



THE FEDERATION OF GOVERNING BODIES OF SOUTH AFRICAN SCHOOLS

Integrated report

2016



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Foreword: National Chairperson



The year 2016 will probably be remembered as one that has set some of the biggest challenges yet for the education system in South Africa. The picture looks gloomy, with universities and other institutions of higher learning that are faced by far-reaching changes in terms of students' demand for free higher education and the revision of curricula. And basic education was not exempt from the convulsions of changing times. Political interference and sometimes ill-considered decision-making at government-level often force role-players in almost all the provinces to resort to legal action. Add to this the challenges of the ever-present lack of funds, staff and expertise and the picture becomes even gloomier.

Despite the above there are many reasons to remain hopeful. This integrated report of the Federation of Governing Bodies of South African Schools (FEDSAS) is the proverbial silver lining around the dark cloud. As was the case in the previous 23 years, in 2016 FEDSAS has proven again that innovative thinking, passion and good old hard work remain a winning combination. At FEDSAS every decision and every action is measured against a single goal: quality education for all children in public schools in South Africa.

Among others, this report covers the organisation's consistently growing number of members – the 2000 mark was exceeded for the first time during 2016! – as well as ground-breaking work with the King III guide for schools. These are only two of the many success stories across the six focus areas. As an internationally recognised expert and opinion leader in the field of school governance, FEDSAS is an organisation that contributes meaningfully to many areas in the South African education system. This includes participation in policy-making, monitoring, legal opinions, school management as well as training.

This integrated report provides an overview of the activities of 2016, as well as the financial year of 2015. It serves as an indication of where the organisation finds itself now and it provides a vision of the future in terms of the growth and development potential that is not only a characteristic of the education sector but also of South Africa as a growing democracy.

Erhard EH Wolf:
National Chairperson

Introduction

FEDSAS' approach to reporting

FEDSAS accepts the King Report on Governance for South Africa, 2009, and the King Code of Governance for South Africa ("King III", "King III Report" or "King III Code", as applicable) as the source documents on what constitute sound governance. However, there are also other guiding documents on and requirements for good governance applicable to non-profit organisations. These include SANGOCO's Code of Ethics for Non-Profit Organisations (1997), the Department of Social Development's Code of Good Practice for South African Non-Profit Organisations (2001) and the Independent Code of Governance and Values for Non-Profit Organisations in South Africa (2012).

This integrated report provides feedback on and a preview of how the organisation's activities contribute towards the organisation's commitment to good governance. The aim of this report is to provide all stakeholders, both internally and externally, with an overview of and insight into the non-financial and financial state of affairs in terms of FEDSAS' strategic goals. In this manner stakeholders are enabled to evaluate the organisation's performance and sustainability. With this report, FEDSAS would like to show stakeholders how the organisation adds value to the South African society.

Period covered in this report

This report provides an overview of FEDSAS' activities for 2016, as well as the financial year of 2015.

Abbreviations and terms

DSD Code: The Department of Social Development's Code of Good Practice for South African Non-Profit Organisations (2001)

FEDSAS: The Federation of Governing Bodies of South African Schools

Non-profit organisation: An organisation established not for profit, whether it is incorporated as a company under the Companies Act 71 of 2008 (an NPC), a statutory body, trust or voluntary association, and irrespective of whether it is registered as a non-profit organisation under the Non-Profit Organisations Act 71 of 1997 or as a public benefit organisation under the Income Tax Act 58 of 1962

SANGOCO Code: The South African National NGO Coalition's Code of Ethics for Non-Profit Organisations (1997)

Schools' Act: The South African Schools' Act 84 of 1996

National Education Policy Act: The National Education Policy Act 27 of 1996

Employment of Educators Act: The Employment of Educators Act 76 of 1998

Contact details and feedback

Feedback on the contents and structure of this report will enable FEDSAS to continue to improve its reporting practice.

National office: 051-522 6903

Website: www.fedsas.org.za



Overview of FEDSAS

Who is FEDSAS?

FEDSAS is the leader in school governance and school management. The organisation focuses on the development of capable school governing bodies of public schools. FEDSAS provides information, organises, mobilises and equips our members to maintain and build on the highest education standards in public schools. The organisation was established in 1993 and over the past two decades has grown into one of the most respected role-players in South African education.

The **vision** of FEDSAS is the conservation and promotion of quality education in public schools in the Republic of South Africa.

The **mission** of FEDSAS is to do everything within its power to represent its members and their stakeholders in securing and promoting the highest possible standard of education for all children in our country in general and to promote effective school governance to achieve the former in particular.

Core values

Excellence

To deliver uncompromising quality service and to continue to search for better ways of doing things through our commitment to constant improvement in both our personal and professional lives.

Integrity

To be honest, transparent, credible and respectful, building on our differences in all our internal and external interactions.

Passion

To demonstrate enthusiasm, devotion, intensity, tenacity and to commit totally to everything that we undertake.

Accountability

To accept responsibility for our actions and to actions what we commit to.

Relationships

To be the best and most rewarding place to work – we are the FEDSAS family.

What do we stand for?

FEDSAS believes in maximum autonomy for governing bodies and therefore we strive to expand the rights and powers of governing bodies.

FEDSAS supports and promotes the rights and powers of governing bodies as described in the South African Schools' Act, including language and admissions policies.

FEDSAS supports the principle that governing bodies play an important role in creating opportunities for all learners to enable them to reach their full potential.

FEDSAS supports the preservation and promotion of a culture of excellence in teaching, education and service delivery.

FEDSAS is continuously striving to establish and build healthy relationships with all stakeholders in education in order to serve the best interests of learners.

What can FEDSAS do for you?

FEDSAS is the most representative mouthpiece for school governing bodies in the country. We comment on draft legislation and education policy, which means that our members' interests are represented at the highest level.

FEDSAS has been a recognised opinion leader and role-player in public education at national and provincial level for more than 20 years.

FEDSAS has established national and provincial structures to provide a service to all our members across the country.

FEDSAS has already won several leading court cases and we have full-time education law specialists to support members in exercising their rights, including cases of unlawful interference in governance of school matters.

