

**EQUAL EDUCATION**  
**(Registration Number 068 288 NPO)**  
**Annual Financial Statements**  
**for the year ended 31 December 2014**

# EQUAL EDUCATION

(Registration Number 068 288 NPO)

Annual Financial Statements for the year ended 31 December 2014

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# EQUAL EDUCATION

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## GENERAL INFORMATION

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**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

# BRAUDE GORDON & CO

CHARTERED ACCOUNTANTS (SA)  
REGISTERED AUDITORS



G.A. GORDON, C.A. (S.A.)  
L. SHER, B.COM., C.A. (S.A.)  
D.I. SHONE, B.COM, C.A. (S.A.)  
N.P. GORDON, B. COM, C.A. (S.A.)

OUR REF.

IRBA NO: 913480 E

YOUR REF.

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SUITE 201, 200 ON MAIN, MAIN ROAD  
CLAREMONT 7708

## INDEPENDENT AUDITOR'S REPORT

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### To the Secretariat of Equal Education

We have audited the annual financial statements of Equal Education set out on pages 7 to 16 which comprise the statement of financial position at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### 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, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 management, as well as evaluating the overall presentation of the financial statements.

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

## **INDEPENDENT AUDITOR'S REPORT**

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### **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 effects of the matters described in the paragraph above, the annual financial statements fairly present, in all material respects, the financial position of the association as at 31 December 2014, and its financial performance and cash flows for the year ended in accordance with the basis of accounting described in note 2 .

### **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**

**30 April 2015**

**Per: L. Sher CA (SA)**  
**Registered Auditor**  
**Partner**

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

# EQUAL EDUCATION

(Registration Number 068 288 NPO)

Annual Financial Statements for the year ended 31 December 2014

## SECRETARIAT'S RESPONSIBILITIES AND APPROVAL

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The secretariat is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. 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 statement of financial position, results of operations 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 they are 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 association'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 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 members, the secretariat and other committees of the association. 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 7 to 16 were approved by the secretariat on 30 April 2015 and were signed on their behalf by:.

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Member of Secretariat

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Member of Secretariat

# EQUAL EDUCATION

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Annual Financial Statements for the year ended 31 December 2014

## SECRETARIAT'S REPORT

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The secretariat presents their report for the year ended 31 December 2014.

### 1. Review of activities

#### Main business and operations

The principal activity of the association is a movement of learners, parents and teachers striving for quality and equality in education through analysis and activism and there were no major changes herein during the year.

The operating results and statement of financial position 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 the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

### 4. Secretary

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

Chairperson:	Yoliswa Dwane
Deputy Chairpersons:	Nthuthuzo 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.

# EQUAL EDUCATION

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Annual Financial Statements as at 31 December 2014

## Statement of Financial Position

Figures in R	Note(s)	2014	2013
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	416,045	407,185
<b>Current Assets</b>			
Trade and other receivables	4	17,394	29,235
Cash and cash equivalents	5	10,426,935	7,281,245
		<b>10,444,329</b>	<b>7,310,480</b>
<b>Total Assets</b>		<b>10,860,374</b>	<b>7,717,665</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		2,996,302	859,621
<b>Current Liabilities</b>			
Trade and other payables	6	255,226	177,188
Income received in advance	7	7,608,846	6,680,142
Bank overdraft	5	-	714
		<b>7,864,072</b>	<b>6,858,044</b>
<b>Total Equity and Liabilities</b>		<b>10,860,374</b>	<b>7,717,665</b>

# EQUAL EDUCATION

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## Statement of Comprehensive Income

Figures in R	Note(s)	2014	2013
<b>Income - Donations received</b>		19,103,375	15,400,895
Other income		354,935	37,851
Gross income		19,458,310	15,438,746
Project expenses		(10,882,415)	(10,066,005)
Operating costs		(6,663,991)	(5,110,838)
Total expenditure		(17,546,406)	(15,176,843)
<b>Operating surplus</b>		<b>1,911,904</b>	<b>261,903</b>
Finance income	8	224,777	171,220
<b>Surplus for the year</b>		<b>2,136,681</b>	<b>433,123</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,136,681</b>	<b>433,123</b>

# EQUAL EDUCATION

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## Statement of Changes in Equity

Figures in R	Retained earnings	Total
<b>Balance at 1 January 2012</b>	426,498	426,498
Total comprehensive income for the year	433,123	433,123
<b>Balance at 31 December 2013</b>	<b>859,621</b>	<b>859,621</b>
<b>Balance at 1 January 2014</b>	859,621	859,621
Total comprehensive income for the year	2,136,681	2,136,681
<b>Balance at 31 December 2014</b>	<b>2,996,302</b>	<b>2,996,302</b>

