



2019 Integrated Annual Report

THE FEDERATION OF GOVERNING BODIES
OF SOUTH AFRICAN SCHOOLS





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Foreword: National Chairperson



Diversity was an important theme for the Federation of Governing Bodies of South African Schools (FEDSAS) during 2019. The key to understanding diversity is in the word's Latin origin, namely "to look in two directions". However, this does not imply that diversity only refers to two direct opposites. In fact, it refers to the movement or action that is implied: Do not be content looking only in one direction; look around, observe, change course when necessary. It is not enough simply to recognise more than one direction; it requires the ability to change direction.

FEDSAS' #LekkeDifferent campaign was largely focused on learners and provided schools and learners with the opportunity to celebrate the positive power of diversity in a creative manner. However, diversity is also a broader goal that forms part of all FEDSAS' activities. FEDSAS' members represent a range of different schools that mirrors the South African society. The organisation's training, information, support and services should therefore take this diversity into account, and adapt accordingly. Every member of a governing body, every school, region and province has their own challenges. The hundreds of training opportunities and school visits reported on in this document are proof of FEDSAS' personal approach to the organisation's vision, namely to maintain and promote quality education in public schools in South Africa.

This integrated annual report provides an overview of FEDSAS' activities during 2019. It tells the story of diversity through an honest evaluation of the organisation's successes, challenges and future plans.

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 constitute sound governance.

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 2019, as well as the financial year of 2018.

Abbreviations and terms

- **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
- **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 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?

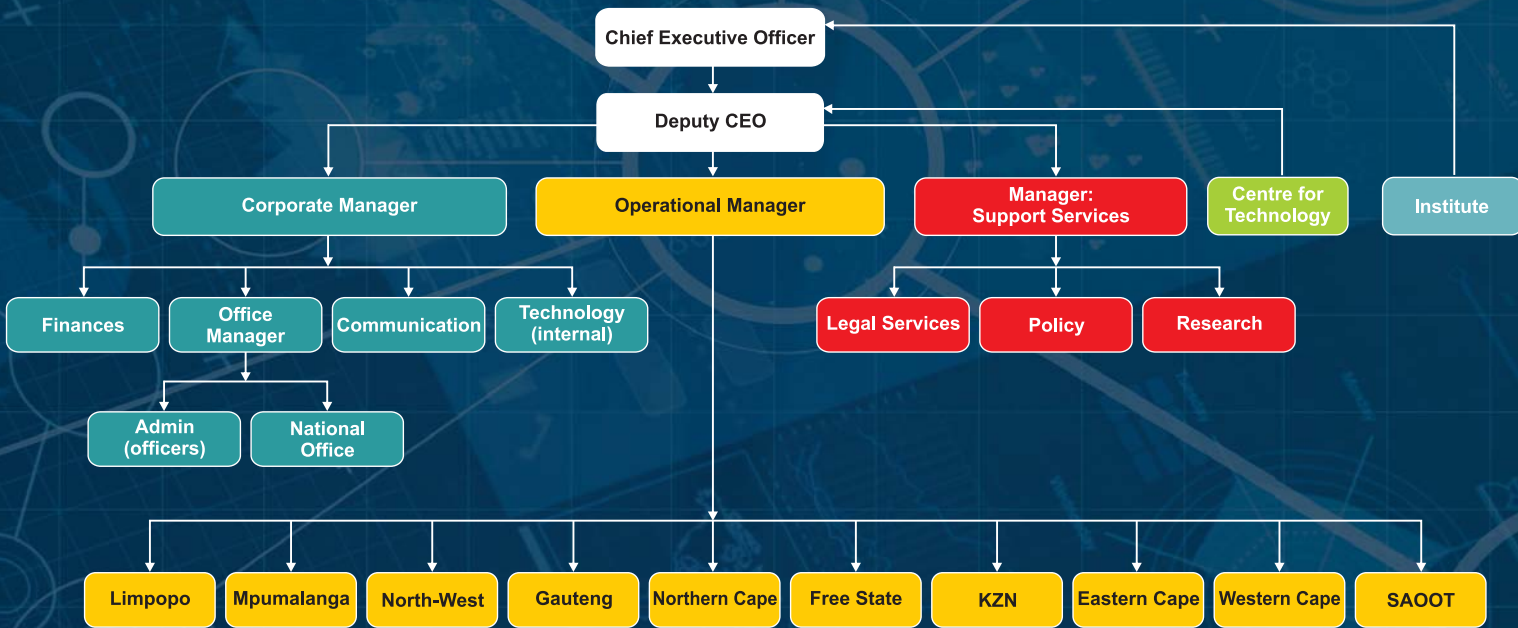
- FEDSAS believes in maximum autonomy for governing bodies and therefore we strive to expand the rights and powers of governing bodies.
- FEDSAS supports and promotes the rights and powers of governing bodies as described in the South African Schools' Act, including language and admissions policies.
- 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 25 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

FEDSAS National Council



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.

