



The Federation of Governing Bodies of South African Schools

Integrated Annual Report 2017



THE FEDERATION OF GOVERNING
BODIES OF SOUTH AFRICAN SCHOOLS

Integrated Annual Report 2017





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FOREWORD: NATIONAL CHAIRPERSON

Education, despite the large number of learners, educators and other role-players involved, has the individual as its focus. The individual child and his or her right to quality education and the individual parent and his or her right to make decisions about their children's education. While most of the decision-making and action in the South African education sector is focused on the bigger picture – as it should be when informed decisions to the benefit of the majority have to be made – FEDSAS has always focused on equipping individual role-players.

FEDSAS has as its main aim quality education in public schools. This is every child's basic right. To achieve this aim, the organisation's work focuses on the protection and improvement of another basic right, namely a parent or guardian's right to make decisions about his or her child's education. South Africa has a system of public schools, in other words schools that belong to their immediate communities. These schools are governed by a governing body consisting of role-players from the immediate school community and of which the majority of members must be parents. In short: A school's governing body represents the parents of the children in that school. In this way parents have a direct say in the education of their children.

FEDSAS equips SGB members to create an environment where quality education can take place. As it is teachers' and children's duty to teach and learn, so is it the task of the governing body to govern a school in such a way that teaching and learning can take place – and similarly it is FEDSAS' mission to provide independent, expert advice to the governing body. Creating awareness remains a key activity – the better South Africans, especially parents, understand the concept of public schools and their role in the system, the better the school system will function.

This integrated annual report provides an overview of the activities undertaken by FEDSAS during 2017 to realise the above. The report tells a success story of growth, depth and insight, a story of new possibilities explored and potential unlocked, and a story of challenges and innovative plans to address these challenges.

Erhard EH Wolf:
National Chairperson

INTRODUCTION

FEDSAS' approach to reporting

FEDSAS accepts the King IV™ Report on Governance for South Africa, 2016, as the source document on what constitutes 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 annual 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 2017, as well as the financial year of 2016.

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 action 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.

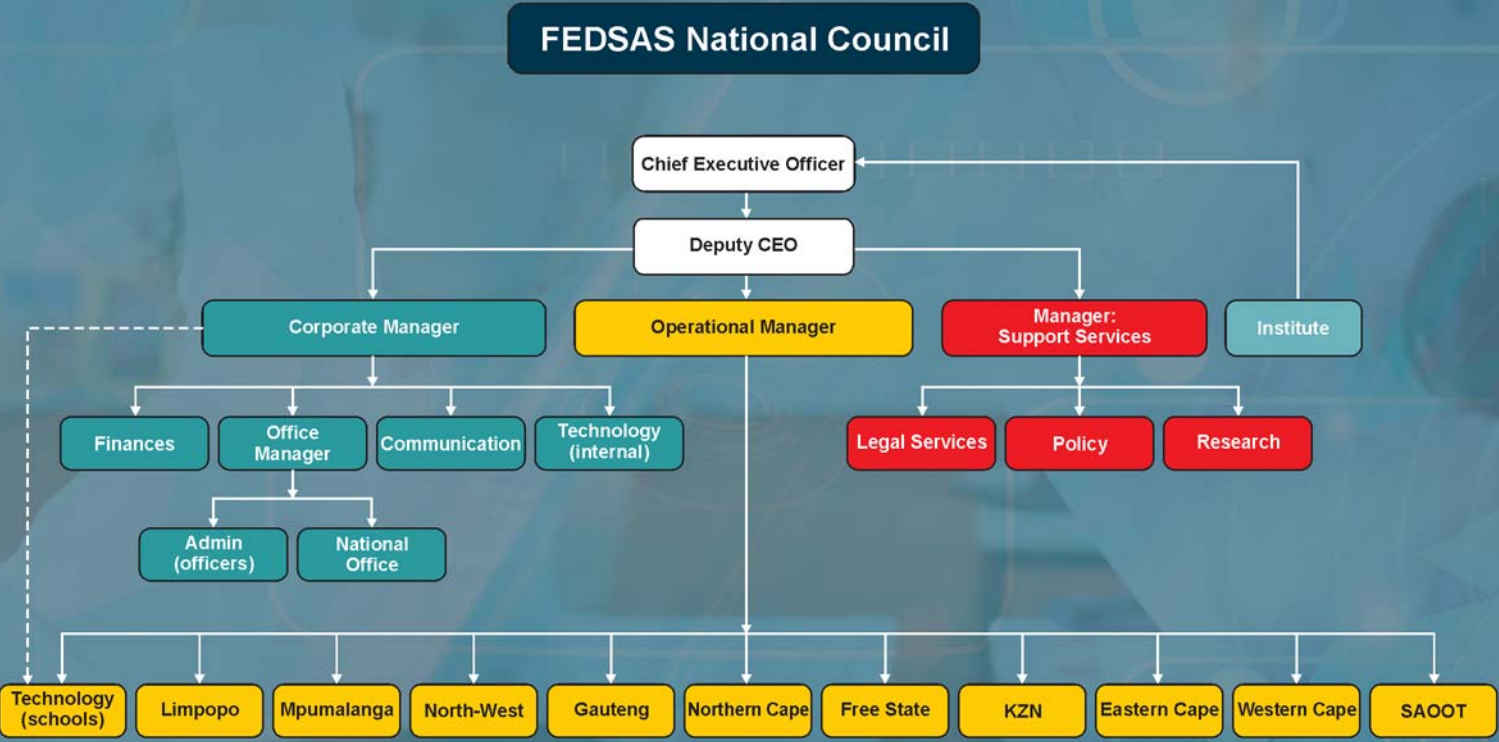
FEDSAS assists governing bodies across the entire spectrum of school governance, including staff appointments, labour relations, strategic planning and financial management.

