

THE FEDERATION OF GOVERNING BODIES
OF SOUTH AFRICAN SCHOOLS

Integrated Annual Report 2018





Table of contents

Foreword: National Chairperson	3
Introduction	4
FEDSAS' approach to reporting	4
Period covered in this report	4
Abbreviations and terms	4
Contact details and feedback	4
FEDSAS 25: Adapt and Thrive	5
Overview of Fedsas	9
Who is FEDSAS?	9
Core values	9
What do we stand for?	9
What can FEDSAS do for you?	10
Structures	11
National Council	11
Committees	11
National footprint	12
Focus Areas and Strategic Goals	14
Focus area: Training	14
Focus area: Awareness	15
Focus area: Research	17
Focus area: Membership growth	19
Focus area: Fundraising and relationship management	19
Focus area: Good corporate governance	19
Goals for 2019	20
Report of the CEO	21
Overview: Financial Statements	24

© FEDSAS Nasionaal
Compiled by FEDSAS
Layout by Chrysalis Advertising & Publishing



Foreword: National Chairperson

Although the idea of sustainability is often touted when organisations discuss their goals and ideals, practical examples are few and far between. Not many organisations are destined to celebrate a quarter of a century of success. Keeping in mind that the Federation of Governing Bodies of South African Schools is a non-profit organisation that largely depends on membership fees and sponsorships for income, that the organisation is active in the challenging education sector and that the organisation was established during one political dispensation and adapted to and is thriving in another, FEDSAS' 25-year celebration is a noteworthy milestone.

Throughout all the challenges of the past 25 years FEDSAS not once deviated from its vision of supporting quality education in public schools in South Africa. The organisation steadfastly believes in the power of education to bring about change in society. By equipping school governing bodies FEDSAS is not only contributing towards building our democracy but also to the individual future of each young child in a public school in South Africa.

The next 25 years will bring new challenges. The so-called Fourth Industrial Revolution, society's increasing dependence on technology, global pressure on resources and unique political challenges are only some of the aspects that influence FEDSAS' activities and involvement in education. At the same time challenges such as these are keeping the organisation on its toes and forcing it to adapt and grow continuously. Supported by a quarter of a century's institutional experience and with 25 years' intellectual capital as moral compass, FEDSAS is ideally positioned to tackle head-on the challenges of the future.

This integrated annual report provides an overview of the activities undertaken by FEDSAS during 2018, as well as a snapshot of the organisation's history over the past 25 years. It celebrates successes, is honest about challenges and looks to the future with anticipation.

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. However, there are also other guiding documents on and requirements for good governance applicable to non-profit organisations. These include SANGOCO's Code of Ethics for Non-Profit Organisations (1997), the Department of Social Development's Code of Good Practice for South African Non-Profit Organisations (2001) and the Independent Code of Governance and Values for Non-Profit Organisations in South Africa (2012).

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

Period covered in this report

This report provides an overview of FEDSAS' activities for 2018, as well as the financial year of 2017.

Abbreviations and terms

- **DSD Code:** The Department of Social Development's Code of Good Practice for South African Non-Profit Organisations (2001)
- **FEDSAS:** The Federation of Governing Bodies of South African Schools
- **Non-profit organisation:** An organisation established not for profit, whether it is incorporated as a company under the Companies Act 71 of 2008 (an NPC), a statutory body, trust or voluntary association, and irrespective of whether it is registered as a non-profit organisation under the Non-Profit Organisations Act 71 of 1997 or as a public benefit organisation under the Income Tax Act 58 of 1962
- **SANGOCO Code:** The South African National NGO Coalition's Code of Ethics for Non-Profit Organisations (1997)
- **Schools' Act:** The South African Schools' Act 84 of 1996
- **National Education Policy Act:** The National Education Policy Act 27 of 1996
- **Employment of Educators Act:** The Employment of Educators Act 76 of 1998

Contact details and feedback

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

National office: 051-522 6903

Website: www.fedsas.org.za



FEDSAS 25: Adapt and Thrive

Survival is dependent on adaptability. Organisms or systems that are able to adapt to inevitable change are able to ensure their survival. In the context of organisations survival is not enough: growth is the goal. An organisation that grows has been successful in turning adaptability into a skill; the ability to adapt quickly and successfully to change but also to predict change and to be proactive. The history of the Federation of Governing Bodies of South African Schools is testimony to this formidable combination of adaptability and growth, as is evident from the following turning points in the organisation's history.

FEDSAS 25 Timeline



1993

September 1993:
FEDSAS predecessor, SAFSOS,
founded

Members: 9 provincial
associations with volunteers



2006

FEDSAS changes from
federation to unitary body

6 permanent staff members
Total budget: R1.8 million with
expenses of R2.3 million



2015

FEDSAS Institute for
School Governance
established



2017

Implementation of principles
of King IV™ Report

1999



First provincial manager
(Free State)

2007



Members: 873 school governing bodies

2016



Membership reaches 2000
Development of new website

2018



FEDSAS Centre for
Technology established

Members: 2070 school governing bodies
51 permanent staff members
Total budget: R23 million



Adapt to external change

Cooperation is a key skill on which FEDSAS' adaptability rests. This willingness to work together goes all the way back to the establishment of FEDSAS in 1993. During that year all schools under the authority of the Department of Education and Culture: Administration Volksraad, with the exception of a few, were declared state-supported schools. Those were the days of four different models for school governance (model A, B, C and D). Model C was the state-supported model and these schools quickly became known as Model C schools.

More authority and responsibility were awarded to school governing bodies but there was great uncertainty about what exactly the functions and responsibilities of these bodies entailed. In various provinces independent associations of governing bodies were established until it was decided to establish a South African federation of these associations.

