits	494 517 148	497 150 847
Cash on hand	7 500	7 500
<b>Total Cash and Cash Equivalents</b>	<b><u>500 743 930</u></b>	<b><u>508 659 433</u></b>

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 4.1 Allocation for Cash Flow:

##### Decrease in Cash Equivalents:-

Cash and Cash Equivalents - Opening Balance	508 659 433	510 031 872
Cash and Cash Equivalents - Closing Balance	(500 743 930)	(508 659 433)

Total Cash and Cash Equivalents allocated to a decrease in cash equivalents	<b>7 915 503</b>	<b>1 372 439</b>
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<b>Total Cash and Cash Equivalents allocated to Cash Flow</b>	<b>7 915 503</b>	<b>1 372 439</b>
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For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments.

	2022 R	2021 R
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#### 4.2 Current Investment Deposits

Call Deposits - Operational	6 688 532	8 413 387
Current Investments	433 093 591	-
Call Deposits - Restricted	54 735 025	488 737 460

<b>Total Current Investment Deposits</b>	<b>494 517 148</b>	<b>497 150 847</b>
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Current Investment Deposits include the following accounts:

##### Short-Term Investments:

ABSA	107 854 806	
First National Bank	97 184 374	
Investec	112 882 943	
Standard Bank	115 171 468	
	<b>433 093 591</b>	<b>-</b>

##### Call Deposits - Operational:

##### CFE: DEDAT SMME Booster Fund, account number: 9357739256

Cash book balance at beginning of year	-	279 116
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	279 116
Bank statement balance at end of year	-	-

##### FBC Debt Service Reserve, account number 9253698069

Cash book balance at beginning of year	1 554	1 546
Cash book balance at end of year	1 583	1 554
Bank statement balance at beginning of year	1 554	1 546
Bank statement balance at end of year	1 583	1 554

##### FBC Self Insurance Call Account, account number 9288182522

Cash book balance at beginning of year	1 969 178	1 911 846
Cash book balance at end of year	2 055 015	1 969 178
Bank statement balance at beginning of year	1 969 178	1 911 846
Bank statement balance at end of year	2 055 015	1 969 178

##### FBC Student Deposit Account, account number: 450831026

Cash book balance at beginning of year	15 223	2 000
Cash book balance at end of year	55 712	15 223
Bank statement balance at beginning of year	15 223	2 000
Bank statement balance at end of year	55 712	15 223

##### FBC North/South Conference, account number 9293467127

Cash book balance at beginning of year	391 497	382 513
Cash book balance at end of year	406 754	391 497
Bank statement balance at beginning of year	391 497	382 513
Bank statement balance at end of year	406 754	391 497

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### FBC Call account, account number 9288182807

Cash book balance at beginning of year	6 035 934	24 106 432
Cash book balance at end of year	4 169 467	6 035 934
Bank statement balance at beginning of year	6 035 934	24 106 432
Bank statement balance at end of year	4 169 467	6 035 934

#### Call Deposits - Restricted:

##### CFE: W&R SETA Informal Traders, account number 9357739345

	2022	2021
Cash book balance at beginning of year	-	394 426
Cash book balance at end of year	-	1 147 444
Bank statement balance at beginning of year	1 147 444	394 426
Bank statement balance at end of year	-	1 147 444

##### Public Sector W Cape: FBC NSF111 , account number: 4104335707

Cash book balance at beginning of year	-	-
Cash book balance at end of year	3 279 930	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	3 279 930	-

##### Public Sector W Cape: FBC NSF2017 , account number: 4079580548

Cash book balance at beginning of year	-	1 045 248
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	1 045 248
Bank statement balance at end of year	-	-

##### Public Sector W Cape: DHET: TVET Times, account number: 4081106005

Cash book balance at beginning of year	2 498	285 376
Cash book balance at end of year	-	2 498
Bank statement balance at beginning of year	2 498	285 376
Bank statement balance at end of year	-	2 498

##### Public Sector W Cape: FBC CFE Ring-fenced account number 9288182611

Cash book balance at beginning of year	5 579 793	3 386 231
Cash book balance at end of year	7 455 270	5 579 793
Bank statement balance at beginning of year	5 579 793	3 386 231
Bank statement balance at end of year	7 455 270	5 579 793

##### Public Sector W Cape: FBC General Projects, account number 9288183023

Cash book balance at beginning of year	642 129	623 434
Cash book balance at end of year	670 120	642 129
Bank statement balance at beginning of year	642 129	623 434
Bank statement balance at end of year	670 120	642 129

##### Public Sector W Cape: FBC UIF Ring-fenced Project, account number 4093662512

Cash book balance at beginning of year	622	1 351
Cash book balance at end of year	14 817	622
Bank statement balance at beginning of year	622	1 351
Bank statement balance at end of year	14 817	622

##### Public Sector W Cape: Swartklip Building Project, account number 4094114934

Cash book balance at beginning of year	12 144 303	6 255 913
Cash book balance at end of year	-	12 144 303
Bank statement balance at beginning of year	12 144 303	6 255 913
Bank statement balance at end of year	-	12 144 303

##### Public Sector W Cape: DHET infrastructure, account number 9345544687

Cash book balance at beginning of year	37 309 497	48 717 181
Cash book balance at end of year	31 115 270	37 309 497
Bank statement balance at beginning of year	37 309 497	48 717 181
Bank statement balance at end of year	31 115 270	37 309 497



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### Public Sector W Cape: DHET Mitchells Plain Campus, account number 9349267906

Cash book balance at beginning of year	104 162 335	102 346 830
Cash book balance at end of year	12 199 577	104 162 335
Bank statement balance at beginning of year	104 162 335	102 346 830
Bank statement balance at end of year	12 199 577	104 162 335

#### Public Sector W Cape: DHET Mitchells Plain Campus, Investec account number 110055467550

Cash book balance at beginning of year	108 494 020	104 893 768
Cash book balance at end of year	-	108 494 020
Bank statement balance at beginning of year	108 494 020	104 893 768
Bank statement balance at end of year	-	108 494 020

#### Public Sector W Cape: DHET Mitchells Plain Campus, FNB account number 74814879604

Cash book balance at beginning of year	109 794 089	105 678 450
Cash book balance at end of year	-	109 794 089
Bank statement balance at beginning of year	109 794 089	105 678 450
Bank statement balance at end of year	-	109 794 089

#### Public Sector W Cape: DHET Mitchells Plain Campus, Standard Bank account number 478499094

Cash book balance at beginning of year	109 460 730	104 973 122
Cash book balance at end of year	41	109 460 730
Bank statement balance at beginning of year	109 460 730	104 973 122
Bank statement balance at end of year	41	109 460 730

#### 4.3 Bank Accounts

	2022 R	2021 R
Cash in Bank	6 219 281	11 501 086
<b>Total Bank Accounts</b>	<b>6 219 281</b>	<b>11 501 086</b>

The college has the following bank accounts:

#### Primary Bank Accounts

##### Public Sector W Cape: FBC Central Current Account, account 4051581126

Cash book balance at beginning of year	11 240 539	4 739 591
Cash book balance at end of year	6 053 857	11 240 539
Bank statement balance at beginning of year	11 240 539	4 739 591
Bank statement balance at end of year	6 053 857	11 240 539

##### Public Sector W Cape: FBC Salary Current Account, account 4057728471

Cash book balance at beginning of year	260 547	-
Cash book balance at end of year	165 424	260 547
Bank statement balance at beginning of year	260 547	-
Bank statement balance at end of year	165 424	260 547

#### 4.4 Cash and Cash Equivalents

Cash on hand	7 500	7 500
<b>Total Cash and Cash Equivalents</b>	<b>7 500</b>	<b>7 500</b>

#### 4.5 Cash and Cash Equivalent balances that are not available for use by the College

##### Accounts ring-fenced for specific use:

Nationals Skills Fund grants where the conditions have not been met yet	-	12 144 303
DHET Infrastructure grant - CIEG	31 115 270	37 309 497
DHET Infrastructure grant - Mitchells Plain - Call deposit	12 199 577	431 911 173
DHET Infrastructure grant - M/Plain - Short term investments with four financial institutions	433 093 591	
UIF	14 817	622
Business Development and Economic Development and Tourism	7 455 270	6 727 237
	<b>483 878 525</b>	<b>488 092 832</b>

##### Accounts ring-fenced for performance as agents only:

DHET TVET Times money managed as agents for the DHET		2 498
Joint marketing forum money held on behalf of Western Cape Colleges	26 118	
	<b>26 118</b>	<b>2 498</b>

#### Total Cash and Cash Equivalent balances that are not available for use by the College:

	<b>483 904 643</b>	<b>488 095 330</b>
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## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### Additional Details:

Included in cash in bank, call deposits, call investments and short term fixed deposits are amounts held that may only be used in accordance with various agreements with transferors for receipt of non-exchange revenue.

#### 5. OPERATING LEASE RECEIVABLES

In respect of Non-cancellable Operating Leases the following assets have been recognised:

	2022 R	2021 R
Balance at beginning of year	136 828	135 302
Operating Lease Revenue recorded		
Operating Lease Revenue received	78	1 526
<b>Total Operating Lease Receivables</b>	<b>136 906</b>	<b>136 828</b>

#### 5.1 Allocation for Cash Flow:

##### Other Receipts:-

Operating Lease Receivables - Opening Balance	136 828	135 302
Operating Lease Receivables - Closing Balance	(136 906)	(136 828)
Total Operating Lease Receivables allocated to Other Receipts	<u>(78)</u>	<u>(1 526)</u>
<b>Total Operating Lease Receivables allocated to Cash Flow</b>	<b><u>(78)</u></b>	<b><u>(1 526)</u></b>

#### 5.2 Leasing Arrangements

##### The College as Lessor:

Operating Leases relate to Property owned by the college with lease terms of between one to nine (2021: one to nine ) years, with an option to extend.

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

#### 5.3 Amounts receivable under Operating Leases

At the Reporting Date the following minimum lease payments were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	437 094	348 283
2 to 5 years	1 047 579	1 029 988
More than 5 years	292 587	363 496
<b>Total Operating Lease Arrangements</b>	<b><u>1 777 260</u></b>	<b><u>1 741 767</u></b>



Notes to the Financial Statements for the year ended 31 December 2022

6. PROPERTY, PLANT AND EQUIPMENT

31 December 2022

Reconciliation of Carrying Value

Description	Land	Buildings	Furniture and Fittings	Plant, Machinery and Equipment	Computer Equipment	Library	Vehicles	Leasehold improvements	Total
	R	R	R	R	R	R		R	R
<b>Carrying values at 01 January 2022</b>	<b>90 398 883</b>	<b>110 129 257</b>	<b>3 999 039</b>	<b>10 641 390</b>	<b>14 960 322</b>	<b>939 096</b>	<b>661 420</b>	<b>23 680 446</b>	<b>255 409 853</b>
Cost	90 398 883	159 267 215	9 827 189	25 548 560	26 982 321	1 465 298	978 745	26 266 565	340 734 775
- Completed Assets	90 398 883	157 530 831	9 827 189	25 421 383	26 083 529	1 465 298	978 745	10 440 969	322 146 829
- Under Construction	-	1 736 383	-	127 176	898 792	-	-	15 825 595	18 587 947
Accumulated Depreciation:	-	(49 137 957)	(5 828 150)	(14 907 169)	(12 021 999)	(526 203)	(317 325)	(2 586 119)	(85 324 922)
Acquisitions	-	-	315 318	1 337 013	2 723 394	12 120	-	-	4 387 846
Capital under Construction - Additions:	-	5 718 566	-	-	-	-	-	1 886 308	7 604 874
- Cost	-	5 718 566	-	-	-	-	-	1 886 308	7 604 874
Depreciation:	-	(4 939 103)	(1 256 159)	(2 879 133)	(4 280 331)	(69 943)	(82 365)	(1 284 509)	(14 791 543)
Carrying value of Disposals:	-	-	(12 970)	(13 830)	(103 615)	(120 087)	-	-	(250 501)
- Cost	-	-	(50 652)	(50 478)	(495 135)	(177 325)	-	-	(773 590)
- Accumulated Depreciation	-	-	37 682	36 649	391 520	57 238	-	-	523 088
Impairment Losses/Gains	-	-	(13 194)	(6 702)	(3 684)	(184 528)	(36 389)	-	(244 497)
Capital under Construction - Completed	-	-	-	(127 176)	(898 792)	-	-	-	(1 025 968)
<b>Carrying values at 31 December 2022</b>	<b>90 398 883</b>	<b>110 908 721</b>	<b>3 032 034</b>	<b>9 078 739</b>	<b>12 397 294</b>	<b>576 658</b>	<b>542 666</b>	<b>24 282 246</b>	<b>251 217 240</b>
Cost	90 398 883	164 985 781	10 091 856	26 835 094	28 311 789	1 300 093	978 745	28 152 873	351 055 114
- Completed Assets	90 398 883	157 530 831	10 091 856	26 835 094	28 311 789	1 300 093	978 745	10 440 969	325 888 261
- Under Construction	-	7 454 949	-	-	-	-	-	17 711 904	25 166 853
Accumulated Impairment Losses	-	-	(13 194)	(6 702)	(3 684)	(184 528)	(36 389)	-	(244 497)
Accumulated Depreciation:	-	(54 077 060)	(7 046 628)	(17 749 653)	(15 910 811)	(538 908)	(399 690)	(3 870 627)	(99 593 377)

## Notes to the Financial Statements for the year ended 31 December 2022

### 6. PROPERTY, PLANT AND EQUIPMENT

31 December 2021

The prior year amount for Property, Plant and Equipment Transactions has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.