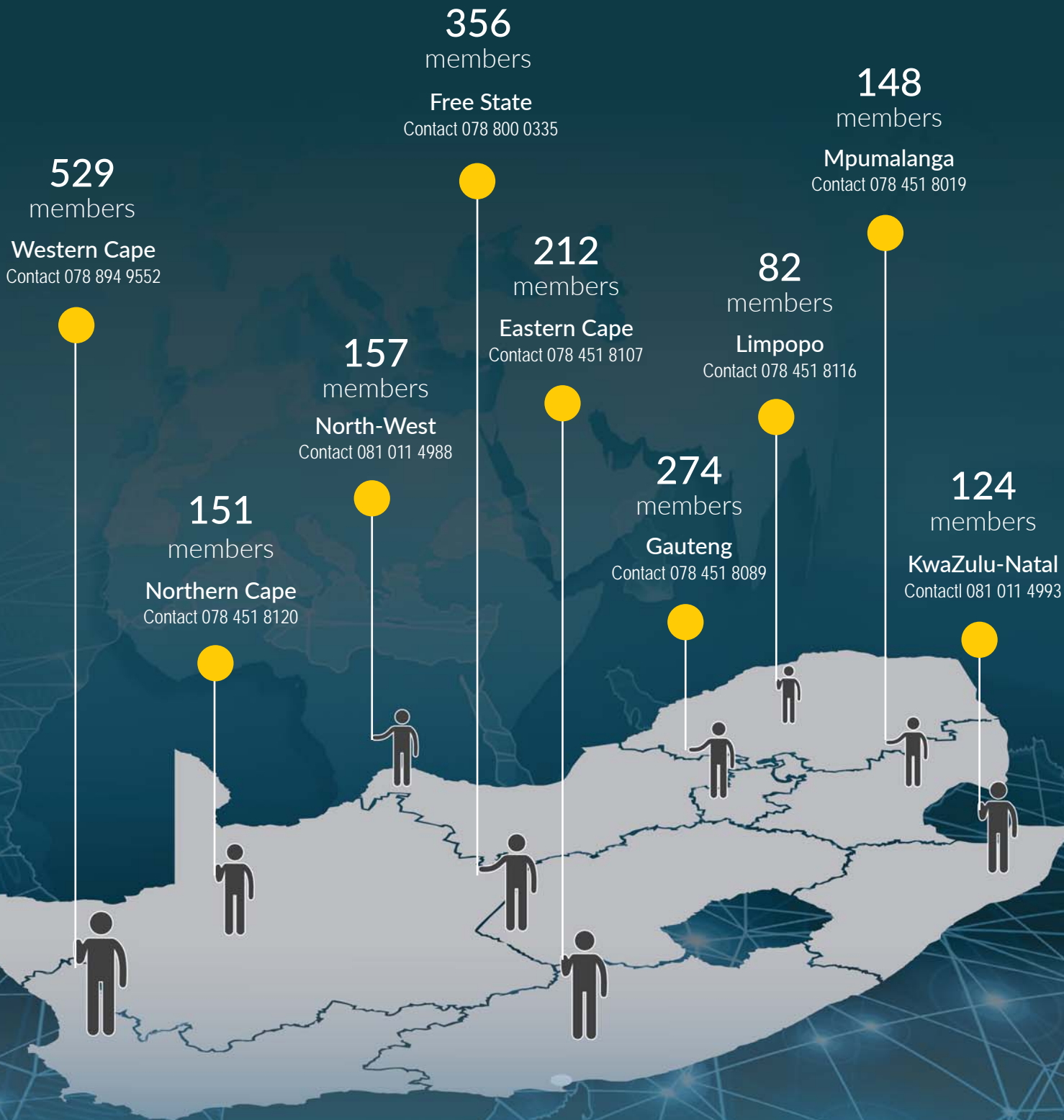
Committees

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.
Human resources committee	The human resources 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 and risk committee	The audit and risk 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.

National footprint

FEDSAS' 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 2019 pertaining to training:

FEDSAS Institute for School Governance

Actions undertaken:

- Revision and implementation of instruments to enhance school governing bodies
- Review of the publication *A guide to the application of the King Principles in public schools* in order to align the content with the King IV™ Report and principles
- Workshop with the Institute of Directors and the Department of Basic Education to make the application of the King IV™ Report and principles accessible to all schools in the country

FEDSAS Centre for Technology

Actions undertaken:

- Establishment of FEDSAS E-learning Platform that provides school governing bodies, parents and staff with access to online courses to equip them for the challenges of school governance
- Present workshops and develop online seminars

FEDSAS introduces innovative E-learning platform

Quality education relies on the quality of the training of teachers but also of other role-players in the education chain. The launch of the FEDSAS E-learning platform provides school governing bodies, parents and staff with access to online courses to equip them for the challenges of school governance. The FEDSAS E-learning platform is an initiative of the FEDSAS Centre for Technology that was established by the Federation of Governing Bodies of South African Schools in 2018.

“The E-learning platform as well as the other programmes of the Centre for Technology place FEDSAS at the cutting edge of training for school governing bodies,” says Dr Jaco Deacon, Deputy CEO of FEDSAS. “We are excited about this investment in our members. It provides access to informative courses via a world-class learning management system.”

Deacon says although personal interaction with member schools and role-players remains a priority for FEDSAS, this platform provides in the need for quick and easy access to training and support.





“The platform should be seen as complementary to FEDSAS’ existing and comprehensive training opportunities and services. Members of school governing bodies are often involved in various aspects of the school environment and the online option for training makes it easier for governing bodies to gain access to the necessary information.”

Mr Riaan van der Bergh, FEDSAS’ Manager: Education Technology, says in addition to saving time and money, the FEDSAS E-learning platform is also easy to use. “Courses that are already available include an introduction to school governance as well as an introduction to the Protection of Personal Information Act, or POPIA. An electronic POPIA pocket guide is also available.”

Van der Berg says courses on amongst others social media law and financial management for public schools will follow shortly as well as Afrikaans versions of the courses. “The E-learning platform is an excellent addition to the Centre for Technology, where members have access to advice and support in terms of digital citizenship.”

The FEDSAS Centre for Technology is hosted as an online platform and is available at www.fedsastech.org.za. More information about the FEDSAS E-learning platform is available at <https://fedsas.education.rocks/>



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: 32 sessions, 350 participants from 37 schools
- Continued and advanced training: 222 sessions, 2407 participants from 374 schools
- Value-driven Schools project: 9 sessions, 460 participants from 53 schools
- School visits: 1137 sessions, 2547 participants from 1219 schools
- Online training: 59 sessions, 1323 participants
- Training of learner members of governing bodies: 9 sessions, 1003 participants from 318 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 2019 pertaining to awareness:

Specific awareness pertaining to diversity

Actions undertaken:

- Comprehensive campaign to celebrate diversity: #LekkeDifferent #LekkeAnders
- Development of two websites (www.lekkedifferent.com and www.lekkeanders.com) with information on campaign (107 384 page views in total)
- Comprehensive social media campaign, including Facebook (reach: 495 230) and Instagram (reach: 474 282)
- Distribution of media releases and newsletters
- Media coverage, including BizCommunity, SA Breaking News and Smile FM

FEDSAS invests in positive citizenship with #LekkeDifferent campaign

FEDSAS' theme for 2019 was the "Celebration of Diversity". FEDSAS Deputy CEO Dr Jaco Deacon says diversity and specifically issues around the topic in schools is often managed through rules and regulations. "We wanted to encourage learners to enjoy diversity rather than making it a forced project. If we can get everyone to talk about what makes us unique and what binds us together, diversity will become the positive force that it is supposed to be."

The aim of the project was to assist schools to manage and celebrate diversity by making available an ideas package, providing members with training and by reporting on clever ideas and projects that schools are driving. A social media campaign with the hashtag #LekkeDifferent provided schools and learners with the opportunity to win prizes for creative ideas on how to celebrate diversity. The social media campaign was very successful, with learners buying into the concept and participating fully. The two web pages (www.lekkeanders.com and www.lekkedifferent.com) had 107 384 page views.



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 Tswelang Special School in Bloemfontein

Growth of FEDSAS' social media footprint

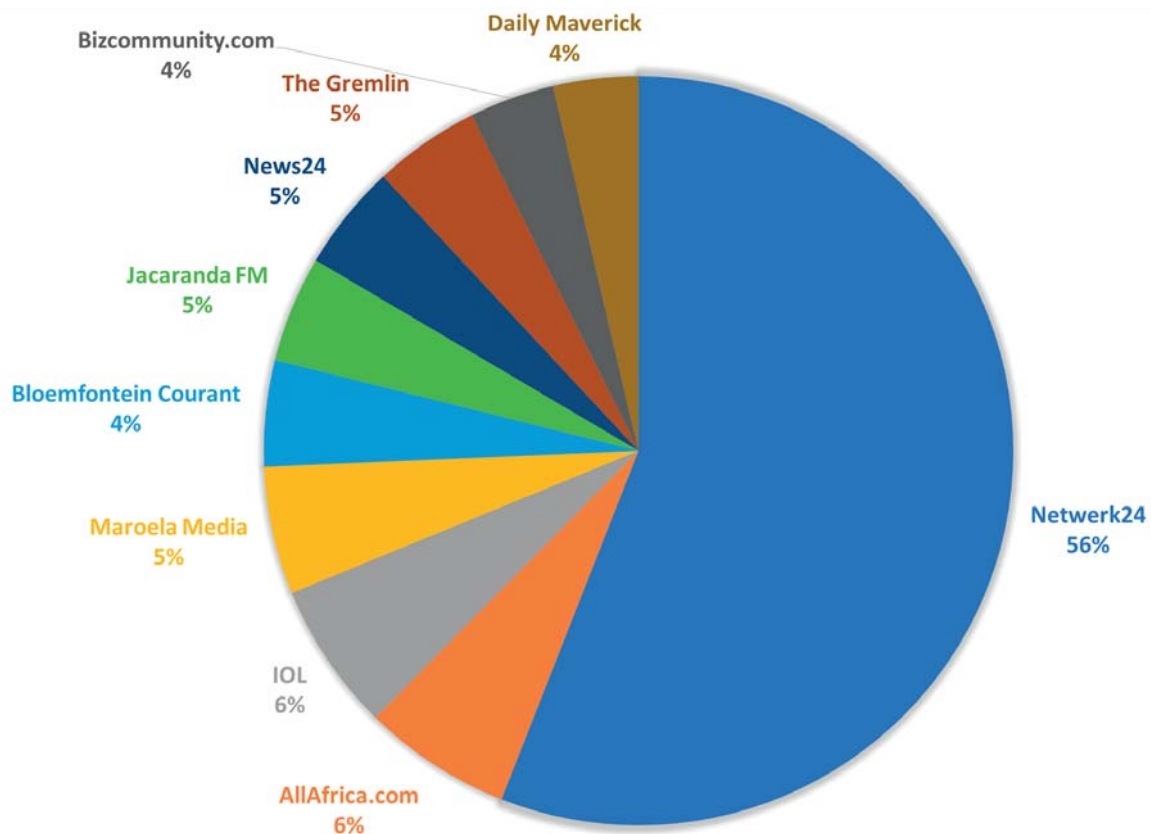
Actions undertaken:

- Use social media links on all communication (internally and externally) to drive users to social media and thereby increasing user frequency
- Use Facebook, Twitter and Instagram to distribute information as well as to gain feedback
- Create WhatsApp groups to improve internal communication and information distribution
- Total reach across various digital media platforms for period 1 January 2019 – 2 October 2019: 2 743 961

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
- 20 media releases for the period 1 January 2019 to 31 October 2019
- Ratio of media releases-news hits: 1:4.7 (an average of four articles for every media release)



General awareness: website

Actions undertaken:

- Increase traffic to website (www.fedsas.org.za) for period 1 January 2019 to 31 October 2019
- 49 359 visits to website (January - October 2019)
- 18 704 unique visitors consisting of 74% PC users, 24% cellphone users and 2% tablet users
- Average visit of 5:24 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 2019 pertaining to research:

Actions undertaken:

- Continuous research for specific legal actions and court cases in which FEDSAS is involved on behalf of its members
- Development and revision of policy documents
- Publications by FEDSAS staff:
 - Deacon, J. 2019. *Human resources management in public schools: A practical guide*. Cape Town: Juta.

New and Revised Policy Documents: 2019

The following legal opinions, policy documents and sample documents were developed or revised by the FEDSAS legal team during 2019. It is available at www.fedsas.org.za.

New legal opinions and sample documents

- Mental health and trauma exposure in school communities
- The role and functions of learner representative councils
- Prescription period for outstanding school fees
- Guidelines on the implications of the Safety at Sports and Recreational Events Act 2 of 2010 (SASREA) for public schools
- Practical access control measures at public schools
- The legality of recordings in public schools
- Erecting cellphone masts on school grounds
- Implications for schools of the cannabis judgement
- School Safety Plan
- Section 38 - PFMA Certificate
- SASREA Section 8(1) and (4) application
- SASREA Section 6 (3) application form
- Human resources management policy
- Appeal in terms of section 38A(10)(b) of the South African Schools Act – HOD's failure to provide a decision on a Sec 38A application
- Appeal in terms of section 38A(10)(a) of the South African Schools Act against the refusal of an application
- Explanatory note on Circular M2 of 2019
- FEDSAS privacy policy





- The right of access to the school grounds and school activities
- Safety and security policy
- School safety diagnostic tool
- Checklist for buildings and grounds safety and security
- Implications of the Makangwane Secondary School case for school governing bodies
- Music copyright in the school environment
- The process of co-opting members to serve on the governing body of an ordinary public school

Revised legal opinions and sample documents

- Schools and educators' duty when suspecting abuse, sexual violence, harassment or termination of pregnancy
- A check list for public schools' budget processes
- School fee determination, exemption and collection
- The appointment of staff additional to the State's establishment

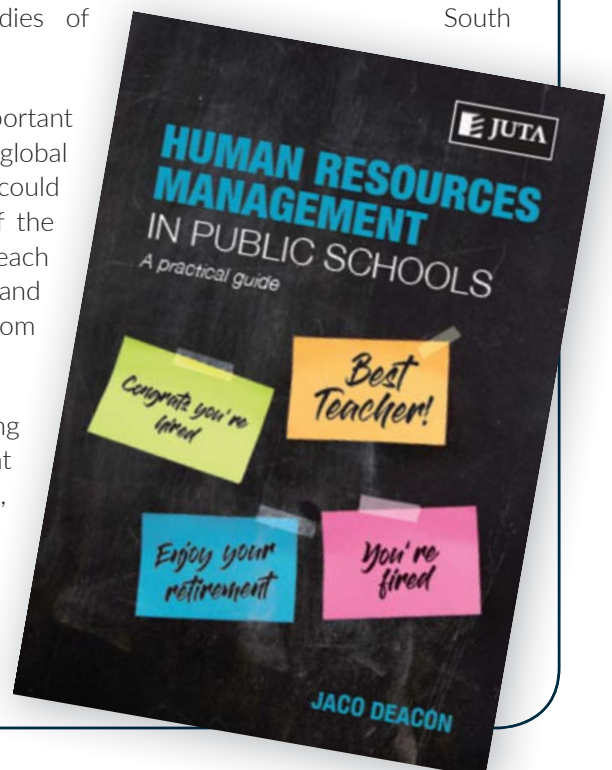
Book focuses on management of human resources in public schools

School principals have to navigate three different sets of legislation in order to manage the various types of staff members at a school. This in itself is an indication of the importance of human resources management as part of school governance. The book *Human resources management in public schools: A practical guide* is aimed at providing guidance on the important aspect of human resources management in public schools.

"The management of a school in all its facets is an enormous task, and when things go wrong in the staffroom, it is highly likely that the institution could become one of the tragic statistics on dysfunctional schools," says the author of the book, Dr Jaco Deacon, also the Deputy CEO of the Federation of Governing Bodies of African Schools (FEDSAS).

Deacon says a school's staff is probably the most important link in the education chain. "The McKinsey Report on global education systems showed that an education system could be turned around in a relatively short space of time if the school appoints the best teachers and develop them to teach effectively. Combined with this there should be systems and support in place to ensure that every child benefits from effective teaching."

The book is meant to be a practical guide for governing bodies, school principals and personnel officers at schools, although it is also aimed at education officials, legal practitioners, accountants and auditors who are called upon to advise schools. It is published by Juta and is available in English and Afrikaans.



Focus Area: Membership Growth

On 31 October 2019 a total of 2033 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.

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 2019 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 attends the Minister of Basic Education and the Department of Basic Education's annual Lekgotla January 2019
- FEDSAS acts as exhibitor at Edutech 2019
- FEDSAS acts as exhibitor at Schoolscape 2019

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 2019 pertaining to good corporate governance:

Actions undertaken:

- Further implementation of principles of King IV™ Report on Governance for South Africa, 2016, as the source document on what constitute sound governance

Goals for 2020

FEDSAS has two broad goals for 2020:

- Cementing basic, healthy and sustainable governance in all member schools. This will be their final full year of service as members of their school's governing body and now is the time to build a legacy that will provide a solid foundation; and
- A focus on innovation, built on the solid foundation mentioned in goal 1, and that will prepare learners for the challenges and opportunities of a fast-growing world.