The South African Federation of State-supported Schools (SAFSOS) was established in Bloemfontein in September 1993. The members of SAFSOS were not individual governing bodies but rather the various provincial associations. These provincial associations were largely autonomous, which made it difficult to manage SAFSOS.

The first democratic elections in 1994 also brought change to SAFSOS. One of these changes included the run-up to and drafting of the SA Schools' Act in 1996. Through this Act the previous race-based education systems were abolished. SAFSOS was involved in a ministerial committee that advised the new minister on a new model for the governance, management and funding of the schools that were to be established through this legislation.

Following the completion of the work of the ministerial committee known as the Hunter Committee, the Minister appointed a team of experts under Adv. Eberhard Bertelsman, SC, to begin drafting an act to govern school education in future. Paul Colditz was the leader of the SAFSOS team that had to make presentations to this team of experts. He was also the leader of the team that made presentations on behalf of SAFSOS to the Parliamentary Portfolio Committee on Education during the final evaluation of the draft legislation before it went to Parliament for approval.

Even before the SA Schools' Act was promulgated the leadership of SAFSOS (at that stage still a federal council) realised that a new dispensation was underway and that state-supported schools would belong to the past. SAFSOS required a new name and constitution, and this paved the way for FEDSAS.

On 27 April 1998 Paul Colditz was elected as the new National Chairperson of FEDSAS in place of Dr Hennie van Deventer. Colditz's mandate was to restructure FEDSAS into a more flexible body.

An important initiative of FEDSAS had its origin in discussions between Colditz and the then Minister of Education, Prof. Sibusiso Bengu, on 28 August 1998. He suggested to the Minister that a body had to be established to make it possible for governing bodies to meet regularly with the Ministry and the National Education Department to discuss common issues. The Minister agreed and the National Consultative Forum was created in 1999. It exists to this day and meets quarterly.

Adapt to internal change

Although a lot of emphasis is placed on how an organisation reacts to changes in its external environment, it is often issues from inside the organisation that prevents growth. In this regard organisational self-knowledge is the adaptability skill that enabled FEDSAS to thrive.

At a meeting of the organisation's Federal Council in November 2006 a decision was made to restructure FEDSAS into a unitary association, which brought about the dissolution of the provincial associations. A new constitution was accepted and Mike Randell was elected as Chairperson, with Paul Colditz appointed as Chief

Executive Officer of the organisation. Ona Heckroodt was appointed as the national secretary of FEDSAS and all the staff members from the provincial associations became staff members of the new unitary body. Although the name FEDSAS still alluded to a federal organisation it was retained as it was already well-established.

Adapting the organisation's structure appears to have been the right decision as FEDSAS experienced substantial growth, to the extent that Jaco Deacon was appointed National Operational Manager in October 2008. Continued expansion resulted in Deacon's position being converted to Deputy CEO as well as the appointment of more staff members.

An additional internal challenge that came about as a result of changes in the external environment was making the staff component of FEDSAS more representative of the South Africa society. Initially FEDSAS served mostly white schools as a result of the composition of the education sector at the time. Over time the organisation's membership profile changed to reflect changes in society and a concerted effort was made for the staff component to be similarly representative. The first black Deputy Provincial Manager was Simon Machere in the Free State. A diverse, representative staff is not only a priority because it is a statutory requirement or because it is seen as politically correct, but because FEDSAS places a high premium on the inherent value of diversity.

A strategic planning session spanning several months in 2012 and based on the work of Jim Collins resulted in the strategic positioning of "Preserve the core, stimulate progress". Non-negotiable core values form the basis on which progress is built.

Adapt to success

Success could become a stumbling block. It is therefore important for an organisation to adapt to its own success and still continue to grow. An important moment in the existence of FEDSAS was when staff moved into the National Office building in Bloemfontein. For the first time all staff members in the National Office operated from the same building.

FEDSAS' first international recognition came in 2011 when Paul Colditz was invited to address the International Symposium on Education Reform (ISER) in Boksburg. Later in the same year he was invited to address the World Innovation Summit on Education in Doha, Qatar. In 2017 Jaco Deacon was honoured with an education leadership award from the World Congress on Education. He was also a speaker at the WCE conference in India. In 2018 Colditz was invited by the Amadeus Institute to address the Medays conference in Morocco.

Not only is the expertise within the organisation acknowledged through these successes, but the international exposure feeds into FEDSAS' profile as a leader in the education environment.

Adapt to the future

To adapt to changes that you encounter only speaks to the survival aspect of adaptability. To predict change and be proactive complete the circle by speaking to the growth aspect of adaptability. From the FEDSAS Institute for School Governance to the newly-established FEDSAS Centre for Technology the organisation is geared to think on its feet and to take on immediate as well as long-term changes and challenges.

Overview of FEDSAS

Who is FEDSAS?

