

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

REG. NO : NPO 028-310

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2013

CONTENTS	PAGE
Board of Directors' approval of Financial Statements	1
Responsibility for the Financial Statements	2
Report of the Independent Auditors	3
Financial Statements	
Balance Sheet	4
Income Statement	5
Notes to the Financial Statements	6 – 9

APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements set out on pages 4 to 9 have been approved by the Board of Directors:



CHAIRPERSON



TREASURER

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

The Board of Directors is responsible for the monitoring, preparation and integrity of the Annual Financial Statements and related information included in these Financial Statements.

In order for the Board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The Board of Directors has ultimate responsibility for the system of internal control.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Organisation's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

The external auditors are responsible for reporting on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The Annual Financial Statements also incorporate disclosure in line with the accounting philosophy of the Organisation. The Financial Statements are based on appropriate accounting policies consistently applied.

The Board of Directors believes that the Organisation will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the Annual Financial Statements.

LOW AND SCHREIBER
CHARTERED ACCOUNTANTS (S A)

Telephone: (021) 685-4047
Telefax: (021) 685-4272
E-mail: info@lowandschreiber.co.za
VAT Reg No: 4440162735

1 Klein Rustenburg
8 Main Road
Rondebosch
Cape Town
7700 Rep of SA

POSTAL ADDRESS:
P O BOX 187
RONDEBOSCH
CAPE TOWN
7701 REP OF SA

William Wallace Low, B.Com
Anthony Michael Schreiber, B.Com
Barrie William Low, B.Com M.Phil (Tax Law)

INDEPENDENT AUDITORS' REPORT

To the Members of South African Education and Environment Project

Report on the Financial Statements

We have audited the Annual Financial Statements of South African Education and Environment Project, which comprise the balance sheet as at 31 December 2013, and the income statement and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 9.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the Organisation's stated policies and procedures. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

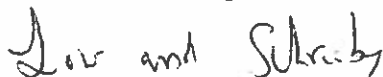
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2013, and its financial performance and its cash flows for the period then ended in accordance with the Organisation's accounting policies and procedures.



LOW AND SCHREIBER
REGISTERED AUDITORS, CAPE TOWN
25 APRIL 2014

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

BALANCE SHEET

At 31 December 2013

	Note	2013 R	2012 R
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	2	81,340	121,200
CURRENT ASSETS			
Receivables	3	2,408	1,443,998
Deposits		54,703	54,478
Cash and Cash Equivalents	4	2,368,767	129,374
TOTAL ASSETS		<u>2,507,218</u>	<u>1,749,050</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Stars Award 2012	6	188,983	-
National Lottery Distribution Trust Fund Reserves	7	491,850	712,321
Other Specific Programme Reserves	5	1,525,420	811,190
Accumulated Funds		291,410	163,406
CURRENT LIABILITIES			
Accounts Payable		9,555	62,133
TOTAL EQUITY AND LIABILITIES		<u>2,507,218</u>	<u>1,749,050</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

INCOME STATEMENT

For the year ended 31 December 2013

	Note	2013 R	2012 R
INCOME		6,735,602	5,309,757
Donations Received	8	4,496,180	2,381,159
Interest Received		74,145	18,072
Fundraising Events and Other		180,888	308,969
Government Grants	9	359,978	315,193
Management Fees and Related Charges		543,503	-
National Lottery Distribution Trust Fund		431,108	1,530,908
Programme Services		649,800	755,456
EXPENDITURE		5,923,781	4,948,137
Bank Charges		18,211	25,431
Books and Office Supplies		29,982	45,490
Capital Expenditure		7,964	15,280
Depreciation		39,860	39,860
Fundraising		425,052	177,074
Occupancy		405,943	207,433
Partnership with Ubunye		15,325	-
Professional Fees		15,043	79,206
Programme Services	10	3,924,197	3,651,146
Repairs and Maintenance		66,126	88,591
Salaries		846,209	537,980
Sundry Expenses		6,442	5,899
Telecommunications and Postage		14,561	11,616
Transport (Local)		79,864	56,084
Travel to Conferences		19,633	-
UIF – Company Contributions		9,368	7,047
NET SURPLUS BEFORE SPECIAL ITEMS		811,821	361,620
TRANSFER TO RESERVES		(683,817)	(283,596)
NET SURPLUS FOR THE YEAR		128,004	78,024
ACCUMULATED FUNDS at beginning of the year		163,406	85,382
ACCUMULATED FUNDS at end of the year		291,410	163,406

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

1. ACCOUNTING POLICIES

The Financial Statements are prepared on the historical cost basis and incorporate the following principal accounting policies:-

1.1 Fixed Assets

All assets are depreciated at 20% per annum.