#### Reconciliation of Carrying Value

Description	Land	Buildings	Furniture and Fittings	Plant, Machinery and Equipment	Computer Equipment	Library	Vehicles	Leasehold improvements	Total
	R	R	R	R	R	R		R	R
<b>Carrying values at 01 January 2021</b>	<b>87 459 900</b>	<b>116 216 839</b>	<b>4 637 425</b>	<b>11 976 624</b>	<b>10 381 527</b>	<b>1 058 729</b>	<b>743 709</b>	<b>19 364 752</b>	<b>251 839 505</b>
Cost - As per prior AFS:	87 459 900	160 416 490	9 557 954	24 589 035	20 381 862	1 554 630	978 745	23 448 192	328 386 808
- Completed Assets	87 459 900	157 530 831	9 557 954	24 589 035	19 874 712	1 554 630	978 745	13 935 137	315 480 944
- Under Construction	-	2 885 659	-	-	507 150	-	-	9 513 055	12 905 863
Accumulated Depreciation	-	(44 199 652)	(4 920 529)	(12 612 411)	(10 000 336)	(495 901)	(235 036)	(4 083 439)	(76 547 302)
Acquisitions	2 938 983	-	392 663	1 569 248	8 023 190	41 674	-	-	12 965 758
Capital under Construction - Additions:	-	-	-	127 176	898 792	-	-	6 312 541	7 338 509
Depreciation:	-	(4 938 306)	(1 000 095)	(2 765 788)	(3 363 228)	(63 579)	(82 289)	(1 994 896)	(14 208 181)
Carrying value of Disposals:	-	-	(30 955)	(265 870)	(472 809)	(97 729)	-	(1 951)	(869 313)
- Cost	-	-	(123 428)	(736 899)	(1 814 373)	(131 006)	-	(3 494 167)	(6 299 874)
- Accumulated Depreciation	-	-	92 473	471 029	1 341 565	33 277	-	3 492 216	5 430 561
Capital under Construction - Completed	-	(1 149 275)	-	-	(507 150)	-	-	-	(1 656 425)
<b>Carrying values at 31 December 2021</b>	<b>90 398 883</b>	<b>110 129 257</b>	<b>3 999 039</b>	<b>10 641 390</b>	<b>14 960 322</b>	<b>939 096</b>	<b>661 420</b>	<b>23 680 446</b>	<b>255 409 854</b>
Cost	90 398 883	159 267 215	9 827 189	25 548 560	26 982 321	1 465 298	978 745	26 266 565	340 734 775
- Completed Assets	90 398 883	157 530 831	9 827 189	25 421 383	26 083 529	1 465 298	978 745	10 440 969	322 146 829
- Under Construction	-	1 736 383	-	127 176	898 792	-	-	15 825 595	18 587 947
Accumulated Depreciation:	-	(49 137 957)	(5 828 150)	(14 907 169)	(12 021 999)	(526 203)	(317 325)	(2 586 119)	(85 324 922)

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	2022 R	2021 R
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>6.1 Allocation for Cash Flow:</b>		
<b>Property, Plant and Equipment at Beginning of Year</b>	<b>255 409 853</b>	<b>251 839 505</b>
<b>Movement in Non-cash Transactions:-</b>		
Depreciation for the Year	(14 791 543)	(14 208 181)
Additions for the Year	(244 497)	-
Total Property, Plant and Equipment allocated to Non-cash Transactions	<u>(15 036 040)</u>	<u>(14 208 181)</u>
<b>Purchase of Property, Plant and Equipment:-</b>		
Acquisition of Property, Plant and Equipment	11 992 720	20 304 267
Total Property, Plant and Equipment allocated to Purchases	<u>11 992 720</u>	<u>20 304 267</u>
<b>Disposal of Property, Plant and Equipment:-</b>		
At Cost	(773 590)	(6 299 874)
Accumulated Depreciation	523 088	5 430 561
Total Property, Plant and Equipment allocated to Proceeds on Disposal	<u>(250 501)</u>	<u>(869 313)</u>
<b>Transfer of Property, Plant and Equipment:-</b>		
Transfer Out	-	(1 656 425)
Under Construction	-	(1 656 425)
Total Property, Plant and Equipment allocated to Suppliers Paid	<u>-</u>	<u>(1 656 425)</u>
<b>Property, Plant and Equipment at End of Year</b>	<b><u>252 116 032</u></b>	<b><u>255 409 853</u></b>
<b>Proceeds on Disposal of Property, Plant and Equipment:-</b>		
Disposals as per Reconciliation of Property, Plant and Equipment	250 501	869 313
Gains / Losses on Disposal of Property, Plant and Equipment	(250 501) Refer Note 41.	(844 322)
<b>Total Proceeds on Disposal of Property, Plant and Equipment allocated to Cash Flow</b>	<b><u>-</u></b>	<b><u>24 991</u></b>

**6.2 Property for which the College has legal title:**

**Community Development on 1 September 1985. The land and buildings consist of College buildings and houses.**  
The physical address of the property is Westlake Drive, Westlake, Cape Town.

Mills Fitchet, Magnus Penny performed the valuation. The property was valued on 1 December 2010, using the Investment approach (the capitalised income method). Mr MRB Gibbons who performed the valuation is a professional valuer, who holds a Nat. Dip. Prop. Val. MIV(SA).

**Portion of building held under Sectional Title (ST 10129/2000) measuring 4923sq m, situated in Main Road, Muizenberg.**

**Erf 45096 Khayelitsha measuring 7.9404 hectares. The property was transferred into the College's name on 25 October 2016, at the price of R10 by the Department of Human Settlements. The Deed of transfer number is T65653/2016.**

The physical address is 1 Mew Way, Khayelitsha, Cape Town.

**6.3 Property for which the College does not have the legal title, but has control**

**Erf 9999 Fish Hoek, measuring 8601 sq metres**

Legal title vests in:

The Provincial government Western Cape

Terms and conditions:

The College has an indefinite right to use these facilities at no cost.

The property physical address is Kommetjie Road, Fish Hoek.

The property comprises 21 separate erven, which are in the process of being transferred to the college at zero cost in terms of the Deed of Alienation by the Western Cape Government dated 15 May 2017. It is anticipated that this process will be completed in 2023.

**2022  
R**

**2021  
R**

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 6.4 Leasehold Improvements

The College has obtained part of a school in Merrydale Road, Mitchells Plain, which has undergone major renovations for teaching from January 2017. The renovations were essentially complete as at 31 December 2016. The leasehold improvements will be amortised over the 5 year period of the lease from the Western Cape Education Department.

Lease hold improvements in 2016	3 046 317	3 046 317
Lease hold improvements in 2017	447 850	447 850
	<b>3 494 167</b>	<b>3 494 167</b>

The College has obtained a lease of 25 hectares of erf 75850 Khayelitsha, 40 Swartklip Road, from 1 February 2018. The initial lease period is for 10 years, with the option of 2 further renewals of 5 years each. The property is leased from the Airports Company of South Africa SOC Ltd.

Lease hold improvements in 2018	7 608 834	7 608 834
Lease hold improvements in 2019	10 375 888	10 375 888
Leasehold improvements in 2020, including under construction	1 969 304	
	<b>19 954 026</b>	<b>17 984 722</b>

#### 6.5 Cancelled Projects

The Swartklip Campus Project, with a carrying value of R17 711 904, has been terminated after year end due to the contamination of the ground water, and the risks related to this.

Please see note 50 on adjustments after the reporting date for details.

#### 6.6 Expenditure incurred for Repairs and Maintenance of Property, Plant and Equipment

Repairs and Maintenance is an on-going process in the operations of the college. Various expenditure types are incurred in order to ensure that the facilities and equipment used by the college is of adequate safety standard. The expenditure incurred during the year is summarised below:

	15 575 795	15 490 296
<b>Land and Buildings</b>		
- Contracted Services	14 944 306	15 047 817
- Inventory Consumed (Consumables)	571 464	442 479
- Labour	60 025	-
	<b>501 854</b>	<b>278 767</b>
<b>Computer Hardware/Equipment</b>		
- Contracted Services	187 011	124 852
- Inventory Consumed (Consumables)	314 843	153 915
	<b>281 480</b>	<b>32 137</b>
<b>Furniture And Fittings</b>		
- Contracted Services	197 040	32 137
- Inventory Consumed (Consumables)	84 440	
	<b>201 350</b>	<b>415 911</b>
<b>Plant &amp; Equipment</b>		
- Contracted Services	189 636	338 622
- Inventory Consumed (Consumables)	11 714	77 289
	<b>26 469</b>	<b>13 823</b>
<b>Motor Vehicles - General</b>		
- Contracted Services	14 921	13 823
- Inventory Consumed (Consumables)	11 548	-
	<b>16 586 948</b>	<b>16 230 934</b>

The prior year amount for Repairs and Maintenance was restated by reclassifying a portion of the amount to Consumables and General Expenditure. The prior year balances reported was restated by the Hire Charges reclassification as disclosed in Note 42.3 Restatement of Expenditure. The amount for Consumables was correct.

#### 7. INTANGIBLE ASSETS

The college no longer has intangible assets.

	2022 R	2021 R
	<b>Computer Software</b>	<b>Total</b>
<b>Carrying values at 01 January 2021</b>	-	-
Cost	48 710	48 710
Accumulated Amortisation	(48 710)	(48 710)
<b>Carrying values at 31 December 2021</b>	-	-
Cost	48 710	48 710
Accumulated Amortisation	(48 710)	(48 710)

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

			2022	2021
			R	R
<b>8. PROVISIONS</b>				
<b>2022</b>				
<b>Reconciliation of Movement of Provision</b>	<b>Annual Bonus</b>	<b>Provision leave Pay</b>	<b>Long Service Awards</b>	<b>Total</b>
	R	R	R	R
<b>Opening balance</b>	746 269	1 756 308	-	2 502 577
Provisions Raised/Paid Out	(21 608)	(265 886)	-	(287 494)
<b>Closing Balance</b>	<b>724 662</b>	<b>1 490 422</b>	<b>-</b>	<b>2 215 084</b>
Non-current provisions				-
Current portion provisions	724 662	1 490 422	-	2 215 084

**2021**

<b>Reconciliation of Movement of Provision</b>	<b>Annual Bonus</b>	<b>Provision leave Pay</b>	<b>Long Service Awards</b>	<b>Total</b>
	R	R	R	R
<b>Opening balance</b>	1 054 869	1 924 844	130 200	3 109 913
Provisions Raised/Paid Out	(308 600)	(168 536)	-	(477 135)
Current service Cost	-	-	(130 200)	(130 200)
<b>Closing Balance</b>	<b>746 269</b>	<b>1 756 309</b>	<b>-</b>	<b>2 502 578</b>
Non-current provisions	-	-		-
Current portion provisions	746 269	1 756 309	-	2 502 578

**8.1 Allocation for Cash Flow:**

<b>Provisions at Beginning of Year</b>	<b>2 502 578</b>	<b>3 109 913</b>
<b>Movement in Non-cash Transactions:-</b>		
Contributions Received	(287 494)	(607 335)
Provisions Raised	(265 886)	(168 536)
Current Service Cost	-	(130 200)
Contributions Received	(21 608)	(308 600)
<b>Total Provisions allocated to Non-cash Transactions</b>	<b>(287 494)</b>	<b>(607 335)</b>

**Annual Bonus**

The Annual bonus provision is based on one month's salary. The accrual is calculated by accruing the number of months worked since the last bonus, as a percentage of a full year worked and this is applied to each staff member's basic salary.

The calculation of the annual bonuses is a certain event in the case of an employee leaving.

The annual bonus provision is only for College employed staff.

**Leave Pay**

There is a provision for leave pay monthly based on the cost to college employee's salary.

Leave pay carried forward from one year to the next, is written off if not taken by June of the following year.

Employees need management permission to carry leave over into the next year.

The leave pay provision is only for College employed staff.

**Long Service Awards**

This was applicable to staff appointed in a previous dispensation. No current staff qualifies and the college no longer has a liability.

**9. PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Creditors	10 431 464	3 548 552
Student Debtors in Credit	14 897 255	10 803 055
Class Fees Received In Advance	663 000	912 000
Other Creditors	843 235	512 184
<b>Total Payables from Exchange Transactions</b>	<b>26 834 954</b>	<b>15 775 790</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

An asset which was delivered before 31 December 2021 needed to be capitalised and a creditor was raised as it has not been paid by this date. This is a correction of error and details are in the correction of error note. Note 42.

Furthermore during the prior year credit balances to the value of R986 516 on student accounts were included with Trade Creditors and it was accordingly relocated. The action had no effect on the performance or position of the college.

#### 9.1 Allocation for Cash Flow:

##### Tuition and Related Fees:-

	2022 R	2021 R
Student Debtors in Credit	4 094 200	7 610 067
Class Fees Received In Advance	(249 000)	(156 000)
Opening Balance	(912 000)	(1 068 000)
Closing Balance	663 000	912 000
Total Exchange Payables allocated to Tuition and Related Fees	<u>3 845 200</u>	<u>7 454 067</u>

##### Suppliers Paid:-

Trade Creditors - Opening Balance	(3 548 552)	(5 577 692)
Trade Creditors - Closing Balance	10 431 464	3 548 552
Total Exchange Payables allocated to Suppliers Paid	<u>6 882 912</u>	<u>(2 029 140)</u>

##### Other Payments:-

Other Creditors	331 052	379 198
Opening Balance	(512 184)	(132 986)
Closing Balance	843 235	512 184
Total Exchange Payables allocated to Other Payments	<u>331 052</u>	<u>379 198</u>

#### Total Exchange Payables allocated to Cash Flow

<u>11 059 164</u>	<u>5 804 125</u>
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#### 10. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Funds Payable: Matric Ball	1 610	1 610
Funds Payable: Tvet Times - Agents For DHET For The TVET Times	-	2 498
Nsfas Creditors	78 661	-
NSFAS Liability For Unpaid Transport & Sundry Variances	8 814 716	11 370 963
Other	1 108 163	973 051
Total Payables	<u>10 003 150</u>	<u>12 348 122</u>

##### Payables from Agency Arrangements:

The following Payables as included above, relate to agency arrangements currently in place:

Funds Payable: Western Cape TVET Colleges - Agents for Western Cape TVET Colleges	387 659	-
Funds Payable: Tvet Times - Agents For DHET For The TVET Times	-	2 498
Total Payables from Agency Arrangements	<u>387 659</u>	<u>2 498</u>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 10.1 Allocation for Cash Flow:

##### Public Contributions and Donations:-

National Lotto - Opening Balance  
National Lotto - Closing Balance

Total Non-exchange Payables allocated to Public Contributions and Donations

##### NSFAS Student Transport

Opening Balance  
Closing Balance

##### NSFAS Creditors

Opening Balance  
Closing Balance

##### Other

Opening Balance  
Closing Balance

##### WC Learnership Education and Development

Opening Balance  
Closing Balance

Total Non-exchange Payables allocated to Tuition and Related Fees

##### Other Receipts:-

##### Funds Payable: Matric Ball

Opening Balance  
Closing Balance

##### Funds Payable: TVET Times

Opening Balance  
Closing Balance

##### Marketing Forum

Opening Balance  
Closing Balance

##### SOAGA

Opening Balance  
Closing Balance

Total Non-exchange Payables allocated to Other Receipts

#### Total Non-exchange Payables allocated to Cash Flow

The NSFAS liability represents funds received not yet allocated to student accounts. Student debtors, not yet allocated against NSFAS remittances, are disclosed under Note 2 and are provided against where credit terms have been exceeded.