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.

Operational structure



National Council

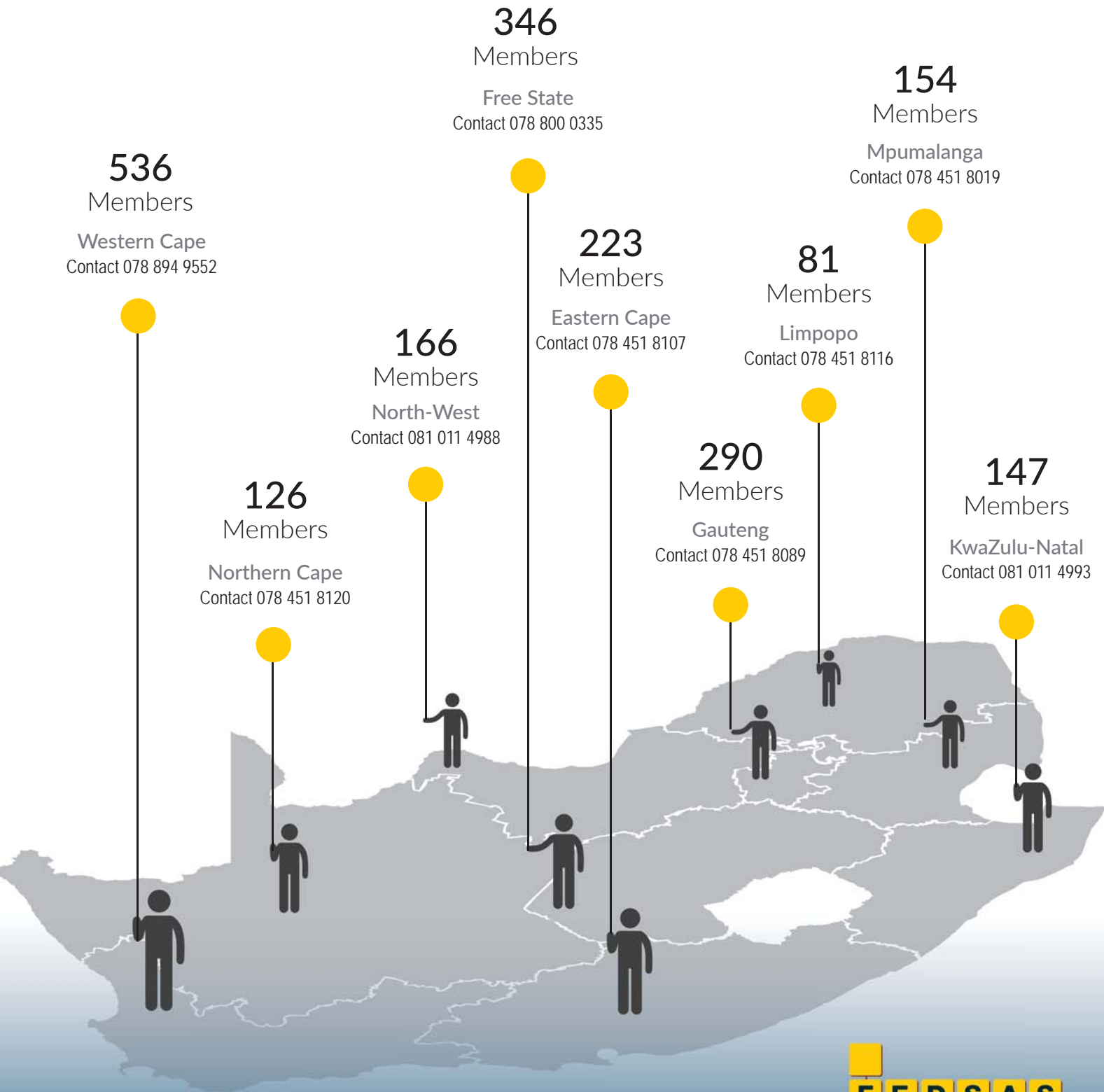
A National Council is entrusted with the governance of FEDSAS, which entails managing the funds and other assets belonging to the organisation. As the National Council controls assets belonging to others, the organisation as well as all individual members of the National Council stand in a relationship 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.

