Appendix C

FASSET

Make the future count

Finance and Accounting Services Sector Education and Training Authority
Annual financial statements
for the year ended 31 March 2015

Finance and Accounting Services Sector Education and Training Authority

Annual Financial Statements for the year ended 31 March 2015

Index

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

The Annual Financial Statements set out on pages 2 to 31, which have been prepared on the going concern basis, were approved by the Accounting Authority on 28 May 2015 and were signed on its behalf by:

Approved by Sipho Sono
Chairman
31 July 2015

Statement of Financial Position as at 31 March 2015

	Note(s)	2014/2015 R '000	2013/2014 R '000
Assets			
Current Assets			
Inventories		35	38
Receivables from exchange transactions	5	816	675
Receivables from non-exchange transactions	6	2 864	1 625
Cash and cash equivalents	7	216 478	184 244
		220 193	**186 582**
Non-Current Assets			
Property, plant and equipment	3	651	921
Intangible assets	4	33	16
		684	**937**
Total Assets		**220 877**	**187 519**
Liabilities			
Current Liabilities			
Operating lease liability		262	401
Trade and other payables from exchange transactions	9	16 262	3 458
Trade and other payables from non-exchange transactions	10	11 563	10 235
Provisions	8	9 154	8 482
Total Liabilities		**37 241**	**22 576**
Net Assets		**183 636**	**164 943**
Reserves			
Administration reserve		684	937
Discretionary reserve		182 504	164 002
Employer grant reserve		448	4
Net Assets		**183 636**	**164 943**

Statement of Financial Performance for the year ended 31 March 2015

	Note(s)	2014/2015 R '000	2013/2014 R '000
Revenue			
Revenue from exchange transactions			
Other income	13	64	40
Investment revenue	17	16 934	12 681
Total revenue from exchange transactions		**16 998**	**12 721**
Revenue from non-exchange transactions			
Transfer revenue			
Levies	12	412 434	419 317
Total revenue	11	**429 432**	**432 038**
Expenditure			
Employee related costs	15	(14 048)	(12 316)
Depreciation and amortisation		(408)	(372)
Impairment of receivables		(87)	(174)
Repairs and maintenance		(204)	(141)
Employer grant and project expenses	16	(373 479)	(412 214)
General expenses	14	(22 513)	(20 487)
Total expenditure		**(410 739)**	**(445 704)**
Gain on disposal of assets and liabilities		-	2
Surplus (deficit) for the year		**18 693**	**(13 664)**

Statement of Changes in Net Assets

	Administration reserve R '000	Discretionary reserve R '000	Employer grant reserve R '000	Total reserves R '000	Accumulated surplus R '000	Total net assets R '000
Balance at 01 April 2013	**937**	**177 247**	**423**	**178 607**	**-**	**178 607**
Changes in net assets						
Deficit for the year	-	-	-	-	(13 664)	(13 664)
Allocation of Accumulated deficit	21 297	(86 283)	51 322	(13 664)	13 664	-
Excess reserves transferred to Discretionary reserve	(21 297)	73 038	(51 741)	-	-	-
Total changes	-	(13 245)	(419)	(13 664)	-	(13 664)
Balance at 01 April 2014	**937**	**164 002**	**4**	**164 943**	**-**	**164 943**
Changes in net assets						
Surplus for the year	-	-	-	-	18 693	18 693
Allocation of Accumulated surplus	18 903	(30 680)	30 470	18 693	(18 693)	-
Excess reserves transferred to Discretionary reserve	(19 156)	49 182	(30 026)	-	-	-
Total changes	(253)	18 502	444	18 693	-	18 693
Balance at 31 March 2015	**684**	**182 504**	**448**	**183 636**	**-**	**183 636**
Note(s)	24	24	24		24	

Cash Flow Statement

	Note(s)	2014/2015 R '000	2013/2014 R '000
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		412 021	418 628
Other cash receipts from stakeholders		64	40
Interest income		16 882	12 598
		428 967	431 266
Payments			
Grants and project payments		(372 305)	(440 871)
Compensation of employees		(14 092)	(13 646)
Payments to suppliers		(10 182)	(44 638)
		(396 579)	(499 155)
Net cash flows from operating activities	18	**32 388**	**(67 889)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(116)	(366)
Proceeds from sale of property, plant and equipment	3	-	7
Purchase of other intangible assets	4	(38)	(11)
Net cash flows from investing activities		**(154)**	**(370)**
Net increase/(decrease) in cash and cash equivalents		**32 234**	**(68 259)**
Cash and cash equivalents at the beginning of the year		184 244	252 503
Cash and cash equivalents at the end of the year	7	**216 478**	**184 244**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget R '000	Adjustments R '000	Final Budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000	Note
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	-	-	**-**	64	**64**	
Interest received - investment	14 000	-	**14 000**	16 934	**2 934**	23
Total revenue from exchange transactions	**14 000**	**-**	**14 000**	**16 998**	**2 998**	
Revenue from non-exchange transactions						
Transfer revenue						
Levies	428 600	-	**428 600**	412 434	**(16 166)**	23
Total revenue	**442 600**	**-**	**442 600**	**429 432**	**(13 168)**	
Expenditure						
Employee related costs	(14 777)	-	**(14 777)**	(14 048)	**729**	23
Depreciation and amortisation	-	-	**-**	(408)	**(408)**	23
Impairment of receivables	-	-	**-**	(87)	**(87)**	23
Repairs and maintenance	(771)	-	**(771)**	(204)	**567**	23
Employer grant and project expenses	(400 170)	-	**(400 170)**	(373 479)	**26 691**	23
General expenses	(26 642)	-	**(26 642)**	(22 513)	**4 129**	23
Total expenditure	**(442 360)**	**-**	**(442 360)**	**(410 739)**	**31 621**	
Surplus for the year	**240**	**-**	**240**	**18 693**	**18 453**	

