higher education
& training
Department:
High Education and Training
REPUBLIC OF SOUTH AFRICA

EMC
Eastcape
Midlands
College

EASTCAPE MIDLANDS TVET COLLEGE

ANNUAL REPORT
2013 / 2014

PRESENTATION OF THE REPORT TO THE EMC COUNCIL

It is my pleasure to present this report for the financial year ended 31 March 2014.

The report indicates the efforts of the Eastcape Midlands College as we strive to Become the world class brand in knowledge and skills training and the first choice College in South Africa.

Mr J.J. Mbana

Principal

Eastcape Midlands TVET College

FOREWORD BY THE PRINCIPAL

From the Desk of the Principal Mr. JJ Mbana

A. STRATEGIC GOALS / DIRECTION

1. 100% Certification

Since the College Council gave the directive to achieve 100% Certification in 2016, all efforts have been made to realize this goal.

NCV

In 2009, a 27% certification rate was obtained, and since then certain targets were put into place.
The following certification rate has been achieved to date:

- 2010 - 35% (2% less than the 10% improvement targeted)
- 2011 - 44,7% (0,3% less than the 10% improvement targeted).

Since then the targets have been reviewed. In 2012, the target was set at 55% and from then the target was increased with 11% increments (i.e. 66%, 77%, and 88%). The last increment would be 12%, taking it to 100% in 2016.

Certification results obtained before the supplementary exams were 55,9% and after increased to 64%. According to statistics released by DHET the 2013 target of 66% has already been achieved.

Council reviewed the certification target for 2013 to be 77%. Thus the percentage increase would be 89% for 2014, 95% for 2015 and 100% for 2016. The actual 2013 results after supplementary exams are 73% (very close to the new 77% set by Council).

Report 191

Report 191 has been unstable in terms of the following:
i) The fact that students can register for one to four subjects makes it difficult to control the certification rate.
ii) Secondly, the fact that all the lecturers were appointed on a temporary basis,
iii) Also that all classes are scheduled to start at 15:00 and end at 21:00.

Interventions

i) The biggest intervention taken during 2013 was that of appointing First Education Specialists (FES) to eliminate risks associated with failure. The first task that they were involved with was that of intervening in Mathematics and Mathematics Literacy, since it was discovered as the subjects that carries high risk to failure. The winter school was conducted and services of two top Mathematics Professors from NMMU were utilized. This was intended for the benefit of both students and our Mathematics Lecturers.

ii) There is also a belief that current students like technology so IT programmes were purchased to provide various approaches. These programmes include Archie Maths and Learnscape.

iii) The College also purchased the CRAM programme (College Readiness Analysis Method). With this soft ware the college can test the gap that a student has and later provide corrective activities to bridge the gap. Ten of our Mathematics Lecturers was trained on the content. This was made possible by the funding provided by ETDPSETA. All the Lecturers were given the necessary resources, including laptops.

iv) The campus staff has also been strengthened by employing more lecturers to accommodate the 80/20 ratio (80% permanent and 20% temporary).

v) The best performing lecturers were also awarded to further motivate them to improve their performance.

vi) As the integrity, accuracy and quality of assessment and examinations are key components to the improvement of the results, a new position, Registrar: Examinations and Assessment was advertised and filled.

All the above are intended to improve the results in order to achieve the targets.

Occupational Training

i) The **Non-continuity of Academic Staff** should be addressed in our endeavor to obtain 100% certification. It is very difficult to appoint staff permanently as the facilitation in the Occupational School is based on funds received from proposals and projects. Most of the projects, when completed, are replaced with projects in other fields as we need to "go where the money is". This is however counterproductive as far as quality assurance is concerned because you never get to learn and use the strong abilities of the staff to its fullest. If you do have permanent staff it is so that you get to know in which areas they are strong and you can make full use of their potential.

Another factor is that we train the staff that is appointed on contract and then they leave our employ. We have trained most of the

NSF staff as assessors but some of their contracts expired at the end of December 2013. This created a problem as we do not have a core compliment of assessors and moderators to fulfill the quality assurance needs of the Seta's that we work for. We can only get accreditation from the Seta's if we do have subject matter experts as facilitators, assessors and moderators.

ii) Role of the FES

The role of the recently appointed people in a position as FES was extended to service the Occupational Training School situated at the Brickfields Road Campus as well.

iii) Campus Manager

A campus manager was appointed for the Brickfields Campus for Occupational Training.

2. 100% Retention

The retention statistics as reflected by Coltech shows withdrawals which are supported by official letters of withdrawals from students as handed in by the campus. There is however instances where students withdraw verbally but such withdrawals are not recognized as official withdrawals by the college due to the absence of the official letter as required by each campus.

The most predominant reasons for withdrawals could be cited as:

- Financial constraints resulting from being unsuccessful with regards to their bursary applications.
- Students experiencing personal problems
- Lack of interest due to either the content pitch of the course being too high as well as students carrying subjects in previous levels.
- There are isolated instances where students withdraw due to:
  - Pregnancy and health-related matters
  - Re-location
  - Employment
- In the case of the Occupational School the main issue is really in the afternoon classes. The classes are taking place up to 21:00 in the evening and then the learner's battle with transport home.

- Another issue that can impact negatively on the retention rate in the college is the disparity between Vocational and Occupational training. We are aware of learners that want to leave the vocational side and move over to the occupational side. This should be addressed as a collective as it may impact negatively on the retention rate.

As an integral part of dropout prevention, Student Liaison Officers perform internal tracking by following up student absenteeism and any student at risk in terms of withdrawing, by means of counselling and referrals. A complete record of these interventions is submitted on a monthly basis to ISSS management.

A strategy is currently being developed to support the 100% retention of students. The method being deployed will commence with a survey of all affected parties.

3. 100% Placement

Strategies to implement 100% placements included the following activities since April 2013:

A strategic job placement Workshop, a Driving School Launch and a Partnership breakfast was held during April. WBE & LWE Support Workshops were held during June, while Marketing Drives for Placement and the Driving School, and research at other FET colleges took place during July & August. Successful Partnership with SAGDA and TETA created placement spaces for 35 EMC interns.

2013 Placement & Driving School

530 students assisted with Learner Licence training at Driving School.
198 students assisted with Licence Training at Driving School.
Total Students for Learner and Licence Training at Driving School - 728

Placement Category	Number of Students
Placed in workplaces for experiential training as part of a qualification	83
Placed in workplaces for experiential training post qualification	25
Placed in workplaces for workplace exposure	28

B. INSTITUTIONAL ACCOUNTABILITY

In pursuit of the purpose of the institution, the mission, vision for the period under review i.e. 2013 to 2016, all activities of the College are guided by two strategic goals. These are the attainment of 100% pass and the attainment of 100% placement for our graduates by 2016. 100% Retention forms an integral part of the above two goals.

There is a very high degree of correlation between the Principal's Purpose Portfolio, the 6 Key Performance Areas and the Performance Agreement (as provided by DHET).

The Purpose Portfolio of the Principal covers all the main themes of the Strategic Planning in that it addresses Management Performance, Student Access to relevant programs, Institutional Capacity, Teaching and Learning, Expansion (new developments) and Throughput and Operational Monitoring and Evaluation. All this is made possible through our well equipped Vocational, Occupational and Business Unit (Partnership Unit) delivery sites training programmes.

All Supporting Structures are well oiled and makes EMC a highly functional College in terms of Financial, Human Resource, SCM and IT support structures which is characterised by excellence.

The conclusion that we can draw from the correlation is that our strategic planning process has been aligned to how the Purpose Portfolio of the Principal interacts with the 6 KPA's of the College. We will endeavour to remain the world class brand in knowledge and skills training in our commitment to be a centre of excellence as contained in our mission.

C. PROGRAMME OFFERINGS

The two schools: Vocational school and the Occupational school are considered to be the heartbeat of the College.

1. School of Occupational Training

The college started offering occupational directed training as far back as 2004, when the need for skills and learnership training were very much in demand by industry and a number of state departments. Funding for this type of training had to be separated from the normal college income received in the form of a conditional grant and had to be reported on differently to the various clients and therefore council decided to run all occupational directed training via the EMCBU.

A proposal submitted by EMC and approved by the National Skills Fund during 2012, lead to an allocation of R102, 000, 000 for the provision of skills, learnership, apprenticeship and Report 191 programmes over a 3 year period. All indications are that this funding would continue post 2015.

The college, since then established a dedicated site for the School of Occupational training at Brickfields Road and requested Council to formally recognize and approve the Occupational School as a second school, supplementing the School of Vocational training.

2. School of Vocational Training

The Vocational school offers 8 programmes: Office Administration, Tourism, Marketing, Finance Economics and Accounting, Safety in Society, Information Technology and Computer Science, Electrical Infrastructure Construction and Engineering Related Design.

A new programme, Primary Health was added in January 2013 as a Pilot Programme with 120 learners enrolled. Some challenges were initially experienced, which included:

i) First there was a misunderstanding that the course would allow students to have a nursing qualification.

ii) Secondly, the course attracted students who were health workers. Since health workers receive a monthly stipend students expected this from the college as well.

iii) The third reason was the insufficient funds to allocate for level two student bursaries. This led to student unrest which was stopped by the intervention of Dr. Pillay of the Department of Health and a Ward Councillor who addressed the students.

The 5 Vocational School campuses appear to operate within the economic needs of the region. Nevertheless, there is some duplication of programmes at some campuses. There are considerations to make dedicated campuses centres of excellence. A campus would then specialize in a certain programme only. Resources would not be duplicated and that programme would be monitored against the economic needs of the area it serves. Against this background Primary Health and Office Administration course students were planned to be enrolled only at Heath Park Campus in 2014.

Three of the campuses were dealt a blow when the FES's were appointed. The worst hit campus was High street, as it lost 4 top lecturers. As a responsible and accountable College, we supported these Campuses by ensuring that they remain functional. This has been done by ongoing monitoring the replacement of the lecturers and supporting the campuses for a smooth hand over.

D. RESOURCE UTILISATION

1. Financial Reporting

The college is well funded and all processes are cash backed. The college is solvent with a positive liquidity ratio.

The college sitting of the first Audit Committee took place during September where the Audit Charter and Audit Plan were tabled.

A business partner has been appointed to deal with Risk Management.

2. Human Resource Reporting

The college undertook a re-survey of institution wellness and is currently rolling out the reactive treatment strategy.

HRD is being rolled out but due to institution design it still remains impaired but a detailed delivery plan has been devised so as to ensure maximum capacity.

3. IT Reporting

It is important to note that an extensive assessment will be done to determine our future developmental need.

4. Innovation and Development

An advert was placed for a Researcher but no sought after applicant applied. The section is investigating the option of acquiring the EVASYS research system that will help in evaluating current research and information trends.

5. Supply Chain Management and Assets

In the absence of the 2013 Demand Management Plan the section is still a bit behind with timeously delivery of goods and service. The post of Senior Accountant Supply chain has been filled, hence the improvement of performance.

The future of assets management will be of paramount importance due to the approaching new GRAP accounting standards. The position is being re-advertised.

The establishment of the Financial Accounting and Governance Section to stay ahead of governance and accounting will be of vital importance.

6. Living and Learning Space

Extensive time has been spent on the development of a system that would allow management of the physical infrastructure. It has to be noted that all existing campuses are full to capacity and that expansion has to be one of the alternatives of new and innovative development. This must be extended to include accommodation for students as well.

E. DELIVERY SITES

1. School of Occupational Training: Brickfields Road Campus

The NSF project which is managed for the college by the Business Unit and facilitation / training for this project takes place at Brickfields Road Campus.

Various new courses funded by NSF will be implemented in 2014 of which Wholesale and Retail Operations is but one. The advantage of this is that the capacity of the College is increased and an increase in Programme Quantity Mix is constantly maintained. It also builds relationships with the various industries around us.

There are still many challenges that need to be overcome at the new site. The main issue is the slowness in the process of getting the workshops ready as 60 apprentices in various trades should have started in January 2014.

Long term stability of the premises is also a worrying factor as we have not received any information to date that NSF will still be funding the projects after 3 years. Due to the NSF training projects the Occupational School can also not get involved in training of learners for industry at the scale that it was done before as space is a problem.

On the positive side we had companies employing some of the learners already. Lumotech has employed two of the Automotive Component Manufacturing learners even before they have completed their qualification. Some of the academic learners have been employed as well.

11 of the facilitators employed in January 2013 have been sent on assessor training of which all of them have handed in their portfolios. Some have already received their assessor certificates. Staff has also been sent on first aid and safety training. In lieu of this it would also be a shame if NSF does not renew the funding after 3 years and the staff is released from their contracts. This poses a threat to the vision of our College to obtain 100% certification in 2016.

2. School of Vocational Training: NCV and Report 191 campuses

High Street Campus:

71% of NCV students (who sat for 7 subjects) passed all 7 their subjects at the end of 2013 and will be certified. 45 subjects with a mark of more than 90%: 301 distinctions were achieved of which 3 students had 7 distinctions each (JC du Plessis (To L3), JA Arnolds (To L3), Z Omar (Fin L3). Z Omar also had 100% in Financial Management.

Graaff-Reinet Campus:

The number of learners was increased to 520 and an improvement in results was shown however the challenge was in teaching and learning space.

The new campus is said to be operational in January 2014, but it did not have sufficient class rooms for the already enrolled number of students. Additional classrooms at the current campus to be used for at least first semester in 2014 should be considered. Another related ongoing challenge at the Graaff-Reinet campus was the lack of student accommodation.

Grahamstown Campus:

As the campus is growing the challenges for accommodation is becoming unbearably. Because Grahamstown has Rhodes University in the area and private schools, Grahamstown campus is becoming more popular to people from outside Grahamstown and since the Campus cannot refuse students coming from outside Grahamstown accommodation becomes a problem. The campus therefore is in dire need of its own hostel. The sooner a task team was established to look at this matter the sooner the unnecessarily strikes would be eliminated.

Park Avenue Campus:

As highlight for the year 2012 / 2013 the substantial increase in our certification rate from 35%, 2011 to 54% in 2012 and 69% in 2013 has to be highlighted, actively pursuing our goal of 100% certification in 2016.

Charles Goodyear Campus:

NCV Primary Health program was successful implemented at the campus in 2013. The construction of a walk-in safe as required to register as an Exam Centre was successful and the campus is currently awaiting the compliancy inspection from NOSA.

Ms N Msizi was appointed as Acting Deputy Campus Manager and Ms Rene Rayners as Financial Aid Officer. Ms T Mini (Primary Health Programme L3) and Ms L Mqai (Engineering and Related Design – Automotive L3) were identified by DHET to attend book review workshops for Level 3 in 2014.

F. GROWTH, EXPANSION AND NEW DEVELOPMENTS

BRICKFIELDS ROAD CAMPUS

EMC is in the process of completing the transfer in relation to the acquisition of the remaining pieces of land and buildings on the Brickfields Road Campus as part of the future development plans of the college.

A meeting was held with the department of Public Works where they offered vacant schools that might be taken over on a “caretaker “basis by the college. A task team has been established to research and investigate the feasibility.

The following projects are in development and pre-planning stage:

- The CRAM system
- The enterprise Unit
- The RPL UNIT
- ECMC Sports Campus Unit

ESETA PROPOSAL

The college concluded an agreement with the ESETA which would fund part of the refurbishment of the new workshops and in particular the Renewable Energy workshop. In addition to this it would also fund the training of 150 learners in the field of renewable energy.

BRITISH COUNCIL PARTNERSHIP

EMC and the Wallsall College in the UK established a partnership in 2013. Mutual commitment to sharing of best practices and innovative approaches to academic delivery and performance forms the pillars of the partnership. The second leg of the partnership focuses on the establishment of Learning Companies at EMC. The initiative will incorporate EMC’s vision of training on production, a concept whereby students are employed in real work environment, gaining meaningful practical experience on production whilst still being trained by the College.

G. NATIONALLY RELATED ISSUES

Migration to DHET

The current information available is limited, even though the migration day has arrived. We have been advised by DHET to await correspondence as they would engage and communicate with staff. The collective agreement has not yet been completed neither the technical staff transfer.

H. EMC BUSINESS UNIT (PARTNERSHIP UNIT)

The process of appointing of the Business Partners as well as the completion of the MOI has been completed. The advert was placed for the BU Manager but unfortunately no sought after applicants applied, hence alternative recruitment methods will have to be explored.

The college concluded an agreement which formalise the relationship between the EMCBU and the college which was approved by the Board. In terms of this relationship certain services, termed, non-core services, are outsourced to the unit.

Signature of College Principal

Prepared by

JJ Mbana

Principal

5 June 2014

CONTENTS

1. GENERAL INFORMATION

1.1 INFORMATION ON EASTCAPE MIDLANDS COLLEGE

1.1.1 History of the College

Eastcape Midlands College, known as EMC, came into being on 31 March 2002 with the merger of Uitenhage Technical College, KwaNobuhle Technical College, Grahamstown Technical College and the satellite campus of Bethelsdorp Technical College in Graaff-Reinet and was officially launched in October 2003.

Eastcape Midlands College is a dynamic and fast growing institution operating under the leadership of a fully supportive and vibrant College Council. Educational programmes are developed and offered according to the identified needs of commerce and industries and local communities via DoE, DoL programmes and partnerships.

1.1.2 Our Geographic Location

The Head Office is based at Cuyler Street and Durban Street, Uitenhage

Eastcape Midlands College Vocational Training (NCV and Report 191) campuses are situated in:

Uitenhage: High Street, Park Avenue and Charles Goodyear campuses

Grahamstown: Grahamstown campus

Graaff-Reinet: Graaff-Reinet campus

Figure 4: EC Location of the Colleges and Campuses

Eastcape Midlands College Occupational training is done at the Brickfields Campus.

1.1.3 Niche areas of the campuses are as follows:

High Street : Marketing & Tourism

Grahamstown : Finance, Economics & Accounting

Graaff-Reinet : Office Admin & Safety in Society

Charles Goodyear : Engineering and Related Design

Park Avenue : Information Technology and Computer Science & : Electrical Infrastructure Construction

Brickfields Campus : Learnerships, skills programs and corporate training courses are conducted there.

NEW CAMPUSES THAT STARTED RUNNING IN 2014

THANDOXOLO HIGH SCHOOL situated in Kwanobuhle

The college signed an SLA with the Provincial Department of Public Works for the use of part of the school buildings. The intention is to extend the EMC brand to the communities in near proximity to EMC. This campus is intended to be a School for Business Studies and is offering Report 191 funded programmes from N4 to N6 on a full time basis.

Programmes offered are:

- Business Management
- Marketing Management
- Human Resource management
- Management Assistant

HEATH PARK CAMPUS situated in Bethelsdorp

NCV Programmes offered are:

- Office Administration L2
- Primary health L2 & L3

Report 191 Programmes offered are:

- Business Management N4
- Marketing Management N4
- Human Resource Management N4
- Management Assistant N4

GRAAFF REINET CAMPUS (new)

The new campus will be operational in 2015.

CRADOCK CAMPUS (Matthew Goniwe Campus - School of Engineering)

The new campus will be operational in 2015 should sufficient funding be raised for it.

1.2 VISION AND MISSION STATEMENT

VISION

To become the world class brand in knowledge and skills training and the first choice college in South Africa.

MISSION

Our mission is to pursue our vision by passionately responding to the needs of the country.
In support of our mission we are committed to:

- Provide student support and services and endeavour to assist in job placement for our students.
- Be a modern but relevant college who are informed by the development challenges facing its communities.
- Be a centre of excellence characterised by competitive competences, capabilities and service orientation.

PURPOSE

The greatest need of the country is equipping individual students with knowledge and skills training to address the demands of the economy and the needs of the community.

VALUES

We will uphold all the values as enshrined in the spirit of the constitution of the Republic of South Africa and the various legislations that regulate the college directly or indirectly. We will particularly uphold strict financial discipline as contemplated by the PFMA. Our vision and mission will direct us at all times and we will endeavour to be effective, efficient and economical at all times by being responsive and relevant to our clients' needs and by working as a coherent team.

Our core values are as follows:

- Customer supremacy
- Honesty
- Human dignity
- Consultation
- Striving for high standards of service
- Transparency
- Accountability
- Redress
- Value addition in whatever we do
- Learner-centeredness

1.3 LEGISLATIVE AND OTHER MANDATES

Since 1994, a number of education policies were implemented and legislation promulgated to create a framework for transformation in education and training. A summary of key policies and legislation follows:

- The South African Qualifications Authority , 1995, (SAQA), (Repeated)
- The Constitution of the Republic of South Africa (1996),
- The National Education Policy Act, 1996 (Act 27 of 1996), (NEPA)
- The South African Schools Act, 1996, (SASA)
- The Higher Education Act, 1997 (Act 101 of 1997), (HEA)
- The Further Education and Training Act, 1998, (Repealed)
- Employment of Educators Act, 1998 (Act 76 of 1998), (EEA)
- Skills Development Act, 1998 (Act 97 of 1998), (SDA)
- The National Student Financial Aid Scheme Act, 1999 (Act 56 of 1999), (NSFAS)
- Skills Development Levies Act, 1999 (Act 9 of 1999), (SDL)
- The Adult Basic Education and Training Act, 2000 (Act 52 of 2000), (ABET)
- The Education White Paper on Early Childhood Development (2000)
- South African Council of Educators Act, 2000 (Act 31 of 2000)
- The General and Further Education and Training Quality Assurance Act, 2001 (Act 58 of 2001)
- The Education White Paper on Early Childhood Development (2000)
- The Curriculum, 2005 (C2005)
- The Further Education and Training Colleges Act, 2006 (Act 16 of 2006), (FETC)
- The National Qualifications Framework Act, 2008 (Act 67 of 2008), (NQF)
- Skills Development Laws Amendment Act, 2010 (Act 24 of 2010)
- Higher Education and Training Laws Amendment Act, 2010 (Acts 25 and 26 of 2010)
- Higher Education and Training Laws Amendment Act, 2010 (Acts 21 of 2010)
- Skills Development Laws Amendment Act, 2011 (Act 26 of 2011)
- The Further Education and Training Colleges Act, 2012 (Act 3 of 2012)

Of specific interest to Eastcape Midlands Further Education and Training College is:

- The Constitution of the Republic of South Africa (1996) requires education to be transformed and democratised in accordance with the values of human dignity, equality, human rights and freedom, non-racism and non-sexism. It guarantees access to basic education for all, with the provision that everyone has the right to basic education, including adult basic education, and,
- The Further Education and Training Colleges Act, 2006 (Act No 16 of 2006) that provides for the regulation of further education and training, the establishment of governance and funding of public further education and training colleges, in further education and training, the registration of private further education and training colleges and the promotion of quality in further education and training.

In terms of the governance of these FET Colleges, the Act establishes norms and standards that must be adhered to. Amongst these is the provision of strategic guidance by College Councils to their respective FET Colleges.

1.4 GOVERNANCE AND MANAGEMENT STRUCTURES

GOVERNANCE PROFILE

The Members of Council 2013

External Members	
Mr. C.M. Gawe	Chairperson
Mr. Z Mapoma	Deputy Chairperson
Mr. JH Arpin	Chair Finance Committee
Mr. J.J. Mbana	Chair Academic Boards

Sub-Committees of the Council of Eastcape Midlands College 2013

Finance & Facility

Name	External/ Internal	Sub Committee	Function
Mr. J.H. Arpin Ms. M. Douws Ms. L. Lee Mr. C Gawe	**External**	**Finance & Facility**	Finance Policy Formulation, Approval and Oversight. Ensuring that finances of the college are running well and facilities are sufficient for the smooth running of the college. The objective is to have a sustainable college and also ensuring that an unqualified audit report is obtained from the Auditor General
Mr. J.J. Mbana Mr. R. Abdullah Ms. M. Christoffels Mr. S. Gana Mr. A. Howden Mr. A. Boyce Ms. L. Du Randt Mr. V. Hewana Ms. Q. Xulubana Mr. D. Kilian Mr. TI Daniell Ms. P. Ndlovu Mr. G.J. Roux Ms L. Hitge SRC Treasurer	**Internal**		

HR & Remuneration

Name	External/ Internal	Sub Committee	Function
Ms. M. Douws-Magidesi Mr. Z. Mapoma Mr. N Tys Dr. S. Gqubule MS I.Lee	External	HR & Remuneration	HRM Policy Formulation, Approval and Oversight. Oversee all HR Related matters, policies, organogram and vacancies for recommendation to Council for approval.
Mr. R Abdullah Mr. A. Howden Mr. T, Daniell Mr. J. Retief	Internal		

Academic Board

Name	External/ Internal	Sub Committee	Function
Mr. J.H. Arpin Dr. S. Gqubule Ms. N. Ndlovu Mr. S. Schoombie	**External**	**Academic Board**	**Accountable to the council for: Policy Guidance, Approval and Oversight; The academic function of the college and the promotion of the participation of women and the disabled in the learning programmes, Establishment of internal academic monitory and quality promotion mechanisms, Ensuring that the requirements of accreditation to provide learning against standards and qualification registered on the NQF are met, Determining the learning programmes that will be offered by the public FET college, Performing such other functions as may be directed or assigned to it by the Council.**
Mr. J.J. Mbana Ms. N. Chagi Mr. D. Kilian Mr. J.J. Claassen Ms. M. Christoffels Ms. T.B. Zengele Mr. S. Gana Ms S. Jonker Ms. C .Harmse Mr. TI Daniell Mr. C.J.S. Strydom Mr. C. Hurter Ms. K. Jafta Mr L Moos Mr d Roux Ms L Magengenene Ms H Cannon Ms S Jackson Mr A Mohamed Mr N Botha Mr A Boyce Ms N Ntsho Ms A de Jager Chair (SRC) Deputy Chair (SRC) Ms N Magxaka Mr R Mazorodze Ms N Mini	**Internal**		

Business Unit

Name	Sub Committee	Function
Mr. C.M. Gawe (Director) Mr. J.J. Mbana (Director) Mr. D. Kilian Mr. J. Arpin	**Business Unit**	**Policy Formulation, Approval and Oversight. Meet Quarterly to monitor and report budget expenditure and new training initiatives (apprentice, learnership and corporate training) and to seek approval for decisions made.**

MANAGEMENT PROFILE

Mr JJ Mbana	Principal
Ms N Chagi	Vice Principal: Education and Training Services (seconded to King Sabata Dalinyebo College as Administrator)
VACANT	Vice Principal: Corporate Services
Mr D Kilian	Vice Principal: Registration
Ms M Christoffels	Registrar: Student Affairs
Mr R Abdullah	CFO / Senior Resource Manager
Mr J Claassen	Registrar: Institutional Development & Occupational Training
Mr S Gana	Registrar: Academic
Mr C Hurter	Registrar: Examinations and Assessments
Mr D Roux	Campus Manager: High Street
Mr M Twala	Campus Manager: Charles Goodyear
Mr T Daniell	Campus Manager: Park Avenue
Mr V Hewana	Campus Manager: Brickfields Road
Ms Q Xulubana	Campus Manager: Grahamstown
Mrs B Bosch	Acting Campus Manager: Graaff Reinet
Mr Nico Botha	Acting Campus Manager: Thanduxolo
Mr J Smit	Registrar: Planning and Research
Ms E van de Merwe	Assistant Director: Marketing & Communications
Mrs P Ndhlovu	Assistant Director: Finance
Mr J Retief	Manager: Learning and Living Space Design
Mr F Dennis	Supply Chain Manager
Ms T Zengele	Assessment Manager
Ms S Jonker	Student Support Manager
Mrs C Harmse	Examination Manager
Mr E Schmidt	Partnership Unit Manager
Mr N Kulati	FES: Projects
Mr D Burger	FES: Apprenticeships
Mr C Ryan	FES: Learnerships (Engineering)
Ms M Rasilingwane	FES: Business Skills
Mr L Moos	FES: Report 191 Business Studies
Mr A Boyce	FES: NCV Engineering
Ms L Moyake	FES: NCV CORE: Business
Ms N Magxaka	FES: NCV Fundamentals: Life Orientation
Mrs H Cannon	FES: English
Mr R Mazorodza	FES: Mathematics
Ms R Roodt	Career Development Manager
Ms A Horne	Manager: Recruitment and Admissions
Mr A Van Rooyen	Manager: Quality Assurance
Mr C Sarrahwitz	ICT Manager
Ms T Mini	FES: Primary Health

2. PROGRAMME PERFORMANCE

2.1 Budget allocation

The Council hereby provides the following Budget Policy Allocation Guidelines. All expenditure must be within these guidelines. As per regulations an 8% virement is inherent in the power of the PRINCIPAL and amounts outside of this amount requires Council approval.
Management is also mandated to negotiate a more equitable allocation from DHET. On average a budget of over R100 million is needed per year in order to adequately discharge the Councils responsibility in terms of service delivery.
The budget for 2013/14 was **R139, 304, 121.**

In appropriating the budget from the Council to the PRINCIPAL the Council hereby indicates the following immediate goals for the finance branch. This include that the Principal implements the appropriate internal controls to ensure that:

- An unqualified audit report is obtained annually;
- That no unauthorised, fruitless and wasteful or irregular expenditure occurs;
- The Budget is to be disaggregated as detailed below for the MTEF unless otherwise approved by the Council.

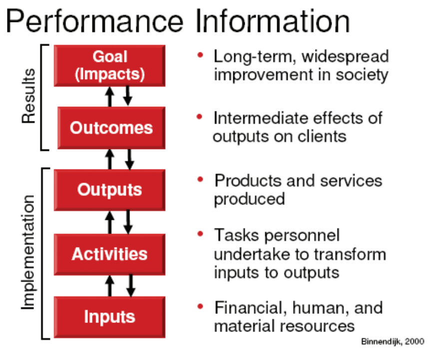
2.1.1 Percentage per Programme and Allocation per Standard Item

Budget Policy for 2013/14										
Total Budget										
Compensation of Employees (CoE)		Goods & Services						Capital	
59,2%		25.2%						15.3%	
Head Office	District offices	CEO & Management	Human Resource & Administration	Student & Support Activities	Academic Support	Administration & Professional Services	Marketing	IT Networks	Buildings
29.6%	70.4%	4,3%	7.9%	7.6%	15.4%	64.2%	0.6%	54,1%	45.9%

2.1.2 Budget Allocation per Standard Item based on the Indicative Budget 2013/14

Total Budget									
R139,304,121									
Compensation of Employees (CoE)		Goods & Services						Capital	
R82, 952,829		R35, 086, 042						R21, 265, 250	
Head Office	Campuses	CEO & Management	Human Resource & Administration	Student & Support Activities	Academic Support	Administration & Professional Services	Marketing	IT Networks	Buildings
R24, 520, 116	R58, 432,713	R1 500, 000	R 2,777, 500	R 267 8 166	R5 414 000	R22 505 876	R210, 500	R11, 500, 000	R9 765 250

2.2 Strategic objectives and goals



Binnenijk Model

The Performance Information Framework schematic on the right provides an indication of the roles and responsibilities of the Council and that of the Management of EMC. The Council is responsible for the results of the organisation as represented by the impact that government policy has on society. This impact can be divided into the short, medium and long term. In this strategic plan the short term impact the Council seeks is to ensure that there is compliance with all legislation and prescripts in the Province.

In the medium term, the Council seeks to make sure that the quality of life of our citizens is improved and that there is a major in unemployment and poverty. Whilst the Council strives to achieve this, it must also find a balance between the needs of society and business. A correctly managed and regulated FET sector will have positive economic spin offs as well.

The purpose of the strategic plan is to direct the organisation in such a way that the above results (Goals / Impacts) can be achieved. As indicated, the Council and the Ministry is responsible for the effect of policy on society.

Management on the other hand is responsible for the implementation. The end product of this implementation must be tangible and is referred to as the outputs. These outputs must have a direct bearing on how the outcomes will be realised.

2.2.1 Strategic Goal 1 - Quality Teaching, Learning and Access to FETC Education

In order to achieve the above Strategic Goal 1, the following Strategic Objectives have been identified. The table below list the strategic goals and objectives.

