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Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



**LOVEDALE
TVET COLLEGE**

ANNUAL PERFORMANCE REPORT

2024

Performers today, winners tomorrow!

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1. ABBREVIATIONS AND ACRONYMS

APP	Annual Performance Plan
ARC	Audit and Risk Committee
CET	Continuing Education and Training Act, Act 16 of 2006
CfERI	Centre for Entrepreneurship and Rapid Incubator
CFO	Chief Financial Officer
CIC	College Implementation Committee
DHET	Department of Higher Education and Training
ETQA	Education and Training Quality Assurance Body
EXCO	Executive Committee
FAO	Financial Aid Officer
FINCOM	Financial Committee
IQMS	Integrated Quality Management System
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEET	Not in employment nor in education and training (youth)
NSDS	National Skills Development Strategy
NSF	National Skills Fund
OPS Plan	Operational Plan
PLU	Partnerships and Linkages Unit
PMDS	Performance Management and Development System
PQM	Programme Qualification Mix
PSET	Post-School Education and Training
SETA	Sector Education and Training Authority
SIF	Specialised Industrial Facility
SOP	Schedule of Particulars
SRC	Student Representative Council
SSP	Sector Skills Plan
SSS	Student Support Services
SWOT	Strengths, weaknesses, opportunities, threats
TVET	Technical and Vocational Education and Training
TLP	Teaching and Learning Plan
WIL	Work Integrated Learning
WPBL	Workplace-based Learning



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PART A

GENERAL OVERVIEW



LOVEDALE
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PART A: GENERAL OVERVIEW

2. MESSAGE FROM THE COUNCIL CHAIRPERSON

It is with great pride and a deep sense of responsibility that I present the Council's Executive Summary for Lovedale TVET College's Annual Report for the year 2024.



The past year has been marked by significant progress, resilience, and transformation within the College. Despite the persistent challenges facing the post-school education and training sector, Lovedale TVET College has remained committed to its mandate of delivering quality technical and vocational education and training that is responsive to both national priorities and local community needs.

Under the strategic oversight of the College Council, we have continued to strengthen governance structures, ensure sound financial management, and provide policy direction that aligns with the Department of Higher Education and Training's objectives. The Council is

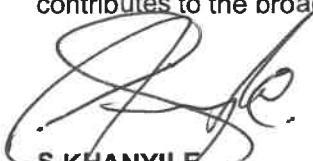
satisfied with the strides made in areas such as academic performance, infrastructure development, stakeholder engagement, and the continued rollout of occupational programmes in support of the National Skills Development Strategy.

The year 2024 also saw significant collaboration with industry partners, Sector Education and Training Authorities (SETAs), and community stakeholders, reinforcing our commitment to building a college that not only delivers qualifications but also contributes meaningfully to youth employment and national development.

Council is also encouraged by the College Management's efforts in improving internal systems, promoting ethical leadership, and fostering a culture of accountability and excellence. The continued implementation of quality assurance mechanisms and student support services has contributed positively to student success rates and throughput.

As we look ahead, the Council remains committed to guiding the College towards institutional sustainability, innovation, and responsiveness in a rapidly changing economic and social landscape. We acknowledge the dedication of all staff, students, and stakeholders who continue to work tirelessly to uphold the values and vision of Lovedale TVET College.

On behalf of the Council, I extend my sincere appreciation to the Principal and executive team for their leadership, and to the broader College community for their unwavering support. Together, we will continue to build a vibrant and future-ready institution that empowers students and contributes to the broader socio-economic development of our region and the country.



S KHANYILE
COUNCIL CHAIRPERSON

3. THE ACCOUNTING OFFICER'S FOREWORD

It is with appreciation and reflection that I present the Accounting Officer's Foreword to Lovedale TVET College's Annual Report for the 2024 academic and financial year. This foreword outlines the operational progress, challenges, and institutional focus areas that shaped the College's journey throughout the year.

2024 was a year of purposeful transition. In my role as Acting Principal and Accounting Officer, I assumed responsibility during a period that demanded both continuity and innovation. The focus remained on stabilising core operations while ensuring that academic delivery and student services were not compromised.

Our strategic priorities in 2024 included restoring confidence in the institution's systems, improving operational efficiencies, and strengthening accountability in all facets of College life. The leadership team worked closely with campus managers and unit heads to address service delivery gaps, implement risk mitigation strategies, and respond to audit findings with clear, time-bound action plans.

On the academic front, efforts were made to support teaching and learning through improved timetable management, more efficient procurement of learning materials, and enhanced lecturer support. We also saw encouraging participation in occupational and skills programmes, which are becoming a cornerstone of our employability agenda.

Financially, the College remained under pressure, but prudent cost controls and improved planning processes allowed us to meet essential obligations while continuing key developmental initiatives.

This Annual Report is a record of both achievements and lessons learned. It reflects the commitment of the College's staff and students to building an institution that is relevant, resilient, and responsive. I would like to thank the College Council for its oversight and guidance, and the Department of Higher Education and Training for its ongoing support and policy leadership.

In closing, I remain confident in the capacity of Lovedale TVET College to evolve into a dynamic institution that prepares students for a rapidly changing world of work. The journey ahead will require agility, ethical leadership, and a shared commitment to excellence – values we are determined to uphold.



A handwritten signature in black ink, appearing to read 'T. Njengele'.

T NJENGELE
ACTING PRINCIPAL

4. 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 this annual report are consistent.
2. The annual report has been prepared in accordance with the guidelines issued by the Department of Higher Education and Training.
3. The annual financial statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The accounting officer, i.e. the principal, is responsible for the preparation of the annual financial statements and for the judgements made in this document.
5. The accounting officer, i.e. the principal, is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
6. The Auditor-General and/or external auditors express an independent opinion on the annual financial statements.



TULETU NJENGELE: ACTING PRINCIPAL

5. LEGISLATION AND OTHER DIRECTIVES

5.1 LEGISLATIVE FRAMEWORK

Lovedale TVET College is enjoined by Section 44(3) of the Continuing Education and Training (CET) Colleges Act, No. 16 of 2006 (as amended), read in conjunction with section 25(3) of the same Act, to prepare and submit to the Minister for Higher Education and Training an annual report.

In terms of Sections 25(3) and 25(4) of the Act, No.16 of 2006 (as amended), public technical and vocational education and training (TVET) colleges are required to produce annual financial reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, Section 44 of the Act requires colleges to report annually to the Minister in respect of their performance and their 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.

5.2 LEGISLATIVE AND OTHER MANDATES

Legislative and policy mandates governing and steering the college in terms of achievement of its strategic and performance objectives for the year 2020, as also captured in the 2020-2024 strategic plan:

- *National Qualifications Framework (NQF) Act (No 67 of 2008);*
- *Higher Education (HE) Act (No 101 of 1997);*
- *Skills Development Act (No 97 of 1998);*
- *Skills Development Levies Act (No 9 of 1999);*
- *General and Further Education and Training Quality Assurance Act (No 58 of 2001); and*
- *Continuing Education and Training Act (16 of 2006).*
- *Public Service Regulations (2016)*
- *Public Finance Management Act (1999) and Treasury Regulations (2005) (as amended);*
- *Employment Equity Act (No 55 of 1998) (as amended);*
- *Basic Conditions of Employment Act (No 75 of 1997) (as amended);*
- *Labour Relations Act (No 66 of 1955) (as amended); Occupational Health and Safety Act (No 85 of 1993) (as amended); Protected Disclosure Act (No 26 of 2000);*
- *Promotion of Access to Information Act (No 2 of 2000) and*
- *Promotion of Administrative Justice Act (No 3 of 2000).*

Furthermore, 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;*

- *Public TVET College Attendance and Punctuality Policy; and*
- *Policy on the Conduct of National Examinations and Assessment.*
- *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;*
- *SETA Grant Regulations;*
- *Guideline for Additional Admissions Requirements to Technical and Vocational Education and Training College Programmes;*
- *DHET Examination and Assessment Regulations;*



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PART B

GOVERNANCE



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PART B: GOVERNANCE

6. REPORT OF THE COUNCIL CHAIRPERSON

6.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

The Lovedale TVET College Council is established in accordance with the Continuing Education and Training Act (No.16 of 2006, as amended). The College Council is obligated to develop and ratify the College Statute through its Chairperson in accordance with the aforementioned Act. The College Council employs the current Statute as a reference document for the execution of a variety of responsibilities.

The majority of the Council members were appointed in May 2024. These members included five (5) Ministerial appointees who are in the underlisted, two members of the Student Representative Council (SRC), one Academic Board representative, and two members who represented support and academic staff, respectively.

The Council manage to be constituted by ensuring that there are chairpersons for the sub-committees and a council secretary for proper coordination of the Council. Various activities were fulfilled, including audit and risk (March 2025), financial management, human capital, and infrastructure, as well as academics, despite the voids in the filling of positions. The Council operated with a majority of its members and maintained oversight of key areas of the College's operations.

NAMES AND PORTFOLIOS OF 2024 LOVEDALE TVET COLLEGE COUNCIL

NAME	PORTFOLIO	NATURE OF APPOINTMENT	NATURE OF APPOINTMENT IN TERMS OF CET ACT/2006
Mr S Khanyile	Chairperson	External	Ministerial Section 10(4)(B)
Mr C Sparg	Deputy Chairperson	External	Ministerial Section 10(4)(B)
Dr M Swartz	Academic Board	External	Ministerial Section 10(4)(B)
Ms N Yekela	Human Resources And Infrastructure	External	Ministerial Section 10(4)(B)

Mrs B Fokazi	Audit And Risk	External	College Statute
Dr S Potelwa	Infrastructure And ICT	External	Ministerial Section 10(4)(B)
Mr IT Mbengo	Acting Principal	Internal	Internal Section 4)(A)
Mrs TN Njengele	Acting Principal	Internal	Internal Section 4)(A)
Mr S Ndikinda	Academic Board Representative	Internal	Internal Section 4)(C)
Ms L Mdukiswa	Lecturer Representative	Internal	Internal Section 4)(E)
Mr M Maselana	Support Staff Representative	Internal	Internal Section 4)(F)
	SRC President	Internal	Internal Section 4)(G)
	SRC Secretary General	Internal	Internal Section 4)(G)
Non-Voting members who attend			

2024 COUNCIL MEETINGS

COUNCIL MEETING	SPECIAL
18 June	26 August
12 September	18 September
02 October	13 December
24 October	

Broad Management

Members	PORTFOLIO / OFFICE
Isaac Thembile Mbengo	Acting Principal
Tuletu Njengele	Acting Principal (November 2024)
Manaka, M	Deputy Principal: Finance
Mr Somlota, S	Vice Principal: Academic Services
Ms Xamesi, P	Vice Principal: Corporate Services
Mr Ntshwanti, Z	Vice Principal: Registrar
Mr Sihlahla, M	Head Of Campus: Alice Campus
Mr Mazomba, V	Head Of Campus: King Campus
Mr Jacobs, G	Head Of Campus: Zwelitsha Campus

Members	PORTFOLIO / OFFICE
Isaac Thembile Mbengo	Acting Principal
Mr Dyonase, D	Assistant Director: Finance
Ms Mili, M	Assistant Director: Budget
Mr Sotshongaye, Y	Assistant Director: ICT
Ms Kosani, L	Assistant Director: PSU
Ms Nogqala, N	Assistant Director: SCM
Mr Scholtz, L	Assistant Director: TVETEMIS
Ms Mncontso, P	Assistant Director: HRM
Mr Boo, Z	Manager: SSS
Mr Ngubenkomo, A	Project Manager
Ms Notununu, Y	Secretary

6.2 REPORTS BY COMMITTEES OF COUNCIL

The **Audit Committee Report** is included in the Financial Statements of the College.

FINANCE COMMITTEE REPORT

INTRODUCTION

The Finance Committee (FINCOM) is a sub-committee of the Council that reports directly to it and plays a key role in supporting the Council's financial oversight responsibilities. Its primary focus is on monitoring the College's overall financial performance and ensuring sound financial governance. This includes reviewing the annual financial statements, overseeing treasury-related policies and strategies, and ensuring proper implementation and compliance with Supply Chain Management (SCM) policies.

Additionally, FINCOM is responsible for monitoring adherence to financial regulations, managing assets effectively, promoting the optimal use of capital expenditure, and guiding the budgeting process to ensure financial sustainability and accountability.

COMPOSITION

The FINCOM comprises of one Council Member and later in the year increased to three Council members elected from Council, Acting Principal and Deputy Principals. The other Deputy Principals and/or officials attend by invitation.

The Chairperson is the Council member who is external member, and the portfolios are as follows: -

Position	Name	Period
Chairperson – Council Member	Mr C Sparg	May – December 2024
Member – Council Member	Mr S Khanyile	May - December 2024
Acting Principal	Mr IT Mbengo Ms T Njengele	Jan to October 2024 As from Nov 2024
Deputy Principal Finance	Mr M Manaka	Jan - December 2024
Deputy Principal Registrar	Mr Z Ntshwanti	Jan - December 2024
Deputy Principal: Corporate Services	Ms P Xamesi	Jan - December 2024
Deputy Principal:	Mr S Somlota	Jan - December 2024
Staff Representative	Ms L Mdukiswa	Jan - December 2024
Lecturer Representative	Mr M Maselana	Jan - December 2024

MEETINGS AND ATTENDANCE

The Finance Committee (FINCOM) conducted only one meeting during September 2024

ACTIVITIES UNDERTAKEN DURING THE CURRENT FINANCIAL YEAR

In 2024, the FINCOM offered support and oversight to ensure an adequate level of effectiveness and efficiency in the College's financial management. The operations conducted by the FINCOM include the following:

- Reviewed the appropriateness and applicability of financial policies and recommended suitable changes to management and Council for approval.
- Recommended the procurement of an appropriate management information system to ensure timely and accurate student and financial data.
- Engaged with, reviewed, and considered quarterly financial reports presented by the Deputy Principal: Finance during quarterly meetings.
- Discussed over- and under-expenditure, as well as revenue under-collection, and requested College management to present remedial action plans.
- Reviewed and provided oversight of risk management processes in consultation with the Audit and Risk Committee.
- Reviewed and recommended the annual financial statements to Council for approval.
- Provided oversight on the implementation of the College Audit Intervention Plan addressing the Auditor-General's findings for the 2024 financial year.

CONCLUSION

The FINCOM acknowledged the enhancement in financial management; however, the progress and actual results were impeded by the handling of asset management and other internal controls at the College, identified as a priority in the audit improvement plan.

HUMAN RESOURCES AND INFRASTRUCTURE COMMITTEE REPORT

INTRODUCTION

The Human Resources and Infrastructure Sub-committee of Council supervises the following sub-components of college corporate services:

- Information and Communication Technology
- Infrastructure and Maintenance
- Human Resource Management
- Labour Relations
- Marketing and Communication

HR SUBCOMMITTEE REPORT – 2024

HR AND INFRASTRUCTURE SUBCOMMITTEE FUNCTIONS AND RESPONSIBILITIES:

- Evaluate, formulate, and ensure the execution of all Corporate Services policies.
- Ensure the implementation of performance management systems within the College.
- Elevate unresolved Corporate Services matters to the governing council.
- Supervise ICT and infrastructure, providing guidance and oversight on Lovedale TVET College's investments and assets (including software, data, etc.) in alignment with the College's Strategic Objectives.
- Evaluate, revise, and present Corporate Services policies and procedures to the Council.
- Oversee and regulate the execution of performance metrics, providing feedback to the Council.
- Assess the employee cost (CoE) budget and offer insights and recommendations to the Council.
- Determine the need for new policies within Corporate Services.
- Assume a supervisory role in operations related to Corporate Services.

MEETINGS

The Human Resources (HR) Subcommittee did not convene during the 2024 calendar year. This was primarily due to challenges beyond the control of the subcommittee, including the pending shortlisting process for the Council Secretary post and the appointment of additional Council members. These steps are critical to ensure the full functionality and capacity of the Council and its substructures. Consequently, the Infrastructure Committee has been established as a separate standing committee.

Composition of the Committee as from November 2024

HUMAN RESOURCES COMMITTEE	
Ms N Yekela	Chairperson
Adv C Gqamane	Council Secretary
Ms T Njengele	Acting Principal
Mr N Maselana	Staff Representative
Ms L Mdukiswa	Lecturer Representative
Ms P Xamesi	DP: Corporate Services
Ms P Mncontso	AD: Human Resources

INFRASTRUCTURE DEVELOPMENT

In preparation for Lovedale TVET College's Bicentennial celebration, the institution has significantly accelerated the implementation of projects under the approved maintenance plan and the Department of Higher Education and Training's (DHET) approved applications. These efforts are aimed at enhancing the College's infrastructure and overall readiness for this historic milestone.

Among the major projects executed under the 2023/24 CIEG budget allocation for the Bicentennial Celebrations, the rehabilitation and upgrade of the historic Alice Campus internal roads was a flagship initiative. This project is notable both for its scale and its alignment with the College's heritage preservation and modernisation goals.

In addition, minor renovation projects were carried out at both the King and Zwelitsha campuses. These projects were initiated in response to Occupational Health and Safety (OHS) evaluation findings and requirements. To date, these works have been successfully executed and finalised. The College is now preparing for a final OHS evaluation, with the aim of obtaining full certification in 2025.

Further minor maintenance and repair works—financed directly by the College—are also underway, with implementation scheduled for early 2024. These projects are focused on addressing routine maintenance needs and ensuring that facilities remain functional and compliant. Furthermore, the College is actively engaging in processes to request supplementary funding to support a broader, long-term infrastructure rehabilitation program. This initiative reflects a proactive approach to addressing both current and future infrastructure needs to support academic excellence and institutional growth.

Members of the Infrastructure and ICT Committee are as follows:

INFRASTRUCTURE AND ICT COMMITTEE	
Dr S Potelwa	Chairperson
Adv C Gqamane	Council Secretary
Ms T Njengele	Acting Principal
Mr A Ngubenkomo	Project Manager
Mr M Mzanywa	HR Coordinator
Mr N Maselana	Staff Representative
Mrs L Mdukiswa	Lecturer representative

The committee became operational only in the beginning of 2025, have their first quarterly seating.

INFRASTRUCTURE PROJECTS FOR 2024

CAMPUS	PROJECT	AMOUNT	DATES
Alice Campus	Alice Internal Roads	R9 000 000	09/2023 - 11/2024
Zwelitsha	Kitchen Renovation into Office	R 1000 000	09/2023 - 06/2024
King Campus	Admin and Hall Renovations	R490 000	06/2024 - 09/2024
King Campus	Ladies' and ablution toilet renovation	R84 000	06/2024 – 09/2024
King Campus	2 Classroom Renovation	R122 000	01/2024 – 03/2024

CHALLENGES

- There had been a significant challenge in securing sufficient funds for the ongoing upkeep and maintenance of the College's infrastructure, which posed a risk to its long-term sustainability.
- The College had faced difficulty in allocating its maintenance budget effectively, which was necessary to finance both planned and unplanned maintenance projects, many of which were crucial for maintaining the institution's infrastructure.

REPORT OF THE FINANCIAL AID AND BURSARY APPEALS COMMITTEES

COMPOSITION OF THE FINANCIAL AID COMMITTEE AND THE BURSARY APPEALS COMMITTEE

DHET BURSARY FINANCIAL AID COMMITTEE (FAC) MEMBERS

NAME	PORTFOLIO
Mr. M Manaka	DP: Finance
Mr. Z Ntshwanti	DP: Registrar
Mr. S Somlota	DP: Academic
Mr. G Jacobs	Campus Manager: Zwe
Mr. V Mazomba	Campus Manager: King
Mr. M Sihlahla	Campus Manager: Alice
Ms. M Mili	AD: Budget
Mr. ZW Booï	AD: SSS
Mr. A Ngubenkomo	Manager: Facilities
Ms. T Mehlo	FAO/Secretary
Ms. Z Mniki	Snr. State Accountant
Ms. ZR Tshetu	Student Liaison Officer
Ms. ND Kibito	FAO Alice
Ms. N Citashe	FAO King
Mrs. A Bearschank	FAO Zwelitsha
Ms. S Kula	Marketing
Ms. T Maxela	CGO Zwelitsha
Ms. S Mafalala	CGO King
Ms. S Veli	CGO Alice
Mr. L Feni	SRC - President
Ms. N Faleni	Secretary General
Ms. Y Mvandaba	Treasury General
Mr. S Nobiya	Public Relations Officer
Ms. E Wonte	King Chairperson
Ms. S Mdipha	Zwelitsha Chairperson
Mr. S Soni	Alice Chairperson
Ms. O Gasela	Alice Finance
Ms. S Nyumbane	King Finance
Ms. A Stenge	Zwelitsha Finance

The Eligibility Criteria and Conditions for Financial Aid were developed by NSFAS in 2023/2024. The following changes took place in line with the Eligibility Criteria and Conditions for Financial Aid:

- Compulsory formulation and convention of the FAC was done away with . The FAC meeting sat at the discretion of the College and for reporting purposes. Four FAC meetings sat in 2024.
- Students appeal directly with NSFAS, as a result, no Appeals were adjudicated, and the Appeals Committee dissolved and never sat in 2024.

The Bursary Allocation Committee which was developed by the College in 2022 to keep track of the Allowance Allocation and its administration also did not seat as there was no specified Allowance Budget but rather Colleges claimed from NSFAS based on the students' needs.

Functions of the Financial Aid and Bursary Appeals Committees

The functions of the Financial Aid committee included but not limited to the following:

- Enforcement of strict compliance to the newly introduced NSFAS Eligibility Criteria and Conditions for Financial Aid.
- Promotion of honest and transparent bursary administration processes.
- Development of criteria for awarding allowances more especially the split of 60/40 for Travel and Accommodation enforced by DHET in the Administration of the Bursary Scheme.
- Adjudication on applications for allowances
- Deciding on the size/amount of the student allowances
- Forwarding of recommendations in respect of the applications for allowances to the Principal for approval (Financial Aid Committee)
- Ensuring that FAC meeting are convened when necessary and detailed minutes of the FAC meetings are kept.
- Overview of bursaries administrated during the year 2024 financial year.

The Financial Aid Committee (FAC) convened 4 meetings in 2024, these meetings sat to monitor bursary administration processes at the college; the signed minutes of those meetings are available. The meetings sat to discuss the administration of allowances.

DHET BURSARIES

- Since 2017, bursary applications became fully online, with students applying directly to NSFAS; manual applications were discontinued.
- In 2018, despite the Free Higher Education announcement, DHET guidelines maintained that students from households earning over R350,000 annually were ineligible for bursaries and had to self-fund; this remains in NSFAS eligibility criteria.
- Continuing bursary students progressing academically were auto-funded by NSFAS based on DHET results; new students applied online and were assessed on financial need and academic performance.
- New students who met college admission and NSFAS means test criteria automatically qualified for aid.
- From 2019, standard allowances were partially discontinued; accommodation allowances were cost-based, while travel, personal care, and living allowances remained standardised.
- Colleges inform NSFAS of the student's allowance category via registration data submission.
- Allowance allocation prioritised: College Accommodation → Private Accommodation → Travel Allowance.
- In 2024, due to no dedicated allowance budget, students received only allowances they applied for per NSFAS criteria.
- In 2024, 3,915 bursaries worth R115,030,295 were awarded by NSFAS for NC(V), Report 191 Semesters and Trimesters 1–3, covering tuition and allowances (hostel, private accommodation, travel, personal care, meals).
- Jan–Apr 2024: NSFAS paid allowances directly via payment partners (TENETECH/BHATALA); from May 2024, NSFAS paid directly into student bank accounts. Colleges received tuition and college accommodation portions.

Other Funders for the year of 2024:

- **Truth and Reconciliation Bursary:** 1 student at King Campus (Report 191), R52,118 awarded (tuition + allowances).
- **INSETA:** 28 Business Studies students at Alice and King Campuses, R768,620.36 awarded (tuition + allowances).
- **FASSET:** 16 Business Studies students at Alice and King Campuses, R426,651 awarded (tuition + allowances).
- **FOODBEV, SERVICES SETA, MERSETA:** No 2024 payments received despite promises; 92 students affected.