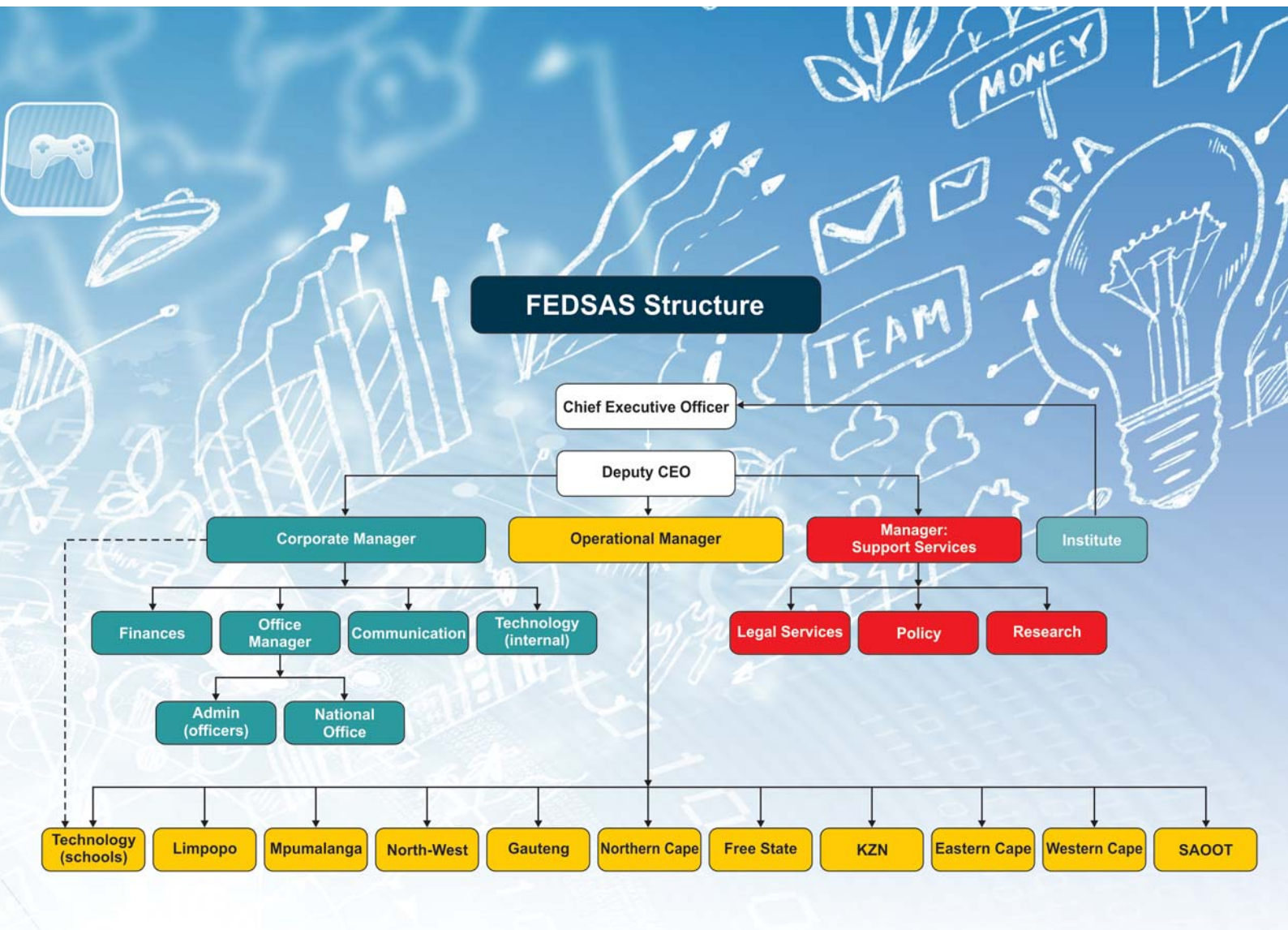
FEDSAS assists governing bodies across the entire spectrum of school governance, including staff appointments, labour relations, strategic planning and financial management.

The FEDSAS website is the most comprehensive source for information pertaining to school governance, including policy documents, guides for governing bodies and examples of contracts. FEDSAS also has a range of products, including DVDs and books.

FEDSAS has sound experience of education issues. As an active, dynamic organisation, we stay informed about changes and restructuring in education and we can advise our members accordingly.

FEDSAS is a democratic, non-political organisation and members elect their leaders annually.

Structures



National Council

A National Council is entrusted with the governance of FEDSAS, which entails managing the funds and other assets belonging to the organisation. As the National Council controls assets belonging to others, the organisation as well as all individual members of the National Council stand in a relationship of trust (a fiduciary relationship) towards FEDSAS. In accordance with its fiduciary duties, the National Council is expected to act in the best interest of the organisation. In addition to their fiduciary duties, members of the National Council also have the duty to exercise due care, skill and diligence. They also have statutory duties imposed by various laws (such as the common law), the incorporation documentation of the organisation (the constitution of FEDSAS) and any agreements entered into by the organisation (such as the appointment letter or employment contract of a member of the National Council). National Council members should understand their duties in order to avoid personal liability that may follow from the breach of these duties. Members of the National Council receive no remuneration in return for their service. Regardless, a breach of their duties could still result in accountability and personal liability.

National Council 2016



From left to right, back: Mr Dawie Cronjé (Gauteng); Mr Mauritz Kachelhoffer (Free State); Past. Shaun Mellors (Limpopo); Mr Dawie Harmse (special education) and Mr Gerrit Duvenage (KZN)

From left to right (middle): Dr Derek Swemmer (FEDSAS Institute); Mr Paul Colditz (CEO); Mr Erhard Wolf (National Chairperson) and Mr Marius Botha (Western Cape)

From left to right (front): Mr Johan Visser (North-West); Ms Hannelie Pieterse (Mpumalanga); Ms Suzaan Mellet (Manager: Support Services) and Dr Jaco Deacon (Deputy CEO)

Committees

Executive committee	The executive committee is responsible for the execution of FEDSAS' strategy and business plans. It functions under the chairpersonship of the CEO and consists of all senior staff members of the organisation.
Remuneration committee	The remuneration committee forms part of the management structures of the National Council of FEDSAS and advises the National Council on all matters pertaining to human resources and remuneration of staff. The chairperson and members of the committee are appointed by the National Council.
Audit committee	The audit committee is responsible for overseeing FEDSAS' finances, risk and compliance. It is part of the management structures of the National Council and the chairperson and members are appointed by the National Council.
Strategy committee	The strategy committee is a standing committee of the National Council consisting of the chairperson, vice-chairperson, CEO and deputy CEO and advises the National Council on strategic matters.