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 governance 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.

National footprint

Distribution of members / contact details



Visit the FEDSAS website at www.fedsas.org.za for information on provincial councils and FEDSAS staff in all the provinces.



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 2017 pertaining to training:

FEDSAS Institute for School Governance

Actions undertaken:

- Review of the prestige publication *Governance in public schools – A guide to the application of the King Principles in public schools*
- Testing and implementation of two instruments to enhance school governing bodies (Post-meeting survey tool and SGB annual performance evaluation tool)
- Series of governance communiqués to assist governing bodies with best practice

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: 28 sessions, 454 participants from 56 schools
- Continued and advanced training: 121 sessions, 1870 participants from 274 schools
- Value-driven Schools project: 15 sessions, 792 participants from 93 schools
- Additional training: 1888 sessions, 5070 participants from 2062 schools
- Meetings on burning issues: 139 sessions, 4948 participants from 1089 schools
- Hey Lead seminars for learners: 17 sessions, 1248 participants from 248 schools
- Training to school leaders in the Western Cape: 6 sessions, 508 learners, 199 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 2017 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

Awareness around World Teachers' Day

Actions undertaken:

- A link on the website with all the information pertaining to World Teachers' Day
- Media release
- Electronic advertisements
- Use of social media
- FEDSAS National Office visits Lettie Fouché School in Bloemfontein

Growth of FEDSAS' social media footprint

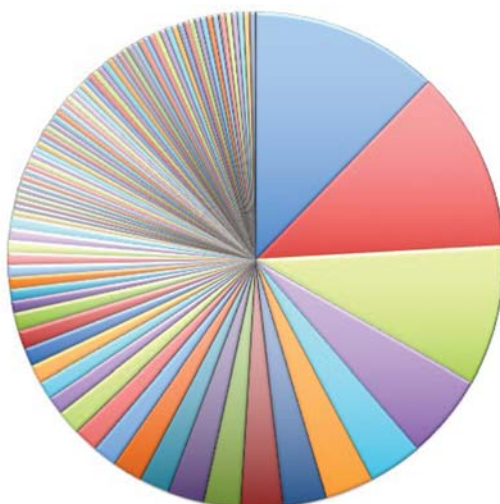
Actions undertaken:

- 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
- 434 547 direct views across various digital media platforms for three-month period (Aug – Oct 2017)

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
- 13 media releases for the period 1 January 2017 to 31 October 2017
- Ratio of media releases-news hits: 1:2.46 (an average of two articles for every media release)



Maroela Media	Netwerk24	Times LIVE	OFM	CapeTalk	Sowetan Live	News24	Politicsweb
Boksburg Advertiser	UFM	Key Digital RI Research	NewsHub - South Africa	202 Talk Radio	Radio 702	The Citizen	Business Live
EC	M24South Africa	Overdose Current	South Africa News, Net	Zulu.co.za	Advent on Record	Centurion Report	HeraldLive
Hulgenast	Mail & Guardian	Py-Elementary Marketing Group	Pretoria Herald	The Times E-Edition	African Reporter	Aika News	Algeria Times
Barbours Times	Bedfordshire Echo/Leeds News	Bonus Mail	Blomfontein Courier	Business Tech	Capricorn Voice	CapeTown Herald	City Press
Comoro Chronicle	Con like Gazette	Daily Maverick	Daily News	Daily Sun	DearWattfulgrat.com	Die Burger	Die Sun
East Coast Radio	DNCA	Eastport and Midland News	Eyes/News News	Fourways Review	George Herald	Gemiddelen City news	Harold's Herald
Highveld	Highway Mail	IT News Africa	ITWeb	Incaranda FM	Johannesburg Express	Kompanj Express	Knowledge Business
Kingstony News	Latvia Herald	Maritzburg Sun	Moskoo Bay Advertiser	Mpumalanga News	MyRB	My24	Newswatch Advertiser
North West Newspapers	Northern Natal Courier	Pieteritz	Pieteritz Observer	Post Free Press Office on ITWeb	Randburg Sun	Randfontein Herald	Rand East
Rand North	Rosebank Mercury/Gazette	Southern Courier	Town to Urban	Spring Advertiser			

General awareness: website

Actions undertaken:

- Increase traffic to website (www.fedsas.org.za) for period 1 January 2017 to 31 October 2017
- 51 697 visits to website
- 23 287 unique visitors (58% return visitors, 42% new visitors)
- average visit of 4:56 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 2017 pertaining to research:

Actions undertaken:

- Translation of *A practical guide to school governance* in isiXhosa, isiZulu, Sesotho, Setswana and Afrikaans
- 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., Van Rooyen, J., Mellet, S., Van der Merwe, J., Swemmer, D. & Van der Bergh, R. 2017. *Financial management in public schools: A practical guide to legislative compliance*. Cape Town: Juta.