NSFAS Close-Out

NSFAS and the College is in the process is trying to resolve these UNDERPAYMENTS of 2017 - 2022. The 2023 Close-out process which started in September 2024 has not been concluded. The 2024 close-out is still ongoing as well.

Conclusion

The introduction of any new system, such as the Student-Centred Model, is initially challenging, but as familiarity with it grows, many issues are gradually being resolved. Despite past challenges, the system has demonstrated clear benefits, and valuable lessons have been learned, equipping the Financial Aid environment to handle future situations more effectively. The SRC within the Financial Aid Committee plays a vital role in communicating allowance decisions to students, while Financial Aid Office staff are effectively managing bursary administration. Support from the Department of Higher Education and Training—both regional and national—has been consistent, and NSFAS has significantly improved its support to the college, particularly through the exceptional assistance of the NSFAS Servicing Administration team.

6.3 ACADEMIC BOARD REPORT

Introduction

The Academic Board of Lovedale TVET College is established in accordance with the Continuing and Training Education (CET) Act (No. 16 of 2006, as amended). The Academic Board Charter serves as its foundation document during a quarterly Academic Board meeting of that year.

Composition of the Academic Board

The Academic Board of Lovedale TVET College, as per its Council-approved Charter, consists of the following members:

OFFICIAL	MEMBER
1x Council Member	Dr M Swartz
Principal	Ms T Njengele
Deputy Principal: Academic Services	Mr S Somlota
Deputy Principal: Corporate Services	Ms P Xamesi
Deputy Principal: Finance	Mr M Manaka
Deputy Principal: Registrar	Mr Z Ntshwanti
3x Campus Heads	Mrs M Tom
	Mr G Jacobs
	Mr M Sihlahla

Assistant Director: Examinations & Assessments	Vacant
Assistant Director: Curriculum Services	Vacant
Assistant Director: Student Support Services	Mr Z Booi
5 x Heads of Department (HODs)	Ms Z Mgijima Mr S Makhatini Mr P De Wet Mr P Moni Mr L Dywili
3 x Lecturer representatives	Mr S Ndikinda Mr M Jama Mr K Manungu
3 x SRC – Academic Member Secretary	Mrs N Figlan

- The number of individuals specified in g), k), l), and m) above must be ascertained by the College Council, and this determination should be documented in the Council-approved Academic Board Charter.
- Furthermore, the Academic Board may incorporate additional members as deemed appropriate by the College Council.

Committees of the Academic Board

a) E-Learning Committee

PORTFOLIO	MEMBERS
Assistant Director: Curriculum Services	Vacant
Assistant Director: ICT	Deputy Chairperson: Mr Y Sotshongaye
Assistant Director: EMIS	Mr L Scholtz
ICT Official responsible for e-Learning	Mr S Klaas
1 x Programme Manager for IT related programme	Mr M Nkam
Skills Development Facilitator	Mr J Darmons
3 x lecturers (1 per campus)	Mr E Ludude Mr K Manungu Ms N Magodongo

b) Curriculum Development & Support Committee

PORTFOLIO	MEMBERS
Deputy Principal: Academic	Mr S Somlota
Deputy Principal: Registrar	Mr Z Ntshwanti
3 x Campus Heads	Mrs M Tom Mr G Jacobs Mr M Sihlahla

Assistant Director: Curriculum Services	Vacant
Assistant Director: PSU	Mr E Osemwenkhae
5 x Heads of Department	Ms Z Mgijima Mr S Makhatini Mr P De Wet Mr P Moni Mr L Dywili
Minuting secretary	Ms N Figlan

C) Certificates & N Diplomas Committee

To Note: This Committee will also be responsible for organising the College Graduation – for this purpose Marketing Officials will be co-opted together with other relevant academic staff.

PORTFOLIO	MEMBERS
Assistant Director: Examinations & Assessments	Vacant
Senior Examinations Officer	Ms S Ningiza
5 x Heads of Department	Ms Z Mgijima Mr S Makhatini Mr P De Wet Mr P Moni Mr L Dywili
3 x Examination Officers	Ms T Skolpati Ms S Ngcana Ms N Mahanjana
Administrative Officer: WiL	Mr E Osemwenkhae
Marketing Officials to be co-opted only when College Graduation is being organised	
Secretary to be elected from amongst the Committee members	

d) Programme Manager's Committee

PORTFOLIO	MEMBERS
Assistant Director: Curriculum Services	Vacant
Assistant Director: Examinations & Assessments	Vacant
5 x Heads of Department / DHoC's	Members
NCV L2 - 4 Programme Managers	Mr B Magwazana Mr K Gwente Ms A Qobo Mr L Dungayezi Mr M Nkam Ms B Ngxwana Mr S Mbopa
N4 – N6 Business Studies Programme Managers	Ms C Ganto Mr K Nomandla Mr L Nqabelele
N1 – N3 Engineering Studies Programme Managers	Mr M Pako

Part-time Co-ordinator
PLP Co-ordinator
Secretary

Mr L Shugu
Ms A Qobo
Ms N Figlan

FUNCTIONS

ACADEMIC BOARD RESPONSIBILITIES

- a) **Strategic Academic Planning**
 - a. Align academic priorities with the College's Strategic Plan.
 - b. Contribute to shaping and guiding the academic direction of the institution.
- b) **Research Advancement & Data Analysis**
 - a. Promote research activities within the College.
 - b. Collect and analyze statistical data across campuses or units to inform decisions.
- c) **Programme Development and Review**
 - a. Recommend the introduction of new academic programmes.
 - b. Suggest the discontinuation of existing programmes based on research and evaluations.
- d) **Oversight and Support of Academic Entities**
 - a. Receive reports from campuses and academic support units.
 - b. Provide guidance and support to ensure academic effectiveness.
- e) **Policy Implementation**
 - a. Facilitate the enforcement and execution of academic policies and regulations.
- f) **Academic Standards and Quality Assurance**
 - a. Monitor and maintain academic standards in line with institutional rules.
 - b. Govern the teaching and learning processes to ensure quality education delivery.
- g) **Curriculum, Admission, and Assessment Oversight**
 - a. Address all matters related to academic programmes and course content.
 - b. Oversee student admissions, enrolments, and assessment procedures.

PROGRAMME QUALIFICATION MIX (PQM)

In 2024 the Academic Board Approved the following programmes to be offered at different campuses

ALICE CAMPUS

- Art and Design (N4-N6)
- Farming Management (N4-N6)
- Financial Management (N4-N6)

- Management Assistant (N4-N6)
- Primary Agriculture (L2-L4)

KING CAMPUS

- Public Management (N4-N6)
- Financial Management (N4-N6)
- Human Resource Management (N4-N6) Part-time
- Business Management (N4-N6)
- Management Assistant (N4-N6)
- Management (L2-L4)
- Office Administration (L2-L4)
- Finance, Economics and Accounting (L2-L4)
- Information Technology and Computer Science (L2-L4)

ZWELITSHA CAMPUS

- Civil Engineering and Building Construction (L2-L4)
- Engineering Related Design (L2-L4)
- Electrical Infrastructure Construction (L2-L4)
- Carpentry & Roofing (N4)
- Electrical (N4-N6)
- Plumbing (N4-N6)
- Masonry/ Bricklaying (N4-N6)
- Water and Sanitation (N4-N6)
- Motor Body Repair (N4-N6)

QCTO ACCREDITED PROGRAMMES

ALICE CAMPUS

- Occupational Certificate: Nursery Person
- Occupational Certificate: Nursery Supervisor
- Occupational Certificate: Livestock
- Occupational Certificate: Poultry Farmer

ZWELITSHA CAMPUS

- Occupational Certificate: Automotive Motor Mechanic
- Occupational Certificate: Carpenter
- Occupational Certificate: Plumber

- Occupational Certificate: Bricklayer

Key Academic Board Activities and Achievements – 2024

- **Skills Audit:**
A comprehensive skills audit was conducted to assess staff competencies, identify gaps, and inform future capacity development plans in line with institutional priorities.
- **Occupational Programmes:**
Continued alignment and expansion of occupational programmes in response to industry demand and QCTO requirements remain a key strategic focus.
- **Centralised Registration for 2025:**
Preparations were underway to implement a centralised registration system for the 2025 academic year, aimed at improving efficiency, accuracy, and student experience across campuses.
- **Digital Transformation – Introduction of E-books:**
As part of the College's digital transformation agenda, e-books will be introduced in selected programmes to enhance learning accessibility, reduce costs, and support blended learning models.

Conclusion

The Academic Board at Lovedale TVET College operates effectively, convening quarterly meetings in accordance with the CET Act (No. 16 of 2006) and the Council-approved Academic Board Charter. The sub-committees established in 2021 remained active throughout 2024, with reports on their activities presented at each academic board meeting. Consequently, assisting the Academic Board in improving its supervisory function and ameliorating academic performance at the College.

6.4 STUDENT REPRESENTATIVE COUNCIL REPORT

2024 STUDENT REPRESENTATIVE COUNCIL REPORT

The 2024 SRC was democratically elected by students on all three campuses. The SRC Elections were facilitated by an Independent Electoral Body. Candidates were deployed to contest these SRC elections by the various student organisations recognised on campus namely the EFFSC and SASCO. The SRC Constitution was used to as reference in conducting these SRC Elections. The SRC elections were transparent, free and fair. On the 15th April 2024, the newly elected SRC was Inducted successfully on the roles and responsibilities of the SRC, relevant policies and

College processes and procedures by the SSS staff members. The outgoing SRC also performed a file handover session so that the incoming SRC can continue from where they left. Former SRC Presidents, DHET Representatives as well as the Chairperson of SAVETSA, Eastern Cape attended the SRC Induction.

The SRC could not host most social activities due to challenges the College faced in terms of Financial Resources but in order to ensure that the lives of the students on Campus remain vibrant and not dull an attempt was made to continue with the academic and developmental orientated activities such as

- Exam Prayer
- L4 and N6 Job Readiness Workshop
- Health and Wellness Activation
- Mental Health Workshops
- GBV and Self Defence Workshop
- Cleaning Campaign
- Food and Toiletry Drive for the needy Students
- LGBTQ+ and Disability Awareness Programmes
- Library Week and Reading Awareness Campaign
- SRC Opening Function

Roles and responsibilities

It is the responsibility of the Student Affairs Office to ensure that the newly elected SRC members are inducted so that they can assume their duties, equipped with all the necessary skills that will ensure that they become an efficient and effective SRC. The roles and responsibilities of the SRC are outlined in the SRC Constitution. It remains the responsibility of the College to ensure that the SRC is continuously supported throughout its programs as well as capacitated and trained so as to ensure that it is able to deal with all the challenges it will face during its term of office. The SRC is remunerated for its services as outlined in the SRC Constitution

SRC EXCO composition

STUDENT REPRESENTATIVE COUNCIL EXCO	
Name & Surname	Portfolio
Lindokuhle Feni	President
Sibabalwe Jacobs	Deputy President
Nontsikelelo Faleni	Secretary General
Thobela Minana	Deputy Secretary General
Yanga Mvandaba	Treasurer
Siyamthanda Nobiya	Public Relations Officer
Siphosenkosi Christian Mkhwanazi	Sports, Arts, Culture and Recreation

SRC Campus Committees

PORTFOLIO	KING CAMPUS SRC	ZWELITSHA CAMPUS SRC	ALICE CAMPUS SRC
Chairperson	Esihle Wonte	Siyamthanda Mdipa	Siphuthume Soni
Secretary	Zandile Soyiko	Unathi Mapisa	Sinovuyo Bolani
Organiser	Mihlali Mbalo	Anita Soko	Thabang Mbopha
Sports Officer	Sisipho Wonte	Mzikayise Ngesi	Zukhanye Peter
Academic Officer	Sinalo Stinise	Sibusiso Hlangabeza	Emihle Onga Mboya
Gender and Welfare	Samnkelisiwe Nyathela	Sisipho Somkhence	Philasande Dayile
Finance Officer	Sinovuyo Mnyumbana	Azakhanye Stenge	Owethu Gasela

SRC meetings

The SRC members participate in college meetings with management, as prescribed by the CET Act. The SRC has the responsibility of accounting to students as they are directly elected by the

students. The SRC mostly uses social media to report on matters concerning students as this method is instant and easily accessible through the college Wi-Fi. Each Campus has its own Campus WhatsApp group managed and controlled by the SRC of that particular Campus. When the Academic Calendar allows the SRC holds monthly mass meetings across all College Campus. The SRC reports to the students on a wide range of resolutions that had taken place in the mentioned meetings with management.

SRC Capacity Building and Training

The following quarterly Capacity Building Workshop were held:

- Leadership Development and Leadership Styles
- Conflict Management and Resolution
- Emotional Intelligence
- SAVETSA and DHET Leadership Workshops
- Financial Aid Workshop

College Executive Meetings

The SRC was part of the following College Executive Meetings:

- College Council
- Academic Board
- Financial Aid Office
- SSS Sub Committee Meeting



External Student Union Members

One of the SRC members Ms Nontsikelelo Faleni was elected as the Policy and Development Officer

Nontsikelelo Faleni, SRC Secretary General, also the elected as Policy and Development Officer for SAVETSA



and Mr Sinethemba Mafalala as treasurer, to represent the college student body on the provincial SAVETSA.

Right: Mr Sinethemba Mafalala as treasurer, at the Annual SAVETSA Gala.



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

PART C

PERFORMANCE INFORMATION



**LOVEDALE
TVET COLLEGE**

PART C: PERFORMANCE INFORMATION

7. REPORT BY THE ACTING PRINCIPAL ON MANAGEMENT AND ADMINISTRATION FOR 2024

It should be noted that the Acting Principal was not consistently present at the institution during the reporting year, due to acting contract that ended at some point and got renewed later in the year. Nonetheless, the institution's management endeavoured to ensure the college operates well and fulfils its goal, albeit with recurrent episodes of turbulence. During the reporting year, the College employed 213 employees on the Persal system, while 104 staff members received remuneration through the College Payroll. Ten additional staff members were employed on payroll during the 2024 academic year, consisting of 4 interns, 2 facilitators and 4 employees.

The College currently has 26 vacancies, with 8 at the middle management level (Assistant Directors), essential for enhancing the College's capability in policy implementation and supervision. The 18 other vacant positions are for various support staff at Salary Level 2-8, crucial for ensuring efficient service delivery for the college. The presence of important vacancies generates capacity challenges for the College, adversely affecting the provision of services expected from the institution.

Mandatory management meetings were conducted, including those necessary by specific circumstances at various times throughout the year. Three meetings were convened with the labour under the Labour Forum. A primary reason for the irregularity of meetings, as stipulated in the terms of reference, is the considerable instability at the College. A series of discussions were held concerning the instability.

Lovedale TVET College competed in the biennial Information Technology and Computer Science (IT&CS) Competition, hosted at BCC TVET College in East London in October. This competition promotes IT-driven solutions to everyday challenges faced by individuals. The objective is to illustrate to the students the significance of technology in addressing everyday challenges encountered by individuals. Lovedale is pleased to announce that our Level 4 students secured 1st place in Data Communication and Networking. Three of the IT Lecturers also secured prizes for exceptional pass rates- Mr K Mwansa, Ms Zeka, and Mr M Nkam

Different sections of the college consistently engage in regional forums, including those for Deputy Principals: Academic, Marketing, and Human Resources, among others. The management continues to endorse the officials' involvement in these forums to exchange best practices with peers from other institutions. The forums for educators comprise the IT&CS Forum, the Farming Management and Mechanisation Forum, and the numerous Regional Support Teams, which

involve academics teaching critical or 'high-risk' subjects. Meeting schedules for these forums are disseminated promptly, allowing participants to make requisite arrangements. The participants must now collaborate with the College to determine the number of meetings they will attend and the venues for these meetings, enabling the timely preparation of budgets and procurement of necessary logistics to prevent any disappointments.

The College exceeded its job placement targets by placing 516 graduates with the NATED qualification, and 129 graduates with the NC(V) qualification. This milestone is highly significant as it signifies that nearly all students have gained possibilities to engage in the workforce and get essential experience, while also receiving a stipend, which serves as a crucial means of sustenance during this phase of their careers. This is entirely attributable to the WiL Unit inside the Registration Services Section.

The MIS system significantly enhanced the College's administration by transitioning essential services online from several Sections, particularly the academic services Section. This features a unique results analysis dashboard that allows for the rapid monitoring of college performance across various performance indicators and examination cycles. This is also essential for enabling the rapid and precise production of vital reports.

On 11 March 2024, the Centre of Vocational Excellence (CoVE) Hub for Climate-Smart Agriculture in South Africa was launched at Lovedale TVET College. This project is funded by the European Union (EU). It is a collaboration between three TVET colleges in South Africa, two universities in the EU, one university in South Africa, and one private partner from South Africa. Lovedale is one of the three colleges involved in this project, along with Boland TVET College and West Coast TVET College.

Global climate change is currently impacting food production in a significant way. This project aims to equip students of Technical and Vocational Education and Training (TVET) colleges with the necessary skills and knowledge to transition to climate-smart agriculture. This will be achieved by improving the capacity of TVET staff and the TVET curriculum. By doing so, students will become well-rounded professionals who can effectively apply what they have learned to the industry upon completing their qualifications.



The Lovedale TVET College CoVE Launch - Lovedale TVET College Management, stakeholders and participated in the workshop

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The Financial Aid Committee convened regularly to elucidate the Eligibility Criteria established by DHET and informed students about the disbursement of allowances by NSFAS, as well as the precise allowances for which they qualified based on their individual circumstances. Claims were submitted promptly to NSFAS. At one point, students of Lovedale TVET College, via their SRC, informed management that it could not enforce specific NSFAS guidelines on the use of Lease Agreements to ascertain the accommodation allowance for students. The conflict prompted

student protests on all campuses, compelling the college administration to invite NSFAS and DHET officials to elucidate the guidelines to the students. However, the students remained unconvinced, even by the NSFAS officials who reiterated the justifications previously provided by the College management. Ultimately, the College was compelled to submit the registration data, albeit belatedly, to the detriment of the students, as delays in the payout of their allowances ensued from prior arguments.

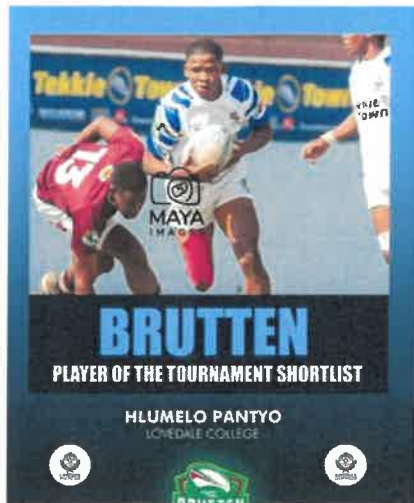
Sport Achievements and Highlights: Lovedale TVET College takes great pride in its accomplishments in different sports, arts, and cultural events throughout 2024. The prominent achievements were in the college choir, rugby, performing arts, and athletics. The College choir triumphed in Choral, securing the top position nationally in the Battle of the Municipalities (BOM) Inter Continental Music Competition amongst the participants. The college competed against universities and was able to secure first place and prize money of R100 000.



Students along with Mr Isaac Mbengo , Acting Principal (second from right) and Mr Thembaletu Bhenuka far right, receive prize money.

The College's Rugby Team achieved outstanding success during the 2024 season. The team emerged as Amatole Region Champions, securing qualification for the Border Rugby Playoffs held in Mthatha. Demonstrating exceptional performance and determination, the team won all their playoff matches and earned promotion to the Premier League of Border Rugby for the 2024 season.

As regional champions, the team also competed in the prestigious Brutten Competition of Border Rugby, entering the tournament as strong favourites. The team's performance throughout the tournament reflected the College's commitment to excellence in sport.



Notably, two players distinguished themselves at the provincial level:

- Hlumelo Pantyo was named *Player of the Tournament* and was selected to join the Border Rugby Bulldogs as a professional player.
- Ganati Simamkele was also selected to represent the Border Rugby Bulldogs, marking a significant achievement and progression into professional rugby. These accomplishments highlight the strength of the College's sports development programmes and the dedication of both coaching staff and student-athletes.

MARKETING

Marketing and Communications Report

The Marketing and Communications Department at the College plays an essential role in promoting the institution's image, enhancing its visibility, and fostering positive relationships with both internal and external stakeholders. Through a wide range of strategic initiatives, the Department ensures that the College's objectives and values are communicated effectively to students, staff, prospective applicants, and the wider community.

Key Activities and Achievements

Promotional Activities

The Department has been instrumental in the promotion of the College through diverse channels, including print media, broadcasting, and digital platforms. These efforts have significantly contributed to raising awareness about the College's academic offerings, events, and successes, positioning the institution as a leader in education.

Internal and External Communications

The Department effectively manages both internal and external communication efforts. This includes keeping current students, staff, and alumni informed about important developments, while also engaging with the public to highlight the College's achievements and initiatives. Communication has been streamlined through newsletters, emails, and social media platforms, ensuring consistent and transparent information flow.

Branding and Online Presence

A key function of the Marketing and Communications Department is to maintain and strengthen the College's brand identity. This includes overseeing branding initiatives, digital marketing efforts, and maintaining the College's website. The website is a crucial tool for engaging prospective students, providing them with information on programs, admissions, and campus life. The Marketing Department continuously updates and optimizes online content to ensure the College's digital presence remains dynamic and relevant.

Support for Student Applications

The Department has significantly supported the online application process for prospective students. By providing clear, step-by-step instructions and instructional displays, Marketing and Communications has made the application process more accessible and user-friendly.

Event Promotion and Graduation Ceremonies

The Marketing and Communications team has been key in the successful planning and execution of major events, particularly the annual graduation ceremonies. The 2024 graduation was a standout event, largely due to the efforts of the Marketing team who were involved from the initial stages of preparation to the final execution. Their efforts in promoting and managing the event ensured that it was a memorable occasion for all involved.

