



JET EDUCATION
SERVICES

annual report
2008

annual report | 2008



MISSION

To provide market driven and knowledge based education and training programmes of a high standard in research and evaluation, project management and capacity building of people and organisations most in need.

VISION

To be the client-centred development agency of choice which aims to enhance the quality of life of poor and developing communities through quality education and training programmes.



Annual Report 2008



c o n t e n t s

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chairman's statement



The twelve months to 31st December 2008 have been good, hard-working months for JET and the result can be seen on the summarised income statement below. In brief, we have strengthened our balance sheet by adding R1, 663, 417 of surplus from JET operations to our reserves. This is a happy result, though it only brings JET's average annual surplus over the last four years up to R634, 000 — which is still too modest a sum for the growth that is necessary to serve our niche of the education needs of the country.

Nevertheless, the 2008 result has been achieved while absorbing the deficit flowing

from the closing of the Work Force Development Division (WFD). After some years of success, we had to fund this division increasingly from our reserves to mitigate the slow movement in demand. It was the continued lack of sufficient demand that culminated in the decision to close the division and focus entirely on our core business. In some ways though, this was a sad choice, because WFD was able to supply desperately needed skills training, especially to municipalities whose need for up-skilling of all their staff is dire indeed. The lethargy and lack of commitment of some of these institutions is worrying, especially as we agreed with the then Minister of Public Service and Administration's statement that "the human resource capability of municipalities directly and most visibly affects the capacity of government to implement its development programme at local level".

The high level of prevailing interest rates during the year under review has also favoured JET significantly. The interest income on its risk capital reserves has climbed to an impressive R5, 302, 143, thus further strengthening JET's balance sheet. Social profit organisations such as JET cannot distribute surpluses to any person or organisation, public or private, outside its field of activities as approved by the Income Tax Act. Nevertheless, they need to make surpluses to sustain themselves and extend their activities in the realm of transformational benefit to their chosen group in society, which, in JET's case, is poor and developing communities.

The whole JET team, ably led by Nick Taylor, Chief Executive Officer; Godwin Khosa, Programme Director; Deon Smith, Financial Director and their management team need to be congratulated on the strong performance in 2008, as do all those employees who happily went the extra mile. This continuing healthy result should stand us in good stead for the turbulent days ahead, brought about by the current global economic crisis which appears to have been triggered by excessive asset valuations by many financial institutions, particularly in the USA. No one knows how long this situation will last, nor what the real results will be from the unbelievably high governmental support packages to failing banks and major 'for profit' companies in the developed world. However, we do know this toxic financial crisis holds real dangers and tangible risks for the development community. This applies particularly to small developmental agencies such as JET, and even more so to an embryonic social entrepreneurial organisation which is what JET aspires to be — as articulated in my Statement last year. Unfortunately some corporates are already reducing their Corporate

Social Investment spend. And this comes at a time when large-scale education projects funded by the big overseas donor agencies are on the wane. JET's designated project funds carried forward this year are 42% less than they were at the beginning of 2007. Simply put — long-term contracts are drying up fast and are not being replaced with new ones.

It is a great pity. In the last few years real progress was made. Corporates all over the world have been deepening their awareness of and the need for them to be involved in social profit activities that can create so much more than just financial profit. This impetus must not be lost in the new turbulence. There needs to be a concerted effort to persuade the private sector and the developed world's governmental aid agencies to keep long-term sustainability of developing communities in mind — and education is the primary lever to achieving that sustainability. In this quest, JET can perhaps play a small social entrepreneurial part in the South African scene.

Corporate governance, as espoused by Sir Adrian Cadbury, the father of the renaissance in corporate governance in the UK in 1992 (and taken up by the OECD and many others, including South Africa's own King Committee), is not just a system by which business corporations are directed and controlled. In its wider context it is critical to economic and social well being and for the stability and equity of society:

"Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society." (*Sir Adrian Cadbury in 'Global Corporate Governance Forum', World Bank, 2000*).

JET's founders, the social entrepreneurs who set up the Joint Education Trust in 1992, were drawn from big business and civil society. They were fully aware of this bigger view of governance, and they saw a way to change a stable but inherently unjust education equilibrium that caused untold suffering and marginalisation of the majority of the population of this country. Their leader, Mike Rosholt, persuaded the corporates to invest R500 million in a bold contribution to the long-term fundamental change needed in South Africa's education and training system. Over 10 years the initial sum received was leveraged up by a further R680 million, entrusted to JET by international donors who saw it as a major education change agent that had the capability to manage large-scale projects and large-scale donations effectively.