# EQUAL EDUCATION

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Annual Financial Statements for the year ended 31 December 2014

## Statement of Cash Flows

Figures in R	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Surplus for the year		2,136,681	433,123
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		150,660	105,003
Investment income		(224,777)	(171,220)
Loss on disposal of property, plant and equipment		9,434	-
Decrease /(increase) in trade and other receivables		11,841	(1,164)
Increase in trade and other payables		1,006,741	2,798,000
<b>Cash generated by operating activities</b>		<b>3,090,580</b>	<b>3,163,742</b>
Interest received		224,777	171,220
<b>Net cash from operating activities</b>		<b>3,315,357</b>	<b>3,334,962</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired		(171,953)	(305,268)
Proceeds on disposals of property, plant and equipment		3,000	8
<b>Net cash utilised in investing activities</b>		<b>(168,953)</b>	<b>(305,260)</b>
Increase in cash and cash equivalents		3,146,404	3,029,702
Cash and cash equivalents at beginning of the year		7,280,531	4,250,829
<b>Cash and cash equivalents at end of the year</b>	5	<b>10,426,935</b>	<b>7,280,531</b>

# EQUAL EDUCATION

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Annual Financial Statements for the year ended 31 December 2014

## Accounting Policies

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### 1. General information

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

### 2. Summary of significant accounting policies

These annual 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.

#### 2.1 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.

#### 2.2 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 and fittings	15.00%
Leasehold improvements	16.67%
Photography equipment	20.00%

# EQUAL EDUCATION

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Annual Financial Statements for the year ended 31 December 2014

## Accounting Policies

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### 2.3 Trade and other receivables

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

### 2.4 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 under current liabilities on the statement of financial position.

### 2.5 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

2014

2013

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2014 Carrying value	Cost	Accumulated depreciation	2013 Carrying value
<i>Owned assets</i>						
Furniture and fittings	188,223	111,452	<b>76,771</b>	177,167	85,428	91,739
Leasehold improvements	213,226	53,317	<b>159,909</b>	213,226	17,772	195,454
Office equipment	33,675	15,492	<b>18,183</b>	20,937	10,208	10,729
Computer equipment	278,948	131,482	<b>147,466</b>	198,916	110,920	87,996
Computer software	21,023	20,055	<b>968</b>	21,023	15,830	5,193
Photography equipment	16,628	3,880	<b>12,748</b>	16,628	554	16,074
	<b>751,723</b>	<b>335,678</b>	<b>416,045</b>	<b>647,897</b>	<b>240,712</b>	<b>407,185</b>

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2014 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	91,739	11,056	-	(26,024)	76,771
Leasehold improvements	195,454	-	-	(35,545)	159,909
Office equipment	10,729	12,738	-	(5,284)	18,183
Computer equipment	87,996	148,159	(12,434)	(76,255)	147,466
Computer software	5,193	-	-	(4,225)	968
Photography equipment	16,074	-	-	(3,326)	12,748
	<b>407,185</b>	<b>171,953</b>	<b>(12,434)</b>	<b>(150,659)</b>	<b>416,045</b>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2013 Carrying value at beginning of year
<i>Owned assets</i>					
Furniture and 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
Computer 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
	<b>206,929</b>	<b>305,268</b>	<b>(8)</b>	<b>(105,004)</b>	<b>407,185</b>

# EQUAL EDUCATION

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## Notes to the Annual Financial Statements

Figures in R	2014	2013
<b>4. Trade and other receivables</b>		
Sundry receivables	14,041	17,966
Staff loans	3,353	11,269
	<u>17,394</u>	<u>29,235</u>
<b>5. Cash and cash equivalents</b>		
<b>Favourable cash balances</b>		
Current accounts	335,133	294,033
Funds on call	10,091,802	6,987,212
	<u>10,426,935</u>	<u>7,281,245</u>
<b>Overdraft</b>		
Bank overdraft	-	714
Current assets	10,426,935	7,281,245
Current liabilities	-	(714)
	<u>10,426,935</u>	<u>7,280,531</u>
<b>6. Trade and other payables</b>		
Provisions	254,745	176,941
Sundry creditors	481	247
	<u>255,226</u>	<u>177,188</u>
<b>7. Income received in advance</b>		
Income received in advance	<u>7,608,846</u>	<u>6,680,142</u>
<b>8. Finance income</b>		
<b>Interest income</b>		
Interest received	<u>224,777</u>	<u>171,220</u>
<b>9. Income tax expense</b>		