Strategic Objective	Strategic Goal 1 – Quality Teaching, Learning and Access
SO1	**To ensure that a quality NCV program is fully implemented**
SO2	**To ensure that as many students as possible have access to the College**
SO3	**To strive towards ensuring that females and persons with disabilities have access to the college and to the technical fields in particular**
SO4	**To strive towards a throughput rate of 75%**
SO5	**To ensure that the College transfers appropriate skills and tuition relating to Learnerships**
SO6	**To ensure that the College offers appropriate Skills Development and enrichment programmes**

1. The first win is to increase the student numbers in all courses as it relates to NCV and Occupational Training and this is in line with government plan of action to improve access to vocational education.
2. The College must intensively develop the School of Occupational Training which must deliver high end training and skills transfer to communities and employees.
3. The second big win that must happen is that all efforts must be made to ensure that students achieve a 75% plus pass rate in all 7 subjects.
4. Another key target is to ensure that 30% of all students in the technical fields such as engineering and related are females. This will cover the access; pass rates and consequently the throughput rate at the College.
5. Aligning Eastcape Midlands College with the Department of Higher Education requirements.
6. The Target Market of EMC needs to be very clearly defined. Resource requirements and costing needs to be identified by all the campus managers. Funding of rural student accommodation needs to be addressed. Campus Managers need to present recruitment plans showing resource requirements and costing. Politically, economically, technologically, socially and legally Environmental Analysis and College Positioning needs to be addressed. A programme to assist with the integration of different cultures on the campuses of EMC requires consideration.

2.2.2 Strategic Goal 2 – Optimal and Accountable Management

In order to achieve the above Strategic Goal 2, the following Strategic Objectives have been identified. The table below list the strategic goals and objectives.

Strategic Objective	Strategic Goal 2 – Optimal and Accountable Management
SO7	**To ensure that the College is optimally managed as it related to being effective, efficient, economical, ethically and in an environmentally friendly manner**
SO8	**To comply with all the principles of good governance, by implementing Audit Committees, Internal Audit, Risk Management, Fraud prevention and Internal Audit Plan**
SO9	**To ensure that the finances are optimally managed and that an unqualified financial report is obtained from the independent auditors**

1. Under Strategic Goal 2 the objective is to be fully accountable for public funds and this entails that the College finances are optimally managed and directly towards teaching and learning. This must include improving the Governance of the College. It is expected that the Council is properly trained, that an Audit Committee be established by Council.
2. Council and management must ensure that the College is financially viable and that it obtains an unqualified audit report.
3. Policies and procedures must be implemented in line with those expected of a Schedule 3 C like PFMA public entity
4. In order to improve accountability and compliance with legislation, the College must employ a Chief financial Officer and an internal auditor. The internal auditor must report directly to the Chairperson of the Audit committee of Council that will be introduced under Strategic Goal 1
5. This compliance includes the development and implementation of Annual Performance Plan with an aligned budget that details how to operationalise the Strategy.
6. Risk Management Plan and Fraud prevention plan must be included and all assets are to be electronically tagged including the motor vehicles.
7. A new Budget Policy, Statement of Significance and Materiality must be introduced. This includes the new Budget programme system that is aligned to the strategy, structure and functions.
8. Power must be delegated and decentralised in a controlled system of defining roles and responsibilities and delegations
9. The financial transformation sees the move away from the GFS system of classification reporting (Personnel, Admin, Stores, Equipment, Land & Buildings, Prof Spec, Transfers and Miscellaneous) and the aligning of the college finances to the Standard Chart of Accounts (SCoA) which now classifies the budget and expenditure under a more simplified system (Compensation of Employees, Goods and Services and CAPEX) and the Programme Budget System with the introduction of Programme Managers, Responsibility Managers and Responsibility Officers.

2.2.3 Strategic Goal 3 - Developing our Staff

In order to achieve the above Strategic Goal 3, the following Strategic Objectives have been identified. The table below list the strategic goals and objectives.

Strategic Objective	Strategic Goal 3 - Developing our People
SO10	**To ensure that our people reach their full potential and work in a conducive and healthy environment**
SO11	**To implement an optimal human resource plan in human resource development plan**

1. Any high performing organization must invest in its people. As such a skills audit must be conducted and staff placed appropriately where the organisation can obtain the best there skills has to offer within them prescripts.
2. A HRD Plan must be available for each staff member with the emphasis being on lecturer development
3. All educators must undergo the compulsory Orientation Training and upgrading via Continuing education programmes
4. All educators must attend an in house course in ICDL especially PowerPoint to develop teaching aids.
5. A performance management and reward system needs to be developed and implemented

2.2.4 Strategic Goal 4 - Developing our Working, Teaching and Learning Environments

In order to achieve the above Strategic Goal 3, the following Strategic Objectives have been identified. The table below list the strategic goals and objectives.

Strategic Objective	Strategic Goal 4 - Developing our Working, Teaching and Learning Environments
SO12	**To ensure that our students are taught in the best possible environment**
SO13	**To provide the best possible resources for teaching and learning**
SO14	**To ensure that our educators are fully resourced for teaching operations**
SO15	**To ensure that our support staff work in a fulfilling environment**

1. A key strategic resource will be the supplying of all permanent educators with laptops as per a scheme similar to that of the new Determination made by the Minister for school based educators.
2. Strive towards Academic Excellence by ensuring more practical work in programmes and provide additional pre-examination assistance to students.

2.2.5 Strategic Goal 5 - To develop our Infrastructure

In order to achieve the above Strategic Goal 5, the following Strategic Objectives have been identified. The table below list the strategic goals and objectives.

Strategic Objective	Strategic Goal 5 - To develop our Infrastructure
SO16	**To ensure that our infrastructure complies with the Safety, Health and environment legislation**
SO17	**To continue to develop and maintain our infrastructure**
SO18	**To Acquire additional premises for Schools**
SO19	**To establish IT infrastructure inclusive of digital registries, intranets, e-teaching and e-learning systems**

1. Every effort must be made to acquire premises in order to grow the college and in this way have an impact on poverty eradication via the skilling of people.
2. Graaff-Reinet Campus concerns needs to be addressed at both the Provincial and National level for the campus to remain open and planning for it to continue as normal. A proposal is to be put forward to Council for Eastcape Midlands College to investigate the taking over of underutilised schools and to create campuses in local communities.

2.3 Summary of programmes

The activities of the Eastcape Midlands College are organised in the following programmes:

Programme	Sub-Programme
1. Administration	**1.1 Office of the Principal** **1.2 Human Resource Administration** **1.3 Provisioning and Technical Administration** **1.4 Financial Administration** **1.5 QMS**
2. Planning, Research and Institutional Development	**2.1 Planning and Research** **2.2 Marketing and Communication** **2.3 School of Occupational Training**
3. Education and Teaching Services	**3.1 Programme Administration** **3.2 Student Support Services**

2.4 Overview of the service delivery environment

Occupational Training Programmes

It was a strategic decision taken in June 2009 by the Principal and Council to establish the Occupational School. This is good investment following the inclusion of Seta's in the new national department of higher education and training coupled with state of the nation address by the president in which FET colleges were confirmed as the official providers of the skills the country is looking for.

Companies have specific training intervention needs that are not always catered for by the current NCV programmes, thus they are looking for training providers to fulfil this role.

Public FET colleges are ideal for this as they can be considered as the "one stop shop" for the employers. Colleges are able to train the employees in a full qualification and not only part of the qualification as most of the private providers are doing. Many if not most of the private providers will only specialise in either fundamental or core training and do not have the subject matter experts and/or the infrastructure to be involved in training of this magnitude.

However, to be able to sustain the interest of companies and industry in colleges, funding will have to be sustained from DoE as it is our task to be involved in the training of learnership and skills programmes. It must be taken into account that in our area there are very few providers that are able to train company employees on the GET and FET levels.

The college started offering occupational directed training as far back as 2004, when the need for skills and learnership training were very much in demand by industry and a number of state departments. Funding for this type of training had to be separated from the normal college income received in the form of a conditional grant and had to be reported on differently to the various clients and therefore council decided to run all occupational directed training via the EMCBU.

Short skills Programmes

The same reasoning above is applicable to ACCREDITED short and skills courses. Very few private providers will have the capacity, skills and infrastructure to present these vital training interventions to companies.

It has also become more evident in recent months that many companies are investigating the possibility of structured training interventions when they identify problem areas in their skills audit.

NC (V) Programmes

Technical Colleges were created to cater for apprentices and journeymen in regard of academic needs. The workplace provided opportunities to develop the needed skills and get hands-on experience.

A major influx of un-indentured students was experienced in the early 90's. These students were trained in all aspects of academics but skills training fell by the wayside, and ultimately the Technical College product was very incomplete.

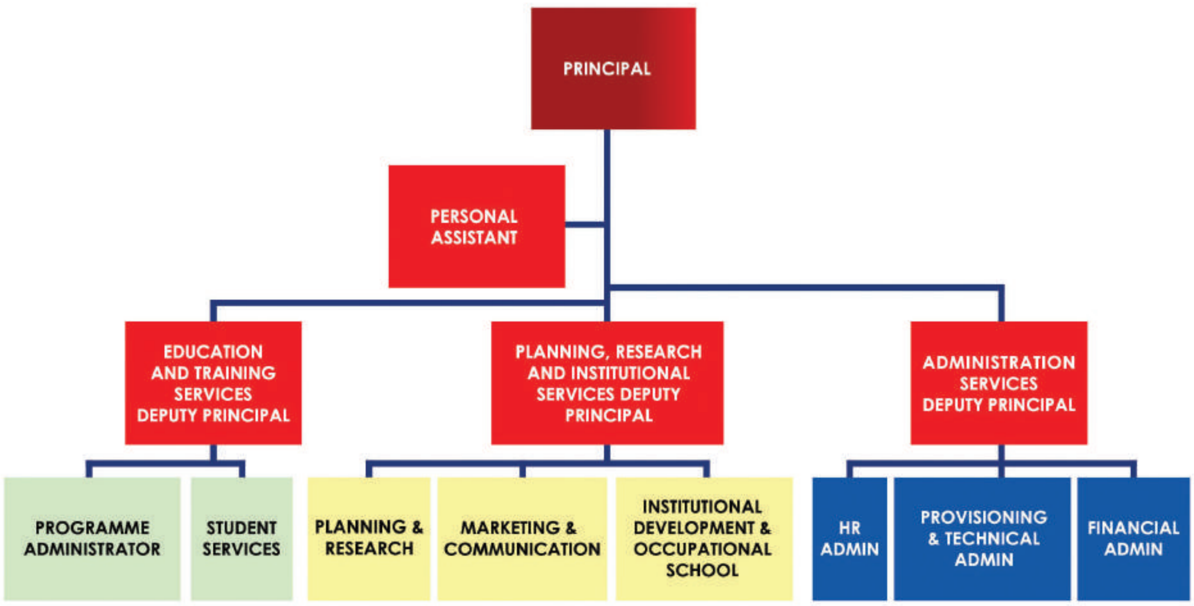
In order to address this problem the NC(V) Curriculum came in place by catering for integrated training. The end product is now complete with both academic knowledge as well as the relevant skills. It gives Grade 9 learners a vocational alternative to an academic Grade 10 - 12 by offering industry focused training on the NQF levels 2 – 4.

These qualifications are designed to provide both the theory and practice. The practical component of study may be offered in a real workplace environment or in a simulated workplace that will provide students with an opportunity to experience work situations during the period of study. These qualifications will also provide an opportunity to enter high education institutions.

In response to the dire needs of our economy and the Joint Initiative for Priority Skills Acquisition (JIPSA), Eastcape Midlands College offers nine programmes, namely:

- Finance, Economics and Accounting
- Office Administration
- Tourism
- Marketing
- Safety in Society
- Information Technology and Computer Science
- Electrical Infrastructure Construction
- Engineering and Related Design
- Primary Health

2.5 Overview of the organisational environment



2.6 Strategic overview and key policy developments

Further Education and Training Colleges Amendment Act, 2012 (Act No. 3 of 2012)

This legislation amends the Further Education and Training Colleges Act, 2006, so as to remove all references to provincial authority; to assign functions previously assigned to the Member of the Executive Council to the Minister; to remove all references to "Head of Department" and replace them with "Director-General"; to regulate the conduct of members of the Council, members of a committee of the Council and staff of a public Further Education and Training College engaging in business with the relevant public college; to provide for transitional arrangements and to provide for matters connected there with.

Sections 11 and 12 of the *Further Education and Training Colleges Amendment Act, 2012(Act No. 3 of 2012)*

This legislation effectively transfers the authority over FET College management staff from the Provincial Departments of Education to the Department of Higher Education and Training with effect from 1 April 2013.

Higher Education and Training Laws Amendment Act, 2012 (Act No 23 of 2012)

This legislation aims to amend the Higher Education Act, 1997, so as to provide afresh for the establishment of a national institute for higher education; to extend the functions of a national institute for higher education; to provide for the appointment of an administrator for a national institute for higher education; to provide for the closure of a national institute for higher education; to extend the powers and functions of an independent assessor; to give the Minister the power to intervene in the case of poor or non-performance or maladministration by a public higher education institution; to provide for the dissolution of the council as well as procedure for such dissolution; to extend the powers of an administrator to temporarily take over the management, governance and administration of the council of a public higher education institution; to amend the National Qualifications Framework Act, 2008, so as to change the date on which the annual report of the South African Qualifications Authority must be submitted to the Minister; and to provide for matters connected therewith.

Sector Education and Training Authority (SETA) Grant Regulations

Improved SETA Grant Regulations were introduced to usher in a new era of SETA performance. The Regulations came into operation on 1 April 2013 and require SETAs to target funding towards structured workplace learning and experience as part of partnership programmes between education and training institutions and credible providers and employers. The important work on internships and Work Integrated Learning within the post-school education and training system are institutionalised through these Regulations.

Development of a White paper on Post-School Education and Training

In January 2012, the Green Paper on Post-School Education and Training was released for public comment. It received a great deal of attention from stakeholders in the post-school system. This White Paper seeks to set out a vision for the type of post-school education and training system we aim to achieve by 2030. It has been developed after consideration of the nearly 200 responses to the Green Paper received from educational institutions, Sector Education and Training Authorities (SETAs), employer groupings, trade unions, other organisations and individuals, as well as further reflection within the Department of Higher Education and Training (DHET) on the challenges facing the sector.

The post-school system is understood as comprising all education and training provision for those who have completed school, those who did not complete their schooling, and those who never attended school. It consists of the following institutions, which fall under the purview of the DHET:

- 23 public universities (with two more being established in 2014);
- 50 public technical and vocational education and training (TVET) colleges (formerly known as further education and training [FET] colleges);
- public adult learning centres (soon to be absorbed into the new community colleges);
- private post-school institutions (registered private FET colleges and private higher education institutions, also to be renamed TVET colleges);
- the SETAs and the National Skills Fund (NSF);
- regulatory bodies responsible for qualifications and quality assurance in the post-school system – the South African Qualifications Authority (SAQA) and the Quality Councils.

TVET colleges

The DHET's highest priority is to strengthen and expand the public TVET colleges and turn them into attractive institutions of choice for school leavers. Total head-count enrolments have increased from just over 345 000 in 2010 to an estimated 650 000 in 2013; they will increase to one million by 2015 and 2.5 million by 2030. Key objectives in strengthening colleges include improving their management and governance, developing the quality of teaching and learning, increasing their responsiveness to local labour markets, improving student support services, and developing their infrastructure.

In addition, emphasis will be given to strengthening partnerships with employers, both at the system level and that of individual colleges. Such partnerships will assist the colleges to locate opportunities for work-integrated learning, to place students when they complete their studies, and to obtain regular workplace exposure for staff so as to keep them abreast of developments in industry. Employers should also be in a position to advise the college system and individual colleges around issues of curriculum, and experts from industry could teach at colleges on a part-time or occasional basis. SETAs have an important role to play in promoting and facilitating links between colleges and employers. A curriculum that responds to local labour market needs or that responds to particular requests from SETAs, employers or government to meet specific development goals will result in a differentiated college system with various niche areas of specialisation.

The current mix of programmes and qualifications in the TVET colleges is complex to administer, difficult for learners and parents to understand, and often poorly quality-assured. The entire gamut of vocational programmes and qualifications will therefore be reviewed and rationalised. The review should ideally be led by both the DHET and the Department of Basic Education (DBE), as both offer vocational programmes; it should also involve the colleges, employers and relevant unions.

2.7 Service delivery achievements

2.7.1 Programme 1: Administration

2.7.1.1 Office of the Principal

Sub-programme objective
To provide for the functioning of the Office of the Principal of Eastcape Midlands College, which consists of the Principal himself and his three Vice-Principals?

Sub-programme Overview
EMC's leadership, both at governance and managerial levels, is increasingly playing a pivotal role in the unfolding FET sector in the country and therefore need to have proper institutional mandating mechanisms as well as ensure that EMC is steered indeed along the lines that its leadership is professing outside. This also puts the college on a more spot-lit-skyline thereby requiring it to have its house in order all the time and on all fronts.

Artisan training has received special focus by increasing their number and quality. Setas are busy aligning their programmes and placement of students through learnerships and apprenticeships to the FET colleges.
In pursuit of the purpose of the institution, the mission and vision for the period under review i.e. 2013 to 2016, 2 strategic goals were identified as the guiding goals for the college. These are 1) attain 100% pass by 2016, 2) attain 100% placement (work) for our graduates by 2016.

Based on these broad guidelines the 2013 EMC budget have over and above the financing of the normal college operations pursue the above strategic budget policy direction.

Council ratified the following during 2013:

- Formally recognised and approved the Occupational School as a second school of Eastcape Midlands College , supplementing the School of Vocational Training
- Approved the transfer of Mr, Hewana to Uitenhage as Campus Manager at the Brickfields Road Campus
- Allowed the interventions facilitated by Dr Pillay to further assist in strategising the stability of the Primary Health programme and that the possibility of expanding and diversifying the Primary Health programme should be investigated
- Allow research on the implementation of centres of excellence and to phase it in stages to accommodate our clients
- Approved the ESETA PROPOSAL to fund part of the refurbishment of the new Renewable Energy workshop agreement and the accompanying training
- EMCBU name change to the Partnership unit (to be changed with the Registrar of companies as well)
- All non-core functions to be outsourced to the Partnership Unit
- Establishment of a sub unit for the development of SMME's and learning companies aimed at relieving unemployment
  - Implement ***C***OLLEGE **R**EADINESS **A**CCELERATED **M**ETHOD (CRAM) as a tool for assessing shortcomings in teaching and learning and therefore to improve the certification rate of EMC
  - Provide training and mentorship to commercial farmers in partnership with other government departments which could improve food security in the country
  - Training of the unemployed registered on the department of labour database should funding be allocated for this purpose.
- Approved the establishment of a sport complex at BRC to be funded by the Lottery Board
- Approved the move of the CDC and placement function to the Partnerships Unit as a non-core function
- Approved the following policies:
  - o Composition of short listing and interview panel Policy
  - o Cell phone policy
  - o Recruitment and selection Policy
  - o Delegation of Authority
- Approved the final contract between EMC and the EMC BU (Partnership Unit)
- Approved that the certification target be increased to 77% for 2013, 89% for 2014, 95% for 2015 and 100% for 2016
- Approved the development of the Heath Park campus in Bethelsdorp by EMC
- Resolved to allow management to continue with the processes to pursue Port Alfred in offering Agriculture and Maritime in Port Alfred
- Approved and supported to extend the curriculum offerings from NCV L1-L4 to include higher education offered through NCV L5 as part of the expansion of the college – higher certificate in Banking followed by Tourism and Management.

Achievements

- Appointment of strategic EMC staff such as Registrar: Assessments and Examinations, First Education Specialists, Financial Aid Officers, SHEQ Officer, Supply Chain staff, Sports, Arts and Culture Officer, etc.
- Establishing of the new Bricksfields Road Campus for Occupational Training
- Registration of two additional examination centres
- Implementation of policies on a more structured level
- Elections and training of Health and Safety representatives
- Implementation of Health and Safety plan per campus
- Establishment of partnership unit

- Establishment of designated recruitment unit
- Establishment of the Career Development Centre
- Acquiring of Thanduxolo as an EMC delivery site as from 2014
- Achievement of targeted certification rate (66%)
- Provincial and National achievements in Sports, Arts and Culture
- Approval of the construction of a new Campus in Graaff-Reinet by DHET

Special challenges and responses

Despite the fact that the College continuously strive to deliver excellence in all its areas of delivery, it is a given fact that challenges will present itself during the process. The following are amongst others, the envisaged challenges for 2014.

- Lack of finances for the establishment of additional delivery sites
- Limited bursary funding
- No student residence and transport provision
- Increased student unrest
- Lack of capacity of lecturers due to expansion
- Lack of resources for the implementation of E-Learning
- Extended absence of Vice Principal: Education and Training Services (EMC EATS VP administrator at KSD)
- Non-appointment of Vice Principal: Corporate Services
- Infrastructure growth not aligned to institutional growth

2.7.1.2 Human Resource Administration

Sub-programme objective

To provide recruitment, support and development services for the professional development of educators and non-educators in the college.

Sub-programme Overview

The following staff members were appointed during the year 2013

- 2 Administrative Clerks
- 1 Call Centre Operator
- 1 Sport, Arts and Culture Officers
- 5 Campus Financial Aid Officers
- 1 Student Liaison Officer
- 2 Examination Officers
- 7 First Education Specialists (FES)
- 15 Lecturers
- 1 Financial Clerk
- 1 SHEQ Officer
- 1 Senior State Accountant: Supply Chain Management
- 5 Junior IT Technicians
- 2 Senior IT Technicians
- 1 Senior Resources Manager
- 1 Supply Chain Manager
- 7 Interns

The following staff left the college

- 8 Lecturers – Resigned
- 1 Senior Lecturer - resigned
- 1 HR Manager – Retrenched

2.7.1.3 Provisioning and Technical Administration

Sub-programme objective

Provisioning of technical administration and provisioning services to the college.

REQUEST FOR PROPOSAL (RFP) 2013

DESCRIPTION	RFQ/TENDER/ QUOTE NO	CAMPUS	COMPANY	ORDER #	ACTUAL BID AMOUNT	COMMENT
To provide EMC with cellular phones & related equipment for a period of two (2) years	RFP/SCM EMC 01/13	CUYLER STREET	TELKOM SA SOC LIMITED	11573	R -	Completed
Photocopiers and related equipment	RFP/SCM EMC 02/12	MULTI	ANTE-MAX EQUIPMENT cc		R 2 339 582.00	Completed
Expression of Interest - Business Unit Partner/s for College		MULTI	PKF			Completed

REQUEST FOR QUOTATION (RFQ) 2013

DESCRIPTION	RFQ/TENDER/ QUOTE NO	CAMPUS	COMPANY	ORDER #	ACTUAL BID AMOUNT	COMMENT
Construction of a walk-in safe for examination purposes at CG campus	RFQ EMC 0001/103	CUYLER STREET	ZENIZE TRADING ENTERPRISE cc	11515	R 177 461.00	Completed
Supply delivery of student chairs to various EMC campuses	RFP/SCM EMC 02/12	BRICKFIELDS ROAD	NA PARRY cc t/a WORKSTATION			Completed
Manufacturing & installation of various joinery units at BR campus: Admin Building	RFQ EMC 0005/13	BRICKFIELDS ROAD	JENNAVA CONSTRUCTION	11978	R 121 980.00	Completed
Supply, delivery and installation of classroom furniture at B/Road campus	RFQ EMC 0006/13	BRICKFIELDS ROAD	WALTONS	12576	R 198 176.00	Completed
Supply, installation, configuration of Microsoft active directory incl comp site doc to various campuses	RFQ EMC 0007/13	MULTI	MARS TECHNOLOGIES	12705	R 94 563.00	Completed

REQUEST FOR BID (RFB) 2013

DESCRIPTION	RFQ/TENDER/ QUOTE NO	CAMPUS	COMPANY	ORDER #	ACTUAL BID AMOUNT	COMMENT
Supply, installation, commissioning and configuration of hardware, software & peripherals at various campuses	RFB/SCM EMC 02/13	MULTI	EP WEB ICT PTY LTD			Completed
Supply and delivery of students & lecturers clothing at GR and CH/ GY campus	RFB/SCM EMC 10/13	G/REINET & CH/ GY	SEDGARS SPORT	12661	R 437 343.05	Completed

Supply and deliver gymnasium equipment to EMC	RFQ EMC 0005/13	BRICKFIELDS ROAD	SEDGARS SPORT	12893	R 849 703.00	Completed (College only paid R500 000.00 , awaiting further funds from National Lottery)
Supply, deliver & installation of office furniture at BR campus	RFB/SCM EMC 07/13	BRICKFIELDS ROAD	ANTE-MAX EQUIPMENT CC	12575	R 480 123.85	Completed
Supply, installation & training on visual impaired software at various campuses at EMC	RFB/SCM EMC 08/13	MULTI	BAY TECHNOLOGIES	12707	R 1 917 688.00	Completed
Supply and deliver motor vehicles to EMC	RFB/SCM EMC 09/13	BRICKFIELDS ROAD	MARKET SQUARE VW	12502	R 788 786.78	Completed
Supply Delivery & Installation of (1) Virtual Welder & Software at Brickfields Campus (2) A Turning Simulator (3) Milling Stimulator at Charles Goodyear Campus for EMC	EMC 11/13	CH/GY & BRICKFIELDS ROAD	TOOLQUIP & ALLIED	12894	R 1 107 013.88	Completed
Supply Delivery & Installation of Student Chairs & Desk at (1) Thandoxolo Campus (2) Heath Park Campus for EMC	RFB/SCM EMC 11/13	HEATH PARK AND THANDUXOLO	GO TRAINING ACADEMY CC	170	R 458 738.28	Completed (RFB no erroneously duplicated in this bid)
Supply Delivery & Installation of Office Furniture at (1)Thanduxolo Campus (2) Heath Park Campus for EMC	RFB/SCM EMC 12/13	HEATH PARK AND THANDUXOLO	GO TRAINING ACADEMY CC	292	R 1 168 814.17	Completed

Achievements

All the above mentioned projects were completed successfully.

Specific challenges and responses

The lack of staff has been addressed but the workload is still on the increase daily.

2.7.1.4 Financial Administration

Sub-programme Objective

The objective is to have a sustainable college and also ensuring that an unqualified audit report is obtained from the Auditor General.

Sub-programme Overview

Finance policy formulation, approval and oversight ensuring that finances of the college are running well and facilities are sufficient for the smooth running of the college.

Achievements

Debt management of the college is being managed very well. The college have increased its reserves by R3.8 million and have managed a decrease of outstanding fees to 17%.

Specific Challenges

Inadequate funding by the department of Education is resulting shortage of classrooms at campuses. Late appointment of staff to replace staff that retired or resigned is another obstacle of the college.

2.7.1.5 QMS

Sub-programme Objective

To ensure that all the necessary policies, procedures and relevant documentation are in place for the College.

Sub-programme Overview

Quality Management System

The German Company GIZ/DED now known as GIZ have recruited a Quality Management System Advisor in Germany that started his work as Quality Advisor in South-Africa in January 2011. Mr Apools van Rooyen was appointed as the Quality Manager for Eastcape Midlands College on August 1, 2011. The Advisor and he started working through 25 processes with the staff of the college and are currently progressing well with new policies, procedures and relevant documentation being generated.

Achievements

The QMS department managed the buy-in off Top Management, EXCO as well as the EMC Council. A lot of new policies have been developed and amendments have been made to existing policies to bring them in line with legislation. Staff and departments are becoming more aware of the importance of policies within their respective divisions as well is in specific functions. The biggest achievement is the appointment of the SHEQ Officer who will assist in the institution in paving the way towards OSHAS compliance in terms of the OSHAS Act.

Specific challenges and responses

There are still about 5 processes that need to be unpacked. The availability of process owners as well as process experts is problematic. A new function was added to the process map called: Job placement; however for this process no flow chart or detailed process description was developed, which means more time will be spend on this process. The biggest challenge is to find a service provider to assist the QA team in setting up a QMS site on the intranet that will consist of the following by the end of July 2013:

- Process Flowcharts
- Detailed Process Description
- Policies
- Procedures
- Forms and templates
- Audit Schedule
- Non- Conformances
- Certifications with certification bodies e.g. MERSETA, Services Seta etc.

2.7.2 Programme 2: Planning, Research and Institutional Development

2.7.2.1 Planning and Research

Sub-programme objective

Provide the required planning and research for the college on an annual basis.

The preparation of the Strategic, Annual Performance Plan and Operational Plan and the monthly Monitoring and Evaluation of progress are core functions of the Planning and Research division.

Sub-programme Overview

a) **Strategic Planning 2014-2017**

The strategic planning for 2014-2017 comprised of workshops held at Brickfields campus in preparation of the break-away three day Strategic Planning session that was held from 15 to 17 May 2013 at Cape St Francis.

A further workshop was held in Gauteng during September 2013 and at this workshop the final format of the following documents was made available:

- Strategic Plan
- Annual Performance Plan
- Operational Plan

These documents were completed and sent to DHET on 2 December 2013 as the final set of plans.

The APP takes the strategic objectives of the strategic plan and provides more detail to these. Importantly the APP sets annual targets that the college will try to achieve for the next four years, which cumulatively contribute to the strategic targets.

DHET has five Strategic Objectives that are of direct relevance to the FET sector. Each objective has targets that DHET hopes to achieve by 2017. These five Objectives relate to FIVE areas of FET activity; Expansion, Throughput, Workplace Experience, Institutional Capacity and Monitoring and Evaluation.

The strategic goals and related objectives are:

DHET Strategic Goal	DHET Strategic Objective (linked to Goal)	Area of FET Activity
Strategic Goal 1: Increase the number of skilled youth by expanding access to education and training for the youth.	Increase access to and improve success in programmes leading to intermediate and high-level learning by 2014	Expansion Throughput
Strategic Goal 2: Adequately capacitated individual institutions for effective provision or facilitation of learning	Strengthen the institutional capacity of VET institutions to improve their performance and efficiency	Institutional Capacity
Strategic Goal 3: Increase the number of students successfully entering the labour market upon completion of training.	To provide a dynamic interface between the workplace and learning institutions and promote quality learning at work and for work by 2014	Workplace Experience
Strategic Goal 5: A college curriculum that is responsive to the demands of the market place and can transform and adapt quickly and effectively to changing skills needs, with a special emphasis on artisan training.	Increase access to and improve success in programmes leading to intermediate and high-level learning by 2014	Institutional Capacity
Strategic Goal 6: To partner the EMCBU in the pursuit of training on production activities in the commercial sphere to enable skills development and training in the FET sector	6.1 Training - Occupational School 6.2 Training on Production 6.3 Special projects on Economic Development and Eradication of Poverty	Partnership Unit

Strategic Goal 7: In year reporting making up 35% of the Strategic Plan will put emphasis on the 51 Indicators of the Monitoring and Evaluation framework along with the Quarterly Annual Performance Plan tracking aligned to the Performance Agreement of the Principal.	7.1 M&E Quarterly Report 7.2 APP Quarterly tracking 7.3 Purpose Portfolio progress 7.4 IQMS 7.5 PDMS 7.6 PMS for BU	Monitor and Evaluation

Of these goals, only the first four are directly relevant to the FET College's delivery in assisting the DHET achieve their own departmental targets. The latter two goals are Eastcape Midlands own goals in service delivery of non-core functions and Monitor and Evaluation.

Specific challenges and responses

The strategic planning cycle required that two submissions had to be made in the finalisation of the Strategic Planning documentation, i.e.

Version number	Date Submitted	Comments
1	2/12/2013	Submitted to Council for comment and approval
2	2/12/2013	Submitted to DHET as FINAL Strategic Plan

2.7.2.2 Marketing and Communication

OBJECTIVE:

The objective is to give credence to the EMC's vision to be a world class brand in knowledge and skills training and the first choice college in South Africa, by implementing a pro-active and flexible marketing strategy. In support of EMC's vision, the Marketing and Advancement strategy thus reflects on achievements within the primary performance areas of EMC. These performance areas are to empower students through vocational career-focused education and occupational training and to liaise and co-ordinate with public and private sector partners nationally and regionally. This involves meeting the demands for skills-; knowledge-; expertise-; and technology transfer.

OVERVIEW:

Marketing:

The Marketing of EMC and its products focus on providing justification to industry as to why EMC should receive financial support. Similarly potential students are prompted through deliberate marketing efforts to want to enrol at EMC by branding its uniqueness as a Further Education and Training Institution.

Recruitment:

The Marketing & Advancement Division was rewarded an intake of National Certificate Vocational, Report 191 and Occupational Training students, giving substance to its marketing and recruitment plan.

Recruitment strategies included inter alia:

- Attendance of various career exhibitions
- Campus Marketing Teams hosted various tea functions with school principals and guidance teachers
- Partnership breakfasts for our stakeholders hosted by the college
- Numerous school visits were conducted
- Telemarketing through the call centre
- One-on-one sessions for career guidance
- Advertisements in various newspapers and magazines
- Social media exposure through our facebook page and twitter

- Open days hosted at each campus and organized by the campuses together with the Marketing and Advancement Division
- Excellent assistance by a community outreach team
- Addressing our external public at community meetings and church services
- Meetings with commerce & industry
- Display of posters and banners in strategic areas
- Distribution of flyers
- Internal marketing amongst students and staff

The EMC staff, inclusive of the Principal, Deputy Principals, Campus Managers, Senior Lecturers, Marketing Teams and Lecturers all worked together as a team to meet the set targets.

