

**SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT**

**REG. NO : NPO 028-310**

**PBO NO : 930010069**

**ANNUAL FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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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 2017

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**  
**CHARTERED ACCOUNTANTS (SA)**

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### 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 2017, 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

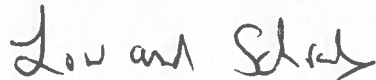
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 2017, 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  
5 APRIL 2018

**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 2017.

#### 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

Isabel Essen – Chairperson (since May 2017)  
Gemma Oberth – Chairperson (until May 2017)  
Mogie Dass - Vice-Chairperson (since May 2017)  
Shiela Yabo – Vice-Chairperson (until February 2017, resigned)  
Mandla Ngewu – Treasurer (until September 2017, resigned)  
Olebogeng Motswai – Treasurer ( since September 2017, joined April 2017)  
Helena Duk  
Leanne Allison  
Danielle Becker  
Gina Leinberger ( Secretary)

#### AUDITORS

Low and Schreiber

## SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

### STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Note	2017 R	2016 R
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	2	66,972	100,458
<b>CURRENT ASSETS</b>			
Receivables	3	464,887	128,156
Deposits and Prepayments		55,839	275,263
Cash and Cash Equivalents	4	2,592,702	3,286,452
<b>TOTAL ASSETS</b>		<b>3,180,400</b>	<b>3,790,329</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Stars Award	6	8,347	69,180
National Lottery Distribution Trust Fund Reserves	7	461,099	539,032
Other Specific Programme Reserves	5	1,462,783	2,002,588
Accumulated Funds		1,215,646	1,164,689
<b>CURRENT LIABILITIES</b>			
Accounts Payable		32,525	14,840
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,180,400</b>	<b>3,790,329</b>

## SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

### STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

	Note	2017 R	2016 R
<b>INCOME</b>		8,279,490	8,547,869
Donations Received	8	5,370,560	4,517,753
Interest Received		180,879	206,580
Fundraising Events and Other		334,890	1,657,595
Government Grants	9	568,030	226,707
National Lottery Distribution Trust Fund		422,113	691,516
Income Generation / Consulting Services		204,926	-
Programme Services		1,198,091	1,247,719
<b>EXPENDITURE</b>		8,907,105	8,681,213
Fundraising	10	826,335	923,490
Programme Costs		8,092,685	7,900,856
Early Childhood Development Programme	11	1,386,627	1,255,407
ADTteach Programme	12	649,815	646,650
Arts Programme	13	710,628	463,343
Hope Scholars Programme	14	1,331,816	1,333,813
Environmental Hikes		17,487	12,731
Bridging Year Programme	15	1,156,422	1,138,208
Tertiary Support Programme	16	1,254,329	1,564,401
Impact Centre	17	280,767	259,195
Partnership with Injongo	18	452,467	466,828
Social Work Interventions		-	4,590
Siyakhathala Primary Project	19	817,862	720,203
NLDTF Partnerships / Sub-grantee agreements		34,465	25,876
Monitoring and Evaluation		561,958	506,212
Income Generation/Consulting Services		94,999	-
Support Costs	20	1,800,037	1,754,896
Less: Management Fees and Charges		(2,468,910)	(2,404,241)
<b>NET DEFICIT BEFORE SPECIAL ITEMS</b>		( 627,615)	(133,344)
<b>TRANSFER FROM RESERVES</b>		678,572	709,828
<b>NET SURPLUS FOR THE YEAR</b>		50,957	576,484
<b>ACCUMULATED FUNDS</b> at beginning of the year		1,164,689	588,205
<b>ACCUMULATED FUNDS</b> at end of the year		1,215,646	1,164,689

## SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

### NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

#### 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	2017 Net Book Value R	2016 Net Book Value R
Motor Vehicles	167,430	100,458	66,972	100,458
	<u>167,430</u>	<u>100,458</u>	<u>66,972</u>	<u>100,458</u>

**SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

31 December 2017

<b>3. RECEIVABLES</b>	2017	2016
	R	R
SAEP (USA)	390,400	-
WC Department of Social Development	37,550	37,550
Sundry	36,937	90,606
	<u>464,887</u>	<u>128,156</u>

**4. CASH AND CASH EQUIVALENTS**

Bank Balance (Current)	371,284	827,890
Bank Balance (Investment/Savings)	1,793,291	2,454,406
Bank Balance ( NLDTF 89164 Current)	422,113	-
Cash on Hand	6,014	4,156
	<u>2,592,702</u>	<u>3,286,452</u>

The banking facilities are unsecured.