SENIOR MANAGEMENT



Mr. IT Mbergo
Acting Principal



Ma P. Xameli
Deputy Principal, Corporate



Mr. S Sonlola
Deputy Principal, Academic



Mr. Z Mthwani
Deputy Principal, Registrar



Mr. M Manaka
Deputy Principal, Finance

CAMPUS HEADS



Mr. V Mazombha
King Campus



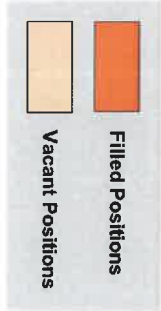
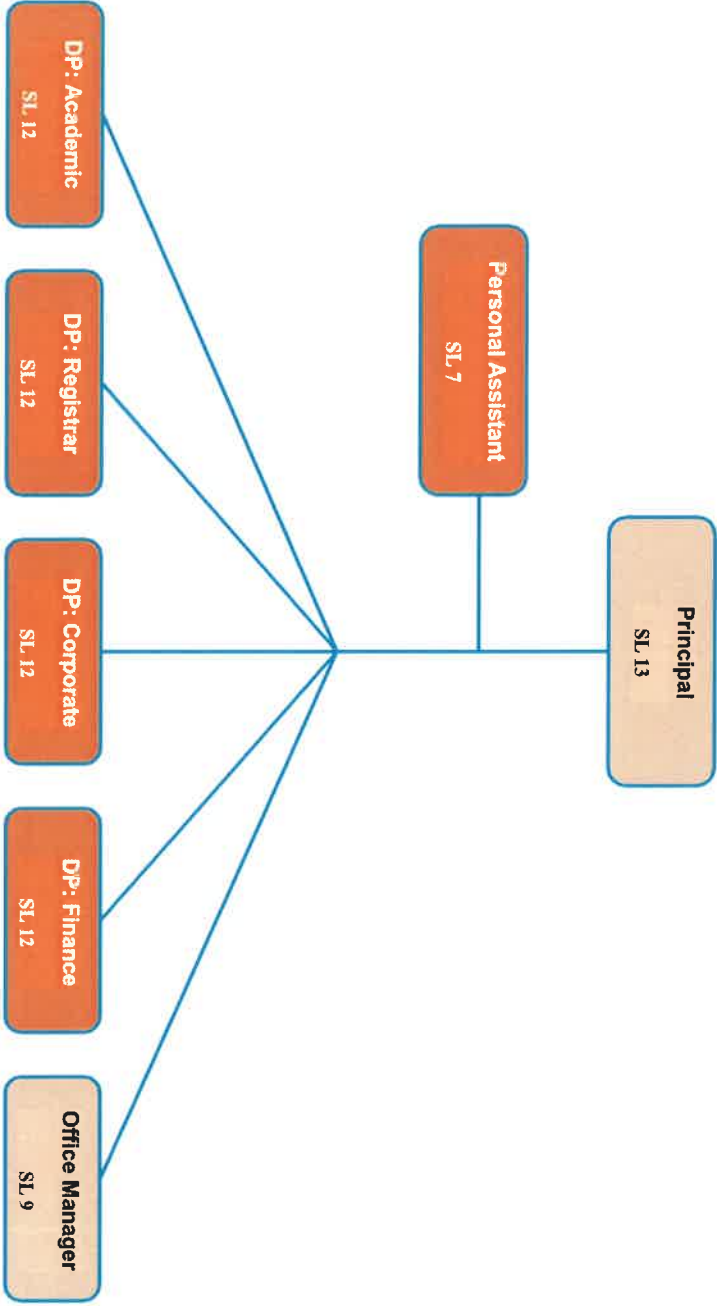
Mr. G Jacobs
Zwelicha Campus



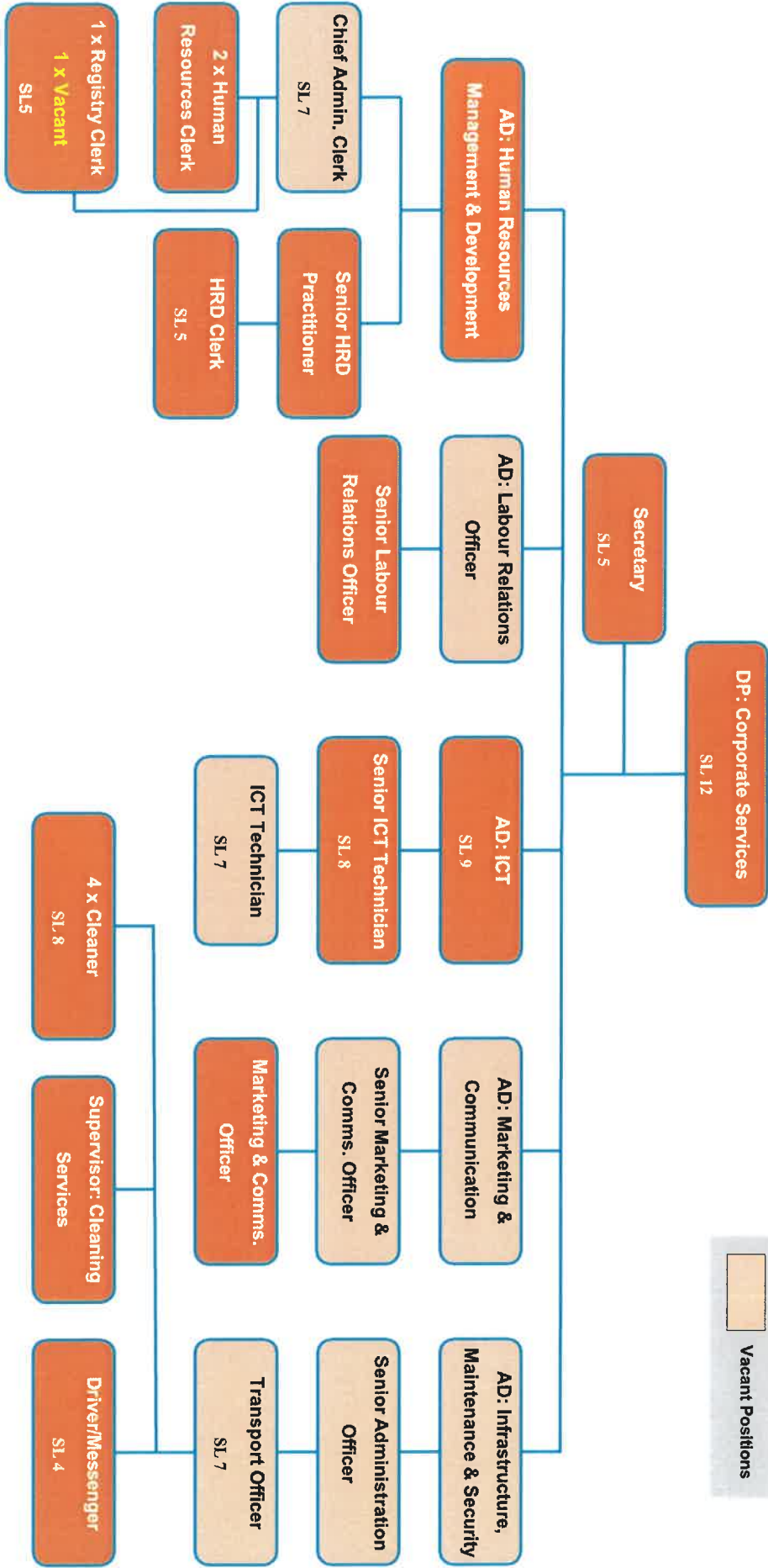
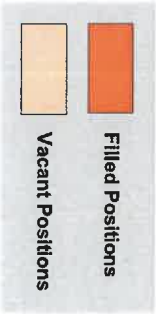
Mr. M Shishla
Alice Campus

ORGANOGRAM

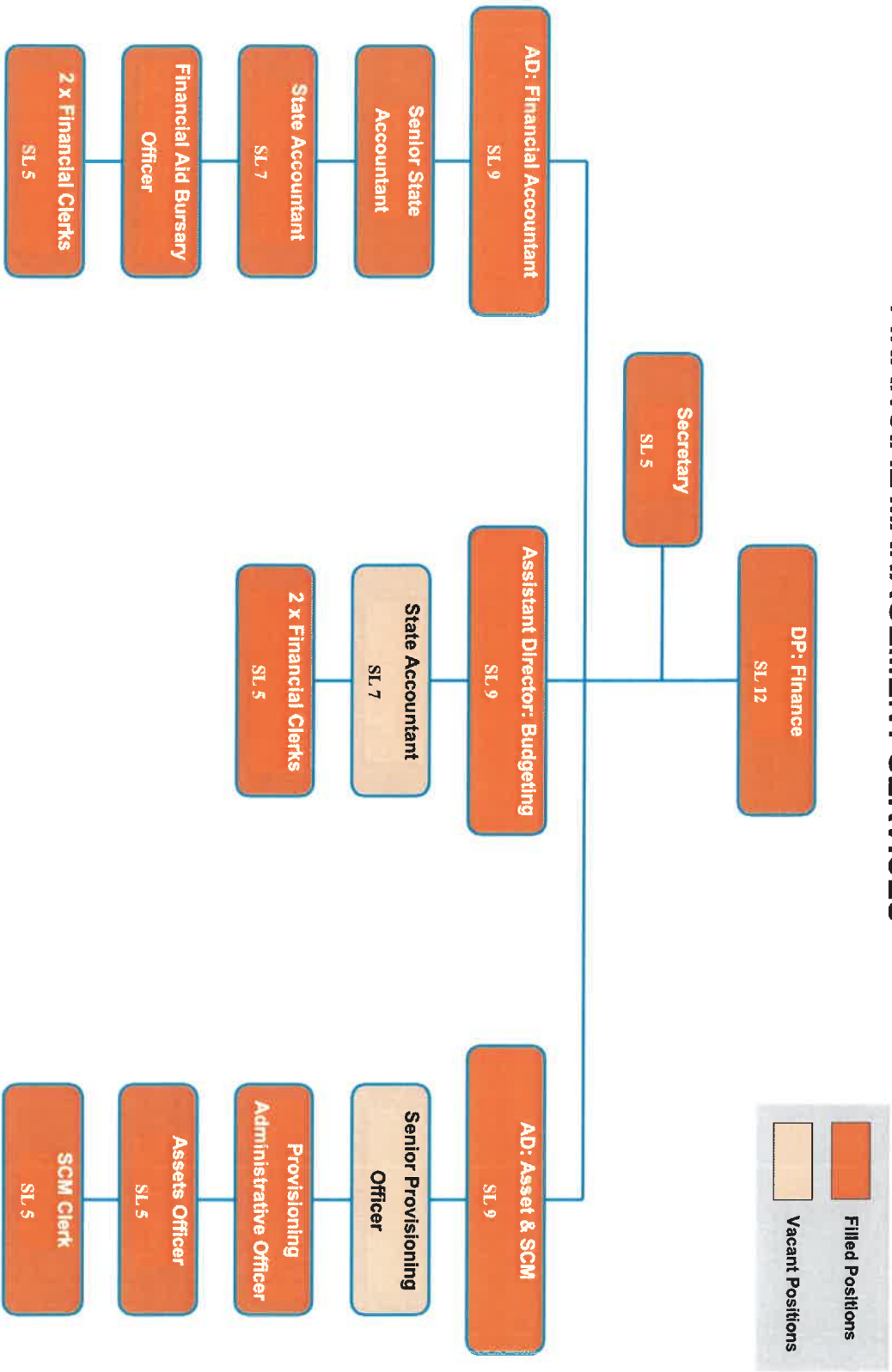
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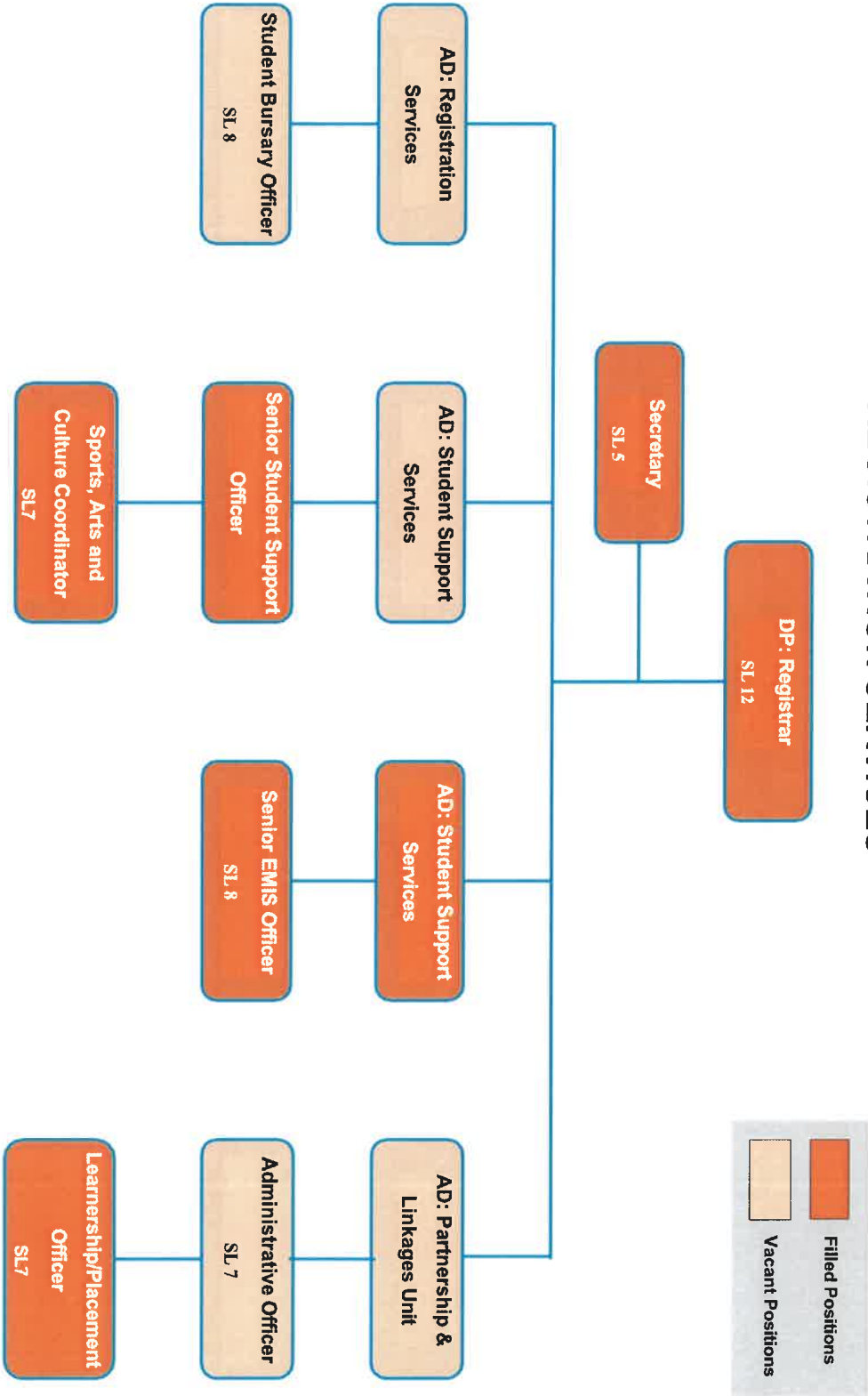
CORPORATE SERVICES