Communication:

The internal and external communication objectives relate to:

- The development of awareness / knowledge
- Creating favourable attitudes towards EMC and its services
- Changing perceptions and attitudes
- Enhancement of EMC's image

The Career Development Centre achieved the following in 2013:

Placement of & Student Work-Readiness Support for On-Course & Exit Level students
• August 2013 saw the addition of 1x placement Intern per campus and it has initiated the processes of coordinating and placing students for ON-COURSE & EXIT LEVEL. • For 2013 The Career Development Centre has managed to place 271 students in industry. • Databases for the following have been established: Graduate, Alumni, Industry, & on course Databases of students for placement. • Appointed 1x Job Placement Officer SOT (Places students at School of Occupational Training) appointed • Generates reports for DHET & EMIS monthly & quarterly – reports on placement figures. • Actively identified companies willing to host and place our students. • Managed and coordinated career development activities for students : Work-readiness workshops, Industry Fair, & established a partnership with SAGDA.
Provide Career Development options to students (Articulation)
• Established & operationalise all functions within the Career Development Centre (IT facility & accompanying resources) to support placement opportunities for students & graduates • Established & Managed Driving Schools at 2x Campuses : training for Learner and Driver Licenses
Provide Academic Support (Work Based Experience & Lecturer Work Based Experience)
• Action Plan, Insurance & Policy drafted to be implemented at Campus-level for all students identified to participate in Work-Based Experience in 2014.

ACHIEVEMENTS:

- Successful management of our facebook page with an increase of 1723.18% "likes" in less than a year
- Establishment of a Career Development Centre
- Establishment of our own Driving School to assist students to obtain driver's licenses and learner's licenses
- Successful launch of a new web-site
- Establishment of the EMC call centre which has become an information hub and has alleviated uncertainty and different information from all directions
- Hosted a successful graduation ceremony for candidates of 2011 and 2012
- We have had the pleasure of getting marketing interns, placed at our various campuses, funded by SAGDA for a year

2.7.2.3 School of Occupational Training

Sub-programme objective

To provide Occupational Learnership and Skills training for Industry.

Sub-programme Overview

The focus of the Occupational School has changed considerably over the last year with the implementation of the NSF project. Most of the resources are utilised by learners enrolled for the various NSF courses and therefore training of learners for companies has been minimized. However the Occupational School still maintains a training relationship with our most valued customers such as VWSA, Johnson Control and Lumotech.

The Occupational School also tries to address the needs of Government Departments such as the Department of Land Reform and Rural Development.

During the period January 2013 to December 2013 it was business as normal at the Occupational School and the Welding apprenticeship programme has been completed. Two of the learners trained have been employed after they have qualified as artisans to assist with the training of learners on the Welding skills programme.

Perfect Tooling and Johnson Controls became one of our customers during 2012 when the training of Automotive Component Manufacturing L2 started with their employees.

A new project for the department of Land Reform and Rural Development was initiated in the second quarter of 2012 and was completed in May 2013. It has been extended into 2014.

Many new programmes have been started off in 2013 enhancing the capacity of the Occupational School to deliver training in various disciplines. The following is a list of all programmes implemented in 2013:

- Learnerships in Autotronics, Mechatronics, Welding and Automotive Component Manufacturing.
- Welding skills programme
- Early childhood development
- End Using Computer learnership

The occupational school holds accreditation for many qualifications from various SETAS's and is in the process of increasing the accreditation with other SETAs' as well.

Potential Growth exists in the implementation of:

- Driver's license
- National Sport SACPO/Lotto project
- Establishment of SETA offices at the Brickfields Campus

Many of the qualifications are offered for the first time at our College and in some cases the implementation style for learnerships is the first in the country. Some colleges as far afield as Northern Cape and Western Cape have visited us to learn about our model with the view of implementing it in their colleges as well.

The main reason why EMC was so successful with the NSF proposal is because our proposal focused mainly on Occupational directed courses and not so much on the Vocational field as this was already funded by DHET.

The occupational school is currently involved with many companies delivering engineering related learnerships. One of our flagship programmes is the Motor Mechanic apprenticeship programme that is funded by MERSETA. This is part of a pilot project (The first of its kind in SA) of which we are very proud.

Achievements

The NSF bid completed channelled R102 million to the college and is still perceived as a major achievement. This bid was put together in 4 days and had to be very thorough in order to persuade the NSF Office to allocate the money to the college. It was the largest bid allocated to any of the colleges in the Eastern Cape and we are very proud of the achievement.

The new buildings completed for the Occupational School is another milestone in the College as we are certainly the only Public FET College in the Eastern

Cape to have such a facility for occupationally related training and very few colleges in the country can boast with such a facility. The ultra modern equipment impressed every visitor to date. These include visitors from Germany, NMMU and Seta's.

Specific challenges and responses

Managing the implementation of a R102 million project is not without challenges. Below are some of the challenges we face:

- Learner recruitment: A total number of 845 learners for skills programmes and 960 learners for learnerships must be recruited. This in itself is a massive task as most of the skills programme learners had to be enrolled for 2013. Enrolment started during September 2012 and posed many difficulties, mainly to find suitably qualified learners.
- Learner attendance and drop-outs are a major concern. It is linked partially to the short comings in the recruitment drive and learners that have enrolled in courses that they are not interested in, but they join in because of the availability of stipends.
- Staff recruitment remains one of the biggest challenges, especially qualified artisans that can teach.

2.7.3 Programme 3: Education and Teaching Services

2.7.3.1 Programme Administration

Sub-programme objective

The strategic objectives are to provide quality teaching, learning and assessment at all the campuses of the college and to eliminate risks associated with failure

Sub-programme overview

To achieve the programme objective, the college embarked on the following:

a) The Lecturers that were newly appointed went through a strict screening process that put emphases on:

- Relevant qualifications
- Appropriate experience
- Good performance and
- Commitment to the profession

b) All lecturers both new and old were thoroughly inducted in the following areas:

- Mastering the Subject and Assessment guidelines
- Year planning
- Lesson planning
- Assessment planning and
- RR tool

c) There were lots of on-course interventions in most of the challenging subjects in the form of:

- Winter and Spring schools for Mathematics and other challenging subjects
- Jet intervention Saturday classes for Mathematics level 4s
- The purchase of computerised maths programmes such as:
  - Ask Archie
  - LearnScapes and CAMI Maths
- Special camp for Finance L4 students
- Special intervention classes for supplementary students

d) From the EMC conference, our ideal student was redefined as follows:

- A student who is saying "I WANT, I CAN and I WILL"

e) Our recruitment process started by getting five prospective students for every one available seat and these 5 went through a rigorous recruitment and screening process until the best one was identified. Our Screening process involved the use of the following tools:

- School report/result slip
- PACE test results and
- CRAM results

f) The textbooks were carefully chosen by subjects specialists and ordered the previous year to prevent delays

g) The coming in of FESs is assisting the College in embarking on regular and effective monitoring of teaching, learning and assessments in order to maintain high performance standards

h) The drive in the implementation of AAA programme and establishment of Mathematical hubs is also going to improve college performance.

Achievements

The opening of two new campuses (Thanduxolo and Heath Park) has given the college a bigger opportunity to excel as well as improving service delivery by reducing pressure on the already existing campuses due to ever increasing number of students who want to enrol at EMC.

The convening of a first ever EMC Staff Conference at Thanduxolo campus was a huge success and a VISION to attain 100% Pass rate, 100% Certification and 100% Placement by the year 2016 was declared and accepted.

Ten of our Mathematics lecturers have been enrolled to do a one year Techno-blended Teaching and Learning programme offered by NMMU in partnership with ETDP Seta.

100% Placement of students especially in the fields of Tourism and EIC ran successfully and is continuing to be implemented in all other programmes.

Specific Challenges

The following is the list of most significant challenges affecting the sub-programme and actions the programmes department have taken in response:

Challenges	Responses
Appointment of VP EATS, left a big gap in the leadership of Education And Training Services.	The current registrars were asked to jointly provide those services
Appointment of FESs as well as lecturer transfers to new campuses created a lot of destabilisation in the already existing campuses	New lecturers were appointed to fill in the gaps created
Student unrest due to insufficient funds	Broad consultation with all stakeholders
Inappropriate programme mix failing to meet the needs of the industry	NCV Office and Admin programme was phased out at High St, Grahamstown and Graaff-Reinet campuses.
Enrolled students struggling to cope with the curriculum	EMC /Warsaw partnership developed an Accelerate and Advance (AaA) programme to assist students
Delay in resource supply (computers) to our new campuses (Thanduxolo and Heath Park) affected teaching and learning	Pushing Supply Chain department to quicken the process

2.7.3.2 Integrated Student Support Services

Sub programme objective

Academic progress and the acquisition of social skills depend significantly on the support rendered to students by the Student Support Division. From April 2013 – March 2014 the following deliverables were accomplished:

ISSS Appointments

During this period twelve SAGDA Interns have been appointed for this division with the aim of enhancing our service delivery. One placement officer and one ISSS officer was placed per campus. The ISSS Division received one ETDP Intern at the Head Office to assist with all head office related duties.

PRE-ENTRY SUPPORT

Recruitment

Student Support Service staff were active in recruitment drives such as WWE during March 2014. Open days per campuses well as community outreach activities were held during October 2013. During these recruitment drives, ISSS staff shared information regarding financial aid, health and wellness matters, sport and culture activities as well as academic interventions.

Placement Test

During January 2013, prospective students were given the opportunity to write the placement test used by the College, namely the PACE Test. The test assesses numeracy and literacy proficiency as well as an interest element aligned to the NCV programmes offered. One- on- one interviews are hereafter held with prospective students by the student liaison officers and psychology interns.

Student Induction

Student Induction sessions conducted at all campuses during the first two weeks of February. The Student Support Induction topics were dealt with in the large groups and the Academic Induction was conducted in the classrooms by lecturers. The ISSS presentations include aspect of financial aid, student wellness, academic interventions and co-curricula's activities. Presentations were also done and on the Attendance and Punctuality Policy as well as the DHET bursary rules and guidelines were certain imperative items were reiterated e.g. the impact of 80% attendance and the 10km radius terms of transport allocation. Presentations were also done by the Health and Safety Officer as well as the Quality Manager covering matters of students' health and safety at college.

ON-COURSE SUPPORT

Student Governance (SRC)

During September 2013 the IEC conducted voter education sessions at campuses. The elections for 2014 SRC members were subsequently conducted during November 2013. The induction of the newly elected SRC was however delayed due to the student unrest during the first term of 2014.

Financial Support

The bursary administration process has been conducted successfully during this period. The division has met the prescribed deadlines in terms of the DHET Bursary Administration Schedule. Students who have met the three main criteria namely financially neediness, academic performance and 80% attendance, have been assisted based in the availability of funds.

During the FAPSA conference of June 2013 in Durban, the ISSS Manager Mrs Sharlene Jonker was elected as an executive member of this national structure.

Wellness programmes

The following wellness programmes were conducted during this period:

- HIV/Aids: Provincial Hospitals
- VCT – Local Clinics
- Family Planning
- TB Screening
- Substance Abuse: Sanca
- Blood Donations: SANBS
- Stop hunger campaign – Uitenhage campuses
- Eye testing

Co-curricular activities

- May 2013 – 17 EMC athletes selected to represent EC Colleges at CoSSA National Athletics event in Pretoria. Mr Madodonke (Grahamstown lecturer) was selected as EC team coach. EMC athletes performed well obtaining four gold and three silver medals thus helping the Eastern Cape Province obtaining the top spot for overall medals obtained in this event.

- June 2013 – EMC was host to the Provincial Inter-college tournament held in Uitenhage. EMC male soccer team won the trophy for the fourth consecutive year and our male rugby team were runners up in their category. Many of EMC students selected to represent Eastern Cape in CoSSA National Tournament that would take place in Limpopo (October 2013)

- August 2013 – EMC participated in Provincial Arts & Culture festival hosted by Lovedale TVET at Steve Biko Foundation in King Williams Town. Results were as follow:
    - Debate – EMC runners-up

- Dance (IsiZulu) – 2nd place
- Dance (Pantsula) – 1st place
- Dance (Imfene) – 3rd place
- Acapella – 3rd place
- Females poet – 1st place (Siphokazi Karel)
- Poetic Visual Design – 2nd place
- Best female attire (traditional) – 1st place

- August 2013 – EMC choir scored the highest score (80%) for African Piece during Provincial Choir Competition held in East London.

- October 2013 – EMC one of two colleges in Eastern Cape that attended CoSSA General Council meeting in Kimberly.

- October 2013 – EMC students were part of Eastern Cape sport teams that participated in CoSSA National Tournament in Limpopo. Eastern Cape achieved the following accolades:
    - Rugby 7s – Gold (3 EMC students in team + coach and team manager are EMC staff)
    - Male soccer team – Gold (8 EMC students in team)
    - Female soccer team – Silver (9 EMC students in team)
    - Netball – Silver (1 EMC student in team)
    - Female basketball – Silver (3 EMC students in team)
    - Female volleyball – Bronze (2 EMC students in team + team manager and coach are EMC staff)

- November 2013 – EMC hosted annual Sports, Arts & Culture awards to honour our students, coaches and staff. Function was well attended by all students who represented EMC on provincial and national level. Campus managers; section managers; sport officials from PE college and Lovedale also attended the function. Guest speaker, Mr John O'Connor, gave a very strong encouraging message to EMC students and staff alike.

- March 2014 – EMC participated in Provincial Inter college athletics event in Queenstown and a total of twenty four of our athletes selected to represent Eastern Cape in CoSSA National athletics that was to take place in KZN during April 2014.

CONCLUSION

The ISSS Division takes pride in the fact that all staff members have been instrumental in facilitating a healthy student life for all registered students during this period.

3 ACADEMIC ACHIEVEMENTS

3.1 NCV ENROLMENTS 2013 (FTE)

Eastcape Midlands College	CAMPUS	2013 Actual Head Count	2013 Actual FTE
NCV Level 2	High Street	282	282
	Grahamstown	297	297
	Graaff-Reinet	141	141
	Park Avenue	249	249
	Charles Goodyear	284	284
	Total	1253	1253

Eastcape Midlands College	CAMPUS	2013 Actual Head Count	2013 Actual FTE
NCV Level 3	High Street	194	194
	Grahamstown	267	267
	Graaff-Reinet	80	80
	Park Avenue	156	156
	Charles Goodyear	105	105
	Total College	802	802

Eastcape Midlands College	CAMPUS	2013 Actual Head Count	2013 Actual FTE
NCV Level 4	High Street	184	184
	Grahamstown	77	77
	Graaff-Reinet	44	44
	Park Avenue	100	100
	Charles Goodyear	60	60
	Total College	465	465

Eastcape Midlands College	CAMPUS	2013 Actual Head Count	2013Actual FTE
NCV (2,3,4)	TOTAL	2525	2520

3.2 REPORT 191 ENROLMENTS 2013 (FTE)

Eastcape Midlands College	CAMPUS	2013 Actual Head Count	2013 Actual FTE
Programme 191 (N1)	Park Avenue	384	80
	Charles Goodyear	410	135
	Brickfields	131	45
	Total	925	260
Programme 191 (N2)	Park Avenue	431	82
	Charles Goodyear	319	106
	Brickfields	88	29
	Total	838	217
Programme 191 (N3)	Park Avenue	335	65
	Charles Goodyear	165	56
	Total	500	121
REPORT 191 (N1, N2, N3)	TOTAL	2263	598

Eastcape Midlands College	CAMPUS	2013 Actual Head Count	2013 Actual FTE
Programme 191 (N4)	High Street	537	261
	Grahamstown	798	358
	Graaff-Reinet	273	128
	Park Avenue	289	55
	Charles Goodyear	88	29
	Total	1985	831
Programme 191 (N5)	High Street	292	139
	Grahamstown	393	183
	Graaff-Reinet	135	67
	Park Avenue	310	60
	Total	1130	449
Programme 191 (N6)	High Street	280	111
	Grahamstown	228	86
	Graaff-Reinet	53	29
	Park Avenue	174	34
	Total	735	260
REPORT 191 (N4, N5, N6)	TOTAL	3850	1540

Eastcape Midlands College	CAMPUS	2013 Actual Head Count	Total 2013 Actual
REPORT 191 (N1-N6)	TOTAL	6113	2138

3.3 New Curriculum Vocational (NCV) Exam Results 2013

NCV L2	EASTCAPE MIDLANDS COLLEGE				
	No. Enrolled (Students)	No. Written	Certified	Certification % (enrolled)	Certification % (written)
HIGH STREET	282	192	162	57.45%	84.38%
GRAHAMSTOWN	297	229	203	68.35%	88.65%
GRAAFF-REINET	141	89	65	46.10%	73.03%
PARK-AVENUE	249	121	83	33.33%	68.60%
CHARLES GOODYEAR	284	162	111	39.08%	68.52%
TOTAL	1253	793	624	49.80%	78.69%

NCV L3	EASTCAPE MIDLANDS COLLEGE				
	No. Enrolled (Students	No. Written	Certified	Certification % (enrolled)	Certification % (written)
HIGH STREET	194	159	137	70.62%	86.16%
GRAHAMSTOWN	267	219	167	62.55%	76.26%
GRAAFF-REINET	80	63	44	55.00%	69.84%
PARK-AVENUE	156	115	75	48.08%	65.22%
CHARLES GOODYEAR	105	78	34	32.38%	43.59%
TOTAL	802	634	457	56.98%	72.08%

NCV L4	EASTCAPE MIDLANDS COLLEGE				
	No. Enrolled (Students	No. Written	No. Passed	Certification % (enrolled)	Certification % (written)
HIGH STREET	184	160	119	64.67%	74.38%
GRAHAMSTOWN	77	67	31	40.26%	46.27%
GRAAFF-REINET	44	35	24	54.55%	68.57%
PARK-AVENUE	100	78	47	47.00%	60.26%
CHARLES GOODYEAR	60	47	24	40.00%	51.06%
TOTAL	465	387	245	52.69%	63.31%

Grand Total	2520	1814	1326	52.62%	73.10%

3.4 Report 191 School of Business Exam Results 2013

NATED N4 JUNE	EASTCAPE MIDLANDS COLLEGE				
	No. Enrolled (Subjects)	No. Written	No. Passed	Pass % Written	Pass % Enrolled
HIGH STREET - JUNE	1684	1203	934	77.64%	55.46%
HIGH STREET - NOV	402	367	324	88.28%	80.60%
GRAHAMSTOWN - JUNE	1671	1494	1060	70.95%	63.44%
GRAHAMSTOWN - NOV	1281	1157	994	85.91%	77.60%
GRAAFF-REINET - JUNE	757	648	483	74.54%	63.80%
GRAAFF-REINET - NOV	288	225	188	83.56%	65.28%
TOTAL	6083	5094	3983	78.19%	65.48%

NATED N5 JUNE	No. Enrolled (Subjects)	No. Written	No. Passed	Pass % Written	Pass % Enrolled
HIGH STREET - JUNE	590	510	368	72.16%	62.37%
HIGH STREET - NOV	560	500	463	92.60%	82.68%
GRAHAMSTOWN - JUNE	469	447	335	74.94%	71.43%
GRAHAMSTOWN - NOV	908	856	714	83.41%	78.63%
GRAAFF-REINET - JUNE	125	118	88	74.58%	70.40%
GRAAFF-REINET - NOV	391	318	236	74.21%	60.36%
TOTAL	3043	2749	2204	80.17%	72.43%

NATED N6 JUNE	No. Enrolled (Subjects)	No. Written	No. Passed	Pass % Written	Pass % Enrolled
HIGH STREET - JUNE	534	504	346	68.65%	64.79%
HIGH STREET - NOV	258	241	177	73.44%	68.60%
GRAHAMSTOWN - JUNE	268	255	205	80.39%	76.49%
GRAHAMSTOWN - NOV	352	335	239	71.34%	67.90%
GRAAFF-REINET - JUNE	114	109	89	81.65%	78.07%
GRAAFF-REINET - NOV	100	91	65	71.43%	65.00%
TOTAL	1626	1535	1121	73.03%	68.94%

Grand Total	10707	9378	7308	77.93%	68.25%

3.5 Report 191 School of Engineering Exam Results 2013

	EASTCAPE MIDLANDS COLLEGE				
NATED N1	No. Enrolled (Subjects)	No. Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	461	423	246	58.16%	53.36%
PARK-AVENUE - AUGUST	287	238	162	68.07%	56.45%
PARK-AVENUE - NOVEMBER	213	164	122	74.39%	57.28%
CHARLES GOODYEAR - APRIL	509	444	310	69.82%	60.90%
CHARLES GOODYEAR - AUGUST	709	611	362	59.25%	51.06%
CHARLES GOODYEAR - NOVEMBER	327	292	192	65.75%	58.72%
BRICKFIELDS ROAD- AUGUST	388	365	218	59.73%	56.19%
BRICKFIELDS ROAD- NOVEMBER	109	71	42	59.15%	38.53%
TOTAL	3003	2608	1654	63.42%	55.08%

	EASTCAPE MIDLANDS COLLEGE				
NATED N2	No. Enrolled (Subjects)	No. Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	321	261	107	41.00%	33.33%
PARK-AVENUE - AUGUST	393	319	144	45.14%	36.64%
PARK-AVENUE - NOVEMBER	297	220	140	63.64%	47.14%
CHARLES GOODYEAR - APRIL	338	311	165	53.05%	48.82%
CHARLES GOODYEAR - AUGUST	482	405	166	40.99%	34.44%
CHARLES GOODYEAR - NOVEMBER	429	399	178	44.61%	41.49%
BRICKFIELDS ROAD- NOVEMBER	260	209	125	59.81%	48.08%
TOTAL	2520	2124	1025	48.26%	40.67%

	EASTCAPE MIDLANDS COLLEGE				
NATED N3	No. Enrolled (Subjects)	No. Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	222	164	80	48.78%	36.04%
PARK-AVENUE - AUGUST	258	219	101	46.12%	39.15%
PARK-AVENUE - NOVEMBER	292	221	103	46.61%	35.27%
CHARLES GOODYEAR - APRIL	168	165	88	53.33%	52.38%
CHARLES GOODYEAR - AUGUST	303	275	111	40.36%	36.63%
CHARLES GOODYEAR - NOVEMBER	174	165	81	49.09%	46.55%
TOTAL	1417	1209	564	46.65%	39.80%

	EASTCAPE MIDLANDS COLLEGE				
NATED N4 JUNE	No. Enrolled (Subjects)	No. Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	250	195	114	58.46%	45.60%
PARK-AVENUE - AUGUST	221	177	114	64.41%	51.58%
PARK-AVENUE - NOVEMBER	195	159	125	78.62%	64.10%
CHARLES GOODYEAR - APRIL	113	108	41	37.96%	36.28%
CHARLES GOODYEAR - AUGUST	139	134	84	62.69%	60.43%
CHARLES GOODYEAR - NOVEMBER	90	89	56	62.92%	62.22%
TOTAL	1008	862	534	61.95%	52.98%

	EASTCAPE MIDLANDS COLLEGE				
NATED N5 JUNE	No. Enrolled (Subjects)	No.Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	203	175	95	54.29%	46.80%
PARK-AVENUE - AUGUST	195	148	64	43.24%	32.82%
PARK-AVENUE - NOVEMBER	213	171	118	69.01%	55.40%
TOTAL	611	494	277	56.07%	45.34%

	EASTCAPE MIDLANDS COLLEGE				
NATED N6 JUNE	No. Enrolled (Subjects)	No.Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	94	69	29	42.03%	30.85%
PARK-AVENUE - AUGUST	169	132	94	71.21%	55.62%
PARK-AVENUE - NOVEMBER	122	92	45	48.91%	36.89%
TOTAL	385	293	168	57.34%	43.64%

	EASTCAPE MIDLANDS COLLEGE				
INSTALLATION RULES	No. Enrolled (Subjects)	No.Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	23	11	2	18.18%	8.70%
PARK-AVENUE - AUGUST	18	9	2	22.22%	11.11%
PARK-AVENUE - NOVEMBER	41	22	15	68.18%	36.59%
TOTAL	82	42	19	45.24%	23.17%

	EASTCAPE MIDLANDS COLLEGE				
SPECIALISED INSTALLATION CODES	No. Enrolled (Subjects)	No.Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	1	1	1	100.00%	100.00%
TOTAL	1	1	1	100.00%	100.00%

	EASTCAPE MIDLANDS COLLEGE				
MULTI-DISCIPLINARY DRAWING OFFICE PRACTICE	No. Enrolled (Subjects)	No.Written	No. Passed	Pass % Written	Pass % Enrolled
PARK-AVENUE - APRIL	37	30	28	93.33%	75.68%
PARK-AVENUE - AUGUST	16	13	13	100.00%	81.25%
PARK-AVENUE - NOVEMBER	46	36	23	63.89%	50.00%
TOTAL	99	79	64	81.01%	64.65%

Grand Total	9126	7712	4306	55.84%	47.18%

3.6 Occupational Training Unit Standard Pass Rate 2013

COURSE	EASTCAPE MIDLANDS COLLEGE			
	No Unit Standards Enrolled	No Unit Standards Written	No Unit Standards Passed	Unit Standard Pass Rate
Learnerships				
ACMA	196	196	123	63%
Autotronics	175	175	144	83%
Mechatronics	279	279	220	83%
Welding	642	642	536	83%
Total Learnerships	1292	1292	1023	78%
Skills				
Welding	272	272	272	100%
Total Skills	272	272	272	100%
Short Courses				
Junior Bookkeeping	288	288	151	52%
Junior Office Administration	432	432	259	60%
Small Business Financial Manager	120	120	53	44%
New Venture Creation	400	400	74	19%
End User Computing	375	367	349	95%
Total Short Courses	1615	1607	886	54%

3.7 Campus Achievements 2013

HIGH STREET CAMPUS

Below are the comparative totals for the number of distinctions achieved for the years 2011 and 2013. There was a huge improvement at High Street with the number of subjects passed from 2011 to 2013. For 2013 the subject percentage pass for High Street was 93%. The quality of the pass when comparing the two years also indicates a huge increase not only in the subject percentage pass but also in the number of Distinctions as compared in the table below.

- Total number of distinctions increased by 266
- Number of students with a total of 7 distinctions increased by 3
    - Mbombo A: Marketing
    - Mongo A: Finance
    - Ngoqo NA: Office Admin
    - Omar Z: Finance
    - Rossouw LJ: Office Admin
    - Skiti V: Finance
- Number of students with a total of 6 distinctions increased by 13
- Number of students with a total of 5 distinctions increased by 6
- Number of students with a total of 4 distinctions increased by 16
- Number of students with a total of 3 distinctions increased by 4

Distinctions	2012	2013
Total	**301**	**567**
7	3	6
6	1	14
5	11	17
4	13	29
3	17	21

- Highest student placement rate
- Top achievers (Principal's medallion) V Griffiths -2011 and Charlotte ? (2012)
- Sport: Athletics Botoman N, Grootboom S, Kala T, Sodladla Z, Q Prince

GRAHAMSTOWN CAMPUS

NCV

- 2013 November exams results remain the same as 2012 at 63%
- 25 lecturers obtained 100% in their results:
    - Miss T Kwezi – Life Orientation L4 (2 groups) and L2 Life Orientation (3 groups)
    - Mr L Koko – Science of Tourism L2 (1 group) and Science of Tourism L3 (4 groups)
    - Mr K Magopeni – English L4 (2 groups) and English L2 English (2 groups)
    - Mr N Magopeni – Sustainable Tourism in SA L2(2 groups) and Sustainable Tourism in South Africa and Religion L3 (2 groups)
    - Mr M Mhlauli – Tourism Operations L2 (2 groups) and Tourism Operations L3 (2 groups)
    - Mrs N Mtywaru – Office Practice L3 (3 groups)
    - Mr M Sandi- Business Practice L4 (2 groups) and L2 Business Practice (1 group)
    - Mr W Makeleni – Office Practice L2 (2 groups) and Sustainable Tourism in SA L2 (1 group)
    - Miss M Pantshwa – English L2 (3 groups)
    - Mr N Sikhutshwa – Office Practice L3 (1 group) and English L3 (1 group)
    - Mrs N Tima – New Venture Creations L3 (1 group) and New Venture Creations L2 (2 groups)
    - Mr C Gouws- Life Orientation L3 & L4 (1 group each)
    - Miss B Ntutu – Client Service and Human Relations L2 (2 groups)
    - Mrs X Mbedu – Financial Management L2 (1 group)
    - Mrs B Vembo-Musekiwa- Mathematical Literacy L2 (1 group)
    - Miss C Ledwaba – English L2 (1 group)
    - Mr P Madodonke –Maths Literacy L3 (1 group)

- Mr S Ndolo – Life Orientation L2 (1group)
- Miss T Ndaba- Science of Tourism L2(1group)
- Mr Z Nyembezi- Maths Literacy L2 (1 group)
- Mrs N Gagayi – Office Data Processing L3 (1 group)
- Miss L Windvogel – Office Data Processing L2 (1 group)
- Mrs N Mzamo – Applied Accounting L3 (1 group)
- Miss A Silinga – Financial Management L3 (1 group)
- Mr S Thebe – Economic Environment L3 (1group)

- Number of Distinctions per subfield:
  - Finance Economics and Accounting
    - L2 = 61
    - L3= 11
    - L4 = 1
  - Office Administration
    - L2 = 60
    - L3 = 20
    - L4= 7
  - Tourism
    - L2= 61
    - L3 = 15

- Top students achiever for the Campus is Ms TN Mapu, doing Finance, Economics and Accounting L2 has 7 distinctions.
- The best improved subject is the Business Practice L4 it has improved by 34%, in 2012 62% in 2013 96% and is being offered by Mr M Sandi.

REPORT 191

5 lecturers obtained a 100% pass rate in June 2013:

- Mr Jacobs in Financial Accounting N6 (1 group)
- Ms Kwezi in Entrepreneurship and Business Management (2 groups)
- Ms Dyakmeni Office Practice N5 (1 group)
- Mr Sabilika in Entrepreneurship and Business Management N4 (1 group)
- Mr E Rungqu in Computer Practice N5 (1 group)

TOTAL DISTINCTIONS 34

Human Resources: N4 = 12, N5 = 2

Business Management: N4 = 4

Financial Management: N4 = 11. N5 = 2

Management Assistant N4= 1, N5 = 1 and N6 = 1

Report 191 has obtained a 54% pass rate for Nov 2013.

- 11 lecturers obtained a 100% pass rate in November 2013:
  - Mr Buwa in Financial Accounting N4 (1group), Cost and Financial Accounting (1 group)
  - Mr Thebe in Financial Accounting N4 (1 group)
  - Mr Mohale Entrepreneurship and Business Management N4 (1 group)
  - Mr Jacobs Entrepreneurship and Business Management and Financial Accounting N6
  - Ms Kwezi in Entrepreneurship and Business Management (1 group)
  - Mr Fayo in Management Communication N4
  - Mr K Magopenli in Management Communication N4
  - Ms Dyakmeni Office Practice N5 (2 groups)
  - Mr Sodladla in Management Communication N4 (1 group)
  - Mr Sabilika in Entrepreneurship and Business Management N5 (2 groups), Sales Management N5 (2 Groups) and Sales Managment N6 (1group)
  - Mr E Rungqu in Computer Practice N5 (2 groups)

TOTAL DISTINCTIONS 32

Human Resources: N4 = 6
Business Management : N4 = 2, N5 =7
Financial Management N4 = 3, N5 = 1
Management Assistant N4 = 1, N5 = 10 and N6 = 1
Private Student ICP = 1
The best improved subject is Personnel Management N4, it has improved by 46%. In the 1st semester the average was 37 and in the second semester it was 83%

<u>GRAAFF-REINET CAMPUS</u>

- Student numbers are continuously increasing at the campus at the commencement of each academic year (NCV intake) and for R191 at commencement of each semester. It was no different in 2013 and at the beginning of 2014.

- An increased interest in the NCV Safety in Society & R191 Programmes resulted in the need to evaluate infra-structure and re-arrangement of available space, at the premises currently still being occupied by the Graaff-Reinet Campus. Major challenges had to be faced to ensure effective running of the 2013/2014 academic year.