Guide on principles of good governance

Since the publication of *A practical guide to school governance* in 2016, the King IV Report was published on 1 November 2016. FEDSAS has expanded this project further by incorporating the principles and practices in the King IV report in the guide. The publication is a guide that makes the King principles for good governance in public schools accessible. It is based on the King Committee's principles that inform good governance and ethical leadership. It is developed, published and owned by the Institute of Directors of South Africa (IoDSA). 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 the project to compile an understandable and practical guide based on the King principles for members of school governing bodies. The project also enjoys 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.

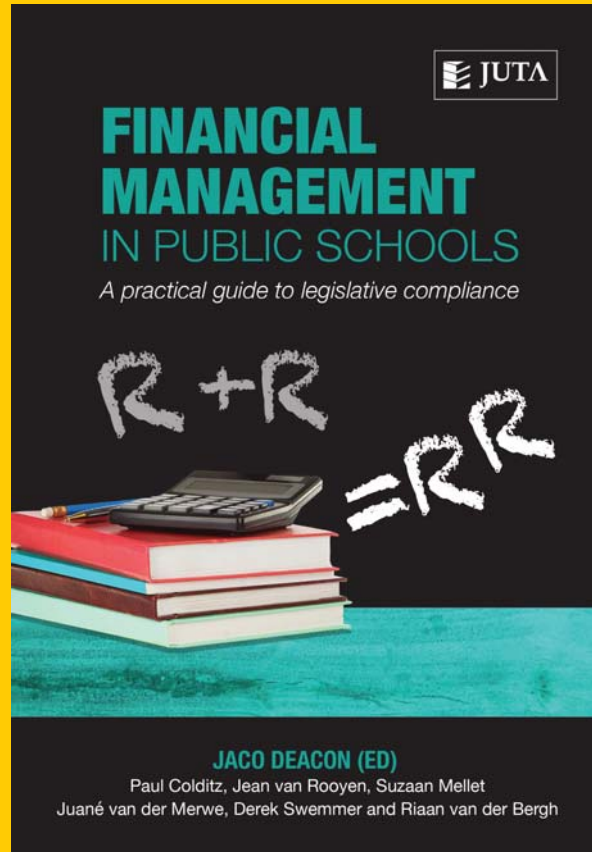


FEDSAS expertise on financial management at schools now in book-form

Finances remains one of the biggest challenges facing public schools in South Africa and financial management remains one of the components that FEDSAS is consulted on most by school governing bodies. This expertise is now available in book-form as part of the latest publication involving FEDSAS staff. The book *Financial Management in Public Schools: A practical guide to legislative compliance* was launched at the International Education Law Conference in September 2017.

"All schools, irrespective of their environment, have unique financial challenges. The unique management model of public schools as determined by the Schools' Act requires governing bodies to maintain a fine balance in terms of the management of a school's finances," says Dr Jaco Deacon, Deputy CEO of FEDSAS and editor of the book. Other FEDSAS experts that were involved as contributors are the CEO, Mr Paul Colditz, Dr Jean van Rooyen, FEDSAS' Gauteng manager, Mrs Suzaan Mellet, FEDSAS' Manager: Support Services, Ms Juané van der Merwe, legal officer, Dr Derek Swemmer, CEO of the FEDSAS Institute for School Governance, and Mr Riaan van der Bergh, FEDSAS' Manager: Education Technology.

Deacon says the aim of the book is to provide an overview of the most important aspects pertaining to school finances. "The book explains the practical implications and is indispensable for school governing bodies, principals and a school's financial officer.



The book was written by experts in the field of school governance and finances and can also be used in a broader sense by legal practitioners, accountants and auditors that support schools in an advisory capacity." The content covers, amongst others, aspects such as the role-players in financial management, financial reporting, budgeting, determining and managing school fees, risk management and technology. *Financial Management in Public Schools: A practical guide to legislative compliance* is published by Juta Law.

New and revised policy documents: 2017

The following legal opinions and policy documents were developed or revised by the FEDSAS legal team during 2017. It is available at www.fedsas.org.za

New legal opinions

- Requisition form
- Report of the chairperson of the governing body for the year
- Report of the finance committee for the year
- Guidelines for risk management planning
- Authorisations for payments by cheque or electronic transfer
- Implications of the North-West hostel judgement
- The role and responsibilities of the chairperson of the school governing body
- The role and responsibilities of the treasurer, financial officer and accounting officer of the school governing body
- The role and responsibilities of the secretary of the school governing body
- The rights and responsibilities of parties at the request to change a school's language policy in Gauteng
- Implications of the court case on religion in schools for school governing bodies
- Guidelines for the practical implications of the court case on religion in schools for school governing bodies
- Aspects relating to the suspension and/or expulsion of learners from public schools
- National quintiles for public school funding
- Social media guide

Legal opinions revised

- The provision of education to foreign learners
- Interest on school fees owed
- Determining, exempting and collecting school fees
- Preferential procurement by schools and the Competition Act: Guidelines for public schools

New policies

- Policy on closed circuit television
- Policy on the audit committee and internal audit
- Vehicle and transport policy