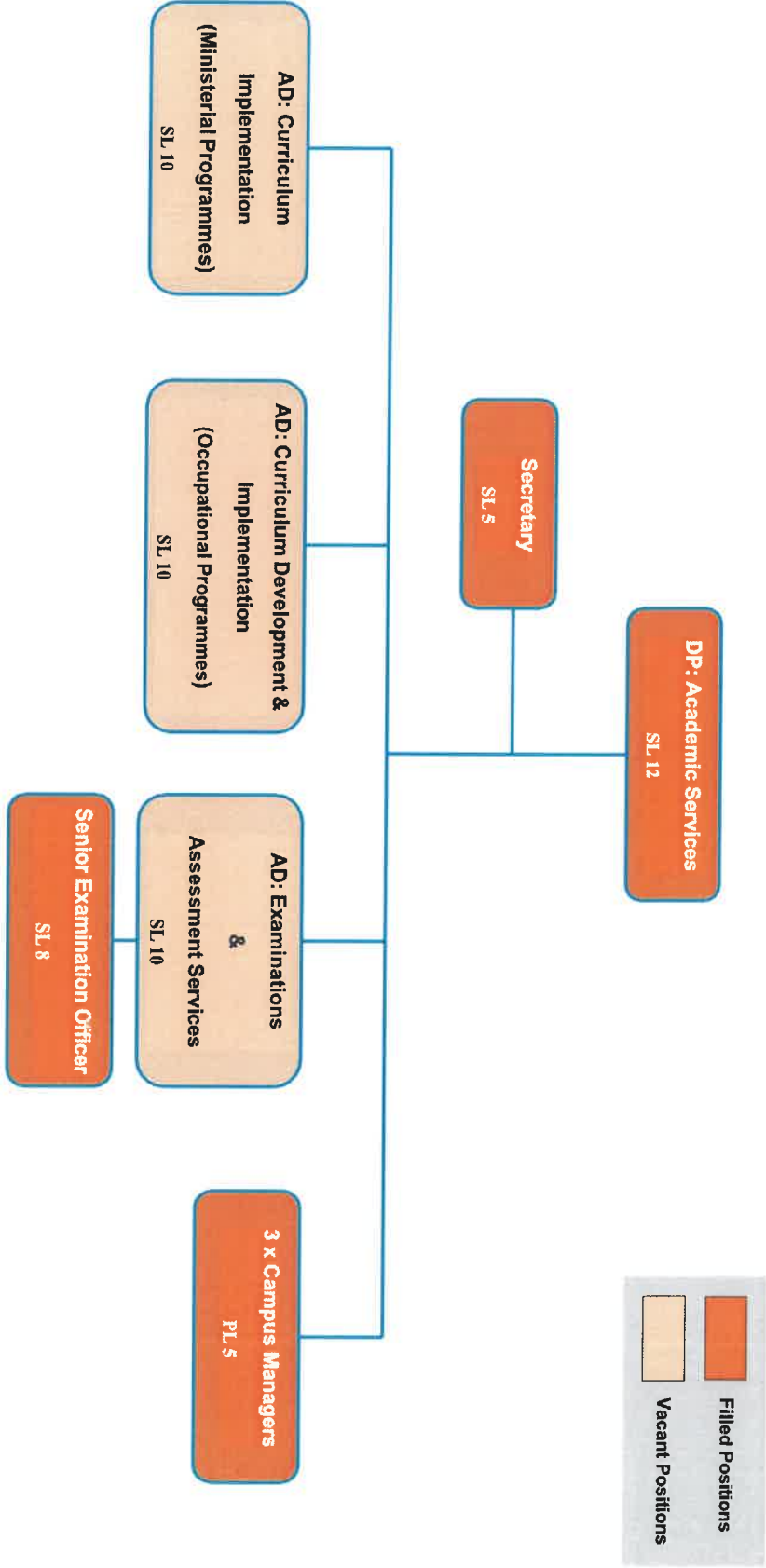
FINANCIAL MANAGEMENT SERVICES



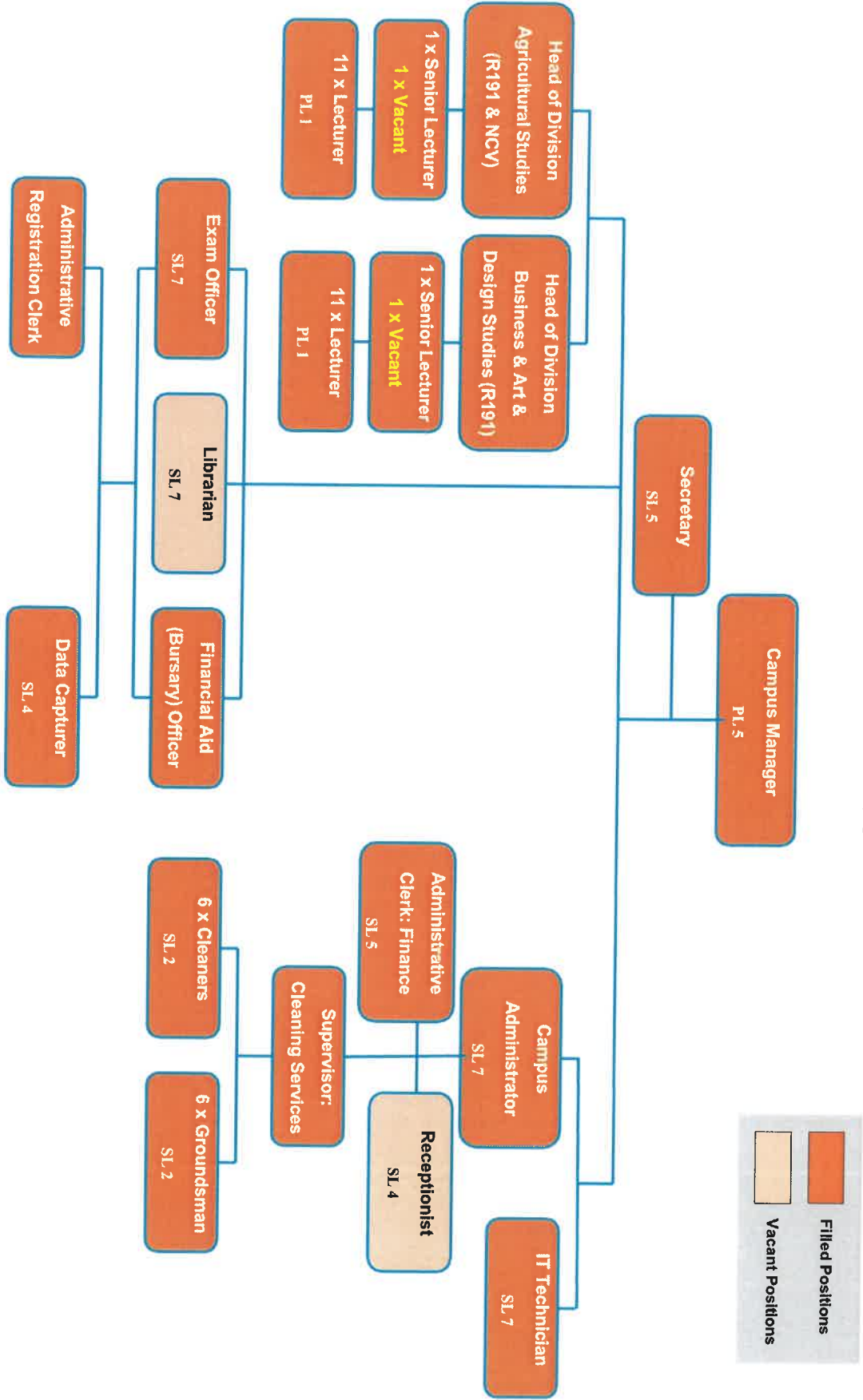
REGISTRATION SERVICES



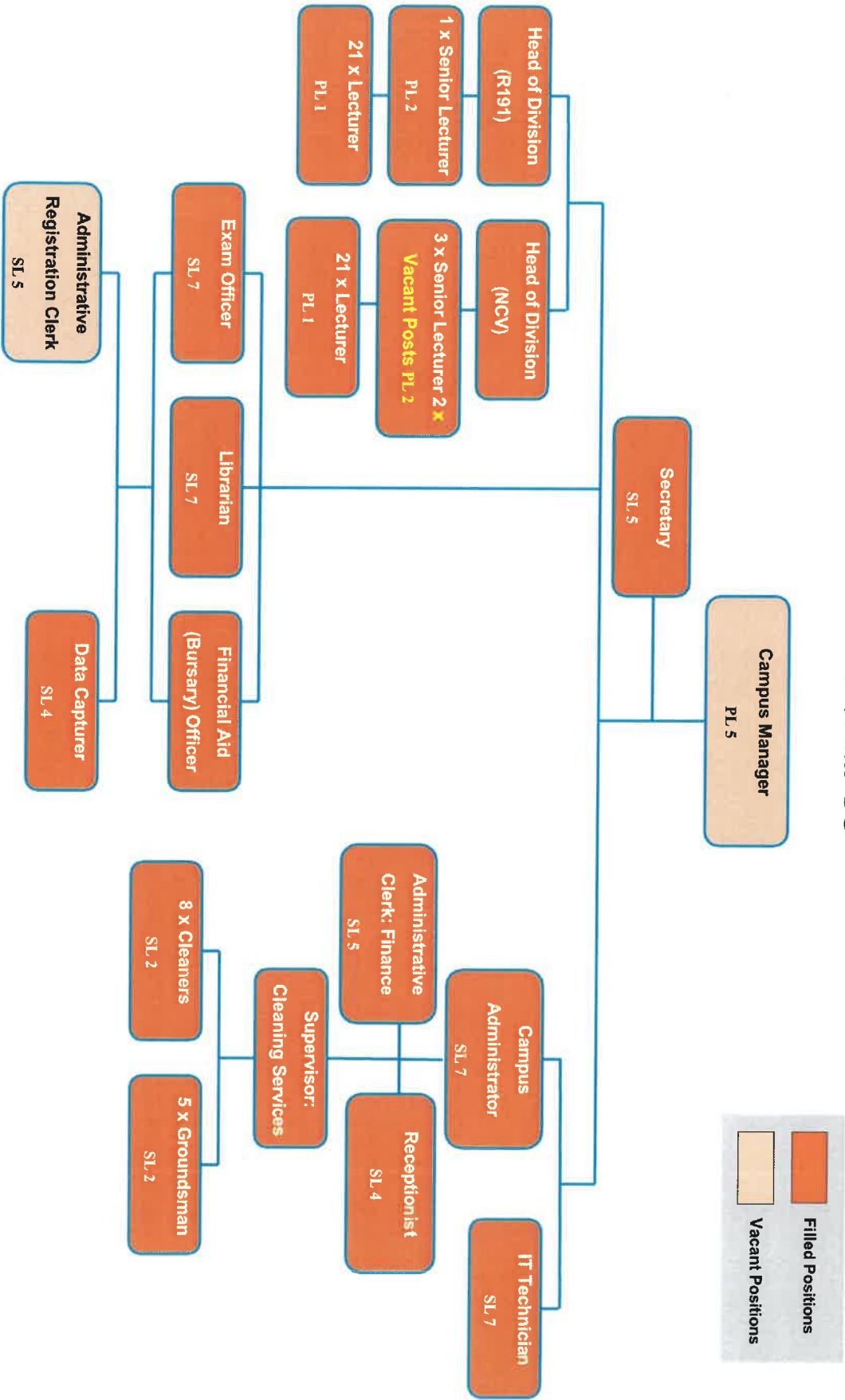
ACADEMIC SERVICES



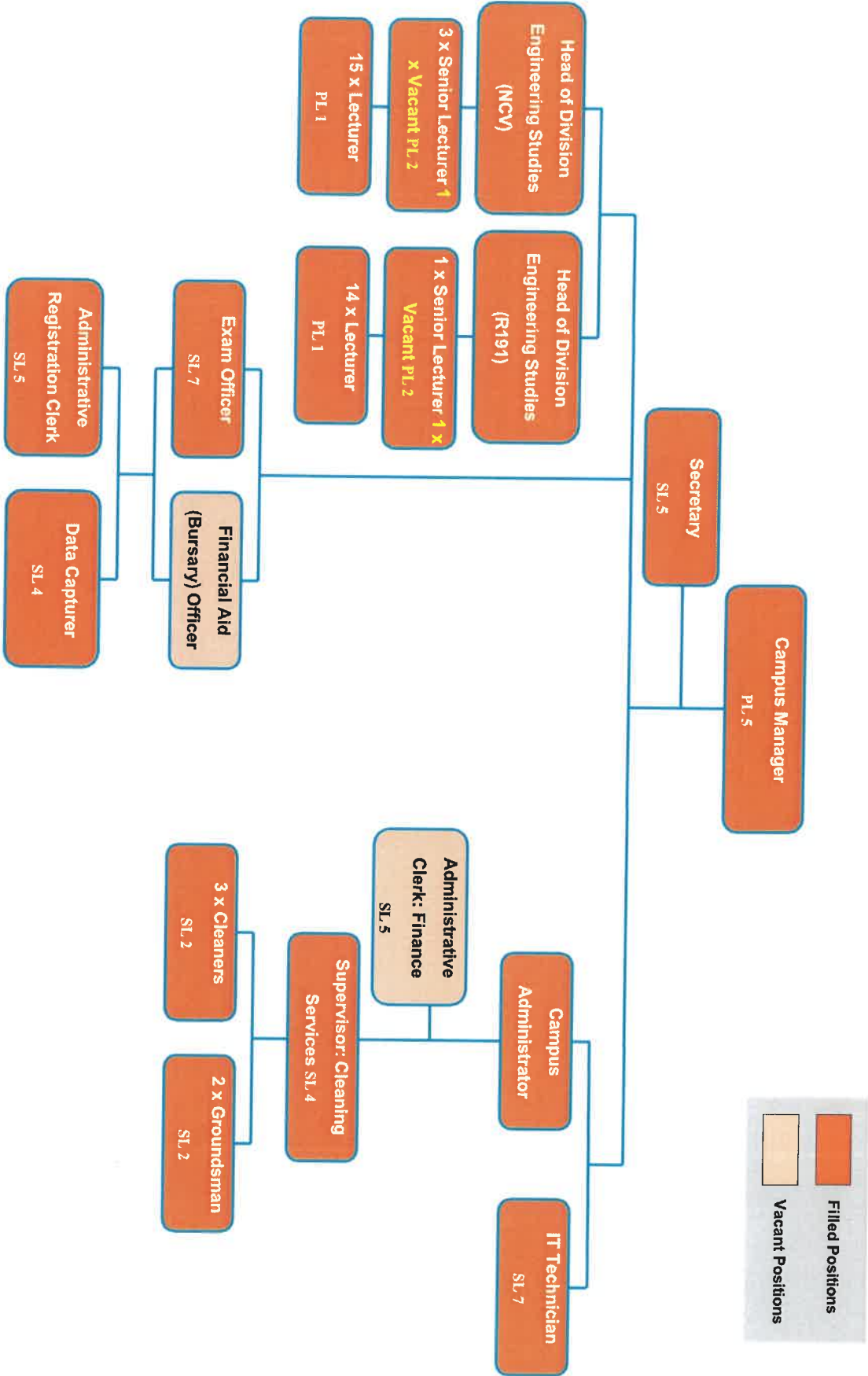
ALICE CAMPUS



KING CAMPUS



ZWELITSHA CAMPUS



8. COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

The College achieved its annual performance targets in numerous areas during 2024. Nonetheless, 2024 was predominantly a year marked by several instances of instability that adversely affected the College's reputation, particularly due to labour unrest and student strikes. These events adversely affect the teaching and learning needs of the College, exacerbated by the lack of an accounting officer.

The College received an Unqualified audit opinion from the Auditor General of South Africa for financial reporting and accountability. The College is, however, reassured by these audit results, considering the volatile conditions encountered throughout the 2024 academic year, which included a spell without an acting accounting officer.

In 2024, there were significant delays in the distribution of teaching and learning support materials (LTSM), which contributed to challenging episodes of student strikes. This, along with further concerns, particularly regarding NFAS bursary management and the disbursement of allowances to students. The SRC lodged multiple complaints concerning the state of student accommodations, among other issues. Despite interventions from the DHET, the necessary stability was not achieved. Consequently, all stakeholders within the institution collectively concur that the DHET must expedite the appointment of an accounting officer (The Principal) to facilitate the stabilization of the institution.

The College is experiencing capacity issues due to several essential positions, particularly at the Assistant Director level, remaining unfilled. This adversely affects the institution's capacity to execute its strategies effectively and efficiently. Nonetheless, resolving these concerns may need more time, as the National Treasury has implemented austerity measures to control expenditures within the public sector. Consequently, it is anticipated that the post-provisioning norms (PPN) would be finalised to guarantee that the organisational structure provided to the DHET is populated, thereby enhancing the college's potential to fulfil its mandate.

In 2024, the College conducted student placements and established numerous entrepreneurial programmes to help aspiring entrepreneurs. The College also maintained its support for students with exceptional needs through numerous initiatives.

Furthermore, the College endeavoured to implement the curriculum, adhering to the teaching and learning plan (TLP) formulated and submitted to the DHET's Eastern Cape Regional Office. The TLP planning received a 'Good' rating based on the statistical analysis conducted prior to the

commencement of monitoring. The monitored campuses of the College maintained their planning grade at the implementation level, since the presented evidence of teaching and learning during monitoring was deemed satisfactory.

9. PERFORMANCE REPORTING

9.1 ANNUAL PERFORMANCE ACHIEVEMENTS

> STRATEGIC OBJECTIVE 1: EXPANDED ACCESS TO TVET COLLEGE OPPORTUNITIES

The offerings of Lovedale TVET College are specialised; the Alice campus focuses on agricultural studies via the NC(V) Primary Agriculture programme and Farming Management and Mechanization. Alice Campus additionally provides Visual Arts (Arts and Design) and two Business Studies programmes: Management Assistant and Financial Management. The choice of these programmes for the Alice campus was mostly determined by the existing economic conditions in the rural region. The campus, situated in a rural location with a lot of unused agricultural land donated to the College by the Eastern Cape government, is thus justified in offering agriculture-related programmes. Moreover, the skills requirements outlined in the integrated development programme (IDP) of the Raymond Mhlaba Local Municipality and the Amatole District Municipality indicate that the college's two Business Studies/administrative programmes in Management Assistance and Financial Management effectively addressed the skills needs identified in the municipality's IDP.

Qonce, home to both Zwelitsha and King Campuses, provides a variety of skills for the Buffalo City Metropolitan Municipality (BCMM), which supports a robust automobile industry and numerous government administrative offices requiring engineering and business-related programmes, including information technology and computer science. Consequently, the institution provides programmes in computer technology, engineering, and business studies to address the practical and immediate demands of local communities, government entities, and entrepreneurial enterprises. These two campuses also capitalise on the enduring interaction between the college and its immediate stakeholders. Recruiting and promoting available programmes within the local community and schools instils a sense of pride, particularly when it elucidates courses for our youth.

The College possesses a robust and evolving online registration platform founded on the COLTECH system, which concurrently serves as the institution's management information system (MIS). This system accepts more than 20,000 online applications throughout the September-October period of the year prior to the January intake of the subsequent year.

The institution offers assistance through its bursary officers to students seeking various bursaries, including the National Financial Aid Scheme (NSFAS), which serves over 90% of the college's student population. The other cohort receives support from bursaries sourced from SETAs and various private benefactors. These facilitate admission to the College for the majority of our students, enabling them to complete programmes that empower them to contribute to the economy, either through employment or self-employment.

In 2024, the National Certificate (Vocational) programmes at the college's three campuses enrolled 1705 students, surpassing the target of 1343 and Report 191: Business Studies programmes at Alice and King Campus surpassed 2626 enrolments by achieving 2803 headcounts. This total includes self-funding part-time students, predominantly from King Campus, as well as repeat students from both campuses, who also finance their own tuition. The occupational qualifications, mainly learnership programmes, targeted to enrol a total of 350 learners, which was exceeded with an enrolment of 380 participants in programmes such as:

Learnerships:

NARYSEC Department of Rural Development & Land Reform

1Skills Programme : Crop Production NQF level 3 for 30 learners. The Skills Programme is a cluster of Service SETA "New Venture Creation" Unit Standards, Agri SETA "Plant Production & Mechanical Unit Standards" and MICT SETA "Basic Computer Skills". The initiative came with the Department of Rural Development & Land Reform to introduce youth from Keiskammahoek and Cofimvaba Location in Lucerne. Learners were enrolled on 02 November 2023 till June 2024 on the Skills Programme.



Learnerships 18.2 (NARYSEC)

Plant/ Maize NQF Level 3 for 36 learners enrolled as from 02 February 2024 till 31 January 2025. The programme was rolled out Alice Campus where learners resided in near by rental accommodations. Recruitment of the learners was conducted by Department of Rural Development & Land Reform from various places i.e Bizana, Ngcobo & Mqandoli.

3. Insurance Sector SETA (INSETA)

Learnership: System Development NQF Level 5

- **Learners:** 19
- **Duration:** 02 November 2023 – 31 October 2024
- **Recruitment:** 14 learners from Lovedale NVC IT Level 4, 5 learners from Sekonjalo Training (NC Technical Support NQF Level 4)

4. Buffalo City Municipality (BCM) Funded Learnerships by INSETA

- **Total Learners:** 150
- **Start:** 01 June 2024 – 31 May 2025
- **Courses & Enrollment:**
 - NC Wholesale Retail NQF Level 3 – 25 learners
 - NC New Venture Creation NQF Level 3 – 25 learners
 - NC Plant Production NQF Level 3 – 25 learners
 - NC Water & Wastewater Reticulation Services NQF Level 3 – 25 learners
 - NC End User Computing NQF Level 3 – 25 learners
 - NC Farming NQF Level 4 – 25 learners

5. National Skills Fund TVET 3 Programmes

- **2023:** 150 learners recruited
- **Learnerships Enrolled (Total 200 learners):**
 - NC Agri Trade Process NQF Level 2 – 30 learners (Feb 2024 – Jan 2025)
 - NC Wholesale Retail NQF Level 2 – 30 learners (Feb 2024 – Jan 2025)
 - NC Business Administrator NQF Level 4 – 30 learners (March 2024 – Feb 2025)
 - NC Local Government NQF Level 3 – 40 learners (Aug 2024 – July 2025)
 - NC Public Sector Accounting NQF Level 3 – 40 learners (Aug 2024 – July 2025)
 - NC Business Administrator NQF Level 4 – 30 learners (Aug 2024 – July 2025)
- **Internships (Total 38 learners):**
 - Group 1: 25 learners (Apr 2024 – Sept 2025)
 - Group 2: 13 learners (July 2024 – Dec 2025)

6. Skills Programmes – Farm Together (Animal & Plant Production NQF Level 2)

- **Pilot Programmes for Special Needs & Rural Communities:**
 - Khaylethu Special Needs School – 30 learners (April – June 2023)
 - Dimbaza Site – 30 learners (July – Sept 2023)
 - Cwengwe Location – 30 learners (Nov 2023 – May 2024, delayed due to facilitator issues)
- **Exit Strategy:** Tools, equipment, PPE handed to learners to support practicals in poultry and crop production
- **Support:** Assistance from CEFRI to establish learner co-operatives
- **Locations benefiting:** Khaylethu Special Needs School, Dimbaza Church of Christ Mission, Cwengwe Location

The college residences were completely occupied. Nonetheless, students articulated various concerns pertaining to the quality of the College homes across all campuses. There has been a decline in the quality of the residences, particularly the bathrooms. Management has conducted visits to the campuses to evaluate the condition of the houses, with Campus Heads urged to participate to identify ongoing maintenance needs.

In a significant step towards promoting inclusivity and equal access to education, Lovedale TVET College received approval from the Department of Higher Education and Training (DHET) to establish a dedicated Disability Centre. The centre will operate under the Student Support Services division within the Registration Services section, reinforcing the College's commitment to supporting students with disabilities.

Throughout 2024, the College continued to provide a range of assistive devices to ensure that students with physical and sensory impairments are adequately supported. This included the provision of motorised wheelchairs, hearing aids, and visual aids, enabling students to participate more fully in their academic programmes.

Significantly, the College also expanded its disability support framework to include new categories such as low vision and hearing impairment, reflecting a broader and more inclusive approach to identifying and supporting diverse student needs.

Additionally, Disability Committees were formally established at College level, tasked with coordinating support, raising awareness, and facilitating communication between departments and affected students.

Looking forward, the focus will shift towards capacity building for academic staff, particularly through targeted training aimed at helping lecturers adapt their teaching methodologies to meet

varied learning requirements. This includes incorporating inclusive teaching strategies and universal design principles in curriculum delivery.

These efforts mark a progressive shift towards a more accessible and supportive learning environment, laying the groundwork for sustained academic success for students with disabilities.

STRATEGIC OBJECTIVE 2: IMPROVED SUCCESS AND EFFICIENCY OF TVET SYSTEMS

2024 NATIONAL CERTIFICATE (VOCATIONAL) LEVEL 2 - 4: RESULTS ANALYSIS SUMMARY:

	Wrote	No. Passed	% Passed	No. Certificated	% Certification
Level 2	675	155	23%	403	60%
Level 3	337	214	64%	123	36%
Level 4	256	110	43%	110	43%
College Total (L2-L4)	1268	479	38%	636	50%

2023 SEMESTER 1 REPORT 191: BUSINESS STUDIES (N4 – N6): RESULTS ANALYSIS SUMMARY:

	Wrote	No. Passed	% Passed	No. Certificated	% Certification
N4	801	780	97%	448	56%
N5	659	631	96%	303	46%
N6	515	498	97%	292	57%

College	Wrote	No. Passed	% Passed	No. Certificated	% Certification
N4 – N6	1975	1909	97%	1043	53%

2024 SEMESTER 2 REPORT 191: BUSINESS STUDIES (N4 – N6): RESULTS ANALYSIS SUMMARY:

	Wrote	No. Passed	% Passed	No. Certificated	% Certification
N4	637	619	97%	355	56%
N5	300	293	98%	150	50%
N6	281	272	97%	173	62%

College	Wrote	No. Passed	% Passed	No. Certificated	% Certification
N4 – N6	1218	1184	97%	678	56%

REPORT 191: ENGINEERING N1-N3: RESULTS ANALYSIS SUMMARY 2023 – TRIMESTER 1

	Wrote	No. Passed	Pass %	Number Certificated	Certification Rate (%)
N1	0	0	#DIV/0!	0	#DIV/0!
N2	57	48	84%	17	30%
N3	58	43	74%	10	17%
Total	115	91	79%	27	23%

REPORT 191: ENGINEERING N1-N3: RESULTS ANALYSIS SUMMARY 2023 – TRIMESTER 2

	Wrote	No. Passed	Pass %	Number Certificated	Certification Rate (%)
N1	0	0	0%	0	0%
N2	0	0	0%	0	0%
N3	65	60	92%	12	18%
Total	65	60	92%	12	18%

No trimester 3 information is available as the NATED N3 programme has been phased out

STRATEGIC OBJECTIVE 3: IMPROVED QUALITY OF TVET COLLEGE PROVISION

The effective implementation of the essential governance role was facilitated by the establishment and functionalisation of the College governance structures in 2024. The College's absence of an appointed accounting officer by the DHET was the persistent issue during that period. This led to a series of precarious incidents that undermined the College's operations, resulting in substantial reputational harm to its image. The Council's efforts to stabilise the College and secure assistance from the DHET led to the ongoing renewal of the acting Principal's contract.

Nonetheless, despite the aforementioned obstacle, the Council, its sub-committees, and the academic board fulfilled their respective duties, ensuring that the oversight role was executed, with management reports from the institution delivered as mandated. The Student Representative Council (SRC) was operational; however, a significant concern regarding this structure was that during student protests, it was common for the SRC to be undermined by self-appointed "delegates" from various student organisations. These delegates would insist on participating in meetings with management addressing student issues, claiming they had been authorised by students due to a lack of confidence in the SRC. Occasionally, external stakeholders and political parties were engaged to advocate for the students during sessions aimed at addressing students' concerns. Similar occurrences would transpire during staff meetings, wherein organised labour

would mobilise diverse external stakeholders to visit the College and engage with college management alongside internal shop stewards. Management initially fought this, but occasionally made concessions to facilitate issue resolution. As previously mentioned, these unusual arrangements manifested at the college due to a deficiency in the management structure resulting from the absence of the accounting officer—a situation that was consistently reported as a significant issue to the DHET, which continued to make temporary acting appointments in that role.

Moreover, the institution has faced significant vacancies, particularly with the assistant directors, who are intended to serve as portfolio managers for various divisions throughout all sections of the college. The situation was worsened by the Treasury's implementation of austerity measures, which rendered the institution unable of commencing recruitment processes necessary to fill several crucial vacancies. This issue is expected to be resolved only upon the removal of austerity measures by the national treasury.

STRATEGIC OBJECTIVE 4: IMPROVED RESPONSIVENESS OF TVET COLLEGES TO THE WORLD OF WORK

Lovedale TVET College has maintained its focus in 2024 on offering support to students through work preparedness initiatives, specifically work-integrated learning and entrepreneurship programmes. The offices crucial to the college's attainment of its objectives regarding responsiveness to the labour market are the Work Integrated Learning Officer along with the Centre Manager (and his team) for the Centre for Entrepreneurship, Rapid Incubator (CfERI).

Due to the assistance and contributions of the aforementioned offices, the College surpassed its target for N6 (exit level placement) in the Report 191: Business Studies programmes, achieving placements for 56 students, exceeding the goal of approximately 24 students for the 2023 academic year. However, the College, by concentrating its resources on exit-level placement, failed to achieve its target for on-course placement of NC(V) level 4 students, securing 268 placements out of the 150 aimed for the year. Meanwhile, CfERI exceeded its objective by engaging a total of 78 students in entrepreneurship programmes, surpassing the target of 55 students.

CFERI

Centre for Entrepreneurship Rapid Incubator (CFERI)

The Centre for Entrepreneurship Rapid Incubator (CFERI) continues to play a pivotal role in promoting entrepreneurial development, innovation, and enterprise support within the college and surrounding communities. In 2024, the centre intensified its support services for student-preneurs

and local SMMEs, while strengthening collaborations with stakeholders and strategic partners to expand impact.

1. Incubation Programmes and Business Development Services (BDS)

Throughout 2024, the CFERI maintained its core function of delivering incubation and BDS offerings to aspiring entrepreneurs and registered incubatees. These programmes provided tailored business support, mentorship, access to markets, and capacity-building interventions aligned with the startup lifecycle.

2. Recruitment and Induction of Incubatees

A new cohort of incubatees was recruited and inducted during the year, following a structured orientation programme. The process ensured alignment with CFERI's incubation objectives and created a pipeline of viable, youth-led businesses.

3. CFERI Client Site Visits and Support

CFERI continued providing on-site visits and technical support to incubatees across the region. These visits allowed for direct mentorship, monitoring of business progress, and identification of additional developmental needs.

4. Stakeholder Engagement Activities

The centre maintained strong relationships with key partners including SEDA, DSBD, Allan Gray Orbis Foundation, and local municipalities. Several stakeholder engagements and forums were hosted, enabling information sharing, resource mobilisation, and partnership development.

5. Allan Gray Entrepreneurship Competition

CFERI facilitated the full cycle of the prestigious Allan Gray Entrepreneurship Competition, from application submissions and internal rounds to regional and national participation. Student-preneurs showcased innovative business ideas, with several making it to advanced competition stages.

6. Incubation Bootcamp

A successful incubation bootcamp was held to fast-track the development of early-stage ventures. This intensive programme focused on practical business skills, lean startup methodology, and investor readiness.

7. Launch of the King Campus Makerspace

A major milestone for 2024 was the official launch of the CFERI Makerspace at King Campus. This facility is designed to support innovation, prototyping, and hands-on product development, particularly for technical and manufacturing-focused startups.

8. Business Networking Sessions and Symposiums

To expose incubatees to broader industry ecosystems, CFERI hosted business networking events and participated in regional symposiums. These engagements helped bridge the gap between student businesses and potential partners or investors.

9. Entrepreneurship Week and Open Market Events

CFERI organised and supported various entrepreneurship awareness campaigns, including an Entrepreneurship Week, flea market days, and open market exhibitions. These events allowed incubatees to promote and sell their products while gaining customer feedback and validation.

10. Participation in SEDA and National Competitions

The centre actively participated in SEDA's provincial pitching competitions, the Annual Stakeholder Forum, and supported candidates for the DSBD and Presidential SMME Awards. This highlighted the College's presence on national entrepreneurship development platforms.

11. ICT Summit Participation

CFERI engaged in the ICT Summit to foster dialogue on digital entrepreneurship, innovation trends, and the role of emerging technology in SMME development. This aligns with the College's broader digital transformation agenda.

Quarterly Reporting and Compliance

CFERI consistently submitted its quarterly reports to SEDA, capturing progress metrics, challenges, and impact assessments. These reports continue to inform the strategic evolution of the incubation programme and stakeholder engagement efforts.

Conclusion

In 2024, CFERI demonstrated significant progress in fostering a culture of entrepreneurship at Lovedale TVET College. Through a combination of strategic partnerships, impactful programmes, and innovative spaces, the centre contributed meaningfully to youth empowerment and local economic development. Plans for 2025 include scaling incubation capacity, enhancing digital innovation, and deepening industry partnerships.