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

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

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

Core values

Excellence

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

Integrity

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

Passion

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

Accountability

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

Relationships

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

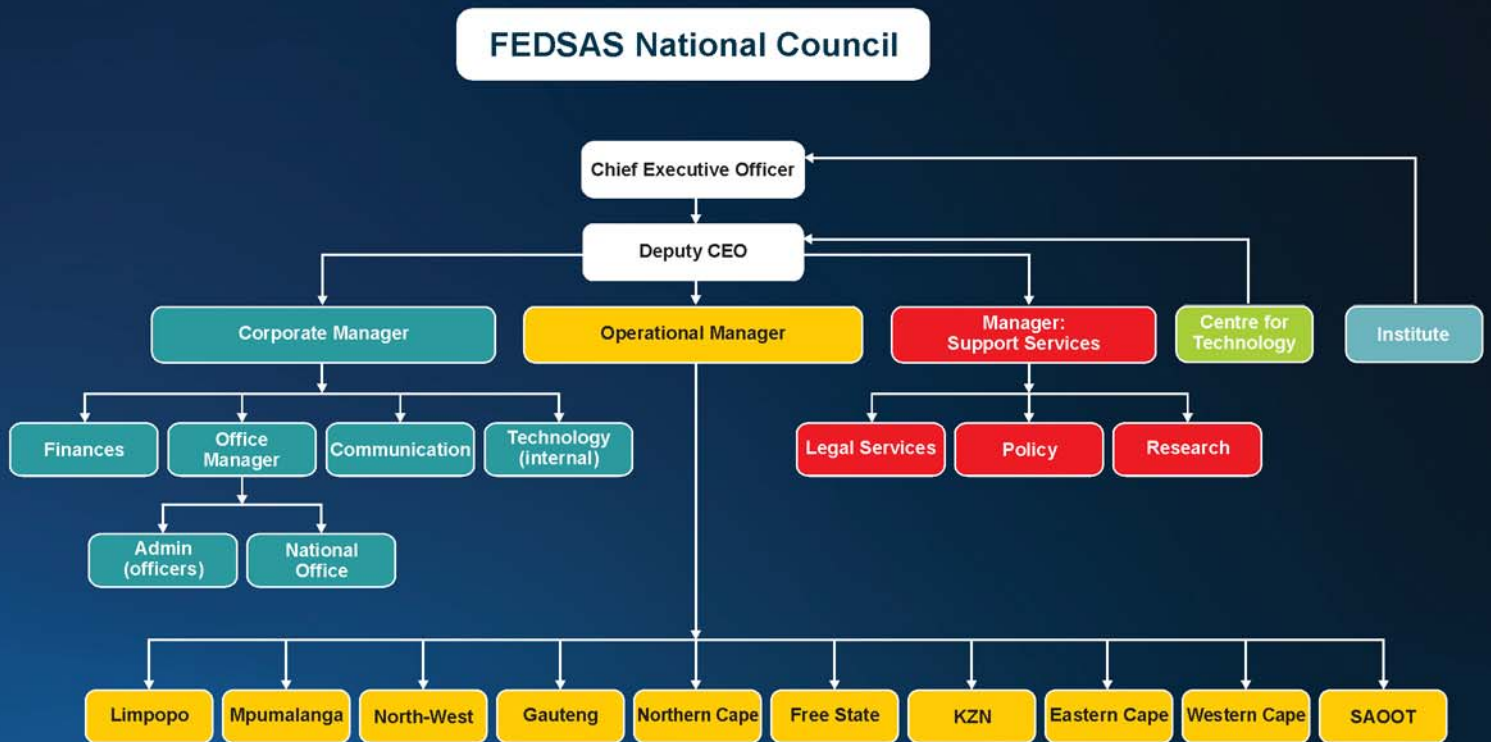
What do we stand for?

- FEDSAS believes in maximum autonomy for governing bodies and therefore we strive to expand the rights and powers of governing bodies.
- FEDSAS supports and promotes the rights and powers of governing bodies as described in the South African Schools' Act, including language and admissions policies.
- FEDSAS supports the principle that governing bodies play an important role in creating opportunities for all learners to enable them to reach their full potential.
- FEDSAS supports the preservation and promotion of a culture of excellence in teaching, education and service delivery.
- FEDSAS is continuously striving to establish and build healthy relationships with all stakeholders in education in order to serve the best interests of learners.

What can FEDSAS do for you?

- FEDSAS is the most representative mouthpiece for school governing bodies in the country. We comment on draft legislation and education policy, which means that our members' interests are represented at the highest level.
- FEDSAS has been a recognised opinion leader and role-player in public education at national and provincial level for more than 20 years.
- FEDSAS has established national and provincial structures to provide a service to all our members across the country.
- FEDSAS has already won several leading court cases and we have full-time education law specialists to support members in exercising their rights, including cases of unlawful interference in governance of school matters.
- FEDSAS assists governing bodies across the entire spectrum of school governance, including staff appointments, labour relations, strategic planning and financial management.
- The FEDSAS website is the most comprehensive source for information pertaining to school governance, including policy documents, guides for governing bodies and examples of contracts. FEDSAS also has a range of products, including DVDs and books.
- FEDSAS has sound experience of education issues. As an active, dynamic organisation, we stay informed about changes and restructuring in education and we can advise our members accordingly.
- FEDSAS is a democratic, non-political organisation and members elect their leaders annually.