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

# EQUAL EDUCATION

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Annual Financial Statements for the year ended 31 December 2014

## Notes to the Annual Financial Statements

Figures in R

2014

2013

### 10. 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 the organisation's support base grows it is 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 Philantropies  
Bertha Foundation  
Claude Leon Foundation  
Comic Relief  
The DG Murray Trust  
EMpower  
European Union  
First Rand Foundation  
Ford Foundation  
Foundation for Human Rights  
Heinrich Boll Foundation  
International Budget Partnership  
Open Society Foundation  
Raith Foundation  
Sigrid Rausing  
Trident Admini  
Wallace Global Fund

# EQUAL EDUCATION

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Annual Financial Statements for the year ended 31 December 2014

## Notes to the Annual Financial Statements

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Figures in R	2014	2013
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### 11. Gauteng office projects and operations

Gauteng office projects are made up as follows:

Campaigns	274,210	-
Camps and seminars	8,251	-
Parents	391	-
Provincial Mass Meetings	228,989	-
Youth organising	113,515	10,344
	<u>625,356</u>	<u>10,344</u>

Gauteng operations are made up as follows:

Salaries	1,089,221	387,818
Bank charges	3,587	4,116
Telephone and fax	26,992	19,200
Books and subscriptions	182	484
Printing and stationery	23,864	10,839
Cleaning	8,539	2,431
Equipment hire	10,468	350
Rent paid	164,024	32,000
Travel and accomodation	120,511	130,435
Meals and refreshments	18,381	43,267
Sundry expenses	4,024	7,078
	<u>1,469,793</u>	<u>638,018</u>

# EQUAL EDUCATION

(Registration Number 068 288 NPO)

Annual Financial Statements for the year ended 31 December 2014

## Detailed Income Statement

Figures in R	2014	2013
<b>Income</b>		
Donations	19,103,375	15,400,895
<b>Other Income</b>		
Investment income	224,777	171,220
Profit on sale of property, plant and equipment	-	1,492
Other income and recoveries	354,935	36,359
	<u>579,712</u>	<u>209,071</u>
<b>Total income</b>	<b><u>19,683,087</u></b>	<b><u>15,609,966</u></b>
<b>Project expenses</b>		
Direct project costs	-	131,239
Bookery	17,216	368,759
Campaigns	1,522,319	2,199,828
Community Mobilisation	239,625	81,466
Gauteng office projects	625,356	10,345
Libraries Project	411,532	943,981
National Coordination	569,218	373,423
Parents Project	1,245,551	674,938
Research and policy work (PCR)	1,550,729	1,873,086
Youth	4,321,759	3,408,940
Eastern Cape office projects	379,110	-
	<u>10,882,415</u>	<u>10,066,005</u>
<b>Gross Surplus</b>	<b><u>8,800,672</u></b>	<b><u>5,543,961</u></b>

# EQUAL EDUCATION

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## Detailed Income Statement

Figures in R	2014	2013	
<b>Expenditure - other</b>			
Accounting fees	80,792	67,453	
Advertising	66,496	-	
Auditors' remuneration	42,693	46,512	
Bank charges	51,761	61,965	
Capital items under 7,000	9,737	-	
Cleaning	15,109	22,289	
Computer expenses	46,112	71,493	
Consulting fees	135,843	369,140	
Depreciation	150,660	105,003	
Electricity and water	24,400	29,708	
Entertainment	13,682	2,380	
Equipmental rental	39,064	27,528	
Fines and penalties	104	-	
Fundraising	219,586	-	
Gauteng operations	11	1,469,793	638,018
Insurance	18,931	15,766	
Legal expense	7,182	2,753	
Loans written off	4,456	-	
Loss on sale of property, plant and equipment	9,434	-	
Meals, catering and refreshments	62,213	43,440	
Meeting costs	8,198	-	
Postage	29,501	2,599	
Printing and stationery	162,459	115,227	
Recruitment fees	28,721	83,406	
Rent paid - premises	69,688	92,319	
Repairs and maintenance	196,765	191,613	
Salaries	3,143,549	2,675,718	
Security	35,323	3,474	
Staff welfare	13,391	34,286	
Subscriptions	2,837	-	
Sundry expenses	215	1,782	
Telephone and fax	46,689	67,297	
Training	-	90,377	
Travel - local	450,969	249,292	
Tuition fees	7,638	-	
	<u>6,663,991</u>	<u>5,110,838</u>	
<b>Surplus for the year</b>	<b><u>2,136,681</u></b>	<b><u>433,123</u></b>	