➤ SUMMARY OF THE ACHIEVEMENTS

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2024 PLANNED TARGET	TVET COLLEGE 2024 ACHIEVEMENT	EXPLANATORY REMARKS
SO 1 Expanded access to TVET college opportunities	1.1 Students enrolled and managed as per enrolment plan	Number of students enrolled in different programme types	4544	4992	
		*NCV	1343	1705	
		*Report 191	2626	2803	
		*PLP	125	104	
		*Occupational qualifications	350	380	
		*Trades (COS)	0	0	
		*Higher Certificates	0	0	
		*Shorter skills programmes (accredited and non-accredited)	0	0	
		Occupation rate (%) per enrolment cycle	100%	78%	
		1.2 College student accommodation is optimally utilized			
SO2 Improved success and efficiency of TVET systems	2.1 Apprentices in trade programmes qualify and pass trade test	Number of artisans exiting COS or college	0	0	
	2.2 Students complete	Number of students at exit levels exiting	675	645	

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2024 PLANNED TARGET	TVET COLLEGE 2024 ACHIEVEMENT	EXPLANATORY REMARKS
SO3 Improved quality of TVET college provision	qualifications and programmes and exit the college	college programmes *Number of students exiting NCV L4	175	129	
	2.3 NCV students complete qualification within 3 years	Number of students exiting N6	500	516	
	2.4 PLP students are retained	Retention rate (%) in PLP	75%	98%	
	2.5 PLP students progress into initial programmes of choice	Progression rate (%) of PLP students	49%	98%	
	3.1 College councils are constituted and comply with standards	% compliance with governance standards	100%	85%	
	3.2 Examinations are conducted with minimum irregularity reported	% compliance with examinations standards and policy	100%	100%	
	3.3 More students meet the requirements for writing examinations	% of registered students (based on subject enrolment) qualifying for examinations	90%	81%	
	3.4 TVET college lecturers are placed in industry for	% of TVET college lecturers placed in industry	30%	10%	

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2024 PLANNED TARGET	TVET COLLEGE 2024 ACHIEVEMENT	EXPLANATORY REMARKS
SO4 Improved responsiveness of TVET colleges to the world of work	specified periods to gain relevant experience				
	3.5 Partnerships signed for improving teaching and learning and relevance of programmes	Number of partnership agreements (locally and internationally) for purposes of exchanging and/or placing college students and /or lecturers	25	7	
	4.1 More students are enrolled in identified programme offerings relating to OIHD and priority skills	Number of students enrolled in programmes relating to OIHD and priority skills	1000	0	
	4.2 Entrepreneurship hubs are established and supported	Number of students engaged in entrepreneurship programmes and initiatives	55	78	
	4.3 Students are placed for WBPL at exit levels	Number of students placed for WBPL at exit levels	174	292	
		*Number of students placed for WBPL at NCV L4	150	268	

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2024 PLANNED TARGET	TVET COLLEGE 2024 ACHIEVEMENT	EXPLANATORY REMARKS
		*Number of students placed for WBPL at N6	24	56	

Average Achievement Rate	?		
	Target Achievement Rates		
	% Achieved		?
	% Target exceeded		?
	% Not Achieved		?
	Total		100%

9.2 INTERNAL AUDIT REPORT FOR 2024

Risk assessment and management of risks

Introduction

The College Council recognises and acknowledges that it is ultimately accountable for the establishment and maintenance of an effective risk management system. The Audit and Risk Committee is mandated to monitor the effectiveness of the risk management process and systems of internal control.

The College's internal and external auditors, along with management, are tasked to render combined assurance reports to the Audit and Risk Committee. The external and internal auditors attend Audit and Risk Committee meetings and have unrestricted access to the committee and the Chairperson, hence ensuring that their independence is in no way impaired. Both the external and internal auditors have the opportunity to address the Audit and Risk Committee at each of the meetings.

Internal control

As part of the overall management of risk, the Management of the College has implemented a system of internal control. Although it is not fully effective yet, the internal control system provides the Council with reasonable assurance that the College is operated consistently with:

- the strategy as approved by the Council;
- the College objectives;
- the policies and processes; and
- the laws and regulations that apply to the College.

The risk management system aims to prevent and proactively detect any significant risk(s) from materialising and to mitigate any adverse consequences thereof.

Internal financial controls

Internal financial controls are based on approved policies and procedures. Management is responsible for implementing internal financial controls, ensuring that employees are suitably qualified, that there is appropriate segregation of duties and that appropriate reviews are performed. The internal financial controls are the most significant accounting system in the College that are documented and tested. The external audit exposed deficiencies in internal controls around monthly reconciliation and the monitoring of the audit improvement plan. Results of this

review were reported to the senior management team and the Audit and Risk Committee by and external audit.

Internal assurance providers

The main internal independent assurance provider is Songo Chartered Accountants (appointed in January 2024), a registered audit and accounting firm, providing an outsourced internal audit service to the College. Internal audit provides objective and independent assurance to Management and the Council, through the Audit and Risk Committee, about risk management, control and governance processes. Internal audit is governed by an internal audit charter, approved by the College's Council, and is reviewed annually. The charter defines the purpose, authority and responsibility of the function.

Below are the summary of the Internal Audit reports that has been finalised during the period January 2024 to December 2024.

No.	Audit Title	Project	Audit Period	Objective/Scope	Status
1.	Supply Chain Management Review		Q1 & Q2 2023/2024	Evaluate compliance with PFMA and Treasury Regulations	Completed
3.	Review of finance policies		Q4 2023/2024	Review of finance policies.	Completed
4.	Inventory Year-End Count		Mar-24	Verify physical inventory against records and assess controls	Completed
5.	Skills Audit		Ad Hoc Assignment	Provide independent audit of the Skills applicable to Lecturers	Completed
6.	Inventory Count		Q1 2023/24	Verify physical inventory against records and assess controls	Completed
7.	AFS Review		Q1 2023/24	Review of the annual financial statements	Completed

It should be noted that during the 2024 financial year, i.e January 2024 to December 2024, the college did not have the Audit and Risk Committee in place; however, the Internal Auditors managed to report to the management of the college regarding all the finalised Internal Audit Projects.

Internal audit conducts a robust risk-based assessment process in developing its three-year audit coverage plan. Approved annual internal audit plan to ensure responsiveness to changes in the operating environment of the College.

Internal audit systematically analyses and evaluates the significant risks and associated audit controls, in terms of their agreed scope. Internal audit proactively reviews its practices and resources for adequacy and appropriateness, to meet the increasingly demanding corporate governance and regulatory environment.

External audit

The external auditor of the College is the Auditor-General of South Africa, who provides stakeholders with an independent opinion on whether the annual financial statements present the financial position of the College, in all material respects. The Auditor-General's opinion on the annual financial statements(AFS) for the year 2024 under review was Unqualified Opinion (Clean Audit) with no findings.

Strategic risks, strategies identified and mitigation actions

Lovedale College has identified several strategic risks and implemented various mitigation strategies to address them. Poor communication was recognised as a major risk, prompting the College to introduce quarterly feedback sessions with stakeholders, establish a centralised email system for staff communication, and utilise Student Support Services and the SRC to disseminate accurate information to students. Slow procurement processes were another significant risk affecting the timely delivery of teaching and learning; to address this, Supply Chain Management will implement procurement plans aligned with the institutional budget. Student unrest remains an ongoing risk, primarily due to systemic challenges related to data integration for NSFAS processing. Despite enhanced communication efforts through various media and meetings, unrest persists.

To improve data management and reporting, the College has fully implemented a Management Information System module that captures student personal, enrolment, and assessment data,

which is also uploaded to a DHET survey hub for accurate reporting. Furthermore, the system has been expanded to include financial and HR modules through Coltech, enhancing the College's capacity to manage student debt, payroll, and leave while enabling timely, informed decision-making by management.

Fraud and corruption

At the Audit and Risk Committee meetings, fraud and corruption are standing items on the agenda and are always discussed. Management, the internal and the external auditors (as per invite) are present in these meetings.

Conclusion

The college achieved an unqualified audit opinion (clean audit) with no findings for the period under review.



higher education
& training

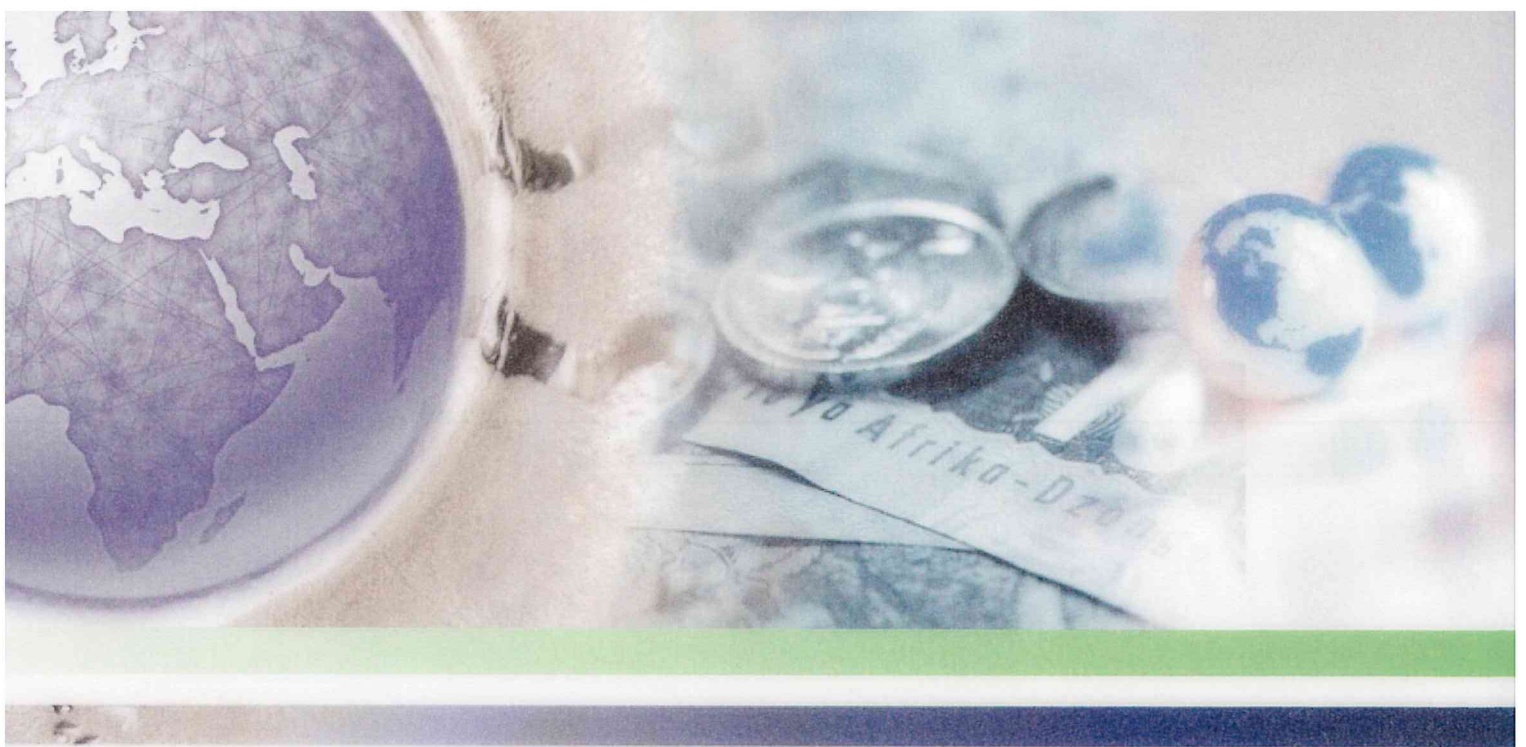
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

PART D

FINANCIAL INFORMATION



LOVEDALE
TVET COLLEGE



Auditing to build public confidence



**AUDITOR - GENERAL
SOUTH AFRICA**

Lovedale TVET College

Audit Report

For the year ended 31 December 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to Minister of Higher Education and Training and the Principal on Lovedale Technical and Vacation Education and Training College

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Lovedale Technical and Vocational Education and Training (TVET) College set out on pages ... to..., which comprise the statement of financial position as at 31 December 2024, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Lovedale TVET College as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (CETA).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 40 to the financial statements, the corresponding figures for 31 December 2023 were restated as a result of an error in the financial statements of the college at, and for the year ended, 31 December 2024.

Impairments – Receivables from exchange transactions

8. As disclosed in note 29 to the financial statements, allowance for impairment of R2,8 million (2023-24: R3,2 million) was incurred as a result of debts past due date.

Unspent conditional grants

9. As disclosed in note 14 to the financial statements, the college has unspent conditional grants and receipts of a total amount of R19 million (2023-24: R17,3 million)

Other matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages.. to.. does not form part of the financial statements and is presented as additional information. We have not audited these schedules and accordingly, we do not express an opinion on them.

Responsibilities of the principal for the financial statements

12. The principal 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 principal 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 principal 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 principal 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.

Report on the audit of the annual performance report

16. In terms of the CETA, the college is not required to prepare an annual performance report.

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 principal 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. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

21. The principal is responsible for the other information included in the annual report which includes the principal's report and the audit committee's report. The other information referred to does not include the financial statements, the auditor's report that have been specifically reported on in this auditor's report.

22. My opinion on the financial statements and my reports 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.

23. 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.

24. I did not receive the other information prior to the date of this report. When we do receive and read this information, if we conclude that there is a material misstatement therein, we are 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

25. 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.
26. I did not identify any significant internal control deficiencies.

Other reports

27. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
28. The Department of Higher Education and Training conducted an investigation into allegations of gross negligence in the appointment of a service provider by the college officials. The investigation was concluded resulted in senior management being put on special leave pending outcome of their appeals from the minister of the Department of Higher Education and Training.

Auditor - General

East London

30 May 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

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



**LOVEDALE
TVET COLLEGE**

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	The College is a Public Technical and Vocational Education and Training College, Constituted in terms of the Continuing Education and Training Act No. 16 of 2006, as amended (CET Act), and operates within the Republic of South Africa.
Nature of business and principal activities	To provide continuing education and training to registered students for all learning and training programmes as required by the CET Act of 2006 (as amended)
Principal and Council members	Mr S Khanyile (Council Chairperson) Appointed 22 May 2024 Mrs TN Njengele (Acting Principal) Appointed 1 November 2024 Mr. C.J Sparg (External Member - Ministerial Appointment) Appointed 22 May 2024 Dr M Swartz (External Member - Ministerial Appointment) Appointed 22 May 2024 Mrs NP Yekela (External Member - Ministerial Appointment) Appointed 22 May 2024 Dr. S. Potelwa (External Member - Ministerial Appointment) Appointed 22 May 2024 Mrs. L. Mdukiswa (Lecturer Representative) Mr. N. Maselana (Support Staff Representative) Mr. L. Feni (SRC President) Ms. N. Faleni (SRC Secretary General) Mr. S. Ndikinda (Academic Board Representative)

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Index

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

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Statement of Financial Performance	9
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LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

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Abbreviations used:

CIEG	Capital Infrastructure and Efficiency Grant
NSF	National Skills Fund
GRAP	Generally Recognised Accounting Practice
NSFAS	National Students Financial Aid Scheme
DHET	Department of Higher Education and Training
CET Act	Continuing Education and Training (Act no 16 of 2006 amended)
ARC	Audit and Risk Committee
BANK SETA	Banking Sector Education and Training Authority
Agri SETA	Agricultural Sector Education and Training Authority
INSETA	Insurance Sector Education and Training Authority
LG SETA	Local Government Sector Education and Training Authority
WR SETA	Wholesale and Retail Sector Education and Training Authority
SETA	Sector Education and Training
SRC	Student Representative Council
TVET	Technical and Vocational Education and Training
MICT SETA	Media Information and Communication Technologies Sector Education and Training Authority
SEDA	Small Enterprise Development Agency
Foodbev SETA	Food & Beverages Manufacturing Sector Education and Training Authority
UIF	Unemployment Insurance Fund
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sports Sector Education and Training Authority
FASSET	Finance and Accounting Services Sector Education and Training Authority
PSETA	Public Sector Education and Training Authority
NARYSEC	National Rural Youth Service Corps
BCM	Buffalo City Municipality
CoVE	Centre of Vocational Excellence

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Council's Responsibilities and Approval of Annual Financial Statements

The Council is required by the Continuing Education and Training (Act no 16 of 2006 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 the 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 period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

The Council 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

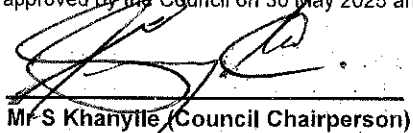
The Council has reviewed the College's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, it is satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The College is wholly dependent on the DHET for continued funding of operations. The annual financial statements are prepared on the basis that the College is a going concern and DHET has neither the intention nor the need to liquidate or curtail materially the scale of the College. DHET has already approved enough budget to ensure continuation of operations in the 2024 financial year.

Although the Council is primarily responsible for the financial affairs of the College, they are supported by the College's internal auditors.

The external auditors are responsible for independently reviewing and reporting on the College's annual financial statements. The annual financial statements have been examined by the College's external auditors.

The annual financial statements set out on pages 8 to 65, which have been prepared on the going concern basis, were approved by the Council on 30 May 2025 and were signed on its behalf by:


Mr S Khanyile (Council Chairperson)


Mrs TN Njengale (Acting Principal)

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Audit Committee Report

We are pleased to present our report for the financial year ended 31 December 2024.

Audit committee members and attendance

The College did not have the audit and risk committee's during the 2024 financial year as such there was no sitting during the year. The following members of audit and risk committee were appointed on 20 March 2025 and they were involved in the review of the Annual Financial Statements before submission for audit.

Name of member	Number of meetings attended
Ms B. Fokazi - Chairperson	0
Mr W. Manthe	0

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the annual financial statements annual financial statements to be included in the annual report, with the Auditor-General and the ;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the College and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Audit Committee Member

Date: 30/05/2025

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Council's Report

The Council submits their report for the year ended 31 December 2024.

1. Incorporation

The College was incorporated on 01 April 2002 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

The College is engaged in to provide continuing education and training to registered students for all learning and training programmes as required by the CET Act of 2006 (as amended) and operates principally in South Africa.

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

3. Going concern

We draw attention to the fact that at 31 December 2024, the college had an accumulated surplus (deficit) of R 196 622 347 and that the College's total assets exceed its liabilities by R 196 622 347.

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

The ability of the College to continue as a going concern is dependent on a number of factors. The most significant of these is that the DHET will continue to fund the College as it has already approved and allocated a budget towards the College for the 2025 financial year.

4. Subsequent events

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

Management has assessed events after 31 December 2024 (reporting date) till 31 May 2025 (Date of issue of the financial statements). The following events have been brought to management's attention:

1. The following senior managers had been put on special leave pending outcome of their appeals from the Minister of the Department Higher Education and Training.

- Deputy Principal Finance: Mr M.A Manaka
- Deputy Principal Corporate Services: Ms P Xamesi
- Deputy Principal Academic Services: Mr Somlota

2. Mrs M. Mili was appointed as an Acting Deputy Principal: Finance from 24 February 2025 and she is still acting on the same position.

3. The Audit and Risk Committee was appointed on the 20th of March 2025

5. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations of such Statements issued by the Accounting Standards Board (ASB), as the prescribed framework by National Treasury.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Council's Report

6. Council

The Council of the College during the year and to the date of this report are as follows:

Name	Nationality	Appointed
Mr S Khanyile (Council Chairperson)	South African	Appointed 22 May 2024
Mrs TN Njengele (Acting Principal)	South African	Appointed 1 November 2024
Mr. C.J Sparg (External Member - Ministerial Appointment)	South African	Appointed 22 May 2024
Dr M Swartz (External Member - Ministerial Appointment)	South African	Appointed 22 May 2024
Mrs NP Yekela (External Member - Ministerial Appointment)	South African	Appointed 22 May 2024
Dr. S. Potelwa (External Member - Ministerial Appointment)	South African	Appointed 22 May 2024
Mrs. L. Mdukiswa (Lecturer Representative)	South African	
Mr. N. Maselana (Support Staff Representative)	South African	
Mr. L. Feni (SRC President)	South African	
Ms. N. Faleni (SRC Secretary General)	South African	
Mr. S. Ndikinda (Academic Board Representative)	South African	

7. Controlling entity

The College's controlling entity is Department of Higher Education and Training (DHET).

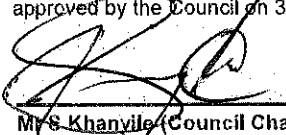
8. Auditors

Auditor General South Africa will continue in office for the next financial period.

9. Tax matters

The College is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act. According to section 12(h) of the VAT Act 89 of 1991, "Education services" are exempt from the levying of VAT as imposed by section 7(i)(9) of the Act, therefore the College is not a VAT registered institution.

The annual financial statements set out on pages 8 to 65, which have been prepared on the going concern basis, were approved by the Council on 30 May 2025 and were signed on its behalf by:

 Mr S Khanyile (Council Chairperson)	 Mrs TN Njengele (Acting Principal)
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LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Statement of Financial Position as at 31 December 2024

		2024	2023 Restated*
	Note(s)		
Assets			
Current Assets			
Inventories	3	1 066 920	1 207 202
Receivables from exchange transactions	4	26 185 898	18 898 337
Receivables from non-exchange transactions	5	1 433 094	2 750 818
Statutory Receivables	6	7 131 270	6 825 505
Cash and cash equivalents	7	42 118 958	37 782 461
		77 936 140	67 464 323
Non-Current Assets			
Biological assets that form part of an agricultural activity	8	344 459	287 305
Property, plant and equipment	9	180 587 861	172 654 232
Intangible assets	10	96 211	187 634
		181 028 531	173 129 171
Total Assets		258 964 671	240 593 494
Liabilities			
Current Liabilities			
Payables from exchange transactions	11	20 869 621	28 308 674
Payables from non-exchange transactions	12	21 807 950	16 425 333
Employee benefit obligation	13	626 269	490 256
Unspent conditional grants and receipts	14	19 038 484	17 304 020
		62 342 324	62 528 283
Total Liabilities		62 342 324	62 528 283
Net Assets		196 622 347	178 065 211
Accumulated surplus		196 622 347	178 065 211
Total Net Assets		196 622 347	178 065 211

* See Note 40

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Statement of Financial Performance

		2024	2023 Restated*
	Note(s)		
Revenue			
Revenue from exchange transactions			
Tuition fees	15	40 048 987	34 770 654
Hostel fees	16	18 201 236	5 090 932
Skills Training	17	5 405 715	5 291 683
Other income	18	877 212	426 756
Interest received	19	527 339	352 816
Total revenue from exchange transactions		65 060 489	45 932 841
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	20	55 177 488	58 992 759
Service in-kind revenue	21	93 987 253	88 077 543
Public contributions and donations	22	2 694 178	1 065 035
Total revenue from non-exchange transactions		151 858 919	148 135 337
Total revenue		216 919 408	194 068 178
Expenditure			
Employee costs and DHET management fee	23	(128 072 958)	(121 191 275)
Councillors' and ARC expenses	24	(212 062)	(336 931)
Audit fees	25	(4 183 401)	(4 000 739)
Impairment of assets	26	(888 576)	(306 145)
Depreciation and amortisation	27	(7 840 677)	(7 947 000)
Finance costs	28	(1 070 192)	(396 745)
Debt Impairment	29	(2 785 555)	(3 165 528)
Repairs and maintenance	30	(1 859 857)	(1 554 482)
Contracted services	31	(12 022 747)	(10 659 323)
Teaching and Learning costs	32	(8 660 630)	(14 159 995)
Student support expenses	33	(2 630 488)	(6 384 750)
General Expenses	34	(28 192 284)	(30 690 742)
Total expenditure		(198 419 427)	(200 793 655)
Operating surplus (deficit)		18 499 981	(6 725 477)
Fair value adjustments on biological assets		57 153	59 652
Surplus (deficit) for the year		18 557 134	(6 665 825)

* See Note 40

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Statement of Changes in Net Assets

	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	182 243 077	182 243 077
Adjustments		
Prior year adjustments 40	2 487 959	2 487 959
Balance at 01 January 2023 as restated*	184 731 036	184 731 036
Changes in net assets		
Surplus for the year	(6 665 825)	(6 665 825)
Total changes	(6 665 825)	(6 665 825)
Opening balance as previously reported	176 995 391	176 995 391
Adjustments		
Prior year adjustments 40	1 069 822	1 069 822
Restated* Balance at 01 January 2024 as restated*	178 065 213	178 065 213
Changes in net assets		
Surplus for the year	18 557 134	18 557 134
Total changes	18 557 134	18 557 134
Balance at 31 December 2024	196 622 347	196 622 347

* See Note 40

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Cash Flow Statement

		2024	2023 Restated*
	Note(s)		
Cash flows from operating activities			
Receipts			
Tuition and related fees		49 878 785	29 780 354
Government grants and subsidies		64 050 940	65 760 314
Interest income		456 262	492 230
		<u>114 385 987</u>	<u>96 032 898</u>
Payments			
Employee costs		(34 161 756)	(33 494 440)
Goods and Services		(58 911 177)	(64 603 290)
Finance Costs		(1 070 192)	(396 744)
		<u>(94 143 125)</u>	<u>(98 494 474)</u>
Net cash flows from operating activities	35	<u>20 242 862</u>	<u>(2 461 576)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(15 906 365)	(6 652 167)
Net increase/(decrease) in cash and cash equivalents		<u>4 336 497</u>	<u>(9 113 743)</u>
Cash and cash equivalents at the beginning of the year		37 782 461	46 896 204
Cash and cash equivalents at the end of the year	7	<u>42 118 958</u>	<u>37 782 461</u>

* See Note 40

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Significant Accounting Policies

	2024	2023
	Note(s)	

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 89 (1) of the CET Act no 16 of 2006 as amended.