Now that particular era has come and gone and in today's scene it is harder to drum up equivalent funding to complete the task. Fortunately the government, for the moment, has access to a lot more money and education is a clear priority. The challenge is to discover a new paradigm that will leverage education transformation, especially in dysfunctional schools, by a quantum leap of sufficient magnitude to reach and sustain a new level of productive performance in our schools. As our education minister said in her keynote address at JET's Annual General Meeting in 2004, "We are throwing too many of our children into the Dustbin of Dysfunctionality." And here's the rub — too many of our children are still languishing and, as yet, the solution remains unfound.

But there is improvement and flames of hope have been lit in really poor schools, though they more often than not flicker and go out through a lack of sustainability or the sheer weight of the bureaucratic system that uses the same old form - filling techniques as the way of compelling improvement. This doesn't work as it prioritises form over substance and in truth just exacerbates the situation by taking teachers away from their primary place — teaching in the classroom.

Yet it needs to be acknowledged that there are some deep and beneficial changes happening — the Department of Education realises more fully that it cannot achieve change alone. It needs help. Communities, too, have realised that the current state of poor schooling is not acceptable, and that they need to be involved in order to bring about the changes they desire. Corporates too, with 12.5% of their total CSI budget directed to general education and 19% to further education, including tertiary and adult education, are changing and becoming more focused and evaluative in their approach. Great teachers (and there are many) are also realising that some of their colleagues who lack curriculum content knowledge need to develop it; and so these teachers, along with many service providers, are willing to help those that are committed to transforming themselves by gaining this knowledge.

All these changes have been influenced by the increased activity in monitoring and evaluation in the sector, as detailed in the monitoring and evaluation (M&E) article of this Annual Report. The new M&E processes being used in the public and civil sectors, spear-headed by JET and other change agents, have told us much about the causes of the lack of education transformation. So we know what is not working — we still have to develop the right combination of ingredients for what will work, especially in seemingly acutely underperforming schools. JET's CEO and Programme Director are of the view that, in light of the complex dynamic of school functionality and the complex relationships between the many stakeholders in the school system, "one size does not fit all". What is needed is a new set of criteria to differentiate from within the 80% of all schools that are poor performers those that, notwithstanding their poor performance, have the potential to change the status quo with help from the people who know how to help. The schools that do not, as yet, have the commitment and potential to change need the State to deal with this sort of dysfunctionality in a different way.

We believe the potential comes from an attitude of wanting to do better and be professional. In addition, educators need to acknowledge that they are 'knowledge workers' and take personal responsibility for

their professional development. This leads to the conclusion which follows in the CEO's message — "a new model of school development beckons".

This conclusion begs the question as to who will have the entrepreneurial flair and the courage to back a cluster of poor performers with potential, and who will back that entrepreneur? I believe the answer lies in JET's own hands.

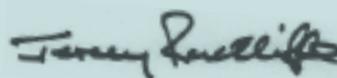
Social entrepreneurs have to commit deeply to engineer social changes and they have to lead the way. This means that JET must be prepared to use part of our monetary surpluses to enhance society, but without risking the stability of the organisation. New models take time and resources and JET has decided to take the lead and commit significant seed funding to develop a more effective model of school improvement.

While JET and the corporates cannot effect full-scale transformation in the way teaching and learning happens, the models they develop can, when fully successful and with our continued help, be taken to scale by the government. In this process, monitoring and evaluation, especially by listening, observing and advising at the chalk face, is the key to improvement and replication.

JET is a great learning organisation that I am fortunate to chair. JET is also fortunate to have a diverse and interested board of directors who bring commitment and a professional touch to the support they give the organisation.

Thank you fellow directors and thank you the JET team for your involvement and support.

I would particularly like to acknowledge and thank one of my special mentors and the founding Chairman of JET, Mr Mike Rosholt, for all he has done for JET and indeed for the country as a whole. He is a great social entrepreneur and we are delighted that this has been acknowledged by the South African Government in awarding him the Order of the Baobab for his contributions to the social development of our country.



Jeremy Ractliffe
CHAIRMAN

Income Statement	2008 Operations	2007 Operations	2006 Operations	2005 Operations	Average per annum
1. JET Operating Income	18,736,338	17,393,306	16,498,262	13,557,508	16,546,354
2. JET Operating expenditure	17,077,403	15,630,645	15,782,687	15,163,112	15,913,462
3. JET Surplus from Operations	1,658,935	1,762,661	715,575	-1,605,604	632,892
4. Add Interest on Risk Capital employed	5,314,660	3,654,978	1,922,455	1,681,654	3,143,437
5. Add SIDA/ Grant transfer from Founder	128,105		969,300		274,351
6. Net surplus for the year	7,101,700	5,417,639	3,607,330	76,050	4,050,680
	<i>c/c</i>	18,736,338	17,393,306	13,557,508	16,546,354



“Why is teacher knowledge so low, and why is it so difficult to improve?”