Report of the Ceo

Outcomes of good governance and management

The activities of an organisation must be assessed according to the outcomes as envisaged in the King IV™ report. It is:

- ethical culture;
- good performance;
- effective control; and
- legitimacy.

The assumption is that governance and oversight over, and management of the six capital inputs will result in the above outcomes. Close attention to the optimal utilisation of each of the capital inputs is therefore essential. All of this must be done and evaluated on the basis of the triple context of responsible and sustainable institutional existence and development: financial results, social responsibility and environmental responsibility.

Against the backdrop of a very full year, it is my privilege to report on FEDSAS' activities in an overview, as honestly and completely as possible, on the basis of the six capital inputs referred to in the King IV™ report. The information in this report must therefore be read in conjunction with the information in the rest of the integrated annual report in order to get a complete picture of what has been done, what has been achieved and what realistic prospects for sustainability exist.

Financial capital

In 2017, FEDSAS was advised that the organisation should register for VAT. This was done immediately and since the 2018 financial year VAT has been levied on membership fees and paid to the South African Revenue Service. New auditors were appointed for the 2018 reporting year and these auditors indicated in their audit report that FEDSAS should have retroactively registered for VAT and the audit report is therefore qualified. This is the first qualified audit report received by FEDSAS in its 26-year existence. Immediately upon receipt of the audit report, the National Council decided that the failure should be reported to SARS for correction. Discussions were therefore held with senior officials of SARS on 2 April 2019 to disclose the failure. To date, no feedback has been received from SARS.

Otherwise, we ended 2018 with a small surplus against a projection of a possible loss. Savings on expenditure and responsible management of the finances made this surplus possible.

The ideal that forms part of FEDSAS' sustainability strategy is to end every year with a surplus in order to build a reserve fund to ensure sustainability in times of crisis. Realistic projections for 2019 indicate that the ideal desired surplus will not be achieved for this year. However, due to the wise decision to build up the reserve fund, FEDSAS' sustainability is not threatened.

Manufactured capital

Optimal utilisation of available technology means that FEDSAS can achieve much with little physical resources. Office space is limited due to the opportunity of the use of virtual offices. Such use contributes to lower costs and greater productivity. Technology enables FEDSAS staff to be available to our members and stakeholders at relatively low cost. The technological development through the establishment of the FEDSAS Centre for Technology, the utilisation of webinars for the training of members of governing bodies and school management teams and the utilisation of technology to hold virtual meetings help to improve service delivery, save costs and also ensure that we keeping pace with the demands of the Fourth Industrial Revolution.

Intellectual capital

Elsewhere in this report, we report on documents, legal opinions and commentaries developed on behalf of members over the past year and which were made available to them. The value of the intellectual capital contained therein is extensive. As a result, FEDSAS' website, www.fedsas.org.za, which contains all these documents, is arguably the most comprehensive resource in the world for school governance and management.

Ethical values are the foundation on which all FEDSAS systems, procedures and protocols are built. In addition, very shortly after the King IV™ report was launched, the National Council also decided that the recommended principles and practices of that report would be reflected in the way in which FEDSAS will be controlled and managed. The Guide to the King IV™ report, written by FEDSAS in collaboration with the Institute of Directors has been finalised over the past year and is currently being translated into Afrikaans. This is a comprehensive task undertaken by FEDSAS' Institute for School Governance, Management and Leadership.

Human capital

Human capital is arguably FEDSAS' largest and most important resource. The comprehensive training opportunities and visits to members that are also reported on elsewhere in this report underline this truth. That is why ample provision is made for the continuous training and equipment of our staff. It also represents the largest single item in FEDSAS' expenditure budget as it is with service organisations of this nature.

The wealth of experience, knowledge and skills of school governance and management that our staff possess is simply not comparable in the South African education context.

Several staff members have reached retirement age and are leaving FEDSAS at the end of this year. One senior staff member's family responsibilities have increased to such an extent that she also leaves our service at the end of the year. However, her valuable services and knowledge will still be available to FEDSAS in a new capacity, that of a consultant. Expert replacements for those retiring have already been identified and will join us during 2020. In addition, two additional posts were also created to meet the demand for services in provinces.

Social and relationship capital

One of FEDSAS' main goals is to positively influence the education landscape. Consequently, building relationships not only with our own members, but with education role-players and stakeholders at all levels remains a high priority in FEDSAS' operations. Relationship building requires perseverance and dedication in a country with a history of division from which we struggle to break free. However, 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 undeniable.

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. The success of liaison and interaction efforts with provincial education departments depends to a great extent on the functionality of the provincial education department itself.

Natural capital

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

Membership

The report on our membership elsewhere in this integrated annual report shows FEDSAS' footprint across South Africa. Membership fees are FEDSAS' economic engine that we need for sustained service delivery but also for sustainability. The poor economic situation has a negative effect on our members and so we are accommodating those members who are worst affected by the economic downturn. We are proud of our commitment to our members and also thank them for their loyalty to us.

National activities and activities in provinces

I trust that this report will provide the reader with a picture of the outcomes referred to in the introduction. However, that image is only a very small reflection of the actual 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 ground level. Each month, it creates an astonishing picture of commitment and hard work at every conceivable level that a governing body organisation is involved and can become involved in nationwide. It also creates an environment in which responsible and accountable control is exercised over all FEDSAS' activities nationwide.

Sustainability and the way forward

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

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 2018.

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 2018 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

Core Audit Incorporated Auditor
Chartered Accountants
Registered Auditor

FINANSIËLE STATE VIR DIE JAAR GEëINDIG
31 DESEMBER 2018

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018

STAAT VAN FINANSIËLE POSISIE SOOS OP
31 DESEMBER 2018

STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2018

	Aant.	2018 R	2017 R	Notes	
BATES					ASSETS
Nie-bedryfsbates					Non-current assets
Eiendom, aanleg en toerusting	2	110 497	139 325	2	Property, plant and equipment
Ander finansiële bates	3	1 531 573	1 399 771	3	Other financial assets
		<u>1 642 070</u>	<u>1 539 096</u>		
Bedryfsbates					Current assets
Voorraad	4	597 461	222 003	4	Inventories
Handels- en ander debiteure	5	163 267	375 571	5	Trade and other receivables
Kontant- en kontantekwivalente	6	4 612 268	4 094 468	6	Cash and cash equivalents
		<u>5 372 996</u>	<u>4 692 042</u>		
Totale Bates		<u>7 015 066</u>	<u>6 231 138</u>		Total Assets
EKWITEIT EN LASTE					EQUITY AND LIABILITIES
Ekwiteit					Equity
Behoue verdienste		6 474 515	5 658 883		Retained income
Bedryfslaste					Current liabilities
Handels- en ander krediteure	7	540 551	572 255	7	Trade and other payables
Totale Ekwiteit en Laste		<u>7 015 066</u>	<u>6 231 138</u>		Total Equity and Liabilities