<u>Examples of these challenges were</u>:

- Creating one more computer lab in a space previously used as a simulation venue, to accommodate all the computer classes.
- Dividing this venue further into two areas to accommodate the computer lab but also to still retain part of the space for the simulation area. This done through the erection of a dry wall. Lecturers had no working space and a previous venue used for a cafeteria /storeroom had to be re-vamped into a space to eradicate the bad impression passers-by on foot/in vehicles could have come to of lecturers just “sitting in cars”, when in fact, they were busy doing preparations for lessons/ doing admin work in their vehicles. This was the scenario whenever the staffroom had to be used for e.g. supplementary exams or meetings.
- An Examination Officer, Liaison Officer & Bursary Officer were appointed and with these appointments came the need for even more space for offices. It meant cleaning storage space in order to create these.
- Both students and all staff members could easily be discouraged by the circumstances under which daily tasks need to be executed. The fact that expectations could be met up till now, can only be attributed to sound relationships & commitment to support one another. This is why the Graaff-Reinet Campus still excels in the way it does.

- Other challenging issues include poor ablution facilities, no protection for students in bad/rainy weather or extreme heat (inside /outside classrooms) and when classes change from NCV to R191 to commence the new programmes lessons in classrooms still smelling of dust (after a quick sweep by the general workers) and body heat of previous students.
- Yet, despite all this - the achievements following hopefully will reveal that staff and students still manage to rise above all these circumstances.
- The Graaff-Reinet Campus is naturally expected to produce results, respond to all requests and keep up with the other EMC Campuses irrespective of the non-conducive factors to quality teaching & learning and poor infra-structure.
- 2013 also brought about the relocation of Ms Q.Xulubana, Campus Manager, to Grahamstown Campus.
- Ms B.M. Bosch was assigned to steer the campus in the mean time & Ms T.Mahomed to take on the S.L. responsibilities of Mr L.Moos when he was appointed as FES (R191). All this brought about an immediate hunt for new lecturers and a reshuffle of the time table.
- It is therefore hoped that this report on the 2013/2014 achievements will, this time around, be measured against these odds & the challenges the Graaff-Reinet Campus faces daily.

<u>OUTSTANDING ACHIEVEMENTS BY STAFF & STUDENTS</u>:

- 2013 saw a Graaff-Reinet R191 student, Ms Rezaan Rittles being awarded the principal’s medallion at the 2013 diploma ceremony for exceptional academic results from N4-N6 in Human Resources Management.

- The NCV Office Admin. Programme: The following pass percentages were achieved in the final 2013 examinations (full time students):
  Level 2 = 83.7% Level 3 = 88.2% Level 4 = 87.5%
- In Level 2: 24 of the 49 students passed all 7 subjects, 6 passed 6 subjects and 6 passed 5 subjects.
- A total of 21 distinctions were achieved. Three students excelled by achieving 5, 4 & 3 distinctions respectively.
- In Level 3: 30 of the 34 full time students passed of which 17 passed all 7 subjects.
- 11 students passed 6 subjects and 2 passed 5 subjects.
- A total of 14 distinctions were obtained by this group with one student achieving 6 distinctions & scoring 78% in the other subject.
- In Level 4: 14 out of the 16 students who wrote the final examination, 14 passed.
- 12 passed all 7 subjects and 2 students passed 6 subjects.
- The Campus was also proud of its Admin Clerk, Ms C. Boggenpoel receiving her N6 Management Assistant Diploma and Intern Ms L. Ahmed being awarded her N6 Management Assistant Certificate.
- No less than 13 lecturers were awarded for their hard work at the Awards Ceremony held in Port Elizabeth in 2012 and kept on producing good quality work in 2013.
- Three staff members made the campus proud in that for the past few years they have tutored previously disadvantaged educators into successfully completing their NPDE Course through the Nelson Mandela Metropolitan University.
  These lecturers were:
  Ms B.M. Bosch – Tutor for Teaching & Learning Strategies, Classroom Management & Communication/English as Additional Language
  Mr B.E. Visagie – Tutor for Maths/Maths Lit and

- The last group of these educators will graduate on 15 May 2014.
- An award was presented by Campus Managers as a token of gratitude for commitment & dedication to their Deputy Campus Managers at the EMC Conference held at the new Thandoxolo Campus in December 2013. Ms B.M Bosch wrote the dedication for the CM Forum. She also received this award herself as Acting DCM from Ms Q. Xulubana, whom she assisted whilst the latter was still CM at the Graaff-Reinet Campus.
- It may also be noted that Ms Bosch is the author of the Graduation Credo for EMC now being read at the annual diploma ceremonies -and this makes Graaff-Reinet Campus very proud yearly.
- THE SIS PROGRAMME: The following outstanding results were achieved in the SIS subjects:
- Introduction to Policing L2 = 96%
- Theories of Policing L3 =91%
- Introduction to Law L2 = 85%
- Criminal Law L3 = 89.2%
- Law Procedures & Evidence L4 = 78.3%
- Introduction to Governance L2 = 85%
- Governance L3 = 79.4%
- Governance L4 = 86,4%
- Principles of Criminal Justice L2 = 87.3%
- Crim. Justice Structures & Mandates L3 = 100%
- Crim. Justice Process L4 = 87%

<u>CERTIFICATION RATE 2013</u>:

- L2 = 69.2%
- L3 = 74%
- L4= 68,2% (Not inclusive of Supplement Exam)

<u>DISTINCTIONS ACHIEVED IN SIS 2013</u>:

- L2 = 3 students - with one student scoring an average of 90%!
- This outstanding student – student officer Kato has also just published his third Novel!
- L3 = 1 student achieving a distinction (despite poor health which resulted in her missing classes).

SUMMARY R191:

Outstanding academic results for 2013, R191 Graaff-Reinet Campus – Semester 2:

	STUDENT NAME	COURSE	SUBJECT CODE	SUBJECT	PASS %
1	Groener SJG	HR N4	04110424	Personnel Management N4	91%
2	Lewis N	HRN4	06030134	Intro. Computer Practice	96%
3	Mostert JM	HR N4	06030134	Intro. Computer Practice	91%
4	Mkonko N	BMN5	05070035	Public Relations N5	82%
5	Olivier AD	BMN5	06030165	Computer Practice N5	82%
6	Booi SS	MAN5	06030165	Computer Practice N5	86%
7	Mathews LA	MAN5	06030165	Computer Practice N5	82%

<u>NOTEWORTHY THE FOLLOWING</u>:

- Five students selected for SASSETA/SAPS/DHET/FETC Internships – will be based at Ceres (in the Boland), Graaff-Reinet & Jansenville.
- An internship fee of R1500 will be paid per month directly into student officer's banking accounts by SASSETA on receipt of confirming documentation by SAPS.
- GENL RIA PYEGA –National Commissioner of SAPS announcement - SIS Course is now again a priority programme.
- PROF VAN AS – Law Faculty NMMU (P.E) invited SIS Campuses to nominate students for bridging course – Diploma in Crim. Justice to commence 2014.

- Legislated - NCV SIS L4 = A MATRIC CERTIFICATE.
- L4 students with 68% plus qualified for automatic registration at NMMU and students who then sustain 70% or higher in their full time 1yr studies/2yrs part-time, will automatically be granted right to register for any Law Course at NMMU.

PARK AVENUE CAMPUS

OUTSTANDING ACHIEVEMENTS 2013/2014 – SCHOOL OF ENGINEERING

- Park Avenue Campus initiated the Recycling project (Go Green), due to the revised curriculum for the Electrical division; Renewable Energy was added to the syllabus for Electrical students.
- October/November Examinations 2013 (NCV and Report 191) were marked with recycled pens as well as Supplementary Examinations 2014.
- The Electrical Workshop is in the process of being converted to LED energy efficient lights.
- 2 Choristers, S.Tuba & M. Dlamini that formed part of the choir that won 1st place in the African piece
- NC(V) student, W. Tsotsa, gold medal for EC 7's rugby at nationals & player of the year(rugby)
- Report 191 student, Z. Matika, Silver medal for female basketball at nationals
- NC(V) & Report 191 students, T. Lolwana(player of the year-soccer), Z. Tom, N. January, silver medal for female soccer at nationals
- NC(V) students S. August (player of the year-volleyball) & B. Festile, bronze medal for female volleyball at nationals
- Mr. G. Maziena is Manager of Table tennis
- In May 2013 old magazines were donated to the Colleen Glen Farm School.
- On 18 July 2013 for Madiba Day (67 minutes) Park Avenue Campus served their community clinic by cleaning the premises, tidied the garden, fixed a sewerage pipe and cleaned out an old store room.
- Mr Barnard, Mr Ferreira and Mr Zengeretsi took part with four students in the NMMU Junior Cyber Junkyard in September 2013. This was an ongoing project throughout the year. Final judging took place in September and took a combined second place. Out of the competition, one student Royden Hoffman was placed with Clover.
- One EIC student Dylan Bond was placed with Transnet in August 2013.
- We have had a successful Winter and Spring School in 2013 which was well organised and managed by Ms Hammersley-Heenan.
- The campus also provided extra classes in 2013 and 2014 in killer subjects in order to assist and prepare students for February/March Supplementary Examinations.

CHARLES GOODYEAR CAMPUS SCHOOL OF ENGINEERING

- Our Pass rate for 2013 was 64.7%
- 1 Student had 6 distinctions (Stoffel, TH)
- 2 Students had 4 distinctions
- 7 students had 3 distinctions
- Our campus is accredited as an Exam Centre
- Appointment of SAGDA interns
- Revamping of all (4) computer labs
- Welding was introduced as one of the sub-fields at the campus

The following NCV level 4 students were placed with companies to do experiential training in their field of study:

STUDENT	COMPANY	OCCUPATION
Buyile Blou	VW	Learnership
Zander Terblanche	VW	Apprentiships
Juanine Mberiri	Transnet	Learnership
Zandile Mnyweba	Transnet	Learnership
Qaqamba Msengana	VW	Learnership
Masixole Swepu	Nissan	Apprentiships
Nandipha Kuse	Toyota	Apprentiships
Athenkosi Ketye	Nissan	Apprentiships

The following students were selected into the Provincial Teams representing the Province in the National Sport activities

ATHLETICS

1. Wiltshire DZ
2. Koba Z
3. Spingo S
4. Ningi L
5. Mjuleni N
6. Kabi L
7. Jones S
8. Msiwa B
9. Sishuba SM

SOCCER

1. Blaauw D
2. Tom Z
3. Mhletywa L
4. Mboniswa T
5. Dayimani X
6. Godwana L
7. Fani Y
8. Befile T

SCHOOL OF OCCUPATIONAL TRAINING (BRICKFIELDS CAMPUS)

SETA collaboration

The Lead Seta in Uitenhage is MERSETA.
Programmes implemented for them are:

- Mechatronics, Autotronics, Welding and Automotive Component Manufacturing.
- Apprenticeships are Motor Mechanic, Fitting and Welding.

Other Seta's

- ETDP Seta: Early Childhood Development learnership
- ISETT Seta: End Using Computer learnership
- Wholesale and Retail Seta: Wholesale and Retail Operations learnership (Busy with the accreditation process)
- SERVICES Seta: New Venture creation learnership
- FASSETTT Seta: ICB accredited programmes. We are an accredited provider for Institute of Certified Bookkeepers which are accredited with FASSETT Seta

Company Collaboration

- VWSA - Mechatronics and Autotronics
- Lumotech, Johnson Control and Perfect Tooling – Automotive Component Manufacturing and Assembly

1125 Occupational School learners trained in various skills through Learnerships, Skills and Short Courses during 2013:

Occupational Programmes (L2-L4): 907 students
Occupational Programmes (L5-L6): 203 students
Apprenticeships NCV (L2-L4): 15 students

With the pilot project for Motor Mechanics 14 of 15 learners passed their trade test at VWSA Trade Test Centre.

4. HUMAN RESOURCES

4.1 Employees Remunerated by the College

	Category	Gender	Employees Remunerated by PERSAL				Employees Remunerated by the College				TOTAL
			Full-Time		Part-Time		Full-Time		Part-Time		
			Permanent	Temporary/ Contract	Permanent	Temporary/ Contract	Permanent	Temporary/ Contract	Permanent	Temporary/ Contract	
EASTCAPE MIDLANDS COLLEGE	Lecturing staff	Male	26	0	0	0	19	83	0	69	197
		Female	31	0	0	0	17	81	0	33	162
			57	0	0	0	36	164	0	102	359
	Management staff	Male	2	0	0	0	0	0	0	0	2
		Female	0	0	0	0	0	0	0	0	0
			2	0	0	0	0	0	0	0	2
	Support staff	Male	10	0	0	0	31	14	0	0	55
		Female	19	0	0	0	41	35	0	0	95
			29	0	0	0	72	49	0	0	150
	GRAND TOTAL		88	0	0	0	108	213	0	102	511

4.2 Employment Equity

Total number of employees (including employees with disabilities) in each of the occupational categories as on 31 March 2014 follows below:

EASTCAPE MIDLANDS COLLEGE : EMPLOYMENT EQUITY GRID COLLEGE AND PERSAL STAFF											
Occupational Levels	Male			Female				White Male	Foreign Nationals		TO-TAL
	A	C	I	A	C	I	W	W	MALE	FE-MALE	
Legislators and Senior Managers	3	3	0	7	1	0	2	9	0	0	25
Professionals (Permanent)	25	13	0	35	11	1	5	7	2	0	99
Professionals (Non-Permanent/Contract)	69	25	3	87	28	1	11	9	13	4	250
Technicians and Associate Professionals	1	1	0	0	1	0	0	3	0	0	6
Technicians and Associate Professionals (Non-Permanent/Contract)	0	3	0	1	0	0	0	0	0	0	4
Clerks	5	1	0	31	11	1	9	0	0	0	58
Clerks (Non-Permanent/Contract)	3	3	0	15	8	0	2	1	0	0	32
Elementary Occupations	16	3	0	8	1	0	0	0	0	0	28
Elementary Occupations (Non-Permanent/Contract)	3	1	0	4	1	0	0	0	0	0	9
TOTAL PERMANENT	50	21	0	81	25	2	16	19	2	0	216
TOTAL NON-PERMANENT/CONTRACT	75	32	3	107	37	1	13	10	13	4	295
GRAND TOTAL	125	53	3	188	62	3	29	29	15	4	511

4.3 Skills Development

SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

EASTCAPE MIDLANDS COLLEGE : EMPLOYMENT EQUITY GRID COLLEGE AND PERSAL STAFF											
Occupational Levels	Male			Female				White Male	Foreign Nationals		TO-TAL
	A	C	I	A	C	I	W	W	MALE	FE-MALE	
Legislators and Senior Managers	2	1	0	3	1	0	2	2	0	0	11
Professionals (Permanent)	5	3	0	9	7	1	4	7	1	0	37
Professionals (Non-Permanent/Contract)	7	2	0	15	3	0	3	3	2	1	36
Technicians and Associate Professionals	3	1	0	1	0	0	0	3	0	0	8
Technicians and Associate Professionals (Non-Permanent/Contract)	1	1	0	0	0	0	0	2	0	0	4
Clerks	3	2	0	9	5	1	7	0	0	0	27
Clerks (Non-Permanent/Contract)	2	0	0	4	2	0	3	1	0	0	12
Elementary Occupations	5	0	0	2	1	0	0	0	0	0	8
Elementary Occupations (Non-Permanent/Contract)	2	0	0	2	1	0	0	0	0	0	5
TOTAL PERMANENT	18	7	0	24	14	2	13	12	1	0	0
TOTAL NON-PERMANENT/CONTRACT	12	3	0	21	6	0	6	6	2	1	0
GRAND TOTAL	30	10	0	45	20	2	19	18	3	1	148

5. ACRONYMS AND ABBREVIATIONS

AIDC	Automotive Industry Development Centre
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CoE	Compensation of Employees
DED	German Development Services in South-Africa
DHET	Department of Higher Education and Training
DoE	Department of Education
DoL	Department of Labour
EIC	Electrical Infrastructure Construction
EMC	Eastcape Midlands College
EMCU	Eastcape Midlands College Business Unit
ETDPSETA	Education Training and Development Practices SETA
FES	First Education Specialist
FETC	Further Education and Training Colleges
FIFO	First In First Out
GFS	Government Finance Statistics
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRAP	Generally Reconised Accounting Practice
GTZ	German development cooperation
IAS	International Accounting Standards
ICDL	International Computer Driving Lisence
IDC	Industrial Development Corporation
IT	Information Technology
IT & CS	Information Technology and Computer System
ISSS	Integrated Student Support Services
LWE	Lecturer Workplace experience

MEC	Member of Executive Council
MERSeta	Manufacturing, Engineering and Related Services Seta
MTEF	Medium-Term Expenditure Framework
MOI	Memorandum of Interest
NCV	New Curriculum Vocational
NATED (REPORT 191)	National Technical Education Programmes
NMMU	Nelson Mandela Metropolitan University
NOSA	National Occupational Safety Association
NSF	National skills Fund
PDLAM	Purpose-directed, Leadership and Management
PDOE	Provincial Department of Education
PFMA	Public Finance Management Act
PSR	Public Service Regulations
SAGDA	South African Graduate Development Association
SAW	South Africa Welders Institute
SCM	Supply Chain Management
SCoA	Standard Chart of Accounts
SLA	Service Level Agreement
SRC	Student Representative Council
TETA	Transport, education & Training Authority
WBE	Work Based Experience
VWSA	Volkswagen of South-Africa

The EMC Head Office and Campuses


CHARLES GOODYEAR CAMPUS


PARK AVENUE CAMPUS


HIGH STREET CAMPUS


HEATH PARK CAMPUS


BRICKFIELDS ROAD CAMPUS


GRAHAMSTOWN CAMPUS


GRAAFF-REINET CAMPUS


THANDUXOLO CAMPUS

Explanation of our logo

THE FLAMES

The symbolic application that unites the college is in the form of flames that reach into the sky. It also symbolises the strength of the college.

THE CIRCLE

The blue circle embarces the colleges as a symbol of protectiveness. The fact that it is angled upward adds to the impression of movement into the future.

THE FLOW

The flow with the openeing at the base symbolises the acceptance towards the community.

THE WORDING **EMC**

The bold lettering forms a natural base for the rest of the logo to rest on. It symbolises Eastcape Midlands College and finishes off the logo perfectly by balancing the other elements in adding visual weight.

Eastcape Midlands College, known as EMC, came into being on 31 March 2002 with the merger of Uitenhage Technical College, KwaNobuhle Technical College, Grahamstown Technical College and the satellite campus of Bethelsdorp Technical College in Graaff-Reinet and was officially launched in October 2003.

EASTCAPE MIDLANDS

FET COLLEGE

2013

ANNUAL FINANCIAL STATEMENTS

for the year ended

31 December 2013

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

INDEX

1

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

GENERAL INFORMATION

CHAIRMAN

C.M. Gawe

MEMBERS OF THE EXECUTIVE COMMITTEE

Chairman

Councillors: J.H. Arpin
J.F.J. Mbana
Z.L. Mapoma

AUDITORS

External: Auditor General
Internal: PriceWaterhouse Coopers

PRIMARY BANKER

Standard Bank Limited

REGISTERED OFFICE

42B Cnr of Cuyler & Durban Streets
UITENHAGE
6229

P.O. Box X35
UITENHAGE
6229

Telephone: (041) 995-2000

Facsimile: (041) 995-2047
E-Mail: info@emcol.co.za

PRINCIPAL

J.J.. Mbana (041) 995-2002 jj.mbana@emcol.co.za

CHIEF FINANCIAL OFFICER

R. Abdullah (041) 995-9606 ridwaan@emcol.co.za

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

GENERAL INFORMATION (continued)

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 8 to 157, in terms of Section 55(1)(b) of the Public Finance Management Act (Act No 1 of 1999) and which I have signed on behalf of the entity.

These Annual Financial Statements will be presented to the Council for information during May 2014.

MBANA
PRINCIPAL
22 April 2014

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

MEMBERS OF COUNCIL

COUNCILLORS	PORTFOLIO
Gawe M.N.	Chairperson
Mapoma Z.L. Adv	Deputy Chairperson
Arpin J.H.	

CERTIFICATION OF REMUNERATION OF COUNCILLORS

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

J.F.J. MBANA
PRINCIPAL
22 April 2014

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

REPORT OF THE CHAIRMAN

Introduction

The Council of a public Further Education and Training (FET) College must perform all the functions, which are necessary to govern the public FET College, this primarily being oversight and strategic directions towards predetermined goals, targets and objectives.

The Principal, who is the Accounting Officer, is responsible for the management and administration of the institution.

The College's primary business is teaching and learning.

College

The College was established under the Further Education and Training Act (FETC Act), Act No 98 of 1998, followed by the publication of the FETC Act in 2006, as amended..

College Name

Eastcape Midlands College, known as EMC, came into being on 31 March 2003 with the merger of numerous other colleges to form what is now known as EMC, with campuses in Port Elizabeth, Uitenhage, Grahamstown and Graaff-Reinet. The college is rapidly expanding into other areas as part of the national policy to allow for greater access to our services.

Mission

Our mission is to pursue our vision by passionately addressing the demands of the economy and the community who we serve.

In support of our mission we are committed to:

- Develop institutional capacity to support our programmes;
- Provide learner support and services and ensure job placement for our students;
- Be a modern but relevant college, well informed by development challenges facing its communities; and
- Be a centre of excellence characterised by competitive competences, capabilities and service orientation.

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

REPORT OF THE CHAIRMAN (Continued)

Objectives

The Act requires Council, in concurrence with the Academic Board, to develop a Strategic Plan for the College which must incorporate the mission, vision, goals, and plans for funding of the College, addressing imbalances, gender and disability matters, including measures for a safe learning environment for students, lecturers and support staff.

In preparing this Strategic Plan, Council considered the Medium Term Strategic Framework, government's priorities and the government's three strategic twenty five year scenarios namely:

> Scenario1: "Not yet Uhuru Nation";
> Scenario 2: "Nkalakatha Nation"; and
> Scenario 3: "Muvango Nation".

This Strategic Plan is founded on the strategic priorities contained in the foundations of building a "Nkalakatha Nation" based upon government strategic priorities.

In order to address past imbalances, Council included an admission policy linked to the provincial demographics, and provided a student-lecturer-community centric strategy informed by needs of economy and society. Council was also mindful of the National and Provincial strategic priorities and objectives as it relates to access, equity, quality, throughput, academic and financial viability of the college.

Following a review of the use of college resources, Council resolved to establish focused:

> Schools of Business;
> Schools of Engineering;
> Schools of Occupations and Skills Training; and
> Schools of Arts and Social Sciences and Agriculture within the College.

Council noted the absence of FETC Regulations and, given the above, considered the legislative prescripts the MEC Education has to comply with. In doing so, it carefully considered the users of the College resources (input / enablers), processes, its outputs and outcomes (results) as per the norms and standards of the Public Service Regulations (PSR).

In terms of Part III, Section B1 (a-g), Council noted its responsibility for the outcomes of the College and this strategic plan was crafted to ensure a maximal positive effect of:

> Council Policy and Strategy on Society;
> Student Satisfaction and Relationships;
> Lecturing, Administrative & Support Staff Satisfaction and Relationships; and
> National and Provincial Strategic Objective Targets.

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

REPORT OF THE CHAIRMAN (Continued)

The Chairperson of the Council emphasised the importance of the Strategic Planning Session and the level of importance with which the Council, as the future of the Eastcape Midlands College, viewed the process.

There were certain non-negotiable issues, and these were positioned as follows:
> Eastcape Midlands College must strive for a 100% pass rate, 100% retention and finally 100% placement into the future;
> Eastcape Midlands College must be the FET College of first choice (Transformation is a tool for excellence and not just a numbers game);
> Plans must be "precise" with no generalisations; and
> Financial growth and continuous development is essential.

Key Performance Indicators

Key Performance Indicators relating to key areas of the College's activity are set out in the Department of Higher Education and Training's publication "Summary Statistics for FET Colleges". These are as follows:
> Achievement of funding target;
> Percentage change in student numbers;
> In year retention rates;
> Achievement rates; and
> Contribution to National targets.

Student Numbers

The College is funded according to the level of activity that it generates each year. In 2013 the College met and exceeded the required quota including the enrolment of supplementary tuition class called NCOR thereby exceeding expectations. The College projects increase access even further with its expansion initiatives.

Student Achievement

At this stage the total certification rate stands at 69,4% which exceeds the Departmental benchmark. This is prior to supplementary after which the success rate would increase.

The pathway to 100% certification is not easy, but morally it is what every college should strive for. Mathematics still remains a challenge but it is receiving significant attention. The year 2013 saw the College competing for the top position in the country. However, we will not be criticised for not working hard to achieve top honours.

Numerous students have achieve distinctions and it is on the increase . This is an indication of the depth of our efforts as just passing or being average is not enough.

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013
REPORT OF THE CHAIRMAN (Continued)

Transparency Arrangements

The Secretary of the College maintains a register of financial and personal interests of the Council Members. The register is available for inspection at Eastcape Midlands College, Cuyler Street, Uitenhage.

The arrival of the Auditor-General who will be conducting the annual external audit will further strengthen governance. I am proud to say that we have successfully implemented both Internal Audit and Risk Management Services.

Finances

The College generated an operating surplus of 3 868 665 for the year (2012: R12 026 122).

The College has accumulated reserves of R284 55 567 (2012: 243 029 765) and cash balances of R116 281 398 (2012: R87 292 874). The College wishes to continue to accumulate reserves and cash balances in order to create a contingency fund.

Of note is that the College achieved and Unqualified Audit Opinion for the first time since 2002.

Staff and Student Involvement

The College considers good communication with its staff to be very important, and to this end it publishes a regular newsletter which is available to all staff. The College encourages staff and student involvement through membership of formal committees.

The year 2013 saw the College strive to college its staff capacity by filling most of the vacancies in preparation for the increase in output followed by increase enrolments. The year ends with massive strides towards implementing the collective agreements which were concluded in 2014.

Taxation

The College is exempted from tax in terms of Section 10(1)(cN) of the Income Tax Act of 1962.

Furthermore, the College is exempted from Value Added Tax in terms of Section12(h)(i)(aa) of the Value-Added Tax Act (Act No 89 of 1991).

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

REPORT OF THE CHAIRMAN (Continued)

Employment of Disabled Persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individual concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues and provides appropriate training, career development opportunities for promotion.

The College has spent significantly on improving conditions for student with learning challenges and will continue to invest in them as a good education knows not limits for disadvantaged!

Conclusion

I hereby wish to thank the members of the Executive Committee and executive staff for their commitment during the 2013 year and hope that the 2014 targets set in the Integrated Development Plan will be met.

I thank you.

C. M. GAWE
CHAIRMAN
22 April 2014

EASTCAPE MIDLANDS FET COLLEGE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2013

AUDIT REPORT

REPORT OF THE AUDITOR-GENERAL TO THE COUNCIL OF THE EAST CAPE MIDLANDS FET PUBLIC COLLEGE

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the consolidated and separate financial statements of the East Cape Midlands FET Public College set out on pages xx to xx, which comprise the statement of financial position as at 31 December 2013, the consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets and consolidated and separate cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Council's responsibility for the consolidated and separate financial statements

2. The council is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (SA GAAP) and the requirements of the Further Education and Training Colleges Act, 2006 (Act No. 16 of 2006) (FETCA), and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Accumulated surplus and statement of changes in net assets

4. Documentation supporting the journal entries that were used to restate the accumulated surplus as disclosed in statement of financial position and the statement of changes in net assets was either not submitted or that which was submitted was incomplete. There were no alternative procedures that I could have performed to obtain the required evidence, as a result I was unable to determine whether any adjustments were necessary to the accumulated surplus of R119, 9 million (2012: R110, 9 million).

5. The college did not disclose the effects of previous periods in accordance with international Accounting Standards (IAS 8), *Accounting Policies, Changes in Accounting Estimates and Errors*. Although there was a disclosure note for the previous period error in the financial statements, the statement of changes in net assets did not disclose the effect of a previous period error. Consequently, the statement of changes in net assets did not separately disclose errors relating to 2012 of R18, 9 million and errors relating to 2011 of R20, 1 million.

6. The college did not disclose the effect of the change in accounting policy for deferred income that was previously recognised as a depreciation reserve in accordance with *IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors*. The statement of changes in net assets did not have an amount in the line item of the effect of a change in accounting policy. In addition the nature, reasons and effect of change for each financial statement line item were not disclosed in the notes to the financial statements. Consequently, the statement of changes in net assets and change in accounting policy note were understated by R33, 4 million.

Restatement of corresponding figures

7. I could not obtain sufficient appropriate evidence to confirm that the restatement of corresponding figures as disclosed in the statement of financial performance, statement of financial position and note 29 were accurate and complete as there was no supporting documentation for the journal entries that were used to restate these corresponding figures. There were no alternative procedures that I could perform to obtain the required evidence. As a consequence, I was unable to determine if any adjustments were required to the restated corresponding figures of total expenditure of R82, 1 million.

Financial Reporting Framework

8. The college did not use the required accounting framework in preparation of the financial statements. In terms of directive 10 issued by the Accounting Standards Board, the college was required to present its financial statements for the 2013 year-end in accordance with the South African Statements of Generally Accepted Accounting Practice (SA GAAP). The college used a mixture of SA GAAP and Generally Recognised Accounting Practice (GRAP) reporting frameworks to present its financial statements. As a result, the account balances, classes of transactions and disclosures in the financial statements were misstated. It was not practical for me to determine the full extent of the misstatements for each balance, class of transaction and disclosure included in the financial statements.

Deferred Income

9. I was unable to obtain sufficient appropriate audit evidence for the deferred income disclosed in the statement of financial position, as no supporting documents could be provided to support the amount recognised in the financial statements, due to inadequate records management system and the lack of review of transactions processed in the accounting records. I was unable to confirm the deferred income by alternative means. Consequently, I was unable to determine whether any adjustment to the deferred income stated at R130 million (2012: R109, 8 million) in the statement of financial position and note 12 was necessary.

10. The college did not recognise all of its conditional grants as deferred income in terms of IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*. Consequently, deferred income is understated by R 19, 5 million (2012: R 19, 5 million) and accumulated surplus overstated by R 19, 5 million (2012: R 19, 5 million).

Plant, property and equipment

11. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment due to the following matters:

- No Proof of ownership of movable assets. This was due to lack of proper record keeping.
- Assets could not be physically located during the audit. This was due to the college recording assets without knowing their locations and lack of control over movement of assets.
- The college did not record all of its property, plant, and equipment in the financial statements because the asset register was not regularly updated.
- Journal entries processed relating to property, plant, and equipment were not supported by appropriate documentation due to lack of proper record keeping.
- Assets were not assessed for impairment as required by IAS 36: *Impairment of assets*. This was due to lack of review of fixed asset register to ensure that it

complies with the requirements of *IAS 16: Property, plant and equipment*.

- Additions and improvements to buildings owned by the college and assets donated to the college were not supported by appropriate documentation. This was due to a lack of proper record keeping.

- Management did not provide evidence of how they assessed the residual values and useful lives of assets. This was due to a lack of adequate review of fixed asset register and not having documented the assessment of the residual values and useful lives calculations.

I was unable to confirm these assets by alternative means, consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment of R155, 5 million (R 130, 2 million) disclosed in the statement of financial position and in note 6 or the depreciation and amortisation expense of R3, 9 million (2012: R2, 9 million) disclosed in the statement of financial performance and note 22 were necessary.

12. The college did not account for all items of property, plant and equipment in accordance with IAS 16, *Property, plant and equipment* due to the following circumstances:

    - The college included land in property, plant and equipment to which it does not have rights to, due to the fact that the properties were not transferred to the college.

    - Items relating to the purchase of assets were incorrectly classified as repairs and maintenance and general expenses, due to lack of reviews of journals and invoices being processed.

    - Changes in useful lives of assets were not accounted for prospectively as required by IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, due to lack of quality review of the financial statements.

    Consequently, property, plant and equipment as disclosed in the statement of financial position and note 6 was understated by R10, 9 million, depreciation and amortisation as disclosed in the statement of financial performance is overstated by R1,2 million, repairs and maintenance expenses as disclosed in the statement of financial performance was overstated by R 2, 2 million, general expenses as disclosed in the statement of financial performance were overstated by R12,7 million and accumulated surplus as disclosed on the statement of changes in financial position and the statement of changes in net assets was overstated by R 5, 2 million.