Nick Taylor

Message from the CEO

The shortage of engineers and built environment professionals is only the tip of South Africa's skills crisis. Even more apparent and even more crippling to the economy and national morale is the lack of expertise at every level of the civil service. Much of the problem is one of attitude, but attitude, even more than high levels of literacy and numeracy, is the most valuable attribute that can be nurtured by good schools. The mere fact of spending 12 years of one's life in an institution where punctuality is a virtue, academic excellence the goal, and a caring demeanour the route, is sufficient for children to habituate these attitudes. How tragic that so few schools provide an environment conducive to children acquiring the attitudes and skills required to build a successful society.

In this report we describe some of the projects JET is involved in, all aimed at improving the quality of education provided by our schools. We speak most passionately about the need to evaluate our efforts in order to provide policy lessons for government. Public Benefit Organisations such as JET cannot begin to provide services to scale, but can add value through the knowledge they derive from research and development. So what are the lessons that we have learnt from the last decade and a half of JET's involvement in school improvement? One that stands out is that support to schools (in the form of training, materials, etc) is most effective when combined with monitoring activities (such as testing, reviewing progress on year plans, etc). Unfortunately, the biggest obstacle to maintaining good monitoring services to schools is a lack of capacity in district offices.

A second lesson is that different models of school improvement should be applied to schools at different levels of effectiveness. The model we describe under our School Development and Support Division is most appropriate for moderately- and poorly-functioning schools. Many donors shy away from this field, claiming that satisfactory impact cannot be achieved under current conditions of a weak civil service. These donors prefer to put their investment into the most effective schools, on the ground that these institutions have the capacity to leverage maximal gains from additional resources. This is a good argument, and there is no doubt that our crisis would be far worse were it not for the very few (less than 10%) schools who do

inculcate both excellent intellectual abilities and responsible attitudes in young people. The model of school improvement which JET has adopted has been demonstrated to work in a number of earlier projects, and is undergoing further refinements in the light of current research. But it remains crippled by the inability of most district offices to provide the monitoring and support services on which the systemic model of school improvement is premised.

However, an even more disturbing feature of South African schools is emerging from our evaluation programmes. This is the fact that the majority of teachers, whatever their subject or grade level, are unable to pass the tests for which they are purportedly preparing their students. Furthermore, where the effects of training programmes on teacher knowledge are measured, it is found that, while improvements are invariably achieved, most teachers remain below the level to which the curriculum expects them to develop their learners. Why is teacher knowledge so low, and why is it so difficult to improve? One answer to these questions is that the majority of teachers themselves came from very poor homes and did not have access to good schooling. The implication of this pessimistic scenario is that we just have to wait for the next generation to see any significant improvement.

A second explanation is that teachers are unable to use textbooks to improve their own knowledge, and that we cannot hope to see any change in the absence of an extensive training programme. The problems with this explanation (in addition to its condescending perspective on teachers) is, first, that it is just not possible to retrain teachers on the entire curriculum on a part-time basis, and second, that people do not remain trained: they have to keep working at it year after year. This is why teachers in other countries spend many hours with their books outside of school hours, a habit with which most South African teachers are clearly not familiar.

I lean toward a third explanation for the problem of poor teacher knowledge, based on the assumption that all people work towards acquiring the capital (social, intellectual, financial) they need to progress in their careers and private lives. If this is true, then obviously, subject matter knowledge is not needed for teachers to progress through the school system. Advancement depends on who you know, which village you come from, which faction of which party you belong to, who you bribe, and the like.

Knowledge doesn't feature as a criterion for the distribution of opportunity: teachers are promoted to heads of departments (HODs) not knowing much about the subjects they are supposed to be teaching, HODs are promoted to principal posts without being required to exhibit expertise in managing the curriculum; district offices are peopled by subject advisors most of whom would fail the matric exam, and so on.

