

**SOUTH AFRICAN EDUCATION PROJECT**

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

**PBO NO : 930010069**

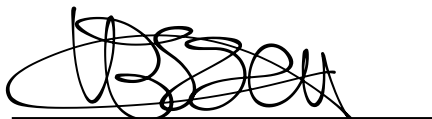
**ANNUAL FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

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**APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements set out on pages 6 to 11 have been approved by the Board Members and are signed on their behalf by:



CHAIRPERSON



TREASURER

## **SOUTH AFRICAN EDUCATION PROJECT**

### **RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

The Board Members are 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 Members have 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 Members endeavour 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 members have reviewed the current financial situation of the organisation and is satisfied that the organisation is likely to continue as a going concern, taking into account its existing reserves and secured and anticipated funding.

# **THE SOUTH AFRICAN EDUCATION PROJECT**

## **DETAILED YEARLY REPORT OF THE MEMBERS**

For the year ended 31 December 2022

### **INTRODUCTION**

The South African Education Project (SAEP) continued to celebrate significant achievements in 2022 as operations expanded to support more schools and ECD centres in supported communities. The growth is pursuant to the organisation's initial steps towards a progressive growth strategy set to roll out over the next few years. The growth strategy will focus on education system strengthening and technical assistance for foundation phase education interventions in Early Childhood Development and Primary School Support Programmes to secure and advance organisational sustainability in a responsible, ethical way while accelerating sustainable growth and promoting access and better education outcome among children and young adolescents in marginalised communities.

During 2022, The organisation provided direct service delivery at 137 Early Childhood Development Centres reaching 6866 children aged 0 - 5 as at the end of December 2022. The South African Education Project further supported the Department of Social Development and the Western Cape Education Department with ECD centre registration having more than 90 registered centres meeting registration criteria by the end of December 2022. ECD Curriculum support ensured that children aged 0 - 5 continue to access quality ECD programming aligned with the National Curriculum Framework and Integrated Early Childhood Development Policy.

SAEP provided literacy support in two primary schools, Vukani and Siyazakha in 2022. The after-school School Programme achieved 97.78% of the overall programme target reaching 176 learners as at the end of December 2022. 119 Grade 3 and 4 learners attended the after-school programme at Vukani and 57 Grade 5 Learners attended the after-school programme at Siyazakha. 58 of the 176 learners were in Grade 3, 61 in Grade 4 and 57 in Grade 5.

The SAEP Learning Gym methodology attributed to significant literacy improvements for Grade 3 and Grade 4 learner outcomes in English during 2022. 13 (20%) of Grade 3 learners remained consistent. 44 (76%) of Grade 3 learners showed significant improvement and/or excelled in English. Similar achievements were recorded for Grade 4 learners. 18 (30%) of Grade 4 learners remained consistent. 37 (61%) of Grade 4 learners showed significant improvement and/or excelled in English.

The Grade 5 cohort, directly impacted by COVID 19 and subsequent lockdown, accrued notable learning losses during their Grade 3 and 4 school years and showed less favourable learning outcomes. 13 (22%) of Grade 5 learners regressed and performed poorly. 27 (47%) of Grade 5 learners remained consistent. 17 (28%) of Grade 5 learners showed significant improvement and/or excelled in English.

The High School programme supported 120 Grade 8 and 9 in two high schools with ongoing Environmental Education, Young Reporters of the Environment, Schools Indigenous Greening as well as Excursions and hikes.

## **THE SOUTH AFRICAN EDUCATION PROJECT**

### **DETAILED YEARLY REPORT OF THE MEMBERS' (Continued)**

For the year ended 31 December 2022

A total of 120 students were enrolled in the SAEP post-matric programme as at the end of December 2022. 60 students enrolled on the Bridging Year component and 60 students enrolled on the Tertiary Support component. 28 (46%) students completed the BY programme. 32 (54%) exited the programme before its completion. Of those that exited, 10 (16%) were full-time employed, 8 (13.3%) were accepted into tertiary institutions. 2 (3%) enrolled for full-time study and waiting on acceptance. 12 (20%) were lost to follow-up and were unreachable after they exited. 59 students were enrolled on the TSP programme. All 59 completed the 2022 year of enrolment. Of the 59 students, 4 were in their final year of study and are expected to graduate. The remaining 55 are continuing tertiary education in 2023. The post-matric programme concluded in 2022 and no new students will be enrolled for 2023 following an organisational restructure.