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999). Accounting policies are in accordance with the Skills Development Act, act No 97 of 1998, as amended and the Skills Development Levies Act, Act No 9 of 1999, as amended.

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Property, plant and equipment

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

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

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

Item	Average useful life
Office furniture and fittings	10 years
Office equipment	5 years
Computer equipment	3 years
Leasehold improvements	over the lease term

The residual value, the useful life and depreciation method of each asset are reviewed at least at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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.

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

Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable service amount, it is written down immediately to its recoverable service amount (i.e impairment losses are recognised).

1.4 Intangible assets

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

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

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

Item	Useful life
Computer software	2 years

1.4 Intangible assets (continued)

The estimated useful lives of intangible assets are reviewed at the end of each annual reporting period.

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

Where the carrying amount of an intangible asset is greater than its estimated recoverable service amount, it is written down immediately to its recoverable amount (i.e impairment losses are recognised).

1.5 Financial instruments

Initial recognition

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

Financial assets

All financial assets of the entity are categorised as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

Financial assets at amortised cost

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'financial assets at amortised cost'. These financial assets are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for impairment at each year-end.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

Financial liabilities

All financial liabilities of the entity are classified as financial liabilities at amortised cost. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

Accounting Policies

1.5 Financial instruments (continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

1.6 Tax

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

1.7 Leases

Operating leases - lessee

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

1.8 Inventories

Inventories consist of consumables on hand at the reporting date and are measured at cost. An individual consumable purchase of which the cost does not exceed R1 000 is recognised, on acquisition, in surplus or deficit.

1.9 Employee benefits

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Termination benefits are recognised and expensed only when the payment is made.

Liabilities for annual leave are recognised as they accrue to employees. The entity recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee. The leave liability is recognised as an accrual.

No provision has been made for retirement benefits as the entity does not provide for retirement benefits for its employees.

1.10 Provisions and contingencies

Provisions are recognised when:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

Accounting Policies

1.11 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is accrued on a time proportionate basis, taking into account the principal outstanding and effective interest rate over the period to maturity.

1.12 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the entity, usually in accordance with a binding arrangement.

When the entity receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that the entity will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the entity are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised.

The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education and Training (DHET) and contributions received from government departments for which Fasset qualifies as the line function seta.

Levy income

The accounting policy for the recognition and measurement of skills development levy income is based on the Skills Development Act (SDA), Act No 97 of 1998, as amended and in the Skills Development Levies Act (SDLA) Act No 9 of 1999, as amended.

In terms of section 3(1) and 3(4) of the SDLA, 1999 as amended, registered member companies of the entity pay a skills development levy of 1% of the total payroll cost to the south African Revenue Services (SARS), who collect the levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the SDLA (1999) as amended, effective 1 August 2005.

80% of Skills Development Levies (SDL) are paid over to Fasset (net of the 20% contribution to the NSF). Fasset was not in a position to verify that SARS has collected all potential skills levy income.

Revenue is adjusted for transfers between the Setas due to employers changing Setas. Such adjustments are separately disclosed as inter-Seta transfers. The amount of the inter-Seta adjustment is calculated according to the most recent Standard Operating Procedure issued by DHET. SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the Seta and these benefits can be measured reliably. This occurs when the DHET makes an allocation to the entity, as required by Section 8 of the SDLA, 1999 as amended.

In terms of the DPSA circular, circular HRD 1 of 2013, all departments are required to set aside a minimum of 1% of the total department’s annual personnel budget for training and development of its personnel and potential employees. 30% of this amount is appropriated to the Seta with which the department is affiliated. For departments belonging to more than one Seta the 30% levy is apportioned proportionally. Fasset receives contributions in this regard from SARS and national and provincial treasuries. Fasset was not in a position to verify that the amounts received from the relevant departments were accurate.

Interest and penalties

Interest and penalties received on the SDL are recognised on the accrual basis.