Audit and Remuneration Committee



From left to right (back): Dr Jaco Deacon (Deputy CEO); Past. Shaun Mellors (Limpopo) and Mr Paul Colditz (CEO)

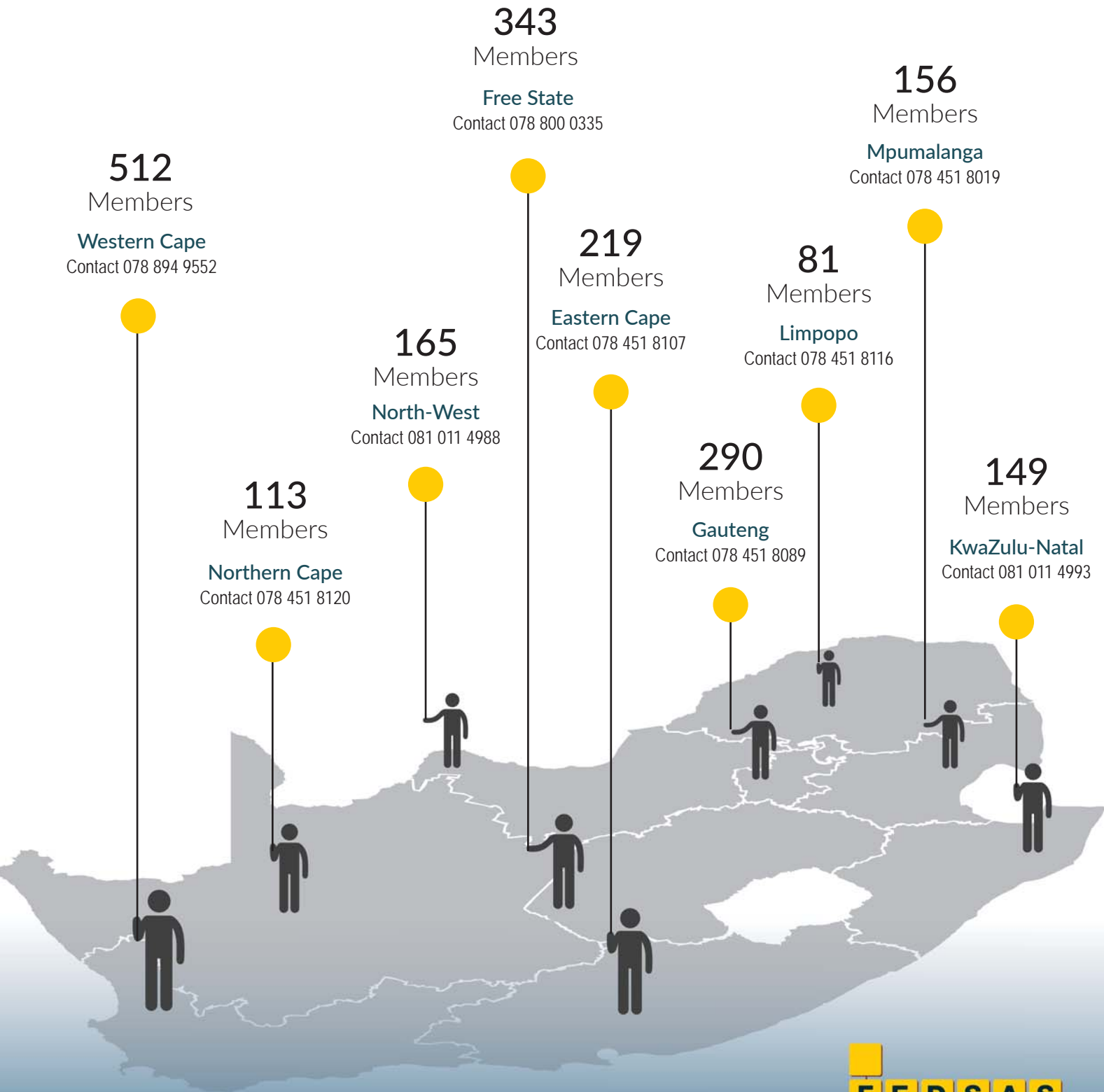
From left to right (front): Mr Anré Koegelenberg (Western Cape); Mr Marius Botha (Western Cape) and Mr Erhard Wolf (Western Cape)

Provincial Councils

FREE STATE	GAUTENG	WESTERN CAPE
Chair: Mauritz Kachelhoffer	Chair: Dawie Cronjé	Chair: Marius Botha
Jacolien Ungerer Herman van Vuuren Wynand Botha Johan de Ru Elaine Roux Laniete Wessels Petrus Roux Francois Joubert Albert Mocke Alfred Prinsloo Louwrens Strydom Chris Verhoef Okkie Botha Simon Machere Kgobi Dikana	Albert Verster Ben Ferreira Bruce Fenn Conrad Acker Dawie Harmse Ilse Odendaal Wilma Claassen Jan Sipsma Jean van Rooyen Marius Botha Melanie Buys Rector Mandwayi Manganye Riaan van der Bergh	Wynand Cillie Erhard Wolf Anré Koegelenberg Ann Morton Herman Bosman Vanya Botha Mark Williams Graham Bam Johan Crous Lewellin Brown Danie van Wyk Fernando Tallie Santie van Tonder Henry Botha Ronel Bornman
MPUMALANGA	NORTH-WEST	EASTERN CAPE
Chair: Bernard van Rooyen	Chair: Johan Visser	Chair: Cornelius Coetzer
Dup van Rensburg Andre Lloyd Mossie Mostert Liezl Storm Garreth Brown Hannelie Pieterse Johan de Necker Never Nthane Constanze van der Walt	Johan Zerwick Nontsha Liwane-Mazengwe Voltan Senekal Nic Labuschagne Pieter Marx Lilani Klopper Rita Burgers Marietjie Fouché Riana Vos	Hannelie Bronkhorst Abé Smith Richardt Edkins Michael Lord Len Cloete Deon Wolmarans Mauritz de Vries Richard Second Frans Smit
KWAZULU-NATAL	LIMPOPO	NORTHERN CAPE
Chair: Gerrit Duvenage	Chair: Shaun Mellors	Chair: Jannie Louw
Kevin Marais Jaco van der Merwe Jonathan Simpson Paul Rencken Marius Cronje	Eddie Vorster Willie Schoeman Gerda Nel Gerda Pringle Annalie Dykema	Hammies van Niekerk Marcellino September Leon Mostert Schalk Theron Kiepie Jaftha

National footprint

Distribution of members / contact details



Focus Areas and Strategic Goals

The organisational and operational activities of FEDSAS are executed in the following focus areas:

Focus area: Training

FEDSAS' primary focus is on equipping school governing bodies. This includes internal training of staff and member schools, as well as availing training opportunities to the broader school community.

