

**SOUTH AFRICAN EDUCATION AND ENVIRONMENT
PROJECT**

REG NO : NPO 028-310

PBO NO : 930010069

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2015

LOW AND SCHREIBER
CHARTERED ACCOUNTANTS (SA)

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

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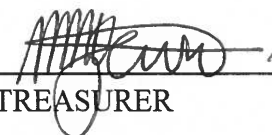
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APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements set out on pages 4 to 14 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 2015

The Board of Directors is required to maintain adequate accounting records and 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. While operating risk cannot be fully eliminated, the Board of Directors endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and restraints.

The external auditors are responsible for reporting and expressing an independent opinion 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 and supported by reasonable and prudent judgments and estimates.

The Board of Directors has reviewed cash flow forecasts and the current financial position and is satisfied that the Organisation has adequate resources to continue as a going concern for the foreseeable future and accordingly the Financial Statements have been prepared on a going concern basis.

LOW AND SCHREIBER
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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 statement of financial position as at 31 December 2015, and the statement of profit or loss and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 14.

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

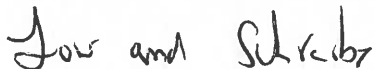
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 2015, 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
15 APRIL 2016

LOW AND SCHREIBER

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting this their report together with the audited Financial Statements for the year ended 31 December 2015.

NATURE OF BUSINESS

To prepare children and youth at key stages of their development through education, life skills and psycho-social support.

MATERIAL FACTS OR CIRCUMSTANCES

No material facts or circumstances have occurred between the accounting date and the date of this report.

DIRECTORS

Gemma Oberth – Chairperson
Shiela Yabo – Vice-Chairperson
Mandla Ngewu (since July 2015) – Treasurer
Helena Duk (until May 2015)
Khanyo Seyisi (until May 2015)
Leanne Allison
Gina Leinberger
Avuyile Koli (until February 2016)
Charne Lavery (until January 2016)
Isabel Essen
Kubeshini Govender (until February 2016)
Zandile Mahlasela
Danielle Becker (since February 2015)
Nosisa Mhlathi (since January 2015)
Siham Boda (since April 2015, until January 2016)

AUDITORS

Low and Schreiber

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Note	2015 R	2014 R
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment	2	133,944	25,000
CURRENT ASSETS			
Receivables	3	313,834	262,372
Deposits		54,462	54,303
Cash and Cash Equivalents	4	3,518,977	3,021,907
TOTAL ASSETS		<u>4,021,217</u>	<u>3,363,582</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Stars Award	6	137,340	291,526
National Lottery Distribution Trust Fund Reserves	7	172,390	271,231
Other Specific Programme Reserves	5	3,010,898	2,144,886
Accumulated Funds		588,205	641,122
CURRENT LIABILITIES			
Accounts Payable		112,384	14,817
TOTAL EQUITY AND LIABILITIES		<u>4,021,217</u>	<u>3,363,582</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	Note	2015 R	2014 R
INCOME		9,473,292	8,444,057
Donations in Kind		-	264,000
Donations Received	8	6,428,572	5,452,210
Interest Received		212,959	194,097
Fundraising Events and Other		751,274	195,620
Government Grants	9	489,868	435,832
National Lottery Distribution Trust Fund		397,284	826,482
Programme Services		1,193,335	1,075,816
EXPENDITURE		8,913,224	7,592,954
Fundraising	10	749,906	477,185
Programme Costs		8,354,879	6,832,653
Early Childhood Development Programme	11	1,388,232	1,054,121
ADTteach Programme	12	593,006	745,041
Arts Programme	13	654,726	596,638
Hope Scholars Programme	14	1,364,872	715,137
Career Connections and Environment Programme		-	466,319
Bridging Year Programme	15	1,336,405	945,091
Tertiary Support Programme	16	1,484,680	984,254
Impact Centre	17	681,650	682,146
Partnership with Injongo	18	409,821	541,660
Partnership with Ubunye		-	98,675
Social Work Interventions		3,135	2,977
Siyakhathala Primary Schools' Project	19	358,303	-
Partnership with Sophumelela Secondary School		24,124	-
Partnership with Ilitha Leseding Foundation		55,925	-
Monitoring and Evaluation		389,760	-
Support Costs	20	1,718,700	1,338,001
Less: Management Fees and Charges		(2,300,021)	(1,054,884)
NET SURPLUS BEFORE SPECIAL ITEMS		560,068	851,103
TRANSFER TO RESERVES		(612,985)	(501,391)
NET SURPLUS FOR THE YEAR		(52,917)	349,712
ACCUMULATED FUNDS at beginning of the year		641,122	291,410
ACCUMULATED FUNDS at end of the year		588,205	641,122

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

1. ACCOUNTING POLICIES

The Annual Financial Statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement.

These Annual Financial Statements are presented in South African rand which is the functional currency of SAEP.

These Annual Financial Statements were prepared based on the expectation that the entity will continue as a going concern for at least the next twelve (12) months.