Structures



Committees

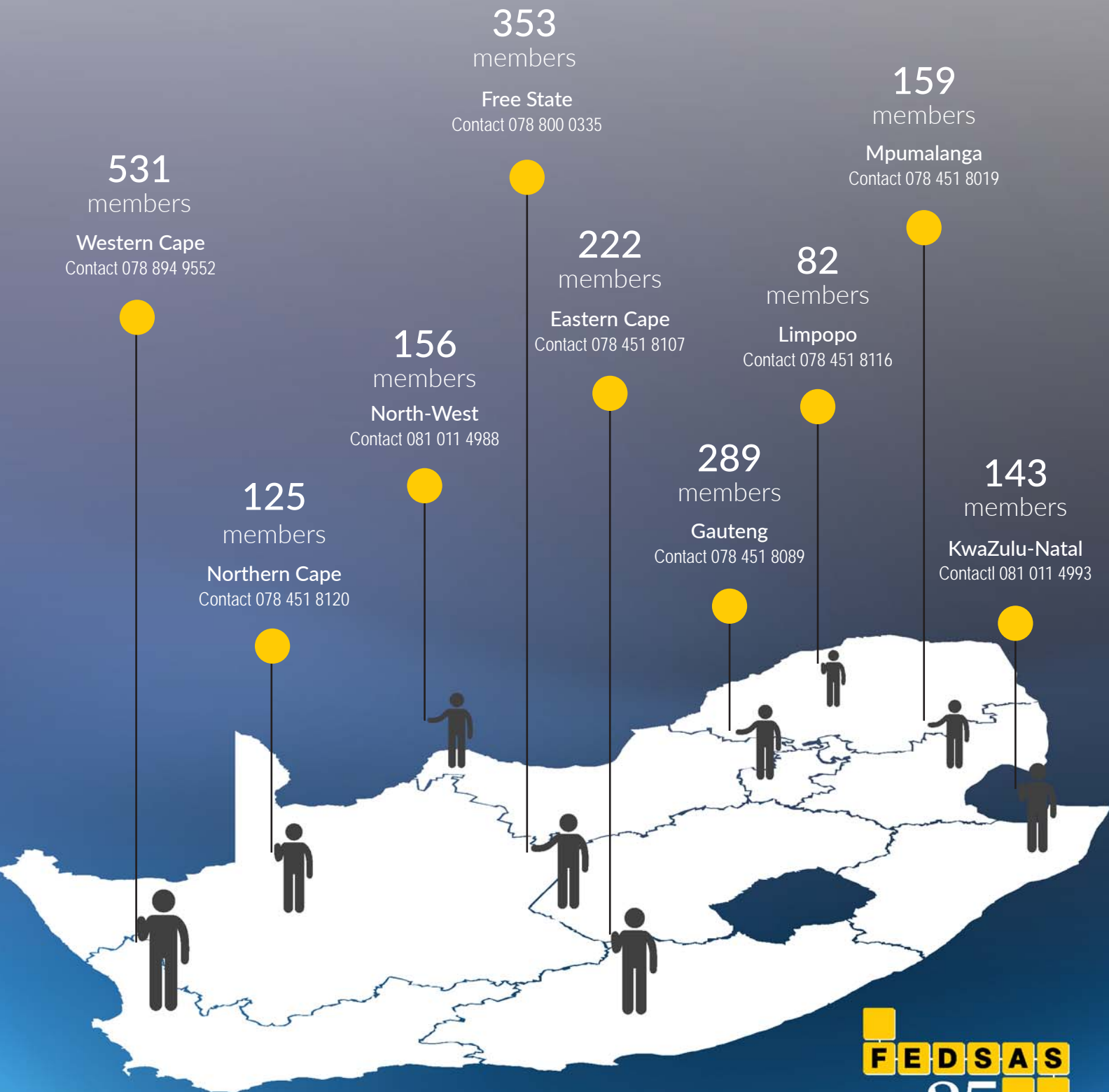
Executive committee	The executive committee is responsible for the execution of FEDSAS' strategy and business plans. It functions under the chairpersonship of the CEO and consists of all senior staff members of the organisation.
Remuneration committee	The remuneration committee forms part of the management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

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.

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.



www.fedsas.org.za

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 2018 pertaining to training:

FEDSAS Institute for School Governance

Actions undertaken:

- Review of the prestige publication Governance in public schools – A guide to the application of the King Principles in public schools in order align the content with the IoDSA King IV™ Report
- Development of a presentation on cultural diversity for the FEDSAS staff summit as well as a paper and panel discussion on the topic at the SAELA conference
- Revision and implementation of two instruments to enhance school governing bodies (Post-meeting survey tool and SGB annual performance evaluation tool), available on the FEDSAS website

FEDSAS Centre for Technology

Actions undertaken:

- Establishment of FEDSAS Centre for Technology
- Present workshops and develop online seminars



FEDSAS Centre for Technology

The FEDSAS Centre for Technology was launched at the EduTECH Africa event in October 2018. FEDSAS recognises the crucial nature of education technology and has been preparing and assisting its member schools for a numbers of years to ensure that learners and educators are prepared for the digital era. FEDSAS is the only school governing body organisation to host a portfolio focused on education technology and digital citizenship. The focus of the Centre is to assist and advise schools in the sensible implementation and use of new technology in the education space. This innovative programme will assist schools to integrate new technology in the classroom, on campus or as part of school administration. Paperless communication, cashless environments, access to online libraries, enriched delivery of lessons and the world of coding, robotics and app development are some of the areas that the Centre will be able to focus on. The FEDSAS Centre for Technology will be hosted on an online platform at www.fedsastech.org.za

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: 216 sessions, 9904 participants from 1576 schools
- Continued and advanced training: 156 sessions, 4593 participants from 638 schools
- Value-driven Schools project: 6 sessions, 327 participants from 7 schools
- Additional training: 72 sessions, 1105 participants from 264 schools
- School visits: 1280 sessions, 2688 participants from 1568 schools
- Online training: 20 sessions, 988 participants from 433 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 2018 pertaining to awareness:

Specific awareness pertaining to the school governing body elections

Actions undertaken:

- Development of two websites (www.schoolelections.co.za en www.lovemyschool.co.za) with information on the elections and the role of a governing body (95 501 page views in total)
- Comprehensive social media campaign, including Twitter (impressions: 50 125), Facebook (reach: 112 812) and Instagram (impressions: 9108)
- Distribution of media releases and newsletters
- Media liaison events, including Radio 702, SABC, Radio KC, Groot Ontbyt and LitNet

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

Actions undertaken:

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

Awareness around World Mother Language Day

Actions undertaken:

- Distribution of media release in six languages (Afrikaans, English, isiXhosa, isiZulu, Sesotho, Setswana)