Policies revised

- Admissions policy (revised)
- Admissions policy for Gauteng schools (revised)
- Policy on religion (revised)
- Code of ethics for learners (revised)

Focus Area: Membership Growth

On 31 October 2017 a total of 2070 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 2017 pertaining to membership growth:

Actions undertaken:

- 42 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 2017 pertaining to fundraising and relationship management:

Actions undertaken:

- Strategic partnerships
- 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: Edutec 2017.
- FEDSAS acts as support partner and exhibitor at first EduWeek Western Cape (223 schools).
- FEDSAS acts as support partner and exhibitor and FEDSAS staff acts as speakers at 2017 SABC EduWeek (4000 visitors, 161 exhibitors, 90 speakers, more than 7400 networking opportunities).
- Attend Free State Education's e-learning summit
- Attend Ithute Teacher ICT Summit

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 2017 pertaining to good corporate governance:

Actions undertaken:

Implementation of principles of King IV™ Report on Governance for South Africa, 2016, as the source document on what constitutes sound governance

GOALS FOR 2018

This section provides a short overview of specific special projects planned for 2018.

Project: School Governing Body Elections 2018

Background

In accordance with the South African Schools' Act, governing bodies are elected every three years. It is the third largest national election in South Africa, with some 300 000 governing body members elected. The next election takes place during March 2018. Parents have the right to make decisions about their children's education and the South African Schools' Act protects and promotes this right through school governing bodies. However, the previous four elections were characterised by poor voting percentages and poor attendance of meetings.

This project is aimed at getting parents involved in their children's education by actively taking part in the governing body elections. Creating awareness is a key element of the project, but the nature of the project means it involves all the FEDSAS focus areas. The marketing campaign to make parents and communities aware of the importance of the governing body election will be run at school-level and schools will receive marketing material from FEDSAS. FEDSAS will also involve civil society by encouraging members to avail themselves as candidates and to take part in the elections.

Specific goals

- To record a series of discussions on the duties of governing bodies for electronic and social media.
- To provide schools with information and promotional packs to use within school communities.
- To mobilise civil society to encourage parents to be involved and to avail themselves as candidates.
- To launch a large-scale campaign on traditional media and on social media in the run-up to the elections in order to mobilise communities to take ownership of schools.
- To present 170 training opportunities to new governing body members across South Africa during the second school quarter of 2018.

Project: Research on School Environment and Wellbeing of School Principals

Background

The project involves research about the school environment and the wellbeing of school principals. The environmental analysis is aimed at enabling FEDSAS to understand and promote the interests of its member schools better, and covers a wide variety of topics. The first comprehensive environmental analysis was conducted in 2009, with a follow-up in 2014. Financial information, for example, enables FEDSAS to negotiate with the State and to compile a budgeting guide for schools using actual numbers. It also assists FEDSAS in identifying trends in order to act proactively.

In 2006 an informal study on the wellbeing of school principals was conducted in the Western Cape. The research indicated that most school principals work under enormous pressure. FEDSAS wants to expand

this study nationally in 2018 since the profile of school principals as well as the school environment have changed significantly.

Specific goals

To compile a national environmental analysis report based on 2018 data and 2017's audited financial statements of schools.

To compile a report for governing bodies on the wellbeing of school principals and to develop a plan of action at the hand of their needs.



REPORT OF THE CEO

This year in FEDSAS's history was characterised by sustained growth but also a number of major events. It is my privilege to report on this as honestly and comprehensively as possible using the six capital inputs referred to in the King IV™ report. The information in this CEO's report should be read together with the information in the rest of the integrated annual report to get an overall picture of what has been achieved, and what realistic prospects for sustainability exist.

Financial capital

The ideal that forms part of FEDSAS' sustainability strategy is to conclude every year with a small surplus in order to build a reserve fund that can ensure sustainability in times of crisis. Realistic projections for 2017 indicate that the ideal surplus may not be achieved this year, and therefore expenses have been strictly controlled without compromising service delivery.

Manufactured capital

FEDSAS is in a privileged position that we can achieve a lot with little physical resources. Technology allows FEDSAS staff to be at the disposal of our members and stakeholders at relatively low cost. Transport to meet our members and on various occasions where our presence is required is our single largest use of physical resources. However, the cost related to it is still well within the norm generally accepted for non-profit service organisations. Costs for office accommodation can be minimized by using virtual offices, but due to the growth and expansion that FEDSAS is experiencing, we have already been forced to plan for alternative office accommodation at the national office. Of course, the cost will be thoroughly considered before plans are finalised in this regard.

Intellectual capital

Ethical values are the basis for building all FEDSAS' systems, procedures and protocols. In addition, the national council also decided soon after the launch of the King IV™ report that the recommended principles and practices of that report will determine the manner in which FEDSAS will be governed and managed. We are also in the process of making the King IV™ report accessible to all our members. This is a comprehensive task undertaken by FEDSAS' School Governance, Management and Leadership Institute.