## 11. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

### 11.1 Unspent Conditional Grants from Government

DHET Mitchell Plain Grant  
National Skills Fund - Swartklip  
National Skills Fund - NSF 111 Project  
NSF Centre Of Specialisation

##### Other Unspent Conditional Grants

Other

#### Total Conditional Grants and Receipts

	2022 R	2021 R
National Lotto - Opening Balance	-	(199 572)
National Lotto - Closing Balance	-	-
<b>Total Non-exchange Payables allocated to Public Contributions and Donations</b>	<b>-</b>	<b>(199 572)</b>
<b>NSFAS Student Transport</b>	<b>(2 556 247)</b>	<b>3 655 947</b>
Opening Balance	(11 370 963)	(7 715 016)
Closing Balance	8 814 716	11 370 963
<b>NSFAS Creditors</b>	<b>78 661</b>	<b>-</b>
Opening Balance	-	-
Closing Balance	78 661	-
<b>Other</b>	<b>135 113</b>	<b>997 876</b>
Opening Balance	(973 051)	24 826
Closing Balance	1 108 163	973 051
<b>WC Learnership Education and Development</b>	<b>-</b>	<b>(500 984)</b>
Opening Balance	-	(500 984)
Closing Balance	-	-
<b>Total Non-exchange Payables allocated to Tuition and Related Fees</b>	<b>(2 342 473)</b>	<b>4 152 839</b>
<b>Other Receipts:-</b>		
<b>Funds Payable: Matric Ball</b>	<b>-</b>	<b>-</b>
Opening Balance	(1 610)	(1 610)
Closing Balance	1 610	1 610
<b>Funds Payable: TVET Times</b>	<b>(2 498)</b>	<b>(865 705)</b>
Opening Balance	(2 498)	(868 203)
Closing Balance	-	2 498
<b>Marketing Forum</b>	<b>-</b>	<b>(162 217)</b>
Opening Balance	-	(162 217)
Closing Balance	-	-
<b>SOAGA</b>	<b>-</b>	<b>(128 187)</b>
Opening Balance	-	(128 187)
Closing Balance	-	-
<b>Total Non-exchange Payables allocated to Other Receipts</b>	<b>(2 498)</b>	<b>(1 156 109)</b>
<b>Total Non-exchange Payables allocated to Cash Flow</b>	<b>(2 344 971)</b>	<b>2 797 159</b>

### 11.1 Unspent Conditional Grants from Government

DHET Mitchell Plain Grant  
National Skills Fund - Swartklip  
National Skills Fund - NSF 111 Project  
NSF Centre Of Specialisation

##### Other Unspent Conditional Grants

Other

#### Total Conditional Grants and Receipts

	2022 R	2021 R
DHET Mitchell Plain Grant	445 239 885	429 362 606
National Skills Fund - Swartklip	-	12 144 303
National Skills Fund - NSF 111 Project	3 279 590	-
NSF Centre Of Specialisation	621 549	-
<b>Other Unspent Conditional Grants</b>	<b>-</b>	<b>30 678</b>
Other	-	30 678
<b>Total Conditional Grants and Receipts</b>	<b>449 141 024</b>	<b>441 537 587</b>

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

**11.2 Unspent Conditional Grants from Government**

**2022**

	Balance unspent at beginning of the year	Current year receipts	Conditions met transferred to revenue	Repayments of Grants	Conditions still to be met - remain liabilities
	R	R	R	R	R
DHET Mitchells Plain Grant	429 362 606	24 224 372	(8 347 093)		445 239 885
-Interest Capitalised	-	24 224 372			-
-Transfers Received	-				-
DHET Swartklip Grant					-
DHET Infrastructure Grant (CIEG)	-	6 274 633	(6 274 633)		-
National Skills Fund - Swartklip	12 144 303	455 882	(1 886 308)	(10 713 876)	-
National Skills Fund - 111 Project	-	3 329 163	(49 573)		3 279 590
De Beers CFE project Grants	-	3 566 595	(2 945 046)		621 549
-Transfers Received		3 325 600			
-Interest Capitalised		240 995			
Other	30 678	-	(30 678)		-
	<b>441 537 587</b>	<b>37 850 644</b>	<b>(19 533 332)</b>	<b>(10 713 876)</b>	<b>449 141 024</b>

**2021**

	Balance unspent at beginning of the year	Current year receipts	Conditions met transferred to revenue	Repayments of Grants	Conditions still to be met - remain liabilities
	R	R	R	R	R
DHET Fee Increase Subsidy	836 216	-	(836 216)	-	-
National Skills Fund Allocation	1 045 248	27 360		(1 072 608)	-
DHET Mitchells Plain Grant	417 892 170	15 755 388	(4 284 951)	-	429 362 606
-Transfers Received	-		-	-	-
-Interest Capitalised	-	15 755 387	-	-	-
National Skills Fund - Swartklip	6 255 913	12 202 969	(6 314 579)	-	12 144 303
Other	30 678	-	-	-	30 678
	<b>426 060 224</b>	<b>27 985 717</b>	<b>(11 435 746)</b>	<b>(1 072 608)</b>	<b>441 537 587</b>

**11.3 Allocation for Cash Flow:**

	2022	2021
	R	R
<b>Unspent Conditional Grants and Receipts at Beginning of Year</b>	<b>441 537 587</b>	<b>426 060 224</b>
<b>Government Grants and Subsidies:-</b>		
Allocated to Cash Flows From Operating Activities: Receipts	37 850 644	27 985 717
- Government Grants and Subsidies	13 385 278	12 230 330
- Interest capitalised to Government Grants and Subsidies	24 465 367	15 755 387
Allocated to Cash Flows From Operating Activities: Payments	(30 247 208)	(12 508 354)
- Government Grants and Subsidies	(19 533 332)	(11 435 746)
- Government Grants and Subsidies Refunded	(10 713 876)	(1 072 608)
Total Conditional Grants and Receipts allocated to Government Grants and Subsidies	7 603 436	15 477 363
<b>Unspent Conditional Grants and Receipts at End of Year</b>	<b>449 141 024</b>	<b>441 537 587</b>
<b>11.4 Movements during the year</b>		
Balance at the beginning of year	441 537 587	426 060 224
Additions during the year	37 850 644	27 985 717
Disbursements	(19 533 332)	(11 435 746)
Restrictive	(10 713 876)	(1 072 608)
	<b>449 141 023</b>	<b>441 537 587</b>

**FALSE BAY TVET COLLEGE**  
**Notes to the Financial Statements for the year ended 31 December 2022**

**12. OPERATING LEASE LIABILITIES**

Operating Leases are recognised on the straight-line basis as per the requirements of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

	2022 R	2021 R
Balance at beginning of year	1 630 092	1 528 085
<b>Total Operating Lease Liabilities</b>	<b>1 630 092</b>	<b>1 528 085</b>

**12.1 Allocation for Cash Flow:**

**Suppliers Paid:-**

Operating Lease Liabilities - Opening Balance	(1 528 085)	(1 291 903)
Operating Lease Liabilities - Closing Balance	1 630 092	1 528 085

Total Operating Lease Liabilities allocated to Suppliers Paid	<u>102 007</u>	<u>236 182</u>
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<b>Total Operating Lease Liabilities allocated to Cash Flow</b>	<b><u>102 007</u></b>	<b><u>236 182</u></b>
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**12.2 Leasing Arrangements**

**The College as Lessee:**

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the college exercises its option to renew. The college does not have an option to purchase the leased asset at the expiry of the lease period.

**12.3 Amounts payable under Operating Leases**

At the Reporting Date the college had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

**Buildings:**

Up to 1 year	13 727 970	15 021 290
2 to 5 years	4 995 913	4 536 047
More than 5 years	8 532 057	7 900 052
	200 000	2 585 191

**Other Equipment:**

Up to 1 year	6 217 952	8 410 961
2 to 5 years	2 143 982	2 233 048
More than 5 years	4 073 970	6 177 913
	-	-

<b>Total Operating Lease Arrangements</b>	<b><u>19 945 922</u></b>	<b><u>23 432 251</u></b>
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The following restrictions have been imposed on the college in terms of the lease agreements on Office Equipment:

- (i) The equipment shall remain the property of the lessor.
- (ii) The hirer shall not sell, sublet, cede, assign or delegate any of its rights or obligations on the equipment.
- (iii) The equipment shall be returned in good order and condition to the lessor upon termination of the agreement.
- (iv) The college is obliged to enter into a maintenance agreement with the lessor for the equipment rented.



**FALSE BAY TVET COLLEGE**  
**Notes to the Financial Statements for the year ended 31 December 2022**

**13. LONG-TERM LIABILITIES**

**DBSA Loan:**

**Long-term Liabilities**

DBSA Loan

**Total Long-term Liabilities**

**Less: Current Portion transferred to Current Liabilities:**

DBSA Loan

**Total Current Portion of Long-term Liabilities**

**Total Non-Current Portion of Long-term Liabilities**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
	5 894 737	6 631 579
	<u>5 894 737</u>	<u>6 631 579</u>
	736 842	736 842
	<u>736 842</u>	<u>736 842</u>
	<u>5 157 895</u>	<u>5 894 737</u>

The term of the DBSA loan is 20 years, redemption date being 31 December 2030. The monthly capital repayment amount is R61,404 and the applicable interest rate at year end is 13.098% (2021: 9.72%).

**13.1 Allocation for Cash Flow:**

**13.1.1 Current Portion:**

**Current Portion at Beginning of Year**

**Movement in Non-cash Transactions:-**

Transfer from Non-current Portion

Total Movement in Current Portion allocated to Adjustment for Non-cash Transactions

**Repayment of Borrowings:-**

Repayment of Borrowings

Total Movement in Current Portion allocated to Repayment of Borrowings

**Current Portion at End of Year**

	<b>736 842</b>	<b>736 842</b>
	736 842	736 842
	<u>736 842</u>	<u>736 842</u>
	(736 842)	(736 842)
	<u>(736 842)</u>	<u>(736 842)</u>
	<u><b>736 842</b></u>	<u><b>736 842</b></u>

**13.1.2 Non-current Portion:**

**Long-term Liabilities at Beginning of Year**

**Movement in Non-cash Transactions:-**

Transfer from Non-current Portion

Total Movement in Current Portion allocated to Adjustment for Non-cash Transactions

**Long-term Liabilities at End of Year**

**Net Long-term Liabilities at End of Year**

	<b>5 894 737</b>	<b>6 631 579</b>
	(736 842)	(736 842)
	<u>(736 842)</u>	<u>(736 842)</u>
	<u><b>5 157 895</b></u>	<u><b>5 894 737</b></u>
	<u><b>5 894 737</b></u>	<u><b>6 631 579</b></u>



**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	2022 R	2021 R
<b>14. GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Other Subsidies</b>	6 274 633	-
Operational and Restrictive Grants	6 274 633	-
<b>National Grants</b>	<b>182 729 640</b>	<b>168 373 597</b>
Department of Trade & Industry	-	4 264 049
National Skills Fund - Swartklip	1 886 308	6 312 541
National Skills Fund - Centre of Specialisation	2 945 046	4 264 049
Programme Funding: Grants Paid Via Cash	57 272 071	57 353 001
Programme Funding: Grants Paid Via Persal	112 279 121	95 322 839
DHET Missing Middle Grant Applied	-	836 217
DHET Mitchells Plain Grant	8 347 093	20 901
<b>Total Government Grants and Subsidies</b>	<b>189 004 273</b>	<b>168 373 597</b>

The prior year amount for Government Grant Revenue has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.

**14.1 Allocation for Cash Flow:**

Total Government Grants and Subsidies	189 004 273	168 373 597
Adjustment for Non-cash Transactions:-	(112 279 121)	(95 322 839)
DHET - PERSAL Funding	(112 279 121)	(95 322 839)
<b>Total Government Grants and Subsidies allocated to Cash Flow</b>	<b>76 725 152</b>	<b>73 050 758</b>

**14.2 Calculation of Cash Flow:**

Cash Flow from Government Grants and Subsidies	Note 14.1	76 725 152	73 050 758
Cash Flow from Exchange Receivables	Note 2.1	5 876 203	(6 746 988)
Cash Flow from Statutory Non-exchange Receivables	Note 3.3.1	(1 628 714)	9 984 570
Cash Flow from Unspent Conditional Grants and Receipts	Note 11.3	7 603 436	15 477 363
<b>Total Receipts for Government Grants and Subsidies</b>		<b>88 576 077</b>	<b>91 765 704</b>
<b>Government Grants and Subsidies:</b>			
Conditional Grants - Operational		13 178 448	15 697 757
Unconditional Grants - Operational		175 825 825	152 675 840
Total Government Grants and Subsidies		<b>189 004 273</b>	<b>168 373 597</b>

**Conditional Grants:**

**14.3 In-kind Assistance and Benefits**

Apart from the Persal funding received from the Department during the year under review, various related parties provided training to the college at no cost (other than the travel to and from the venue). The institutions include the Department of Higher Education, National Student Financial Aid Scheme and various other college forums. The approximate cost for each training intervention could not be determined due to the fact the numerous colleges received the same benefit and that the costs were not made available to the attending institutions.