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 Dr Böhmer School in Bloemfontein

Growth of FEDSAS' social media footprint

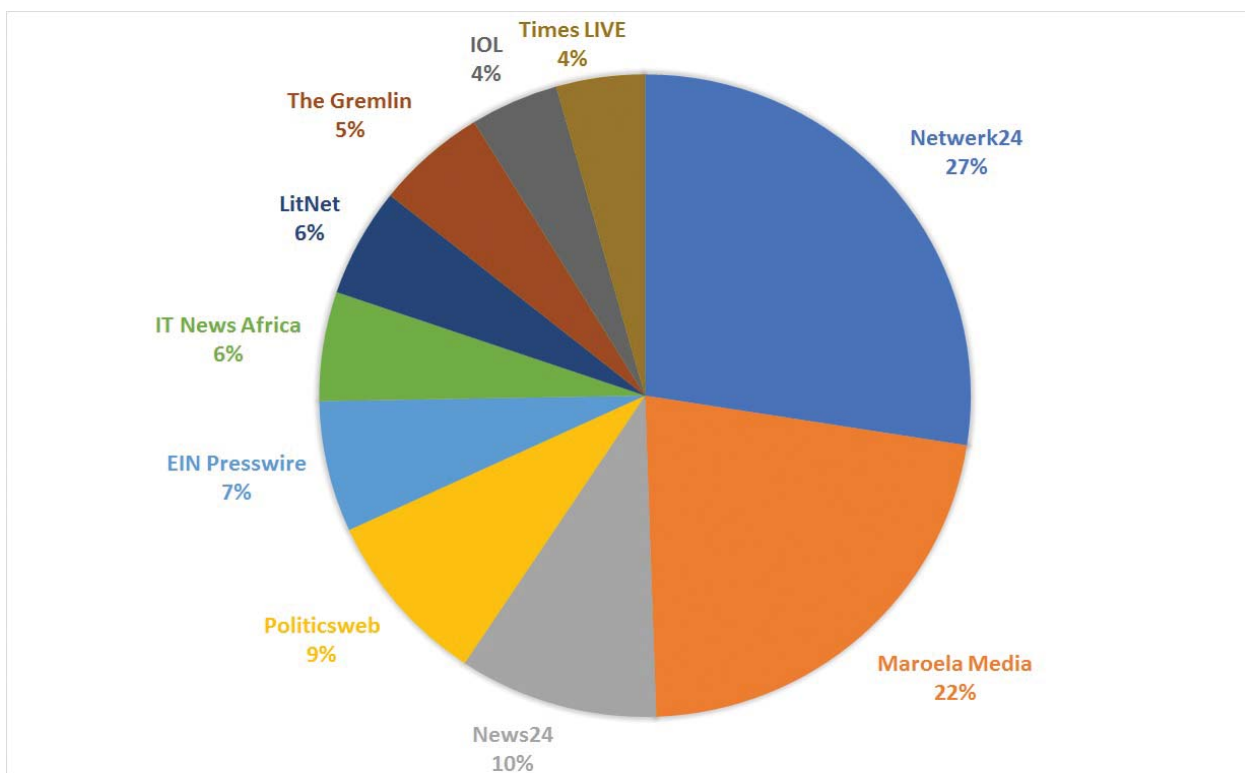
Actions undertaken:

- Use social media links on all communication (internally and externally) to drive users to social media and thereby increasing user frequency
- Use Facebook and Twitter to distribute information as well as to gain feedback
- Create WhatsApp groups to improve internal communication and information distribution
- Total reach across various digital media platforms for six-month period (Jan – Jun 2018): 1 327 333

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
- 10 media releases for the period 1 January 2018 to 31 October 2018
- Ratio of media releases-news hits: 1:2.8 (an average of two articles for every media release)



General awareness: website

Actions undertaken:

- Increase traffic to website (www.fedsas.org.za) for period 1 January 2018 to 31 October 2018
- 69 474 visits to website (Jan – Oct 2018)
- 28 927 unique visitors (60% return visitors, 40% new visitors)
- 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 2018 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:
 - *A practical guide to school management* available in six languages (Afrikaans, English, Sesotho, Setswana, isiXhosa, isiZulu)
 - Deacon, J., Colditz, P., Van Rooyen, J., Mellet, S., Van der Merwe, J., Swemmer, D. & Van der Bergh, R. 2017. *Finansiële bestuur in openbare skole: 'n Praktiese handleiding vir voldoening*. Cape Town: Juta. (English edition published in 2017).

FEDSAS shifts boundaries with school governance guide in six SA languages

FEDSAS introduced a guide for school governing bodies this year. *A practical guide to school governance* is available in six languages, including English, Afrikaans, Sesotho, Setswana, isiXhosa and isiZulu. This type of information is usually only available in English. However, for FEDSAS it is vitally important that all SGB members understand exactly what their role and function is. For this reason the guide was translated into some of South Africa's biggest official languages. The guide provides a short overview of the key aspects of school governance and is the ideal starting point for newly-elected SGB members and even experienced members who want to expand their knowledge.



