



EQUAL EDUCATION
(Registration Number 068 288 NPO)
Annual Financial Statements
for the year ended 31 December 2013



EQUAL EDUCATION

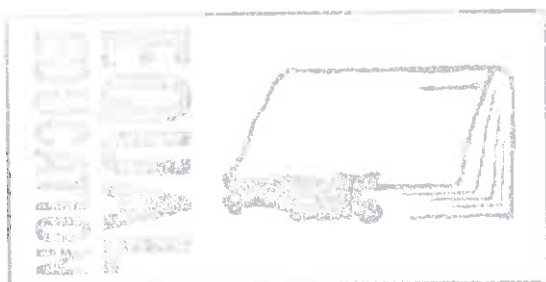
(Registration Number 068 288 NPO)

Annual Financial Statements for the year ended 31 December 2013

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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Equal Education is a movement of learners, parents and teachers striving for quality and equality in education through analysis and activism

REGISTERED OFFICE

Washington Square
Capital Drive
Thombokwezi
Khayelitsha
7784

BANKERS

Standard Bank and FNB

AUDITORS

Braude Gordon and Co.
Suite 201, 200 on Main
Claremont
Cape Town
7708



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REPORT OF THE INDEPENDENT AUDITORS

To the Secretariat of Equal Education

We have audited the annual financial statements of Equal Education which comprise the secretariat's report, the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of equity and statement of cash flows for the year then ended, a summary of significant policies and other explanatory notes as set out on pages 6 to 16.

Secretariat's Responsibility for the Financial Statements

The association's secretariat is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 2 and for such internal control as the secretariat determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the secretariat, as well as evaluating the overall presentation of the annual financial statements.

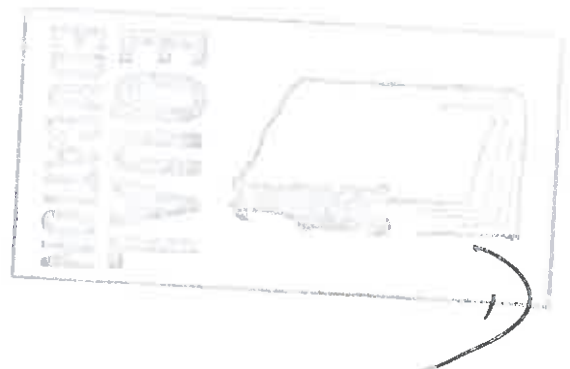
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Qualification

in common with similar organisations, it is not feasible for the association to institute accounting controls over cash collections from donations, or the other takings, prior to the initial entry of those collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded, although we have no reason to suppose there are omissions.

Audit opinion

In our opinion, except for the qualification above, the annual financial statements fairly present, in all material respects, the financial position of the association as at 31 December 2013, and its financial performance and cash flows for the year ended in accordance with the basis of accounting described in note 2 and the requirements of the Companies Act of South Africa.



REPORT OF THE INDEPENDENT AUDITORS

Other matter

Without qualifying our opinion we draw attention to the fact that supplementary information set out on pages 17 to 18 do not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

**Braude Gordon and Co.
Registered Auditors**

7 April 2014

**Per: Leonard Sher CA (SA)
Registered Auditor
Partner**

**Suite 201, 200 on Main
Claremont
Cape Town
7708**



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SECRETARIAT'S RESPONSIBILITIES AND APPROVAL

The secretariat is to maintain adequate accounting records to enable the association to satisfy all reporting requirements applicable to it and provide for the proper conduct of an audit. The accounting records required to be kept in such a manner as to provide adequate precautions against theft, loss or intentional or accidental damage or destruction, falsification, to facilitate the discovery of any falsification and to comply with any other applicable law dealing with accounting records, access to information, or confidentiality. It is his responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the state of affairs and business of the association, and explain the transactions and financial position of the business of the association at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the association and supported by reasonable and prudent judgements and estimates.

The secretariat acknowledges that it is ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the secretariat to meet these responsibilities, the secretariat 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 association 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 association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

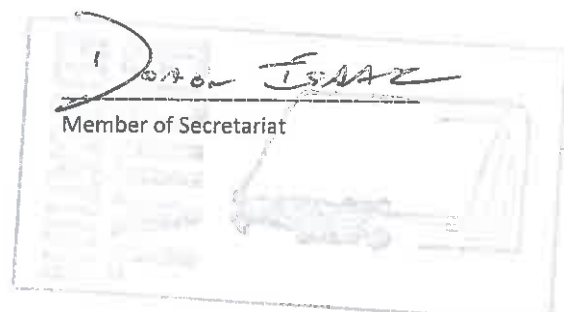
The secretariat is of the opinion, based on the information and explanations given by management and the external auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the secretariat has no reason to believe that the association will not be a going concern in the foreseeable future. The financial statements support the viability of the association.