FINANSIËLE STATE VIR DIE JAAR GEËINDIG
31 DESEMBER 2018

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018

STAAT VAN OMVATTENDE INKOMSTE

STATEMENT OF COMPREHENSIVE INCOME

	Aant.	2018 R	2017 R	Notes	
Inkomste	8	15 451 818	13 998 093	8	Revenue
Koste van verkope	9	(223 320)	(97 565)	9	Cost of sales
Bruto wins		15 228 498	13 900 528		Gross profit
Ander inkomste	10	5 531 598	4 758 575	10	Other income
Bedryfsuitgawes		(20 579 092)	(19 113 993)		Operating expenses
Bedryfswins/(uitgawes)	11	181 004	(454 890)	11	Operating profit/(loss)
Beleggingsinkomste		634 628	641 450		Investment revenue
Wins vir die jaar		815 632	186 560		
Ander omvattende inkomste		-	-		Other comprehensive income
Totale omvattende inkomste vir die jaar		815 632	186 560		Total comprehensive income for the year

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STAAT VAN VERANDERING IN EKWITEIT

STATEMENT OF CHANGES IN EQUITY

	Behoue verdiensle / retained income R	Totale ekwiteit / total equity R	
Balans op 1 Januarie 2017	5 472 323	5 472 323	Balance on 1 January 2017
Wins vir die jaar	186 560	186 560	Profit for the year
Ander omvattende inkomste	-	-	Other comprehensive income
Totale omvattende inkomste vir die jaar	186 560	186 560	Total comprehensive income for the year
Balans op 1 Januarie 2018	5 658 883	5 658 883	Balance at 1 January 2018
Wins vir die jaar	815 632	815 632	Profit for the year
Ander omvattende inkomste	-	-	Other comprehensive income
Totale omvattende inkomste vir die jaar	815 632	815 632	Total comprehensive income for the year
Balans op 31 Desember 2018	6 474 515	6 474 515	

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STAAT VAN KONTANTVLOEI

STATEMENT OF CASH FLOW

	Aant.	2018 R	2017 R	Notes
Kontantvloei uit bedryfsaktiwiteite				Cash flows from operating activities
Kontantontvangstes van kliënte		17 955 986	13 661 262	Cash receipts from customers
Kontant betaal aan verskaffers en werknemers		(17 835 228)	(13 523 192)	Cash paid to suppliers and employees
Kontant gegeneer deur/(aangewend in) bedrywighede	16	120 758	138 070	16 Cash generated from/(used in) operations
Rente inkomste		634 628	641 450	Interest income
Netto kontant uit bedryfsaktiwiteite		755 386	779 520	
Kontantvloei uit beleggingsaktiwiteite				Cash flows from investing activities
Aankoop van eiendom, aanleg en toerusting	2	(105 784)	(86 221)	2 Purchase of property, plant and equipment
Netto bewegings in groep maatskappy lenings		-	(100 680)	Net movement in group company loans
Verkoop van finansiële bates		(131 802)	(1 399 771)	Sale of financial assets
Netto kontant uit beleggingsaktiwiteite		(237 586)	(1 586 672)	Net cash from investing activities
Totale kontantbeweging vir die jaar		517 800	(807 152)	Total cash movement for the year
Saldo aan die begin van die jaar		4 094 468	4 901 620	Cash at the beginning of the year
Saldo aan die einde van die jaar	6	4 612 268	4 094 468	6 Total cash at year end

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REKENINGKUNDIGE BELEIDE

ACCOUNTING POLICIES

1. Aanbieding van jaarlikse finansiële state

Die jaarlikse finansiële state is in ooreenstemming met die Internasionale Verslagdoeningstandaard vir klein en medium-grootte ondernemings, en die vereistes van die Konstitusie van die Nasionale Raad. Die finansiële state is op die historiesekostegronslag opgestel, buiten vir die waardasie van die beleggingseiendom en sekere finansiële instrumente gemeet teen billike waarde en inkorporeer die beginsel van die rekeningkundige beleide uiteengesit hieronder. Die finansiële state word in Suid-Afrikaanse Rand aangebied.

Hierdie rekeningkundige beleide is konstant vanaf die vorige periode.

1.1 Beduidende verordeninge en bronne van ramings-onsekerheid

Kritiese verordeninge met toepassing van die rekeningkundige beleide

Bestuur het geen kritiese verordeninge gemaak met die toepassing van die rekeningkundige beleide nie, buiten dié wat betrekking het tot ramings wat die finansiële state beduidend sal beïnvloed.

Sleutelbronne van aanname-onsekerheid

Die finansiële state sluit nie bates of laste in waar die drabedrag gebaseer is op ramings en waarvoor daar 'n beduidende risiko van wesenlike aanpassings in die komende finansiële jaar as gevolg van die sleutelaannames is nie.

1.2 Eiendom, aanleg en toerusting

Eiendom, masjinerie en toerusting is tasbare items wat:

- gehou word vir gebruik in die produksie of verskaffing van goedere en dienste, vir verhuring aan ander of vir administratiewe doeleindes; en
- sal na verwagting in meer as een tydperk gebruik word.

Eiendom, masjinerie en toerusting word aanvanklik teen kosprys gemeet.

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Constitution of the National Council. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 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 initially measured at cost.

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ACCOUNTING POLICIES

Koste sluit kostes in wat aanvanklik aangegaan is om eiendom, masjinerie en toerusting te verkry en te bou sowel as die koste wat daarna aangegaan is om daarby aan te bou, 'n deel daarvan te vervang of dit te diens. Indien die vervangingskoste van 'n item in die drabedrag van 'n ander item eiendom, masjinerie en toerusting erken word, word die erkenning van die drabedrag van die betrokke item omgeswaai.

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.

Uitgawes wat later aangegaan word vir groot dienste, aanvullings of vervanging van onderdele van vaste eiendom, aanleg en toerusting word gekapitaliseer indien dit waarskynlik is dat toekomstige ekonomiese voordele verbonde aan die organisasie en die koste betroubaar gemeet kan word. Die daaglikse bedieningskoste word by die wins of verlies ingesluit in die tydperk waarin dit aangegaan word.

Expenditure incurred subsequently for major services, additions to or replacement of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated which the expenditure will flow to the organisation and the cost can be measured reliable. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Eiendom, aanleg en toerusting word vervolgens getoon teen kosprys minus opgelope waardevermindering en opgehoopte waardedalingsverliese, behalwe vir grond wat teen kosprys getoon word minus enige opgehoopte waardedalingsverliese.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Die gebruiksduur van eiendom, aanleg en toerusting is volgens aantekening 2 beoordeel.

The useful lives of items of property, plant and equipment have been assessed as per note 2.

Waardedalingstoetse word op eiendom, aanleg en toerusting uitgevoer as daar 'n aanduiding is dat dit benadeel kan word. Wanneer die drabedrag van 'n eiendom, aanleg en toerusting beoordeel word as hoër as die beraamde verhaalbare bedrag, word 'n waardedalingsverlies onmiddellik in die wins of verlies erken om die drabedrag in ooreenstemming met die verhaalbare bedrag te bring.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Die reswaarde, waardeverminderingmetode en nuttige lewensduur van elke bate word aan die einde van elke jaarlikse verslagtydperk hersien indien daar aanwysers is dat daar 'n beduidende verandering van die vorige skatting was.

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

Winste en verliese by verkope word bepaal deur die opbrengs met die drabedrag te vergelyk en word in die tydperk as wins of verlies erken.

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.

