



NASCEE

National Association of Social Change Entities in Education

**NATIONAL ASSOCIATION OF SOCIAL CHANGE ENTITIES
IN EDUCATION (NASCEE) NPC
(Registration number: 2021/604591/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008.

Preparer

Kagiso Rammole
B. Compt / Post Graduate Advanced Accounting Sciences

Published

06 July 2023

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

General Information

Country Of Incorporation: South Africa

Nature Of Business and Principal Activities : NASCEE is a non-profit company working to maximise the collective contribution of NPOs towards achieving transformational systemic education through the fulfillment of the national targets set out in the National Development Plan as well as the global targets set out in the United Nations' Sustainable Development Goals (SDGs).

Directors:

Names	Designation	Changes
AM Barrett	Non-Executive Independent	
N Behardien	Non-Executive Independent	(Resigned: 15/12/2022)
HJ Benson	Non-Executive Independent	
GF Gillett	Chairperson	
J Gilmour	Non-Executive Independent	
J Keevy	Non-Executive Independent	
S Khumalo	Non-Executive Independent	
MP Maapola	Deputy Chairperson	(Appointment: 18/10/2022)
NN Memela	Treasurer	(Resigned: 31/12/2022)
N Mtsatse	Non-Executive Independent	(Appointment: 18/10/2022)
V Ncontsa	Deputy Chairperson	(Resigned: 01/07/2022)
S Oosthuizen	Non-Executive Independent	
MC Pahad	Non-Executive Independent	(Appointment: 18/10/2022)
LH Shangase	Treasurer	(Appointment: 18/10/2022)
L Zakwe	Chairperson	

Registered Office Address: The Education Hub
No. 6 Blackwood Avenue
Parktown
Johannesburg
2001

Bankers: Rand Merchant Bank

Auditors: Douglas and Velcich

Company Secretary: None

Legal Form: Non-Profit Company

Company Registration Number: 2021/604591/08

VAT Registration Number: Not registered

Income Tax Registration Number: 9563827196

Level Of Assurance: These Financial Statements have been audited in compliance with the applicable requirement of the Companies Act, 71 of 2008 South Africa.

Preparer: In compliance with the disclosure requirement of the Companies Act, 71 of 2008, the annual financial statements have been prepared by Kagiso Rammole, on behalf of National Association of Social Change Entities In Education NPC.

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

Board Members' Responsibilities and Approval

The board members are required by the Companies Act of South Africa, 71 of 2008, 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 their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies which are consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The board members have reviewed the company's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 8 to 16, which have been prepared on the going concern basis, were approved by the board members on 06 July 2023 and were signed by:



GF Gillett
Chief Executive Officer



L Zakwe
Chairperson

Independent Auditor's Report

To the Board Members

National Association of Social Change Entities in Education NPC
(Registration: 2021/604591/08)

Opinion

We have audited the accompanying financial statements of National Association of Social Change in Education (NASCEE) NPC set out on pages 8 to 16., which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive come, statement of changes in reserves and statement cash flows for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements fairly present, in all material respects, the financial position of the National Association of Social Change in Education (NASCEE) NPC as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 71 of 2008 of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), together with the ethical requirements that are relevant to our audit of financial statements in South Africa. We have fulfilled our other ethical requirements in accordance with these requirements and the IRBA Code. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information, which comprises the Board Members' Report and the Detailed Income Statement, set out on pages 8 and 16.

The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with their accounting policies, the International Financial Reporting Standards for Small and Medium - sized Entities and the requirements of the company's Constitution, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also communicate with those charged with governance regarding all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable, related safeguards.



Rev F.M. Vincent Bhengu CA(SA),RA
Douglas & Velcich
Chartered Accountants (S.A.)

Johannesburg
7 July 2023

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

Board Members' Report

The board members present their annual report of the organisation for the period ended 31 December 2022.

1 Nature of business

National Association of Social Change Entities In Education was incorporated and operates in South Africa.

2 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.