The financial statements have been audited by the independent auditing firm, Braude Gordon and Co., who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the National Council and the Secretariat. The secretariat believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' qualified audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 6 to 16 were approved by the secretariat on 7 April 2014 and were signed on its behalf by:



Member of Secretariat



Member of Secretariat

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Annual Financial Statements for the year ended 31 December 2013

SECRETARIAT'S REPORT

The secretariat present their report for the year ended 31 December 2013. This report forms part of the audited annual financial statements.

1. Review of activities

Main business and operations

Equal Education is a movement of learners, parents and teachers striving for quality and equality in education through analysis and activism. There were no major changes herein during the year.

The operating results and state of affairs of the association are fully set out in the attached financial statements and do not in my opinion require any further comment.

2. Going concern

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 obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

All events subsequent to the date of financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

4. Secretariat

The Secretariat of the Association during the year and to the date of this report is as follows:

Chairperson:	Yoliswa Dwane
Deputy Chairpersons:	Ntuthuzo Ndzomo Bayanda Mazwi
General Secretary:	Brad Brockman
Deputy General Secretary:	Doron Isaacs
Treasurer:	Sean Feinberg

The governance structure of Equal Education has not changed during the year.

5. Auditors

Braude Gordon and Co. were the auditors for the year under review.



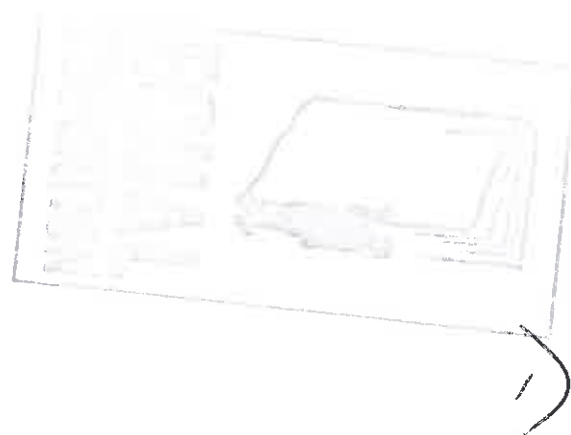
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Annual Financial Statements as at 31 December 2013

Statement of Financial Position

Figures in R	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	3	407,185	206,929
Current Assets			
Trade and other receivables	4	29,235	28,071
Cash and cash equivalents	5	7,281,245	4,250,829
		7,310,480	4,278,900
Total Assets		7,717,665	4,485,829
Equity and Liabilities			
Equity			
Retained income		859,619	426,496
Current Liabilities			
Trade and other payables	6	177,190	328,789
Income received in advance	7	6,680,142	3,730,544
Bank overdraft	5	714	-
		6,858,046	4,059,333
Total Equity and Liabilities		7,717,665	4,485,829



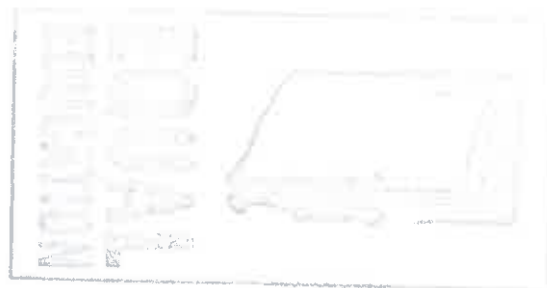
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Annual Financial Statements for the year ended 31 December 2013

Statement of Comprehensive Income

Figures in R	Note(s)	2013	2012
Income - Donations received		15,400,895	12,540,896
Other income		37,851	76,107
Gross income		<u>15,438,746</u>	<u>12,617,003</u>
Project expenses		(10,572,784)	(8,923,674)
Operating costs		(4,604,045)	(3,330,071)
Total expenditure		<u>(15,176,829)</u>	<u>(12,253,745)</u>
Operating surplus	8	<u>261,917</u>	<u>363,258</u>
Finance income	9	171,220	89,354
Finance costs	10	(14)	-
Surplus for the year		<u>433,123</u>	<u>452,612</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>433,123</u>	<u>452,612</u>



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Annual Financial Statements for the year ended 31 December 2013

Statement of Changes in Equity

Figures in R	Retained earnings	Total
Balance at 1 January 2012	(26,116)	(26,116)
Total comprehensive income for the year	452,612	452,612
Balance at 31 December 2012	426,496	426,496
Balance at 1 January 2013	426,496	426,496
Total comprehensive income for the year	433,123	433,123
Balance at 31 December 2013	859,619	859,619