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REKENINGKUNDIGE BELEIDE

ACCOUNTING POLICIES

1.3 Finansiële instrumente

1.3 Financial instruments

Aanvanklike meting

Initial measurement

Finansiële instrumente word aanvanklik gemeet teen transaksieprys (transaksiekoste ingesluit behalwe met aanvanklike meting van finansiële bates en laste wat gemeet word teen billike waarde deur wins of verlies) tensy die ooreenkoms 'n finansieringstransaksie in effek is wat teen die huidige waarde van toekomstige betalings gemeet word, verdiskonteer teen 'n markverwante rentekoers van 'n soortgelyke skuldinstrument.

Financial instruments are initially measured at the transaction price (including transaction cost except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Finansiële instrumente teen geamortiseerde koste

Financial instruments at amortised cost

Dit sluit lenings, handelsdebiteure en handelsdebiteure in. Daardie skuldinstrumente wat aan die kriteria in artikel 11.8 (b) van die standaard voldoen, word vervolgens teen die geamortiseerde koste gemeet volgens die effektiewe rente-metode.

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method.

Skuldinstrumente wat as bedryfsbates of bedryfslaste geklassifiseer word, word gemeet teen die onbeperkte bedrag van die kontant wat na verwagting ontvang of betaal sal word, tensy die reëling effektief 'n finansieringstransaksie uitmaak.

Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

Aan die einde van elke verslagdoeningsdatum word die drabedrae van bates wat in hierdie kategorie gehou word, hersien om te bepaal of daar objektiewe bewyse van waardedaling is. As daar objektiewe bewyse is, word die verhaalbare bedrag geskat en vergelyk met die drabedrag. As die geraamde verhaalbare bedrag liefhebber is, word die drabedrag verminder tot die beraamde verhaalbare bedrag, en 'n waardedalingsverlies word in die wins of verlies erken.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in profit or loss.

Finansiële instrumente teen koste

Financial instruments at cost

Ekwiteitsinstrumente wat nie openbaar verhandel word nie en wie se billike waarde andersins nie betroubaar gemeet kan word sonder onbehoorlike koste of moeite nie, word gemeet teen kosprys minus waardedaling.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Finansiële instrumente teen billike waarde

Financial instruments at fair value

Alle ander finansiële instrumente word deur wins en verlies teen billike waarde bepaal.

All other financial instruments are measured at fair value through profit and loss.

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REKENINGKUNDIGE BELEIDE

ACCOUNTING POLICIES

1.4 Hure

'n Huurkontrak word geklassifiseer as 'n finansiële bruikhuur indien dit wesenlik alle risiko's en voordele verbonde aan eienaarskap aan die huurder oordra. Al die ander huurkontrakte is bedryfshuurkontrakte.

1.4 Leases

A lease is classified as 'n finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Bedryfshuur - huurder

Bedryfshuurbetalings word regstreeks op die huurtermyn as 'n uitgawe erken tensy:

'n Ander stelselmatige basis is verteenwoordigend van die tydpatroon van die voordeel uit die gehuurde bate, selfs al is die betalings nie op die basis nie, of

Die betalings is gestruktureer om te styg in ooreenstemming met die verwagte algemene inflasie (gebaseer op gepubliseerde indekse of statistieke) om te vergoed vir die verhuurder se verwagte inflasiekoste.

Operating lease - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

Another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on the basis, or

The payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Enige voorwaardelike huur word as 'n uitgawe erken in die tydperk waarin die aangegaan word.

Any contingent rents are expensed in the period they are incurred.

1.5 Voorraad

Voorraad word op die eerste-in-eerste-uit (EIEU) grondslag teen die kosprys of die verkoopprijs minus koste tot voltooiing of verkope bereken.

1.5 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.

1.6 Waardedaling van bates

Die organisasie beoordeel op elke verslagdoeningsdatum of daar 'n aanduiding is dat eiendom, aanleg en toerusting blootgestel is aan 'n daling in die waarde daarvan.

1.6 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

As daar so 'n aanduiding is, word die verhaalbare bedrag van enige effekte (of groep verwante bates) geskat en vergelyk met die drabedrag daarvan, maar nie die bedrag hoër as die bedrag nie, word die drabedrag verminder tot die beraamde verhaalbare bedrag, en 'n waardedalingsverlies word onmiddellik in die wins of verlies erken.

If there is any such indication, the recoverable amount of any effected (or group of related assets) is estimated and compared with its carrying amount, but not in excess of the amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

As 'n waardedalingsverlies later omkeer, word die drabedrag van die bate (of groep verwante bates) verhoog tot die hersiene raming van die verhaalbare bedrag daarvan, maar nie die bedrag wat bepaal sou word as die waardedalingsverlies nie erken was vir die bate (of groep of bates) in vorige jare nie. 'n Terugskrywing van waardedaling word onmiddellik in die wins of verlies erken.

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 be determined had no impairment loss been recognised for the asset (or group or assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

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REKENINGKUNDIGE BELEIDE

ACCOUNTING POLICIES

1.7 Aandele kapitaal en ekwiteit

'n Ekwiteitsinstrument is enige kontrak wat bewys lewer van 'n resbelang in die bates van 'n entiteit nadat al sy verpligtinge afgetrek is.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Werknemersvoordele

Korttermyn-werknemersvoordele

Die koste van korttermyn-werknemersvoordele word erken in die periode waarin die diens gelewer word en word nie verdiskonteer nie.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

1.9 Inkomste

Inkomste word erken in die mate waarin die organisasie die beduidende risiko's en voordele verbonde aan die eienaarskap van goedere aan die koper oorgedra het, of dienste gelewer het ingevolge 'n ooreenkoms, mits die bedrag aan inkomste betroubaar gemeet kan word en dit waarskynlik is dat ekonomiese voordele verbonde aan die transaksie sal na die organisasie vloei. Inkomste word gemeet teen die billike waarde van die vergoeding ontvang of ontvangbaar, uitgesonderd omsetbelasting en kortings.

1.9 Revenue

Revenue is recognised to the extent that the organisation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Rente word erken in wins en verlies volgens die effektiewe rentekoersmetode.

Interest is recognised, in profit or loss, using the effective interest rate method.

Ledegeld word in wins en verlies erken wanneer dit van die verskillende skole ontvang word.

Membership fees are recognised in profit and loss when received from the various schools.

Skenkings word erken wanneer dit ontvang word, in wins en verlies.

Donations are recognised when received, in profit and loss.

1.10 Finansieringskoste

Finansieringskoste word as 'n uitgawe erken in die tydperk waarin dit aangegaan word.

1.10 Finance cost

Finance costs are recognised as an expense in the period in which they are incurred.