New and revised policy documents: 2018

The following legal opinions, policy documents and sample documents were developed or revised by the FEDSAS legal team during 2018. It is available at www.fedsas.org.za

New legal opinions and sample documents

- Dismissal for incapacity due to poor work performance or due to ill-health and injury
- Navigating defamation on social networking sites, and dealing with harmful online comments and complaints relating to the school
- The status of co-opted members in an interview committee
- Liability for cost incurred in respect of emergency medical treatment for learners
- SGB Survey (bilingual)
- SGB Annual Survey (bilingual)
- SGB Meetings Regular Survey
- SGB Annual Self-Assessment Report
- Survey on SGB Meeting
- SGB Annual Self-Assessment survey
- National quintiles for public school funding

Revised legal opinions and sample documents

- Providing education to foreigners
- Preferential procurement by schools and the Competition Act: Guidelines for public schools
- The duty to supply proof of combined gross income for purposes of applying for exemption from the payment of school fees
- Schools' obligation to provide information to provincial officials
- School fee determination, exemption and collection
- Interest on school fees in arrear
- Application for approval to deviate from a single election meeting
- Questions about school fees
- Checklist and obstacles for governing body elections – 2018
- Affidavit of parent applying for school fee exemption

Revised policy

- Admission policy for Gauteng schools
- Draft code of conduct for parents and visitors
- Constitution of governing bodies
- Code of conduct for learners

Focus Area: Membership Growth

On 31 October 2018 a total of 2060 school governing bodies of public schools were members of FEDSAS. However, there are nearly 24 000 public schools in South Africa and growing FEDSAS' membership remains a primary goal.

Specific strategic goals for 2018 pertaining to membership growth:

Actions undertaken:

- 19 new members

Focus Area: Fundraising and Relationship Management

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

Specific strategic goals for 2018 pertaining to fundraising and relationship management:

Actions undertaken:

- Strategic partnerships
- Continuous meetings and formal and informal events with education stakeholders, including political leadership, in order to maintain FEDSAS' role as opinion leader and to build healthy, proactive relationships with stakeholders
- FEDSAS acts as support partner and exhibitor and FEDSAS staff act as speakers at 2018 EduTECH Africa
- FEDSAS acts as support partner and exhibitor and FEDSAS staff act as speakers at 2018 SABC EduWeek (5500 visitors, 170 exhibitors)
- FEDSAS attends summit of Department of Science and Technology
- FEDSAS attends Education Innovation Summit

Focus Area: Good Corporate Governance

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

Specific strategic goals for 2018 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 2019

Theme for 2019: Celebrating diversity

Strategic goals:

- to present a provincial conference / burning issue meetings for governing bodies in all provinces;
- to present learner summits for learners who are members of governing bodies;
- to present training on human resources management and specific appointment processes; and
- to support schools in celebrating diversity through an ideas package and training for members.

Report of the CEO

FEDSAS' twenty-five years

In a world where organisations come and go it is a big milestone for FEDSAS to celebrate its 25th year of existence. Survival and growth, sustainability and steadfastness are related to the extent to which people and organisations can adapt to changes and challenges that are confronting us at increasing speed. Greater demands on all are made by globalisation, greater social and environmental awareness and scarce resources and all organisations are required to act responsibly, accountably, equitably and transparently.

The fact that FEDSAS can celebrate this milestone in its existence this year is proof of the organisation's ability to adapt and thrive.

The major events in 2018

Every third year is a big year for FEDSAS. 2018 was such a year. This is of course because the triennial governing body elections must take place in all public schools in the country, which means that a new generation of members of governing bodies enter this dynamic field. During each election year the activities associated with these elections are the single biggest and most expensive project that FEDSAS undertakes for that particular year.

As discussed elsewhere in this report, a comprehensive advocacy campaign was launched regarding the elections and many thousands of new members of governing bodies across the country were equipped to tackle their tasks and responsibilities with enthusiasm and new knowledge.

Two very important initiatives, which are also discussed on elsewhere in this report, were also launched. This is the implementation of webinars for the purpose of continuous training of our members and the establishment of the FEDSAS Centre for Technology. This places FEDSAS at the forefront of using technology to serve our members.

Against the backdrop of a very busy year, it is a privilege for me to report on the FEDSAS activities as honestly and comprehensively as possible using the six capital inputs referred to in the King IV™ Report. The information in this report must therefore be read together with the information in the rest of the integrated annual report in order to get an overall picture of what has been done, what has been achieved and what realistic prospects for sustainability exist.

Financial capital

FEDSAS had to register for VAT this year. It immediately had an implication of a 14% and later a 15% increase in membership fees without us or our members benefiting directly from it. It was therefore a special challenge to keep our membership fees as affordable as possible. As a consequence, an increase of only 1.9% in membership fees due to FEDSAS was possible and expenses had to be managed in such a way that we could remain within the limits of our income.

The ideal that forms part of FEDSAS' sustainability strategy is to ensure a surplus every year in order to build a reserve fund that can ensure sustainability in times of crisis. Realistic projections for 2018 indicate that the ideal desired surplus will not be achieved this year. Due to the wise decision to build up the reserve fund, however, FEDSAS' sustainability is not threatened.

Manufactured capital

FEDSAS is in a privileged position that allows us to do a lot with little physical resources. Technology allows FEDSAS staff to be at the disposal of members and stakeholders at relatively low cost. The technology development referred to above helps to improve service delivery and also ensures that we keep pace with the demands of the Fourth Industrial Revolution.

Transport to meet our members and to various occasions where our presence is required is our single largest use of physical resources. However, that expense is still well within the norm generally accepted for non-profit service organisations. Costs for office accommodation can be minimised through virtual offices, but due to the growth and expansion that FEDSAS experiences, we are already forced to plan for alternative office accommodation at the National Office. The cost will be thoroughly considered before plans are finalised in this regard.

Intellectual capital

Ethical values form the building blocks for all FEDSAS' systems, procedures and protocols. In addition, the National Council decided very soon after the launch of the King IV™ Report that the recommended principles and practices of that report will determine the way in which FEDSAS will be governed and managed. The KING IV™ Report was also made accessible to all our members. This is a comprehensive task undertaken by FEDSAS' School Governance, Management and Leadership Institute.