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

<b>15. PUBLIC CONTRIBUTIONS AND DONATIONS</b>		<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>
Donations		90 000	516 467
<b>Total Public Contributions and Donations</b>		<b>90 000</b>	<b>516 467</b>
<b>15.1 Allocation for Cash Flow:</b>			
Total Public Contributions and Donations		90 000	516 467
<b>Total Public Contributions and Donations allocated to Cash Flow</b>		<b>90 000</b>	<b>516 467</b>
<b>15.2 Calculation of Cash Flow:</b>			
Cash Flow from Public Contributions and Donations	Note 15.1	90 000	516 467
Cash Flow from Non-exchange Payables	Note 10.1	-	(199 572)
<b>Total Receipts for Public Contributions and Donations</b>		<b>90 001</b>	<b>316 895</b>
<b>Public Contributions and Donations:</b>			
Conditional Grants		90 000	516 467
Unconditional Grants			
Goods received in kind			
<b>Total Public Contributions and Donations</b>		<b>90 000</b>	<b>516 467</b>
<b>16. OTHER NON-EXCHANGE REVENUE</b>			
Insurance Claims		24 386	225 222
<b>Total Other Transfers and Sponsorships</b>		<b>24 386</b>	<b>225 222</b>
<b>16.1 Allocation for Cash Flow:</b>			
Total Other Transfers and Sponsorships		24 386	225 222
<b>Total Other Transfers and Sponsorships allocated to Other Receipts</b>		<b>24 386</b>	<b>225 222</b>
<b>17. TUITION AND RELATED FEES</b>			
<b>Tuition fees paid directly by students or private bursaries</b>			
Class Fees:			
Students - NCV		5 537 284	1 696 174
Students - Report 191		10 637 110	9 430 697
Students - PLP		604 283	621 267
Residential Fees		2 123 706	2 202 941
Occupational Fees		22 254 705	29 781 590
Exam Fees		434 910	479 220
		<b>41 591 997</b>	<b>44 211 890</b>
<b>Tuition fees funded by NSFAS bursaries</b>			
Class Fees:			
Students - NCV		15 179 635	16 210 822
Students - Report 191		14 171 371	14 673 169
		<b>29 351 006</b>	<b>30 883 991</b>
<b>Total Tuition and Related Fees</b>		<b>70 943 003</b>	<b>75 095 881</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

The prior year amount for Tuition Fees Revenue has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.

#### 17.1 Allocation for Cash Flow:

Total Tuition and Related Fees	70 943 003	75 095 881
<b>Total Tuition and Related Fees allocated to Cash Flow</b>	<b>70 943 003</b>	<b>75 095 881</b>

#### 17.2 Calculation of Cash Flow:

Cash Flow from Government Grants and Subsidies	Note 17.1	70 943 003	75 095 881
Cash Flow from Exchange Receivables	Note 2.1	(10 042 100)	(6 193 609)
Cash Flow from Exchange Receivables Impairment	Note 2.3.1	(38 064)	(1 320 011)
Cash Flow from Exchange Payables	Note 9.1	3 845 200	7 454 067
Cash Flow from Non-exchange Payables	Note 10.1	(2 342 473)	4 152 839
<b>Total Receipts for Tuition and Related Fees</b>		<b>62 365 567</b>	<b>79 189 167</b>

## 18. RENTAL OF FACILITIES AND EQUIPMENT

	2022 R	2021 R
<b>Rental of facilities</b>		
Rental Revenue from Housing	90 046	81 705
Straight-lined operating lease income	650 022	639 693
<b>Total Rental of Facilities and Equipment</b>	<b>740 068</b>	<b>721 397</b>

#### 18.1 Allocation for Cash Flow:

Total Rental of Facilities and Equipment	740 068	721 397
<b>Total Rental of Facilities and Equipment allocated to Other Receipts</b>	<b>740 068</b>	<b>721 397</b>

## 19. INVESTMENT INCOME

#### External Investments:

Call deposits	1 327 217	2 239 523
<b>Total Interest Earned</b>	<b>1 327 217</b>	<b>2 239 523</b>

#### 19.1 Allocation for Cash Flow:

Interest - Bank	1 241 380	1 066 955
Interest - Restrictive Grants	85 837	1 172 568
<b>Total Interest Earned allocated to Cash Flow</b>	<b>1 327 217</b>	<b>2 239 523</b>

#### 19.2 Calculation of Cash Flow:

	2022 R	2021 R
<b>External Interest Earned:-</b>		
Total External Interest Earned	1 327 217	2 239 523
Cash Flow from Exchange Receivables	Note 2.1 (8 028)	35 115
<b>Total External Interest allocated to Cash Flow</b>	<b>1 319 190</b>	<b>2 274 638</b>
<b>Total Receipts for Interest Earned</b>	<b>1 319 190</b>	<b>2 274 638</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 20. SALE OF GOODS AND RENDERING OF SERVICES

<b>Sale of Goods</b>	661 331	580 313
Cafeteria Sales	601 979	498 432
Book Sales	-	2 950
Sales of Products and Scrap	59 352	78 932

<b>Rendering of Services</b>	18 365	-
Conferences	18 365	(44 680)
North/South ICT conference partnership funds for distribution		44 680

<b>Total Sale of Goods and Rendering of Services</b>	<b>679 696</b>	<b>580 313</b>
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#### 20.1 Allocation for Cash Flow:

	2022 R	2021 R
Total Sale of Goods and Rendering of Services	679 696	580 313
<b>Total Sale of Goods and Rendering of Services allocated to Cash Flow</b>	<b>679 696</b>	<b>580 313</b>

#### 20.2 Calculation of Cash Flow:

Cash Flow from Sale of Goods and Rendering of Services	Note 20.1	679 696	580 313
<b>Total Receipts for Sale of Goods and Rendering of Services</b>		<b>679 696</b>	<b>580 313</b>

#### 21. OTHER REVENUE

Bad Debts Recovered	24 775	32 113
Project Management Fees	3 159 311	5 946 464
Recoveries of Expenditure	2 482 268	1 191 982
Settlement Discount Received	-	89 605
Sundry Income	1 496 875	1 030 373

<b>Total Other Revenue - Exchange</b>	<b>7 163 229</b>	<b>8 290 537</b>
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Insurance Claims	24 386	225 222
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<b>Total Other Revenue - Non-Exchange</b>	<b>24 386</b>	<b>225 222</b>
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<b>Total Other Revenue</b>	<b>7 187 615</b>	<b>8 515 759</b>
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#### 21.1 Allocation for Cash Flow:

Total Other Revenue	7 187 615	8 515 759
Adjustment for Non-exchange Revenue	(24 386)	(225 222)
<b>Total Other Revenue allocated to Cash Flow</b>	<b>7 163 229</b>	<b>8 290 537</b>

#### 21.2 Calculation of Cash Flow:

Income from Other Revenue	Note 21.1	7 163 229	8 290 537
Income from Rental of Facilities and Equipment	Note 18.1	740 068	721 397
Other Transfers and Sponsorships	Note 16.1	24 386	225 222
Cash Flow from Exchange Receivables	Note 2.1	(15 489)	(314 698)
Cash Flow from Operating Lease Receivables	Note 5.1	(78)	(1 526)
Cash Flow from Non-exchange Payables	Note 10.1	(2 498)	(1 156 109)

<b>Total Receipts for Other Revenue</b>		<b>7 909 618</b>	<b>7 764 824</b>
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Prescribed income relates to unclaimed stipend funds for which the funders have not required the college to repay monies.

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	2022 R	2021 R
<b>22. EMPLOYEE RELATED COSTS</b>		
<b>Council Employees:</b>		
Salaries and Wages	49 815 363	62 706 406
Contributions for UIF, Pensions and Medical Aids	3 842 495	11 815 061
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	7 293 724	233 669
Housing Benefits and Allowances	1 161 569	1 795 769
Service Bonuses	1 786 131	3 262 986
Leave Pay Accrual	(265 887)	(168 536)
WCA	169 176	181 450
	<b>63 802 571</b>	<b>79 826 806</b>
<b>DHET Employees:</b>		
Salaries	84 819 995	67 875 611
Contributions for UIF, pensions and medical aids	17 215 795	14 367 667
Travel, Motor Car, Accommodation, Subsistence and Other Allowances		3 289 698
Housing Benefits and Allowances	4 008 646	3 179 930
Performance and Other Bonuses	6 160 411	6 609 953
Serviced based other	74 275	
	<b>112 279 121</b>	<b>95 322 859</b>
<b>Total Employee Related Costs</b>	<b>176 081 692</b>	<b>175 149 666</b>

DHET Employees represent staff of the College which is employed by DHET. The related amounts are also recognised as DHET Grant income and is received in-kind.

**22.1 Allocation for Cash Flow:**

Total Employee Related Costs	176 081 692	175 149 666
Adjustment for Non-cash Transactions:-	(111 991 628)	(94 715 524)
Contributions	287 494	607 335
DHET - PERSAL Funding	(112 279 121)	(95 322 859)
<b>Total Government Grants and Subsidies allocated to Cash Flow</b>	<b>64 090 065</b>	<b>80 434 142</b>

**22.2 Calculation of Cash Flow:**

Employee Related Costs Expenditure	Note 22.1	64 090 065	80 434 142
<b>Total Payments for Employee Related Costs</b>		<b>64 090 065</b>	<b>80 434 142</b>

In terms of the CET Act, employees are employees of the College and are accountable to the governance structures of the College. Management are defined by the CET Act as the principal and deputy principals and they are employed by DHET and have dual accountability towards the council and DHET respectively.

**23. DEPRECIATION AND AMORTISATION**

Depreciation: Property, Plant and Equipment	14 791 542	14 208 179
Amortisation: Intangible Assets	-	10
<b>Total Depreciation and Amortisation</b>	<b>14 791 542</b>	<b>14 208 189</b>



**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>23.1 Allocation for Cash Flow:</b>		
Total Depreciation and Amortisation	14 791 542	14 208 189
Adjustment for Non-cash Transactions:-	(14 791 542)	(14 208 189)
<b>Total Depreciation and Amortisation allocated to Cash Flow</b>	<b>-</b>	<b>-</b>
<b>24. EXTERNAL AUDIT FEES</b>		
Auditor-General of South Africa	2 199 900	1 537 763
<b>Total External Audit Fees</b>	<b>2 199 900</b>	<b>1 537 763</b>
<b>24.1 Allocation for Cash Flow:</b>		
Total External Audit Fees	2 199 900	1 537 763
<b>Total External Audit Fees allocated to Suppliers Paid</b>	<b>2 199 900</b>	<b>1 537 763</b>
<b>25. IMPAIRMENT LOSSES</b>		
<b>25.1 Impairment Losses/Gains on Fixed Assets</b>		
<b>Impairment Losses/Gains Recognised:</b>		
Property, Plant and Equipment	244 497	-
<b>Total Impairment Losses on Fixed Assets</b>	<b>244 497</b>	<b>-</b>
<b>25.2 Impairment Losses on Financial Assets</b>		
<b>Impairment Gains/Losses Recognised:</b>		
Receivables from Exchange Transactions (refer to note 2)	15 188 551	(1 005 667)
<b>Total Impairment Losses on Financial Assets</b>	<b>15 188 551</b>	<b>(1 005 667)</b>
<b>Total Impairment Losses</b>	<b>15 433 048</b>	<b>(1 005 667)</b>
The prior year amount for Impairment Losses has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.		
<b>25.3 Allocation for Cash Flow:</b>		
Total Impairment Losses	15 433 048	(1 005 667)
Adjustment for Non-cash Transactions:-	(15 433 048)	1 005 667
<b>Total Impairment Losses allocated to Cash Flow</b>	<b>-</b>	<b>-</b>

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	2022 R	2021 R
<b>26. MARKETING EXPENSES</b>		
Advertising	1 093 879	929 403
Branding	266 285	45 141
Brochures and Prospectus	274 128	196 602
Corporate Gifts	92 028	82 151
Diploma Ceremony	240 664	20
Marketing Campaigns and Promotions	394 158	140 374
Open Days	214 807	225 670
Printing Publications	17 920	10 868
School Visits and Career Exhibitions	19 902	49 299
Websites	238 906	369 951
<b>Total Marketing Expenses</b>	<b>2 852 676</b>	<b>2 049 479</b>
<b>26.1 Allocation for Cash Flow:</b>		
Total Marketing Expenses	2 852 676	2 049 479
<b>Total Marketing Expenses allocated to Suppliers Paid</b>	<b>2 852 676</b>	<b>2 049 479</b>
<b>27. PRINTING AND STATIONERY</b>		
Cartridges	98 363	109 603
Paper	787 371	691 291
Photocopies	712 147	820 062
Printing	298 053	206 418
Stationery	222 653	289 587
<b>Total Printing and Stationery</b>	<b>2 118 588</b>	<b>2 116 962</b>
<b>27.1 Allocation for Cash Flow:</b>		
Total Printing and Stationery	2 118 588	2 116 962
<b>Total Printing and Stationery allocated to Suppliers Paid</b>	<b>2 118 588</b>	<b>2 116 962</b>
<b>28. REPAIRS AND MAINTENANCE</b>		
	2022 R	2021 R
Gardens & Grounds	1 371 725	1 141 756
Land and Buildings	14 204 170	14 348 541
Other Property, Plant and Equipment	984 384	726 816
Vehicles	26 669	13 823
<b>Total Repairs and Maintenance</b>	<b>16 586 948</b>	<b>16 230 935</b>
<b>Repairs and Maintenance by nature:</b>		
Contracted Services	15 532 914	15 503 844
Inventory Consumed	994 009	727 091
Labour	60 025	
<b>Total Repairs and Maintenance</b>	<b>16 586 948</b>	<b>16 230 935</b>
<b>28.1 Allocation for Cash Flow:</b>		
Total Repairs and Maintenance - Contractors	16 586 948	16 230 935
<b>Total Repairs and Maintenance allocated to Suppliers Paid</b>	<b>16 586 948</b>	<b>16 230 935</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 28.2 Calculation of Cash Flow for Suppliers Paid:

		2022 R	2021 R
Cash Flow from External Audit Fees	Note 24.1	2 199 900	1 537 763
Cash Flow from Marketing Expenses	Note 26.1	2 852 676	2 049 479
Cash Flow from Printing and Stationery	Note 27.1	2 118 588	2 116 962
Cash Flow from Repairs and Maintenance	Note 28.1	16 586 948	16 230 935
Cash Flow from Books and Learning Materials	Note 30.1	17 123 993	15 595 341
Cash Flow from Operating Lease Expense	Note 31.1	7 556 402	3 529 086
Cash Flow from Municipal Services	Note 32.1	9 539 124	8 882 990
Cash Flow from Student Support Services	Note 33.1	1 508 252	796 446
Cash Flow from Students Residents Meals	Note 34.1	2 371 486	3 288 434
Cash Flow from Professional Services	Note 35.1	1 465 759	1 692 462
Cash Flow from Security Services	Note 36.1	8 119 739	7 410 759
Cash Flow from Travel and Accommodation	Note 37.1	527 314	192 851
Cash Flow from Telephone and Internet	Note 38.1	1 893 662	1 848 091
Cash Flow from Training and Staff Development	Note 39.1	544 672	104 390
Cash Flow from Inventories	Note 1.1	(1 757 787)	(2 718 388)
Cash Flow from Exchange Receivables	Note 2.1	(141 284)	(575 398)
Cash Flow from Property, Plant and Equipment	Note 6.1	-	(1 656 425)
Cash Flow from Exchange Payables	Note 9.1	(6 882 912)	2 029 140
Cash Flow from Operating Lease Payables	Note 12.1	(102 007)	(236 182)
<b>Total Payments for Suppliers Paid</b>		<b>65 526 546</b>	<b>62 120 755</b>

#### 29. FINANCE COSTS

Trade and other Payables	328	121
Borrowings - DBSA loan	548 615	527 694
<b>Total Finance Costs</b>	<b>548 944</b>	<b>527 816</b>

##### 29.1 Allocation for Cash Flow:

Total Finance Costs	548 944	527 816
<b>Total Finance Costs allocated to Cash Flow</b>	<b>548 944</b>	<b>527 816</b>

##### 29.2 Calculation of Cash Flow:

Finance Costs Paid	Note 29.1	548 944	527 816
<b>Total Payments for Finance Costs</b>		<b>548 944</b>	<b>527 816</b>

#### 30. BOOKS AND LEARNING MATERIALS

	2022 R	2021 R
Learning Material	14 329 659	13 072 991
Other Cost	519 859	213 886
Programme Consumables	1 549 039	1 643 278
Protective Clothing	725 436	665 186
<b>Total Books and Learning Materials</b>	<b>17 123 993</b>	<b>15 595 341</b>

The prior year amount for Books and materials has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	2022 R	2021 R
<b>30.1 Allocation for Cash Flow:</b>		
Total Books and Learning Materials	17 123 993	15 595 341
<b>Total Books and Learning Materials allocated to Suppliers Paid</b>	<b>17 123 993</b>	<b>15 595 341</b>
<b>31. OPERATING LEASE EXPENSE</b>		
Land, Buildings and Infrastructure	4 581 550	1 917 685
Office Equipment	1 353 795	916 644
Photo Copy Machines	876 136	101 981
Vehicles	744 921	592 776
<b>Total Operating Lease Expense</b>	<b>7 556 402</b>	<b>3 529 086</b>
<b>31.1 Allocation for Cash Flow:</b>		
Total Operating Lease Expense	7 556 402	3 529 086
Adjustment for Non-cash Transactions:-	-	-
<b>Total Operating Lease Expense allocated to Suppliers Paid</b>	<b>7 556 402</b>	<b>3 529 086</b>
<b>32. MUNICIPAL SERVICES</b>		
Rates and Taxes	3 609 170	3 199 275
Refuse	205 374	150 694
Electricity	4 357 730	3 984 283
Water and sewerage	1 366 850	1 548 738
<b>Total Municipal Services</b>	<b>9 539 124</b>	<b>8 882 990</b>
<b>32.1 Allocation for Cash Flow:</b>		
Total Municipal Services	9 539 124	8 882 990
<b>Total Municipal Services allocated to Suppliers Paid</b>	<b>9 539 124</b>	<b>8 882 990</b>
<b>33. STUDENT SUPPORT SERVICES</b>		
Scribe Fees	68 400	32 700
SRC Expenses & Stipends	686 259	313 243
Student Cards	74 754	134 683
Student Development & Functions	286 678	254 119
Student Feeding	103 160	23 751
Student Sports Events	241 501	25 000
Student Transport Costs	47 500	12 950
<b>Total Student Support Services</b>	<b>1 508 252</b>	<b>796 446</b>
<b>33.1 Allocation for Cash Flow:</b>	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
Total Student Support Services	1 508 252	796 446
<b>Total Student Support Services</b>	<b>1 508 252</b>	<b>796 446</b>

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

	2022 R	2021 R
<b>34. STUDENTS RESIDENCE MEALS AND EXPENSES</b>		
Meals	2 371 486	3 286 840
Consumables	-	1 594
<b>Total Students Residence Meals and Expenses</b>	<b>2 371 486</b>	<b>3 288 434</b>
<b>34.1 Allocation for Cash Flow:</b>		
Total Students Residence Meals and Expenses	2 371 486	3 288 434
<b>Total Students Residence Meals and Expenses</b>	<b>2 371 486</b>	<b>3 288 434</b>
<b>35. PROFESSIONAL SERVICES</b>		
Debt Collection Fees	6 210	15 136
Legal Expenses	287 719	216 244
Audit Fees Internal	524 428	243 285
Consulting	647 400	1 217 796
<b>Total Professional Services</b>	<b>1 465 759</b>	<b>1 692 462</b>
<b>35.1 Allocation for Cash Flow:</b>		
Total Professional Services	1 465 759	1 692 462
<b>Total Professional Services allocated to Suppliers Paid</b>	<b>1 465 759</b>	<b>1 692 462</b>
<b>36. SECURITY</b>		
Security Services	8 046 419	7 375 678
Access Control System	73 320	35 081
<b>Total Security Costs</b>	<b>8 119 739</b>	<b>7 410 759</b>
<b>36.1 Allocation for Cash Flow:</b>		
Total Security Costs	8 119 739	7 410 759
<b>Total Security Costs allocated to Suppliers Paid</b>	<b>8 119 739</b>	<b>7 410 759</b>
<b>37. TRAVEL AND ACCOMMODATION</b>		
<b>Domestic</b>		
Accommodation	223 079	79 714
Air Transport	216 166	82 206
Daily Allowance	3 105	345
Road Transport	84 963	30 586
<b>Total Travel And Accommodation</b>	<b>527 314</b>	<b>192 851</b>
<b>37.1 Allocation for Cash Flow:</b>		
Total Travel and Accommodation	527 314	192 851
<b>Total Travel and Accommodation allocated to Suppliers Paid</b>	<b>527 314</b>	<b>192 851</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

38. TELEPHONE, POSTAGE, INTERNET, NETWORK AND COMMUNICATION COSTS	2022 R	2021 R
Telephone costs	514 551	765 446
Cell phone costs	208 807	192 875
Postage and courier	3 883	10 733
Data and network costs	1 166 422	879 038
<b>Total Telephone, Postage, Internet, Network and Communication Costs</b>	<b>1 893 662</b>	<b>1 848 091</b>
<b>38.1 Allocation for Cash Flow:</b>		
Total Telephone, Postage, Internet, Network and Communication Costs	1 893 662	1 848 091
<b>Total Communication Costs allocated to Suppliers Paid</b>	<b>1 893 662</b>	<b>1 848 091</b>
<b>39. TRAINING AND STAFF DEVELOPMENT</b>		
Training - Academic Staff	114 850	13 600
Training - Lecturing	301 907	5 350
Training - Management	127 915	85 440
<b>Total Training and Staff Development</b>	<b>544 672</b>	<b>104 390</b>
<b>39.1 Allocation for Cash Flow:</b>		
Total Training and Staff Development	544 672	104 390
<b>Total Training and Staff Development allocated to Suppliers Paid</b>	<b>544 672</b>	<b>104 390</b>
<b>40. OTHER EXPENDITURE</b>		
Included in Other Expenses are the following:		
Advertising - recruitment	415 374	409 352
Advertising - tenders	14 124	3 928
Bank charges	561 086	567 671
Business unit expenses	867 879	666 961
Cleaning & sanitation	4 277 655	4 090 410
College council costs	231 117	181 517
Conferences and delegations	64 045	6 022
Consumables	177 230	233 621
Discount allowed	53 129	94 512
Examination costs	6 847	9 199
Fuel and oil	237 454	121 025
Functions and Networking	101 593	172 207
Gas Cylinder Rental	265 450	135 178
Insurance	2 078 498	2 127 509
Levies paid (Sectional title building)	844 305	503 877
Licence fees - computer software & hosting	8 361 588	8 698 958
Licence fees - vehicles	11 989	600
Membership & Licence fees	392 238	778 654
Occupational health and safety	223 588	143 991
Other	726 996	2 644 300
Removal costs	26 680	-
Subscriptions	24 608	29 549
Uniforms & protective clothing for staff	137 922	80 893
<b>Total Other Expenditure</b>	<b>20 101 396</b>	<b>21 699 934</b>



**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

		<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>
<b>40.1 Allocation for Cash Flow:</b>			
Total Other Expenditure		20 101 396	21 699 934
<b>Total General Expenses allocated to Other Payments</b>		<b>20 101 396</b>	<b>21 699 934</b>
<b>40.2 Calculation of Cash Flow for Other Payments:</b>			
Cash Flow from General Expenses	Note 40.1	20 101 396	21 699 934
Cash Flow from Exchange Payables	Note 9.1	(331 052)	(379 198)
Cash Flow from Accumulated Surplus	Note 14.1		1.71
<b>Total Payments for Other Payments</b>		<b>19 770 344</b>	<b>21 320 738</b>
<b>41. GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS</b>			
		<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>
<b>Assets Disposed at Carrying Value:</b>			
Property, Plant and Equipment Gains		250 502	844 322
Property, Plant and Equipment Losses		-	-
		250 502	844 322
<b>Total Gains / Losses on Disposal of Capital Assets</b>		<b>250 502</b>	<b>844 322</b>
<b>41.1 Allocation for Cash Flow:</b>			
Gains on Disposal of Capital Assets		-	-
Losses on Disposal of Capital Assets		(250 502)	(844 322)
<b>Total Gains / (Losses) on Disposal of Capital Assets allocated to Cash Flow</b>		<b>(250 502)</b>	<b>(844 322)</b>

The prior year amount for Gains and Losses on the disposal of PPE has been adjusted. Refer to Note 42 on Correction of Error for details of the restatement.

**FALSE BAY TVET COLLEGE**  
**Notes to the Financial Statements for the year ended 31 December 2022**

	2022 R	2021 R
<b>42. CORRECTION OF ERROR</b>		
<b>42.1 Restatement of Accumulated Surplus</b>		
The prior year figures of Accumulated Surplus have been restated to correctly disclose the monies held by the college in terms of the disclosure notes indicated below.		
<b>The effect of the changes is as follows:</b>		<b>Accumulated Surplus</b>
<b>Balances published as at 31 December 2020</b>		<b>368 130 413</b>
<b>Correction of Error:</b>		
Reversal of incorrect accrual during 2019	(82 275)	
Total Opening Balance Restatement		(82 275)
<b>Restated Balances as at 31 December 2020</b>		<b>368 048 138</b>
Previously Stated surplus for the year ended 31 December 2021		(10 277 058)
<b>Correction of Error:</b>		
Tuition and related fees revenue was restated to correct:		
Missing Invoices identified during previous audit	28 303 910	
Invoices not found in Academia during the previous audit	(17 765 717)	
Cancelled Academia Invoices 2021	(1 446 968)	
Reversal of duplicate revenue raised	(1 448 685)	
Cancelled Invoices (Pg47)	(162 686)	
2021 Prices incorrectly calculated leaving a shortfall on student debtor accounts	(1 806 704)	
Reversal of duplicate revenue raised DRDLR/NARYSEC	(191 534)	
Reversal of duplicate revenue raised SAIMI	(402 127)	
Reversal of duplicate revenue MERSETA	(2 172 854)	
Reversal of duplicate revenue - ref AR83	(2 209 150)	
Reversal of invoices. Sage X3 Sync invoices amount different to Academia Report	(140 454)	
Re-instatement of invoices. Sage X3 Sync invoices amount different to Academia Report	76 681	
Student Debtors balances in credit at 31/12/2021(after COMAF adjustment)		
Leased Property lease expired and asset was accordingly written out	(1 951)	
An item of Plant and Machinery was disposed during 2021 and not accounted for	(134 844)	
Learning materials and cost was restated to correct:		
Stock adjustment on inventory text books	(230 305)	
Adjustment to DHET Debtor and Revenue received	(12 841 843)	
Adjustment to impairment of receivables overprovided during the prior year.	2 194 978	
Payable accrued during 2019 reversal		
Total Restatement for the Year		(10 380 253)
<b>Restated Balances as at 31 December 2021</b>		<b>347 390 827</b>

**42.2 Reclassification of Revenue**

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the college.