Specific strategic goals for 2016 pertaining to training:

FEDSAS Institute for School Governance

Actions undertaken:

- Development of specialised training programmes

Staff training

Actions undertaken:

- Staff conference for administrative staff
- Staff conference for provincial managers

Specific training for school governing bodies

Actions undertaken:

- Development and training focusing on procurement, finances, discipline, appointments and admissions
- Induction of new governing body members: 38 sessions, 538 participants from 99 schools
- Continued and advanced training: 43 sessions, 598 participants from 167 schools
- Value-driven Schools project: 43 sessions, 5355 participants from 479 schools
- Additional training: 448 sessions, 1855 participants from 761 schools
- King guide for schools: 9 sessions, 330 participants from 100 schools
- Meetings on burning issues: 58 sessions, 2192 participants from 689 schools
- Technology forums: 10 sessions, 257 participants from 57 schools
- Hey Lead seminars for learners: 10 sessions, 516 participants from 65 schools

Focus area: Awareness

Awareness focuses on, amongst others, the activities of FEDSAS, awareness of the duties and responsibilities of school governing bodies as described in the Schools' Act, as well as awareness pertaining to special projects during specific periods.

Specific strategic goals for 2016 pertaining to awareness:

Specific awareness pertaining to the sharpening up sessions for the Value-driven Schools project

Actions undertaken:

- A link on the website with information pertaining to the country-wide sessions
- Media releases
- New email signature for all staff members
- Electronic advertisements
- Use of social media and special newsletters

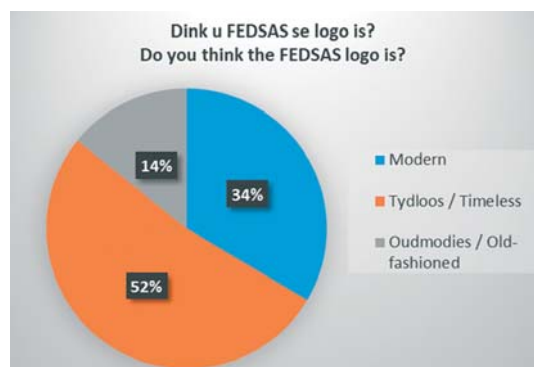
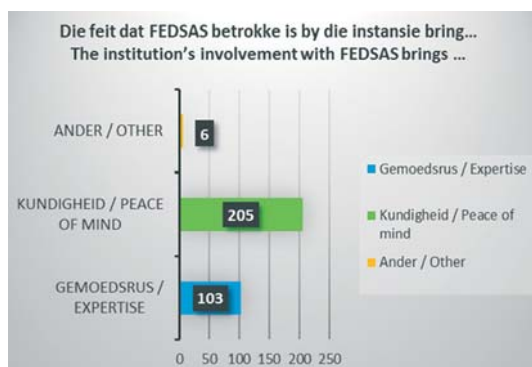
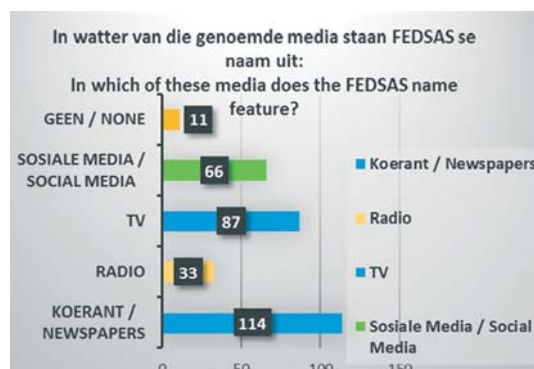
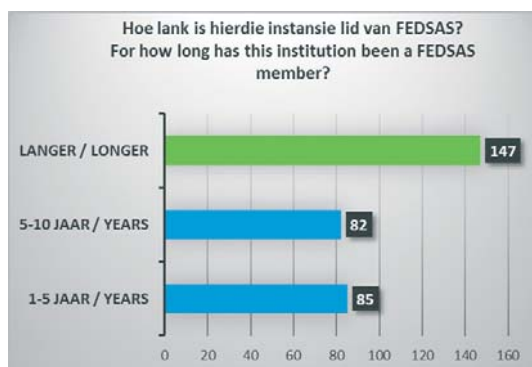