Trade and other payables

13. I was unable to obtain sufficient appropriate audit evidence for the trade and other payables disclosed in the statement of financial position, as there were journal entries and transactions processed without supporting documents. I was unable to confirm the trade and other payables by alternative means. Consequently, I was unable to determine whether any adjustment to the trade and other payables stated at R40, 9 million (2012: R25, 1 million) in the financial statements was necessary.

14. The college incorrectly recognised amounts which do not meet the definition of a liability, in accordance with IAS *1, Presentation of financial statements due to the* Transactions for goods received before year end were not recorded in the current financial year because the college did not record transactions on an accrual basis, consequently, trade and other payables as disclosed in statement of financial position was understated by R 3, 8 million, and general expenses as disclosed in statement of financial performance were understated by R3, 8 million.

Unspent conditional grants

15. I was unable to obtain sufficient appropriate audit evidence for the unspent conditional grants disclosed in the statement of financial position since there were no supporting documents for journal entries processed relating to unspent conditional grants. I could not confirm these journal entries by alternative means. Consequently, I was unable to determine whether any adjustment to unspent conditional grants stated at R10, 5 million in the financial statements was necessary.

Impairment losses

16. I was unable to obtain sufficient appropriate audit evidence for impairment losses disclosed in statement of financial performance because there was no supporting evidence for bad debts written off and there was no list of debtors that are individually impaired, in addition, the were assets that were physically damaged and no impairment assessment was performed. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustments to impairment loss of R3, 3 million (2012: R2, 3 million) and the provision for doubtful debts of R 5, 9 million (2012: R 3, 5 million) as disclosed in note 3 to the financial statements were necessary.

Accounts receivable

17. I was unable to obtain sufficient appropriate audit evidence for the accounts receivables disclosed in the statement of financial performance because the debtors raised by the college could not be verified. There were no contracts or acknowledgement of debt between the college and eastcape midlands college business unit or evidence to prove existence of the debt. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment to the accounts receivable of R15, 4 million (2012:R34, 5 million) in the financial statements was necessary.

18. The college did not account for the Accounts Receivable in accordance with IAS 38: *financial instruments*, recognition requirements as there were differences between the amounts recorded in the accounting records against the audited amount of government grants because the college did not use the accrual basis of accounting to record grants as a result they did not record all the grant receivable in the current year, consequently, accounts receivable as disclosed in statement of financial position was understated by R17, 4 million and Government grants and subsidies received as disclosed in statement of financial performance was understated by R17, 4 million.

Tuition fees

19. I was unable to obtain sufficient appropriate audit evidence for the tuition fees disclosed in the statement of financial performance because not all registered students were recorded in accounting records. In addition there were no receipts relating to these students. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment to the tuition fees of R28, 7 million (2012: R23, 9 million) in the financial statements was necessary.

Cash and cash equivalents

20. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents due to cash balances as at year end were not recognised as assets in the financial statements. This was due to bank accounts in the college's name not being recorded in the general ledger and transactions incurred on these accounts could not be verified. I was unable to confirm these assets by alternative means, consequently, I was unable to determine whether

adjustments were necessary to cash and cash equivalents of R128, 1 Million (2012: R94, 3 million) disclosed in the statement of financial performance and note 4 were necessary.

Government grants and subsidies received

21. I was unable to obtain sufficient appropriate audit evidence for the government grants and subsidies received that were disclosed in the statement of financial performance as I could not confirm if the expenses incurred by the college related to the conditions of the grant as the terms and conditions of the grant were not provided. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment to the government grants & subsidies received of R107, 1 million (2012: R62, 4 million) as disclosed in the statement of financial performance and note 15 of the financial statements was necessary.

Employee related costs

22. I was unable to obtain sufficient and appropriate audit evidence for compensation of employees due to the following:

    - There were unexplained differences between the payroll and the general ledger.
    - Employees could not be physically verified and there was no evidence that they were working at the college.
    - Employee files were not presented for audit purposes, due to lack of proper record management.
    - Documentation in support of salary payments, allowances and employer contributions was either not submitted for audit purposes or was submitted but incomplete.

    I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment to compensation of employees of R79 million (2012: R50, 8 million) as disclosed in statement of financial performance was necessary.

23. The college did not account for the compensation of employees in accordance with IAS 1: *Presentation of Financial Statements* due to the following:

    - Payments of management fees being incorrectly classified as employee costs.
    - The college did not make a provision for leave pay in the accounting records.

    Consequently, employee related costs as disclosed in statement of financial performance was overstated by R1,3 million, accounts receivables as disclosed in statement of financial position was understated by R2, 7 million and other current liabilities as disclosed in statement of financial position was understated by R1, 4 million.

Related parties

24. The college did not disclose related parties in disclosure note 37 to the financial statements, as required by *IAS 24 Related Party Disclosures.* All related party relationships, transactions and outstanding balances of related parties were not disclosed. This was due to lack of review of the financial statements to ensure compliance with all accounting requirements. This resulted in the related party transactions as disclosed in note 37 being understated by R32, 4 million (2012: R20,1 million).

Cash flow statement

25. The college did not accurately calculate and disclose the cash flow movements in the cash flow statement in accordance with *IAS 7 Statement of cash flows* due to the movement in deferred income being incorrectly added back in the calculation of cash flows generated by operations as disclosed in note 30 and the cash flow statement. Consequently, the cash flows from operating activities was overstated by R20, 5 million.

Contingent liabilities

26. The college did not accurately disclose the contingent liabilities in accordance with *IAS 37: Provisions, Contingent Liabilities and Contingent Assets*. Future expenses are incorrectly disclosed as contingent liabilities, which are not allowed to be disclosed by the stated accounting standards. Consequently the contingent liabilities as disclosed in note 38 of the financial statements were overstated by R3, 5 million.

Consolidation Process

27. The college did not eliminate the particulars of the intercompany loan in the consolidated financial statements, as required by International Financial Reporting Standards (IFRS) 10 (Elimination of intercompany transaction). Consequently, the consolidated non-current assets were overstated by R2, 1 million.

28. I was unable to obtain sufficient appropriate audit evidence for the investment made by the East Cape Midlands group of R2, 1 million for shares acquired in Dwayne's Poultry Farm. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine the type of investment and further could not confirm that the investment was correctly accounted for in the group financial statements for the 2013 financial year.

29. The business unit transferred assets to the college. I was unable to obtain sufficient appropriate audit evidence for the accuracy of the journals relating to the transfer of these assets to the amount of R4, 6 million as these assets could not be traced to the accounting records and no supporting documentation were provided. I was unable to confirm the amount by alternative means. Consequently I was unable to determine the accuracy and validity of the eliminating journal passed for the transfer of assets.

Aggregated misstatements

30. The consolidated financial statements were materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following items making up the statement of financial position and the statement of financial performance:

    - Trade and other payables reflected as R40, 9 million was understated by R1, 5 million.
    - Trade and other receivables reflected as R15, 4 million was understated by R649 022.
    - Cash and cash equivalent reflected as R128, 1 million was understated by 130 366.
    - Property plant and equipment reflected as R155, 5 million was overstated by R968 476.
    - General expenses reflected as R39 million was understated by R920 023.
    - Public contribution and donation reflected as R968 476 was overstated by R968 476.
    - Interest on external investments reflected as R5, 1 million was understated by R273 990.
    - Other revenue reflected as R5, 1 million was understated by R184 766.
    - Employee related costs reflected as R79,3 million was understated by R112 500

31. In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm the following items by alternative means:

    - General expenses of R1, 7 million as included in the disclosed balance of R39 Million.
    - Inventory of R222 246 (2012: R332 243) as included in the disclosed balance of R222 246 (2012: R332 243)

- Deferred income of R18 572 as included in the disclosed balance on R130, 3 million.

Consequently, I was unable to determine whether any adjustment to these items was necessary.

Disclaimer of opinion

32. Because of the significance of the matter described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

ADDITIONAL MATTER

Previous year audited by a predecessor auditor

33. The financial statements of the previous year were audited by a predecessor auditor in terms of section 4(3) of the PAA on 31 December 2012.The predecessor auditor expressed an unqualified opinion on the 2012 financial statements.

Unaudited supplementary schedules

34. The supplementary information set out on pages 88 to 92 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Withdrawal from the audit engagement

35. Due to the limitation imposed on the scope of the audit by management, I have disclaimed my opinion on the financial statements. But for the legislated requirement to perform the audit of East Cape Midlands FET College, I would have withdrawn from the engagement in terms of the ISAs.

Report on other legal and regulatory requirements

In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

36. I did not conduct an audit of performance against predetermined objectives as the college is not required in terms of the FETCA to prepare and submit a report on its performance against predetermined objectives.

Compliance with legislation

37. I performed procedures to obtain evidence that the college had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in of the FETCA are as follows:

Annual financial statements and Annual Report

38. The council of the college did not keep complete accounting records of all assets, liabilities, income and expenses and any other financial transactions of the institution as a whole as required by section 25(1)(b) of FETCA. The financial statements submitted contained material misstatements. Management were not able to correct misstatements and inadequate supporting records were provided subsequently, as a result the uncorrected misstatements and limitations resulted in the financial statements receiving a disclaimer of opinion.

Internal audit and risk management

39. As the council was appointed in October 2013 it did not implement internal audit and risk management systems which are not inferior to the standards contained in the PFMA as required by section 25(1)(c) of the FET act throughout the year . In addition the council was not in place throughout the year.

40. As the audit committee was only appointed in November of 2013, the internal audit function was not under the control and direction of the audit committee, as required by section 51(1) (a) (ii) of the PFMA, throughout the year.

Strategic planning and performance management

41. The strategic plan was not approved by the minister, as required by section 10(2)(a)(iv) of the FETCA, although it was submitted by the college to the minister.

42. The strategic plan did not include safety measures for a safe learning environment for students, lecturers and support staff, as required by section 10(2)(a) of the FETCA.

43. The council, in respect of the preceding financial year, and by a date and in the manner determined by the minister, did not provide the minister with a report on the overall management and governance of the college nor a report on the overall performance of students on the programmes offered by the college as required by section 25(3) of the FETCA.

44. The council did not develop the strategic plan in concurrence with the academic board, as required by section 10(2)(a) of the FETCA.

45. The college did not prepare a strategic plan for the financial year, which was approved by the council and submitted to the members of the executive council at least 30 days before the commencement of the financial year, as required by section 44(1) of the FETCA.

Human resources management and compensation

46. The management staff was not appointed by the member of executive council, as required by section 19(1) of the FETCA.

47. The appointment of lecturers and support staff was not authorised by the council, as required by section 20(3) of the FETCA.

Public governance structures

48. The council of the college had established a juristic person providing further education and training contrary to the provisions of sections 9(6) and 28(b) of the FETCA.

Council

49. The college has failed to implement a full council during the 2013 financial year as required by sections 9(3) and 10 (4) (a) – (g) of the FET Colleges Act, as the college depends on ministerial appointments of council member to have effective council.

Internal control

50. I considered internal control relevant to my audit of the financial statements, and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for disclaimer of opinion and the findings on non-compliance with legislation included in this report

Leadership

51. The policies and procedures were not clearly communicated throughout the college and were not drafted with sufficient emphasis on the roles and responsibilities. These factors resulted in employees not being aware of their roles and responsibilities in respect of collecting, coordinating and compiling financial information and management not being able to effectively administer the proper consequences in instances where disciplinary action needed to be taken.

52. There was a lack of leadership at the college, due to instability of key management and oversight bodies.

53. The leadership failed to oversee the implementation and monitoring of internal controls relating to compliance with laws and regulations (procurement and contract management, bursary management and the FETAC). This resulted in supply chain processes not being followed, and inadequate awarding of bursaries.

54. The management of the college disregarded key controls in human resources, which resulted in inappropriate appointments and improper human resource management. This was due to non-existence of the council and a lack consequence management.

Financial and performance management

55. Management failed to implement an effective document management system to ensure that all transactions appropriate supporting evidence is readily available to support the financial statements. This is due to staff not being able to investigate each transaction and not ensuring that each transaction has sufficient credible evidence before it is processed.

Governance

56. Management failed to ensure that adequate governance structures (i.e. audit committee, internal audit and council) have been appointed in a timely manner. This was due to the delayed appointment of the council by the Department of Higher Education and Training and disregard by the college management of importance of setting up an audit committee, internal audit and other committees timely.

57. The audit committee did not review the financial statements before submission due to inadequate oversight of the preparation thereof, even though it was functional during the period of financial statement submission.

OTHER REPORTS

Investigations

An independent consulting firm performed an investigation at the request of the Department of Higher Education and Training. The investigation was initiated based on allegations of possible corruption, nepotism and gross maladministration at the college. While the investigation was completed, the investigation was declared illegal by the high court.

Auditor-General

East London

29 July 2015

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

EASTCAPE MIDLANDS FET COLLEGE

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

It gives me great pleasure to present the Annual Financial Statements of Eastcape Midlands Fet College at 31 December 2013.

These Annual Financial Statements have been prepared in accordance with South African Generally Accepted Accounting Practice (SA GAAP), issued by the Accounting Standards Board (ASB).

The Statement of Financial Position at 31 December 2013 indicates an increase in Net Assets, Non-current Liabilities and Current Liabilities.

2. KEY FINANCIAL INDICATORS

The following indicators are self-explanatory. The percentages of expenditure categories are well within acceptable norms and indicate good governance of the funds of the entity.

2.1 Financial Statement Ratios:

INDICATOR	2013	2012
Surplus / (Deficit) before Appropriations	3 868 665	12 026 122
Surplus / (Deficit) at the end of the Year	104 672 985	100 804 319
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	55.82%	61.94%
Depreciation and Amortisation	2.69%	3.23%
Impairment Losses	2.39%	2.87%
Repairs and Maintenance	5.09%	2.07%
Contracted Services	4.97%	1.51%
Grants and Subsidies Paid	1.72%	1.42%
General Expenses	27.31%	26.97%
Current Ratio:		
Trade Creditors Days	11	30
Debtors from Student Fees Days	189	416

2.2 Performance Indicators:

INDICATOR	Norm Range	2013	2012
Financial Position			
Asset Management:			
Capital Expenditure to Total Expenditure	10% - 20%	16.75%	0.00%
Impairment of Capital Assets	0%	0.00%	0.00%
Repairs and Maintenance as percentage of Capital Assets	8%	4.65%	1.29%
Debtors Management:			
Collection Rate	95%	57.86%	204.40%
Bad Debts Written-off as percentage of Provision for Bad Debt	100%	26.32%	34.58%
Net Debtors Days	30 Days	169	413
Outstanding Debtors to Revenue		17.17%	41.22%
Liquidity Management:			
Cash / Cost Coverage Ratio	1 - 3 Months	10	13
Current Ratio	1.5 - 2.0 : 1	2.65	3.54
Liquidity Ratio	1.0 - 1.5 : 1	2.34	2.69
Financial Viability:			
Debt Coverage		7.06	7.33
Cost Coverage		0.87	1.14
Financial Performance			
Efficiency:			
Net Operating Surplus Margin	= or > 0%	2.73%	13.20%
Revenue Management:			
Percentage Revenue Growth	= CPI	55.73%	1.61%
Percentage Revenue Growth, excluding Capital Grants	= CPI	55.73%	1.61%
Expenditure Management:			
Creditors to Cash and Investments		33.68%	26.41%
Trade Creditors Payment Period	30 Days	7	13
Irregular, Fruitless & Unauthorised Expenditure / Total Operating Expenditure	0%	7.49%	21.38%
Remuneration as percentage of Total Operating Expenditure	25% - 40%	55.82%	61.94%
Contracted Services as percentage of Total Operating Expenditure	2% - 5%	4.97%	1.51%
Grant Dependency:			
Own Funded Capital Expenditure and Borrowings / Total Capital Expenditure	None	100.00%	0.00%
Own Funded Capital Expenditure / Total Capital Expenditure	None	100.00%	0.00%
Own Source Revenue as percentage of Total Operating Revenue	None	23.83%	31.49%
Budget Implementation			
Efficiency:			
Capital Expenditure Budget Implementation Indicator	95% - 100%	130.56%	0.00%
Operating Expenditure Budget Implementation Indicator	95% - 100%	90.27%	115.96%
Operating Revenue Budget Implementation Indicator	95% - 100%	287.76%	360.27%
Service Charges & Property Rates Revenue Budget Implementation Indicator	95% - 100%	102.06%	104.66%

3. OPERATING RESULTS

The overall operating results for the year ended 31 December 2013 are as follows:

DETAILS	Actual 2012/13 R	Actual 2011/12 R	Percentage Variance %	Budgeted 2012/13 R	Variance actual/ budgeted %
Income:					
Opening surplus / (deficit)	100 804 319	88 778 197	13.55	-	100.00
Operating income for the year	141 846 330	91 083 233	55.73	49 292 621	187.76
Appropriations for the year	-	-	-	-	-
	242 650 649	179 861 430	34.91	49 292 621	392.27
Expenditure:					
Operating expenditure for the year	137 977 665	79 057 110	74.53	152 851 504	(9.73)
Sundry transfers	0	0	(89.76)	-	100.00
Closing surplus / (deficit)	104 672 985	100 804 319	3.84	(103 558 882)	(201.08)
	242 650 649	179 861 430	34.91	49 292 621	392.27

4. RECONCILIATION OF BUDGET TO ACTUAL

4.1 Operating Budget:

DETAILS	2013	2012
Variance per Category:		
Budgeted surplus before appropriations	(103 558 882)	(42 895 844)
Revenue variances	92 553 708	65 801 229
Expenditure variances:		
Employee Related Costs	15 800 086	(13 630 667)
Collection Costs	-	-
Depreciation and Amortisation	(3 713 275)	(2 551 208)
Impairment Losses	(3 298 844)	(174 082)
Repairs and Maintenance	3 717 739	516 977
Interest Paid	-	-
Contracted Services	(3 324 323)	432 783
Grants and Subsidies Paid	94 445	(546 400)
General Expenses	5 598 010	5 073 335
Loss on disposal of Property, Plant and Equipment	-	-
Actual surplus before appropriations	3 868 665	12 026 122

5. ACCUMULATED FUNDS

The balance of the Accumulated Surplus as at 31 December 2013 amounted to R104 672 985 (31 December 2012: R100 804 319) and is made up as follows:

Accumulated Surplus	~~104 672 985~~
	104 672 985

The entity, in conjunction with its own capital requirements and external funds (external loans and grants) is able to finance its annual infrastructure capital programme.

Refer to Note 14 and the Statement of Change in Net Assets for more detail.

6. DEFERRED INCOME

The outstanding amount of Deferred Income as at 31 December 2013 was R130 266 501 (31 December 2012: R109 812 182).

Deferred Income the process to realise income from grants utilised to finance capital assets into the operational account over the lifespan of the assets funded from such grants, instead of at once upon acquisition of those assets.

Refer to Note 12 for more detail.

7. CURRENT LIABILITIES

Current Liabilities amounted R49 616 082 as at 31 December 2013 (31 December 2012: R32 413 263) and is made up as follows:

Trade and Other Payables	Note 9	39 164 431
Unspent Conditional Grants and Receipts	Note 10	10 451 651
		49 616 082

Current Liabilities are those liabilities of the entity due and payable in the short-term (less than 12 months). There is no known reason as to why the entity will not be able to meet its obligations.

Refer to the indicated Notes for more detail.

8. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment was R150 840 367 as at 31 December 2013 (31 December 2012: R125 765 916).

Refer to Note 6 and Appendix "B" for more detail.

9. INTANGIBLE ASSETS

The net value of Intangible Assets were R281 093 as at 31 December 2013 (31 December 2012: R337 194).

Intangible Assets are assets which cannot physically be identified and verified and are in respect of computer software obtained by the entity in order to be able to fulfil its duties as far as service delivery is concerned.

Refer to Note 7 and Appendix "B" for more detail.

10. LONG-TERM RECEIVABLES

Long-term Receivables of R2 100 000 at 31 December 2013 (31 December 2012: R2 100 000) is made up as follows:

Other Loans	2 100 000
	2 100 000
Less: Short-term portion included in Current Assets	-
	2 100 000

Refer to Note 8 for more detail.

11. CURRENT ASSETS

Current Assets amounted R131 334 107 as at 31 December 2013 (31 December 2012: R114 826 655) and is made up as follows:

Inventories	Note 2	222 246
Accounts Receivable	Note 3	14 830 463
Cash and Cash Equivalents	Note 4	116 281 398
Current Portion of Long-term Debtors	Note 5	-
		131 334 107

The increase in the amount for Current Assets is mainly due to the increased amount held in Bank and Cash Equivalents.

Refer to the indicated Notes for more detail.

12. INTER-GOVERNMENTAL GRANTS

The entity is dependent on financial aid from other government spheres to finance its annual capital programme. Operating grants are utilised to finance indigent assistance and provision of free basic services.

Refer to Notes 10 and 15 for more detail.

13. EVENTS AFTER THE REPORTING DATE

Full details of all known events, if any, after the reporting date are disclosed in Note 42.

14. EXPRESSION OF APPRECIATION

We are grateful to the Chairman, Councillors, the Principal and Heads of Departments for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Annual Financial Statements would not have been possible.

CHIEF FINANCIAL OFFICER

22 April 2014

EASTCAPE MIDLANDS FET COLLEGE

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2013

	Note	Actual 2013 R	2012 Restated R	2011 Restated R
ASSETS				
Current Assets		**131 334 107**	**114 826 655**	**84 659 185**
Inventory	2	222 246	332 243	170 253
Accounts Receivable	3	14 830 463	27 201 538	2 758 259
Cash and Cash Equivalents	4	116 281 398	87 292 874	81 730 672
Current Portion of Long-term Receivables	5	-	-	-
Non-Current Assets		**153 221 460**	**128 203 110**	**100 313 870**
Property, Plant and Equipment	6	150 840 367	125 765 916	97 822 836
Intangible Assets	7	281 093	337 194	391 034
Long-term Receivables	8	2 100 000	2 100 000	2 100 000
Total Assets		**284 555 567**	**243 029 765**	**184 973 055**
FUNDS AND LIABILITIES				
Current Liabilities		**49 616 082**	**32 413 263**	**14 245 427**
Deferred Income	12	-	-	-
Trade and Other Payables	9	39 164 431	23 052 838	14 245 427
Unspent Conditional Grants and Receipts	10	10 451 651	9 360 425	-
Operating Lease Liabilities	11	-	-	-
Non-Current Liabilities		**130 266 501**	**109 812 182**	**81 949 431**
Deferred Income	12	130 266 501	109 812 182	81 949 431
Capital and Reserves		**104 672 985**	**100 804 319**	**88 778 197**
Reserves	13	-	-	-
Accumulated Funds	14	104 672 985	100 804 319	88 778 197
Total Net Assets		**284 555 567**	**243 029 765**	**184 973 055**

EASTCAPE MIDLANDS FET COLLEGE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 R	Actual 2012 Restated R
REVENUE			
Revenue from Non-exchange Transactions			
Government Grants and Subsidies Received	15	107 081 170	62 401 183
Public Contributions and Donations	16	968 476	-
Revenue from Exchange Transactions			
Tuition Fees	17	28 691 597	23 862 459
Rental of Facilities and Equipment	18	86 705	77 608
Interest Earned - External Investments	19	4 790 334	3 915 335
Other Revenue	20	228 047	826 647
Total Revenue		**141 846 330**	**91 083 233**
EXPENDITURE			
Employee Related Costs	21	77 025 099	48 966 084
Depreciation and Amortisation	22	3 713 275	2 551 208
Impairment Losses	23	3 298 844	2 265 295
Repairs and Maintenance	24	7 029 564	1 633 023
Contracted Services	25	6 858 948	1 197 217
Grants and Subsidies Paid	26	2 372 055	1 126 400
General Expenses	27	37 679 880	21 317 883
Total Expenditure		**137 977 665**	**79 057 110**
SURPLUS / (DEFICIT) FOR THE YEAR		**3 868 665**	**12 026 122**

Refer to Appendix E(1) for explanation of budget variances

EASTCAPE MIDLANDS FET COLLEGE

ATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 20

Description	Revaluation Reserve	Total for Accumulated Surplus/(Deficit) Account	Total
	R	R	R
2012			
Balance at 31 December 2011	-	88 778 197	88 778 197
Change in Accounting Policy (Note 28)		-	-
Correction of Error (Note 29)	-	(0)	(0)
Restated Balance	**-**	**88 778 197**	**88 778 197**
Surplus / (Deficit) for the year		12 026 122	12 026 122
Balance at 31 December 2012	**-**	**100 804 319**	**100 804 319**
2013			
Change in Accounting Policy (Note 28)		-	-
Correction of Error (Note 29)		(0)	(0)
Restated Balance	**-**	**100 804 319**	**100 804 319**
Surplus / (Deficit) for the year		3 868 665	3 868 665
Balance at 31 December 2013	**-**	**104 672 985**	**104 672 985**

Details on the movement of the Funds and Reserves are set out in Note 14.

EASTCAPE MIDLANDS FET COLLEGE
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 R	Actual 2012 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Grant and Subsidies	15	105 989 944	53 040 757
Public Contributions and Donations	16	968 476	-
Tuition Fees	17	39 914 939	(1 834 415)
Interest Received	19	4 790 334	3 915 335
Other Receipts		123 171	10 036 342
Payments			
Employee Related Costs	21	(77 025 099)	(48 966 084)
Suppliers Paid		2 223 081	5 977 172
Other Payments		(20 233 175)	13 833 543
NET CASH FLOWS FROM OPERATING ACTIVITIES		**56 751 673**	**36 002 649**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	6	(27 763 149)	(30 438 248)
Purchase of Intangible Assets	7	-	(2 200)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(27 763 149)**	**(30 440 448)**
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	**-**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4	**28 988 524**	**5 562 202**
Cash and Cash Equivalents at Beginning of Period		87 292 874	81 730 672
Cash and Cash Equivalents at End of Period		116 281 398	87 292 874

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with the effective South African Statements of Generally Accepted Accounting Practice (SA GAAP), and in the manner prescribed by the Minister of Higher Education and Training in terms of the Further Education and Training Colleges Act, 2000 (Act No. 16 of 2000, as amended).

The college has historically applied SA GAAP in the preparation of its Annual Financial Statements, but these Standards were withdrawn by the Accounting Practices Board and Financial Reporting Standards Committee with effect from financial years commencing on or after 1 December 2012.

Subsequently, the Minister of Higher Education and Training has approved Standards of Generally Recognised Accounting Practices (GRAP) as the new accounting framework for the FET Colleges on 10 October 2013. The Accounting Standards Board (ASB) has, as a transitional arrangement, approved the application of SA GAAP codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants as at 1 April 2012, to be applied by the FET Colleges in preparing their Annual Financial Statements for the reporting period commencing 1 January 2013.

The Annual Financial Statements have been prepared on the *Accrual Basis* of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

1.1 Changes in Accounting Policy and Comparability

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

For the years ended 31 December 2012 and 31 December 2013 the entity has adopted the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

The entity changes an Accounting Policy only if the change:

(a) Is required by a Standard of SA GAAP; or

(b) Results in the Annual Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

1. BASIS OF PRESENTATION (continued)

1.2 Critical Judgements, Estimations and Assumptions

In the application of the entity's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the entity's Acco unting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.2.1 Revenue Recognition

Accounting Policy 7 on *Revenue* describes the conditions under which revenue will be recorded by the management of the entity.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in IAS 19 (*Revenue*). As far as Revenue is concerned (see Basis of Preparation above), and, in particular, whether the entity, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the entity is satisfied that recognition of the revenue in the current year is appropriate.

1.2.2 Financial Assets and Liabilities

The classification of Financial Assets and Liabilities, into categories, is based on judgement by management. Accounting Policy 5.1 on *Financial Assets Classification* and Accounting Policy 5.2 on *Financial Liabilities Classification* describe the factors and criteria considered by the management of the entity in the classification of Financial Assets and Liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of Financial Instruments as set out in IAS 39 (*Financial Instruments: Recognition and Measurement*).

**EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

1. BASIS OF PRESENTATION (continued)

1.2 Critical Judgements, Estimations and Assumptions (continued)

1.2.3 Impairment of Financial Assets

Accounting Policy 5.4 on *Impairment of Financial Assets* describes the process followed to determine the value by which Financial Assets should be impaired. In making the estimation of the impairment, the management of the entity considered the detailed criteria of impairment of Financial Assets as set out in IAS 39 (*Financial Instruments: Recognition and Measurement*) and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the entity is satisfied that impairment of Financial Assets recorded during the year is appropriate.

I I Impairment of Trade Receivables:
The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

1.2.4 Useful lives of Property, Plant and Equipment, Investment Property and Intangible Assets

As described in Accounting Policies 3.3, 4.2 and 5.2, the entity depreciates / amortises its Property, Plant and Equipment, Investment Property and Intangible Assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

1. BASIS OF PRESENTATION (continued)

1.2 Critical Judgements, Estimations and Assumptions (continued)

1.2.5 Impairment: Write-down of Property, Plant and Equipment, and Inventories

Accounting Policy 4 on *Impairment of Assets*, Accounting Policy 3.2 on *Intangible Assets – Subsequent Measurement, Amortisation and Impairment* and Accounting Policy 6.2 on *Inventory – Subsequent Measurement* describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the entity. Significant estimates and judgements are made relating to impairment testing of PPE, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Values (NRV).

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in IAS 36 (*Impairment of Assets*). In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the NRV for Inventories involves significant judgment by management.

1.2.6 Contingent Liabilities

Management judgement is required when measuring Contingent Liabilities..

1.3 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the entity's functional currency.

1.4 Going Concern Assumption

The Annual Financial Statements have been prepared on a *Going Concern*

Basis. 1.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

2. PROPERTY, PLANT AND EQUIPMENT

2.1 Initial Recognition

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

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the entity, and if the cost or fair value of the item can be measured reliably.

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

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

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

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2.2 Subsequent Measurement

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

Subsequently all Property Plant and Equipment are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses.

Compensation from third parties for items of Property, Plant and Equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

2.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the *Straight-line Method*, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. 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.

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

Asset Class	Years	Asset Class	Years
Buildings	10 - 80	Motor Vehicles	7 - 15
Classroom Equipment	3 - 20	Office Equipment	3 - 20
Computer Equipment	3 - 10	Workshop Equipment	7 - 15
Furniture and Fittings	7 - 10		

The assets' residual values, estimated useful liv es and depreciation method are reviewed annually and adjusted prospectively, if appropriate, at each reporting date. Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2.4 Land

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

2.5 Incomplete Construction Work

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

2.6 Derecognition of Property, Plant and Equipment

The carrying amount of an item of Property, Plant and Equipment is 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 an item of Property, Plant and Equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the proceeds from disposals are included in the Statement of Financial Performance as a gain or loss on disposal of Property, Plant and Equipment.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

3. INTANGIBLE ASSETS

3.1 Initial Recognition

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

Internally generated Intangible Assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as Intangible Assets when the following criteria are fulfilled:

- It is technically feasible to complete the Intangible Asset so that it will be available for use;
- Management intends to complete the Intangible Asset and use or sell it;
- There is an ability to use or sell the Intangible Asset;
- It can be demonstrated how the Intangible Asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the Intangible Asset are available; and
- The expenditure attributable to the Intangible Asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as Intangible Assets and amortised from the point at which the asset is ready for use on a *Straight-line Basis* over its useful life, not exceeding five years. Development assets are tested for impairment annually, in accordance with IAS 36.

Intangible Assets are initially recognised at cost. The cost of an Intangible Asset is the purchase price and other costs attributable to bring the Intangible Asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity, or where an Intangible Asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost. Intangible Assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

3. INTANGIBLE ASSETS (continued)

3.1 Initial Recognition (continued)

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

3.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an Intangible Asset at a later date.

In terms of GRAP 102, Intangible Assets are distinguished between internally generated Intangible Assets and other Intangible Assets. It is further distinguished between indefinite or finite useful lives. Amortisation is charged on a *Straight-line Basis* over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

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

Asset Class	Years	Asset Class	Years
Computer Systems & Software	3 - 10		

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

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

3. INTANGIBLE ASSETS (continued)

3.3 Derecognition

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

4. IMPAIRMENT OF ASSETS

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

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

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset. Value in use is determined as the depreciated replacement cost of the asset.

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

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

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

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

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

5. FINANCIAL INSTRUMENTS

The entity has various types of Financial Instruments and these can be broadly categorised as *Financial Assets*, *Financial Liabilities* or *Residual Interests* in accordance with the substance of the contractual agreement. The entity only recognises a Financial Instrument when it becomes a party to the contractual provisions of the instrument.