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

3 Board Members

The board members of the organisation during the accounting period were:

Names	Designation	Changes
AM Barrett	Non-Executive Independent	
N Behardien	Non-Executive Independent	(Resigned: 15/12/2022)
HJ Benson	Non-Executive Independent	
GF Gillett	Chairperson	
J Gilmour	Non-Executive Independent	
J Keevy	Non-Executive Independent	
S Khumalo	Non-Executive Independent	
MP Maapola	Non-Executive Independent	(Appointment: 18/10/2022)
NN Memela	Treasurer	(Resigned: 31/12/2022)
N Mtsatse	Non-Executive Independent	(Appointment: 18/10/2022)
V Ncontsa	Deputy Chairperson	(Resigned: 01/07/2022)
S Oosthuizen	Non-Executive Independent	
MC Pahad	Non-Executive Independent	(Appointment: 18/10/2022)
LH Shangase	Treasurer	(Appointment: 18/10/2022)
L Zakwe	Non-Executive Independent	

4 Events after the reporting period

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

5 Going concern

The board members believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board members have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The board members are not aware of any new material changes that may adversely impact the organisation. Board members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

6 Auditors

Douglas and Velcich, continued in office as auditors in accordance with section 90 of the Companies Act 71 of 2008.

7 Secretary

The organisation had no secretary during the year under review.

National Association of Social Change Entities In Education NPC
Annual Financial Statements for the year ended 31 December 2022
(Registration number: 2021/604591/08)

Statement of Financial Position

Figures in Rand	Note(s)	31 Dec 2022	31 Dec 2021
Assets			
Current Assets			
Cash and cash equivalents	2	1 018 265	303 574
Trade and other receivables	3	1 394 522	295 500
		2 412 788	599 074
Total Assets		2 412 788	599 074
Equity and Liabilities			
Equity			
Accumulated deficit		643 912	(217 498)
		643 912	(217 498)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	4	-	208 754
		-	208 754
Current Liabilities			
Deferred income	5	1 222 948	-
Trade and other payables	6	545 928	607 818
		1 768 875	607 818
Total Liabilities		1 768 875	816 572
Total Equity and Liabilities		2 412 788	599 074

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

Statement of Comprehensive Income

Figures in Rand	Note(s)	31 Dec 2022	31 Dec 2021
Revenue	7	2 877 333	1 807 344
Operating expenses		(2 229 477)	(1 926 986)
Other income		213 554	-
Surplus (deficit) before taxation		861 410	(119 642)
Taxation	8	-	-
Surplus (deficit) for the year		861 410	(119 642)

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

Statement of Changes in Equity

Figures in Rand	Accumulated Deficit	Total Equity
Balance at 01 January 2021	(97 856)	(97 856)
Deficit for the year	(119 642)	(119 642)
Other comprehensive income	-	-
Total comprehensive income for the year	(119 642)	(119 642)
Balance at 01 January 2022	(217 498)	(217 498)
Surplus for the year	861 410	861 410
Other comprehensive income	-	-
Total comprehensive income for the year	861 410	861 410
Balance at 31 December 2022	643 912	643 912

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

Cash Flow Statement

Figures in Rand	Note(s)	31 Dec 2022	31 Dec 2021
Cash flows from operating activities			
Cash receipts from customers		1 778 311	1 578 844
Cash paid to suppliers and employees		(859 666)	(1 427 197)
Cash utilised in operations	9	918 645	151 647
Interest received		4 800	-
Net cash from operating activities		923 446	151 647
Cash flows from financing activities			
Net movement other financial liabilities		(208 754)	(365 309)
Net cash flow from investing activities		(208 754)	(365 309)
Total cash movement for the period		714 692	(213 662)
Cash at the beginning of the period		303 574	517 236
Total cash at end of the period	2	1 018 265	303 574

National Association of Social Change Entities In Education NPC
Annual Financial Statements for the year ended 31 December 2022
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Accounting Policies

1 - Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa, 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

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

1.2 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using effective interest method. Debt instruments which are classified as current assets and current liabilities are measured at the discounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.3 Tax

The South African Revenue Services (SARS) has approved the application for exemption from income tax, as the organisation meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act no 58 of 1962.