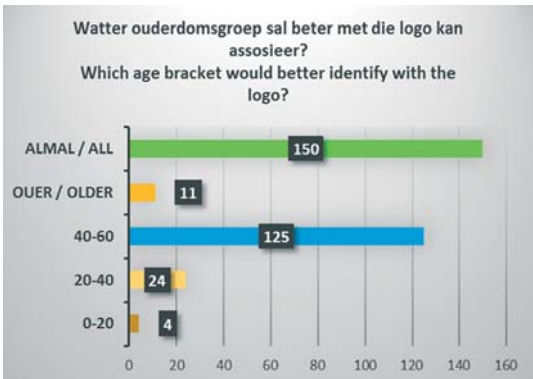
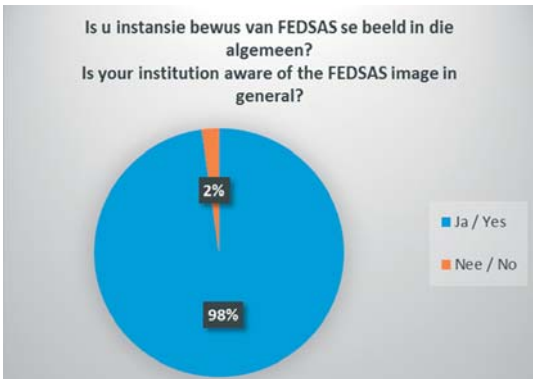
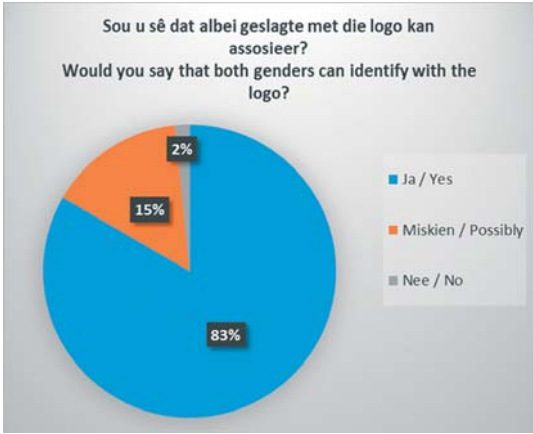
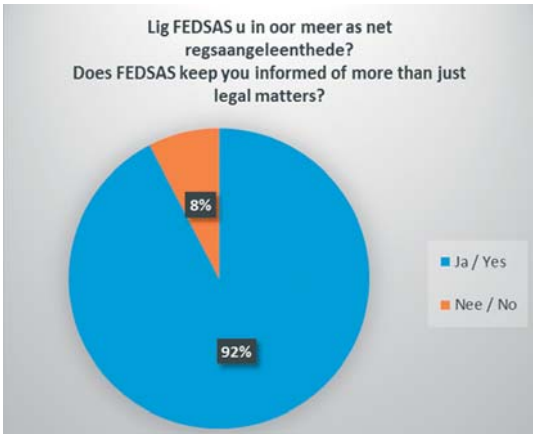
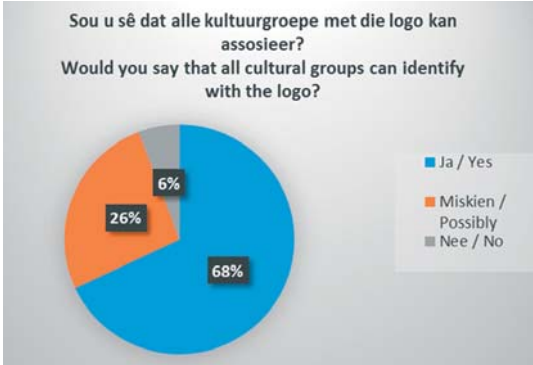
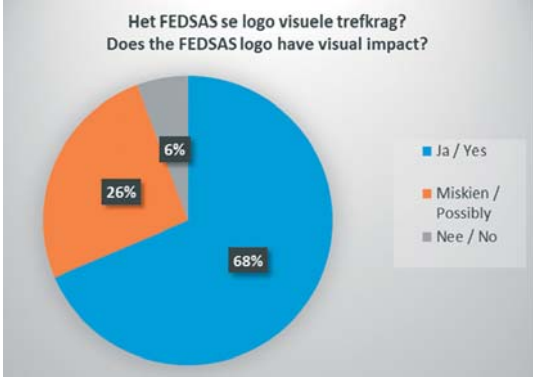
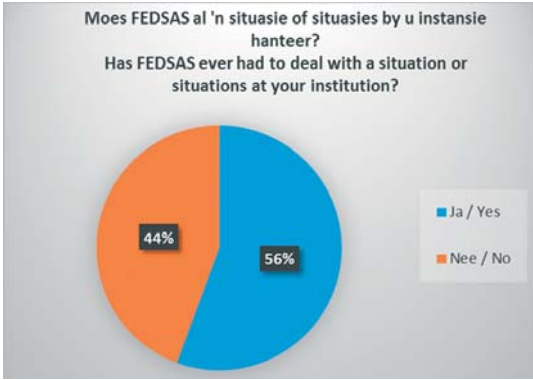


Promotion of brand

Actions undertaken:

- Brand research involving all members



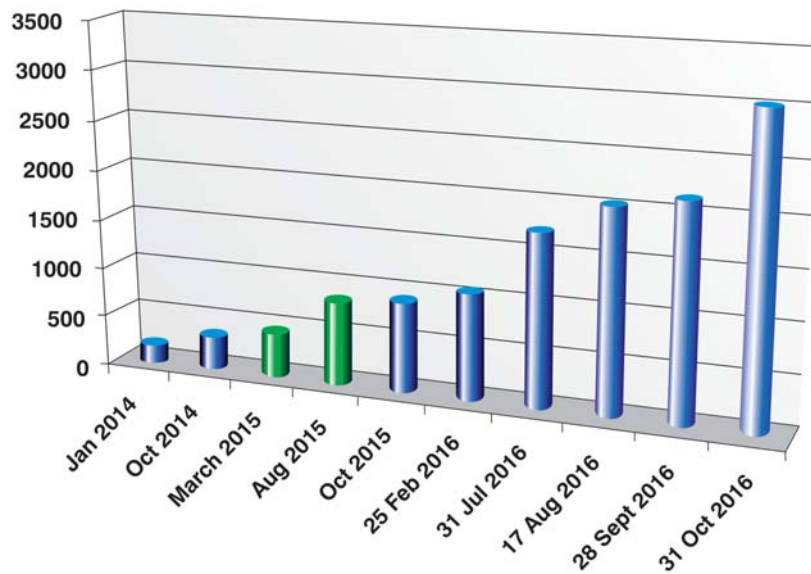


Growth of FEDSAS' social media footprint

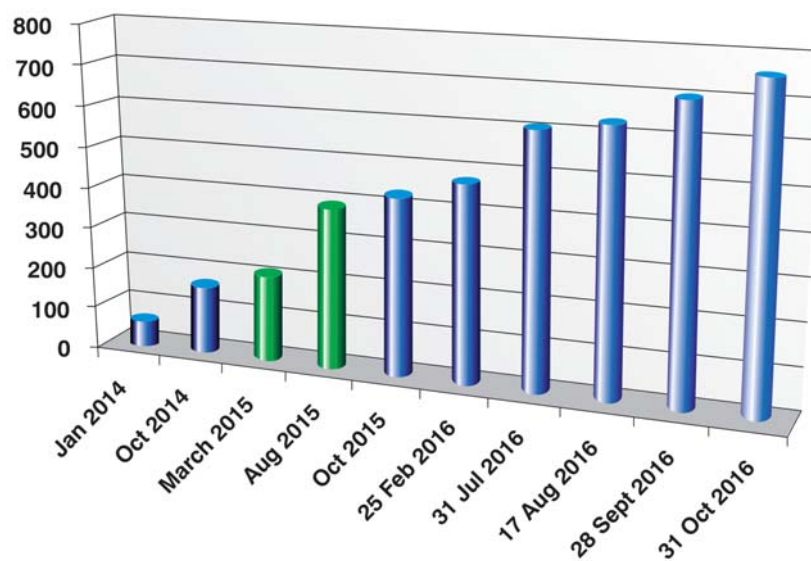
Actions undertaken:

- Use social media links on all communication (internally and externally) to drive users to social media and thereby increasing user frequency
- Use Facebook and Twitter to distribute information as well as to gain feedback
- Create Whatsapp groups to improve internal communication and information distribution