**The effect of the Correction of Error is as follows:**

	Note	Prior Year 2021 Revenue R	Current Year 2021 Revenue R	Amount Restated By R
Government Grants and Subsidies Received	14	181 215 440	168 373 597	(12 841 843)
Revenue from Exchange transactions				
Tuition and Related Fees	17	74 462 169	75 095 881	633 712
Gains on Disposal of Property, Plant and Equipment	41	25 166	-	(25 166)

**FALSE BAY TVET COLLEGE**  
**Notes to the Financial Statements for the year ended 31 December 2022**

	Tuition and Related Fees	Government Grants and Subsidies Received	Gains on Disposal of Assets
	R	R	R
<b>Balance previously reported</b>	<b>74 462 169</b>	<b>181 215 440</b>	<b>25 166</b>
Missing Invoices identified during previous audit	28 303 910		
Invoices not found in Academia during the previous audit	(17 765 717)		
Cancelled Academia Invoices 2021	(1 446 968)		
Reversal of duplicate revenue raised	(6 424 350)		
Cancelled Invoices (Pg47)	(162 686)		
2021 Prices incorrectly calculated leaving a shortfall on student debtor accounts	(1 806 704)		
Reversal of invoices. Sage X3 Sync invoices amount different to Academia Report	(140 454)		
Re-instatement of invoices. Sage X3 Sync invoices amount different to Academia Report	76 681		
Adjustment to DHET Debtor and Revenue received		(12 841 843)	
During the prior year both Gains and Losses on disposal of assets were disclosed. The net was a loss and should be disclosed as such.			(25 166)
<b>Restated Balance now reported</b>	<b>75 095 881</b>	<b>168 373 597</b>	<b>-</b>

**Tuition and Related Fees:**

The prior year amounts for Tuition and Related Fees were restated to correct invoices missing during the 2021 audit, invoices not found on the Academia system during the 2021 audit and student invoices which were cancelled during 2021.

Furthermore, the prior year amounts for Tuition and Related Fees have been restated due to incorrect invoices being cancelled, to remove revenue which have been raised twice and to correct incorrect calculations made during 2021.

**Government Grants and Subsidies Received:**

The prior year amounts have been restated to exclude over accrual of revenue during the prior year.

**42.3 Restatement of Expenditure**

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the college.

**The effect of the Correction of Error is as follows:**

	Note	Prior Year 2021 Expenditure R	Restated 2021 Expenditure R	Amount Restated By R
Impairment Losses		1 189 311	(1 005 667)	(2 194 978)
Books and Learning Materials	30	15 365 036	15 595 341	230 305
Loss on Disposal of Property, Plant and Equipment		707 527	844 322	136 795
				<b>(1 827 878)</b>
		<b>Impairment Losses R</b>	<b>Loss on disposal of PPE R</b>	<b>Learning Materials and Cost R</b>
<b>Balance previously reported</b>		<b>1 189 311</b>	<b>707 527</b>	<b>15 365 036</b>
An adjustment to the inventory on text books at 31 December 2021 caused additional expenditure to be recognised for the year		-	-	230 305
Leased Property lease expired and asset was accordingly written out			1 951	-
An item of Plant and Machinery was disposed during 2021 and not accounted for			134 844	-
During the prior year both Gains and Losses on disposal of assets were disclosed. The net was a loss and should be disclosed as such.				
Adjustment to impairment of receivables overprovided during the prior year.		(2 194 978)		
<b>Restated Balance now reported</b>		<b>(1 005 667)</b>	<b>844 322</b>	<b>15 595 341</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### Books and Learning Materials

The prior year amount for Learning Materials and Costs were restated to correctly disclose expenditure in accordance with a adjustment to the stock level.

#### 42.4 Restatement of Statement of Financial Position

The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the college.

The effect of the Correction of Error is as follows:

	Note	Prior Year 2021 Balance R	Restated 2021 Balance R	Amount Restated By R
<b>Current Assets</b>				
Inventories	1	13 045 514	12 815 209	(230 305)
Receivables from Exchange Transactions	2	27 857 126	30 685 815	2 828 689
<b>Non-Current Assets</b>				
Property, Plant and Equipment	6	255 419 472	255 409 854	(9 619)
Payables from Exchange Transactions	9	15 566 342	15 775 792	209 450

Opening balances and prior year amounts of items in the Statement of Financial Position have been restated as indicated below:

	Inventories R	Receivables Exchange Transactions R	Statutory Receivables Non- Exchange Transactions R	Property, Plant and Equipment R
<b>Balances previously published per AFS as at 31 December 2020</b>	<b>15 533 597</b>	<b>17 868 882</b>	<b>29 992 020</b>	<b>251 839 505</b>
<b>Balances now published per AFS as at 31 Dec</b>	<b>15 533 597</b>	<b>17 868 882</b>	<b>29 992 020</b>	<b>251 839 505</b>
<b>Movement as per 2021 AFS</b>	<b>(2 488 083)</b>	<b>9 988 243</b>	<b>2 857 253</b>	<b>3 579 968</b>
Missing Invoices identified during previous audit		28 303 910		
Invoices not found in Academia during the previous audit		(17 765 717)		
Cancelled Academia Invoices 2021		(1 446 968)		
Reversal of duplicate revenue raised		(6 424 350)		
Cancelled Invoices (Pg47)		(162 686)		
Stock adjustment on inventory text books	(230 305)	(1 806 704)		
Reversal of invoices. Sage X3 Sync invoices amount different to Academia Report		(140 454)		
Re-instatement of invoices. Sage X3 Sync invoices amount different to Academia Report		76 681		
Adjustment to DHET Debtor and Revenue received			(12 841 843)	
Leased Assets - Lease expired during 2021				
@ Cost				(3 494 167)
@ Accumulated Depreciation				3 492 216
Plant Assets - Disposed during 2021				
@ Cost				(145 000)
@ Accumulated Depreciation				10 156
Item of Plant received during 2021 but only paid in 2022				127 176
Adjustment to impairment of receivables overprovided during the prior year.		2 194 978		
<b>Balances now published per AFS as at 31 Dec</b>	<b>12 815 209</b>	<b>30 685 816</b>	<b>20 007 430</b>	<b>255 409 854</b>

**FALSE BAY TVET COLLEGE**  
**Notes to the Financial Statements for the year ended 31 December 2022**

**Inventories**

Inventories were restated due to an adjustment made to the text book balance at 31 December 2021.

**Receivables from Exchange Transactions:**

The opening balances of Exchange Receivables have been restated to correctly disclose items on which the college was qualified during the audit for 2021:

- Missing Invoices identified during previous audit
- Invoices not found in Academia during the previous audit
- Cancelled Academia Invoices 2021
- Reversal of duplicate revenue raised
- Cancelled Invoices (Pg47)
- 2021 Prices incorrectly calculated leaving a shortfall on student debtor accounts

**Statutory Receivables from Non-Exchange Transactions:**

The opening balances have been restated to correctly disclose the DHET debtor at 31 December 2021 and exclude the over accrual of revenue.

**Property, Plant and Equipment**

Previous balances for Property, Plant and Equipment were restated for Leased Assets for which the agreement and rental period expired during 2021, an item of Plant that was disposed during 2021 as well as work in progress plant received during 2021.

	<b>Payables Exchange Transactions</b>
	R
<b>Balances previously published per AFS as at 31 December 2020</b>	<b>9 889 390</b>
Payable accrued during 2019 reversal	82 275
	<hr/>
<b>Balances now published per AFS as at 31 Dec</b>	<b>9 971 665</b>
<b>Movement as per AFS</b>	<b>5 676 952</b>
Item of Plant received during 2021 but only paid in 2022	127 176
	<hr/>
<b>Balances now published per AFS as at 31 Dec</b>	<b><u>15 775 793</u></b>

**42.5 Restatement of the Cash Flow Statement**

The prior year figures of Cash Flow Items have been restated to correctly classify the nature of cash flow of the college.

**The effect of the Correction of Error is as follows:**

	<b>Prior Year 2021 Balances</b>	<b>Restated 2021 Balances</b>	<b>Amount Restated By</b>
	R	R	R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Government Grant and Subsidies	99 587 355	88 518 671	(11 068 684)
Public Contributions and Donations	-	316 895	316 895
Tuition and Related Fees	74 614 632	79 189 167	4 574 535
Interest Received	2 274 638	2 274 638	-
Sale of Goods And Rendering of Services	580 313	580 313	-
Other Receipts	9 238 682	7 764 824	(1 473 858)
<b>Payments</b>			
Employee Related Costs	(80 434 142)	(80 434 142)	-
Interest Paid	(527 816)	(527 816)	-
Suppliers Paid	(86 357 189)	(62 118 734)	24 238 455
Other Payments	-	(21 320 738)	(21 320 738)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>18 976 473</u></b>	<b><u>14 243 079</u></b>	<b><u>-4 733 392</u></b>

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Property, Plant and Equipment	(19 680 470)	(20 304 267)	(623 797)
Proceeds on Disposal of Property, Plant and Equipment	68 400	24 991	(43 409)
Proceeds on Disposal of Intangible Assets		41	41
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(19 612 070)</b>	<b>(20 279 235)</b>	<b>-667 165</b>

**Restated Figure Supportive Calculations:**

	Note	R	R	R
<b>Government Grant and Subsidies</b>				
<b>Account for changes in debtors balances concerning Grant and Subsidy Revenue</b>				
<u>Receivables from Exchange Transactions</u>				
National Government	2.1	-	-	-
Provincial Government	2.1	-	-	-
SETA's	2.1	5 926 922	(12 673 910)	(6 746 988)
(Refer to note 2.1 to the financial statements).				
<u>Statutory Receivables from Non-Exchange Transactions</u>				
Statutory receivables	3.1	29 992 020	(20 007 430)	9 984 590
(Refer to note 3.1 to the financial statements).				
Adjustment for Non-cash Transactions:-				
DHET - PERSAL Funding (Expenditure)	22.1			(95 322 859)
(Refer to note 22.1 to the financial statements).				
DHET - PERSAL Funding (Revenue)	14.1			95 322 839
(Refer to note 14.1 to the financial statements).				
<u>Unspent conditional grants</u>				
Movement	11.3	12 230 330	15 755 387	27 985 717
(Refer to note 11.3 to the financial statements).				
<u>Revenue from Grants and Subsidies</u>	14.1			73 050 758
(Refer to note 14.1 to the financial statements).				
<b>Restated Balance now reported</b>				<b>104 274 058</b>
<b>Public Contributions and Donations</b>				
<u>Payables Non-Exchange Transactions</u>				
National Lotto	10.1	(199 572)	-	(199 572)
(Refer to note 10.1 to the financial statements).				
<u>Revenue from Public Contributions and Donations</u>	15.1			516 467
(Refer to note 15.1 to the financial statements).				
<b>Restated Balance now reported</b>				<b>316 895</b>
<b>Tuition and Related Fees</b>				
Statement of Financial Performance Revenue - Tuition and Related Fees				
<u>Account for changes in debtors balances concerning Tuition and Related Fees</u>				
Student Debtors	2.1	12 470 407	(25 891 186)	(13 420 779)
Sundry Debtors	2.1	2 089 437	(694 677)	1 394 760
NSFAS Student Transport	2.1	9 415 491	(3 583 081)	5 832 410
Student Debtors Written Off	2.3			(1 320 011)
(Refer to notes 2.1 and 2.3 to the financial statements).				
<u>Account for changes in creditors balances concerning Tuition and Related Fees</u>				
Class Fees Received In Advance	9.1	(1 068 000)	912 000	(156 000)
NSFAS Student Transport	10.1	(7 715 016)	11 370 963	3 655 947
Other	10.1	24 826	973 051	997 876
WC Learnership Education and Development	10.1	(500 984)	-	(500 984)
(Refer to notes 9.1 and 10.1 to the financial statements).				
<b>Restated Balance now reported</b>				<b>79 189 167</b>
<b>Interest Received</b>				
<u>Receivables from Exchange Transactions</u>				
<u>Account for changes in debtors balances concerning Interest Revenue</u>				
Accrued Interest Debtors	2.1	82 489	(47 374)	35 115
(Refer to note 2.1 to the financial statements).				
Revenue from Interest Received	19.1			2 239 523
(Refer to note 19.1 to the financial statements).				
<b>Restated Balance now reported</b>				<b>2 274 638</b>