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

Human capital

The growth in FEDSAS is reflected in the growth in the staff corps. The total number of staff now stands at 50. As is the norm for service organisations of this nature, staff costs are FEDSAS' largest budget expense. However, it is undoubtedly also FEDSAS' largest and most important resource and therefore provision is also made for the continuous training and equipment of our staff. The wealth of experience, knowledge and skills about school governance and management vested in our staff is simply not comparable in the South African education context.

Social and relationship capital

One of FEDSAS' main objectives is to influence the education landscape in a positive manner. For this reason, building relationships with our own members but also with education stakeholders and stakeholders at all levels is a high priority in FEDSAS' operations. The involvement of all our staff at many levels of education in all nine provinces and at national level is extraordinary. The presence of FEDSAS' brand in school education is unmistakable.

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

Natural capital

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

Membership

Full details of our membership and the footprint of FEDSAS throughout South Africa are reflected elsewhere in the report. Membership fees are FEDSAS' economic engine required for continued service delivery but also for sustainability. The poor economic situation in which the country finds itself affects our members as well, and we are accommodating towards those members who are adversely affected by the economic downturn.

We are proud of our relationship with our members and thank them for their loyalty to us.

National activities and activities in provinces

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

Sustainability and the way forward

The way forward 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. Various recent appointments have brought FEDSAS on the right track to make a significant impact in the future. The need in underperforming schools is great and if FEDSAS really wants to make a significant impact in education in South Africa, the organisation will have to reach out more to be able to make an even more significant difference. The promising part of the future is that FEDSAS is now a well-established organisation with a strong support base and 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 2017.

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 2017 and is in the light of this scrutiny and the current financial position assured that the governing body has sufficient resources or access to sufficient resources to continue its activities for the foreseeable future.

Auditors

GERT JORDAAN INCORPORATED
CHARTERED ACCOUNTANT (SA)

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

REPORT OF THE INDEPENDENT AUDITOR

To the Members of FEDSAS

Opinion

We have audited the financial statements of FEDSAS, as set out on pages 5 to 11. These financial statements consist of the statement of financial position as at 31 December 2017 and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are, in all material respects, a fair presentation of the financial position of FEDSAS as at 31 December 2017, and of its financial performance and cash flows for the year ending on that date in accordance with the International Financial Reporting Standards for Small and Medium-sized Enterprises.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for Auditing the Financial Statements

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


Gert Jordaan CA(SA)

Gert Jordaan Incorporated
3 Jan Marx Street
Langenhovenpark
Bloemfontein
9301



**Niël Pienaar & Medewerkers
Associates**

ACCOUNTING | TAX | ADVISORY | BBBEE
TAXIT (CK 2002/028844/23)

8 Fraundorfer St 8, Fichardtpark, BLOEMFONTEIN 9301
✉ 33243, Fichardtpark, 9317 📠 info@taxit.co.za
☎ (051) 501 4850, 🌐 (051) 501 4857, www.taxit.co.za

Practitioner's Compilation Report

To the members of Fedsas

We have compiled the annual financial statements of Fedsas, as set out on pages 7 - 13, based on the information you have provided. These annual financial statements comprise the staat van finansiële posisie of Fedsas as at 31/12/2017, the statement of comprehensive income, statement of changes in equity and staat van kontantvloeï for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

DP Pienaar

Niël Pienaar & Associates

Partner

Professional Accountants (SA)

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Fedsas and its associates for the year ended 31/12/2017.

1. Incorporation

The company was incorporated on 27 April 1998 and obtained its certificate to commence business on the same day.

2. Nature of business

Fedsas was incorporated in South Africa helping school governing bodies in performing their duties..

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Auditors

Gert Jordaan Incorporated continued in their capacity as auditors of the company for 2017 financial year.

Members will be requested at the AGM to reappoint Gert Jordaan Incorporated as the external auditors of the company and to confirm Mr Gert Jordaan as the engagement partner for the 2018 financial year.

Statement of Financial Position as at 31/12/2017

	Note(s)	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	139,325	280,578
Loan- SA Onderwys Trust		1,399,771	1,299,091
		1,539,096	1,579,669
Current Assets			
Inventories	5	222,003	152,900
Trade and other receivables	4	359,102	452,077
Advance payments- legal cost		-	2,715
Cash and cash equivalents	6	4,088,058	3,501,848
		4,669,163	4,109,540
Total Assets		6,208,259	5,689,209
Equity and Liabilities			
National Board Funds and Reserves			
Non distributable reserves		1,149,497	1,149,497
Retained income		4,509,386	4,322,826
		5,658,883	5,472,323
Liabilities			
Current Liabilities			
Trade and other payables	7	549,376	216,886
Total Equity and Liabilities		6,208,259	5,689,209

Statement of Comprehensive Income

	Note(s)	2017 R	2016 R
Revenue	8	13,975,157	12,544,218
Cost of sales	9	(97,565)	16,315
Gross profit		13,877,592	12,560,533
Other income	10	4,947,079	7,152,007
Operating expenses		(19,279,561)	(18,560,673)
Operating (loss) profit		(454,890)	1,151,867
Investment revenue	11	641,450	561,019
Profit for the year		186,560	1,712,886
Other comprehensive income		-	-
Total comprehensive income for the year		186,560	1,712,886

Statement of Changes in Equity

	Regsfonds- reserve R	Other NDR R	Retained income R	Total equity R
Balance at 01/01/2016	429,381	720,116	2,609,940	3,759,437
Profit for the year	-	-	1,712,886	1,712,886
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	1,712,886	1,712,886
Balance at 01/01/2017	429,381	720,116	4,322,826	5,472,323
Profit for the year	-	-	186,560	186,560
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	186,560	186,560
Balance at 31/12/2017	429,381	720,116	4,509,386	5,658,883