Initial Recognition
Financial Assets and Financial Liabilities are recognised on the entity's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

The entity does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair Value Methods and Assumptions
The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices.
- If the market for a Financial Asset is not active (and for unlisted securities), the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that ar e substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Effective Interest Rate Method
The Effective Interest Method is a method of calculating the amortised cost of a Financial Asset or a Financial Liability 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.

Amortised Cost
Amortised Cost 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 Rate Method* of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

5. FINANCIAL INSTRUMENTS (continued)

5.1 Financial Assets – Classification

A Financial Asset is any asset that is a cash or contractual right to receive cash.

In accordance with IAS 39 the *Financial Assets* of the entity are classified as follows into the four categories allowed by this standard:

- **Loans and Receivables** are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market. They are included in Current Assets, except for maturities greater than 12 months, which are classified as Non-current Assets. Trade and Other Receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to group entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as loans and receivables.

- **Held-to-Maturity Financial Assets** are assets with fixed or determinable payments and fixed maturity where the municipality has the positive intent and ability to hold the investment to maturity.

- **Financial Assets at Fair Value through Profit or Loss** are financial assets that meet either of the following conditions:
  (i) They are classified as held for trading; or
  (ii) Upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

- **Available for Sale Financial Assets** are assets that are designated as available for sale or are not classified as:
  (i) Loans and Receivables;
  (ii) Held-to-Maturity Investments; or
  (iii) Financial Assets at Fair Value through Profit and Loss

The entity may have the following types of Financial Assets as reflected on the face of the Statement of Financial Position or in the Notes thereto:

Type of Financial Asset	Classification in terms of GRAP 104
Long-term Receivables	Loans and Receivables
Accounts Receivable	Loans and Receivables
Bank, Cash and Cash Equivalents – Notice Deposits	Held-to-Maturity Financial Assets
Bank, Cash and Cash Equivalents – Call Deposits	Available-for-Sale Financial Assets
Bank, Cash and Cash Equivalents	Available-for-Sale Financial Assets

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

5. FINANCIAL INSTRUMENTS (continued)

5.1 Financial Assets – Classification (continued)

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

5.2 Financial Liabilities – Classification

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

There are three main categories of *Financial Liabilities*, the classification determining how they are measured. Financial Liabilities may be measured at:
(i) Fair Value through Profit or Loss;
(ii) Other Financial Liabilities (Financial Liabilities measured at Amortised Cost); or
(iii) Financial Guarantee Contract.

The entity has the following types of Financial Liabilities as reflected on the face of the Statement of Financial Position or in the Notes thereto:

Type of Financial Asset	Classification in terms of IAS 39
Trade and Other Payables	Other Financial Liabilities
Bank Overdraft	Other Financial Liabilities

Financial Liabilities that are measured at Fair Value through Profit or Loss are Financial Liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of Financial Instruments where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities are classified as *Other Financial Liabilities* in accordance with IAS 39.09

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

5. FINANCIAL INSTRUMENTS (continued)

5.3 Initial and Subsequent Measurement

5.3.1 Financial Assets:

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

Loans and Receivables
Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Rate Method less any impairment, with interest recognised on an Effective Yield Basis.

Financial Assets at Fair Value
Financial Assets at Fair Value are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

Available-for-Sale Assets
Available-for-Sale Assets are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of Financial Performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of Financial Performance.

5.3.2 Financial Liabilities:

Financial Liabilities measured at Fair Value through Profit and Loss
Financial Liabilities measured at Fair Value through Profit and Loss are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

5. FINANCIAL INSTRUMENTS (continued)

5.3 Initial and Subsequent Measurement (continued)

Bank Borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the *Accrual Basis* and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

Financial Guarantee Contracts
Financial Guarantee Contracts represent contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they are contractually due.

Financial guarantee contract liabilities are initially measured at fair value. The subsequent measurement of financial guarantee contracts is the higher of the amount determined in accordance with the policy on provisions as set out below, or the amount initially recognised less when appropriate cumulative amortisation.

5.4 Impairment of Financial Assets

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

5.4.1 Available-for-Sale Financial Assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in net assets and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in net assets shall be removed and recognised in the Statement of Financial Performance even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from net assets and recognised in the Statement of Financial Performance is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in Statement of Financial Performance.

Impairment losses recognised in the Statement of Financial Performance for an investment in an equity instrument classified as available-for-sale are not reversed through the Statement of Financial Performance.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

5. FINANCIAL INSTRUMENTS (continued)

5.4 Impairment of Financial Assets (continued)

5.4.1 Available-for-Sale Financial Assets (continued)

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss is recognised in the Statement of Financial Performance, the impairment loss must be reversed, with the amount of the reversal recognised in the Statement of Financial Performance.

5.4.2 Financial Assets carried at Amortised Cost

Accounts Receivables encompass Long-term Debtors, Student Debtors and Other Debtors.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the *Effective Interest Rate Method*. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of Accounts Receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The provision is made in accordance with IAS 39.64 whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

5. FINANCIAL INSTRUMENTS (continued)

5.4.2 Financial Assets carried at Amortised Cost (continued)

With the exception of Available-for-Sale equity instruments, 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 through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

5.5 Derecognition of Financial Assets

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

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

5.6 Derecognition of Financial Liabilities

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

The entity transfers a financial asset if either it transfers the contractual rights to receive the cash flows of the financial asset or it retains the contractual rights to receive the cash flows of the financial asset.

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

6. INVENTORIES

6.1 Initial Recognition

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

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

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

6.2 Subsequent Measurement

6.2.1 Consumable Stores, Raw Materials, Work-in-Progress and Finished Goods:

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that the entity expects to realise from the sale on Inventory in the ordinary course of business). In general, commodities are valued by using the *FIFO Method*. If Inventories are to be distributed at no charge or for a nominal charge, they are valued at the lower of cost and current replacement cost.

6.2.2 Other Arrangements:

Redundant and slow-moving Inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the measurement of such Inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of Inventories is recognised as an expense in the period that the Inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

7. REVENUE RECOGNITION

Revenue is derived from a variety of sources which include student fees levied, grants from government and revenue from other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the entity's activities. Revenue is shown net of returns, rebates and discounts.

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

7.1 Tuition and Residence Fees

Tuition and Residence Fees are recognised as income at the fair value of the consideration received or receivable in the period to which they relate (academic year). Revenue from tuition and residence services are recognised with reference to the stage of completion at the reporting date, based on the services performed to date as a percentage of the total services to be performed by the entity. Deposits provided by prospective students are treated as current liabilities until the related fees become due to the entity at which stage such deposits are set off against the fees.

7.2 Rentals Received

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

7.3 Finance Income

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

7.4 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

7. REVENUE RECOGNITION (continued)

7.5 Sale of Goods

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

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

7.6 Public Contributions

Public gifts, grants and donations are recognised as income at the fair value of the consideration received or receivable in the period to which they relate. Any such income is recognised as income in the financial period when the entity is entitled to use those funds. Therefore, funds that will not be used until some specified future period or occurrence are deferred to deferred income and released to the income statement as the entity becomes entitled to the funds.

Grants received to compensate for expenses to be incurred are often prescriptive in nature and therefore it is recognised over a certain period under the terms of the grant. Prescriptive grant income is recognised with reference to the stage of completion at the reporting date. If the stage of completion cannot be measured reliably, the recognition of this income is limited to the expenses incurred. The balance is recognised as deferred income in the statement of financial position.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

7. REVENUE RECOGNITION (continued)

7.7 Government Grants and Receipts

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the entity will comply with all the attached conditions. The entity follows the income approach.

Government grants relating to costs are recognised in the financial year to which the grant relates. The grants are therefore matched with the costs that they are intended to compensate over that specific year. Government grants relating to costs include the DHET Programme Funding, DHET Earmarked Recurrent Funding and DHET Student Financial Aid Funding.

Government grants relating to assets (DHET Earmarked Capital Funding) are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected useful lives of the related assets. The portion of the grants that will be released to the income statement during the next 12 months are included in current liabilities.

7.8 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Public Finance Management Act (Act No 1 of 1999) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

8. EMPLOYEE BENEFITS

8.1 Short-term Employee Benefits

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

The entity has opted to treat its provision for leave pay as an accrual.

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

8. EMPLOYEE BENEFITS (continued)

8.2 Post-employment Benefits

The entity does not provide retirement benefits for its employees and councillors.

9. GRANTS-IN-AID

The entity transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the entity does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

10. LEASES *10.1*

Classification

Leases are classified as **Finance Leases** where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity.

Leases of property, plant and equipment, in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as **Operating Leases**.

10.2 The Entity as Lessee

10.2.1 Operating Leases

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a *Straight-line Basis*, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

11. VALUE ADDED TAX

The entity is exempted from Value Added Tax in terms of Section12(h)(i)(aa) of the Value-Added Tax Act (Act No 89 of 1991).

12. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, entity or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Public Finance Management Act (Act No 1 of 1999). All expenditure relating to Unauthorised Expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

13. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Publicl Finance Management Act (Act No 1 of 1999), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Entity's Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in the Statement of Financial Performance in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

14. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

15. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in Accounting Policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impractical to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the entity restated the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practical. Details of Changes in Accounting Policies are disclosed in the Notes to the Annual Financial Statements where applicable.

Changes in Accounting Estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the Notes to the Annual Financial Statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impractical to determine the period-specific effects or the cumulative effect of the error. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practical. Details of Correction of Errors are disclosed in the Notes to the Annual Financial Statements where applicable.

16. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

17. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

18. COMMITMENTS

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

Commitments are disclosed for:

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

19. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Mayor, Executive Committee Members, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

20. EVENTS AFTER THE REPORTING DATE

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

EASTCAPE MIDLANDS FET COLLEGE
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

21. COMPARATIVE INFORMATION

21.1 Prior year comparatives:

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

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

1. GENERAL INFORMATION

Eastcape Midlands FET College (the college) is a Public Further Education and Training College, established under the Further Education and Training Act No 98 of 1998, in Uitenhage, Eastern Cape Province. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the college are disclosed in the Annual Report and are prescribed by the Further Education and Training Act.

2. INVENTORY

	2013 R	2012 R
Books Held for Resale	222 246	332 243
Total Inventories	**222 246**	**332 243**

Inventories are held for sale and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.

Inventories are not utilised for own use and no Inventories have been recognised as an expense during the period (2012: None).

No Inventories have been pledged as collateral for Liabilities of the entity.

3. ACCOUNTS RECEIVABLE

	2013 R	2012 R
Receivables from Student Fees	13 317 490	26 971 372
Other Receivables	1 512 973	230 166
Total Accounts Receivable	**14 830 463**	**27 201 538**

3.1 Receivables from Student Fees

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 31 December 2013			
Student Debtors:	13 340 602	5 922 534	7 418 069
Study Fees	13 340 602	5 922 534	7 418 069
Other Receivables	5 899 421	-	5 899 421
Total Receivables from Student Fees	**19 240 023**	**5 922 534**	**13 317 490**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 31 December 2012			
Student Debtors:	7 435 082	3 491 993	3 943 088
Study Fees	7 435 082	3 491 993	3 943 088
Other Student Services	23 028 284	-	23 028 284
Total Receivables from Student Fees	**30 463 366**	**3 491 993**	**26 971 372**

Receivables from Student Fees have been restated to correctly disclose Receivables in credit. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

Furthermore, *Receivables from Student Fees* have been restated to correctly record the claim for NSFAS Subsidy, previously not calculated and recorded. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

Other Student Receivables include outstanding debtors for various services to students, other than tuition fees related.

Receivables from Student Fees are billed on successful registration. No interest is charged on the outstanding balance of Receivables.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2013	2012
R	R

The entity receives applications that it processes. There are no students who represent more than 5% of the total balance of Receivables.

The entity does not hold deposits or other security for its Receivables from Student Fees.

The entity did not pledge any of its Receivables as security for borrowing purposes.

***3.2 Ageing of Receivables from Student Fees* As at 31 December 2013**

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Study Fees:					
Gross Balances	13 110	56 259	48 236	13 222 997	13 340 602
Less: Provision for Impairment	4 885	20 964	17 974	5 878 711	5 922 534
Net Balances	**8 225**	**35 295**	**30 262**	**7 344 287**	**7 418 069**
Other Student Services:					
Gross Balances	-	-	-	5 899 421	5 899 421
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**5 899 421**	**5 899 421**

As at 30 June Receivables of R13 309 265 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	*61 - 90 Days*	*+ 90 Days*	
All Receivables:				
Gross Balances	56 259	48 236	19 122 418	19 226 913
Less: Provision for Impairment	20 964	17 974	5 878 711	5 917 648
Net Balances	**35 295**	**30 262**	**13 243 707**	**13 309 265**

As at 31 December 2012

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Study Fees:					
Gross Balances	25 135	58 789	37 306	7 313 852	7 435 082
Less: Provision for Impairment	9 366	21 906	13 901	3 446 820	3 491 993
Net Balances	**15 769**	**36 883**	**23 405**	**3 867 032**	**3 943 088**
Other Student Services:					
Gross Balances	-	-	-	23 028 284	23 028 284
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**23 028 284**	**23 028 284**

As at 30 June Receivables of R26 955 603 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	*61 - 90 Days*	*+ 90 Days*	
All Receivables:				
Gross Balances	58 789	37 306	30 342 136	30 438 231
Less: Provision for Impairment	21 906	13 901	3 446 820	3 482 628
Net Balances	**36 883**	**23 405**	**26 895 316**	**26 955 603**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

3.3 Reconciliation of the Provision for Impairment

	2013 R	2012 R
Balance at beginning of year	3 491 993	2 010 059
Impairment Losses recognised	3 298 844	2 265 295
Impairment Losses reversed	-	-
Amounts written off as uncollectable	(868 303)	(783 361)
Balance at end of year	**5 922 534**	**3 491 993**

The transactions for *Provision for Impairment* have been restated to correctly classify amounts held for Receivables for Student Fees, previously not calculated. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

In determining the recoverability of Receivables, the entity has placed strong emphasis on verifying the indigent status of students. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months. No further credit provision is required in excess of the Provision for Impairment.

3.4 Ageing of impaired Receivables from Student Fees

	2013 R	2012 R
Current:		
0 - 30 Days	4 885	9 366
Past Due:		
31 - 60 Days	20 964	21 906
61 - 90 Days	17 974	13 901
+ 90 Days	5 878 711	3 446 820
Total	**5 922 534**	**3 491 993**

3.5 Derecognition of Financial Assets

No Financial Assets have been transferred to other parties during the year.

3.6 Other Receivables

As at 31 December 2013	Gross Balances R	Provision for Impairment R	Net Balances R
Sundry Deposits	92 037	-	92 037
Sundry Debtors	1 224 566	-	1 224 566
Suspense Accounts	770	-	770
Irregular Expenditure	195 600	-	195 600
Total Other Receivables	**1 512 973**	**-**	**1 512 973**

As at 31 December 2012	Gross Balances R	Provision for Impairment R	Net Balances R
Sundry Deposits	92 037	-	92 037
Sundry Debtors	-	-	-
Suspense Accounts	1 929	-	1 929
Irregular Expenditure	136 200	-	136 200
Total Other Receivables	**230 166**	**-**	**230 166**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

Receivables from Non-exchange Transactions have been restated to correctly disclose the amount for expenses incurred on behalf of the Associate, Dwayne's Poultry Farm, previously written off against the Accumulated Surplus Account. Refer to Note 29.2 on "Correction of Error" for details of the restatement.

Sundry Deposits are in respect of a cash deposit made to SACPO.

Sundry Debtors are in respect of debits outstanding at year-end on normal business transactions entered into by the entity.

Irregular Expenditure is in respect of payments made that are not related to the normal functions of the entity.

The entity does not hold deposits or other security for its Other Receivables.

None of the Receivables have been pledged as security for the entity's financial liabilities.

3.7 Ageing of Other Receivables

As at 31 December 2013

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Sundry Deposits:					
Gross Balances	92 037	-	-	-	92 037
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**92 037**	**-**	**-**	**-**	**92 037**
Sundry Debtors:					
Gross Balances	-	-	-	1 224 566	1 224 566
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**1 224 566**	**1 224 566**
Suspense Accounts:					
Gross Balances	-	-	-	770	770
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**770**	**770**
Irregular Expenditure:					
Gross Balances	-	-	-	195 600	195 600
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**195 600**	**195 600**

As at 30 June Receivables of R1 420 936 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	*61 - 90 Days*	*+ 90 Days*	
All Receivables:				
Gross Balances	-	-	1 420 936	1 420 936
Less: Provision for Impairment	-	-	-	-
Net Balances	**-**	**-**	**1 420 936**	**1 420 936**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2013 R | **2012 R**

As at 31 December 2012

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Sundry Deposits:					
Gross Balances	92 037	-	-	-	92 037
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**92 037**	**-**	**-**	**-**	**92 037**
Sundry Debtors:					
Gross Balances	-	-	-	-	-
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**-**	**-**
Suspense Accounts:					
Gross Balances	-	-	-	1 929	1 929
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**1 929**	**1 929**
Irregular Expenditure:					
Gross Balances	-	-	-	136 200	136 200
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**136 200**	**136 200**

As at 30 June Receivables of R138 129 were past due but not impaired The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:				
Gross Balances	-	-	138 129	138 129
Less: Provision for Impairment	-	-	-	-
Net Balances	**-**	**-**	**138 129**	**138 129**

2013 R | **2012 R**

No Provision for Impairment was calculated on Receivables as the management is of the opinion that all Receivables are recoverable within normal credit terms.

4. CASH AND CASH EQUIVALENTS

	2013 R	2012 R
Current Investments	85 101 510	73 689 231
Bank Accounts	31 172 502	13 590 843
Cash and Cash Equivalents	7 386	12 800
Total Bank, Cash and Cash Equivalents	**116 281 398**	**87 292 874**

Cash and Cash Equivalents have been restated to correctly disclose the amount paid on behalf of the Business Unit Entity for an interest in Dwayne's Poultry Farm, previously recognised as Investments. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

Furthermore, *Cash and Cash Equivalents* have been restated to correctly disclose the amount for the bank account of the NSF Program, previously not recognised. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R
4.1 Current Investment Deposits		
Call Deposits	85 101 510	73 689 231
Total Current Investment Deposits	**85 101 510**	**73 689 231**

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 4,76 % to 5,43 % (2012: 4,83% to 5,42%) per annum.

Deposits attributable to Unspent Conditional Grants	10 451 651	9 360 425
Deposits attributable to Creditors	39 164 431	23 052 838
Deposits attributable to Provision for Impairment	5 922 534	3 491 993
Deposits available for Operations	29 562 895	37 783 974
Total Deposits attributable to Commitments of the Entity	**85 101 510**	**73 689 231**

4.2 Bank Accounts

Cash in Bank	31 172 502	13 590 843
Total Bank Accounts	**31 172 502**	**13 590 843**

The Entity has the following bank accounts:

Primary Bank Account
Standard Bank - Uitenhage Branch, Uitenhage - Account Number 08 078 899 8:

Cash book balance at beginning of year	4 624 143	18 354 155
Cash book balance at end of year	20 771 025	4 624 143
Bank statement balance at beginning of year	4 631 139	18 354 428
Bank statement balance at end of year	20 753 524	4 631 139

Book Stores Bank Account
Standard Bank - Uitenhage Branch, Uitenhage - Account Number 08 075 030 3:

Cash book balance at beginning of year	27 204	42 234
Cash book balance at end of year	(0)	27 204
Bank statement balance at beginning of year	39 795	42 234
Bank statement balance at end of year	-	39 795

NSF Project Bank Account
Standard Bank - Uitenhage Branch, Uitenhage - Account Number 28 339 649 0:

Cash book balance at beginning of year	8 939 496	-
Cash book balance at end of year	10 401 477	8 939 496
Bank statement balance at beginning of year	8 939 496	-
Bank statement balance at end of year	10 401 477	8 939 496

The NSF Project Bank Account is attributable to Unspent Conditional Grants for the NSF Project.

The entity does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

4.3 Cash and Cash Equivalents

Cash Floats	1 885	5 300
Petty Cash and Advances	5 501	7 500
Total Cash on hand in Cash Floats, Advances and Equivalents	**7 386**	**12 800**

The entity did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the entity in terms of the utilisation of its Cash and Cash Equivalents.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R
5. CURRENT PORTION OF LONG-TERM RECEIVABLES		
Other Loans	-	-
Total Current Portion of Long-term Receivables	-	-

EASTCAPE MIDLANDS FET COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

6 PROPERTY, PLANT AND EQUIPMENT

31 December 2013

Reconciliation of Carrying Value

Description	Land	Buildings	Computer Equipment	Furniture and Fittings	Motor Vehicles	Office and Classroom Equipment	Plant and Equipment	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 January 2013	**16 290 928**	**99 879 140**	**3 097 043**	**553 131**	**654 041**	**756 119**	**4 535 514**	**125 765 916**
Cost	16 290 928	104 425 368	4 834 610	845 869	1 044 183	1 941 829	6 701 461	136 084 248
- *Completed Assets*	*16 290 928*	*77 928 348*	*4 834 610*	*845 869*	*1 044 183*	*1 941 829*	*6 701 461*	*109 587 228*
- *Under Construction*	-	*26 497 020*	-	-	-	-	-	*26 497 020*
Correction of error (Note 29)	-	-	- - -	- -	- -	- - -	- - -	-
Revaluation	-	-	(1	-	-	(1	(2	-
Accumulated Impairment Losses	-	-	7 3 7	(2 9 2	(3 9 0	1 8 5	1 6 5	-
Accumulated Depreciation:	-	(4 546 228)	5 6 7)	7 3 8)	1 4 2)	7 1 0)	9 4 7)	(10 318 332)
- *Cost*	-	*(4 546 228)*	*(1 737 567)*	*(292 738)*	*(390 142)*	*(1 185 710)*	*(2 165 947)*	*(10 318 332)*
- *Revaluation*	-	-	-	-	-	-	-	-
Acquisitions	3 595 555	11 040 730	9 158 236	2 462 149	517 350	382 777	68 980	27 225 777
Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Capital under Construction - Additions:	-	537 372	-	-	-	-	-	537 372
- *Cost*	-	*537 372*	-	-	-	-	-	*537 372*
- *Borrowing Costs Capitalised*	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	-	(1 047 298)	(1 417 395)	(227 691)	(70 226)	(221 130)	(673 433)	(3 657 173)
- *Based on Cost*	-	*(1 047 298)*	*(1 417 395)*	*(227 691)*	*(70 226)*	*(221 130)*	*(673 433)*	*(3 657 173)*
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- *Based on Cost*	-	-	-	-	-	-	-	-
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Carrying value of Tranfers to Held-for-Sale:	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- *Based on Cost*	-	-	-	-	-	-	-	-
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	- -	- -	- -	- -	- -	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	(696 243)	1 8 0	1 6 0	5 9 0	1 7	1 9	(696 243)
Other Movements	-	696 243	7 6 9	4 8 9	0 2 4	5 8 7	6 0 7	1 664 719
- Cost	-	696 243	807 156	514 864	831 137	40 338	35 842	2 925 581
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	(626 386)	(354 375)	(241 114)	(22 751)	(16 235)	(1 260 862)
- *Based on Cost*	-	-	*(626 386)*	*(354 375)*	*(241 114)*	*(22 751)*	*(16 235)*	*(1 260 862)*
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Carrying values at 31 December 2013	**19 886 483**	**110 409 943**	**11 018 653**	**2 948 079**	**1 691 188**	**935 354**	**3 950 668**	**150 840 367**
Cost	19 886 483	116 003 470	14 800 002	3 822 882	2 392 670	2 364 945	6 806 283	166 076 734
- *Completed Assets*	*19 886 483*	*89 665 321*	*14 800 002*	*3 822 882*	*2 392 670*	*2 364 945*	*6 806 283*	*139 738 585*
- *Under Construction*	-	*26 338 149*	-	-	-	-	-	*26 338 149*
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	-	(5 593 527)	(3 781 348)	(874 803)	(701 482)	(1 429 591)	(2 855 616)	(15 236 366)
- *Cost*	-	*(5 593 527)*	*(3 781 348)*	*(874 803)*	*(701 482)*	*(1 429 591)*	*(2 855 616)*	*(15 236 366)*
- *Revaluation*	-	-	-	-	-	-	-	-

EASTCAPE MIDLANDS FET COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

31 December 2012

Reconciliation of Carrying Value

Description	Land	Buildings	Computer Equipment	Furniture and Fittings	Motor Vehicles	Office and Classroom Equipment	Plant and Equipment	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 July 2012	**16 264 439**	**72 372 819**	**2 176 537**	**317 617**	**729 880**	**856 420**	**5 105 124**	**97 822 836**
Cost	16 264 439	75 939 204	3 429 063	544 491	1 044 183	1 862 626	6 604 948	105 688 955
- *Completed Assets*	*16 264 439*	*72 702 624*	*3 429 063*	*544 491*	*1 044 183*	*1 862 626*	*6 604 948*	*102 452 374*
- *Under Construction*	-	*3 236 581*	-	-	-	-	-	*3 236 581*
Correction of error (Note 29)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	-	(3 566 385)	(1 252 527)	(226 874)	(314 302)	(1 006 206)	(1 499 824)	(7 866 119)
- *Cost*	-	*(3 566 385)*	*(1 252 527)*	*(226 874)*	*(314 302)*	*(1 006 206)*	*(1 499 824)*	*(7 866 119)*
- *Revaluation*	-	-	-	-	-	-	-	-
Acquisitions	26 489	5 225 725	1 448 501	301 378	-	79 203	96 513	7 177 809
Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Capital under Construction - Additions:	-	23 260 439	-	-	-	-	-	23 260 439
- *Cost*	-	*23 260 439*	-	-	-	-	-	*23 260 439*
- *Borrowing Costs Capitalised*	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	-	(979 843)	(527 995)	(65 864)	(75 840)	(179 504)	(666 123)	(2 495 168)
- *Based on Cost*	-	*(979 843)*	*(527 995)*	*(65 864)*	*(75 840)*	*(179 504)*	*(666 123)*	*(2 495 168)*
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	-	-	-	-	-	-	-
Cost	-	-	(42 955)	-	-	-	-	(42 955)
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	42 955	-	-	-	-	42 955
- *Based on Cost*	-	-	*42 955*	-	-	-	-	*42 955*
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Carrying value of Tranfers to Held-for-Sale:	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-
- *Based on Cost*	-	-	-	-	-	-	-	-
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-
- *Based on Cost*	-	-	-	-	-	-	-	-
- *Based on Revaluation*	-	-	-	-	-	-	-	-
Carrying values at 31 December 2012	**16 290 928**	**99 879 140**	**3 097 043**	**553 131**	**654 041**	**756 119**	**4 535 514**	**125 765 916**
Cost	16 290 928	104 425 368	4 834 610	845 869	1 044 183	1 941 829	6 701 461	136 084 248
- *Completed Assets*	*16 290 928*	*77 928 348*	*4 834 610*	*845 869*	*1 044 183*	*1 941 829*	*6 701 461*	*109 587 228*
- *Under Construction*	-	*26 497 020*	-	-	-	-	-	*26 497 020*
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	-	(4 546 228)	(1 737 567)	(292 738)	(390 142)	(1 185 710)	(2 165 947)	(10 318 332)
- *Cost*	-	*(4 546 228)*	*(1 737 567)*	*(292 738)*	*(390 142)*	*(1 185 710)*	*(2 165 947)*	*(10 318 332)*
- *Revaluation*	-	-	-	-	-	-	-	-

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

Property, Plant and Equipment have been restated to correctly disclose the amount for assets of the entity in terms of a full asset verification performed. Refer to Note 29.5 on "Ccorrection of Error" for details of the restatement.

Other movements of Property, Plant and Equipment include donated assets to the amount of R968 476 (2012: R0) and Work-in-Progress of R696 243 (2012: R0) completed and transferred to Cost.

Refer to Appendix "B" for more detail on Property, Plant and Equipment, including those in the course of construction.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

6.1 Gross Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use

There are no Property, Plant and Equipment that is fully depreciated at year-end and still in use by the entity.

6.2 Carrying Amount of Property, Plant and Equipment retired from active use and held for disposal

No Property, Plant and Equipment were retired from active use and held for disposal during the financial year.

6.3 Assets pledged as security

The entity did not pledge any of its assets as security.

6.4 Impairment of Property, Plant and Equipment

No impairment losses have been recognised on Property, Plant and Equipment of the entity at the reporting date.

6.5 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

There was no change (2012: R0) in the estimated useful life of various assets of the entity for the financial year.

6.6 Land and Buildings carried at Fair Value

The entity's Land and Buildings are accounted for according to the cost model and therefore no fair value has been determined.

7 INTANGIBLE ASSETS

	2013 R	2012 R
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	**281 093**	**337 194**

The movement in Intangible Assets is reconciled as follows:

	Computer Software	Total
Carrying values at 01 January 2013	**337 194**	**337 194**
Cost	558 817	558 817
Work-in-Progress	-	-
Accumulated Amortisation	(221 623)	(221 623)
Acquisitions:	-	-
Purchased	-	-
Work-in-Progress	-	-
Amortisation:	(56 102)	(56 102)
Purchased	(56 102)	(56 102)
Internally Developed	-	-
Carrying values at 31 December 2013	**281 093**	**281 093**
Cost	558 817	558 817
Work-in-Progress	-	-
Accumulated Amortisation	(277 724)	(277 724)

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R
	Computer Software	Total
Carrying values at 01 July 2012	**391 034**	**391 034**
Cost	556 617	556 617
Work-in-Progress	-	-
Accumulated Amortisation	(165 583)	(165 583)
Acquisitions:	2 200	2 200
Purchased	2 200	2 200
Work-in-Progress	-	-
Amortisation:	(56 040)	(56 040)
Purchased	(56 040)	(56 040)
Internally Developed	-	-
Carrying values at 31 December 2012	**337 194**	**337 194**
Cost	558 817	558 817
Work-in-Progress	-	-
Accumulated Amortisation	(221 623)	(221 623)

Intangible Assets have been restated to correctly classify amounts held for Computer Software, previously included in Property, Plant and Equipment. Refer to Note 29.5 on "Change in Accounting Policy" for details of the restatement.

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Per formance (see Note 22).

All of the entity's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the entity.

No restrictions apply to any of the Intangible Assets of the entity.

Refer to Appendix "B" for more detail on Intangible Assets. ***7.1***

Significant Intangible Assets

Significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 102 and SIC 32, are the following:

(i) Website Costs incurred during the last two financial years, if applicable, have been expensed and not recognised as Intangible Assets. The entity cannot demonstrate how its website will generate probable future economic benefits.

7.2 Intangible Assets with Indefinite Useful Lives

The entity amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

The useful lives of the Intangible Assets remain unchanged from the previous year.

Amortisation is charged on a straight-line basis over the Intangible Assets' useful lives.

7.3 Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the entity at the reporting date.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

8 LONG-TERM RECEIVABLES

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 31 December 2013			
Other Loans	2 100 000	-	2 100 000
	2 100 000	-	2 100 000
Less: Current Portion transferred to Current Receivables:-			-
Other Loans			-
Total Long-term Receivables			**2 100 000**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 31 December 2012			
Other Loans	2 100 000	-	2 100 000
	2 100 000	-	2 100 000
Less: Current Portion transferred to Current Receivables:-			-
Other Loans			-
Total Long-term Receivables			**2 100 000**

Long-term Receivables have been restated to correctly disclose the amount paid on behalf of the Business Unit Entity for an interest in Dwayne's Poultry Farm, previously recognised as Investments. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

OTHER LOANS

The outstanding amount is in respect of a loan granted to the Business Unit Entity to acquire shares in Dwayne's Poultry Farm. The Loan does not atract any interest and no conditions have been stipulated for the repayment of the loan.

The entity does not hold deposits or any other security for its Long-term Receivables.

No Long-term Receivables have been pledged as security for the entity's financial liabilities.