The South African Education Project places great emphasis on a stakeholder approach to address the root causes of literacy challenges. We acknowledge that no stakeholder stands alone in the process of creating value. In 2023, the organisation will design, deliver and support specialised, inclusive and quality education for learners, teachers and practitioners through targeted interventions promoting a holistic approach to educate towards a brighter future.

We remain confident in our ability to generate new ideas and programmatic discoveries to improve existing operations on an ongoing basis as well as allow the organisation to implement new initiatives to achieve a sustainable strategic competitive advantage that result in organisational sustainability for 2023 and beyond.

The organisation closed its financial year with a positive balance. In 2023, SAEP will transition from implementing after-school programmes to technical assistance and system strengthening with in-classroom support for ECD and School Programmes, respectively.

Thank you to our loyal donors, our work would not be possible without your support.

**LOW AND SCHREIBER**  
**CHARTERED ACCOUNTANTS (S A)**

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*Anthony Michael Schreiber, B.Com*

*Barrie William Low, B.Com M.Phil (Tax Law)*

## **INDEPENDENT AUDITORS' REPORT**

To the Members of South African Education Project

### **Report on the Financial Statements**

We have audited the Annual Financial Statements of South African Education Project, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 10.

### **Board of Members' Responsibility for the Financial Statements**

The Board of Members 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.

### **Other Matters**

Without qualifying our opinion below, we draw attention to the fact that, in common with similar organisations, the entity is dependent on securing donation and grant income to continue operating. The timing and amount of these income flows is subject to various factors and it is accordingly more difficult for the Directors to make forecasts in this regard.

### **Opinion**

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2022, 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  
11 MAY 2023

## **SOUTH AFRICAN EDUCATION PROJECT**

### **SUMMARY REPORT OF THE MEMBERS**

The Members have pleasure in submitting this their report together with the audited Financial Statements for the year ended 31 December 2022.

#### 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.

#### GOING CONCERN

In common with similar organisations, SAEP is dependent on donation and grant income to fulfil its activities. The timing and amount of such receipts is often difficult to predict. However the board is committed to securing appropriate funding to ensure that the entity is able to continue to operate and provide services as it has in the past. Should appropriate funding not be secured, then certain programmes and services will have to be re-evaluated or curtailed. In particular, the effects of Covid -19 introduce significant uncertainty into the future operation of many entities, including NGOs depending on funding.

#### MEMBERS

The following persons served as Members during the financial year to 31 December 2022:

Isabel Essen – Chairperson  
Kayin Scholtz – Vice-Chairperson  
Kathrin Friester – Treasurer (from June 2022)  
Helena Duk  
Gemma Oberth  
Gina Leinberger (Secretary)  
Mogie Dass  
Haroon Mahomed  
Nicola Lloyd – Treasurer (until May 2022)

#### AUDITORS

Low and Schreiber

## SOUTH AFRICAN EDUCATION PROJECT

### STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Note	2022 R	2021 R
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	2	184,934	113,375
<b>CURRENT ASSETS</b>			
Receivables		535,623	203,778
Deposits and Prepayments		2,772	24,168
Cash and Cash Equivalents	3	2,993,234	3,041,530
<b>TOTAL ASSETS</b>		<b>3,716,563</b>	<b>3,382,851</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Specific Programme Reserves	4	1,107,326	2,220,613
Accumulated Funds		1,653,888	1,111,376
Other Administration Reserves		721,251	-
Capital Replacement Reserve		184,934	-
<b>CURRENT LIABILITIES</b>			
Accounts Payable		49,164	50,862
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,716,563</b>	<b>3,382,851</b>