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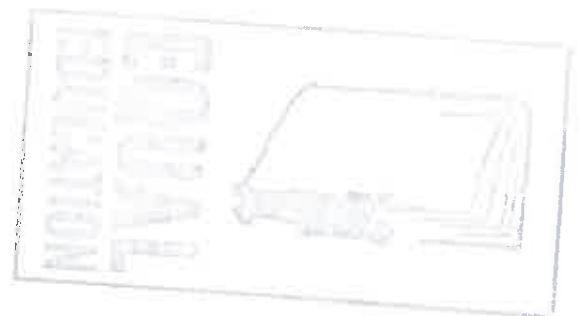
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Annual Financial Statements for the year ended 31 December 2013

Statement of Cash Flows

Figures in R	Note(s)	2013	2012
Cash flows from operating activities			
Surplus for the year		433,123	452,612
<i>Adjustments for:</i>			
Finance costs		14	-
Depreciation of property, plant and equipment		105,003	74,403
Investment income		(171,220)	(89,354)
Profit on disposal of property, plant and equipment		-	9,225
(Increase)/decrease in trade and other receivables		(1,164)	8,143
Increase in short-term loans		-	-
Increase in trade and other payables		2,798,000	1,142,945
Cash generated by operating activities		3,163,756	1,564,984
Interest received		171,220	89,354
Finance costs		(14)	-
Net cash from operating activities		3,334,962	1,687,328
Cash flows from investing activities			
Property, plant and equipment acquired		(305,268)	(70,338)
Proceeds on disposals of property, plant and equipment		8	-
Proceeds on disposals of intangible assets		-	-
Net cash utilised in investing activities		(305,260)	(70,338)
Cash flows from financing activities			
Shareholders loans raised		-	572,181
Net cash utilised in financing activities		-	572,181
Increase in cash and cash equivalents		3,029,702	2,189,171
Cash and cash equivalents at beginning of the year		4,250,829	2,061,658
Cash and cash equivalents at end of the year	5	7,280,531	4,250,829



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Annual Financial Statements for the year ended 31 December 2013

Accounting Policies

1. General information

Equal Education is a association not for gain incorporated in South Africa.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands, except as otherwise indicated.

Revenue recognition

Revenue comprises funds received from donors. These amounts are recognised immediately for standard funding or, in the case of project specific funds received, recognised as an income received in advance and released to the statement of comprehensive income in line with the expenditure of the earmarked funds.

Interest income

Interest income is recognised using the effective interest method.

2.1 Property, plant and equipment

Items of property plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Computer Software	50.00%
Computer Equipment	33.33%
Office Equipment	20.00%
Furniture & Fittings	15.00%
Leasehold improvements	16.67%
Photography equipment	20.00%

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Accounting Policies

2.2 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.



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Notes to the Annual Financial Statements

Figures in R

2013

2012

3. Property, plant and equipment

	Cost	Accumulated depreciation	2013 Carrying value	Cost	Accumulated depreciation	2012 Carrying value
<i>Owned assets</i>						
Furniture & fittings	177,167	85,428	91,739	164,537	59,466	105,071
Leasehold improvements	213,226	17,772	195,454	-	-	-
Office equipment	20,937	10,208	10,729	20,937	6,020	14,917
IT equipment	198,916	110,920	87,996	218,037	134,190	83,847
Computer software	21,023	15,830	5,193	15,224	12,130	3,094
Photography equipment	16,628	554	16,074	-	-	-
	647,897	240,712	407,185	418,735	211,806	206,929

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2013 Carrying value at end of year
<i>Owned assets</i>					
Furniture & fittings	105,071	12,630	-	(25,962)	91,739
Leasehold improvements	-	213,226	-	(17,772)	195,454
Office equipment	14,917	-	-	(4,188)	10,729
IT equipment	83,847	56,985	(8)	(52,828)	87,996
Computer software	3,094	5,799	-	(3,700)	5,193
Photography equipment	-	16,628	-	(554)	16,074
	206,929	305,268	(8)	(105,004)	407,185

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2012 Carrying value at end of year
<i>Owned assets</i>					
Furniture & fittings	81,373	47,138	(1,350)	(22,090)	105,071
Office equipment	11,889	6,097	-	(3,069)	14,917
IT equipment	43,691	85,104	(669)	(44,279)	83,847
Computer software	4,525	3,534	-	(4,965)	3,094
	141,478	141,873	(2,019)	(74,403)	206,929



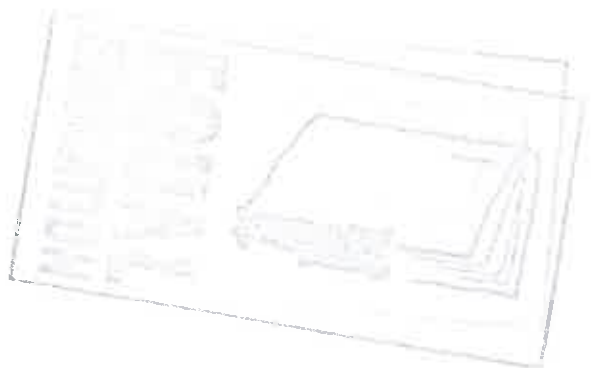
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Notes to the Annual Financial Statements