Facebook growth from January 2014 to October 2016



Twitter growth from January 2014 to October 2016

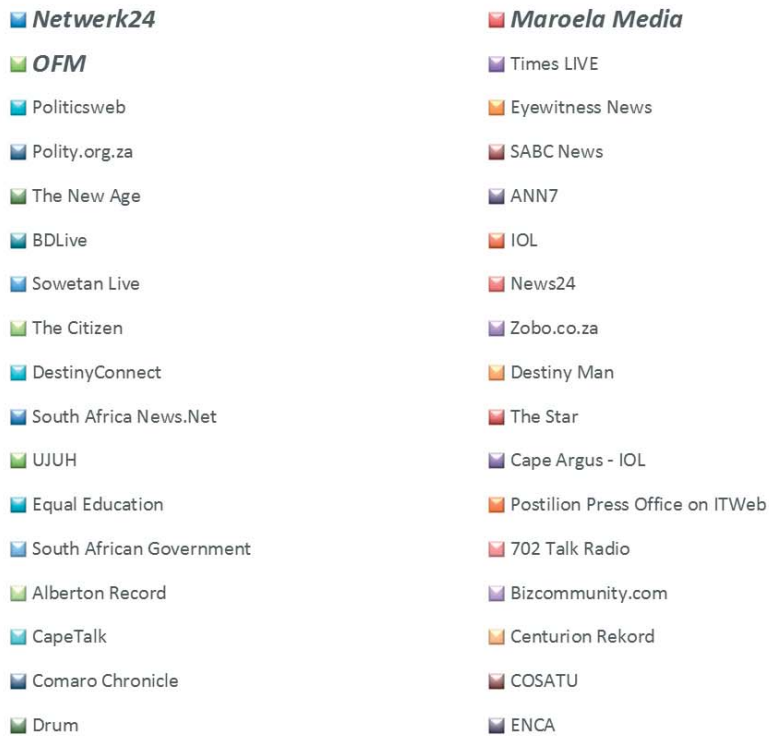
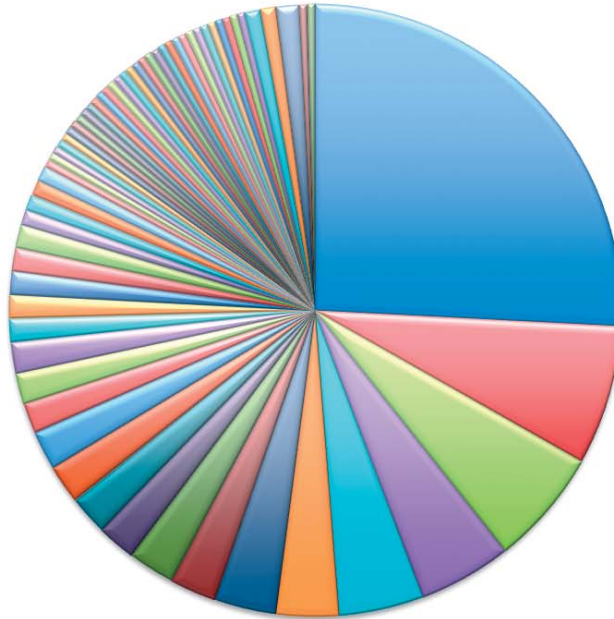


General awareness: traditional media

Actions undertaken:

- Distribution of media releases on a variety of topics, some focusing on FEDSAS activities and others as opinion leader
- 26 media releases for the period 1 January 2016 to 31 October 2016
- Ratio of media releases-news hits: 1:2.46 (an average of two articles for every media release)

Distribution of publications from 1 January to 31 October 2016



General awareness: website

Actions undertaken:

- Development of new website
- Increase traffic to website (www.fedsas.org.za) for period 1 January 2016 to 31 October 2016
- 36 132 visits to website
- 14 610 unique visitors (61% return visitors, 39% new visitors)
- average visit of 5:52 minutes

Focus Area: Research

FEDSAS' team of committed education law specialists continuously conduct research on policy development, draft legislation and other aspects of legislation that influences school governing bodies.

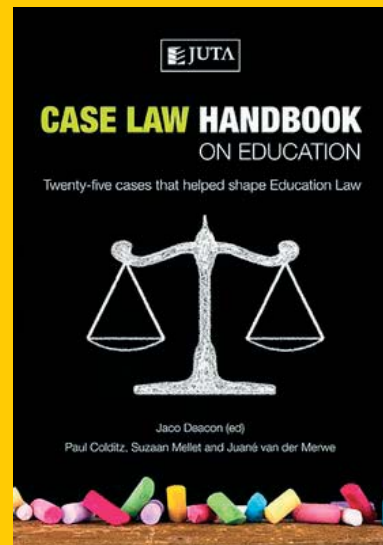
Specific strategic goals for 2016 pertaining to research:

Actions undertaken:

- Publication of the King III guide for schools together with the Institute of Directors of Southern Africa (IoDSA)
- Continuous research for specific legal actions and court cases in which FEDSAS is involved on behalf of its members
- Development and adaptation of policy documents
- Publications by FEDSAS staff:
 - Deacon, J., Colditz, P., Mellet, S. & Van der Merwe, J. 2016. *Case Law Handbook on Education*. Cape Town: Juta.

New book by FEDSAS experts contributes to research on education law

A thorough understanding of the development and application of legislation that has an impact on education in South Africa is essential for any role-player in the country's education sector. With the book *Case Law Handbook on Education*, four legal experts from FEDSAS analyse 25 cases that contributed to South Africa education legislation as we know it today. Dr Jaco Deacon, Deputy CEO of FEDSAS, is the editor of the publication. The other authors are Mr Paul Colditz, FEDSAS CEO, Mrs Suzaan Mellet, Manager: Support Services at FEDSAS, and Ms Juané van der Merwe, FEDSAS' legal officer. All four authors are legal experts with proven knowledge of education law. The book is an authoritative academic publication, but was written to be accessible to members of governing bodies that work with these issues on a daily basis. Each case is discussed clearly and the practical implications are highlighted.



FEDSAS pioneers King III guide for schools

School governance and the South African education system received a huge boost with the publication of a guide that makes the King Principles of good governance accessible to public schools. Governance in public schools – *A guide to the application of the King Principles in public schools* is the realisation of a dream of many years for FEDSAS. The King III Report, the third version of the King Committee's principles for good governance and ethical leadership, is internationally recognised as one of the best governance codes in the world. It is created, published and owned by the Institute of Directors of Southern Africa (IoDSA) and FEDSAS approached the IoDSA to collaborate on the publication of such a guide for schools. The CEO of the FEDSAS Institute for School Governance, Dr Derek Swemmer, headed this project to compile an understandable and practical guide based on the King Principles for school governors. The project also received the support of the Department of Basic Education. The guide enables school governing bodies to comply with the stipulations of the Schools' Act, but also to go one step further in complying with the King Principles. This creates the opportunity for good schools to become great schools. The guide forms part of FEDSAS' commitment to positive citizenship.