The utilisation and development of intellectual capital is also the core of FEDSAS' support services department. Research and advice on the enormous scope of school governing bodies' responsibility requires timely, accurate and ethically sustainable guidance and assistance to our members.

Human capital

The growth in FEDSAS is reflected in the growth of the staff corps. The total number of staff now stands at 46 with one current vacancy. As with service organisations of this nature, staff costs are FEDSAS' largest single budget expense. However, it is undoubtedly also FEDSAS' most important resource and therefore substantial resources are provided for the continuous training and development of our staff. The source of experience, knowledge and skills available to our staff is simply not comparable in the South African education context. An acknowledgement of the exceptional achievement of FEDSAS staff, is the decision of the World Education Congress to award Dr Jaco Deacon, FEDSAS' Deputy CEO, their highest award, the Global Education Leadership Award.

Social and relationship capital

One of FEDSAS' main objectives is to positively influence the education landscape. For this reason, building relationships, not only with our own members but with education stakeholders and stakeholders at all levels is a priority in FEDSAS' operations. The involvement of all our staff at many levels of education in all nine provinces and at national level is extraordinary. The presence of FEDSAS' brand in school education is unmistakable.

FEDSAS' liaison and interaction with the Department of Basic Education remains excellent and takes place on a regular basis. However, it remains a frustration that concrete results are not always immediately visible or take a long time to manifest. Establishing successful relationships with provincial education departments is also a priority. The success of these efforts depends to a large extent on the functionality of the provincial department of education. FEDSAS' nearly 25 years of involvement in school education in South Africa, however, has taught that perseverance and enthusiasm ultimately lead to results.

Natural capital

The nature of FEDSAS' work and operations is such that very little relies on natural resources. However, proper utilisation of renewable resources and protection of natural resources form part of all facets of future planning.

Membership

As indicated, FEDSAS' membership increased to 2 070. Double-digit growth was achieved in six of the nine provinces. Membership fees are FEDSAS' economic engine required for sustained service delivery but also for sustainability. The poor economic situation in which the country finds itself, of course, affects our members, and so we are accommodating towards those members worst affected by the economic downturn. The report on our membership elsewhere in this integrated annual report shows FEDSAS' footprint across South Africa.

National and provincial activities

I trust that this report will provide the reader with an idea of the extent of FEDSAS' activities and services to and on behalf of members during this year. That image, however, is a small reflection of the real state of affairs. Through monthly reporting by all staff on all activities of each month, FEDSAS' management receives regular feedback on what is being done at grassroots level. It creates an amazing picture of dedication and hard work on every conceivable level every month with which a governing body organisation is and can be involved all over the country.

Sustainability and the future

The future for FEDSAS is promising, but challenging. One of the challenges the organisation is already working hard at is the diversification of members and staff to play a broader role in improving school governance and management throughout South Africa. Various appointments made recently brought FEDSAS on the right track to make a significant impact in the future. The need in underperforming schools is great and if FEDSAS really wants to make a significant impact in education in South Africa, the organisation will have to reach out more and make a difference. The promising part of the future is that FEDSAS is now a well-established organisation with a strong support base that has a strong network of partners and interest groups.

At the beginning of this report, reference was made to major events. These are events that have a strong influence on FEDSAS and its role and functions. One of these was the court case brought against six of our member schools regarding the religious ethos of those schools and religious observances taking place in those schools. The end of that matter was a victory for freedom of religion at school level.

The other major event that could have a significant impact on school education in South Africa is the proposed Basic Education Laws Amendment Bill published for public comment at the time of the writing of this report. FEDSAS will deliver comprehensive comments on the proposals contained in that amendment bill on behalf of its members. Some of the proposals may have negative consequences for governing bodies of public schools. This will, of course, also have negative consequences for the schools themselves because history and published research prove that there is a direct correlation between good governance and management of schools and the success of those schools. Greater government control and power in schools is not the answer. It emphasises the importance of a watchdog like FEDSAS on matters of reasonableness, constitutional values and legitimacy.

We remain determined to be the bearer of hope and fulfilled expectations for school education in South Africa.

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 2016.

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 2016 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)



Gert Jordaan Inc.

Reg: 2014/047/257/21
Practice nr: 953656
3 Jan Marx Street
Langenhovenpark
Bloemfontein
9301

REPORT OF THE INDEPENDENT AUDITOR

To members of FEDSAS

Opinion

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 2016 and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are, in all material respects, a fair presentation of the financial position of FEDSAS as at 31 December 2016, and of its financial performance and cash flows for the year ending on that date in accordance with the International Financial Reporting Standards for Small and Medium-sized Enterprises.

Basis for Opinion

We have our audit in accordance with International Audit Standards (ISAs). Our responsibilities under the standards are further described in the auditor's audits of the financial statements section of this report. We are independent of FEDSAS in accordance with the ethical requirements applicable to our audit of the financial statements in South Africa and we have our other responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those who are responsible for corporate governance in respect of the Financial Statements

Management is responsible for preparing the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Enterprises and for such internal control as management considers necessary to enable them to compile financial statements that are free from material misstatement Whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing FEDSAS's ability to continue as a going concern, disclosure, as applicable, matters relating to current affairs and the use of the ongoing case- Basis as an accounting basis, unless management intends to liquidate the entity or discontinue operations or has no realistic alternative than to do so.