Figures in R	2013	2012
4. Trade and other receivables		
Sundry debtors	17,966	11,572
Staff loans	11,269	16,499
	<u>29,235</u>	<u>28,071</u>
5. Cash and cash equivalents		
Favourable cash balances		
Current account	294,033	399,286
Market link	6,987,212	3,851,543
	<u>7,281,245</u>	<u>4,250,829</u>
Overdraft		
Bank overdraft	714	-
Current assets	7,281,245	4,250,829
Current liabilities	(714)	-
	<u>7,280,531</u>	<u>4,250,829</u>
6. Trade and other payables		
Sundry creditors	177,190	328,789
7. Income received in advance		
Income received in advance	6,680,142	3,730,544



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Notes to the Annual Financial Statements

Figures in R

2013

2012

8. Operating surplus

Operating surplus is arrived at after taking into account the following items:

Expenditure

Consulting fees

New office development

213,226

Staff training and development

155,914

26,120

369,140

26,120

Direct project costs

Office upgrades and improvements

64,686

Individual fundraising

28,751

Norms and Standards coffee table book

20,000

Office running expenses

5,930

Management and staff training and development

11,872

131,239

9. Finance income

Interest income

Interest received

171,220

89,354

10. Finance costs

Bank overdrafts and acceptances

14

11. Income tax expense

The association is tax exempt in terms of section 10(1)(cN) of the Income Tax Act.

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Notes to the Annual Financial Statements

Figures in R

2013

2012

12. List of Local and International Funders

Equal Education is funded through the support of many institutions in South Africa and around the world, most of whom are mentioned below. However, as our support base grows we are increasingly able to finance projects through contributions received from individual people in South Africa and abroad in support of the provision of an equal and quality education for all.

The following are the main funders:

Atlantic Philanthropies
Bertha Foundation
Claude Leon Foundation
The DG Murray Trust
EMpower
European Union
First Rand Foundation
FORD Foundation
Foundation for Human Rights
HCI Foundation
Heinrich Boell Foundation
Institute of NG Kerk
Open Society Foundation
Raith Foundation
Sigrid Rausing
South African Development Fund
Tullow Oil
Wallace Global Fund
Zenex Foundation
The EGG Foundation



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Detailed Income Statement

Figures in R	2013	2012
Income		
Donations	15,400,895	12,540,896
Other Income		
Investment income	171,220	89,354
Profit on sale of property, plant and equipment	1,492	-
Other income and recoveries	36,359	76,107
	<u>209,071</u>	<u>165,461</u>
Total Income	<u>15,609,966</u>	<u>12,706,357</u>
Project expenses		
Bookery	368,759	475,326
Campaigns	2,199,828	1,259,529
Community Mobilisation	81,466	4,923
Gauteng office projects and operations	648,363	-
Libraries Project	943,981	489,641
National Coordination	373,423	504,618
Parents Project	674,938	541,325
Research and policy work (PCR)	1,873,086	2,954,943
Youth	3,408,940	2,693,369
	<u>10,572,784</u>	<u>8,923,674</u>
Gross Surplus	<u>5,037,182</u>	<u>3,782,683</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited

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Detailed Income Statement

Figures in R	2013	2012
Expenditure - other		
Accounting fees	67,453	145,155
Auditors' remuneration	46,512	43,320
Bank charges	61,951	69,809
Cleaning	22,289	15,846
Compensation commissioner	33,556	33,579
Computer expenses	71,493	122,534
Consulting fees	369,140	26,120
Depreciation - Tangible assets	105,003	74,403
Direct project costs	131,239	-
Electricity and water	29,708	-
Entertainment	2,380	-
Equipmental rental	27,528	25,999
Finance costs	14	-
Insurance	15,766	15,162
Legal expense	2,753	-
Loss on sale of fixed assets	-	2,019
Meals, catering and refreshments	43,440	22,232
Postage	2,599	2,073
Printing and stationery	115,227	148,701
Recruitment fees	83,406	104,044
Rent paid - premises	92,319	190,737
Repairs and maintenance	191,613	206,372
Salaries	2,642,162	1,557,927
Security	3,474	111,444
Staff welfare	34,286	-
Sundry Expenses	1,782	37,096
Telephone and fax	67,297	136,879
Training	90,377	60,387
Travel - local	249,292	178,233
	<u>4,604,059</u>	<u>3,330,071</u>
Surplus for the year	433,123	452,612



The supplementary information presented does not form part of the annual financial statements and is unaudited