Note(s)

The accounting policies on page 11 and the notes on pages 12 to 13 form an integral part of the annual financial statements

Statement of cash flow

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash generated from operations	12	131,658	105,744
Interest income		641,450	561,019
Net cash from operating activities		773,108	666,763
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(86,221)	(240,221)
Loan - SA Onderwys Trust		(100,680)	(93,438)
Net cash from investing activities		(186,901)	(333,659)
Total cash movement for the year		586,207	333,104
Cash at the beginning of the year		3,501,848	3,168,744
Total cash at end of the year	6	4,088,055	3,501,848

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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, except for the changes set out in note First-time adoption of the International Financial Reporting Standard for Small and Medium-sized Entities.

1.1 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Cost includes 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 of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Inventories

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

1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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 immediately in profit or loss.

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

1.4 Revenue

Revenue is recognised to the extent that the company 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 company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

Notes to the Financial Statements

	2017 R	2016 R
--	-----------	-----------

2. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	123,869	(82,783)	41,086	123,869	(58,009)	65,860
Motor vehicles	311,636	(311,635)	1	311,636	(311,635)	1
Office equipment	85,231	(85,229)	2	85,231	(85,229)	2
Computer software	986,285	(888,049)	98,236	900,064	(685,349)	214,715
Total	1,507,021	(1,367,696)	139,325	1,420,800	(1,140,222)	280,578

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	65,860	-	(24,774)	41,086
Motor vehicles	1	-	-	1
Office equipment	2	-	-	2
Computer software	214,715	86,221	(202,700)	98,236
	280,578	86,221	(227,474)	139,325

Reconciliation of property, plant and equipment - 2016

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

3. Loan - SA Onderwys Trust

The loan has been made to the S A Onderwys Trust and is payable on request. Interest on the loan is applicable at Money Market rates of ABSA Bank. The current rate is 6 % as on 31 December 2017.

4. Trade and other receivables

Trade receivables	359,102	452,077
-------------------	---------	---------

5. Inventories

Literature stock	222,003	152,900
------------------	---------	---------

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Notes to the Financial Statements

	2017 R	2016 R
6. Cash and cash equivalents (continued)		
Cash on hand	343,334	742,199
Credit Card	3,476,805	2,520,114
Credit Card	(81)	(2,465)
Other Cash and Cash Equivalents - Advances to provinces	268,000	242,000
	4,088,058	3,501,848
7. Trade and other payables		
Creditors provision	123,613	172,876
Income recieved in advance	425,763	44,010
	549,376	216,886
8. Revenue		
Membership fees and other Income	13,975,157	12,544,218
9. Cost of sales		
Sale of goods		
Cost of goods sold	97,565	(16,315)
10. Other income		
Other income	4,908,792	7,059,655
DVD Sales	5,287	57,352
Wed Advertising	33,000	35,000
	4,947,079	7,152,007
11. Investment revenue		
Interest revenue		
Loans and Investments	641,450	561,019
12. Cash generated from operations		
Profit before taxation	186,560	1,712,886
Adjustments for:		
Depreciation and amortisation	227,474	292,068
Interest received	(641,450)	(561,019)
Changes in working capital:		
Inventories	(69,103)	(12,430)
Trade and other receivables	92,972	85,687
Advance payments- legal cost	2,715	75,139
Trade and other payables	332,490	(1,486,587)
	131,658	105,744
13. Taxation		

The entity is registered as a Non Profit Organisation with NPO no: 128-598. The entity is therefor exempt from income tax under article 10(1)(cn) of the income tax act.

Income Statement

	Note(s)	2017 R	2016 R
Revenue			
Membership fees		13,975,157	12,544,218
Cost of sales			
Purchases		(97,565)	16,315
Gross profit		13,877,592	12,560,533
Other income			
DVD Sales & Juta books		5,287	57,352
Donations and Sponsorships		4,908,792	7,059,655
Interest received	11	641,450	561,019
Web Advertisements		33,000	35,000
		5,588,529	7,713,026
Operating expenses			
Accounting fees		(39,730)	(24,065)
Advertising		(117,364)	(102,486)
Bad debts		-	(7,078)
Bank charges		(37,434)	(31,095)
Bursaries		(60,978)	-
Computer expenses		(128,073)	(124,970)
Consulting and professional fees		(4,800)	(32,600)
Corporate clothing		(17,179)	(28,272)
Depreciation, amortisation and impairments		(227,474)	(292,068)
Employee costs		(12,285,593)	(11,053,496)
Entertainment		-	(986)
Entertainment		(47,000)	(24,309)
Gifts		-	(16,069)
Insurance		(72,605)	(97,695)
Legal expenses		(461,023)	(1,171,580)
Meetings and conferences		(607,957)	(732,736)
Municipal expenses		(32,917)	(32,587)
Office rental		(412,372)	(378,709)
Personel deliberation		(764,627)	(744,179)
Personel meetings		(13,082)	(8,247)
Postage		(36,654)	(31,787)
Printing and stationery		(160,180)	(178,275)
Projecy Expences		(267,746)	(502,706)
Repairs and maintenance		(64,232)	(73,798)
Subscriptions and membership fees		(87,098)	(86,851)
Telephone and fax		(450,368)	(434,140)
Translation		(25,137)	(31,098)
Travel - local		(2,643,469)	(2,156,208)
Web administration		(9,109)	(4,700)
Web administration		(205,360)	(157,883)
		(19,279,561)	(18,560,673)
Profit for the year		186,560	1,712,886