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AAANTEKENINGE TOT DIE FINANSIËLE STATE

NOTES TO THE FINANCIAL STATEMENTS

2. Eiendom, aanleg en toerusting / Property, plant and equipment

	2018			2017		
	Koste of herwaardasie / Cost or revaluation	Opgehoopte waardevermindering / Accumulated depreciation	Drawaarde / Carrying value	Koste of herwaardasie / Cost or revaluation	Opgehoopte waardevermindering / Accumulated depreciation	Drawaarde / Carrying value
Meubels en toebehore / Furniture and fixtures	127 562	(108 173)	19 389	123 869	(82 783)	41 086
Motorvoertuie/Motor vehicles	311 636	(311 635)	1	311 636	(311 635)	1
Kantoortoerusting/Office equipment	107 743	(88 404)	19 339	85 231	(85 229)	2
Rekenaartoerusting/IT equipment	1 065 865	(994 097)	71 768	986 285	(888 049)	98 236
Totaal / Total	1 612 806	(1 502 309)	110 497	1 507 021	(1 367 696)	139 325

Rekonsiliasie van eiendom, aanleg en toerusting / Reconciliation of property, plant and equipment - 2018

	Openings-balanse/ Opening balances	Toevoegings/ Additions	Waardevermindering/ Depreciation	Totaal/Total
Meubels en toebehore/Furniture and fixtures	41 086	3 693	(25 390)	19 389
Motorvoertuie/Motor vehicles	1	-	-	1
Kantoortoerusting/Office equipment	2	22 511	(3 174)	19 339
Rekenaartoerusting/IT equipment	98 236	79 580	(106 048)	71 768
Totaal / Total	139 325	105 784	(134 612)	110 497

Rekonsiliasie van eiendom, aanleg en toerusting / Reconciliation of property, plant and equipment - 2017

	Openings-balanse/ Opening balances	Toevoegings/ Additions	Waardevermindering/ Depreciation	Totaal/Total
Meubels en toebehore/Furniture and fixtures	65 860	-	(24 774)	41 086
Motorvoertuie/Motor vehicles	1	-	-	1
Kantoortoerusting/Office equipment	2	-	-	2
Rekenaartoerusting/IT equipment	214 715	86 221	(202 700)	98 236
Totaal / Total	280 578	86 221	(227 474)	139 325

Waardeverminderingkoerse/depreciation rates

	2018 R	2017 R	
Meubels en toebehore / Furniture and fixtures	Reguitlyn grondslag/Straight line basis - jare/years	5	5
Motorvoertuie/Motor vehicles	Reguitlyn grondslag/Straight line basis - jare/years	5	5
Kantoortoerusting/Office equipment	Reguitlyn grondslag/Straight line basis - jare/years	5	5
Rekenaartoerusting/IT equipment	Reguitlyn grondslag/Straight line basis - jare/years	3	3

	2018 R	2017 R	
3. Ander finansiële bates			3. Other financial assets
Teen geamortiseerde koste			At amortised cost
SA Onderwys Ontwikkelingstrust	1 531 573	1 399 771	SA Onderwys Ontwikkelingstrust
Bogenoemde lening is onverseker, dra rente soos ooreengekom en is terugbetaalbaar binne twaalf maande nadat kennis gegee is van die terugbetaling.			The above-mentioned loan is unsecured, bears interest as agreed upon from time to time and is repayable within twelve months after notice of repayment.
Nie-bedryfsbates			Non-current asset
Teen geamortiseerde koste	<u>1 531 573</u>	<u>1 399 771</u>	At amortised cost
4. Voorraad			
Voorraad	<u>597 461</u>	<u>222 003</u>	Voorraad
5. Handels- en ander debiteure			5. Trade and other receivables
Handelsdebiteure	163 267	359 104	Trade receivables
BTW	-	16 467	VAT
	<u>163 267</u>	<u>375 571</u>	
6. Kontant- en kontantekwivalente			6. Cash and cash equivalents
Kontant en kontantekwivalente bestaan uit:			Cash and cash equivalents consist of:
Kontant op hande	36	157	Cash on hand
Banksaldo's	4 371 232	3 826 311	Bank balances
Ander kontant en kontant ekwivalente	241 000	268 000	Other cash and cash equivalents
	<u>4 612 268</u>	<u>4 094 468</u>	
7. Handels- en ander krediteure			7. Trade and other payables
Werknemer verwante krediteure	104 306	-	Employee related payables
Bedrae vooruitontvang	363 758	425 763	Amounts received in advance
Ander opgelope uitgawes	8 183	6 410	Other accrued expenses
Handelskrediteure	58 794	140 082	Trade payables
BTW betaalbaar	5 510	-	VAT payable
	<u>540 551</u>	<u>572 255</u>	

	2018 R	2017 R
8. Inkomste		
Verkoop van goedere	405 885	56 302
Lidmaatskapfoeie	15 045 933	13 941 791
	<u>15 451 818</u>	<u>13 998 093</u>

9. Koste van verkope

Koste van goedere verkoop	<u>223 320</u>	<u>97 565</u>
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10. Ander inkomste

FEDSAS Sentrum vir Tegnologie	78 500	# -
Regskoste ontvang	175 330	742 238
Donasie inkomste	5 171 919	3 983 337
Verhalings	15 500	-
Huurinkomste	74 101	-
Webadvertensies	16 248	33 000
	<u>5 531 598</u>	<u>4 758 575</u>

11. Bedryfswins/(verlies)

Bedryfswins / -verlies vir die jaar word aangedui nadat die volgende verantwoord is:

Bedryfshuurkoste

Huur ontvang op bedryfshuur		
Kontraktuele bedrae	<u>422 195</u>	<u>412 372</u>
Waardevermindering op eiendom, aanleg en toerusting	134 612	227 474
Werknemerskoste	<u>13 061 599</u>	<u>12 231 283</u>

12. Werknemerskoste

Basis	12 084 326	11 241 729
Pensioen fonds	977 273	989 554
	<u>13 061 599</u>	<u>12 231 283</u>

13. Waardevermindering

Die volgende items word by waardevermindering en amortisasie ingesluit.

Eiendom, aanleg en toerusting	<u>134 612</u>	<u>227 474</u>
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	2018 R	2017 R
8. Revenue		
Sale of goods	405 885	56 302
Membership fees	15 045 933	13 941 791
	<u>15 451 818</u>	<u>13 998 093</u>

9. Cost of sales

Cost of goods sold	<u>223 320</u>	<u>97 565</u>
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10. Other income

FEDSAS Centre of Technology	78 500	# -
Legal fees received	175 330	742 238
Donation income	5 171 919	3 983 337
Recoveries	15 500	-
Rental income	74 101	-
Web advertising	16 248	33 000
	<u>5 531 598</u>	<u>4 758 575</u>

11. Operating profit/(loss)

Operating profit/(loss) for the year is stated after accounting for the following:

Operating lease charges

Lease rentals on operating lease		
Contractual amounts	<u>422 195</u>	<u>412 372</u>

Depreciation on property, plant and equipment	134 612	227 474
Employee costs	<u>13 061 599</u>	<u>12 231 283</u>

12. Employee costs

Basic	12 084 326	11 241 729
Pension fund	977 273	989 554

13. Depreciation

The following items are included within depreciation, amortisation and impairments.

