

SOUTH AFRICAN EDUCATION PROJECT

REG. NO : NPO 028-310

PBO NO : 930010069

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2021

CONTENTS	PAGE
Board of Directors' approval of Financial Statements	1
Responsibility for the Financial Statements	2
Report of the Independent Auditors	3
Annual Financial Statements	
Report of the Directors	4
Statement of Financial Position	5
Statement of Profit or Loss	6
Notes to the Financial Statements	7 – 8

APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements set out on pages 4 to 8 have been approved by the Board of Directors and are signed on their behalf by:



CHAIRPERSON



TREASURER

SOUTH AFRICAN EDUCATION PROJECT

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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 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.

LOW AND SCHREIBER
CHARTERED ACCOUNTANTS (S A)

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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 2021, 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 8.

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.

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.

Opinion

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2021, 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

LOW AND SCHREIBER
REGISTERED AUDITORS, CAPE TOWN
10 MAY 2022

SOUTH AFRICAN EDUCATION 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 2021.

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.

DIRECTORS

The following persons served as Directors during the financial year to 31 December 2021:

Isabel Essen – Chairperson
Kayin Scholtz – Vice-Chairperson
Nicola Lloyd – Treasurer
Helena Duk
Gemma Oberth
Gina Leinberger (Secretary)
Fundiswa Yuba
Mogie Dass
Haroon Mahomed

AUDITORS

Low and Schreiber

SOUTH AFRICAN EDUCATION PROJECT

STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	2021 R	2020 R
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment	2	113,375	205,618
CURRENT ASSETS			
Receivables		203,778	292,257
Deposits and Prepayments		24,168	29,889
Cash and Cash Equivalents	3	3,041,530	2,892,183
TOTAL ASSETS		<u>3,382,851</u>	<u>3,419,947</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Other Specific Programme Reserves	4	2,220,613	2,685,017
Accumulated Funds		1,111,376	725,459
CURRENT LIABILITIES			
Accounts Payable		50,862	9,471
TOTAL EQUITY AND LIABILITIES		<u>3,382,851</u>	<u>3,419,947</u>

SOUTH AFRICAN EDUCATION PROJECT

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	2021 R	2020 R
INCOME	10,605,983	8,020,906
Donations Received	6,046,894	4,945,151
Interest Received	96,363	91,838
Fundraising Events and Other	-	80
Government Grants	4,304,466	1,881,501
Income Generation / Consulting Services	150,260	2,435
TERS (UIF)	-	166,637
Thuso (Food Relief)	8,000	933,264
EXPENDITURE	10,714,470	7,330,671
Programme Services	9,063,053	3,932,701
Support Costs	870,773	2,750,229
Thuso (Food Relief)	148,473	678,546
Fundraising	417,300	615,000
Monitoring and Evaluation	259,740	305,178
Less: Management Fees and Charges	(44,869)	(950,983)
NET (DEFICIT) / SURPLUS BEFORE SPECIAL ITEMS	(108,487)	690,235
TRANSFER - RESERVES	494,404	(72,073)
NET SURPLUS FOR THE YEAR	385,917	618,162
ACCUMULATED FUNDS at beginning of the year	725,459	107,297
ACCUMULATED FUNDS at end of the year	1,111,376	725,459

SOUTH AFRICAN EDUCATION PROJECT

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

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	2021 Net Book Value R	2020 Net Book Value R
Motor Vehicles	628,641	515,266	113,375	205,618
	<u>628,641</u>	<u>515,266</u>	<u>113,375</u>	<u>205,618</u>

SOUTH AFRICAN EDUCATION PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 December 2021

	2021	2020
	R	R
3. CASH AND CASH EQUIVALENTS		
Bank Balance (Current)	1,349,048	936,778
Bank Balance (Investment/Savings)	1,689,326	1,952,177
Cash on Hand	3,156	3,228
	<u>3,041,530</u>	<u>2,892,183</u>

The banking facilities are unsecured.

4. OTHER SPECIFIC PROGRAMME RESERVES

Administrative Reserve	-	96,996
Bridging Year Programme Reserves	57,897	358,476
Early Childhood Development Programme Reserves	1,483,720	1,753,507
Hope Scholars Programme Reserve	407,656	201,413
Tertiary Support Funds	125,320	111,726
Siyakhathala Primary Project Reserve	84,393	93,820
Social Work / Other	61,627	69,079
	<u>2,220,613</u>	<u>2,685,017</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.