From left to right are: Derek Swemmer (FEDSAS), Adrie Albertyn (Principal: Oranje Girls' Primary), Rosh Turchino (SBL member: Eunice), Kgobi Dikana (FEDSAS) and Paul Colditz (FEDSAS)

New and revised policy documents: 2016

New:

- Policy on the declaration of personal interest
- Gifts policy
- Specific aspects pertaining to the investigation and completion of a disciplinary hearing
- The right to access to school terrain and school activities
- Draft code of ethics for parents and visitors
- The scope of an audit of, and investigation into, the financial records and statements of public schools
- The provision of false and misleading information
- Guidelines for handling harassment and bullying at schools
- Implications of the Western Cape school fees exemption case of 2016
- Remuneration strategy and policy
- Permission and indemnity form
- Implications of the Constitutional Court's judgement in FEDSAS V MEC, Gauteng

Revised:

- The scope and range of section 60 of the South African Schools' Act 84 of 1996
- Property rights of public schools
- Liability of a public school in the case of leased fixed property
- Draft constitution of governing bodies
- Draft admissions policy
- Policy on information systems and social media
- Guide for governing bodies for the appointment of a new principal
- Section 38A agreement with educator
- Calendar with compulsory dates

Focus area: Membership Growth

On 31 October 2016 a total of 2028 school governing bodies of public schools were members of FEDSAS. However, there are nearly 24 000 public schools in South Africa and growing FEDSAS' membership remains a primary goal.

Specific strategic goals for 2016 pertaining to membership growth:

Actions undertaken:

- 194 new members

Focus area: Fundraising and Relationship Management

FEDSAS is a non-profit organisation and, apart from membership fees, is dependent on external sources for income.

Specific strategic goals for 2016 pertaining to fundraising and relationship management:

Actions undertaken:

- Strategic partnerships
- Appointment of a Corporate Communication Officer to assist with unlocking external funding as one of the key focus areas of the position
- Continuous meetings and formal and informal events with education stakeholders, including political leadership, in order to maintain FEDSAS' role as opinion leader and to build healthy, proactive relationships with stakeholders
- FEDSAS acts as support partner and exhibitor and FEDSAS staff act as speakers: SABC Career Indaba (7500 learners, 300 parents)
- FEDSAS acts as support partner and exhibitor and FEDSAS staff act as speakers: SABC EduWeek (4000 international visitors)
- FEDSAS acts as support partner and exhibitor: The Digital Education Show (3000 visitors)

Focus area: Good Corporate Governance

FEDSAS is committed to good corporate governance and structures that will create the best possible environment for executing the organisation's duties.

Specific strategic goals for 2016 pertaining to good corporate governance:

Actions undertaken:

- New positions:
 - National Operational Manager
 - Three Deputy Managers (Western Cape)
 - One Deputy Manager (Free State)
 - Three administrative posts

Books worth more than R3 million donated to FEDSAS mobile libraries!

Great reading joy awaits hundreds of primary school learners on the Cape Flats with a donation of books to the value of more than R3 million from NB-Publishers. The books were donated to the mobile libraries that were donated by FEDSAS to three primary schools on the Cape Flats at the end of 2015. This project is an initiative of FEDSAS, Quali Books and singer Nadine Blom. Projects such as these need the support of large publishers and FEDSAS sees the project as an investment in the future of children. The FEDSAS mobile libraries consist of a cabinet which is used to move the books between classrooms. This improves control over the book collection and provides a valuable resources to teachers.



PHOTO: Excited learners and teachers of Irista Primary boast with books from their new mobile library. With them are (left) Mr Francois van Wyk, principal, and (right) Mr Danie van Wyk from FEDSAS.

Report of the CEO

The combined education careers of FEDSAS staff members exceed 1 100 years. This is a **millennium** of combined expertise, over and above the experience in legal and management positions! This reminds one of the following quote from Richard I. Male's article *Life cycles of non-profit and nongovernmental organizations*:

One of the sweetest spots for organizations is the intersection between the growth stage and the governance or maturity stage of the organization. This is a very healthy place to "hang out" because you have the energy, passion, and time to focus on mission that is reflected in the growth stage characteristics plus you have the infrastructure, systems, and planning functions in place that are reflected in the more mature stage organization. Alas, no phase lasts forever.

This is indeed the place where FEDSAS as an organisation finds itself at the moment. It is therefore a privilege for me to provide this overview, and I aim to do it as honestly and as soundly as possible. The information in this report of the CEO should be read together with the information in the rest of the integrated report in order to get a complete overview of what was done, what was achieved and what could realistically be expected in terms of sustainability.

Membership

Membership of FEDSAS has increased to more than 2000 members. This is an average growth rate of more than one new member per school day of the year. The most dramatic growth was seen in the Western Cape, where the organisation now boasts more than 500 members. Given the fact that FEDSAS is largely dependent on membership fees to fund our existence and activities, it is significant that the organisation is still experiencing daily growth despite difficult economic times for schools. The experience of the past year is an indication that there is still room to keep the challenge of further growth alive.

Finances

Budgeting for the past financial year was a challenge because economic uncertainties and the impact thereof on our members' finances were equally uncertain. Following a drastic 12% increase in membership fees during the previous financial year the increase for the current year had to be kept below the inflation rate – and we've achieved this. The result is that the projected surplus on our budget will be significantly less than during the previous year, but through saving and strict financial discipline all indicators show that there will still be a surplus. This surplus will boost FEDSAS' ideal to build a reserve fund. The reserve fund was established to ensure FEDSAS' sustainability and to comply with FEDSAS' social responsibility to be a responsible South African organisation in accordance with the King principles on good governance.

Activities in provinces

The increase in the number of activities in provinces during the past year was simply phenomenal. On any given day, even over weekends, staff members were involved in a range of organised activities. This is over and above the attention our staff members have to pay to the challenges, enquiries and problems from our members.

Staff

Our staff contingent has increased from 39 to 44 over the past year, which is an indication of the growth and development of the organisation. In a service organisation such as FEDSAS the staff remains our biggest and most important asset and salaries are also by far the biggest expense on our budget. However, there remains an almost unlimited need for the appointment of more staff members to keep up with the demand of our services and to make use of all the opportunities for growth.