1.13 Comparative figures

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

Accounting Policies

1.14 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

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

1.15 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any legislation providing for procurement procedures.

1.16 Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the Seta Grant Regulations as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus

Employer levy payments are set aside in terms of the SDA (1998) and the Seta Grant Regulations for the purpose of:

• Administartion costs of the Seta	10.5%
• Employer grant fund levy	20.0%
• Discretionary grants and projects	49.5%
• Contributions to the National Skills Fund	20.0%

Government department levy payments are set aside for the purpose of:

• Administration costs of the Seta	10%
• Discretionary grants and projects	20%

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve. Provision is made in the administration reserve equal to the book value of depreciable assets. Provision is made in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date.

1.17 Grants and Project Expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a Mandatory Grant (excluding interest and penalties) by complying with the criteria in accordance with the SDA, 1998, as amended, Seta Grant Regulations regarding monies received and related matters.

Mandatory grants

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut off period and the application has been approved. The grants are equivalent to 20% of the total levies contributed by employers.

Discretionary grant and project expenditure

The entity may out of the surplus Mandatory, Administrative or Discretionary levies and in accordance with criteria as defined in the Seta Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the Accounting Authority. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the entity.

1.17 Grants and Project Expenditure (continued)

The entity allocates Discretionary grants to employers who have submitted an application for a Discretionary Grant in the prescribed form within the agreed upon cut-off period. Discretionary Grant expenditure is recognised as expenses in the period in which it incurred, in which the conditions are met.

Project expenditure comprises:
- costs that relate directly to the specific project;
- costs that are attributable to project activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the entity under the terms of the contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Project expenditure is recognised as expenses in the period in which it incurred, in which the conditions are met.

Unconditional grants disbursed towards the National Skills Fund (NSF) for Technical and Vocational Education and Training (TVET) College infrastructure development

In terms of Skills Development Circular No. 08/2013 Setas are required to contribute funds towards the NSF for TVET college infrastructure development. Funding agreements between the NSF and each individual SETA outline the details of the Seta's contribution as per the Skills Development Circular. There are no conditions or restrictions for the Seta and the funding is not refundable.

The TVET college infrastructure development payment is treated as a non-exchange transaction and is recognised as an expense in the period that the payment is incurred or when the funding becomes payable by the Seta as outlined in the funding agreement, whichever occurs first.

A contractual obligation is triggered on the date that the funding agreement is signed and a liability is recognized to the extent of the amount outstanding.

Disbursements to the National Skills Fund (NSF) relating to uncommitted surpluses
In terms of the SETA Grant Regulations 3(11) and (12), any uncommitted discretionary funds must be transferred to the NSF. This payment is treated as a non-exchange transaction and is recognised as an expense in the period in which it is incurred as outlined in the Seta Grant Regulations.
The obligation is triggered at year end and the liability is recognised to the extent of the amount outstanding. The amount is calculated as the excess of 5% of total accumulated discretionary funding that is not committed at year end.

1.18 Grants

Mandatory grant payments

A liability is recognised for mandatory grant payments once the specific criteria set out in the Seta Grant Regulation has been complied with by member companies and it is probable that the entity will approve the grant application for payment. The liability is measured at estimated cash outflow as determined in accordance with the SDA (1998). This measurement involves an estimate, based on the amount of levies received.

Discretionary grant payments

A liability is recognised for discretionary grant payments once the specific criteria set out in the Seta Grant Regulation and any additional criteria as approved by the Accounting Authority has been complied with by member companies and it is probable that the entity will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the GRAP. This measurement involves an estimate, based on the amount of levies received.

Discretionary projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statements.

Commitments are disclosed where the entity has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are yet due for payment.

1.19 Related Parties

Parties are considered to be related if one party has the ability to control the other party or excercise significant influence over the other party in making financial and operating decisions or if the related party entity or another entity are subject to common control.

Where such a situation exists the nature and type of transactions and relationships between parties are disclosed in the notes to the Annual Financial Statements.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards issued, but not yet effective

The entity has not applied the following standards, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2015 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 18: Segment Reporting	01 April 2015	This standard describes the disclosure to present more specific and detailed information about major activities undertaken by an entity during a particular period, along with the resources allocated to those activities. Fasset already reports on revenue and expenditure per segment. Although the format of the reporting could change, we do not foresee major disclosure changes.
• GRAP 20: Related parties	Not yet determined	This standard prescribes the disclosure of information relevant to draw attention to the possibility that the entity's financial position and surplus / deficit may have been affected by the existence of related parties. It is not expected that this standard will significantly impact future disclosures.
• GRAP108: Statutory Receivables	Not yet determined	This standard prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. It is not expected that this standard will significantly impact future disclosures.