**FALSE BAY TVET COLLEGE**

**Notes to the Financial Statements for the year ended 31 December 2022**

<b>Sale of Goods And Rendering of Services</b>		<u>Opening Balance</u>	<u>Closing Balance</u>	<b>R</b>
Sundry Debtors	2.1	-	-	-
(Refer to note 2.1 to the financial statements).				
Revenue from the sale of goods and the rendering of services	20.1			580 313
(Refer to note 20.1 to the financial statements).				
<b>Restated Balance now reported</b>				<b>580 313</b>
<b>Other Receipts</b>		<b>R</b>	<b>R</b>	<b>R</b>
Statement of Financial Performance Revenue - Other Revenue Non-Exchange				225 222
Statement of Financial Performance Revenue - Rental of Facilities and Equipment				721 397
Statement of Financial Performance Revenue - Other Revenue Exchange				8 290 537
Receivables from Exchange Transactions				
<u>Account for changes in debtors balances concerning Other Receipts</u>		<u>Opening Balance</u>	<u>Closing Balance</u>	
Staff Debtors		-	-	-
Parastatals		-	-	-
Other Receivables		128 784	(443 482)	(314 698)
(Refer to note 2.1 to the financial statements).				
<u>Operating Lease Receivables</u>	5.1	135 302	(136 828)	(1 526)
(Refer to note 5.1 to the financial statements).				
<u>Account for changes in creditors balances concerning Other Receipts</u>		<u>Opening Balance</u>	<u>Closing Balance</u>	
Community Learning Centres		-	-	-
Funds Payable: Matric Ball		(1 610)	1 610	-
Funds Payable: TVET Times		(868 203)	2 498	(865 705)
Marketing Forum		(162 217)	-	(162 217)
SOAGA		(128 187)	-	(128 187)
(Refer to note 10.1 to the financial statements).				
<b>Restated Balance now reported</b>				<b>7 764 824</b>
<b>Payments</b>		<b>R</b>	<b>R</b>	<b>R</b>
<u>Employee Related Costs</u>				
Expenditure on employee related cost	22.2			(80 434 142)
(Refer to note 22.2 to the financial statements).				
<b>Restated Balance now reported</b>				<b>(80 434 142)</b>
<b>Suppliers Paid</b>		<b>R</b>	<b>R</b>	<b>R</b>
<u>Inventories</u>		<u>Opening Balance</u>	<u>Closing Balance</u>	
Inventories	1.1	15 533 597	(12 815 209)	2 718 388
(Refer to note 1.1 to the financial statements).				
<u>Receivables from Exchange Transactions</u>				
Prepaid Expenses	2.1	1 418 509	(843 111)	575 398
<u>Purchases of</u>				
Property, plant and equipment	6.1			1 656 425
<u>Payables from exchange transactions</u>		<u>Opening Balance</u>	<u>Closing Balance</u>	
Suppliers paid	9.1	(5 577 692)	3 548 552	(2 029 140)
Operating lease expenditure	12.1	(1 291 903)	1 528 085	236 182
<u>Expenses</u>				
External Audit Fees	24			(1 537 763)
Marketing Expenses	26			(2 049 479)
Printing and Stationery	27			(2 116 962)
Repairs and Maintenance	28			(16 230 935)
Books and Learning Materials	30			(15 595 341)
Operating Lease Expense	31			(3 529 086)
Municipal Services	32			(8 882 990)
Student Support Services	33			(796 446)
Students Residents Meals	34			(3 288 434)
Professional Services	35			(1 692 462)
Security	36			(7 410 759)
Travel and Accommodation	37			(192 851)
Telephone and Internet	38			(1 848 091)
Training and Staff Development	39			(104 390)
(Refer to the various notes to the financial statements as indicated per expenditure item above).				
<b>Restated Balance now reported</b>				<b>(62 118 734)</b>

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

		R	R	R
<u>Other Payments</u>				
Other general expenses	40			(21 699 934)
(Refer to note 40 to the financial statements).				
Other Creditors	9.1	<u>Opening Balance</u>	<u>Closing Balance</u>	379 198
(Refer to note 9.1 to the financial statements).		(132 986)	512 184	0
Allocation to the surplus account	14.1			(2)
(Refer to note 14.1 to the financial statements).				
				<b>(21 320 738)</b>
<u>Purchase of Property, Plant and Equipment</u>	6.1	R	R	R
Acquisitions to completed assets				(12 965 758)
Acquisitions to work in progress				(7 338 509)
				<b>(20 304 267)</b>
Proceeds on sale of assets		<u>Carrying Value</u>	<u>Losses</u>	R
Property, plant and equipment	6.1	869 313	(844 322)	24 991
Intangible Assets		49		49
				<b>25 040</b>

#### 43. CASH GENERATED BY OPERATIONS

		R	R
Surplus for the Year		(31 643 766)	(20 657 310)
Adjustment for Non-cash Transactions included in Surplus / (Deficit):			
Government Grants and Subsidies	Note 14.1	(112 279 121)	(95 322 839)
Employee Related Costs	Note 22.1	111 991 628	94 715 524
Depreciation and Amortisation	Note 23.1	14 791 542	14 208 189
Impairment Losses on Fixed Assets	Note 25.3	244 497	-
Impairment Losses on Financial Assets	Note 25.3	15 188 551	(1 005 667)
Adjustment for Cash Transactions not included in Surplus / (Deficit):			
Exchange Receivables: Bad Debts Written-off	Note 2.3	(38 064)	(1 320 011)
Transfer of Property, Plant and Equipment	Note 6.1	-	1 656 425
Appropriations to Accumulated Fund	Note 14.1	-	(2)
Adjustment for Non-cash Transactions included in Working Capital:			
Statutory Receivables Non-exchange: PERSAL Grant	Note 3.1	-	(20)
Adjustment for Transactions included in Surplus / (Deficit) directly recognised in Cash Flow:			
Gains / Losses on Disposal of Property, Plant and Equipment	Note 41.1	250 502	844 322
<b>Operating Surplus before Working Capital changes</b>		<b>(1 494 231)</b>	<b>(6 881 389)</b>
(Increase)/Decrease in Inventories		1 757 787	2 718 388
(Increase) in Receivables from Exchange Transactions		(11 139 133)	(10 491 255)
(Increase) in Statutory Receivables from Non-exchange Transactions		(1 628 714)	9 984 590
(Increase) in Operating Lease Assets		(78)	(1 526)
Increase in Payables from Exchange Transactions		11 059 164	5 804 125
Increase in Payables from Non-exchange Transactions		(2 344 971)	2 797 159
Increase in Conditional Grants and Receipts		7 603 437	15 477 363
Increase in Operating Lease Liabilities		102 007	236 182
<b>Cash generated by / (utilised in) Operations</b>		<b>3 915 267</b>	<b>19 643 638</b>

**FALSE BAY TVET COLLEGE**  
**Notes to the Financial Statements for the year ended 31 December 2022**

**44. COMMITMENTS FOR EXPENDITURE**

**44.1 Commitments in respect of Capital Expenditure:**

**Approved and Contracted for:**

Building Alterations and Renovations - CIEG
Building Alterations and Renovations
Furniture and Fittings
IT Equipment
Plant and Equipment

	2022 R	2021 R
	90 089	1 511 982
	12 050 596	7 679 681
	13 402	-
	49 456	998 005
	365 534	127 176
<b>Total Capital Commitments</b>	<b>12 569 077</b>	<b>10 316 844</b>

**This expenditure will be financed from:**

Government Grants
Own Resources

	12 140 684	9 191 663
	428 392	1 125 181
	<b>12 569 076</b>	<b>10 316 844</b>

**45. FINANCIAL INSTRUMENTS**

**45.1 Classification**

**FINANCIAL ASSETS:**

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

<u>Classification</u>	<u>Financial Assets</u>	
<b>Financial Assets at Amortised Cost:</b>		
Receivables from Exchange Transactions	Student Debtors	3 582 463
Receivables from Exchange Transactions	SETAs	9 736 768
Receivables from Exchange Transactions	Interest accrued	55 402
Receivables from Exchange Transactions	NSFAS Student Transport	3 222 241
Receivables from Exchange Transactions	Sundry Debtors - Corporate and SETAS	727 598
Receivables from Exchange Transactions	Other Receivables	458 971
Cash and Cash Equivalents	Call Deposits	61 423 557
Cash and Cash Equivalents	Short-term Investments	433 093 591
Cash and Cash Equivalents	Bank Balances	6 219 281
		<b>518 519 871</b>
		<b>537 396 448</b>
<b>Financial Assets at Fair Value:</b>		
Cash and Cash Equivalents	Cash Floats	7 500
		<b>7 500</b>
<b>Total Financial Assets</b>		<b>518 527 371</b>
		<b>537 403 948</b>

**FINANCIAL LIABILITIES:**

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

<u>Classification</u>	<u>Financial Liabilities</u>	
<b>Financial Liabilities at Amortised Cost:</b>		
Long-term Liabilities	DBSA Loans	5 157 895
Payables from Exchange Transactions	Trade Creditors	10 431 464
Payables from Exchange Transactions	Other Creditors	843 235
Payables from Non-exchange Transactions	Funds Payable: TVET Times (Agency)	-
Payables from Non-exchange Transactions	NSFAS Creditors	78 661
Payables from Non-exchange Transactions	NSFAS - Unpaid Transport & Sundry	8 814 716
Payables from Non-exchange Transactions	Other	1 108 163
		2 498
		-
		11 370 963
		973 051

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

Unspent Conditional Grants	DHET Mitchells Plain Grant	445 239 885	429 362 606
Unspent Conditional Grants	National Skills Fund - Swartklip	-	12 144 303
Unspent Conditional Grants	National Skills Fund - Centre of Specialisat	3 279 590	-
Unspent Conditional Grants	DHET Centre of Specialisation	621 549	-
Unspent Conditional Grants	Other	-	30 678
Current Portion of Long-term Liabilities	DBSA Loan	736 842	736 842
<b>Total Financial Liabilities</b>		<b>476 312 001</b>	<b>464 576 413</b>

The prior year amount for Financial liabilities have been restated to exclude transactions that do not result from contractual arrangements.

#### 45.2 Financial Risk Management Objectives

The Chief Financial Officer has overall responsibility for the establishment and oversight of the college's risk management framework. The college's risk management policies are established to identify and analyse the risks faced by the college, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, colleges are not exposed to the degree of financial risk faced by business entities. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the college in undertaking its activities.

The Financial Services section monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the college's activities, and compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The college does not enter into or trade financial instruments for speculative purposes.

The College Council manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The college does not enter into or trade financial instruments for speculative purposes.

The Quality control unit reports quarterly to the college's audit and risk management committee

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the college's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

#### 45.3 Significant Risks

It is the policy of the college to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the college is exposed on the reporting date.

The college has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

##### **Market Risk**

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the college's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### **Credit Risk**

Credit Risk is the risk of financial loss to the college if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the college's receivables from customers and investment securities.

##### **Liquidity Risk**

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.

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow 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.

#### 45.4 Market Risk

There has been no change to the college's exposure to market risks or the manner in which it manages and measures the risk.

##### 45.4.1 Interest Rate Risk Management

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

Financial Assets and Liabilities that are sensitive to interest rate risk are cash and cash equivalents, investments, and loan payables. The college is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rates, except for one loan payable of R4,19 million.

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

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

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

##### Interest Rate Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 25 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates.

#### 45.5 Credit Risk Management

The college has a sound debt management policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

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

##### Investments/Bank, Cash and Cash Equivalents

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

##### Trade and Other Receivables

Trade and Other Receivables are amounts owed by students and other organs of state are presented net of impairment losses. The college does not have a credit risk policy in place, but the exposure to credit risk is monitored on an on-going basis.

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

The college's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained.

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

**FALSE BAY TVET COLLEGE**  
**Notes to the Financial Statements for the year ended 31 December 2022**

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
Receivables from Exchange Transactions	56 414 143	45 275 010
Bank, Cash and Cash Equivalents	500 743 930	508 659 433
<b>Maximum Credit and Interest Risk Exposure</b>	<b>557 158 072</b>	<b>553 934 443</b>

The major concentrations of credit risk that arise from the college's receivables in relation to customer classification are as follows:

Exchange Debtors:		
- Student Debtors	56%	57%
- Other Services	1%	31%
- Other Debtors	28%	0%
Non-Exchange Debtors:		
- DHET	0%	0%
<b>Total Credit Risk</b>	<b>85%</b>	<b>88%</b>
<b>Bank and Cash Balances</b>		
<b>ABSA Bank Ltd</b>		
Cash Equivalents	500 743 930	508 659 433
<b>Total Bank and Cash Balances</b>	<b>500 743 930</b>	<b>508 659 433</b>

**Credit quality of Financial Assets:**

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

**Receivables from Exchange Transactions**

<b>Parties:</b>	<b>Credit Quality</b>		
Student Debtors	Medium	31 521 569	25 891 186
SETAs	High	11 176 503	12 673 910
Interest accrued	High	55 402	47 374
NSFAS Student Transport	Medium	3 583 081	3 583 081
Sundry Debtors	Medium	727 598	694 677
Other Receivables	Medium	458 971	443 482
<b>Total Receivables from Exchange Transactions</b>		<b>47 523 123</b>	<b>43 333 709</b>

None of the financial assets that are fully performing, have been renegotiated in the last year.

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 46. RELATED PARTY TRANSACTIONS

All Related Party Transactions are

##### 46.1 Members of key management

Mrs KA Hendricks	Principal
Mrs C Matthews	Deputy Principal Education and Training
Mrs C Nel	Deputy Principal Innovation and Development
Ms N Hlongwane	Deputy Principal Finance
Ms C Fenwick	Support CFO (Resigned October 2022)
Close family members of key management	Not applicable as not involved in transacting with College staff or related parties

##### Council Members

Ms J Favish	External council member (Council Chairperson)
Ms R Tibini (née Wilson)	External council member (Deputy Chairperson)
Prof S Pather	External council member
Mr A Chotia	External council member
Ms H Matshili	External council member
Ms B Muthien	External council member
Ms L Venter	External council member
Prof A Staak	External council member
Mr B Forbes	External council member

##### Entities with whom the College has a relationship:

Department of Higher Education & Training	Controlling Entity. Funds the College and is the employer of the majority of staff.
NSF	Entity under common control
NSFAS	Entity under common control
Other TVET Colleges	Entity under common control
SETAs	Funders of tuition and student stipends

##### 46.2 Reimbursement of Related Parties

The following reimbursive payments and salaries, for council or council committee meetings attended, were paid to council members during the year under review.