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

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

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements:

Trade receivables

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

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the College for similar financial instruments.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable service amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The college reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. They are significantly affected by a number of factors including changes in the funding of tertiary education, the position of political parties and government on all unpaid student fees, destruction of properties during student protests, etc., together with economic factors such as sovereign credit rating, inflation, interest rates and the country's GDP.

Provisions

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

Useful lives of property, plant and equipment

The College's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Allowance for doubtful debts

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

1.5 Biological assets that form part of an agricultural activity

The College recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the College controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the College;
- and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Significant Accounting Policies

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

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

Item	Depreciation method	Average useful life
Land	Indefinite	Indefinite
Buildings	Straight-line	50-100 years
Plant and machinery	Straight-line	5-10 years
Furniture and fixtures	Straight-line	5-10 years
Motor vehicles	Straight-line	5-10 years
Office equipment	Straight-line	3-6 years
IT equipment	Straight-line	3-5 years
Infrastructure	Straight-line	10-15 years
Other property, plant and equipment	Straight-line	3-10 years

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the College. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The College assesses at each reporting date whether there is any indication that the College expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the College revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Significant Accounting Policies

1.6 Property, plant and equipment (continued)

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The College separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 30).

The College discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 9).

1.7 Intangible assets

The College considers an asset is identifiable if it either:

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

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

The College recognises an intangible asset when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the College; and
- the cost or fair value of the asset can be measured reliably.

The College assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

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

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

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

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

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Significant Accounting Policies

1.7 Intangible assets (continued)

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

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

Item	Depreciation method	Average useful life
Computer and network software	Straight-line	2-5 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 Financial instruments

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

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an College shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the College shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

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

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another College; or

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1.8 Financial instruments (continued)

- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the College.

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

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

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

Classification

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

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

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

Initial recognition

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

The College recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

The College measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

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1.8 Financial instruments (continued)

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

Impairment and uncollectibility of financial assets

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

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

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

Derecognition

Financial assets

The College derecognises financial assets using trade date accounting.

The college derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the college transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the college, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the college :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

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

Financial liabilities

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

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another college by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

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1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The College recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The College initially measures statutory receivables at their transaction amount.

Subsequent measurement

The College measures statutory receivables 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:

- impairment losses; and
- amounts derecognised.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

Derecognition

The college derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the college transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the college, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

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Significant Accounting Policies

1.9 Statutory receivables (continued)

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.10 Leases

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

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

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

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

- distribution at no charge or for a nominal charge; or

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the College.

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

1.12 Impairment of cash-generating assets

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

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

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

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Significant Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

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

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

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Significant Accounting Policies

1.13 Employee benefits

Short-term employee benefits

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

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

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The college measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The College recognises the expected cost of bonus, incentive and performance related payments when the college has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the College has no realistic alternative but to make the payments.

DHET management fee

The College's staff consist of two groups:

- Employees and management staff appointed on Persal and;
- Employees appointed on the College payroll.

The management and other staff who are stationed at the College and are paid through Persal are employed by DHET on DHET's Persal payroll. Therefore in terms of labour legislation they are DHET employees and not College employees. However, these employees are stationed permanently and exclusively at the College and are also subject to the governance and management oversight of the Council of the College and the intention is for the College to operate with relative autonomy. The employees are therefore substantively under the operational control of the College, with DHET performing and supporting certain HR related functions e.g. administering the payroll and appointment, performance management, termination and disciplinary processes.

In terms of the CET Act and Funding Norms for TVET Colleges, the Colleges are funded (Programme funding) based on their Full Time Equivalent (FTE) student numbers. Therefore, in terms of the CET Act and the Funding Norms, a College receives Programme Funding to enrol and train a certain number of students for the year and that Programme Funding accrues to the College in terms of the CET Act and the Funding Norms and the accrual is separate and independent from how the funds are distributed to the College. The full amount of allocated Programme Funding therefore has to be paid to the College by DHET, irrespective of how it is paid. DHET settles its liability for Programme Funding towards the College in part by paying the employment cost of the College employees employed by DHET, via Persal. The remaining liability towards the College is settled in cash.

1.14 Provisions and contingencies

Provisions are recognised when:

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

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

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

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Significant Accounting Policies

1.14 Provisions and contingencies (continued)

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the College settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

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

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the College.

A contingent liability is:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

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Significant Accounting Policies

1.16 Revenue from exchange transactions

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

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

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

Measurement

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

Interest, dividends and tuition fees

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the College, and
- The amount of the revenue can be measured reliably.

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

Tuition fees are recognised over the period of instruction.

1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a College, which represents an increase in net assets.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting College.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

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

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

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1.17 Revenue from non-exchange transactions (continued)

Measurement

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

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

Transfers

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

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

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

Gifts and donations, including goods in-kind

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

Unconditional grants

The Unconditional cash grant is recognised as revenue when it is received. The PERSAL grant is measured at the amount of expenditure incurred by DHET. The related revenue is recognised as programme funding revenue.

Services in-kind

Except for financial guarantee contracts, the College recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the College and the fair value of the assets can be measured reliably.

Where 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 College disclose the nature and type of services in-kind received during the reporting period.

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

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

1.19 Segment information

A segment is an activity of the College:

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

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1.19 Segment information (continued)

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

The College is organized and reports to management on the basis of two major functional areas that is Academic Services and Registrar Services. The segments were organized around the college strategic mandate which is teaching and learning. Management uses these same segments for determining strategic objectives.

The other information is combined in segment three for three cost centers that is Office of the Principal, Financial Management Services and Corporate Services. The purpose of this segment is to provide support functions to the core business to ensure prudent service delivery.

1.20 Budget information

The College does not present a Statement of Comparison of Budget and Actual amounts as it is not required to make its approved budget publicly available.

1.21 Related parties

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

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

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

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

All transactions with related parties are disclosed.

1.22 Events after reporting date

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

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

The College will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The College will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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Notes to the Annual Financial Statements

	2024	2023
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The college has not applied the following standards and interpretations, which have been published and are mandatory for the college's accounting periods beginning on or after 01 January 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
- GRAP 1 Presentation of Financial Statements (Going Concern) - (amended) - GRAP 104 (amended): Financial Instruments - GRAP 105 Transfer of functions between Entities under common control - GRAP 106: Transfer of functions between entities not under common control - GRAP 107: Mergers	01 April 2025 date to be determined by the Minister of Finance date to be determined by the Minister of Finance date to be determined by the Minister of Finance date to be determined by the Minister of Finance	Unlikely there will be a material impact Unlikely there will be a material impact Unlikely there will be a material impact Unlikely there will be a material impact Unlikely there will be a material impact

3. Inventories

Textbooks	1 066 920	1 207 202
Inventories recognised as an expense during the year	5 057 653	8 147 093

Inventory relates to textbooks bought for the students but not yet issued.

Inventory pledged as security

No inventory was pledged as security for any financial liability.

4. Receivables from exchange transactions

Trade debtors	22 827 514	15 918 927
Other receivables	-	1 290 685
Accrued Interest - bank	82 809	11 732
SETAs and other projects receivable	2 329 081	1 348 043
Prepaid expenses	946 494	328 950
	26 185 898	18 898 337

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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2024 2023

4. Receivables from exchange transactions (continued)

2024	Current	31 - 60 days	61 - 90 days	91 - 120 days	121+ days	Total
Students - tuition and hostel fees	(24 837)	(7 234)	33 472	85 615	82 691 114	82 778 130
Staff rental and other debtors	28 350	28 350	24 150	24 150	3 757 119	3 862 119
Other receivables	-	-	-	-	1 216 408	1 216 408
Accrued Interest - bank	82 809	-	-	-	-	82 809
SETAs and other projects receivables	546 902	-	-	434 136	1 348 043	2 329 081
Prepaid expenses	946 494	-	-	-	-	946 494
Gross balance	1 579 718	21 116	57 622	543 901	89 012 684	91 215 041
Less: Impairment - students - tuition and hostel fees	3 179	(5 708)	(386)	(13 443)	(62 970 329)	(62 986 687)
Staff rental and other debtors	(1 300)	(1 300)	(1 300)	(1 300)	(820 848)	(826 048)
Other receivables	-	-	-	-	(1 216 408)	(1 216 408)
Net balance	1 581 597	14 108	55 936	529 158	24 005 099	26 185 898

2023	Current	31 - 60 days	61 - 90 days	90-120 days	121+ days	Total
Students - tuition and hostel fees	(32 692)	14 749	105 429	551 229	73 971 779	74 610 494
Staff rental and other debtors	21 970	21 970	17 770	17 770	3 472 541	3 552 021
Other receivables	-	-	-	74 277	1 216 408	1 290 685
Accrued Interest-bank	11 732	-	-	-	-	11 732
SETAs and other projects receivables	-	-	-	-	1 348 043	1 348 043
Prepaid expenses	14 463	312 095	(100)	-	2 492	328 950
Gross balance	15 473	348 814	123 099	643 276	80 011 263	81 141 925
Less: Impairment - students - tuition and hostel fees	15 913	1 106	(14 966)	(86 280)	(61 400 514)	(61 484 741)
Staff rental and other debtors	(1 300)	(1 300)	(1 300)	(1 300)	(753 647)	(758 847)
Net Balance	30 086	348 620	106 833	555 696	17 857 102	18 898 337

Student debtors

Student debtors are from tuition and hostel fees.

Non student debtors

Non student debtors relates to staff rentals, salary advances and other debtors.

NARYSEC PROGRAMME

Balance at the beginning of the year	-	-
Additions during the year	(236 678)	-
Expenditure for the year	-	-
Income recognised during the year	670 813	-
	434 135	-

Lovedale Tvet College had been appointed a training provider by Department of Agriculture, Land reform and Rural Development to capacitate unemployed rural youth aged 18-35 by providing a course in plant production. The college utilise their funds which are not fully reimbursed at year end resulting the receivable.

CATHSSETA

Balance at the beginning of the year	135 000	135 000
Additions during the year	-	-
Expenditure for the year	-	-

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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Notes to the Annual Financial Statements

	2024	2023
4. Receivables from exchange transactions (continued)		
Income recognised during the year	-	-
	135 000	135 000

The receivable relates to the outstanding rental of college premises by CATHSSETA in prior year

BCM Apprenticeship and Learnership programme

Balance at the beginning of the year	-	-
Additions during the year	(506 503)	-
Expenditure for the year	-	-
Income recognised during the year	1 053 405	-
	546 902	-

The Buffalo City Metropolitan Municipality has an existing memorandum of agreement with the College for the implementation of apprenticeship, learnerships and internships programmes of funding from Services SETA. The college utilise their funds which are not fully reimbursed at year end resulting the receivable.

ETDP SETA

Balance at the beginning of the year	1 213 044	2 517 643
Additions during the year	-	(1 473 199)
Expenditure for the year	-	168 600
	1 213 044	1 213 044

Trade and other receivables pledged as security

There are no trade and other receivables that have been pledged as security for financial liabilities.

Trade and other receivables past due but not impaired

Student debtors are assessed for impairment based on their payment history. Student debtors outstanding for more than 60 days are considered past due. At 31 December 2024, R 4 730 226 (2023: R 3 036 600) were past due but not impaired.

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

2 months past due	33 236	53 332
3 months past due	4 696 990	2 983 268

Trade and other receivables impaired

As of 31 December 2024, trade and other receivables of R 65 029 143 (2023: R 62 243 588) were impaired and provided for.

The ageing of these receivables is as follows:

	Current	31 - 60 days	61 - 90 days	91 - 120 days	121+ days	Total
2024						
Students tuition and hostel fees	3 179	(5 708)	(386)	(13 443)	(62 970 329)	(62 986 687)
Staff Rentals and other debtors	(1 300)	(1 300)	(1 300)	(1 300)	(820 848)	(826 048)
Other Receivables	-	-	-	-	(1 216 408)	(1 216 408)
	1 879	(7 008)	(1 686)	(14 743)	(65 007 585)	(65 029 143)
2023						
Students tuition and hostel fees	15 913	1 106	(14 966)	(86 280)	(61 400 514)	(61 484 741)
Staff Rental and other debtors	(1 300)	(1 300)	(1 300)	(1 300)	(753 647)	(758 847)
	14 613	(194)	(16 266)	(87 580)	(62 154 161)	(62 243 588)

**LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING
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Notes to the Annual Financial Statements

	2024	2023
4. Receivables from exchange transactions (continued)		
Reconciliation of allowance for impairment of trade and other receivables		
Opening balance	(62 243 588)	(59 078 059)
Provision for impairment	(2 785 555)	(3 165 529)
	<u>(65 029 143)</u>	<u>(62 243 588)</u>

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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Notes to the Annual Financial Statements

	2024	2023
5. Receivables from non-exchange transactions		
PSETA grant receivable	47 450	47 450
Accrued bank interest - CIEG Grant	55 374	117 124
LG SETA	18 000	-
MICT CETA receivable	202 657	-
Transport SETA (TETA) receivable	-	17 098
Service SETA receivable	744 664	744 664
CATHSSETA receivable	364 949	162 992
Mining Qualifications Authority (MAQ)	-	25 000
NSF learnership	-	1 636 490
	1 433 094	2 750 818
PSETA grant receivable		
Opening balance	47 450	47 450
Additions during the year	-	-
Expenditure - Stipends	-	-
Income recognition during the year	-	-
	47 450	47 450
LG SETA		
Balance at the beginning of the year	-	-
Additions during the year	(162 000)	-
Expenditure - Stipends	-	-
Income recognition during the year	180 000	-
	18 000	-
MICT SETA		
Balance at the beginning of the year	(92 614)	-
Additions during the year	(1 688 062)	-
Expenditure - Stipends	1 292 000	-
Income recognition during the year	691 333	-
	202 657	-
MICT SETA was a payable in the 2023 financial year as such refer to note 12 for 2023 reconciliation.		
Transport SETA (TETA)		
Balance at the beginning of the year	-	132 134
Additions during the year	-	(2 301 650)
Expenditure - Stipends and Transport	-	2 037 541
Income recognition during the year	-	149 073
	-	17 098
Transport SETA is a payable in the 2024 financial year as such refer to note 12 for the reconciliation in 2024.		
CATHSSETA		
Balance at the beginning of the year	162 992	155 992
Additions during the year	(781 826)	(65 000)
Expenditure - Stipends	-	63 000
Income recognition during the year	6 500	9 000
Donation income recognition during the year	977 283	-

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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5. Receivables from non-exchange transactions (continued)

	364 949	162 992
THE MINING QUALIFICATIONS AUTHORITY (MQA) SETA		
Balance at the beginning of the year	-	(34 500)
Additions during the year	-	(1 074 000)
Expenditure for the year	-	1 100 500
Income recognised during the year	-	33 000
	-	25 000

Mining Qualifications Authority is a payable in the 2024 financial year as such refer to note 12 for the reconciliation in 2024

SERVICE SETA

Balance at the beginning of the year	744 664	2 300 158
Additions (receipts) during the year	-	(2 758 850)
Expenditure for the year	-	1 083 000
Income recognised during the year	-	120 356
	744 664	744 664

NSF learnership

Balance at the beginning of the year	-	(3 123 964)
Current year receipts	-	(8 563 310)
Interest earned	-	(163 698)
Expenditure - not recognised as income	-	8 537 974
Income recognised during the year	-	4 949 488
	-	1 636 490

NSF Learnership is unspent conditional grant in the year 2024 as such refer to note 14 for 2024 reconciliation.

No receivable from non exchange transactions have been pledged as security for any financial liabilities.

6. Statutory Receivables

Opening balance as previously reported	6 825 505	7 424 081
DHET PERSAL SALARY receivable	42 788 594	40 951 000
Less: Amounts received during the year	(42 482 829)	(41 549 576)
Net statutory receivables	7 131 270	6 825 505

The basis for DHET funding is found in the Continuing Education and Training Act 16 of 2006 and the National norms and standards for funding Technical and Vocational Training.

Management has assessed impairment of the statutory receivable through reviewing the budget allocation letter from DHET for the current and prior year. There was no amendment done to the budget allocation letters for both years indicating that the money is receivable in full and thus no impairment required.

No other statutory receivables have been pledged as security for any financial liabilities.

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Notes to the Annual Financial Statements

	2024	2023
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	33 569 560	35 710 581
Short-term deposits	8 549 398	2 071 880
	42 118 958	37 782 461
Cash and cash equivalents held by the entity that are not available for use by the College	35 637 263	35 901 343

No other cash and cash equivalents had been pledged as security for financial liabilities.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 December 2024	31 December 2023	31 December 2022	31 December 2024	31 December 2023	31 December 2022
ABSA - 4055199123 Main Account	5 087 055	1 831 874	(32 480)	5 087 055	1 831 874	(32 480)
ABSA - 4055333123 Student Account	1 214 931	30 447	11 870	1 214 931	30 447	11 870
ABSA - 4094781997- DHET Infrastructure Account	9 545 589	16 515 841	24 902 427	9 545 589	16 515 841	24 902 427
FNB - 62048164305 Student Account	179 709	6 497	35 823	179 709	6 497	35 823
ABSA - 4103242571 NSF Account	1 497 552	33 884	3 153 684	1 497 552	33 884	3 153 684
ABSA- 4104624770 UIF Account	16 044 724	17 292 039	16 037 497	16 044 724	17 292 039	16 037 497
ABSA - 9326917118 Seda Account call	3 224 802	2 059 580	2 778 893	3 224 802	2 059 580	2 778 893
ABSA - 9099604258 Investec - 1100540167500 Call	5 324 596	6 547	2 738	5 324 596	6 547	2 738
	-	5 752	5 752	-	5 752	5 752
Total	42 118 958	37 782 461	46 896 204	42 118 958	37 782 461	46 896 204

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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8. Biological assets that form part of an agricultural activity

	2024			2023		
	Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Goats	86 496	-	86 496	49 780	-	49 780
Cattle	257 963	-	257 963	237 525	-	237 525
Total	344 459	-	344 459	287 305	-	287 305

Reconciliation of biological assets that form part of an agricultural activity - 2024

	Opening balance	Additions	Decreases due to deaths	Gains or losses arising from changes in fair value	Total
Goats	49 780	15 950	(20 063)	40 829	86 496
Cattle	237 525	44 000	(29 697)	6 135	257 963
	287 305	59 950	(49 760)	46 964	344 459

Reconciliation of biological assets that form part of an agricultural activity - 2023

	Opening balance	Additions through births	Decreases due to deaths	Gains or losses arising from changes in fair value	Total
Goats	53 651	8 250	(4 500)	(7 621)	49 780
Cattle	174 002	11 000	(13 000)	65 523	237 525
	227 653	19 250	(17 500)	57 902	287 305

Non-financial information

Reconciliation of biological assets in quantities - 2024	Opening balance	Additions through births	Decreases due to deaths	Total
Goats	43	29	-11	61
Cattle	23	11	-2	32

Reconciliation of biological assets in quantities - 2023	Opening balance	Additions through births	Decreases due to deaths	Total
Goats	31	15	-3	43
Cattle	22	2	-1	23

The biological assets include goats and cattle. These assets are kept by the College as part of its education and training practicals. There is no intention for them to be sold or traded.

The sales of agricultural produce are a by-product of the farming training.

No biological assets were pledged as security for any financial liabilities.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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Notes to the Annual Financial Statements

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	4 142 000	-	4 142 000	4 142 000	-	4 142 000
Buildings	209 254 779	(93 020 651)	116 234 128	209 227 929	(90 814 620)	118 413 309
Work in progress	24 523 839	-	24 523 839	13 719 621	-	13 719 621
Plant and machinery	8 781 266	(6 509 823)	2 271 443	7 668 184	(6 216 784)	1 451 400
Furniture and fixtures	17 508 775	(13 654 435)	3 854 340	17 069 174	(12 770 401)	4 298 773
Motor vehicles	8 178 605	(3 644 050)	4 534 555	6 511 068	(3 071 109)	3 439 959
Office equipment	695 444	(350 376)	345 068	695 444	(231 741)	463 703
IT equipment	32 623 886	(28 450 225)	4 173 661	30 462 423	(26 821 364)	3 641 059
Infrastructure	39 737 142	(21 326 718)	18 410 424	39 661 502	(19 072 444)	20 589 058
Other equipment	5 050 514	(3 730 625)	1 319 889	4 767 445	(3 417 402)	1 350 043
IT Network Infrastructure	4 949 333	(4 170 819)	778 514	4 949 333	(3 804 026)	1 145 307
Total	355 445 583	(174 857 722)	180 587 861	338 874 123	(166 219 891)	172 654 232

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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Notes to the Annual Financial Statements

2024 2023

9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Impairment loss	Total
Land	4 142 000	-	-	-	4 142 000
Buildings	118 413 309	26 850	(2 066 141)	(139 890)	116 234 128
Work in progress	13 719 621	10 804 218	-	-	24 523 839
Plant and machinery	1 451 400	1 113 083	(256 908)	(36 132)	2 271 443
Furniture and fixtures	4 298 773	439 601	(766 977)	(117 057)	3 854 340
Motor vehicles	3 439 959	1 667 537	(572 941)	-	4 534 555
Office equipment	463 703	-	(97 438)	(21 197)	345 068
IT equipment	3 641 059	2 161 463	(1 157 924)	(470 937)	4 173 661
Infrastructure	20 589 058	75 640	(2 230 021)	(24 253)	18 410 424
Other equipment	1 350 043	283 069	(245 450)	(67 773)	1 319 889
IT Network Infrastructure	1 145 307	-	(355 454)	(11 339)	778 514
	172 654 232	16 571 461	(7 749 254)	(888 578)	180 587 861

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Impairment loss	Total
Land	4 142 000	-	-	-	4 142 000
Buildings	120 480 294	-	(2 066 985)	-	118 413 309
Work in progress	8 446 773	5 272 848	-	-	13 719 621
Plant and machinery	1 511 879	145 600	(204 902)	(1 177)	1 451 400
Furniture and fixtures	4 801 189	381 898	(858 513)	(25 801)	4 298 773
Motor vehicles	3 977 643	-	(537 684)	-	3 439 959
Office equipment	505 812	57 296	(97 787)	(1 618)	463 703
IT equipment	4 044 146	944 211	(1 108 925)	(238 373)	3 641 059
Infrastructure	22 635 284	256 545	(2 302 771)	-	20 589 058
Other equipment	1 330 521	307 089	(262 759)	(24 808)	1 350 043
IT Network Infrastructure	1 239 088	285 513	(378 604)	(690)	1 145 307
	173 114 629	7 651 000	(7 818 930)	(292 467)	172 654 232

A register containing the information required by CET Act (Act 16 of 2008), is available for inspection at the registered office of the College.