1.2 Revenue Recognition

Revenue comprises funds received from donations, grants and from other programme services including ADT Teach management fees, the supervision of foreign students and township tours for visiting groups. SAEP recognises revenue when it accrues to the Organisation.

2. FIXED ASSETS

	Cost R	Accum Depr R	2013 Net Book Value R	2012 Net Book Value R
Marimbas	22,800	18,240	4,560	9,120
Motor Vehicles	228,000	151,220	76,780	112,080
	<u>250,800</u>	<u>169,460</u>	<u>81,340</u>	<u>121,200</u>

3. RECEIVABLES

	2013 R	2012 R
National Lottery Distribution Trust Fund	-	1,331,348
WC Department of Social Development	-	112,650
Project advances	2,408	-
	<u>2,408</u>	<u>1,443,998</u>

4. CASH AND CASH EQUIVALENTS

Bank – Current	237,174	103,939
Money Market and Savings	2,126,024	21,810
Petty Cash	5,569	3,625
	<u>2,368,767</u>	<u>129,374</u>

The banking facilities are unsecured.

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2013

5. OTHER SPECIFIC PROGRAMME RESERVES	2013	2012
	R	R
Arts Programme Reserves	19,803	57,750
Bridging Year Programme Reserves	343,739	-
Friends of Mandela Rhodes (USA) Bridging Year Grant	-	247,602
Careers Programme Reserve	341,419	-
Early Childhood Development Programme Reserves	164,104	7,843
EPaP Reserve	51,416	42,090
Impumelelo Award – ECD Programme	20,000	20,000
Thandolwethu – Building Reserve	345,915	355,000
WC Department of Social Development Grant	-	56,325
Environment Programme Reserve	2,370	-
Hope Scholars Programme Reserve	38,596	-
Tertiary Support Funds	177,113	14,396
Emergency Relief	19,445	9,109
“Rainy Day” Reserve	1,500	-
Sundry	-	1,075
	<u>1,525,420</u>	<u>811,190</u>

These funds were received for specified purposes and/or projects and had not been fully applied to those purposes and/or projects during the year under review.

6. STARS AWARD 2012	2013	2012
	R	R
Award Received	736,047	-
Award Spent	(547,064)	-
	<u>188,983</u>	<u>-</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2013

7. NATIONAL LOTTERY DISTRIBUTION TRUST FUND RESERVES

	Received/ Accrued R	Spent R	Balance Remaining R
Grant Number 28045 (Bridging Year)	810,000	746,937	63,063
Grant Number 28045 (Hope Scholars)	620,000	587,886	32,114
Grant Number 35057 (Centre)	443,000	429,393	13,607
Grant Number 35336 (Arts)	313,560	313,560	-
Grant Number 43391 (Hope Scholars)	336,172	336,172	-
Grant Number 47134	50,000	-	50,000
Grant Number 56186	381,108	280,308	100,800
Grant Number 59017 (SAEP)	395,848	262,257	133,591
Grant Number 59017 (Ubunye)	114,000	15,325	98,675
	<u>3,463,688</u>	<u>2,971,838</u>	<u>491,850</u>

Analysis of Grant Income

Received	3,463,688
Accrued	-
	<u>3,463,688</u>

Analysis of Expenditure

Salary Related Expenditure	1,256,059
Non-Salary Related Expenditure	1,715,779
	<u>2,971,838</u>

8. DONATIONS	2013 R	2012 R
Individuals	786,849	427,788
Civic and Charitable Organisations	299,199	187,607
Community Chest	13,500	4,500
Corporations	322,052	217,130
International Institutions	1,666,080	669,134
Trusts and Foundations	1,408,500	875,000
	<u>4,496,180</u>	<u>2,381,159</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2013

	2013	2012
	R	R
9. GOVERNMENT GRANTS		
Fundisa Grants	1,003	1,530
WC Department of Cultural Affairs and Sport (WCDAS)	-	45,000
WC Department of Social Development	168,975	268,663
National Arts Council	190,000	-
	<u>359,978</u>	<u>315,193</u>
10. PROGRAMME SERVICES		
Bridging Year Programme	638,797	590,782
Impact Centre	361,465	328,021
Early Childhood Development Programme	675,452	404,749
ADTteach Programme	187,424	271,038
Arts Programme	551,452	287,654
Environment Programme	19,770	78,738
Hope Scholars Programme	538,947	788,619
Tertiary Support Programme	922,542	901,545
Career Connections Programme	15,683	-
Social Work Interventions	12,665	-
	<u>3,924,197</u>	<u>3,651,146</u>
11. TAXATION		

No provision has been made for taxation as the entity had no taxable income for the year under review. It is a non-profit organisation and is registered as such with the South African Revenue Services.