## SOUTH AFRICAN EDUCATION PROJECT

### STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	2022 R	2021 R
<b>INCOME</b>	Pg 11 10,722,218	10,605,983
Donations Received	7,428,185	6,046,894
Interest Received	70,769	96,363
Government Grants	3,223,263	4,304,466
Income Generation/Consulting Services	-	150,260
Thuso (Food Relief)	-	8,000
<b>EXPENDITURE</b>	10,640,223	10,714,470
Programme Services	8,394,168	9,063,053
Support Costs	1,878,312	870,773
Thuso (Food Relief)	-	148,473
Fundraising	392,589	417,300
Monitoring and Evaluation	-	259,740
Less: Management Fees and Charges	(24,846)	(44,869)
<b>NET SURPLUS/(DEFICIT) BEFORE TRANSFERS</b>	81,995	(108,487)
<b>TRANSFER - RESERVES</b>	460,517	494,404
<b>NET SURPLUS FOR THE YEAR</b>	542,512	385,917
<b>ACCUMULATED FUNDS</b> at beginning of the year	1,111,376	107,297
<b>ACCUMULATED FUNDS</b> at end of the year	1,653,888	1,111,376



## SOUTH AFRICAN EDUCATION PROJECT

### NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

#### 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	2022 Net Book Value R	2021 Net Book Value R
Motor Vehicles	240,174	55,240	184,934	113,375
	<u>240,174</u>	<u>55,240</u>	<u>184,934</u>	<u>113,375</u>

## SOUTH AFRICAN EDUCATION PROJECT

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2022

	2022	2021
	R	R
<b>3. CASH AND CASH EQUIVALENTS</b>		
Bank Balance (Current)	1,635,823	1,349,048
Bank Balance (Investment/Savings)	1,352,948	1,689,326
Cash on Hand	4,463	3,156
	<u>2,993,234</u>	<u>3,041,530</u>

The banking facilities are unsecured.

#### 4. OTHER SPECIFIC PROGRAMME RESERVES

Bridging Year Programme Reserves	145,000	57,897
Early Childhood Development Programme Reserves	321,468	1,483,720
Hope Scholars Programme Reserve	462,494	407,656
Tertiary Support Funds	51,578	125,320
Siyakhathala Primary Project Reserve	77,759	84,393
Social Work / Other	49,027	61,627
	<u>1,107,326</u>	<u>2,220,613</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.

#### 5. 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.

## SOUTH AFRICAN EDUCATION PROJECT

### ANALYSIS OF REVENUE

For the year ended 31 December 2022

	2022 R	2021 R
<b>GRANTS INCOME</b>	6,592,074	6,813,466
Department of Social Development	3,223,263	4,304,466
Philanthropy Initiative with Employees of Allan Gray	1,500,000	1,500,000
Hans Hoheisen Charitable Trust	559,919	501,700
SAEP US	1,308,892	507,300
<b>CORPORATE INCOME</b>	1,558,500	1,975,550
Coronation Asset Managers	1,077,500	-
Grand Slots CSI	145,000	136,500
The Lewis Group	300,000	-
Exeo Khokola Civil Engineering	36,000	53,000
M & G Investments	-	405,000
Afrisam	-	1,381,050
<b>TRUSTS AND FOUNDATION INCOME</b>	1,757,043	1,177,006
Douglas George Murray Trust	410,000	18,800
ER Tonnesen Will Trust	28,293	50,000
Percy Fox Foundation	250,000	250,000
Hilary and Dorothy Champion Trust	250,000	250,000
Oppenheimer Memorial Trust	618,750	375,000
Wenhold Family Trust	200,000	-
Norman Wevell Trust	-	82,946
Rhiza Babuyile	-	150,260
<b>DONATIONS INCOME – Individuals and Institutions</b>	573,832	543,598
<b>INTEREST AND OTHER</b>	240,769	96,363
<b>TOTAL REVENUE</b>	<u>10,722,218</u>	<u>10,605,983</u>