2. New standards and interpretations (continued)

2.2 Standards not yet effective or relevant

The following standards have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2015 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 105: Transfers of functions between entities under common control	01 April 2015	No significant impact on future disclosures
• GRAP 106: Transfers of functions between entities not under common control	01 April 2015	No significant impact on future disclosures
• GRAP 107: Mergers	01 April 2015	No significant impact on future disclosures
• GRAP32: Service Concession Arrangements: Grantor	Not yet determined	No significant impact on future disclosures
• IGRAP17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2015	No significant impact on future disclosures

3. Property, plant and equipment

	2014/2015			2013/2014		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Office furniture and fittings	592	(497)	95	592	(464)	128
Office equipment	780	(528)	252	882	(526)	356
Computer equipment	668	(487)	181	623	(400)	223
Leasehold improvements	500	(377)	123	464	(250)	214
Total	**2 540**	**(1 889)**	**651**	**2 561**	**(1 640)**	**921**

Reconciliation of property, plant and equipment - 2014/2015

	Opening balance	**Additions**	**Depreciation**	**Total**
Office furniture and fittings	128	3	(36)	95
Office equipment	356	7	(111)	252
Computer equipment	223	70	(112)	181
Leasehold improvements	214	36	(127)	123
	921	**116**	**(386)**	**651**

Reconciliation of property, plant and equipment - 2013/2014

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Office furniture and fittings	158	10	(1)	(39)	128
Office equipment	260	182	-	(86)	356
Computer equipment	180	167	(4)	(120)	223
Leasehold improvements	297	7	-	(90)	214
	895	**366**	**(5)**	**(335)**	**921**

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000

3. Property, plant and equipment (continued)

Fully depreciated assets still in use

	2014/2015	2013/2014
Gross Carrying Value		
Office furninture and fittings	181	77
Office equipment	58	76
Computer equipment	74	133
	313	**286**

During the current year, Fasset has donated fully depreciated assets to a school (carrying values were equal to zero).

4. Intangible assets

	2014/2015			2013/2014		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	178	(145)	33	140	(124)	16

Reconciliation of intangible assets - 2014/2015

	Opening balance	Additions	Amortisation	Total
Computer software	16	38	(21)	33

Reconciliation of intangible assets - 2013/2014

	Opening balance	Additions	Amortisation	Total
Computer software	42	11	(37)	16

Fully depreciated assets still in use

	2014/2015	2013/2014
Gross Carrying Value		
Computer software	143	103

5. Receivables from exchange transactions

	2014/2015	2013/2014
Prepayments	434	325
Deposits	89	86
Interest receivable	229	177
Other receivables	64	87
	816	**675**

6. Receivables from non-exchange transactions

	2014/2015	2013/2014
Levy debtor receivable	1 085	-
Employer receivables	1 756	1 643
Inter-seta receivables	23	15
Impairments	-	(33)
	2 864	**1 625**

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000

6. Receivables from non-exchange transactions (continued)

Employer receivables

Overpayment to employers	1 756	1 643
Impairments	-	(33)
Effect of adjustments on affected employers	**1 756**	**1 610**

R1 756 000 (2013/2014: R1 643 000) was recognised as a receivable relating to the overpayment to the employers in earlier periods, as a result of inaccurate information received, and is based on the amount of such grant over payments. An amount of RNil (2013/2014: R33 000) was provided for as doubtful debts.

Fasset refunds amounts to employers in the form of grants, based on information from DHET. Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are in excess of the amount Fasset is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair value.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1	-
Bank balances	216 477	184 244
	216 478	**184 244**

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. Surplus funds were invested in line with an investment policy as required by Treasury Regulations 31.3.5. During 2014/2015 all funds were invested in a call account with the Corporation for Public Deposits. The weighted average interest rate on short term bank deposits was 5.5% (2013/2014: 5.7%).

Cash and cash equivalents comprise cash held by Fasset and short-term bank deposits on call. The carrying amount of these assets approximates their fair values.

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000

8. Provisions

Reconciliation of provisions - 2014/2015

	Opening Balance	Additions	Change in estimate	Total
Exempt employers provision	8 482	328	344	9 154

Reconciliation of provisions - 2013/2014

	Opening Balance	Additions	Reversed during the year - transferred to discretionary funds	Change in estimate	Total
Exempt employers provision	9 806	1 398	(4 745)	2 023	8 482

Exempt employers provision

An amount of R9 154 000 (2013/2014: R8 482 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing (SDL) due to legislation changes which came into effect from 1 August 2005. As SARS collects the levies on behalf of DHET, the responsibility to refund the levies to the employers remains with SARS.

The change in estimate relates to prior scheme year levy reversals that occurred in the current year.

In terms of Skills Development Circular No. 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190 (4) of the Tax Administration Act. These amounts have been transferred to the discretionary funds in line with the aforementioned circular.

9. Payables from exchange transactions

	2014/2015	2013/2014
Trade payables	495	320
Project creditors	14 737	2 553
Accrued leave pay	531	575
Other accruals	499	10
	16 262	**3 458**

The carrying amount of trade and other payables approximate their fair value due to the relatively short-term maturity of these financial liabilities.