	2013 R	2012 R
8.1 Ageing of Long-term Receivables		
Current:		
0 - 30 days	-	-
Past Due:		
+ 120 Days	2 100 000	2 100 000
Total	**2 100 000**	**2 100 000**

As at 30 June Long-term Receivables of R2 100 000 (2012: R2 100 000) were past due but not impaired. No terms for payment have been re-negotiaited. The age analysis of these Long-term Receivables is as follows:

+ 120 Days	2 100 000	2 100 000
Total	**2 100 000**	**2 100 000**

No Provision for Impairment was calculated on Long-term Receivables as the management is of the opinion that all Receivables are recoverable within normal credit terms.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

9 TRADE AND OTHER PAYABLES

	2013 R	2012 R
Payables from Trading Activities	7 583 431	7 159 838
Payables from Other Activities	31 581 000	15 893 000
Total Trade and Other Payables	**39 164 431**	**23 052 838**

Trade & Other Payables have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

9.1 Payables from Trading Activities

	2013 R	2012 R
Payments Received-in-Advance	1 170 828	1 409 485
Trade Creditors	1 511 542	2 009 580
Student Bursaries	249 055	307 854
Student Deposits	4 541 813	3 274 860
Suspense Accounts	-	12 700
Other Creditors	110 193	145 359
Total Payables	**7 583 431**	**7 159 838**

Payables from Trading Activities have been restated to correctly disclose Receivables in credit. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

Furthermore, *Payables from Trading Activities* have been restated to correctly disclose the amount for creditors of the NSF Program, previously not recognised. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

Furthermore, *Payables from Trading Activities* have been restated to correctly record the claim for NSFAS Subsidy, previously not calculated and recorded. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

The average credit period on purchases is 11 (2012: 30) days.

No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the entity deals with.

The entity has financial risk policies in place to ensure that all creditors are paid within 30 days from receipt of invoice as determined by National Treasury Regulation 8.2.3 and Section 38(1)(f) of the PFMA.

The entity did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the entity.

9.2 Payables from Other Activities

	2013 R	2012 R
Grants and Subsidies	31 581 000	15 893 000
Total Payables	**31 581 000**	**15 893 000**

Staff Leave accrue to the staff of the entity on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Staff Bonuses accrue to the staff of the entity on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

No credit period exists for Trade and Other Payables, neither has any credit period been arranged. No interest is charged on outstanding amounts.

The entity did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the entity.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

10 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	2013 R	2012 R
10.1 Conditional Grants from Government	**10 451 651**	**9 360 425**
National Government Grants	9 849 622	8 858 396
Other Spheres of Government	602 030	502 030
Total Conditional Grants and Receipts	**10 451 651**	**9 360 425**

Unspent Conditional Grants and Receipts have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

Unspent Conditional Grants and Receipts have been restated to correctly disclose the amount for unspent grants of the NSF Program, previously not recognised. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 15 for the reconciliation of Grants from Government. The Unspent Grants are cashbacked by term deposits. The entity complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

11 OPERATING LEASE LIABILITIES

Operating Leases are recognised on the straight-line basis as per the requirement of IAS 17. No liability existed at 30 June as none of the contracts has any escalation clauses.

11.1 Leasing Arrangements

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

11.2 Amounts payable under Operating Leases

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

	2013 R	2012 R
Other Equipment:	6 464 370	2 120 270
Up to 1 year	2 258 910	605 791
2 to 5 years	4 205 460	1 514 479
More than 5 years	-	-
Total Operating Lease Arrangements	**6 464 370**	**2 120 270**

The following payments have been recognised as an expense in the Statement of Financial Performance:

	2013 R	2012 R
Minimum lease payments	912 986	603 639
Total Operating Lease Expenses	**912 986**	**603 639**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

The entity has operating lease agreements for the following classes of assets, which are only significant collectively:

- Office Equipment

The following restrictions have been imposed on the entity in terms of the lease agreements on Office Equipment:

(i) The equipment shall remain the property of the lessor.

(ii) The hirer shall not sell, sublet, cede, assign or delegate any of its rights or obligations on the equipemt.

(iii) The equipment shall be returned in good order and condition to the lessor upon termination of the agreement.

(iv) The entity is obliged to enter into a maintenance agreement with the lessor for the equipment rented.

12 DEFERRED INCOME

	2013 R	2012 R
Balance at beginning of Year	109 812 182	81 949 431
Income Deferred during Year	24 167 593	30 413 959
Income Realised to Operations	(3 713 275)	(2 551 208)
Balance at end of Year	130 266 501	109 812 182
Less: Current Portion	-	-
Total Deferred Income	**130 266 501**	**109 812 182**

Deferred Income has been restated to adhere to the provisions of IAS 20, previously disclosed as Depreciation Reserve. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

Furthermore, *Deferred Income has* been restated to correctly disclose the funding from grants for the Assets in terms of a full asset verification performed. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

13 RESERVES

The *Depreciation Reserve has* been restated to adhere to the provisions of IAS 20, now disclosed as Deferred Income. Refer to Note 29.5 on "Correction of Error" for details of the restatement.

14 ACCUMULATED FUNDS

Accumulated Funds consist of the following Internal Funds and Reserves:

	2013 R	2012 R
Accumulated Surplus / (Deficit) due to the results of Operations	104 672 985	100 804 319
Total AccumulatedFunds	**104 672 985**	**100 804 319**

Accumulated Funds has been restated to correctly classify amounts held by the entity. Refer to Note 29.1 "Correction of Error" for details of the restatements.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Funds.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R
15 GOVERNMENT GRANTS AND SUBSIDIES		
Department of Higher Education & Training	63 758 396	42 287 272
Other Government	70 474	123 347
Operational Grants	63 828 870	42 410 619
Conditional Grants	43 252 300	19 990 563
National Skills Fund	19 084 707	1 604
National: Department of Higher Education & Training	24 167 593	19 988 959
Total Government Grants and Subsidies	**107 081 170**	**62 401 183**

Government Grants and Subsidies have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

Furthermore, *Government Grants and Subsidies* have been restated to correctly disclose the revenue from grants deferred, previously appropriated from Accumulated Funds. Refer to Note 29.3 on "Correction of Error" for details of the restatement.

Furthermore, *Government Grants and Subsidies* have been restated to correctly disclose the revenue realised from Deferred Income, previously credited to Depreciation. Refer to Note 29.3 on "Correction of Error" for details of the restatement.

Furthermore, *Government Grants and Subsidies* have been restated to correctly disclose the revenue for assets funded from grants in terms of a full asset verification performed. Refer to Note 29.3 on "Correction of Error" for details of the restatement.

Government Grants and Subsidies have been restated to correctly disclose the revenue for income realised from the NSF Unspent Grant Account, previously not recognised. Refer to Note 29.3 on "Correction of Error" for details of the restatement.

Operational Grants:

15.1 Department of Higher Education and Training

This grant is received to subsidise student fees. The grant is based on 80% of the Full Time Equivalent and is allocated for Cost of Employment (63%), Goods and Services (27%) and need for Capital Infrastructure (10%). Further allocations are received to cover the cost of the Persal Component of the staff complement. No funds have been withheld.

Conditional Grants:

15.2 National Skills Fund

	2013	2012
Balance unspent at beginning of year	8 858 396	-
Current year receipts	20 075 933	8 860 000
Conditions met - transferred to Revenue: Operating Expenses	(19 084 707)	(1 604)
Conditions met - transferred to Deferred Income: Capital Expenses	-	-
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Liabilities (see Note 10)	**9 849 622**	**8 858 396**

This grant is used to pay for Skills Development as an addictional grant. No permanent allocation is granted to date. No funds have been withheld.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

15.3 National: Department of Higher Education & Training

Balance unspent at beginning of year	-	-
Current year receipts	24 167 593	19 988 959
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Deferred Income: Capital Expenses	(24 167 593)	(19 988 959)
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Liabilities (see Note 10)	**-**	**-**

The grant is to fund the need for Capital Infrastructure as explained in Note 15.1 above. No funds have been withheld.

15.4 Other Government: National Lottery Fund

Balance unspent at beginning of year	502 030	-
Current year receipts	-	502 030
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Deferred Income: Capital Expenses	-	-
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Liabilities (see Note 10)	**502 030**	**502 030**

The entity received a grant for the procurement of gymnasium equipment. The grant was utilised for this purpose. As per pior agreement, 50 % of funds have been withheld.

15.5 Other Government: SETA

Balance unspent at beginning of year	-	-
Current year receipts	100 000	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Deferred Income: Capital Expenses	-	-
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Liabilities (see Note 10)	**100 000**	**-**

This grant was received from Health Workers SETA to purchase learning material and equipment. No funds have been withheld.

15.6 Changes in levels of Government Grants

Based on the allocations set out in the Division of Revenue Act, (Act No 2 of 2013), government grant funding is expected to increase over the forthcoming three financial years.

16 PUBLIC CONTRIBUTIONS AND DONATIONS

Other Donations	968 476	-
Total Public Contributions and Donations	**968 476**	**-**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

17 TUITION FEES

	2013 R	2012 R
Course Fees	27 567 427	23 318 969
Other Fees	1 124 170	543 490
Total Tuition Fees	**28 691 597**	**23 862 459**

Tuition Fees have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

Furthermore, *Tuition Fees* have been restated to correctly disclose the revenue for Application Fees received for the NSF Program, previously not recognised. Refer to Note 29.3 "Correction of Error" for details of the restatement.

Furthermore, *Tuition Fees* have been restated to correctly disclose the revenue for Tuition Fees, adjusted for discounting in terms of IAS 39. Refer to Note 29.3 on "Correction of Error" for details of the restatement.

The amounts disclosed above for revenue from Tuition Fees are in respect of learners' fees which are billed to the students on successful registration.

18 RENTAL OF FACILITIES AND EQUIPMENT

	2013 R	2012 R
Rental Revenue from Other Facilities	86 705	77 608
Total Rental of Facilities and Equipment	**86 705**	**77 608**

Rental of Facilities and Equipment have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.

19 INTEREST EARNED

	2013 R	2012 R
External Investments:		
Bank Account	378 055	-
Investments	4 412 279	3 915 335
	4 790 334	**3 915 335**
Total Interest Earned	**4 790 334**	**3 915 335**

Interest Earned on Financial Assets, analysed by category of asset, is as follows:

	2013 R	2012 R
Avaliable-for-Sale Financial Assets	4 790 334	3 915 335
	4 790 334	**3 915 335**

20 OTHER REVENUE

	2013 R	2012 R
Administation Fees	10 850	8 560
Bad Debts Recovered	63 849	142 860
Book Stores - Net Income	(69 298)	131 881
Insurance Claims	42 610	42 955
Leasing of Text Books	151 189	77 171
Management Fees	-	400 000
Sundry Income	28 847	23 221
Total Other Revenue	**228 047**	**826 647**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R
Book Stores - Net Income:		
Revenue from Sale of Books	174 829	304 517
Less: Cost of Sales	241 243	169 784
Inventory at beginning of Year	332 243	170 253
Purchases	131 246	331 774
Inventory at end of Year	(222 246)	(332 243)
Surplus on Sale of Books	(66 413)	134 733
Less: Administrative Expenses	2 885	2 852
Bank Charges	2 885	2 852
Net Income for Book Stores	**(69 298)**	**131 881**

Other Revenue have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 17 to 19, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

21 EMPLOYEE RELATED COSTS

	2013 R	2012 R
Employee Related Costs - Salaries and Wages	75 015 580	48 843 684
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	1 890 669	-
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	118 850	122 400
Total Employee Related Costs	**77 025 099**	**48 966 084**

Employee Related Costs have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

No advances were made to employees.

Remuneration of Senior Managers:

Remuneration of the Principal

	2013 R	2012 R
Annual Remuneration	458 075	439 621
Performance Bonus	38 188	37 998
Car and Other Allowances	275 450	238 431
Company Contributions to UIF, Medical and Pension Funds	-	-
Total	**771 713**	**716 050**

Remuneration of the Manager: Senior Resources

	2013 R	2012 R
Annual Remuneration	300 000	-
Performance Bonus	-	-
Car and Other Allowances	-	-
Company Contributions to UIF, Medical and Pension Funds	3 764	-
Total	**303 764**	**-**

A new post was created and filled as from 1 August 2013.

Remuneration of the Chief Financial Officer

	2013 R	2012 R
Annual Remuneration	-	-
Performance Bonus	-	-
Car and Other Allowances	-	-
Company Contributions to UIF, Medical and Pension Funds	-	-
Total	**-**	**-**

The post was vacant as from 01 January 2012 until 31 December 2013. No Acting Allowance was paid for the period.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R
Remuneration of the Vice Principal: Corporate Services		
Annual Remuneration	-	-
Performance Bonus	-	-
Car and Other Allowances	-	-
Company Contributions to UIF, Medical and Pension Funds	-	-
Total	**-**	**-**

The post was vacant as from 01 January 2012 until 31 December 2013. No Acting Allowance was paid for the period.

	2013 R	2012 R
Remuneration of the Vice Principal: Education and Training Specialists		
Annual Remuneration	381 489	356 637
Performance Bonus	32 141	30 038
Car and Other Allowances	64 290	59 274
Company Contributions to UIF, Medical and Pension Funds	17 820	17 487
Total	**495 740**	**463 436**
Remuneration of the Vice Principal: Registration		
Annual Remuneration	437 486	402 938
Performance Bonus	63 320	34 102
Car and Other Allowances	37 938	34 443
Company Contributions to UIF, Medical and Pension Funds	6 840	6 840
Total	**545 584**	**478 323**

The remuneration of the Principal and Vice Principals are paid by the Department of Higher Education and Training under the Persal Staff Agreement.

The following compensation was payable to key management personnel in terms of IAS 19 as at 30 June:

	2013 R	2012 R
Staff Leave Benefits:-		
Principal	60 000	60 000
Vice Principal: Registration	60 000	60 000
Total	**120 000**	**120 000**

22 **DEPRECIATION AND AMORTISATION**

	2013 R	2012 R
Depreciation: Property, Plant and Equipment	3 657 173	2 495 168
Amortisation: Intangible Assets	56 102	56 040
Total Depreciation and Amortisation	**3 713 275**	**2 551 208**

Depreciation and Amortisation have been restated to adhere to the provisions of IAS 20, now disclosed as Deferred Income. Refer to Note 29.4 on "Ccorrection of Error" for details of the restatement.

Furthermore, *Depreciation and Amortisation* have been restated to correctly disclose the expense for the depreciation of assets in terms of a full asset verification performed. Refer to Note 29.4 on "Correction of Error" for details of the restatement.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

23 IMPAIRMENT LOSSES

23.1 Impairment Losses on Financial Assets

	2013 R	2012 R
Impairment Losses Recognised:	3 298 844	2 265 295
Long-term Receivables	-	-
Accounts Receivable	3 298 844	2 265 295
Impairment Losses Reversed:	-	-
Long-term Receivables	-	-
Accounts Receivable	-	-
	3 298 844	**2 265 295**
Total Impairment Losses	**3 298 844**	**2 265 295**

Impairment Losses have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

Furthermore, *Impairment Losses* have been restated to correctly disclose the expenditure to provide for Bad Debts in terms of IAS 39, previously not provided for. Refer to Note 29.4 on "Correction of Error" for details of the restatement.

24 REPAIRS AND MAINTENANCE

	2013 R	2012 R
Land and Buildings	4 332 694	494 577
Other Assets	2 696 870	1 138 445
Total Repairs and Maintenance	**7 029 564**	**1 633 023**

Repairs and Maintenance have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

Furthermore, *Repairs and Maintenance* have been restated to correctly disclose the expense for acquisition of assets in terms of a full asset verification performed. Refer to Note 29.4 on "Correction of Error" for details of the reallocation.

25 CONTRACTED SERVICES

	2013 R	2012 R
Asset Management System	50 041	75 062
Professional Fees	495 034	52 970
Security Services	1 513 062	872 025
Skills Program	4 623 863	-
Other Contracted Services	176 948	197 159
Total Contracted Services	**6 858 948**	**1 197 217**

Contracted Services have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

26 GRANTS AND SUBSIDIES PAID

	2013 R	2012 R
Bursaries - NCV	46 210	884 791
College Bursaries Granted	223 031	115 209
Student Support and Development	2 102 814	126 400
Total Grants and Subsidies	**2 372 055**	**1 126 400**

Grants and Subsidies Paid have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

Bursaries - NCV are in respect of support to needy students.

College Bursaries Granted are in respect of support to needy students.

Student Support and Development is in respect of student wellness and in support of student affairs.

27 GENERAL EXPENSES

Included in General Expenses are the following:

	2013 R	2012 R
Accommodation and Travelling Cost	2 249 798	848 073
Audit Fees	914 803	62 415
Bank Charges	286 125	217 909
Cleaning Material	198 715	131 516
College Council Expenses	91 247	133 352
College Functions	5 042	16 953
Computer Software	76 460	251 970
Conferences and Seminars	41 594	59 852
Courses and Meetings	149 905	51 172
Diploma Ceremony Expenses	138 126	9 717
Electricity and Water	1 884 013	1 405 090
Entertainment	164 972	53 695
Examination Expenses	341 656	408 542
Fuel and Oil	352 615	231 368
Hiring of Facilities and Equipment	2 192 631	2 019 441
Insurance	851 308	707 961
Lease Charges	881 463	528 651
Legal Cost	1 231 920	135 759
Magazines and Newspapers	21 805	9 510
Management Fees Paid	3 102 908	-
Marketing Cost	1 544 166	828 720
Membership and Subscription Fees	46 000	65 744
Municipal Rates and Taxes	646 891	531 242
Motor Vehicle Licences	7 020	4 350
Phone and Internet Cost	3 597 637	2 461 051
Postage	97 038	98 629
Printing and Stationery	1 961 234	1 148 082
Procurement Cost	79 495	102 913
Program Cost	5 819 398	5 201 226
Recruitment Cost	300 761	306 170
Research and Development	15 325	29 849
Skills Program	2 778 414	-
Software Licence Fees	334 447	311 311
Staff Awards	250 113	-
Staff Development	1 593 920	976 575
Strategic Planning	151 510	59 902
Student Activities	1 816 650	1 132 769
Student Functions	11 744	3 398
Student Representative Council	123 749	75 112
Student Support	600 719	645 148
Transport Cost	12 356	2 110
Uniforms and Protective Clothing	438 524	33 859
Other General Expenses	275 664	16 777
Total General Expenses	**37 679 880**	**21 317 883**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

General Expenses have been reallocated. Refer to Note 29.2 on "Correction of Error" for details of the reallocation.

General Expenses have been restated to correctly disclose the expenditure for Bank Charges for the NSF Program, previously not recorded. Refer to Note 29.4 on "Correction of Error" for details of the restatement.

Furthermore, *General Expenses* have been restated to correctly disclose the expense for acquisition of assets in terms of a full asset verification performed. Refer to Note 29.4 on "Correction of Error" for details of the restatement.

The amounts disclosed above for Other General Expenses are in respect of costs incurred in the general management of the entity and not direct attributable to a specific service or class of expense.

No other extra-ordinary expenses were incurred.

28 CHANGE IN ACCOUNTING POLICY

The entity adopted no Accounting Standards for the first time during the financial year 2013 in order to comply with the basis of preparation of the Annual Financial Statements as disclosed in Accounting Policy 1.

29 CORRECTION OF ERROR

Corrections were made during the previous financial years. Details of the corrections are described below:

29.1 Reclassification of Accumulated Surplus

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the entity in terms of the disclosure notes indicated below.

The effect of the changes are as follows:

		Accumulated Surplus
Balances published as at 31 December 2011		**108 880 077**
Correction of Error:-		
Adjustment for Provision for Bad Debts	(2 010 059)	
Adjustment for Payables for Class Fees Received-in-Advance	(2 299)	
Adjustment for Receivables for Student Fees	(95)	
Adjustment for Assets and Funding thereof	(18 091 826)	(20 104 279)
Restated Balances as at 31 December 2011		**88 775 797**
Transactions incurred for the Year 2011/12		30 906 503
Correction of Error:-		
Adjustment for Payables for Class Fees Received-in-Advance	2 299	
Adjustment for Irregular Expenditure	136 200	
Adjustment for Receivables for Student Fees	95	
Adjustment for NSF Bank Account	8 939 496	
Adjustment for NSF Payables	(12 700)	
Adjustment for NSF Unspent Grant	(8 858 396)	
Adjustment for Provision for Bad Debts	(1 481 934)	
Adjustment for Assets and Funding thereof	(17 603 041)	(18 877 981)
Restated Balances as at 31 December 2012		**100 804 319**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

29.2 Reallocation of Prior Year Balances

The disclosure of balances in the Statement of Financial Position and the Statement of Financial Performance have been reallocated to provide more detail.

(a) Statement of Financial Position:

	Previously Reported 2012	Allocation Corrections Made	Reallocated Amounts 2012
Current Assets			
Inventories	332 243	-	332 243
Trade & Other Receivables	27 856 375	(27 856 375)	-
Accounts Receivable	-	27 856 375	27 856 375
Cash and Cash Equivalents	80 453 378	-	80 453 378
Total Current Assets	**108 641 996**	**-**	**108 641 996**
Non-Current Assets			
Property, Plant and Equipment	92 716 815	-	92 716 815
Total Non-Current Assets	**92 716 815**	**-**	**92 716 815**
Current Liabilities			
Trade & Other Payables	20 841 210	(20 841 210)	-
Trade and Other Payables	-	20 339 181	20 339 181
Unspent Conditional Grants & Receipts	-	502 030	502 030
Total Current Liabilities	**20 841 210**	**-**	**20 841 210**
NET ASSETS	**180 517 601**	**-**	**180 517 601**
Net Assets			
Reserves	40 731 021	-	40 731 021
Accumulated Surplus / (Deficit)	139 786 579	-	139 786 579
NET ASSETS	**180 517 601**	**-**	**180 517 601**

(b) Statement of Financial Performance:

	Previously Reported 2012	Allocation Corrections Made	Reallocated Amounts 2012
Revenue			
Revenue	113 933 842	(113 933 842)	-
Government Grants & Subsidies Received	-	90 262 330	90 262 330
Tuition Fees	-	23 794 059	23 794 059
Rental of Facilities & Equipment	-	77 608	77 608
Interest Earned - External Investments	3 915 335	-	3 915 335
Other Income	1 027 603	(200 955)	826 647
Total Revenue	**118 876 780**	**(800)**	**118 875 980**
Expenditure			
Administrative Expenses	11 565 233	(11 565 233)	-
Employee Related Costs	48 843 684	122 400	48 966 084
Depreciation & Amortisation	2 044 659	-	2 044 659
Impairment Losses	-	783 361	783 361
Repairs & Maintenance	-	1 854 962	1 854 962
Contracted Services	-	1 197 217	1 197 217
Grants & Subsidies Paid	-	1 126 400	1 126 400
General Expenses	14 955 506	6 480 093	21 435 599
Total Expenditure	**77 409 082**	**(800)**	**77 408 282**
Surplus for the Year	**41 467 697**	**0**	**41 467 697**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

29.3 Reclassification of Revenue

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

The effect of the Correction of Error is as follows:

	Prior Year 2012 Revenue	Current Year 2012 Revenue	Restated Amount
Government Grants and Subsidies Received	90 262 330	62 401 183	27 861 147
Tuition Fees	23 794 059	23 862 459	(68 400)
Rental of Facilities and Equipment	77 608	77 608	-
Interest Earned - External Investments	3 915 335	3 915 335	-
Other Income	826 647	826 647	-
	118 875 980	**91 083 233**	**27 792 747**

Prior year amounts of items in **Revenue** included in the Statement of Financial Performance have been restated as indicated below:

	Government Grants	Tuition Fees
Balance previously reported	**90 262 330**	**23 794 059**
Adjustment for Grant Income Deferred	(10 425 000)	
Adjustment for Grant Income Realised	3 085 360	
Adjustment for Asset Transactions from verification	(20 523 111)	
Adjust for NSF Program Funding not previously recorded	1 604	
Adjust for NSF Application Fees not previously recorded		68 400
Restated Balance now reported	**62 401 183**	**23 862 459**

Government Grants and Subsidies Received:
The prior year amounts for *Government Grants & Subsidies Received* and Accumulated Funds have been restated to correctly disclose the revenue from grants deferred, previously appropriated from Accumulated Funds.

Furthermore, the prior year amounts for *Government Grants & Subsidies Received* and Depreciation have been restated to correctly disclose the revenue realised from Deferred Income, previously credited to Depreciation.

Furthermore, the prior year amounts for *Government Grants & Subsidies Received* and General Expenses have been restated to correctly disclose the revenue for income realised from the NSF Unspent Grant Account, previously not recognised.

Furthermore, the prior year amounts for *Government Grants & Subsidies Received* have been restated to correctly disclose the revenue for assets funded from grants in terms of a full asset verification performed.

Tuition Fees:
The prior year amounts for *Tuition Fees* and Cash and Cash Equivalents have been restated to correctly disclose the revenue for Application Fees received for the NSF Program, previously not recognised.

Furthermore, the prior year amounts for *Tuition Fees*, Interest on Arrear Receivables and Accounts Receivable have been restated to correctly disclose the discounted revenue for Student Fees in terms of the recognition requirements of IAS 39.

Interest on Arrear Receivables:
The prior year amounts for *Interest on Arrear Receivables*, Tuition Fees and Accounts Receivable have been restated to correctly disclose the impact of discounting for Student Fees Revenue and Debtors in terms of the recognition requirements of IAS 39.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

29.4 Reclassification of Expenditure

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

The effect of the Correction of Error is as follows:

	Prior Year 2012 Expenditure	Current Year 2012 Expenditure	Restated Amount
Employee Related Costs	48 966 084	48966 084	-
Depreciation and Amortisation	2 044 659	2551 208	(506 549)
Impairment Losses	783 361	2265 295	(1 481 934)
Repairs and Maintenance	1 854 962	1633 023	221 939
Contracted Services	1 197 217	1197 217	-
Grants and Subsidies Paid	1 126 400	1126 400	-
General Expenses	21 435 599	21317 883	117 717
Surplus / (Deficit) for the Year	41 467 697	12026 122	29 441 575
	118 875 980	**91083 233**	**27 792 747**

Prior year amounts of items in **Expenditure** included in the Statement of Financial Performance have been restated as indicated below:

	Depreciation & Amortisation	Impairment Losses	Repairs & Maintenance	General Expenses
Balance previously reported	**2 044 659**	**783 361**	**1 854 962**	**21 435 599**
Adjustment for Grant Income Realised	3 085 360			
Adjustment for Asset Transactions from verification	(2 578 811)		(221 939)	(119 321)
Adjustment for Provision for Bad Debts		1 481 934		
Adjust for NSF Bank Charges not previously recorded				1 604
Restated Balance now reported	**2 551 208**	**2 265 295**	**1 633 023**	**21 317 883**

Depreciation and Amortisation:
The prior year amounts for *Depreciation* and Government Grants & Subsidies Received have been restated to correctly disclose the revenue realised from Deferred Income, previously credited to Depreciation.

Furthermore, the prior year amounts for *Depreciation & Amortisation* and Property. Plant & Equipment have been restated to correctly disclose the expense for the depreciation of assets in terms of a full asset verification performed.

Impairment Losses:
The prior year amounts for *Impairment Losses* and Provion for Bad Debts have been restated to correctly disclose the expenditure to provide for Bad Debts in terms of IAS 39, previously not provided for.

Repairs and Maintenance:
The prior year amounts for *Repairs & Maintenance* have been restated to correctly disclose the expense for acquisition of assets in terms of a full asset verification performed.

General Expenses:
The prior year amounts for *General Expenses* and Government Grants & Subsidies Received have been restated to correctly disclose the expenditure for Bank Charges for the NSF Program, previously not recorded.

Furthermore, the prior year amounts for *General Expenses* have been restated to correctly disclose the expense for acquisition of assets in terms of a full asset verification performed.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

29.5 Reclassification of Statement of Financial Position

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

The effect of the Correction of Error is as follows:

	Prior Year 2012 Reallocated Balance	Change in Accounting Policy (Ex Note28)	Correction of Error Amount	Current Year 2012 Restated Balance
Current Assets				
Inventories	332 243	-	-	332 243
Accounts Receivable	27 856 375	-	(654 837)	27 201 538
Cash and Cash Equivalents	80 453 378	-	6 839 496	87 292 874
Non-Current Assets				
Property, Plant and Equipment	92 716 815	-	33 049 100	125 765 916
Intangible Assets	-	-	337 194	337 194
Long-term Receivables	-	-	2 100 000	2 100 000
Current Liabilities				
Trade and Other Payables	(20 339 181)	-	(2 713 657)	(23 052 838)
Unspent Conditional Grants and Receipts	(502 030)	-	(8 858 396)	(9 360 425)
Non-Current Liabilities				
Deferred Income	-	-	(109 812 182)	(109 812 182)
Net Assets				
Reserves	(40 731 021)	-	40 731 021	-
Accumulated Surplus / (Deficit)	(139 786 579)	-	38 982 260	(100 804 319)
	-	-	-	-

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

	Accounts Receivable	Cash & Equivalents
Balances previously published per AFS as at 31 December 2011	**4 777 443**	**83 830 672**
Restatement of Receivables for Student Fees	(95)	
Adjustment for Provision for Bad Debts	(2 010 059)	
Restatement of Long-term Receivables		(2 100 000)
Balances now published per AFS as at 31 December 2011	**2 767 289**	**81 730 672**
Transactions incurred for the Year 2012	23 078 931	(3 377 294)
Restatement of Receivables for Student Fees	95	
Restatement of Irregular Expenditure	136 200	
Adjustment for Provision for Bad Debts	(1 481 934)	
Adjustment for Debtors in Credit	1 133 820	
Adjustment for Accrual of Claim for NSFAS Allocation	3 469 162	
Adjustment for Accrual of Allocation for NSFAS Claim	(1 902 025)	
Adjustment for NSF Bank Account not previously recorded		8 939 496
Balances now published per AFS as at 31 December 2012	**27 201 538**	**87 292 874**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 R	2012 R
	Property, Plant & Equipment	**Intangible Assets**	**Long-term Receivables**
Balances previously published per AFS as at 31 December 2011	**67 747 646**	**-**	**-**
Adjustment for Asset Transactions from verification	30 075 190	391 034	-
Restatement of Long-term Receivables			2 100 000
Balances now published per AFS as at 31 December 2011	**97 822 836**	**391 034**	**2 100 000**
Transactions incurred for the Year 2012	24 969 169		-
Adjustment for Asset Transactions from verification	2 973 911	(53 840)	
Balances now published per AFS as at 31 December 2012	**125 765 916**	**337 194**	**2 100 000**

	Trade & Other Payables	Unspent Grants	Deferred Income	Depreciation Reserve
Balances previously published per AFS as at 31 December 2011	**(14 254 557)**	**-**	**-**	**(33 391 381)**
Restatement of Payables for Class Fees Received-in-Advance	(2 299)			
Adjustment for Asset Transactions from verification			(48 558 050)	-
Restatement of Depreciation Reserve			(33 391 381)	33 391 381
Balances now published per AFS as at 31 December 2011	**(14 256 856)**	**-**	**(81 949 431)**	**-**
Transactions incurred for the Year 2012	(6 084 624)	(502 030)	-	(7 339 640)
Restatement of Payables for Class Fees Received-in-Advance	2 299			
Adjust for NSF Payables not previously recorded	(12 700)			
Adjustment for Debtors in Credit	(1 133 820)			
Adjustment for Accrual of Allocation for NSFAS Claim	(1 567 137)			
Adjust for NSF Program Unspent Grant not previously recorded		(8 858 396)		
Adjustment for Asset Transactions from verification			(20 523 111)	
Adjustment for Grant Income Deferred			(10 425 000)	10 425 000
Adjustment for Grant Income Realised			3 085 360	(3 085 360)
Balances now published per AFS as at 31 December 2012	**(23 052 838)**	**(9 360 425)**	**(109 812 182)**	**-**

Accounts Receivable:

The **opening balances** of *Accounts Receivable* and Accumulated Surplus have been restated to correctly disclose receipts for 2011 posted in 2012.

Furthermore, the **opening balances** of *Accounts Receivable* and Accumulated Surplus have been restated to correctly record the Provision for Bad Debts, previously not calculated and recorded.

The **prior year amounts** for *Accounts Receivable* and Accumulated Surplus have been restated to correctly disclose receipts for 2011 posted in 2012.

Furthermore, the **prior year amounts** for *Accounts Receivable* and Expenditure have been restated to correctly record the contribution to the Provision for Bad Debts, previously not calculated and recorded.

Furthermore, the **prior year amounts** for *Accounts Receivable* and Trade & Other Payables have been restated to correctly disclose Receivables in credit.

Furthermore, the **prior year amounts** for *Accounts Receivable* and Accumulated Surplus Account have been restated to correctly disclose the amount for expenses incurred on behalf of the Associate, Dwayne's Poultry Farm, previously written off against the Accumulated Surplus Account.

Furthermore, the **prior year amounts** for *Accounts Receivable* and Trade & Other Payables have been restated to correctly record the claim for NSFAS Subsidy, previously not calculated and recorded.