	2022 R	2021 R
Ms J Favish (Chairperson)	35 308	21 591
Mr A Chotia	20 017	20 794
Mr G Harris	-	17 951
Prof S Pather	22 051	25 804
Ms B Muthien	39 195	31 239
Ms L Venter	23 046	21 306
Prof A Staak	25 675	30 939
Mr B Forbes	51 231	6 518
Mr TC Arendse	3 606	-
Mr KG Williams	3 137	-
Ms R Tibini (née Wilson)	536	-
Mr R Benjamin (independent member of Audit & Risk committee, from 1 May 2020)	3 744	5 915
Mr JO Louw (Fincom co-opted member from 1 November 2021)	6 956	1 266
Ms JJ Layman (Support Staff representative by election from 1 April 2019)	792 720	826 729
Mr MJ Meyer (Lecturing Staff representative by election from 1 April 2019)	717 589	612 056
	<u>1 744 813</u>	<u>1 622 108</u>

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 46.3 Related party balances

##### Amounts included in Receivable (Payable) regarding related parties

CATHSETA	53 845	246 000
CETA	94 754	89 193
CHIETA SETA	1 862	289 862
EDTP SETA	176 447	-
EWSETA	(2 803 466)	2 920 500
SERVICES SETA	1 384	-
NSFAS	500 000	-
UIF	997 576	-
SEDA	1 125 000	-
CPUT	4 703 770	-
LG SETA	(528 975)	-
MERSETA	2 906 426	998 040
W&R SETA	18 563	739 282
NSFAS Student Allowances	3 222 241	3 222 241
NSFAS Control Account	(8 893 377)	(11 370 963)
TVET Times		(2 498)
TETA	72 000	695 700
	<b>1 648 050</b>	<b>(2 107 973)</b>

##### Receivables from Non-Exchange

Statutory receivables - DHET (Refer note 3)

<b>21 636 144</b>	<b>20 007 430</b>
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##### Amounts included in Unspent

DHET Mitchells Plain Grant

National Skills Fund - 111 Project

National Skills Fund - Swartklip

Other

<b>448 519 474</b>	<b>441 537 587</b>
445 239 885	429 362 606
3 279 590	
	12 144 303
	30 678

#### 46.4 Related party transactions

	Debit 2022	Credit 2022	Debit 2021	Credit 2021
BANKSETA	4 338 600	(4 338 600)	723 900	(723 900)
CATHSSETA	1 078 845	(1 271 000)	1 404 000	(1 158 000)
CETA	14 754	(9 193)	135 157	(45 964)
CHIETA SET	1 179 500	(1 467 500)	1 252 613	(962 751)
ETDP SETA	176 447	(176 447)	2 196 800	(2 196 800)
EWSETA	8 418 548	(14 142 514)	5 953 319	(3 032 819)
FOODBEV	774 515	(1 496 537)	48 377	(48 377)
FP&M SETA	1 373 000	(1 373 000)	2 614 640	(2 614 640)
HWSETA	-	(64 670)	-	-
INSETA	1 755 990	(1 755 990)	459 500	(459 500)
LG SETA	1 248 075	(1 777 050)	-	-
MERSETA	10 902 736	(9 959 735)	10 018 502	(9 020 463)
MICT SETA	1 534 900	(1 534 900)	424 500	(424 500)
SERVICES SETA	194 040	(192 656)	123 480	(123 480)
SEDA	2 650 000	(1 525 000)	-	-
CPUT	4 703 770	(1 430 379)	-	-
TETA SETA	603 110	(1 226 810)	635 040	(635 040)
W&RSETA	1 246 015	(1 996 735)	3 286 864	(2 547 582)
Department of Higher Education & Training	2 175	-	-	-
National Skills Fund	49 573	(3 329 843)	(27 360)	1 072 608
Boland TVET College	2 143	(2 143)	-	-
College of Cape Town TVET College	2 143	(2 143)	-	-
Northlink TVET College	2 143	(2 143)	-	-
South Cape TVET College	2 143	(2 143)	-	-
West Coast TVET College	76 675	(14 143)	-	-
	<b>42 329 840</b>	<b>(49 091 275)</b>	<b>29 249 332</b>	<b>(22 921 207)</b>

##### DHET management fee cost

Remuneration

Contributions to defined contribution plans

4 206 374	4 117 170
433 783	396 847
<b>4 640 156</b>	<b>4 514 017</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### Key management personnel employee cost: Paid by DHET

	2022 R	2021 R
<b>CRAMER M : Acting Deputy Principal Corporate Services (2021 : Goodwin CA)</b>		
Fees for services as a member of management		
Basic salary	557 111	817 639
Bonuses and performance related payments	45 448	86 378
Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care	82 147	80 594
Any other benefits received.	18 471	-
<b>Total</b>	<b>703 177</b>	<b>984 611</b>

#### Hendricks KA : Principal

Fees for services as a member of management	772	-
Basic salary	979 180	899 430
Bonuses and performance related payments	65 406	122 859
Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care		
	101 053	96 325
<b>Total</b>	<b>1 146 411</b>	<b>1 118 614</b>

#### Hlongwane N : Deputy Principal Finance

Fees for services as a member of management		
Basic salary	787 545	760 035
Bonuses and performance related payments	51 452	50 692
Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care		
	82 185	79 782
<b>Total</b>	<b>921 182</b>	<b>890 509</b>

#### Nel CR : Deputy Principal Innovation and Development

Fees for services as a member of management		
Basic salary	798 840	776 539
Bonuses and performance related payments	57 551	119 370
Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care		
	91 912	89 878
<b>Total</b>	<b>948 304</b>	<b>985 787</b>

#### Vermaak ME : Acting Deputy Principal Education and Training

Fees for services as a member of management	-	-
Basic salary	-	135 807
Bonuses and performance related payments	-	45 269
Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care		
	-	33 066
<b>Total</b>	<b>-</b>	<b>214 142</b>

#### Matthews C : Deputy Principal Education and Training

Fees for services as a member of management		
Basic salary	728 181	274 298
Bonuses and performance related payments	55 863	-
Post-employment benefits such as pensions, other retirement	137 039	56 056
<b>Total</b>	<b>921 083</b>	<b>330 354</b>

#### Total Fees for services as a member of management paid by DHET

<b>4 640 156</b>	<b>4 524 017</b>
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#### Key management personnel employee cost: Paid by False Bay College

##### CRAMER M : Acting Deputy Principal Corporate Services

Fees for services as a member of management	-	-
Basic salary	146 506	10 247
<b>Total</b>	<b>146 506</b>	<b>10 247</b>

##### Hendricks KA : Principal

Fees for services as a member of management	-	-
Basic salary	13 765	11 520
<b>Total</b>	<b>13 765</b>	<b>11 520</b>



## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

	2022 R	2021 R
<b>Hlongwane N : Deputy Principal Finance</b>		
Fees for services as a member of management	-	-
Basic salary	9 917	9 037
<b>Total</b>	<b>9 917</b>	<b>9 037</b>
<b>Nel CR : Deputy Principal Innovation and Development</b>		
Fees for services as a member of management	-	-
Basic salary	9 000	9 000
<b>Total</b>	<b>9 000</b>	<b>9 000</b>
<b>Vermaak ME : Acting Deputy Principal Education and Training</b>		
Fees for services as a member of management	-	-
Basic salary	-	26 208
Bonuses and performance related payments	-	4 872
<b>Total</b>	<b>-</b>	<b>31 080</b>
<b>Matthews C : Acting Deputy Principal Education and Training</b>		
Fees for services as a member of management	-	-
Basic salary	9 000	26 753
<b>Total</b>	<b>9 000</b>	<b>26 753</b>
<b>Wilshere PN : Deputy Principal Finance</b>		
Fees for services as a member of management	-	-
Basic salary	-	463 327
<b>Total</b>	<b>-</b>	<b>463 327</b>
<b>Fenwick C : Support CFO</b>		
Fees for services as a member of management	-	-
Basic salary	597 301	148 847
<b>Total</b>	<b>597 301</b>	<b>148 847</b>
<b>Total Fees for services as a member of management paid by False Bay College</b>	<b>785 489</b>	<b>709 811</b>

#### 47. CONTINGENT ASSETS

	2022 R	2021 R
False Bay TVET College has the following contingent asset:		
Case False Bay TVET College// Transenergy (Pty) Ltd - Payments for social facilitation services rendered for Swartklip Construction Project. Herold Gie Attorneys acting on behalf of False Bay TVET College for a claim against Transenergy (Pty) Ltd to reimburse the College as a result of an overpayment.	300 729	-

#### 48. IN-KIND DONATIONS AND ASSISTANCE

The College received the following in-kind donations and assistance:

##### Interns funded by NSF and SETA's

As part of work integrated learning, the College places various interns funded by external funders at the College to gain the work experience needed to complete their qualifications. The posts are not on the College staff establishment and will not be added when the interns complete their contracts.

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### 49. ANALYSIS OF AGENCY ACCOUNTING

	2022 R	2021 R
<b>TVET Times</b>		
Sponsorships and subscriptions received		30 000
Printing, Layout and website hosting		(896 762)
Credit Interest	16	2 047
Bank Charges	(340)	(990)
Surplus/(Deficit) for the year	(324)	(865 705)
Refund	(2 175)	
Balance brought forward from previous year	2 498	868 203
Closing balance at end of year	(0)	2 498

The college acts as agent to DHET. Debtors are raised for subscriptions to the TVET Times on behalf of DHET. DHET is responsible for funding the College for the continued publication of the magazine.

Should funds be insufficient to cover the costs of the publication, DHET would either subsidise it or close it. Part of the funding is from subscriptions due by colleges who subscribe to the magazine on paper work/ contracts between DHET and the respective college. Hence, if colleges default in paying their subscription to False Bay College, DHET will incur the loss by means of reversal of subscriptions. Hence there is no requirement for False Bay College to provide for possible bad debts. The decision to write off arrear subscriptions would be the prerogative of DHET.

#### 50. EVENTS AFTER THE REPORTING DATE

Non-adjusting subsequent event:

Swartklip Campus Project

The college has submitted its intent to cancel the Swartklip lease after the financial year end.

This matter was brought before the Audit and Risk Committee on the 7th of December 2022 and to College Council.

At this meeting, Council resolved that the Swartklip campus project should be terminated due to the contamination of the ground water, and the risks related to this.

Furthermore, the meeting decided that the college should obtain a legal opinion regarding the termination of the lease agreement.

The college received an amount of R9 757 071 included in the fourth quarter tranche payment which was moved from Compensation of Employees to Goods and Services during the second budget adjustment process.

#### 51. SEGMENT REPORTING

For management purposes the college is broadly organised into one business unit. The college therefore has one primary reportable segment.

No individually material operating segments have been aggregated to form the above reportable operating segments. The college does not monitor segments geographically.

#### 52. COVID-19 EXPENDITURE

##### Background Information

On 31 December 2019 the government in Wuhan, China, confirmed that health authorities were treating dozens of pneumonia cases of unknown cause. A few days later, Chinese researchers identified a new virus which had infected many people in Asia, but at that point in time there was no evidence that the virus was readily spread by humans.

A "public health emergency of international concern" was officially declared by the W.H.O. on 30 January 2020. On 11 February 2020 the W.H.O. proposed that 'Covid-19' be the official name for the disease that the coronavirus causes, an acronym that stands for coronavirus disease 2019. The World Health Organisation declared the COVID-19 outbreak as a global pandemic on 11 March 2020.

The table below indicates the total COVID-19 response expenditure for the period ending 31 December 2022:

## FALSE BAY TVET COLLEGE

### Notes to the Financial Statements for the year ended 31 December 2022

#### COVID-19 EXPENDITURE

	2022	2021
	R	R
<b>Operating Expenditure</b>		
Contracted Services Hygiene		1 809
Contracted Services Security Services	11 375	90 041
Cleaning Material & PPE	208 255	1 481 361
<b>Total COVID-19 Expenditure</b>	<b>219 630</b>	<b>1 573 211</b>

The table below indicates the Funding Sources for the total COVID-19 response expenditure for the period ending 31 December 2022:

COVID-19 FUNDING	2022	2021
	R	R
<b>Funding Sources for COVID-19 Expenditure</b>		
Own Revenue	219 630	1 573 211
<b>Total Funding for COVID-19 Expenditure</b>	<b>219 630</b>	<b>1 573 211</b>

#### 53. GOING CONCERN ASSESSMENT

Management considers the following matters relating to the Going Concern:

At 31 December 2022 the College had accumulated profits of R315 747 061 and the College's current assets exceeded its current liabilities by R69 687 717

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

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 the DHET at a level which, when combined with other revenue generated by the College, is sufficient to fund the operations of the College.

Whilst Covid 19 has had a major impact on the economy of the country its impact has not been as significant upon the college. The financial strength of the college is considered to be sufficient to mitigate the economic consequences of the pandemic, and which are not therefore considered to adversely affect the presumption of the going concern concept.

We are currently not aware of any other material factors which may cause uncertainty about the ability of the College to continue as a going concern.

## APPENDIX A

### FALSE BAY TVET COLLEGE

#### SUPPLEMENTARY SCHEDULE TO THE 2022 ANNUAL FINANCIAL STATEMENTS RELATING TO THE CAPITAL INFRASTRUCTURE AND EFFICIENCY GRANT (CIEG) BY FALSE BAY TVET COLLEGE AS AT 31 DECEMBER 2022

Disclosure Items	2022 R	2021 R
Total CIEG Grant funding received from the Department of Higher Education and Training	4 987 128	-
<b>Plus:</b> Interest received on the CIEG dedicated bank account	1 287 505	1 172 568
<b>Total CIEG funding received</b>	6 274 633	1 172 568
<b>Less:</b> Bank charges / finance charges		-
<b>Less:</b> Expenditure paid in terms of approved work package approvals issued by the Department of Higher Education and Training	(12 468 860)	(12 580 252)
<b>Total CIEG funds movement per dedicated CIEG bank account</b>	(6 194 227)	(11 407 684)
<b>Bank statement balance at end of the year</b>	31 115 270	37 309 497
<b>Less:</b> Committed expenditure not yet paid in terms approved work package approvals issued by the Department of Higher Education and Training	(441 271)	(5 994 368)
<b>Total AVAILABLE CIEG GRANT funding</b>	30 673 999	31 315 129