**5. OTHER SPECIFIC PROGRAMME RESERVES**

Administrative Reserve	40,375	80,556
Bridging Year Programme Reserves	258,534	325,579
Early Childhood Development Programme Reserves	499,943	319,916
EPaP Reserve	16,925	31,082
Impact Centre Reserve	-	8,723
Impumelelo Award – ECD Programme	14,200	14,200
Thandolwethu – Building Reserve	325,487	325,487
Hope Scholars Programme Reserve	2,659	-
Tertiary Support Funds	125,269	715,552
Emergency Relief	9,142	11,244
“Rainy Day” Reserve	1,500	1,500
Siyakhathala Primary Project Reserve	168,750	168,750
	<u>1,462,783</u>	<u>2,002,588</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.



**SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

31 December 2017

**6. STARS AWARD**

	Received R	Spent R	Balance R
Stars Award 2012	736,047	736,047	-
Stars Award 2013	734,979	726,632	8,347
	<u>1,471,026</u>	<u>1,462,679</u>	<u>8,347</u>

**7. NATIONAL LOTTERY DISTRIBUTION TRUST FUND RESERVES**

	Received/ Accrued R	Spent R	Balance Remaining R
Grant Number 72215 (Ilitha Leseding)	100,000	100,000	-
Grant Number 73553 (Arts Programme)	691,516	652,530	38,986
Grant Number 89164 (Vehicle /Excursions)	422,113	-	422,113
	<u>1,213,629</u>	<u>752,530</u>	<u>461,099</u>

Analysis of Grant Income

Received	1,213,629
	<u>1,213,629</u>

Analysis of Expenditure

Salary Related Expenditure	259,973
Non-Salary Related Expenditure	458,092
Repayment to NLDTF	34,465
	<u>752,530</u>

## SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2017

	2017	2016
	R	R
<b>8. DONATIONS</b>		
Individuals	718,333	909,185
Community Chest	-	40,000
Corporations	597,196	553,402
International Institutions	1,637,312	936,945
Trusts and Foundations	2,417,719	2,078,220
	<u>5,370,560</u>	<u>4,517,753</u>
<b>9. GOVERNMENT GRANTS</b>		
Fundisa Grants	955	1,407
WC Department of Social Development	567,075	225,300
	<u>568,030</u>	<u>226,707</u>
<b>10. FUNDRAISING</b>		
Employment Costs	663,488	778,510
Occupancy	44,440	41,961
Telecommunication	2,885	4,055
Training	1,197	702
Transport Costs	874	530
Supplies	269	447
Professional Fees	81,993	63,512
Events	31,189	33,773
	<u>826,335</u>	<u>923,490</u>

**SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

31 December 2017

	2017	2016
	R	R
<b>11. EARLY CHILDHOOD DEVELOPMENT PROGRAMME</b>		
Employment Costs and Volunteer Allowance	820,614	713,909
Occupancy (Electricity, Insurance, Rent)	73,812	71,791
Monitoring and Evaluation	112,392	101,242
Telecommunication	9,876	3,726
Transport Costs	15,947	22,258
Training	1,875	2,893
Programme Services	75,986	88,505
Support Costs	276,126	251,081
	<u>1,386,627</u>	<u>1,255,407</u>
<b>12. ADTTEACH PROGRAMME</b>		
Employment Costs	223,009	162,015
Occupancy (Electricity, Insurance, Rent)	39,555	23,851
Office Equipment and Furniture	219	1,157
Monitoring and Evaluation	7,788	50,621
Telecommunication	5,349	4,161
Transport Costs	3,925	2,354
Programme Services	44,988	43,880
Support Costs	324,982	358,610
	<u>649,815</u>	<u>646,650</u>
<b>13. ARTS PROGRAMME</b>		
Employment Costs and Volunteer Allowance	320,829	266,710
Monitoring and Evaluation	-	-
Occupancy (Electricity, Insurance, Rent)	23,442	28,109
Office Equipment, Furniture and Training	-	-
Telecommunication	3,039	4,518
Non-recoverable Pledges	-	10,000
Transport Costs	4,765	5,976
Programme Services	254,645	56,948
Support Costs	103,908	91,083
	<u>710,628</u>	<u>463,343</u>

## SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2017

	2017	2016
	R	R
<b>14. HOPE SCHOLARS PROGRAMME</b>		
Employment Costs and Volunteer Allowance	675,497	727,953
Monitoring and Evaluation	108,497	75,932
Occupancy (Electricity, Insurance, Rent)	42,741	41,285
Office Equipment and Furniture	244	4,207
Training	750	4,635
Telecommunication	6,866	8,132
Transport Costs	35,154	27,869
Programme Services	195,704	176,957
Support Costs	266,363	266,843
	1,331,816	1,333,813
<b>15. BRIDGING YEAR PROGRAMME</b>		
Employment Costs and Volunteer Allowance	538,544	566,324
Monitoring and Evaluation	112,392	101,242
Occupancy (Electricity, Insurance, Rent)	119,488	35,837
Telecommunication	2,691	3,838
Training	-	2,018
Transport Costs	4,902	7,988
Programme Services	148,765	83,638
Office Equipment and Furniture	687	888
Support Costs	228,953	227,644
	1,156,422	1,138,208
<b>16. TERTIARY SUPPORT PROGRAMME</b>		
Employment Costs	481,833	533,144
Monitoring and Evaluation	112,392	101,242
Occupancy (Electricity, Insurance, Rent)	32,920	35,837
Office Equipment and Furniture	11,463	-
Telecommunication	2,288	4,885
Training	1,050	2,018
Transport Costs	2,410	4,399
Programme Services	359,107	587,824
Support Costs	250,866	295,051
	1,254,329	1,564,401

## SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2017

	2017	2016
	R	R
<b>17. IMPACT CENTRE</b>		
Employment Costs and Volunteer Allowance	171,369	142,354
Occupancy (Electricity, Insurance, Rent)	48,843	49,352
Telecommunication	473	1,181
Training	-	1,500
Transport Costs	1,350	1,857
Programme Services	1,747	11,113
Office Equipment and Furniture	832	-
Support Costs	56,155	51,839
	<u>280,767</u>	<u>259,195</u>
<b>18. PARTNERSHIP WITH INJONGO</b>		
Employment Costs	381,770	391,785
Occupancy (Electricity, Insurance, Rent)	27,547	33,321
Professional Fees	6,875	-
Support Costs	31,192	37,346
Telecommunications	5,083	4,376
	<u>452,467</u>	<u>466,828</u>
<b>19. SIYAKHATHALA PRIMARY PROJECT</b>		
Employment Costs and Volunteer Allowance	458,888	390,106
Telecommunication	2,357	1,459
Transport Costs	26,192	19,216
Training	1,049	-
Programme Services	27,077	60,235
Office Equipment and Furniture	4,641	1,916
Occupancy	25,588	27,298
Monitoring and Evaluation	108,497	75,932
Support Costs	163,573	144,041
	<u>817,862</u>	<u>720,203</u>

## SOUTH AFRICAN EDUCATION AND ENVIRONMENT PROJECT

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2017

	2017	2016
	R	R
<b>20. SUPPORT COSTS</b>		
Employment Costs and Volunteer Allowance	1,147,290	980,604
Occupancy	182,415	140,973
Telecommunication	37,525	36,765
Transport	105,603	103,544
Professional Fees	132,849	281,798
Office Supplies and Printing	109,894	145,456
Office Equipment and Furniture	10,664	1,836
Depreciation	33,486	33,486
Training	5,366	3,690
Events	17,162	27,979
Travel	17,783	1,765
	<u>1,800,037</u>	<u>1,754,896</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.