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below. These accounting policies are consistent with those applied in the preparation of prior year Annual Financial Statements.

1.1 Property and Equipment

Capital purchases, such as office equipment and furniture, are expensed in the year of purchase. The Organisation only carries purchases as Property and Equipment and depreciates them if the asset is a motor vehicle or if it is stipulated by a donor in a grant agreement. The Organisation depreciates its Property and Equipment according to the straight-line method over a period of 5 years (20% per annum).

1.2 Revenue Recognition

Revenue comprises funds received from donations, grants and from other programme services. The revenue is recognised when it accrues to the Organisation. Funds that are due under signed contract, but have not yet been received, can be booked as accounts receivable if the contract with the funder permits. Restricted funds are recognised as revenue, but kept in a ring-fenced reserve.

2. PROPERTY AND EQUIPMENT

	Cost R	Accum Depr R	2015 Net Book Value R	2014 Net Book Value R
Motor Vehicles	395,430	261,486	133,944	25,000
	<u>395,430</u>	<u>261,486</u>	<u>133,944</u>	<u>25,000</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2015

3. RECEIVABLES	2015 R	2014 R
Department of Arts and Culture	-	170,000
National Arts Council	200,000	
WC Department of Social Development	37,550	59,704
Sundry	76,284	32,668
	313,834	262,372
4. CASH AND CASH EQUIVALENTS		
Bank Balance (Current)	464,219	233,785
Bank Balance (Investment/Savings)	3,051,722	2,778,334
Cash on Hand	3,036	9,788
	3,518,977	3,021,907
The banking facilities are unsecured.		
5. OTHER SPECIFIC PROGRAMME RESERVES		
Administrative Reserve	108,260	36,688
Arts Programme Reserves	40,000	720
Bridging Year Programme Reserves	825,798	187,369
Early Childhood Development Programme Reserves	705,984	1,137,724
EPaP Reserve	31,767	21,716
Impact Centre Reserve	271,000	62,574
Impumelelo Award – ECD Programme	14,200	20,000
Thandolwethu – Building Reserve	325,487	325,487
Environment Programme Reserve	-	2,370
Hope Scholars Programme Reserve	158,245	74,217
Tertiary Support Funds	355,023	258,052
Emergency Relief	13,334	16,469
“Rainy Day” Reserve	1,500	1,500
Siyakhathala Primary Schools’ Project Reserve	160,300	-
	3,010,898	2,144,886

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.

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2015

6. STARS AWARD

	Received R	Spent R	Balance R
Stars Award 2012	736,047	703,939	32,108
Stars Award 2013	734,979	629,747	105,232
	<u>1,471,026</u>	<u>1,333,686</u>	<u>137,340</u>

7. NATIONAL LOTTERY DISTRIBUTION TRUST FUND RESERVES

	Received/ Accrued R	Spent R	Balance Remaining R
Grant Number 28045 (Bridging Year)	1,060,000	1,060,000	-
Grant Number 28045 (Hope Scholars)	792,410	792,410	-
Grant Number 35057 (Impact Centre)	593,000	593,000	-
Grant Number 47134	50,000	24,124	25,876
Grant Number 56186 (Arts Programme)	635,180	628,975	6,205
Grant Number 59017 (SAEP)	395,848	395,848	-
Grant Number 59017 (Ubunye)	114,000	114,000	-
Grant Number 72215 (SAEP)	297,284	201,050	96,234
Grant Number 72215 (Ilitha Leseding)	100,000	55,925	44,075
	<u>4,037,722</u>	<u>3,865,332</u>	<u>172,390</u>

Analysis of Grant Income

Received	4,037,722
	<u>4,037,722</u>

Analysis of Expenditure

Salary Related Expenditure	1,481,269
Non-Salary Related Expenditure	2,384,063
	<u>3,865,332</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2015

	2015	2014
	R	R
8. DONATIONS		
Individuals	916,982	615,361
Community Chest	9,000	31,500
Corporations	719,896	1,067,475
International Institutions	2,102,450	810,549
Trusts and Foundations	2,680,243	2,927,325
	<u>6,428,572</u>	<u>5,452,210</u>
9. GOVERNMENT GRANTS		
Department of Arts and Culture	-	170,000
Fundisa Grants	1,188	968
WC Department of Cultural Affairs and Sport (WCDAS)	60,000	19,427
WC Department of Social Development	228,681	235,437
National Arts Council	200,000	10,000
	<u>489,868</u>	<u>435,832</u>
10. FUNDRAISING		
Employment Costs	656,169	299,455
Volunteer Allowance	-	119,209
Telecommunication	4,067	5,865
Training	3,612	-
Transport Costs	722	1,197
Supplies	1,600	9,021
Professional Fees	28,699	32,988
Events	55,036	9,450
	<u>749,906</u>	<u>477,185</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2015