Furthermore, the **prior year amounts** for *Accounts Receivable*, Tuition Fees and Interest on Arrear Receivables have been restated to correctly disclose the impact of discounting for Student Fees Revenue and Debtors in terms of the recognition requirements of IAS 39.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

Cash and Cash Equivalents:
The **opening balances** of *Cash & Cash Equivalents* and Long-term Receivables have been restated to correctly disclose the amount paid on behalf of the Business Unit Entity for an interest in Dwayne's Poultry Farm, previously recognised as Investments.

The **prior year amounts** of *Cash & Cash Equivalents*, Trade & Other Payables, Unspent Conditional Grants and Accumulated Surplus Account have been restated to correctly disclose the amount for the bank account of the NSF Program, previously not recognised.

Property, Plant and Equipment:
The **opening balances** of *Property, Plant & Equipment* have been restated to correctly disclose the amount for the Assets in terms of a full asset verification performed.

The **prior year amounts** for *Property, Plant & Equipment* have been restated to correctly disclose the amount for the Assets in terms of a full asset verification performed.

Intangible Assets:
The **opening balances** of *Intangible Assets* have been restated to correctly disclose the amount for the Assets in terms of a full asset verification performed.

The **prior year amounts** for *Intangible Assets* have been restated to correctly disclose the amount for the Assets in terms of a full asset verification performed.

Long-term Receivables:
The **opening balances** of *Long-term Receivables* and Cash & Cash Equivalents have been restated to correctly disclose the amount paid on behalf of the Business Unit Entity for an interest in Dwayne's Poultry Farm, previously recognised as Investments.

Trade and Other Payables:
The **opening balances** of *Trade & Other Payables* and Accumulated Surplus have been restated to correctly disclose advance payments received for 2011 posted in 2012.

The **prior year amounts** for *Trade & Other Payables* and Accumulated Surplus have been restated to correctly disclose advance payments received for 2011 posted in 2012.

Furthermore, the **prior year amounts** for *Trade & Other Payables* and Accounts Receivable have been restated to correctly disclose Receivables in credit.

Furthermore, the **prior year amounts** of *Trade & Other Payables* , Unspent Conditional Grants, Cash & Cash Equivalents and Accumulated Surplus Account have been restated to correctly disclose the amount for creditors of the NSF Program, previously not recognised.

Furthermore, the **prior year amounts** for *Trade & Other Payables* and Accounts Receivable have been restated to correctly record the claim for NSFAS Subsidy, previously not calculated and recorded.

Unspent Conditional Grants and Receipts:
The **prior year amounts** of *Unspent Conditional Grants*, Trade & Other Payables, Cash & Cash Equivalents and Accumulated Surplus Account have been restated to correctly disclose the amount for unspent grants of the NSF Program, previously not recognised.

Deferred Income:
The **opening balances** of *Deferred Income* have been restated to adhere to the provisions of IAS 20, previously disclosed as Depreciation Reserve.

Furthermore, the **opening balances** of *Deferred Income* have been restated to correctly disclose the funding from grants for the Assets in terms of a full asset verification performed.

The **prior year amounts** of *Deferred Income* havebeen restated to adhere to the provisions of IAS 20, previously disclosed as Depreciation Reserve.

Furthermore, the **prior year amounts** for *Deferred Income* have been restated to correctly disclose the funding from grants for the Assets in terms of a full asset verification performed.

Depreciation Reserve:
The **opening balances** of *Depreciation Reserve* have been restated to adhere to the provisions of IAS 20, now disclosed as Deferred Income.

The **prior year amounts** of *Depreciation Reserve* have been restated to adhere to the provisions of IAS 20, now disclosed as Deferred Income.

EASTCAPE MIDLANDS FET COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R
30 CASH GENERATED BY OPERATIONS		
Surplus / (Deficit) for the Year	3 868 665	12 026 122
Adjustment for:		
Depreciation and Amortisation	3 713 275	2 551 208
Other Movement on Property, Plant and Equipment	(968 476)	-
Contribution to Impairment Provision	3 298 844	2 265 295
Bad Debts Written-off	(868 303)	(783 361)
Operating surplus before working capital changes	**9 044 004**	**16 059 265**
Decrease/(Increase) in Inventories	109 997	(161 990)
Decrease/(Increase) in Accounts Receivable	9 940 535	(25 925 213)
Increase/(Decrease) in Trade and Other Payables	16 111 593	8 807 411
Increase/(Decrease) in Conditional Grants and Receipts	1 091 226	9 360 425
Increase/(Decrease) in Deferred Income	20 454 318	27 862 751
Cash generated by / (utilised in) Operations	**56 751 673**	**36 002 649**

31 NON-CASH INVESTING AND FINANCING TRANSACTIONS

The entity did not enter into any Non-cash Investing and Financing Transactions during the 2013 financial year.

32 FINANCING FACILITIES

	2013	2012
Unsecured Credit Card Facility, reviewed annually and payable monthly:		
- Amount used	1 432	7 754
- Amount unused	82 068	75 746
	83 500	**83 500**
Unsecured Fleet Card Facility, reviewed annually and payable monthly:		
- Amount used	20 195	9 949
- Amount unused	29 805	40 051
	50 000	**50 000**

33 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

33.1 Unauthorised Expenditure

	2013	2012
Reconciliation of Unauthorised Expenditure:		
Opening balance	16 902 358	-
Unauthorised Expenditure current year	10 336 441	16 902 358
Approved by Council or condoned	-	-
To be recovered – contingent asset (see Note 39)	-	-
Transfer to receivables for recovery (see Note 5)	-	-
Unauthorised Expenditure awaiting authorisation	**27 238 799**	**16 902 358**

Incident	Disciplinary Steps / Criminal Proceedings
Budgeted votes exceeded:-	
- Employee Related Costs - R0 (2012: R13 630 667)	*To be condoned by Council*
- Depreciation & Amortisation - R3 713 275 (2012: R2 551 208)	*To be condoned by Council*
- Impairment Losses - R3 298 844 (2012: R174 082)	*To be condoned by Council*
- Contracted Services - R3 324 323 (2012: R0)	*To be condoned by Council*
- Grants & Subsidies Paid - R0 (2012: R546 400)	*To be condoned by Council*

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

33.2 Fruitless and Wasteful Expenditure

To management's best of knowledge instances of note indicating that Fruitless and Wasteful Expenditure was incurred during the year under review were not revealed.

33.3 Irregular Expenditure

	2013 R	2012 R
Reconciliation of Irregular Expenditure:		
Opening balance	136 200	-
Irregular Expenditure current year	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset (see Note 39)	-	-
Transfer to receivables for recovery (see Note 3)	59 400	136 200
Irregular Expenditure awaiting condonement	**195 600**	**136 200**

Incident	Disciplinary Steps / Criminal Proceedings
Expenditure incurred on behalf of Dwayne's Farm	*To be recovered*

34 COMMITMENTS FOR EXPENDITURE

34.1 Lease Commitments

Non-cancellable Operating Lease Commitments are disclosed in Note 11.

35 FINANCIAL INSTRUMENTS

35.1 Classification

FINANCIAL ASSETS:
In accordance with GRAP 104.13 the Financial Assets of the entity are classified as follows:

Financial Assets	Classification	2013 R	2012 R
Long-term Receivables			
Other Loans	Loans and Receivables	2 100 000	2 100 000
Accounts Receivable			
Study Fees	Loans and Receivables	7 418 069	3 943 088
Other Receivables	Loans and Receivables	5 899 421	23 028 284
Sundry Deposits	Loans and Receivables	92 037	92 037
Sundry Debtors	Loans and Receivables	1 224 566	-
Suspense Accounts	Loans and Receivables	770	1 929
Irregular Expenditure	Loans and Receivables	195 600	136 200
Cash and Cash Equivalents			
Call Deposits	Available for Sale	85 101 510	73 689 231
Bank Balances	Available for Sale	31 172 502	13 590 843
Cash Floats	Available for Sale	1 885	5 300
Petty Cash and Advances	Available for Sale	5 501	7 500
Current Portion of Long-term Receivables			
Other Loans	Loans and Receivables	-	-

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 R	2012 R
SUMMARY OF FINANCIAL ASSETS			
Loans and Receivables:			
Long-term Receivables	Other Loans	2 100 000	2 100 000
Accounts Receivable	Study Fees	7 418 069	3 943 088
Accounts Receivable	Other Receivables	5 899 421	23 028 284
Accounts Receivable	Sundry Deposits	92 037	92 037
Accounts Receivable	Sundry Debtors	1 224 566	-
Accounts Receivable	Suspense Accounts	770	1 929
Accounts Receivable	Irregular Expenditure	195 600	136 200
Current Portion of Long-term Receivables	Other Loans	-	-
		16 930 463	29 301 538
Available for Sale Financial Assets:			
Cash and Cash Equivalents	Call Deposits	85 101 510	73 689 231
Cash and Cash Equivalents	Bank Balances	31 172 502	13 590 843
Cash and Cash Equivalents	Cash Floats	1 885	5 300
Cash and Cash Equivalents	Petty Cash and Advances	5 501	7 500
		116 281 398	87 292 874
Total Financial Assets		**133 211 861**	**116 594 412**

FINANCIAL LIABILITIES:

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

Financial Liabilities	Classification		
Trade and Other Payables			
Trade Creditors	Amortised cost	1 511 542	2 009 580
Other Creditors	Amortised cost	110 193	145 359

SUMMARY OF FINANCIAL LIABILITIES			
Financial Liabilities measured at Amortised Cost:			
Trade and Other Payables	Trade Creditors	1 511 542	2 009 580
Trade and Other Payables	Other Creditors	110 193	145 359
		1 621 735	2 154 939
Total Financial Liabilities		**1 621 735**	**2 154 939**

35.2 Fair Value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

Cash and Short-term Investments

The carrying amount approximates the Fair Value because of the short maturity of these instruments.

Loan Receivables/Payables

Interest-bearing Borrowings and Receivables are generally at interest rates in line with those currently available in the market on a floating-rate basis, and therefore the Fair Value of these Financial Assets and Liabilities closely approximates their carrying values. Fixed interest-rate instruments are fair valued based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

Trade and Other Receivables/Payables

The Fair Value of Trade and Other Payables is estimated at the present value of future cash flows.

The management of the entity is of the opinion that the carrying value of Trade and Other Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values. The Fair Value of Trade Receivables were determined after considering the standard terms and conditions of agreements entered into between the entity and other parties as well as the the current payment ratio's of the entity's debtors.

Other Financial Assets and Liabilities

The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Management considers the carrying amounts of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements to approximate their Fair Values on 31 December 2013, as a result of the short-term maturity of these assets and liabilities.

No Financial Instruments of the municipalitity have been reclassified during the year.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by IAS 39. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:

Level 1:-
Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2:-
Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:-
Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

31 December 2013

	Level 1	Level 2	Level 3	Total
	R	R	R	R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Call Deposits	-	85 101 510	-	85 101 510
Bank Balances and Cash	-	31 179 888	-	31 179 888
Total Financial Assets	-	116 281 398	-	116 281 398
FINANCIAL LIABILITIES				
Financial Instruments at Fair Value:				
Total Financial Liabilities	-	-	-	-
Total Financial Instruments	-	116 281 398	-	116 281 398

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

			2013 R	2012 R

31 December 2012

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Call Deposits	-	73 689 231	-	73 689 231
Bank Balances and Cash	-	13 603 643	-	13 603 643
Total Financial Assets	-	87 292 874	-	87 292 874
FINANCIAL LIABILITIES				
Financial Instruments at Fair Value:				
Total Financial Liabilities	-	-	-	-
Total Financial Instruments	-	87 292 874	-	87 292 874

35.3 Capital Risk Management

The entity manages its capital to ensure that the entity will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The entity's overall strategy remains unchanged from 2012.

The capital structure of the entity consists of debt, which includes Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 14 and the Statement of Changes in Net Assets.

Gearing Ratio

	2013 R	2012 R
The gearing ratio at the year-end was as follows:		
Debt	-	-
Cash and Cash Equivalents	(116 281 398)	(87 292 874)
Net Debt	(116 281 398)	(87 292 874)
Equity	104 672 985	100 804 319
Net debt to equity ratio	-111.09%	-86.60%

Debt is defined as Long-term Liabilities, together with its Short-term Portion.

Equity includes all Funds and Reserves of the entity, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

35.4 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the entity's risk management framework. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, entities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the entity in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the entity's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

35.5 Significant Risks

It is the policy of the entity to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the entity is exposed on the reporting date.

The entity has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the entity's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit Risk

Credit Risk is the risk of financial loss to the entity if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the entity's receivables from customers and investment securities.

Liquidity Risk

Liquidity Risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, tha t it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

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

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Notes 35.8 and 35.9 to the Annual Financial Statements.

35.6 Market Risk

The entity's activities expose it p rimarily to the financial risks of changes in interest rates (see Note 35.7 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the entity's exposure to market risks or the manner in which it manag es and measures the risk.

35.6.1 Foreign Currency Risk Management

The entity's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hed ge volatilities in the interest rate market.

35.6.2 Interest Rate Risk Management

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

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

The entity limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Student Debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears they are "handed over for collection" in terms of Council's Credit Control and Debt Collection Policy.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The entity is not exposed to credit interest rate risk as the entity has no borrowings.

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

Interest Rate Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 35.9 below:

Cash and Cash Equivalents:

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

- Surplus for the year ended 31 December 2013 would have increased / decreased by R1 017 770 (31 December 2012: R844 995). This is mainly attributable to the entity's exposure to interest rates on its variable rate investments.

35.7 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial lo ss to the entity. The entity has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigatin g the risk of financial loss from defaults. The entity uses its own trading records to assess its major customers. The entity's exposure of its counterparties are monitored regularly.

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

Investments/Bank, Cash and Cash Equivalents

The entity limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The exposure to credit risk is monitored on an ongoing basis.

The entity limits this risk exposure by its normal credit control and debt management procedures.

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

The entity establishes an allowance for impairment that represents its estimate of anticipated losses in r espect of trade and other receivables.

Payment of accounts of student debtors, who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer in terms of the Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

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

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

The table below shows the balance of the 5 major counterparties at the balance sheet date. Management is of the opinion that, although these parties are the 5 counterparties with highest outstanding balances, no significant credit risk exposure exists based on the payment history of the parties. They have been included in the Provision for Impairment of Student Debtors.

Counterparty and Location	31 December 2013 Credit Limit R	Carrying Amount R	31 December 2012 Credit Limit R	Carrying Amount R
Alexander M	-	16 040	-	-
Made N	-	15 452	-	-
Baliti NC	-	14 410	-	-
Beja S	-	14 350	-	-
Makeleni SI	-	13 500	-	13 500
Klaase T	-	-	-	11 630
Tiger C	-	-	-	11 610
Mbala PP	-	-	-	11 360
Zindlani MN	-	-	-	11 110

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

	2013 R	2012 R
Long-term Receivables	2 100 000	2 100 000
Accounts Receivable	20 752 996	30 693 532
Bank, Cash and Cash Equivalents	116 281 398	87 292 874
Maximum Credit and Interest Risk Exposure	**139 134 394**	**120 086 405**

The major concentrations of credit risk that arise from the entity's receivables in relation to customer classification are as follows:

	%	%
Student Fees:		
- Study Fees	64.28%	24.22%
- Receivables	28.43%	75.03%
Other Debtors:		
- Other not Classified	7.29%	0.75%
Total Credit Risk	**100.00%**	**100.00%**

Bank and Cash Balances		
ABSA Bank Ltd	85 157 312	73 768 251
Standard Bank	31 116 700	13 511 823
Cash Equivalents	7 386	12 800
Total Bank and Cash Balances	**116 281 398**	**87 292 874**

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

	2013 R	2012 R
Long-term Receivables		
Group 1	-	-
Group 2	2 100 000	2 100 000
Group 3	-	-
Total Long-term Receivables	**2 100 000**	**2 100 000**
Receivables from Student Fees		
Counterparties without external credit rating:-		
Group 1	2 897	9 231
Group 2	5 328	6 538
	8 225	15 769
Total Receivables from Student Fees	**8 225**	**15 769**
Receivables from Other Transactions		
Group 1	92 037	92 037
Group 2	-	-
Total Receivables from Other Transactions	**92 037**	**92 037**

Credit quality Goupings:

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

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

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

None of the financial assets that are fully performing have been renegotiated in the last year.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

35 FINANCIAL INSTRUMENTS (Continued)

35.8 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long - term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 32 is a listing of additional undrawn facilities that the entity has at its disposal to further reduce liquidity risk (cash).

Liquidity and Interest Risk Tables

The entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following table details the entity's expected maturity for its non -derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the entity anticipates that the cash flow will occur in a different period.

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
31 December 2013								
Non-interest Bearing		0.00%	16 937 848	16 937 848	-	-	-	-
Variable Interest Rate Instruments		4.71%	116 274 012	116 274 012	-	-	-	-
			133 211 861	**133 211 861**	**-**	**-**	**-**	**-**
31 December 2012								
Non-interest Bearing		0.00%	29 314 338	29 314 338	-	-	-	-
Variable Interest Rate Instruments		4.63%	87 280 074	87 280 074	-	-	-	-
			116 594 412	**116 594 412**	**-**	**-**	**-**	**-**

The entity has access to financing facilities, the total unused amount which is R305 445 (2011: R575 550), at the reporting date. The entity expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The entity expects to maintain current debt to equity ratio. This will be achieved through increased service tariff charges and the increased use of unsecured bank loan facilities.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

35.9 Effective Interest Rates and Repricing Analysis

In accordance with IAS 32.67(a) and (b) the following tables indicate the average effective interest rates of Income-earning Financial Assets and Interest-bearing Financial Liabilities at the reporting date and the periods in which they mature or, if earlier, reprice:

31 December 2013

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
FIXED RATE INSTRUMENTS								
Total Fixed Rate Instruments			-	-	-	-	-	-
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	7		85 101 510	85 101 510	-	-	-	-
Bank Balances and Cash **Total**	7		31 179 888	31 179 888	-	-	-	-
Fixed Rate Instruments			**116 281 398**	**116 281 398**	-	-	-	-

31 December 2012

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
FIXED RATE INSTRUMENTS								
Total Fixed Rate Instruments			-	-	-	-	-	-
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	7		73 689 231	73 689 231	-	-	-	-
Bank Balances and Cash **Total**	7		13 603 643	13 603 643	-	-	-	-
Fixed Rate Instruments			**87 292 874**	**87 292 874**	-	-	-	-

35.10 Other Price Risks

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

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 R	2012 R

36 MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The entity does not make provision for post-retirement benefits to its councillors and employees.

37 RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

37.1 Interest of Related Parties

Councillors and/or management of the entity have relationships with businesses as indicated below:

Name of Related Person	Designation	Description of Related Party Relationship
Gawe CM	Chairman	Director of East Cape Conferencing; Director of Normansol Investments; Director of Ochre Shimmer Trade & Invest 70; Director of Road Safety Apparel; Director of Sikunye Office Automation; Director of Siyabulela Investment Corporation; Director of Transido; Director of WECBEC; Member and 25% Interest in MMCG Building & Hiring Services; Member and 17% Interest in Monkupe Developers & Contractors; Member and 33% Interest in Umnyama Security
Mbana JFJ	Principal	Director of African Spirit Trading 337; Director of PD LAM Initiatives; Director of SADTU Investment Holdings; Meber and 100% Interest in Sijaboh Investments; Member and 50% Interest in Silvex 548; Member and 25% Interest in Umzwilili Publishers
Abdullah MR	Senior Manager	Director of Costilox
Dennis FP	Supply Chain Manager	Director of Carmelo Investments 118; Director of Elgacare; Director of Exact Trade 137; Director of Rubicron
Eastcape Midlands College Business Unit	Entity	Eastcape Midlands FET College is the sole beneficiary

37.2 Services rendered to Related Parties

The entity did not render any services during the year to anyone that can be considered as a related party.

37.3 Loans granted to Related Parties

In terms of the MFMA, the entity may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in Note 8 to the Annual Financial Statements.

37.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Appendix C, Statement of Remuneration of Managment, to the Annual Financial Statements.

37.5 Purchases from Related Parties

The entity did not buy goods from any companies which can be considered to be Related Parties.

	2013 R	2012 R
38 CONTINGENT LIABILITIES		
38.1 Court Proceedings:	**5 000 000**	**-**
(i) Dispute on Benefit Award:	5 000 000	-

The College is being sued by Contract Staff for a dispute on their remuneration. The College entere d into an agreement with the Department of Higher Education & Training (DHET) to enrol learners into the National Skills Fund (NSF) Project for which a fixed budget was received, which did not allow for any benefits payable to NSF Support Staff. The Support Staff is claiming a 37 % Benefit Award which is payable to contractors working under normal operational activities for the College. The College is defending the claim based on legal advice. A trial date has not been set to date. The claimed amount does not include legal costs. The outcome of the case is still uncertain.

EASTCAPE MIDLANDS FET COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	R	R

39 CONTINGENT ASSETS

The entity was not engaged in any transaction or event during the year under review involving Contingent Assets.

40 IN-KIND DONATIONS AND ASSISTANCE

The entity did not receive any In-kind Donations and Assistance during the year under review.

41 PRIVATE PUBLIC PARTNERSHIPS

The entity was not a party to any Private Public Partnerships during the year under review.

42 EVENTS AFTER THE REPORTING DATE

No events having financial implications requiring disclosure occurred subsequent to 31 December 2013.

43 COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Changes in Accounting Policies (Note 28) and Prior Period Errors (Note 29).

44 GOING CONCERN ASSESSMENT

Management considered the following matters relating to the Going Concern:

(i) Council adopted the 2014 to 2016 Budget during November 2013. This three-year Medium Term Revenue and Expenditure Framework (MTREF) to support the ongoing delivery of the entity's activities reflected that the Budget was cash-backed over the three-year period.

(ii) The entity's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(iii) Strict daily cash management processes are embedded in the entity's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly and quarterly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iv) Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

APPENDIX A

EASTCAPE MIDLANDS FET COLLEGE

SCHEDULE OF EXTERNAL LOANS AS AT 31 DECEMBER 2013

THE ENTITY HAD NO EXTERNAL LOANS FOR THE TWO FINANCIAL YEARS

APPENDIX B

EASTCAPE MIDLANDS FET COLLEGE

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 31 DECEMBER 2013

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying	Budget Additions 2013
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Disposals	Closing Balance	Value	
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land													
Land: Developed	16 054 973	3 595 555	-	-	-	19 650 528	-	-	-	-	-	19 650 528	-
Land: Undeveloped	235 955	-	-	-	-	235 955	-	-	-	-	-	235 955	-
	16 290 928	**3 595 555**	-	-	-	**19 886 483**	-	-	-	-	-	**19 886 483**	-
Buildings													
Buildings	77 794 640	11 040 730	23 607 912	-	-	112 443 281	4 493 996	1 006 855	-	-	5 500 851	106 942 431	5 250 000
Buildings: Infrastructure	133 709	-	2 730 237	696 243	-	3 560 188	52 233	40 443	-	-	92 676	3 467 512	-
	77 928 348	**11 040 730**	**26 338 149**	**696 243**	-	**116 003 470**	**4 546 228**	**1 047 298**	-	-	**5 593 527**	**110 409 943**	**5 250 000**
Computer Equipment													
Computer Hardware	4 589 230	8 034 776	-	807 156	-	13 431 162	1 686 560	1 286 550	626 386	-	3 599 496	9 831 666	10 401 000
Computer Networks	245 380	1 123 460	-	-	-	1 368 839	51 007	130 845	-	-	181 852	1 186 987	-
	4 834 610	**9 158 236**	-	**807 156**	-	**14 800 002**	**1 737 567**	**1 417 395**	**626 386**	-	**3 781 348**	**11 018 653**	**10 401 000**
Furniture and Fittings													
Cabinets and Cupboards	28 108	772 039	-	68 301	-	868 448	1 642	31 217	37 920	-	70 778	797 670	-
Chairs	183 098	1 145 967	-	58 884	-	1 387 949	4 115	102 579	39 923	-	146	1 241 332	-
Desks and Tables	45 771	518 560	-	69 866	-	634 196	1 586	34 676	34 253	-	617 70	563 682	-
Shelving and Bookcases	- 588	25 180	-	-	-	25 180	- 285	321	- 242	-	515	24 859	-
Other Furniture	893	404	-	317 813	-	907 110	395	58 897	280	-	321	320 537	-
	845 869	**2 462 149**	-	**514 864**	-	**3 822 882**	**292 738**	**227 691**	**354 375**	-	**874 803**	**2 948 079**	-
Motor Vehicles													
LDV's and 4X4's	-	-	-	186 610	-	186 610	-	-	40 648	-	40 648	145 962	-
Passenger Vehicles	1 044 183	517 350	-	644 528	-	2 206 060	390 142	70 226	200 466	-	660 834	1 545 226	300 000
	1 044 183	**517 350**	-	**831 137**	-	**2 392 670**	**390 142**	**70 226**	**241 114**	-	**701 482**	**1 691 188**	**300 000**
Office and Classroom Equipment													
Office Equipment:													
Audiovisual Equipment	9 427	258 818	-	-	-	268 245	686	27 904	-	-	28 590	239 655	-
Domestic Equipment	43 192	30 268	-	27 295	-	100 755	4 603	8 718	9 917	-	23 239	77 516	-
Library Books	11 352	2 406	-	-	-	13 758	0	1 135	-	-	1 135	12 623	-
Office Machines	38 155	83 306	-	13 043	-	134 504	17 080	10 709	12 834	-	40 623	93 881	-
Other Office Equipment	1 839 703	7 980	-	-	-	1 847 683	1 163 341	172 663	-	-	1 336 004	511 680	3 450 300
	1 941 829	**382 777**	-	**40 338**	-	**2 364 945**	**1 185 710**	**221 130**	**22 751**	-	**1 429 591**	**935 354**	**3 450 300**
Workshop and Other Equipment													
Emergency Equipment:													
Emergency / Rescue Equipment	-	-	-	17 430	-	17 430	-	-	434	-	434	16 996	-
Workshop Equipment:													
Compressors and Generators	-	- 6	-	18 412	-	18 412 6	-	-	15 801	-	15 801	2 611	- 1
Other Plant and Equipment	6 604 948	796 29		-		611 744	2 160 319	660 999	-		2 821 318	3 790 426	8 6 3
Training Machinery / Equipment	6 726	000 33	-		-	35 726	462	2 102		-	2 564	33 162	9 5 0 -
Workshop Equipment	89 787	184		-		122 971	5 166	10 332	-		15 498	107 473	-
	6 701 461	**68 980**	-	**35 842**	-	**6 806 283**	**2 165 947**	**673 433**	**16 235**	-	**2 855 616**	**3 950 668**	**1 863 950**
Total	**109 587 228**	**27 225 777**	**26 338 149**	**2 925 581**	-	**166 076 734**	**10 318 332**	**3 657 173**	**1 260 862**	-	**15 236 366**	**150 840 367**	**21 265 250**
						0.00					0.00	0.00	

EASTCAPE MIDLANDS FET COLLEGE
ANALYSIS OF INTANGIBLE ASSETS AS AT 31 DECEMBER 2013

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value	Budget Additions 2013
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Disposals	Closing Balance		
	R	R	R	R	R	R	R	R	R	R	R	R	R
Intangible Assets Computer Software & Systems	558 817	-	-	-	-	558 817	221 623	56 102	-	-	277 724	281 093	-
	558 817	**-**	**-**	**-**	**-**	**558 817**	**221 623**	**56 102**	**-**	**-**	**277 724**	**281 093**	-
						0.00							
Total Asset Register	**110 146 045**	**27 225 777**	**26 338 149**	**2 925 581**	**-**	**166 635 551**	**10 539 955**	**3 713 275**	**1 260 862**	**-**	**15 514 091**	**151 121 460**	**21 265 250**

APPENDIX G
EASTCAPE MIDLANDS FET COLLEGE
STATEMENT OF REMUNERATION OF MANAGEMENT

31 December 2013

Incumbent	Fees for Services	Basic Salaries	Bonuses	Allowances	Contributions to Funds	Other Short-term Benefits	Post-exployment Benefits	Termination Benefits	Other Long-term Benefits	Commissions, Gains or Surpluses	Any Other Benefits	Total Remuneration
	R	R	R	R	R	R	R	R	R	R	R	R
Chairman												
Gawe C.M.				12976								12976
Committee Chairpersons												
Arpin J.H.				6968								6968
Douws M.N. (Ms)				400								400
Committee Members												
Argyrakis D.				400								400
Mapoma Z.L. Adv				8568								8568
Total for Councillors				29 312								29 312
Principal												
Mbana J.J.		458 075	38 188	275 450								771 713
Manager: Senior Resources												
Abdullah R.		300 000			3764							303 764
Chief Financial Officer												
(Vacant)												
Vice Principal: Corporate Services												
(Vacant)												
Vice Principal: Education and Training Specialists												
Chagi N.		381 489	32141	64 290	17 820						60 000	555 740
Vice Principal: Registration												
Kilian D.		437 486	63 320	37 938	6840						60 000	605 584
Total for Senior Managers		1 118 975	95461	102228	28424						120 000	1 465 088
Total for Management		1 118 975	95461	131540	28424						120 000	1 494 400

31 December 2012

Incumbent	Fees for Services	Basic Salaries	Bonuses	Allowances	Contributions to Funds	Other Short-term Benefits	Post-exployment Benefits	Termination Benefits	Other Long-term Benefits	Commissions, Gains or Surpluses	Any Other Benefits	Total Remuneration
	R	R	R	R	R	R	R	R	R	R	R	R
Chairman												
Gawe C.M.	-	-	-	11 200	-	-	-	-	-	-	-	11 200
Committee Chairpersons												
Arpin J.H.	-	-	-	3 600	-	-	-	-	-	-	-	3 600
Douws M.N. (Ms)	-	-	-	800	-	-	-	-	-	-	-	800
Committee Members												
Argyrakis D.	-	-	-	400	-	-	-	-	-	-	-	400
Gqubule T.S.N. Dr	-	-	-	2 800	-	-	-	-	-	-	-	2 800
Lee L. Dr	-	-	-	800	-	-	-	-	-	-	-	800
Mapoma Z.L. Adv	-	-	-	-	-	-	-	-	-	-	-	-
Ndlovu N.D. (Ms)	-	-	-	800	-	-	-	-	-	-	-	800
Tys N.T. (Ms)	-	-	-	2 000	-	-	-	-	-	-	-	2 000
Other Council Members												
Febana M.R.	-	-	-	-	-	-	-	-	-	-	-	-
Mgolodela M.	-	-	-	800	-	-	-	-	-	-	-	800
Total for Councillors	-	-	-	23 200	-	-	-	-	-	-	-	23 200
Principal												
Mbana J.J.	-	439 621	37 998	238 431	-	-	-	-	-	-	-	716 050
Manager: Senior Resources												
(Vacant)	-	-	-	-	-	-	-	-	-	-	-	-
Chief Financial Officer												
(Vacant)	-	-	-	-	-	-	-	-	-	-	-	-
Vice Principal: Corporate Services												
(Vacant)	-	-	-	-	-	-	-	-	-	-	-	-
Vice Principal: Education and Training Specialists												
Chagi N.	-	356 637	30 038	59 274	17 487	-	-	-	-	-	60 000	523 436
Vice Principal: Registration												
Kilian D.	-	402 938	34 102	34 443	6 840	-	-	-	-	-	60 000	538 323
Total for Senior Managers	-	759 575	64 140	93 717	24 327	-	-	-	-	-	120 000	1 061 759
Total for Management	-	759 575	64 140	116 917	24 327	-	-	-	-	-	120 000	1 084 959

Eastcape
Midlands
College

EMC

CONTACT DETAILS

HEAD OFFICE
Corner of Cuyler and Durban Street
PRIVATE BAG X35
UITENHAGE
EASTERN CAPE
6230
Tel: 041 995 2000

UITENHAGE CAMPUSES

BRICKFIELDS ROAD CAMPUS
Brickfield Road
Tel: 041 996 1800

CHARLES GOODYEAR CAMPUS
Edison Street
Tel: 041 995 2000

HIGH STREET CAMPUS
High Street
Tel: 041 995 2000

THANDUXOLO CAMPUS
Bantom Street
Kwa Nobuhle
Tel: 041 995 2000

GRAAFF-REINET CAMPUS

Oval Ave
Tel: 049 891 0201

GRAHAMSTOWN CAMPUS

Constitution Street
Tel: 046 636 1575

PORT ELIZABETH CAMPUS

HEATH PARK CAMPUS
Corner of Lawrence Erasmus and Standford Road
Bethelsdorp
Tel: 041 995 2000

CALL CENTRE: 086 038 8879

www.emcol.co.za