Those responsible for corporate governance are responsible for the review of the financial reporting process of FEDSAS.

Auditor's Responsibilities for Auditing the Financial Statements

Our goal is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, either due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable performance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Audit Standards (ISAs) will always detect a material misrepresentation if it does not exist. Misrepresentations may arise as a result of fraud or error and are considered to be material or collectively material if it can reasonably be expected that such misstatements will affect the economic decisions of users taken on the basis of these financial statements.

Gert Jordaan CA(SA)

Gert Jordaan Incorporated
3 Jan Marx Street
Langenhovenpark
Bloemfontein
9301

Fedsas

Financial statements
for the year ended 31/12/2016

These financial statements were prepared by:
Niël Pienaar & Associates
Gert Jordaan Inc.
Chartered Accountants (S.A.)
Published 10/03/2017

Fedsas

Financial Statements for the year ended 31/12/2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Federation of Governing Bodies of South African Schools
Registered office	Tennant Crescent 7 Fichardtpark Bloemfontein 9301
Business address	Tennant Crescent 7 Fichardtpark Bloemfontein 9301
Postal address	P O Box 31963 Fichardtpark Bloemfontein 9317
Bankers	Absa Bank Ltd.
Auditors	Gert Jordaan Inc. Chartered Accountants (S.A.)
Published	10/03/2017

Index

The reports and statements set out below comprise the financial statements presented to the shareholder:

Contents	Page
Management Responsibilities and Approval	3
Management Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Cashflow Statement	9
Accounting Policies	10
Notes to the Financial Statements	11 - 12

The following supplementary information does not form part of the financial statements and is unaudited:

Income Statement	13
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Published

10/03/2017

Management Responsibilities and Approval

The management are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in Note 1 to the financial statements. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The management acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The management are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The management have reviewed the company's cash flow forecast for the year to 31/12/2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 4.

The financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board on 10/03/2017 and were signed on its behalf by:

Chairman

Vice Chairman

Bloemfontein

10/03/2017

Management Report

The directors submit their report for the year ended 31/12/2016.

1. Review of activities

Main business and operations

Net profit of the company was R 1,712,886 (2015: profit R 764,116), after taxation of R - (2015: R -).

2. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

4. Auditors

Gert Jordaan Inc. will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

Fedsas

Financial Statements for the year ended 31/12/2016

Statement of Financial Position as at 31/12/2016

	Note(s)	2016 R	2015 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	280,578	332,425
Loan - SA Onderwys Trust	3	1,299,091	1,205,653
		1,579,669	1,538,078
Current Assets			
Inventories	4	152,900	140,470
Trade and other receivables	5	452,076	537,763
Pre Payments - Legal Fees		2,715	77,854
Cash and cash equivalents	6	3,501,847	3,168,744
		4,109,538	3,924,831
Total Assets		5,689,207	5,462,909
Equity and Liabilities			
Nasional Board Funds and Reserves			
Non Returnable Reserves		1,149,497	1,149,497
Retained income		4,322,824	2,609,938
		5,472,321	3,759,435
Liabilities			
Current Liabilities			
Trade and other payables	7	216,886	1,703,474
Total Equity and Liabilities		5,689,207	5,462,909

Fedsas

Financial Statements for the year ended 31/12/2016

Statement of Comprehensive Income

	Note(s)	2016 R	2015 R
Revenue	8	12,560,533	11,198,373
Other income		7,152,007	5,191,245
Operating expenses		(18,560,673)	(16,021,317)
Operating profit		1,151,867	368,301
Investment revenue	9	561,019	395,815
Profit for the year		1,712,886	764,116
Other comprehensive income		-	-
Total comprehensive income for the year		1,712,886	764,116

Fedsas

Financial Statements for the year ended 31/12/2016

Statement of Changes in Equity

	Legal fund reserves R	Other NDR R	Total reserves R	Retained income R	Total equity R
Balance at 01/01/2015	429,381	720,116	1,149,497	1,845,822	2,995,319
Profit for the year	-	-	-	764,116	764,116
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	764,116	764,116
Balance at 01/01/2016	429,381	720,116	1,149,497	2,609,938	3,759,435
Profit for the year	-	-	-	1,712,886	1,712,886
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,712,886	1,712,886
Balance at 31/12/2016	429,381	720,116	1,149,497	4,322,824	5,472,321

Fedsas

Financial Statements for the year ended 31/12/2016

Cashflow Statement

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Cash generated from operations	10	103,029	1,210,347
Interest income		561,019	395,815
Net cash from operating activities		664,048	1,606,162
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(240,221)	(258,138)
Loan - SA onderwys trust		(93,438)	(68,245)
Net cash flows of discontinued operations		2,715	1,654
Net cash from investing activities		(330,944)	(324,729)
Total cash movement for the year		333,104	1,281,433
Cash at the beginning of the year		3,168,744	1,887,311
Total cash at end of the year	6	3,501,848	3,168,744