Liaison with education departments

FEDSAS' liaison and interaction with the Department of Basic Education remains excellent and takes place on a regular basis. The ideal is to establish this type of liaison with each of the provincial education departments. In the provinces interaction ranges from excellent to very poor. What happens in education departments falls outside of FEDSAS' control and our only way of promoting the vision and mission of FEDSAS in this environment remains influence. Our goal is to increase our focus on this role in future.

Sustainability and the road ahead

As is the case for the rest of society, the road ahead for FEDSAS looks promising yet challenging. One of the challenges that the organisation is already addressing is the transformation of members and staff to reflect South Africa's diversity. A number of recent appointments has set FEDSAS on the road to making a meaningful impact in future. The growing need in underperforming schools remain a concern and if FEDSAS wants to make a meaningful impact in education in South Africa the organisation will have to increase efforts to reach out and make a difference. What is promising, though, is that FEDSAS is now a well-established organisation with a strong support base and a strong network of partners and stakeholders.

Paul Colditz:
CEO

Overview: Financial Statements

General Information

Period

This section contains a brief overview of the financial position of FEDSAS for the financial year ending 31 December 2015.

Management's responsibility and approval

These financial statements were compiled in accordance with the International Financial Reporting Standards for Small and Medium Organisations and the South African Statements of Generally Accepted Practice and are based on applicable accounting policy that is applied consistently and supported by reasonable and prudent judgement and estimations. Based on the information and explanations provided by the management of FEDSAS, it is the Council's opinion that the internal management systems provide reasonable assurance of the dependability of the financial records in compiling the financial statements. Any internal systems for financial control can only provide reasonable, and not absolute, assurance against any substantial irregular declaration or loss. FEDSAS' management has scrutinised the organisation's cash flow prediction for the year ending 31 December 2015 and is in the light of this scrutiny and the current financial position assured that the governing body has sufficient resources or access to sufficient resources to continue its activities for the foreseeable future.

Auditors

Gert Jordaan Incorporated

Chartered Accountant (SA)

Registered member of the South African Institute for Chartered Accountants (no. 20027133)

Independent Auditor's Report

GJ INC.

Gert Jordaan Inc.

Reg: 2014/047/257/21
Practice nr: 953656
30 Leipoldt Street
Dan Pienaar
Bloemfontein
9301

Independent Auditor's Report

To the members of FEDSAS

We have audited the financial statements of FEDSAS, as set out on pages 6 to 12. These financial statements consist of the statement of financial position as at 31 December 2015, income statement, statement of changes in equity and cash flow statement for the year ended on that date, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The company's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium Sized Enterprises and for such internal control as the directors may deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

It is our responsibility to express an opinion on these financial statements based on our audit. We have executed the audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan the audit and perform to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design in order to design audit procedures that are appropriate in the circumstances, but not for the purpose to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating in 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. As in the case of similar organizations, it is not practicable for accounting controls on cash collections to be set before the initial entries in the accounting records are made. It was therefore impractical to expand our procedures on receipts over and above what is actually recorded.

Opinion

In our opinion, the financial statements in all material respects a fair presentation of the financial position of FEDSAS as at 31 December 2015 and of the governing financial performance and cash flows for the year ended on that date, in accordance with the International Financial Reporting Standards Small and Medium Sized Businesses.


Gert Jordaan Inc
Gert Jordaan CA(SA)

Financial Statements and Overview

FEDSAS

Financial statements for the year ending 31 December 2015

Statement of financial position as at 31 December 2015

	Note(s)	2015 R	2014 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	332 426	184 500
Loan- SA Onderwys Trust	3	1 205 653	1 137 408
		1 538 079	1 132 908
Current Assets			
Stock	4	228 233	111 090
Trade and other debtors	5	450 615	7 794
Prepayments – legal costs		77 854	-
Cash and cash equivalents	6	3 168 127	1 887 311
		3 924 829	2 006 195
Total assets		5 462 908	3 328 103
Equity and liabilities			
National Council's funds and reserves			
Non-distributable reserves		1 149 497	1 149 497
Accumulated surplus		2 609 938	1 845 822
		3 759 435	2 995 319
Liabilities			
Operating liabilities			
Trade and other creditors	8	1 703 473	188 438
Provisions		-	144 346
		1 703 473	332 784
Total equities and liabilities		5 462 908	3 328 103

FEDSAS

Financial statements for the year ending 31 December 2015

Comprehensive income statement

	Note(s)	2015 R	2014 R
Income			
Membership fees		11 198 373	8 867 479
Other income			
Advertising revenue – website		-	13 480
DVD sales & Juta books		338 917	250 612
Donations, sponsorships & Legal Fund		4 372 659	388 224
Web advertisements		20 000	27 500
Project financing		450 000	500 000
Interest received	10	395 815	312 280
Seminar revenue		-	(44 145)
		5 577 391	1 447 951
Operating costs			
Advertisements		(29 573)	(88 205)
Bank costs		(26 137)	(29 546)
Bursary monies		(10 000)	(8 000)
Depreciation, amortisation, impairments		(108 626)	(130 271)
Printing and stationary		(167 610)	(89 201)
Facilities		(38 983)	(30 261)
Gifts		(107 073)	(10 895)
Repairs and maintenance		(74 524)	(50 139)
Rental		(1 588)	(15 458)
Lease		(370 732)	(339 982)
Corporate clothing		(32 682)	(24 418)
Vehicle costs		(23 923)	(12 870)
Catering		(45 907)	(11 550)
Training		(9 927)	(18 021)
Staff conference		(630 957)	(423 717)
Postage		(26 542)	(41 871)
Project costs and seminars		(2 574 958)	(571 548)
Legal costs		(2 227 677)	(551 763)
Travel costs – local		(1 757 616)	(1 293 822)
Computer costs		(135 472)	(86 877)
Accounting Fees		(28 189)	(23 216)
Bad debt		-	(110)
Subscriptions and membership fees		(113 936)	(58 104)
Telephone and fax		(424 871)	(371 432)
Magazines, books and journals		(880)	(469)
Meeting costs		(442 712)	(507 695)
Translations		(26 215)	(23 932)
Insurance		(79 612)	(57 163)
Web administration		(91 152)	(106 985)
Employee costs		(6 403 574)	(4 978 479)
		(16 011 648)	(9 956 000)
Surplus for the year		764 116	359 430
Other comprehensive income		-	-
Total comprehensive income for the year		764 116	359 430