10. Trade and other payables from non-exchange transactions

	2014/2015	2013/2014
Skills development grants payable - mandatory	6 064	7 960
Skills development grants payable - discretionary	567	347
Inter-seta payables	2 249	2
Levy creditors	2 683	1 926
	11 563	**10 235**

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000

11. Revenue

Other income	64	40
Interest received - investment	16 934	12 681
Levies	412 434	419 317
	429 432	**432 038**

The amount included in revenue arising from exchanges of goods or services are as follows:		
Other income	64	40
Interest received - investment	16 934	12 681
	16 998	**12 721**

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue		
Levies	412 434	419 317

12. Levies

Levy transfer: Employer grants	94 942	136 287
Levy transfer: Discretionary grants	244 967	222 335
Levy transfer: Administration	56 099	54 744
Levy penalties and interest	16 426	5 951
	412 434	**419 317**

13. Other income

Skills development levy refund	64	33
Bad debt recovered	-	7
	64	**40**

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000

14. General expenses

Advertising	1 181	716
Auditors remuneration	2 015	1 507
Bank charges	64	42
Consulting and professional fees	11 978	12 326
Insurance	197	108
Lease rentals on operating lease	1 391	1 264
Postage and courier	13	22
Printing and stationery	330	320
Research expenditure	459	392
Staff welfare	-	50
Telephone	109	159
Training	198	137
Travel and subsistence	96	138
Water and electricity	390	131
Education and Training Quality Assurance (ETQA)	481	328
Other administration expenses	792	529
Committee costs	386	524
Remuneration to members of the Accounting Authority	1 324	1 184
Quality Council for Trades and Occupations (QCTO)	1 109	610
	22 513	**20 487**

15. Employee related costs

Basic salaries	12 264	10 860
Performance awards	907	718
Medical aid - company contributions	345	178
UIF	47	44
Workmens compensation	13	11
SDL	149	129
Leave pay provision charge	(45)	63
Group life benefits	368	313
	14 048	**12 316**

16. Employer grant and project expenses

Mandatory grants	64 472	84 965
Discretionary grants	46 261	51 566
Project expenditure	184 196	236 411
TVET infrastructure	-	39 272
NSF transfer	78 550	-
	373 479	**412 214**

17. Investment revenue

Interest revenue		
Bank	16 934	12 681

Interest income		
Accruals on bank deposits	229	83
Bank deposits	16 705	12 598
	16 934	**12 681**

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000

18. Net cash flows from operating activities

Surplus (deficit)	18 692	(13 664)
Adjustments for:		
Depreciation and amortisation	408	372
Loss on sale of assets and liabilities	-	(2)
Impairment of receivables	87	174
Movements in operating lease assets and accruals	(139)	(23)
Movements in provisions	672	(1 324)
Investment income accrued	(229)	(83)
Changes in working capital:		
Inventories	3	(1)
Receivables from exchange transactions	88	(177)
Consumer debtors	(87)	(174)
Receivables from non-exchange transactions	(1 239)	69
Payables from exchange transactions	12 803	(23 575)
Trade and other payables from non-exchange	1 329	(29 481)
	32 388	**(67 889)**

	2014/2015 R '000	2013/2014 R '000

19. Commitments

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	1 521	1 399
- in second to fifth year inclusive	-	1 521
	1 521	**2 920**

The operating lease relates to building premises used for office accommodation. Fasset entered into a lease agreement on 1 June 2011. Fasset will lease the current premises until 31 March 2016. A deposit of R75 000 was paid on inception of the lease. The deposit amount, which is refunded upon termination of the lease, will be reduced by any outstanding costs and will accrue interest based on prime less five percentage points per annum. The rent escalates annually on 1 April by 9%.

During the current year it was noted that in 2013/2014 the smoothed lease payments were disclosed as a commitment instead of the actual lease payments due. The amount disclosed in the prior year has been restated as follows:

Increase in minimum lease payments due - within one year	139
Increase in minimum lease payments due - in second to fifth year inclusive	261

Discretionary projects

2009/2010 projects		
Financial Markets Learnerships	-	335
2010/2011 projects		
Taxation Learnership	-	810
2011/2012 projects		
Thuthuka Repeat QE Part I	256	1 685
2012/2013 projects		
MBAT & NMMU - Ithemba	-	170
Thusanani 7	-	492
Thuthuka Academic Programme	-	825
Thuthuka QE II (PPE)	-	(4)
	-	**1 483**
2013/2014 projects		
Bonani 9	-	15 056
TVET Learner Enrichment Project	-	277
TVET Professional Qualification and Capacity Building Programme	824	3 800
TVET Research	288	1 108
TVET Work Experience Placement	2 675	10 553
Ithemba Bridging Programme II	-	5 751
LHE Letamo Bridging Programme	-	2 572
LHE Noka Access Programme	-	2 117
MBAT Khula Bridging Programme	-	5 437
NMMU	-	475
Thuthuka CTA Distance Learning	-	4 213
Thuthuka ITC	945	4 881
Thuthuka Undergraduate Support Programme	-	5 648
UCT Bukela Ufunde	-	2 685
Lifelong Learning	-	9