Income tax exemption has been granted in terms of section 10(1)(cN) of the Act. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from the business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

1.4 Revenue

Performance obligation	Description	Timing	2022	2021
Conference income	NASCEE hosts an annual conference and members confirm attendance through event reservations,	Revenue is recognised as the conference attendance is confirmed.	-	14 550
ETDP SETA training income	ETDP SETA training income involves the facilitation of training recommended by the ETDP SETA.	Revenue is recognised as the training is complete and all documents are submitted to the ETDP SETA.	-	365 989
Grant income	NASCEE enters into a Memorandum of Understanding with a Funder agreed upon deliverables.	Revenue is recognised as the terms of the MOU are complete.	2 387 379	1 063 405
Membership income	NASCEE enters into a Memorandum of Understanding with its member entities on membership sign-up.	Revenue is recognised as the membership is renewed annually.	489 954	363 400
			2 877 333	1 807 344

Revenue is recognised over time on the following basis:

The company applies the practical expedient to recognise revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the company's performance completed to date.

National Association of Social Change Entities In Education NPC

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(Registration number: 2021/604591/08)

Notes to the annual financial statements

Figures in Rand	2022	2021
2 Cash and cash equivalents		
Cash and cash equivalents consists of:		
Bank balances	1 018 265	303 574
	1 018 265	303 574
3 Trade and other receivables		
Trade debtors	267 533	295 500
Grants receivable	964 196	-
VAT receivable	162 793	-
	1 394 522	295 500
4 Other financial liabilities		
At amortised cost		
JET Education	-	208 754
The loan was written-off by JET Education.		
At amortised cost		
Non-current liabilities	-	208 754
5 Deferred income		
Opening balance	-	-
New grants	1 222 948	-
	1 222 948	-
6 Trade and other payables		
Trade payables	545 928	68 241
Accrued expenses	-	11 788
Prepayments	-	28 000
	545 928	108 029

National Association of Social Change Entities In Education NPC

Annual Financial Statements for the year ended 31 December 2022

(Registration number: 2021/604591/08)

Notes to the annual financial statements

Figures in Rand	2022	2021
7 Revenue		
Conference income	-	14 550
ETDP SETA training income	-	365 989
Grant income	2 387 379	1 063 405
Membership income	489 954	363 400
	2 877 333	1 807 344
8 Taxation		
National Association of Social Change Entities In Education is registered as a Public Benefit Organisation through the Tax Exemption Unit and is therefore exempted from paying Income Tax.		
9 Cash generated from operations		
Surplus (deficit) before taxation	861 410	(119 642)
Adjustments for:		
Interest income	(4 800)	
Changes in working capital		
Inventory		
Trade and other receivables	(1 099 022)	(228 500)
Deferred income	1 222 948	-
Trade and other payables	(61 890)	499 789
	918 645	151 647

10 Related parties

Relationships

Member of key management

Refer to Board Members' Report

National Association of Social Change Entities In Education NPC
Annual Financial Statements for the year ended 31 December 2022
(Registration number: 2021/604591/08)

Statement of Financial Performance

Figures in Rand	Note(s)	31 Dec 2022	31 Dec 2021
Revenue	7	2 877 333	1 807 344
Other income			
Interest income		4 800	-
Loan written off		208 754	-
		213 554	-
Operating expenses			
Annual conference expenses			288 188
Audit fees		22 598	20 867
Bank charges		2 964	4 176
Bootcamp expenses		-	253 000
Business development expenses		-	126 960
Computer expenses		9 976	13 007
Contractors - external		999 175	-
Consulting fees		3 033	39 450
Legal fees		-	200
Management agency fees		756 585	829 497
Printing & stationery		3 154	9 172
Subscription fees		4 957	230
Training		427 035	342 240
		(2 229 477)	(1 926 986)
Surplus (deficit) before taxation		861 410	(119 642)
Taxation	8	-	-
Surplus (deficit) for the year		861 410	(119 642)

This supplementary information does not form part of the financial statements and is unaudited.