	2015	2014
	R	R
11. EARLY CHILDHOOD DEVELOPMENT PROGRAMME		
Employment Costs and Volunteer Allowance	803,176	463,121
Occupancy (Electricity, Insurance, Rent)	68,029	37,310
Office Equipment and Furniture	23,504	-
Monitoring and Evaluation	58,464	-
Telecommunication	3,882	3,010
Transport Costs	19,566	33,233
Training	4,690	-
Programme Services	134,186	431,299
Support Costs	272,735	86,148
	1,388,232	1,054,121
12. ADTTEACH PROGRAMME		
Employment Costs	153,582	175,451
Occupancy (Electricity, Insurance, Rent)	36,658	29,560
Office Equipment and Furniture	1,867	-
Monitoring and Evaluation	38,976	-
Telecommunication	3,882	3,667
Transport Costs	2,129	3,164
Programme Services	55,903	42,351
Support Costs	300,009	490,848
	593,006	745,041
13. ARTS PROGRAMME		
Employment Costs and Volunteer Allowance	319,126	275,871
Monitoring and Evaluation	38,976	-
Occupancy (Electricity, Insurance, Rent)	42,578	36,078
Office Equipment and Furniture	3,195	-
Telecommunication	7,814	5,318
Training	4,240	-
Transport Costs	17,098	16,706
Programme Services	94,422	194,704
Support Costs	127,276	67,961

	<u>654,726</u>	<u>596,638</u>
SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2015

	2015	2014
	R	R
14. HOPE SCHOLARS PROGRAMME		
Employment Costs and Volunteer Allowance	705,328	394,828
Monitoring and Evaluation	58,464	-
Occupancy (Electricity, Insurance, Rent)	52,484	56,471
Office Equipment and Furniture	17,160	-
Telecommunication	8,411	11,338
Transport Costs	31,208	24,230
Programme Services	219,082	159,356
Support Costs	272,735	68,914
	<u>1,364,872</u>	<u>715,137</u>
15. BRIDGING YEAR PROGRAMME		
Employment Costs and Volunteer Allowance	608,771	470,300
Monitoring and Evaluation	97,440	-
Occupancy (Electricity, Insurance, Rent)	183,374	151,182
Telecommunication	9,070	5,268
Training	3,500	-
Transport Costs	4,156	15,165
Programme Services	145,611	194,858
Office Equipment and Furniture	11,749	31,742
Support Costs	272,735	76,576
	<u>1,336,405</u>	<u>945,091</u>
16. TERTIARY SUPPORT PROGRAMME		
Employment Costs	447,812	323,805
Monitoring and Evaluation	97,440	-
Occupancy (Electricity, Insurance, Rent)	41,027	17,466
Telecommunication	5,823	4,315
Training	3,420	-
Transport Costs	2,110	824
Programme Services	614,313	599,556
Support Costs	272,735	38,288
	<u>1,484,680</u>	<u>984,254</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2015

	2015	2014
	R	R
17. IMPACT CENTRE		
Employment Costs and Volunteer Allowance	464,896	493,992
Occupancy (Electricity, Insurance, Rent)	38,452	42,143
Telecommunication	4,687	5,196
Training	280	-
Transport Costs	4,708	2,592
Programme Services	23,379	70,262
Office Equipment and Furniture	8,881	-
Support Costs	136,368	67,961
	<u>681,650</u>	<u>682,146</u>
18. PARTNERSHIP WITH INJONGO		
Employment Costs	372,285	335,785
Occupancy (Electricity, Insurance, Rent)	14,825	15,668
Programme Services	-	168,000
Support Costs	18,182	22,207
Telecommunications	4,529	-
	<u>409,821</u>	<u>541,660</u>
19. SIYAKHATHALA PRIMARY SCHOOLS' PROJECT		
Employment Costs and Volunteer Allowance	219,120	-
Telecommunication	2,130	-
Transport Costs	14,146	-
Training	350	-
Programme Services	36,077	-
Office Equipment and Furniture	4,659	-
Support Costs	81,821	-
	<u>358,303</u>	<u>596,638</u>

SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2015

	2015	2014
	R	R
20. SUPPORT COSTS		
Employment Costs and Volunteer Allowance	939,524	758,788
Occupancy	188,444	148,096
Telecommunication	31,567	16,935
Transport	161,454	80,077
Professional Fees	99,566	89,653
Office Supplies and Printing	156,603	134,248
Office Equipment and Furniture	30,775	34,875
Depreciation	58,486	56,340
Training	20,021	11,167
Events	6,147	7,209
Travel	26,112	613
	<u>1,718,700</u>	<u>1,338,001</u>

21. TAXATION

The non-profit organisation has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act (the Act) and the receipts and accruals are exempt from tax in terms of Section 10(1)(cN) of the Act.

The public benefit organisation has been approved for purposes of Section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donor in terms of and subject to the limitations prescribed in Section 18A of the Act.

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 a public Benefit Organisation with the South African Revenue Service.

22. COMPARATIVE FIGURES

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