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000
19. Commitments (continued)		
Stakeholders Engagement	-	434
PIVOTAL Grants	-	4 845
	4 732	**69 861**
2014/2015 projects		
Lifelong Learning	170	3 170
Career Awareness	222	-
Stakeholders Engagement	293	-
Learnership Cash Grant Entry	380	-
Learnership Cash Grant Exit	40	-
TVET Learner Workplace-based Experience Project	16 493	-
TVET Projects Research 2015	960	-
TVET Learner Workplace-based Experience Project (MBAT)	218	-
Bonani 10	39 749	-
Ithemba Bridging Programme III	5 637	-
The Tshepong Bridging Programme (FS)	2 500	-
ICB - Khanyisa Training Programme	1 317	-
EOH Abantu Bridging Programme	7 430	-
Hedge Fund Training Academy CC	1 163	-
MBAT Hluma Bridging Programme	8 630	-
University of the Free State	2 734	-
Thuthuka Undergraduate Support Programme	6 742	-
Pivotal Grants 2015	3 120	-
Thuthuka CTA Distance Learning	16 324	-
	114 122	**3 170**
2015/2016 projects		
Lifelong Learning	3 899	-
The Rhodes Certificate in Sustainable Business Analysis Programme	5 558	-
ICB - Khanyisa Training Programme Gauteng	2 165	-
SciMathUs	144	-
ACCA - Impumelelo Eyethu	4 408	-
Career Awareness	285	-
Stakeholders Engagement	786	-
University of Cape Town Bukela Ufunde Extended	14 816	-
University of the Western Cape	10 735	-
Cape Peninsula University of Technology	12 185	-
Thuthuka Undergraduate Support Programme (Non)	2 296	-
	57 277	**-**
Total commitments	**176 387**	**77 344**

The full balance of R182 504 000 (2013/2014: R164 002 000) available in the discretionary reserve has been approved and allocated for future projects and skills priorities. Of the allocated balance R176 387 000 has been contracted. A request for accumulation of the discretionary surplus has been submitted to National Treasury through DHET.

Year 15 split between pivotal and non-pivotal

The grant regulations require at least an 80/20 split for discretionary projects between pivotal and non-pivotal programmes. We have performed the calculation based on current year project allocations. During the current year Fasset has allocated 90% of its 2015 projects to pivotal programmes and 10% to non-pivotal programmes.

Notes to the Annual Financial Statements

20. Related parties

Relationships	
Controlling entity	Department of Higher Education and Training
Entities under common control	By virtue of the fact that Fasset is a National Public Entity controlled by the DHET it is considered related to other Setas, the QCTO and the NSF. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under common control of the DHET, these amounts are disclosed below.
Entities with a representative serving on Fasset's Accounting Authority	Industrial Development Corporation (H. Fischer) PricewaterhouseCoopers (S. Machaba) SARS (C. Karsten & K. Hlongwane) KPMG (M. Mapaya) SAIPA (S. Daniels) CIMA (S. Louis) National Treasury (S. Mngomezulu)
Members of the Accounting Authority	P. Badal S. Daniels A. Dempsey H. Fischer S. Gounden K. Hlongwane C. Karsten M. Kotane S. Louis S. Machaba M. Mapaya B. Mathibela S. Mngomezulu M. Mushwana S. Sono (Chairman)
Members of key management	C. James (CEO) L. Lebuso (COO)

Notes to the Annual Financial Statements

20. Related parties (continued)

	2014/2015 R '000	2013/2014 R '000
Related party balances		
Inter-Seta receivables		
Inseta	23	-
Services seta	-	15
Inter-Seta payables		
Inseta	-	(2)
Uncategorised	(2 249)	-
Related party transactions		
Transactions with Setas and other entities under common control		
Agriseta	(1)	-
Bankseta	-	(7)
Cathseta	(3)	(264)
CHIETA	(18)	-
ETDP seta	(50)	-
FP&M seta	-	6
Inseta	(84)	(138)
MICT seta	(98)	(116)
Merseta	-	(19)
Sasseta	(1 387)	(9)
Services seta	(222)	(66)
Uncategorised	-	318
Foodbev	-	(22)
W&R Seta	2	-
QCTO	(1 109)	(610)
Remuneration - Members of key management		
Aggregate remuneration (2 persons)	3 744	3 420

The senior management group consists of Fasset's CEO and COO. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are disclosed above.

During the current year it was noted that only the guaranteed remuneration of members of the senior management group was disclosed. In the current year the amount was updated to disclose the total guaranteed- and non-guaranteed remuneration. The prior period amount was restated and increased by R240 000.