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the accounting policies as set out below. The financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.4 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements

	2016 R	2015 R
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2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Furniture and fixtures	123,869	(58,009)	65,860	82,046	(34,119)	47,927
Motor vehicles	311,636	(311,635)	1	311,636	(311,635)	1
Office equipment	85,231	(85,229)	2	85,231	(78,256)	6,975
Computer software	900,064	(685,349)	214,715	701,666	(424,144)	277,522
Total	1,420,800	(1,140,222)	280,578	1,180,579	(848,154)	332,425

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	47,927	41,823	(23,890)	65,860
Motor vehicles	1	-	-	1
Office equipment	6,975	-	(6,973)	2
Computer software	277,522	198,398	(261,205)	214,715
	332,425	240,221	(292,068)	280,578

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	26,388	33,818	(12,279)	47,927
Motor vehicles	1	-	-	1
Office equipment	623	7,939	(1,587)	6,975
Computer software	157,487	216,381	(96,346)	277,522
	184,499	258,138	(110,212)	332,425

3. Loan - SA Onderwys Trust

This loan to the Suid Afrikaanse Onderwys Trust is payable on request. This loan is interest bearable and the rate is connected to the Money Market rates of ABSA Ltd. The current rate is 6% as on 31 Desember 2016.

4. Inventories

Stock - literature	152,900	140,470
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5. Trade and other receivables

Trade receivables	452,076	537,763
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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Notes to the Financial Statements

	2016 R	2015 R
6. Cash and cash equivalents (continued)		
Cash on hand	(2,337)	2,802
Bank balances	742,070	243,965
Short-term deposits	2,520,114	2,677,477
Cash and Cash Equivalent - Advance to Provinces	242,000	244,500
	3,501,847	3,168,744
7. Trade and other payables		
Creditors	172,876	103,110
Payments received in advance	44,010	1,600,364
	216,886	1,703,474
8. Revenue		
Membership Fees & Sundry Income	12,560,533	11,198,373
9. Investment revenue		
Interest revenue		
Loans and Investments	561,019	395,815
10. Cash generated from operations		
Profit before taxation	1,712,886	764,116
Adjustments for:		
Depreciation and amortisation	285,095	108,626
Interest received	(561,019)	(395,815)
Movements in provisions	-	(144,346)
Movements in provisions	4,259	-
Changes in working capital:		
Inventories	(12,430)	(140,470)
Trade and other receivables	85,687	(418,945)
Pre Payments - Legal Fees	75,139	(77,854)
Trade and other payables	(1,486,588)	1,515,035
	103,029	1,210,347
11. Income Tax		

The entity is registered as a Non Profit Organisation with NPO number 128-598. The entity is thus exempt from income tax under section 10(1) (cn) of the income tax act.

Income Statement

	Note(s)	2016 R	2015 R
Revenue			
Membership Fees		12,560,533	11,198,373
Other income			
Donations, Sponsorships & Legal Fund		7,059,655	4,382,328
DVD & Book Sales		57,352	338,917
Projec Funding		-	450,000
Web Advertisements		35,000	20,000
Interest received	9	561,019	395,815
		7,713,026	5,587,060
Operating expenses			
Accounting fees		(24,065)	(28,189)
Advertising		(102,486)	(29,573)
Bad debts		(7,078)	-
Bank charges		(31,095)	(26,137)
Bursaries		-	(10,000)
Computer expenses		(124,970)	(135,472)
Corporate Clothing		(28,272)	(32,682)
Depreciation, amortisation and impairments		(285,095)	(108,626)
Employee costs		(11,053,496)	(6,403,574)
Entertainment		(24,309)	(45,907)
Gifts		(16,069)	(107,073)
Hire		(6,973)	(1,588)
Insurance		(97,695)	(79,612)
Legal expenses		(1,204,180)	(2,227,677)
Magazines, books and periodicals		(986)	(880)
Motor vehicle expenses		(8,247)	(23,923)
Meeting Expences		(732,736)	(442,712)
Office Hire		(378,709)	(370,732)
Personel Conference		(744,179)	(630,957)
Postage		(31,787)	(26,542)
Printing and stationery		(178,275)	(167,610)
Project & Seminar fees		(502,706)	(2,584,627)
Repairs and maintenance		(73,798)	(74,524)
Subscriptions		(86,851)	(113,936)
Telephone and fax		(434,140)	(424,871)
Training		(4,700)	(9,927)
Translation Fees		(31,098)	(26,215)
Travel - local		(2,156,208)	(1,757,616)
Utilities		(32,587)	(38,983)
Web administration		(157,883)	(91,152)
		(18,560,673)	(16,021,317)
Profit for the year		1,712,886	764,116
Other comprehensive income		-	-
Total comprehensive income for the year		1,712,886	764,116