No property, plant and equipment was pledged as security for any financial liabilities.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

2024	2023
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9. Property, plant and equipment (continued)

Valuations

Valuations were performed by independent registered valuers in the 2014 financial year. Sizanane Property Services are not connected to the College.

The valuations were performed by a Professional Associated Valuer (Reg number - 5327). The valuation was performed using the depreciated replacement cost method. This is an approach which is utilised for properties which are not normally sold in an open market. In this approach current depreciated building cost plus land value are used to derive a market value. The assumptions were based on current market conditions.

Land

The college has officially received land from the Eastern Cape government as detailed below:
Alice Erf 1048 (214 430 square metres) and 1049 (1 364 280 square metres) as of September 2014.
A register of this land is kept at the college administration office.

The land for which title has not yet been vested in the name of the College is listed below:

- Qonce formerly King Williams Town Campus Erf 5217, 22.9 hectares
- Zwelitsha Campus, Farm 2208, 44.5 hectares
- Alice Campus, Erf 1103, 731 048 square metres

The colleges premises are suited on the above mentioned land and the college does not pay any rent on the use of the land. The value of the services in-kind received from the use of the land cannot be measured reliably. The land was donated to the college by the Department of Public Works, however it has not yet been transferred to the name of the college.

Lovedale TVET College is a merger between Lovedale (Alice), Zwelethemba (Zwelitsha) and East London Technikon (Qonce).

The Qonce formerly King Williams Town campus resides on property that is still in the name of East London Technikon.

Buildings on property used are not being owned by the College.

The College decided to recognise the buildings, roads and pavements which had been built on the properties listed above. These buildings include the leasehold improvements in the prior years and any new buildings.

The properties described above are not registered in the name of the College at the deeds office but are fully occupied by the College. It is likely that the Eastern Cape Government will transfer the land into the name of Lovedale College. The campus properties consist of classrooms workshops, student hostels, administrative buildings, halls and any other structures on the campuses. The depreciated replacement cost of the buildings, as per the report of the Professional valuers, is R88 975 859 for the three campuses of Lovedale TVET College as at 31 December 2013. The deemed cost has been recognised in the financial statements of the college

Utilities, rates and taxes on these properties are currently being paid by the college.

Management through the use of its service provider, undertook a conditional assessment of its assets in the current financial year. Residual values were reviewed as well as the useful lives of all assets, for impairment indicators existed or where the asset had reached the end of its remaining useful life.

Based on the available financial resources, planned budget, professional judgement, knowledge of the entity, experience and anticipated future usage of the asset, the condition of the asset was assessed at the same time that the asset was physically verified. The assessment included observation of the asset being used in a manner intended by management.

Where there were no indicators, the condition remained consistent with the previous conditional assessment performed.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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	2024	2023
9. Property, plant and equipment (continued)		
Property, plant and equipment in the process of being constructed or developed		
Refer to Note 36 Commitments for information on commitments for Property, plant and equipment.		
A register containing the information required by CET Act (Act 16 of 2008), is available for inspection at the registered office of the College.		
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
New High Security Fencing for Alice Campus	8 446 773	8 446 773
The project had been suspended by the College does have an intention to continue with the project.		
No impairment losses have been recognised in relation to this assets.		
Conversion of Kitchen into office facility new office in Zwelitsha campus	2 412 310	319 623
Rehabilitation of Access road at Alice Campus	9 484 575	2 520 556
Renovations to the Educational Services Building	1 249 194	497 927
Replacement of Workshop roofing at Zwelitsha Campus	1 635 815	1 412 240
Alterations and Refurbishments to the HQ Building	1 295 171	522 502
The contractors for the projects above had cashflow challenges to finance the project so that they are completed within the expected timelines. Also no impairment losses had been recognised in relation to these projects.		
Reconciliation of Work-in-Progress 2024		
	Included within	Total
Opening balance	Other PPE	
	13 719 621	13 719 621
Additions/capital expenditure	10 804 218	10 804 218
	24 523 839	24 523 839
Reconciliation of Work-in-Progress 2023		
	Included within	Total
Opening balance	Other PPE	
	8 446 773	8 446 773
Additions/capital expenditure	5 272 848	5 272 848
	13 719 621	13 719 621
Expenditure incurred to repair and maintain property, plant and equipment		
Refer to Note 30 Repairs and maintenance for information on expenditure incurred to repair and maintain property, plant and equipment.		
Changes in accounting estimates		
The College has reassessed the useful lives of property, plant and equipment which resulted in certain assets' remaining useful lives changes; Assets changed from two (2) to three (3) years on average. The effect of the change in accounting estimates has resulted in a decrease in depreciation and amortisation amounting to R 305 372 for the current period. The effect on future periods will increase the depreciation and amortisation by R 305 372. This change in accounting estimate was as a result of the assets being in a condition that they would be able to be used for an extended period over and above the remaining useful life.		

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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10. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer and network software	1 858 759	(1 762 548)	96 211	1 858 759	(1 671 125)	187 634

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer and network software	187 634	(91 423)	96 211

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Impairment loss	Total
Computer and network software	329 383	(128 070)	(13 679)	187 634

Pledged as security

No intangible assets have been pledged as security for any financial liabilities.

Intangible assets with an indication of impairment were impaired in the current year.

11. Payables from exchange transactions

Trade payables	13 868 598	21 586 564
Unallocated deposits	2 628 746	2 578 312
WR SETA	608 671	599 608
Payroll payables	594 864	937 989
Retention	822 315	395 619
Debtors with credit balances	2 346 427	2 210 582
	20 869 621	28 308 674

WR SETA

Opening balance	599 608	546 058
Current year receipts	-	460 262
Expenditure	-	(389 012)
Income recognised during the year	-	(17 700)
Transfer of stipends opening balance to non exchange transaction	9 063	-
	608 671	599 608

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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Notes to the Annual Financial Statements

	2024	2023
12. Payables from non-exchange transactions		
NSFAS Liability payable	9 673 470	9 489 942
SETAs and SEDA funding payable	12 134 480	6 935 391
	21 807 950	16 425 333
The NSFAS liability payable above comprises of the following;		
Student debtors with credit balances - NSFAS allowances and tuition - R6 428 887 (2023: 6 127 326).		
NSFAS unallocated receipts R 3 244 583 (2023: R 3 362 616).		
BANK SETA		
Opening Balance	442 775	3 122 025
Current year receipts	11 488 575	5 280 975
Expenditure - Stipends	(6 002 500)	(7 581 000)
Income recognised during the year	(300 125)	(379 225)
	5 628 725	442 775
MICT SETA		
Opening Balance	-	51 554
Current year receipts	-	41 060
Expenditure - Stipends	-	-
Income recognised during the year	-	-
	-	92 614
MICT SETA is a receivable from non exchange in the 2024 financial year as such refer to note 5 for 2024 reconciliation.		
FIBRE PROCESSING & MANUFACTURING SETA		
Opening Balance	301 800	150 000
Current year receipts	1 102 950	643 500
Expenditure - Stipends	(1 061 182)	(445 000)
Income recognised during the year	(81 000)	(46 700)
	262 568	301 800
AGRI SETA		
Opening Balance	118 468	388 473
Current year receipts	-	1 383 300
Expenditure - Stipends and Transport	-	(1 480 913)
Income recognised during the year	-	(172 392)
	118 468	118 468
MERSETA		
Opening Balance	-	-
Current year receipts	1 031 450	-
Expenditure - Stipends	-	-
Income recognised during the year	-	-
	1 031 450	-
Transport SETA (TETA)		
Opening balance	(17 098)	-

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
12. Payables from non-exchange transactions (continued)		
Current year receipts	1 770 366	-
Expenditure - Stipends	(1 563 148)	-
Income recognised during the year	(44 100)	-
	146 020	-
Transport SETA was a receivable from non exchange in the 2023 financial year as such refer to note 5 for 2023 reconciliation.		
INSETA		
Opening balance	272 631	(530 560)
Current year receipts	2 396 423	2 242 241
Expenditure - Stipends	(2 542 217)	(50 925)
Income recognised during the year	(70 000)	(1 388 125)
	56 837	272 631
SEDA Liability grant		
Opening balance	4 505 015	2 754 279
Current year receipts	700 000	3 235 000
Expenditure - not recognised as revenue	(1 495 288)	(1 628 732)
Interest received	148 794	144 468
	3 858 521	4 505 015
FOODBEV		
Opening balance	1 202 088	21 879
Current year receipts	2 425 500	2 016 000
Expenditure - Bursary	(3 251 500)	(835 791)
	376 088	1 202 088
CENTRE OF VOCATIONAL EXCELLENCE (CoVE)		
Opening balance	-	-
Current year receipts	549 035	-
Expenditure not recognised as income	(111 794)	-
	437 241	-
THE MINING QUALIFICATIONS AUTHORITY (MAQ)		
Opening balance	(25 000)	-
Current year receipts	1 485 000	-
Expenditure - Stipends	(1 334 500)	-
	125 500	-
Mining Qualifications Authority was a receivable from non exchange in the 2023 financial year as such refer to note 5 for the reconciliation in 2023.		
WR SETA		
Opening balance	(9 063)	-
Current year receipts	1 018 050	-
Expenditure	(878 200)	-
Income recognised during the year	(37 725)	-
	93 062	-

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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13. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	626 269	490 256
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The leave pay accrual represents management's best estimate of the College's liability for leave benefits accrued to governing council appointed employees. It is anticipated that the benefits will be utilised before 30 June 2025 failing which they expire.

No accrual is recognised for bonuses as these are based on performance and are at the discretion of management resulting in no contractual obligations to pay them out.

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

NSF learnerships	450 209	-
Department of Trade and Industry	11 981	11 981
UIF Project Liability (PSU)	18 576 294	17 292 039
	19 038 484	17 304 020

Movement during the year

Balance at the beginning of the year	17 304 020	19 173 442
Current year receipts	12 315 688	8 563 310
Interest earned	1 512 966	1 418 240
Expenditure - not recognised as income	(8 667 020)	(8 537 974)
Income recognition during the year	(1 790 680)	(4 949 488)
Transfer of NSF closing balance to receivables/(opening balance from receivable)	(1 636 490)	1 636 490
	19 038 484	17 304 020

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the college has directly benefited.

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment until utilised.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
14. Unspent conditional grants and receipts (continued)		
NSF Learnership		
Opening balance transferred from receivable	(1 636 490)	-
Current year receipts	12 315 688	-
Interest earned	228 711	-
Expenditure - not recognised as income	(8 667 020)	-
Income recognition during the year	(1 790 680)	-
	450 209	-
Department of Trade and Industry		
Opening balance	11 981	11 981
Expenditure - not recognised as income	-	-
	11 981	11 981
UIF Project Liability (PSU)		
Opening balance	17 292 039	16 037 497
Interest earned	1 284 255	1 254 542
	18 576 294	17 292 039
Interest earned from funds transferred to the college by NSF and UIF is the property of the founders and shall be refundable together with any unspent conditional grants as stipulated by the agreements. The project had been bondholder as such no spending was done in the previous financial years.		
15. Tuition fees		
Tuition fee	39 831 637	34 535 379
Examination fee	217 350	235 275
	40 048 987	34 770 654
16. Hostel fees		
Hostel fees	18 201 236	5 090 932
17. Skills training		
Skills training	5 405 715	5 291 683

Skills training income relates to income generated by the College through offering skills courses funded by the SETAs and administration fees.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
18. Other income		
Other sundry income	157 481	49 874
Rental income	701 421	335 972
Tender fee recoveries	18 310	40 910
	877 212	426 756

Other sundry income relates to income received from agricultural products and printing.

Rental income relates to rental of College accommodation and the hiring of halls and classrooms.

Tender Fee recovery relates to Tender and Bid document revenues which were sold to bidders.

19. Interest revenue

Interest revenue		
Bank interest	527 339	352 816

20. Government grants & subsidies

Operating grants

DHET funding income - Operational	49 588 594	51 909 653
Skills levy refund	399 759	298 422
NSFAS Administration fees	-	375 000
	49 988 353	52 583 075

Capital grants

CIEG Interest income	922 427	2 055 720
DHET Infrastructure Grant Income (CIEG)	4 266 708	4 353 964
	5 189 135	6 409 684
	55 177 488	58 992 759

DHET funding income - Operational: On an annual basis the college is allocated funding by Department of Higher Education and Training for college operations in the form of a subsidy that is directly transferred to the college and the difference between the allocated amount and the actual persal expenditure is paid back to the college at Department of Higher Education and Training's discretion.

The skills levy fund is the reimbursement from DHET and a grant from ETDP SETA for training needs of the college.

DHET Infrastructure Grant Income (CIEG): This is the funding received from the Department of Higher Education and Training for repairs and maintenance of college infrastructure.

CIEG Interest income - This is interest earned on DHET Infrastructure (CIEG) grant bank account.

21. Service in kind revenue

PERSAL funding income - operational	93 987 253	88 077 543
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Service in kind revenue consists of Persal funding from Department of Higher Education for payment of salaries.

On an annual basis the college is allocated funding by Department of Higher Education and Training for the remuneration of employees, this allocation is not received in cash by the college. It is paid directly to the DHET funded college employees.

There is no statutory receivable raised.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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22. Public contributions and donations

Donations from SETAs and other Tvet Colleges	2 694 178	1 065 035
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During 2024 financial year Transport SETA donated a tractor worth R997 900, CATHSSETA donated computers worth R977 283 and NSF donated machinery equipment worth R480 595 which received in form of cash. Ford South Africa also donated an engines worth R238 400 as non cash.

In 2023 the public contributions compromise of donations received from FASSET of ICT hub worth R603 215 which is non cash, tools and learning materials from Transport Seta and public contributions from other TVET colleges on inter campus games worth R461 821.

23. Employee related costs

Basic	32 775 124	31 441 983
DHET Management fee	93 987 253	88 077 543
WCA	-	91 777
Contributions to SDL, UIF and unions	527 546	520 831
Leave pay provision charge	136 013	(43 776)
Overtime payments	647 022	1 102 917
	128 072 958	121 191 275

Remuneration of Principal (Acting Principal)

Annual Remuneration	754 997	671 384
Non pensionable and other allowances	317 403	255 388
	1 072 400	926 772

Mr IT Mbengo had been seconded from King Hintsa Tvet College by the Department of Higher Education and Training (DHET) to act as an Acting Principal from 22 May 2022 until 31 October 2024. Mr I.T Mbengo's was being remunerated under King Hintsa TVET College.

Mrs TN Njengele is Acting Principal during the 2024 Financial year from 01 November 2024. She was seconded from Buffalo City TVET College by the Department of Higher Education and Training (DHET) as Acting Principal. Ms T.N Njengele is being remunerated under Buffalo City TVET College.

The remuneration disclosure above is for both acting principals during the year.

Remuneration of Deputy Principal: Finance

Basic Salary	771 461	729 764
Housing Allowance	66 996	66 996
Pension allowance	100 290	94 869
Non pensionable and other allowances	77 670	74 594
	1 016 417	966 223

Mr M.A. Manaka is the current Deputy Principal: Finance during 2023 and 2024 financial years.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
23. Employee related costs (continued)		
Remuneration of Deputy Principal : Corporate Services		
Basic Salary	760 116	719 145
Pension Allowance	98 815	93 489
Performance Bonuses	77 878	78 884
Non pensionable and other allowances	64 657	60 726
	1 001 466	952 244
Ms P Xamesi is the current Deputy Principal: Corporate Services during 2023 and 2024 financial years.		
Remuneration of Deputy Principal : Academic services		
Basic salary	721 159	677 149
Pension Allowance	93 751	95 407
Non pensionable and other allowances	155 221	163 178
Service bonus	60 330	56 753
	1 030 461	992 487
Mr Somlota is the Deputy Principal: Academic services during the 2023 and 2024 financial years.		
Remuneration of Deputy Principal: Registrar		
Basic salary	771 461	724 497
Pension allowance	100 290	94 184
Non pensionable and other allowances	48 121	48 389
Medical allowance	-	31 044
Service bonus	64 533	60 726
	984 405	958 840
Mr Z.C. Ntshwanti is the current Deputy Principal: Registrar during the 2023 and 2024 financial years.		
24. Councilors and Audit Risk Committee expenses		
Seating allowances	21 943	160 302
Travelling and other allowances	190 119	176 629
	212 062	336 931
25. Audit fees		
Auditor's remuneration	4 183 401	4 000 739
26. Impairment of Assets		
Impairment of property, plant and equipment	888 576	306 145
27. Depreciation and amortisation		
Property, plant and equipment	7 749 254	7 818 930
Intangible assets	91 423	128 070
	7 840 677	7 947 000

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
28. Finance Costs		
Interest paid	1 070 192	396 745
29. Debt impairment		
Contributions to debt impairment provision	2 785 555	3 165 528
30. Repairs and Maintenance		
Furniture and Fittings	27 500	250
Machinery and Equipment	158 025	177 596
Buildings	1 295 914	915 629
Computer and IT Equipment	265 922	251 696
Other Assets	112 496	209 311
	1 859 857	1 554 482
31. Contracted services		
Hygiene Services	318 016	353 312
Operating leases - photocopiers**	1 063 655	1 574 248
Security Services	10 641 076	8 731 763
	12 022 747	10 659 323
**The operating lease payments are for a rental agreement for multifunctional printers. A register is maintained detailing the commencement dates, expiry dates and escalation clause for the lease. There are no contingent rentals or sublease payments. The operating lease for photocopies did expire on 24 June 2024 as such there was no operating lease commitment with ITEC Holdings (Pty) LTD as at 31 December 2024. The college did get into new operating lease commitment with Konica Minolta.		
Operating leases - as lessee (expense)		
- within one year	940 855	540 670
- in second to fifth year inclusive	2 138 306	-
	3 079 161	540 670
The appointed Konica Minolta for rental of printers in December 2024 with the the contract commencing from 1 February 2025 to 31 January 2028. The operating lease commitment disclosed for 2025 relate to the lease contract with Konica Minolta.		
32. Teaching and Learning costs		
Ministerial programmes	7 976 331	12 988 976
Occupational programmes	684 299	1 171 019
	8 660 630	14 159 995

Teaching and learning costs relates to material purchased for students.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
33. Student support services		
Entertainment, Venue Hiring and Catering	916 811	4 193 831
Student Excursions	-	18 659
Student Travel and Accommodation Expenses	1 071 387	822 970
Student Corporate Wear	465 322	1 109 190
SRC Honorarium and Travel Claims	176 968	240 100
	2 630 488	6 384 750

Student support services costs relates to expenditure incurred on student extramural activities.

34. General expenses

Advertising and marketing expenses	125 777	427 637
Bank charges	192 245	230 267
Communication expenses	1 548 108	1 680 166
Consulting and professional fees***	5 218 436	6 267 464
Consumables	965 628	731 001
Hiring of equipment and transport	515 610	1 535 469
Insurance	1 306 839	587 223
Motor vehicle expenses	1 251 519	1 026 000
Printing and stationery	1 468 985	1 652 608
Staff and development	377 792	828 967
Subscriptions and membership fees	2 364 696	1 903 723
Travel and subsistence	1 961 289	3 018 668
Municipal services	9 804 607	8 998 337
Examination expenses	433 018	570 682
Other expenses	657 735	1 232 530
	28 192 284	30 690 742

*** Consulting and professional fees comprises of the following services outsourced by the College;

Consulting and professional fees

Accounting fees	1 554 912	873 779
Management fees	2 894 040	3 810 348
Legal expenses	769 484	1 583 337
	5 218 436	6 267 464

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
35. Cash generated from (used in) operations		
Surplus (deficit)	18 557 134	(6 665 825)
Adjustments for:		
Depreciation and amortisation	7 840 677	7 947 000
Fair value adjustments on biological assets	(57 153)	(59 652)
Other income - expenditure write off	(74 639)	-
Donations	(238 400)	(603 215)
Debt impairment	2 785 555	3 165 528
Impairment of assets	888 575	306 145
Movements in employment benefit obligation	136 013	(43 776)
Changes in working capital:		
Inventories	140 282	999 293
Receivables from exchange transactions	(10 073 115)	(10 368 575)
Statutory Receivables	(305 766)	598 576
Receivables from non-exchange transactions	1 317 724	415 477
Payables from exchange transactions	(7 791 106)	2 490 855
Payables from non exchange transactions	5 382 617	1 226 016
Unspent conditional grants and receipts	1 734 464	(1 869 423)
	20 242 862	(2 461 576)

36. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	1 508 998	12 752 817
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Total capital commitments

Already contracted for but not provided for	1 508 998	12 752 817
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This committed expenditure relates to fencing and renovations of facilities within the college and will be financed by available GIEG grant banked funds..

37. Contingencies

The College do have the following contingent liabilities as at 31 December 2024 - R0 (2023: R1 463 706).

Litigation and claims

1. Lovedale TVET College vs Njikelana Case No PRO01/23 - Labour related matter	-	222 251
The instruction on this matter was received on 07 December 2022 and the matter was ongoing as at 31 December 2023. This matter was finalised during the 2024 and it ceased to be a contingent liability.		
2. Lovedale TVET College vs Falcolux Security - Opinion	-	1 241 455
The instruction on this matter was received on the 30 October 2023. Falcolux Security recovered the escalation fee from the college's bank account as such it ceased to be a contingent liability in 2024.		

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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38. Related parties

Lovedale is a Technical and Vocational Education and Training Institution located in the Eastern Cape Province.

Lovedale is under the direct supervision of DHET who provides 80% of approved costs for funded courses by the college which comprises the bulk of college activities. The remaining 20% is funded through student fees. In many cases student are subsidised through applications to the National Student Financial Aid Scheme (NSFAS) who provide bursaries for students who qualify for state assistance. NSFAS bursaries include funding for student fees, contribute to students travel and accommodation.

NSF is a funding arm of DHET for agreed educational programmes and costs of specific developments. Currently the cost of specific development is funded through CIEG grant

All transactions with related parties were done at arms length.