	2014/2015 R '000	2013/2014 R '000
Discretionary grants and projects and service provider fees - Entities with a representative serving on Fasset's Accounting Authority		
Deloitte (Representative resigned during prior year)	-	26 256
Ernst & Young (Representative resigned during prior year)	-	10 856
KPMG	8 261	11 637
Industrial Development Corporation	3 911	6 012
PricewaterhouseCoopers	10 574	15 803
SARS	7 868	19 587
CIMA	36	4
SAIPA	4	4

Fasset has, in the normal course of its operations, entered into certain transactions with entities which had an appointed representative serving on the Fasset Accounting Authority.

	2014/2015 R '000	2013/2014 R '000

20. Related parties (continued)

The transactions above occurred under terms that were no more favourable than those available in similar arm's length dealings. The transactions disclosed excludes the transactions that relate to statutory requirements. Discretionary grants and -projects comprise of the Pivotal Grant, Assessor Moderator Grant and project funding disbursed in accordance with the priorities as defined in the Sector Skills Plan. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debt in respect of the amounts owed by related parties.

Remuneration - Members of the Accounting Authority

	2014/2015	2013/2014
P. Badal	99	90
S. Daniels	101	85
A. Dempsey	93	90
H. Fischer *	94	90
S. Gounden	91	49
K. Hlongwane	102	96
C. Karsten	99	96
M. Kotane	97	61
S. Louis	93	91
S. Machaba	105	42
B. Mathibela	99	95
S. Mngomezulu *	18	88
M. Mushwana	104	90
S. Sono (chairman)	129	117

The Accounting Authority consists of members appointed in terms of the Constitution. Remuneration is paid to members or to their nominating organisations. Fasset has remunerated members of the Accounting Authority for attending board and sub-committee meetings as disclosed above. In the current year Fasset also paid a board allowance to members of the Accounting Authority for the preparation of board and subcommittee meetings as prescribed by the Department of Higher Education and Training. This has resulted in an increase in total remuneration to members of the Accounting Authority. The transactions above occurred under terms that were no more favourable than those available in similar arm's length dealings.

* Remuneration for attending board and sub-committee meetings relating to these members is paid to their nominating constituency.

Fasset is controlled by the DHET. The Department is controlled by the Minister of Higher Education and Training. There were transactions relating to revenue with the DHET - refer to note 12.

21. Risk management

Liquidity risk

Fasset manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are maintained.

2014/2015	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years
Payables from exchange transactions	(16 262)	(16 262)	(16 221)	-	-

2013/2014	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years
Payables from exchange transactions	(3 458)	(3 458)	(3 458)	-	-

Notes to the Annual Financial Statements

21. Risk management (continued)

Credit risk

Financial assets which potentially subject Fasset to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

Fasset limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. Fasset's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. Fasset does not have any material exposure to any individual or counter-party. Fasset's concentration of credit risk is limited to the industry (Financial and Accounting Services) in which Fasset operates. No events occurred in the industry (Financial and Accounting Services) during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt. Fasset is exposed to a concentration of credit risk, as significant amounts are owed by SARS and DHET. This concentration of risk is limited as SARS and DHET are government entities with sound reputation.

The ageing of receivables from exchange transactions:	Gross	Impairment	2014/2015: Total
Not past due	1 415	-	1 415

The ageing of cash and cash equivalents	Gross	Impairment	2014/2015: Total
Not past due	216 478	-	216 478

The ageing of receivables from exchange transactions:	Gross	Impairment	2013/2014: Total
Not past due	675	-	675

The ageing of cash and cash equivalents:	Gross	Impairment	2013/2014: Total
Not past due	184 244	-	184 244

Market risk

Fasset is exposed to fluctuations in the employment market, for example, sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year in the market that Fasset is aware of. There are adequate procedures in place to address changes in the market when necessary.

Notes to the Annual Financial Statements

21. Risk management (continued)

Interest rate risk

Fasset manages its interest rate risk by effectively investing Fasset surplus cash in term deposits with the Corporation for Public Deposits according to Fasset's investment policy.

The exposure to cash flow interest rate risk and the effective interest rates on financial instruments at reporting date are as follows:

Year ended 31 March 2015	Floating rate (R'000)	Non-interest bearing (R'000)	Total (R'000)
Cash	216 477	1	216 478
Receivables from exchange transactions	-	1 415	1 415
Payables from exchange transactions	-	(16 221)	(16 221)
	216 477	**(14 805)**	**201 672**

Year ended 31 March 2014	Floating rate (R'000)	Non-interest bearing (R'000)	Total (R'000)
Cash	184 244	-	184 244
Receivables from exchange transactions	-	675	675
Payables from exchange transactions	-	(3 458)	(3 458)
	184 244	**(2 783)**	**181 461**

22. Events after the reporting date

None.