Property, plant and equipment	<u>134 612</u>	<u>227 474</u>
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NOTES TO THE FINANCIAL STATEMENTS

	2018 R	2017 R	
14. Belasting			14. Taxation
Daar is geen voorsiening gemaak vir belasting vir 2018 nie, aangesien die organisasie geregistreer is as 'n organisasie sonder winsoogmerk met NPO-nommer: 128-598. Die entiteit is dus vrygestel van inkomstebelasting ingevolge a 10(1)(cN) van die Wet op Inkomstebelasting van 1962.			No provision has been made for 2018 tax as the organisation is registered as a non-profit organisation with NPO number: 128-598. The entity is therefore exempt from income tax in terms of s 10(1)(cN) of the Income Tax Act of 1962.
15. Ouditeursvergoeding			15. Audit's remuneration
Ouditeursvergoeding	<u>40 929</u>	<u>39 235</u>	Auditing fees
16. Kontant gegeneer uit bedrywighe			16. Cash generated from operations
Wins voor belasting	815 632	186 560	Profit before taxation
Aanpassing vir:			Adjustment for:
Waardevermindering	134 612	227 474	Depreciation
Rente ontvang	(634 628)	(641 450)	Interest received
Veranderinge in bedryfskapitaal			Changes in working capital:
Voorraad	(375 458)	(69 100)	Inventories
Handels- en ander debiteure	212 304	92 972	Trade and other receivables
Handels- en ander krediteure	(31 704)	341 614	Trade and other payables
	<u>120 758</u>	<u>138 070</u>	

17. Gebeurlikhede / Contingencies

Ingevolge artikel 23(1)(a) van die Wet op Belasting op Toegevoegde Waarde 89 van 1991, word 'n entiteit aanspreeklik om te registreer vir BTW wanneer die totale waarde van die belasbare bedrag wat deur daardie persoon gemaak is die tydperk van 12 maande wat aan die einde van daardie maand geëindig het, in die loop van die uitvoering van alle ondernemings, het R1 miljoen oorskry.

In terms of section 23(1)(a) of the Value Added Tax Act 89 of 1991, an entity becomes liable to be registered for VAT when, at the end of any month where the total value of taxable supplies made by that person in the period of 12 months ending at the end of that month in the course of carrying on all enterprises has exceeded R1 million.

FEDSAS was onder die indruk dat hulle nie vir BTW hoef te registreer nie, aangesien hul 'dienste' gelewer word aan entiteite wat vrygestel is van BTW, d.w.s. skole en skoolbeheerliggame.

FEDSAS was under the impression that they did not need to register for VAT, as their "services" are rendered to entities that are exempt from VAT i.e. schools and school governing bodies.

Die entiteit is in kennis gestel van die verpligting van FEDSAS om ingevolge artikel 23 van die BTW-wet vir BTW te registreer, aangesien FEDSAS 'goedere' of 'dienste' lewer soos omskryf in die BTW-wet, en die spesifieke dienste wat deur FEDSAS gelewer word, is nie "vrygestelde lewerings" vir BTW soos omskryf in artikel 12 van die BTW-wet nie.

The entity was advised of the obligation of FEDSAS to register for VAT in terms of section 23 of the VAT Act, as FEDSAS is supplying either "goods" or "services" as defined in the VAT Act, and the specific services supplied by FEDSAS is not "exempt supplies" for VAT as defined in section 12 of the VAT Act.

Die organisasie het wel vir BTW geregistreer, op die oomblik toe hulle verneem dat hulle ingevolge die Wet op Belasting op Toegevoegde Waarde geregistreer moes word, maar hulle het nie terugwerkend registreer vanaf die datum waarop die BTW-registrasiedrempel oorskry is, soos vereis nie.

The organisation did register for VAT, the moment they learned that they needed to be registered in terms of the Value Added Tax Act 89 of 1991, however, they did not register retrospectively from the date that the VAT registration threshold was exceeded as required.

Benewens bogenoemde aangeleentheid, is die insetbelasting wat in die huidige jaar geëis is, nie bereken en proporsioneel geëis soos vereis nie, omdat FEDSAS belasbare en nie-belasbare dienste lewer.

In addition to the above-mentioned matter, the input VAT claimed in the current year was not calculated and claimed proportionately as required as FEDSAS renders taxable and non-taxable services.

Weens die omvattende aard van die berekening van die terugwerkende regstelling van die BTW, sowel as die regstelling van die huidige jaar se proporsionele regstelling van die BTW wat geëis is, kon die aanspreeklike bedrag nog nie bereken word nie.

Due to the comprehensive nature of the calculation of the retrospective correction of the VAT as well as the correction of the current year's proportionate correction of the VAT that has been claimed, the amount liable could not be calculated as yet.

FEDSAS is tans besig met onderhandelinge met die SAID om te verseker dat daar aan alle wetlike vereistes en aanspreeklikhede voldoen word.

FEDSAS is currently in the process of arranging negotiations with SARS to ensure that all legal requirements and liabilities are met.

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2018
R

2017
R

18. Lopende saak/Going concern

Die finansiële jaarstate is opgestel op grond van die rekeningkundige beleid van toepassing op 'n lopende saak. Hierdie basis veronderstel dat daar fondse beskikbaar sal wees om toekomstige bedrywighede te finansier en dat die realisering van bates en vereffening van laste, voorwaardes en verpligtinge in die gewone gang van sake sal plaasvind.

The annual 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 and commitments will occur in the ordinary course of business.

As gevolg van die bogenoemde gebeurlikheid, is die vermoë van FEDSAS om voort te gaan as 'n lopende saak afhanklik van die uitslag van die onderhandeling met die SAID.

Due to the contingency disclosed above, FEDSAS' ability to continue as a going concern is dependent on the outcome of the negotiation with SARS.

19. Verwante partye

19. Related parties

Verhoudings
Mede-filiale

SA Onderwysontwikkelingstrust

Relationships
Fellow subsidiaries

Saldo's en transaksies met ander verwante partye

Related party balances and transactions with other related parties

Verwante party saldo's

Related party balances

Leningsrekeninge - verskuldig deur verwante partye

Loan accounts - owing by related parties

SA Onderwysontwikkelingstrust

1 531 573 1 399 771

SA Onderwysontwikkelingstrust

Verwante party transaksies

Related party transactions

Rente ontvang van verwante partye

Interest received from related parties

SA Onderwysontwikkelingstrust

86 786 100 680

SA Onderwysontwikkelingstrust

20. Vergelykende syfers

20. Comparative figures

Sekere vergelykende syfers is herklassifiseer

Certain comparative figures have been reclassified.

Die uitwerking van die herklassifikasie is soos volg:

The effect of the reclassification are as follows:

Staat van finansiële posisie:

Kontant- en kontant ekwivalente
Handel- en ander krediteure
Nie-verdeelbare reserwes
Behoue verdienste

6 412 -
(6 412) -
(1 149 497) -
1 149 497 -
- -

Statement of financial position:

Cash and cash equivalents
Trade and other payables
Non-distributable reserves
Retained income

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GEDETAILEERDE INKOMSTETAAT

DETAILED INCOME STATEMENT

	Aant.	2018 R	2017 R	Notes	
Inkomste					Revenue
Verkoop van goedere		405 885	56 302		Sale of goods
Lidmaatskapfooie		15 045 933	13 941 791		Membership fees
	8	<u>15 451 818</u>	<u>13 998 093</u>	8	
Koste van verkope	9	<u>(223 320)</u>	<u>(97 565)</u>	9	Cost of sales
Bruto wins		<u>15 228 498</u>	<u>13 900 528</u>		Gross profit
Donasie inkomste		5 171 919	3 983 337		Donation income
FEDSAS Sentrum vir Tegnologie		78 500	-		FEDSAS Centre for Technology
Rente ontvang		634 628	641 450		Interest received
Regsfooie inkomste		175 330	742 238		Legal fee income
Opleiding inkomste		15 500	-		Training income
Webadvertering inkomste		16 248	33 000		Web advertising income
Webinar inkomste		74 101	-		Webinar income
		<u>6 166 226</u>	<u>5 400 025</u>		
Uitgawes		<u>(20 579 092)</u>	<u>(19 113 993)</u>		Expenses
Surplus vir die jaar		<u>815 632</u>	<u>186 560</u>		Surplus for the year