Related party balances

Amounts owing (to) by related parties

Department of Higher Education and Training - Subsidy	7 131 270	6 825 505
National Skills Fund (NSF)	(450 209)	1 636 490
National Student Financial Aid Scheme	(8 918 504)	(8 738 345)
SETA and other Government departments - (Payable)	(31 019 687)	(24 839 019)
SETA and other Government departments - (Receivable)	3 813 502	2 420 748
Ikhala TVET College	47 273	47 273
King Hintsha TVET College	84 773	84 773
King Sabatha Dalindyebo TVET College	117 423	117 423
Port Elizabeth TVET College	84 773	84 773
Eastern Cape Midlands TVET College	66 988	66 988
Ingwe TVET College	37 500	37 500

Related party transactions

Transactions done during the normal course of business

Department of Higher Education and Training - Operations	(42 482 829)	(56 862 193)
Department of Higher Education and Training - PERSAL	(93 987 253)	(87 660 270)
National Student Financial Aid Scheme	(47 186 779)	(34 882 325)
National Skills Fund	(12 315 688)	(8 727 007)
SETA and other Government departments	(28 278 381)	(25 346 887)
TVET colleges	-	(398 829)

Compensation to members and other key management

Compensation to Council members	212 062	327 397
Remuneration of Principal and Deputy Principals	5 105 149	4 796 566
Compensation to Audit and Risk Committee Members	-	9 534

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
38. Related parties (continued)		
Relationships		
Governance of the college and significant influence	Council members	
Responsible Minister	Dr Nobuhle Pamela Nkabane	
Responsible government department	Department of Higher Education	
	National Skills Fund	
Under Common Control with DHET	National Student Financial Aid Scheme	
	All Sector Education Training Authorities	
	All Technical and Vocational Education and Training Colleges	
Day to day management of the college	Key members of management. Refer to note 23	
The following institutions transacted with the college	Agriculture SETA;	
	Banking SETA;	
	Culture, Arts, Tourism, Hospitality and Sports SETA;	
	Education, Training and Development Practices SETA;	
	Fibre, Processing and Manufacturing SETA;	
	Food and Beverages SETA;	
	Insurance SETA;	
	Local Government SETA;	
	Manufacturing, Engineering and Related Services SETA;	
	Media, Information and Communication Technologies SETA;	
	Mining Qualifications Authority;	
	Public Services SETA;	
	Services SETA;	
	Transport Education and Training Authority;	
	Wholesale and Retail SETA;	
	Buffallo City College;	
	East Cape Midlands College;	
	Ikhala College;	
	Ingwe College;	
	King Hintsha College;	
	King Sabata College;	
	Port Elizabeth College;	
	Department of Trade and Industry;	
	Department of Labour (UIF projects);	
	National Rural Youth Service Corps	
Remuneration of Councillors and Audit Risk Committee		
Council and Audit Risk Committee claim	Refer to note 39	
Remuneration of Principals and Deputy Principals	Refer to note 23	

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

2024 2023

39. Council and Audit Risk committee member claims

Council Members

2024

	Seating allowances	Travelling and other expenses	Data allowance	Total
Mr S Khanyile (Council Chairperson)	52 197	2 900	-	55 097
Mr C.J Sparg (External Member - Ministerial Appointment)	22 881	665	-	23 546
Dr M. Swartz (External member - Ministerial Appointment)	42 885	5 077	-	47 962
Mrs N.P. Yekela (External Member - Ministerial Appointment)	38 016	7 439	-	45 455
Dr S. Potelwa (External Member - Ministerial Appointment)	34 140	5 863	-	40 003
	190 119	21 944	-	212 063

2023

	Seating allowances	Travelling and other expenses	Data allowance	Total
Ngqongwa LL (External Member - Ministerial Appointment)	39 357	2 825	2 700	44 882
Mr V Sikwebu (External Member - Ministerial Appointment)	26 730	-	-	26 730
Dr. B.B. Peyana (External Member - Ministerial Appointment)	-	98 820	-	98 820
Adv. P.H Songo (External Member - Ministerial Appointment)	21 859	-	900	22 759
Dr. D. Gumbi (External Member - Ministerial Appointment)	75 249	58 657	300	134 206
	163 195	160 302	3 900	327 397

Audit and Risk Committee

2024

The college did not have the audit and risk committee during the 2024 financial year as such no expenditure was incurred.

2023

	Seating allowance	Travelling and other expenses	Data allowance	Total
Mr. V. Santana (Member)	5 346	-	300	5 646
Dr. D. Gumbi (Member)	3 888	-	-	3 888
Mr. M.N. De Beer (Chairperson)	-	-	-	-
	9 234	-	300	9 534

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

		2024	2023	
40. Prior period errors				
The correction of the error(s) results in adjustments as follows:				
Statement of Financial Position	Reference	Previously reported	Adjustment	Adjusted Balance
Receivables from exchange transactions	[1]	16 269 840	2 628 497	18 898 337
Receivables from non-exchange transactions	[2]	2 768 694	(17 877)	2 750 817
Payables from exchange transactions	[3]	(27 266 267)	(1 042 407)	(28 308 674)
Payables from non exchange transactions	[4]	(15 673 738)	(751 595)	(16 425 333)
Property, Plant and Equipment	[5]	172 401 031	253 201	172 654 232
Accumulated Surplus	[6]	(176 995 391)	(1 069 819)	(178 065 210)
		(28 495 831)	-	(28 495 831)
Statement of Financial Performance	Reference	Previously reported	Adjustment	Adjusted Balance
Interest received	[7]	(349 357)	(3 459)	(352 816)
Government grants and subsidies	[8]	(59 018 508)	25 749	(58 992 759)
Councillors' and ARC expenses	[9]	319 843	17 088	336 931
Contracted services	[10]	10 556 716	102 607	10 659 323
Teaching and Learning costs	[11]	14 063 458	96 537	14 159 995
Depreciation and amortisation	[12]	7 906 341	40 659	7 947 000
Debt Impairment	[13]	3 604 339	(438 811)	3 165 528
General Expenditure	[14]	29 112 973	1 577 768	30 690 741
		6 195 805	1 418 138	7 613 943
Cashflow Statement		Previously reported	Adjustment	Adjusted Balance
Receipts		96 331 968	(299 070)	96 032 898
Payments		(98 397 929)	(96 545)	(98 494 474)
Net cash flows from operating activities		(2 065 961)	(395 615)	(2 461 576)
Net cash flows from investing activities		(7 047 782)	395 615	(6 652 167)
		(9 113 743)	-	(9 113 743)

Cashflow statement was adjusted as a result of prior year adjustments affecting the statement of financial performance and statement of financial position.

1. Receivables from exchange transactions

Previously reported	16 269 840
Reclassification of CATHSSETA receivable incorrectly classified as non exchange	135 000
Accrued bank interest incorrectly recorded in 2024	11 732
Reversal of impairment on staff debtors 2022	2 042 954
Reversal of impairment on staff debtors 2023	438 811
	18 898 337

CATHSSETA receivable of R135 000 relating to rental revenue was incorrectly reported as receivable from non exchange transactions.

Accrued bank interest of R11 732 was incorrectly recognised as 2024 revenue.

Debt impairment on staff debtors was reversed resulting in decrease debt impairment by R2 481 765.

2. Receivables from non-exchange transactions

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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Notes to the Annual Financial Statements

	2024	2023
40. Prior period errors (continued)		
Previously reported		2 768 694
Reclassification of CATHSSETA receivable incorrectly classified as non exchange		(135 000)
Accrued bank interest - CIEG Grant		117 124
Restated balance		2 750 818
CATHSSETA receivable of R135 000 relating to rental revenue was incorrectly reported as receivable from non exchange transactions.		
Accrued bank interest of R117 124 was incorrectly recognised as 2024 revenue.		
3. Payables from exchange transactions		
Previously reported		(27 266 267)
Reallocation of 2023 expenditure incorrectly recognised in 2024		(1 794 002)
Reclassification of NSFAS liability debtors with credit balances to non exchange transactions		751 595
Restated balance		(28 308 674)
Payables for 2023 were understated due to expenditure transactions incurred in 2023 but paid in 2024 captured in incorrect period.		
Debtors with credit balances relating to NSFAS over payment of R751 595 was reclassified from payables from exchange transactions to payables from non exchange transactions.		
4. Payables from non exchange transactions		
Previously reported		(15 673 738)
Reclassification of NSFAS liability debtors with credit balances to non exchange transactions		(751 595)
		(16 425 333)
Debtors with credit balances relating to NSFAS over payment of R751 595 was reclassified from payables from exchange transactions to payables from non exchange transactions.		
5. Property, Plant and Equipment		
Previously reported		172 401 031
Recognition of plant and machinery assets previously omitted in the fixed asset register		253 201
Furniture and Fittings		(9 398)
Other Equipment		9 398
		172 654 232
Donated assets with a cost price of R406 591 were not included in the fixed asset register now recognised resulting in net adjustment of R253 201.		
Accumulated depreciation on Furniture and Fittings for R9 398 was incorrectly classified to Other Equipment now corrected. The net adjustment on Property, Plant and Equipment is nil.		
6. Accumulated Surplus		
Previously reported		(176 995 391)
Reallocation of 2023 contracted services expenditure incorrectly recognised in 2024		102 608
Reallocation of 2023 Councillors and ARC allowance expenditure incorrectly recognised in 2024		17 088
Reallocation of 2023 general expenditure incorrectly recognised in 2024		1 577 768
Reallocation of 2023 program direct costs expenditure incorrectly recognised in 2024		96 536
Accrued bank interest exchange transaction recorded in incorrect period (2024) now corrected		(3 457)
Accrued bank interest non exchange transaction recorded in incorrect period (2024) now corrected		25 748
Accrued bank interest both exchange and non exchange transaction for 2022 recorded in incorrect period (2023) now corrected		(151 146)

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
40. Prior period errors (continued)		
Recognition of depreciation 2020 to 2022 donated assets (plant and machinery) previously omitted in the asset register		(293 859)
Recognition of depreciation 2024 donated assets (plant and machinery) previously omitted in the asset register		40 659
Reversal of debt impairment on staff debtors 2022		(2 042 954)
Reversal of debt impairment on staff debtors 2023		(438 811)
Restated balance		(178 065 211)
Accumulated Surplus for 2023 was overstated surplus for the year was overstated due to understatement of expenditure by R1 791 000. Expenditure transactions for relating to general expenditure, contracted services, programme direct costs and councillors and ARC allowances for 2023 were incorrectly allocated in 2024.		
Accrued bank interest was incorrectly recognised in incorrect periods. The net effect on accumulated surplus as at 31 December 2023 is an increase by R128 855.		
Property, plant and equipment was adjusted with assets donated in the prior years not included in the asset register. The net effect on accumulated surplus and surplus for 2023 was R253 201.		
Debt impairment on staff debtors was reversed resulting in adjustment of R2 481 765 on accumulated surplus.		
7. Interest Received		
Previously reported		(349 357)
Accrued bank interest exchange transaction recorded in incorrect period (2024) now corrected		(3 459)
Restated balance		(352 816)
Bank Interest accrued for R3 459 was accounted for in incorrect period now corrected.		
8. Government Grants and Subsidies		
Previously reported		(59 018 508)
Accrued bank interest on CIEG Grant Funding		25 749
		(58 992 759)
Accrued bank interest on CIEG Grant for R25 749 was recorded in incorrect period now corrected.		
9. Councillors' and ARC expenses		
Previously reported		319 843
Reallocation of 2023 expenditure incorrectly recognised in 2024		17 088
		336 931
Councillor's and ARC expenses for R17 088 were incorrectly captured in 2024.		
10. Contracted services		
Previously reported		10 556 716
Reallocation of 2023 expenditure incorrectly recognised in 2024		102 607
Restated balance		10 659 323
Contracted Services for 2023 was understated as it was not recognised in the correct period. Expenditure transactions were incorrectly allocated in 2024		
11. Teaching and Learning costs		
Previously reported		14 063 458
Reallocation of 2023 expenditure incorrectly recognised in 2024		96 537

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Notes to the Annual Financial Statements

	2024	2023	
40. Prior period errors (continued)		14 159 995	
Teaching and Learning costs for 2023 was understated as it was not recognised in the correct period. Expenditure transactions were incorrectly allocated in 2024.			
12. Debt Impairment			
Previously reported		3 604 339	
Reversal of debt impairment on staff debtors		(438 811)	
		3 165 528	
Reversal of debt impairment on staff debtors with a movement of R438 811.			
13. Depreciation and amortisation			
Previously reported		7 906 341	
Recognition of depreciation on donated assets		40 659	
Property plant and equipment depreciation understated		63 162	
Intangible assets amortisation overstated		(63 162)	
		7 947 000	
Depreciation on donated assets perviously not recognised in prior years now recognised.			
Depreciation adjustment of R63 162 was incorrectly classified to amortisation (intangible assets) instead of depreciation resulting in understatement of depreciation (property, plant and equipment) and overstatement of amortisation (intangible assets) by the same amount now corrected.			
14. General Expenditure			
Previously reported		29 112 973	
Reallocation of 2023 expenditure incorrectly recognised in 2024		1 577 768	
		30 690 741	
General expenditure for 2023 was understated as it was not recognised in the correct period. Expenditure transactions were incorrectly allocated in 2024.			
		1	
		-	
15. Related Parties - Related party transactions	Previously reported	Adjustment	Restated Balance
Department of Higher Education and Training - Operations	(52 508 229)	(4 353 964)	(56 862 193)
SETA and other Government departments	(24 977 262)	(369 261)	(25 346 887)
	(77 485 491)	(4 723 225)	(82 209 080)
Related party transactions for the Department of Higher Education and Training was under stated by R4 353 964 which related to additional funding now corrected.			
Related party transactions for SETA and Other Government departments was understated by R369 261 now corrected.			
16. Related Parties - Compensation to members and other key management	Previously reported	Adjustment	Restated balance
Compensation to Council members	310 309	17 088	327 397
Remuneration of Principal and Deputy Principals	4 853 319	(56 753)	4 796 566

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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40. Prior period errors (continued)

Compensation to Audit and Risk Committee Members	9 534	-	9 534
	5 173 162	(39 665)	5 133 497

Related party transactions on compensation to members and other key management was overstated by R21 755 due to the following;

Remuneration of Deputy Director: Academic Services was overstated by R56 753.

Council claims for Dr B.B Peyana and Dr D. Gumbi were understated by R17 088 now corrected

17. Council and Audit Risk committee member claims - Council Members

	Previously reported	Adjustment	Restated Balance
Dr. B.B. Peyana (External Member - Ministerial Appointment)	95 964	2 856	98 820
Dr. D. Gumbi (External Member - Ministerial Appointment)	119 974	14 232	134 206
	215 938	17 088	233 026

Council claims for Dr B.B Peyana and Dr D. Gumbi were understated by R17 088 now corrected.

18. Remuneration of Deputy Principal: Academic Services

	Previously reported	Adjustment	Restated balances
Basic Salary	733 902	(56 753)	677 149
Pension Allowance	95 407	-	95 407
Non pensionable and other allowances	163 178	-	163 178
Service bonus	56 753	-	56 753
	1 049 240	(56 753)	992 487

Remuneration of Deputy Director: Academic Services was overstated by R56 753 now corrected.

19. Contingent liabilities

Previously reported	222 251
Lovedale TVET College vs Falcolux Security case incorrectly disclosed	1 241 455
	1 463 706

The case for Lovedale TVET College vs Falcolux Security case incorrectly disclosed now corrected.

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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41. Risk management

Liquidity risk

The college's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The College aims to maintain flexibility in funding by keeping committed credit lines available and the College has minimised the risk of liquidity as shown by its substantial cash and cash equivalents. The College manages a budget which is updated regularly and reported to the College Management and Oversight Committees.

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

At 31 December 2024	Less than 1 year	Between 1 and 2 years	Maturity in less than a year	Total
Payables from exchange transactions	-	-	20 869 621	20 869 621
At 31 December 2023	Less than 1 year	Between 1 and 2 years	Maturity in less than a year	Total
Payables from exchange transactions	-	-	28 308 674	28 308 674

Liquidity risk is mainly concentrated on the Trade and other payables balance.

The college does not have any collateral and /or credit enhancements that aid in the mitigation of the liquidity risks.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

Financial instrument	2024	2023
Receivables from exchange transactions	26 185 898	18 898 337
Cash and cash equivalents	42 118 958	37 782 461

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	2024	2023
42. Financial instruments disclosure		
Categories of financial instruments		
2024		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	25 239 404	25 239 404
Cash and cash equivalents	42 118 958	42 118 958
	68 304 856	68 304 856
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	20 869 621	20 869 621
2023		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	18 240 437	18 240 437
Cash and cash equivalents	37 782 461	37 782 461
	56 680 798	56 680 798
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	28 308 674	28 308 674
43. Events after the reporting date		
Management has assessed events after the reporting date defined to be events which are both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue.		
Management has assessed events after 31 December 2024 (reporting date) till 31 May 2025 (Date of issue of the financial statements).		
The following events have been brought to management's attention:		
The following senior managers had been put on special leave pending outcome of their appeals from the Minister of the Department Higher Education and Training;		
- Deputy Principal Finance: Mr M.A Manaka - Deputy Principal Corporate Services: Ms P Xamesi - Deputy Principal Academic Services: Mr Somlota		
Mrs M. Mili was appointed as an Acting Deputy Principal: Finance from 24 February 2025 and she is still acting on the same position.		

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

	2024	2023
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43. Events after the reporting date (continued)

The Audit and Risk Committee was appointed on the 20th of March 2025..

Management can confirm that there are no other known subsequent events which has been brought to their attention which have or likely to have an impact on the Annual Financial Statements as Reported on the 31 December 2024.

44. Going concern

We draw attention to the fact that at 31 December 2024, the college had an accumulated surplus (deficit) of R 196 622 347 and that the College's total assets exceed its liabilities by R 196 622 347.

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

The ability of the College to continue as a going concern is dependent on a number of factors. Management performed an assessment on going concern at year end. The financial viability and liquidity ratios were not favourable. However, the College is dependent on programme funding received from Department of Higher Education and Training at a level which, when combined with other revenue generated by the College, is sufficient to fund the operations of the College

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

2024 2023

45. Segment information

General information

Identification of segments

The College is organized and reports to management on the basis of two major functional areas that is Academic Services and Registrar Services. The segments were organized around the college strategic mandate which is teaching and learning. Management uses these same segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The segment one is Academic Services which is to provide teaching and learning for ministerial programs. The cost centers for this segments are Academic services in headquarters supporting the three campuses that is Alice, King Williams Town and Zwelitsha campuses.

The segment two is Registrar Services which is to provide learning through occupational and work based learning programs. The cost center is responsible to initiate partnership and linkages with relevant sectors for student support services

The other information is combined in segment three for three cost centers that is Office of the Principal, Financial Management Services and Corporate Services. The purpose of this segment is to provide support functions to the core business to ensure prudent service delivery.

The College is not required to report on assets and liabilities because it is not used by management for decision making. Management utilises the assets and liabilities to assess key financial indicators for the College as a whole.

Aggregated segments

The Support segment aggregates three cost centers that is Office of the Principal, Financial Management Services and Corporate Services. The purpose of this segment is to provide support functions to the core business to ensure prudent service delivery.

Strategic mandate as legislated by DHET

These reportable segments as well as the mandate for each segment are set out below::

Reportable segment	Mandate
Academic Services	Ministerial programmes
Registrar Services	Occupational and work based learning programmes
Support Services	Financial and corporate management services

Segment surplus or deficit, assets and liabilities

2024

	Academic Services	Registrar Services	Support Services	Total
Revenue				
Revenue from exchange transactions	59 077 194	5 425 258	558 036	65 060 488
Revenue from non exchange transactions	64 553 986	8 072 866	79 232 067	151 858 919
Gain on biological assets	57 153	-	-	57 153
Total segment revenue	123 688 333	13 498 124	79 790 103	216 976 560
Entity's revenue				216 976 560

LOVEDALE TECHNICAL VOCATIONAL EDUCATION AND TRAINING COLLEGE

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Notes to the Annual Financial Statements

Figures in Rand

45. Segment information (continued)

Expenditure

Audit fees	-	-	4 183 401	4 183 401
Interest and penalties	529 243	-	540 949	1 070 192
Contracted Services	341 376	-	11 681 371	12 022 747
Councillor's and ARC Allowance	-	-	212 062	212 062
Debt impairment	-	-	2 785 554	2 785 554
Depreciation and amortisation	-	-	7 840 677	7 840 677
Employee cost and DHET management fee	97 708 496	10 304 957	20 059 505	128 072 958
Impairment of Assets	-	-	888 576	888 576
General Expenses	12 235 255	1 674 298	14 282 732	28 192 285
Teaching and Learning costs	7 503 968	1 013 849	142 813	8 660 630
Repairs and maintenance	666 480	751	1 192 626	1 859 857
Student support expenses	58 319	2 556 213	15 955	2 630 487

Total segment expenditure	119 043 137	15 550 068	63 826 221	198 419 426
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Total segmental surplus/(deficit)	4 645 196	(2 051 944)	15 963 882	18 557 134
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Assets

Current Assets	73 824 479	15 217 054	(11 105 393)	77 936 140
Non Current Assets	175 610 557	715 300	4 702 673	181 028 530

Total segment assets	249 435 036	15 932 354	(6 402 720)	258 964 670
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Total assets as per Statement of financial Position				258 964 670
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Liabilities

Current Liabilities	32 481 723	41 538 408	(11 677 807)	62 342 324
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Total liabilities as per Statement of financial Position				62 342 324
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The surplus of R18 557 134 is includes R11 514 808 which is non cash transaction from debt impairment, depreciation and amortisation and impairment of assets.

The assets and liabilities information is allocated to the segments from initiation of the transaction but the payment or receipts through support segment.

2023

	Academic Services	Registrar Services	Support Services	Total
Revenue				
Revenue from exchange transactions	40 757 032	5 291 683	(115 874)	45 932 841
Revenue from non-exchange transactions	64 056 617	6 355 185	77 723 535	148 135 337
Gain on biological assets	59 652	-	-	59 652
Total segment revenue	104 873 301	11 646 868	77 607 661	194 127 830
Entity's revenue				194 127 830

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Figures in Rand

45. Segment information (continued)

Expenditure

Audit fees	-	-	4 000 739	4 000 739
Interest and penalties	62 810	-	333 935	396 745
Contracted services	374 752	-	10 284 571	10 659 323
Councillor's and ARC Allowance	11 664	1 530	323 737	336 931
Debt Impairment	-	-	3 165 529	3 165 529
Depreciation and amortisation	9 069 148	58 519	(1 180 666)	7 947 001
Employee cost and DHET management fee	93 158 125	9 935 182	18 097 968	121 191 275
Impairment of Assets	392 034	-	(85 889)	306 145
General Expenses	11 796 406	3 241 003	15 653 331	30 690 740
Teaching and Learning costs	12 617 581	1 171 019	371 395	14 159 995
Repairs and maintenance	1 009 754	540	544 189	1 554 483
Student support expenses	197 147	6 081 983	105 620	6 384 750

Total segment expenditure	128 689 421	20 489 776	51 614 459	200 793 656
Total segmental surplus/(deficit)	(23 816 120)	(8 842 908)	25 993 202	(6 665 826)

Assets

Current assets	47 009 583	4 520 775	15 933 965	67 464 323
Non-current assets	165 817 772	15 758	7 295 640	173 129 170

Total segment assets	212 827 355	4 536 533	23 229 605	240 593 493
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Total assets as per Statement of financial Position	240 593 493			
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Liabilities

Current liabilities	34 001 574	34 186 490	(5 659 784)	62 528 280
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Total liabilities as per Statement of financial Position	62 528 280			
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The deficit of R6 665 825 includes R11 418 673 which is non cash transaction from debt impairment, depreciation and amortisation, and impairment of assets.

The assets and liabilities information is allocated to the segments from initiation of the transaction but the payment or receipts through support segment.

Information about geographical areas

The college's operations are in the Amathole District, Alice, Qonce (formerly King Williams Town (Headquarters) and Zwelitsha

The table below indicates the relevant geographical information after eliminating inter segmental transfers:

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	2024	2023
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45. Segment information (continued)

2024

	External revenues from non-exchange transactions	External revenues from exchange transactions	Total expenditure	Non-current assets*
Amathole District	151 916 072	19 605 787	(198 419 427)	(181 028 530)

External revenues from exchange transactions comprises of skills training, interest received, tender fee recoveries, interest recoveries, and other sundry income.

External revenues from non-exchange transactions comprises of government grants & subsidies, and public donations and contributions.

Total expenditure includes all the expenditure incurred by the College during the period.

*Excludes additions to financial instruments and post-employment benefit assets

2023

	External revenues from non-exchange transactions	External revenues from exchange transactions	Total expenditure	Non-current assets*
Amathole District	148 194 990	5 870 504	(200 793 655)	(173 129 171)

External revenues from exchange transactions comprises of skills training, interest received, tender fee recoveries, interest recoveries, and other sundry income.

External revenues from non-exchange transactions comprises of government grants & subsidies, and public donations and contributions

Total expenditure includes all the expenditure incurred by the College during the period.

*Excludes additions to financial instruments and post-employment benefit assets

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Supplementary schedule to the Annual Financial Statements relating to the Capital Infrastructure and Efficiency Grant

1. Total CIEG funding available

	2024	2023
Opening balance to the available CIEG Grant Funding	16 515 841	24 902 426
Total CIEG Grant Funding received from the Department of Higher Education and Training	4 266 708	4 353 964
Add: Interest Earned	984 176	2 091 829
Less: Expenditure paid in terms of approved working package approvals issued by the Department of Higher Education and Training	(11 753 427)	(14 372 029)
Project manager and bank charges	(467 710)	(460 349)
	9 545 588	16 515 841

* See Note 40