23. Budget differences

Notes to Statement of Comparison of Budget and Actual amounts

Legislation requires that Fasset annually, in September submit a budget to the Minister for approval. Any subsequent changes required to the initial budget are approved by the Accounting Authority on recommendation of the Finance Committee.

Investment revenue

The investment income was 21% higher than budget due to higher average cash balances being held during the year and Fasset earning more interest than budgeted for.

Transfer revenue - levies

Levy receipts were less than budget by 3.7% due to a significant levy paying company opting to contribute only 30% of 1% of their personnel and training budget as per DPSA directive HRD 1 of 2013 instead of the previous 1% SDL based on employees' salaries.

Employer grant and project expenses

Employer grants and project expenditure is 6.8% lower than budget. This is due to the fact that the budget is based on allocated funds while the actual expenditure happens across different financial years depending on the various project deliverables and when levies relating to discretionary grants are received. Fasset has transferred R78.5 million to the NSF.

Administration expenses (including employee related costs, general expenses, repairs and maintenance)

Administration expenditure is limited to 10.5% of levies received. The legislative limit has not been exceeded and savings will be utilised to fund sector skills priorities through various projects. National Treasury has requested all public entities to contain costs and is driving a cost reduction programme. Fasset was able to implement cost savings in the majority of the individual expense line items. Administration expenditure is 11.8% lower than budget.

24. Accumulated surplus

Allocation of Surplus / (Deficit) to Reserves

Current year - 2014/2015	Administration reserve R'000	Mandatory grants R'000	Discretionary grants R'000	Projects R'000	Total per Statement of Financial Performance R'000
Levies	56 099	94 942	244 967	16 426	412 434
Interest received - investment	-	-	-	16 934	16 934
Other income	64	-	-	-	64
Total Revenue	56 163	94 942	244 967	33 360	429 432
Administration expenses	(37 260)	-	-	-	(37 260)
Employer grants and project expenses	-	(64 472)	(46 261)	(262 746)	(373 479)
Surplus per Statement of Financial Performance allocated	**18 903**	**30 470**	**198 706**	**(229 386)**	**18 693**

Prior year - 2013/2014	Administration reserve R'000	Mandatory grants R'000	Discretionary grants R'000	Projects R'000	Total per Statement of Financial Performance R'000
Levies	54 744	136 287	222 335	5 951	419 317
Interest received - investment	-	-	-	12 681	12 681
Other income	40	-	-	-	40
Total Revenue	54 784	136 287	222 335	18 632	432 038
Administration expenses	(33 487)	-	-	-	(33 487)
Employer grants and project expenses	-	(84 965)	(51 566)	(275 684)	(412 215)
Deficit per Statement of Financial Performance allocated	**21 297**	**51 322**	**170 769**	**(257 052)**	**(13 664)**

Notes to the Annual Financial Statements

	2014/2015 R '000	2013/2014 R '000

25. Financial instruments disclosure

Categories of financial instruments

2015

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	1 415	1 415
Receivables from non-exchange transactions	2 864	2 864
Cash and cash equivalents	216 478	216 478
	220 757	**220 757**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	16 221	15 703
Trade and other payables from non-exchange transactions	11 563	11 563
	27 784	**27 266**

2014

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	675	675
Receivables from non-exchange transactions	1 625	1 625
Cash and cash equivalents	184 244	184 244
	186 544	**186 544**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	2 883	2 883
Trade and other payables from non-exchange transactions	10 235	10 235
	13 118	**13 118**

26. Going Concern

The Seta is currently established until 31 March 2016. There are no known instances that cast doubt on Fasset's ability to continue as a going concern except the uncertainty of the Seta's existence post 31 March 2016. The SETA is currently awaiting notice from the Minister for a renewal of its certificate of establishment post 31 March 2016.

27. Contingencies

First time employer registrations

The Skills Development legislation allows an employer, registering for the first time, 6 months to submit an application for a Mandatory Grant.

At the reporting date it is estimated that, as a result, additional Mandatory Grant expenditure of R448 000 (2013/14 RNil) will be payable. The amount is contingent on the number of submissions received and approved.

New scheme year levies received

At the reporting date levies were received in respect of the new scheme year, for which, the Skills Development legislation allows an employer until 30 April 2015 to submit an application for a Mandatory Grant.

At the reporting date it is estimated, as a result, that additional mandatory grant expenditure of RNil (2013/14 R4 000) will be payable. The amount is contingent on the number of submissions received and approved.

Surplus Funds

In terms of the PFMA, all surplus funds at year-end may be forfeited to National Treasury should an application for retention of surplus be denied. Fasset has submitted an application to National Treasury via the Department of Higher Education and Training for the retention of surplus funds amounting to R183.636 million.

28. Fruitless and wasteful expenditure

To the best of our knowledge no fruitless and wasteful expenditure have been incurred during the current year.

29. Irregular expenditure

To the best of our knowledge no irregular expenditure have been incurred in the current year