If this third explanation has any validity, then some solutions present themselves. For a start, government could set explicit knowledge criteria for entry into and promotion within the public school system, and police these criteria rigorously. This is the way the French civil service works, widely admired as one of the most professional worldwide. This step certainly would not be enough to ensure a more efficient South African school system on its own, but it may incentivise teachers to focus on knowledge and to improve their own very low levels of understanding of the subjects they teach. And, in the absence of government movement in this direction, there is nothing to stop individual schools implementing these measures when making staff appointments and promotions.

This explanation also suggests new opportunities for non-government initiatives. In particular, a new model of school improvement beckons: one for which schools select themselves for participation, based on the commitment of all staff to certain conditions, including regular assessment of their own knowledge, as part of continuous in-school professional development managed by HODs within the school, and supported by service providers from outside. Apartheid never allowed the emergence of confident, self-directed teachers, and in the last 15 years nothing has happened to change this situation. It seems that teachers largely view themselves as passive spectators to their own development. A model of school improvement which encourages teachers to take charge of improving their own knowledge may provide a more hopeful glimpse into the future. This is the direction in which we would like to see school development in South Africa moving, and towards which we hope to work.



Nick Taylor
CHIEF EXECUTIVE OFFICER



monitoring and evaluation

What is monitoring and evaluation?

Monitoring and evaluation processes are often, and rightfully, treated as a package, since they constitute flip sides of the same coin. What is worrying is that often these twin processes are either not given adequate attention or the same weight in the design or operation of organisational systems and projects.

Monitoring is about collecting and analysing information that will help to answer questions about progress in programme or project implementation. Monitoring is an essential part of the normal operational process. Thus monitoring information should be collected routinely. The information might be about activities or services, users, or external factors affecting a system or project. Evaluation, on the other hand, aims at answering predetermined questions and making judgements against specific criteria. Evaluation uses data collected by routine monitoring processes, and usually collects additional data. It is concerned with assessing value - the worth of the intervention - in order to learn from the assessment or to take action. The key questions and concerns underpinning evaluation are:

Key Questions

- How well are we doing?
- Are we doing the right things?
- What difference are we making?

Key Concerns

- **Effectiveness** - achievement of results
- **Relevance** - programme continues to meet needs
- **Sustainability** - results sustained after withdrawal of external support
- **Unanticipated results** - significant effects of performance
- **Causality** - Factors affecting performance
- **Validity of Design** - logical and coherent
- **Efficiency** - results vs. costs
- **Alternative strategies** - other possible ways of addressing the problem

UNFPA, 2004¹



The growing importance of monitoring and evaluation in the public and civil society sectors

The public and civil sectors started embracing monitoring and evaluation much later than the private business sector did. This is not surprising. The private sector, by its nature, exists in a very harsh environment; if a private sector entity fails to meet the demands of its clientele, it withers and disappears quickly. This is not the case in the public and civil sectors. However, the influence of management schools across the world and the role of Corporate Social Investment (CSI) in promoting borrowing between traditionally distinct sectors has led, in the past decade or so, to a strong need for monitoring and evaluation in the public and development sectors as well.

Here at home, the recently released 15-year review of government is a fresh and compelling example of the deepening institutionalisation of the monitoring and evaluation process. In education in particular, a variety of examples can be cited. The Department of Education's introduction of systemic evaluation in 1999, and its regular implementation since, is a case in point. Systemic evaluation measures the success of education delivery based on assessments of learners' knowledge in the context of their learning environments. Since release of the first results of the systemic evaluation some five or six years ago, there is less ambiguity about the outputs of the education system; it is now clear that most learners



¹ United Nations Population Fund. (UNFPA)2004. Programme manager's planning monitoring and evaluation toolkit. New York: UNFPA (available at <http://web.unfpa.org/monitoring/toolkit.htm>)

are not meeting the competency expectations of the curriculum. The introduction of school effectiveness assessments a number of years ago and the Department's 2008 investigation into the setting up of a Monitoring and Evaluation Unit are more examples of government's commitment to monitoring and evaluation.

One would agree with Minister Pandor's sentiments that we should start complementing the efforts made to measure achievement with strategy and action. Perhaps as we move to find strategies and engage in steps to improve the current undesirable situation, we should recognise that a lot of what we have confirmed in previous evaluations is just the tip of the iceberg. We have largely confirmed that in education we are not doing well and have sketched the causes for this at a macro-level. More technical investigations at the micro-level are still necessary. In JET's last annual report, Nick Taylor pointed to an ubiquitous skills shortage in psychometric and statistical methods. This is a huge national challenge and requires attention not only from government, but from individual institutions to invest in developing and attracting the necessary skills, and to devise strategies that will maintain and build research capacity.

JET's role and experience in monitoring and evaluation

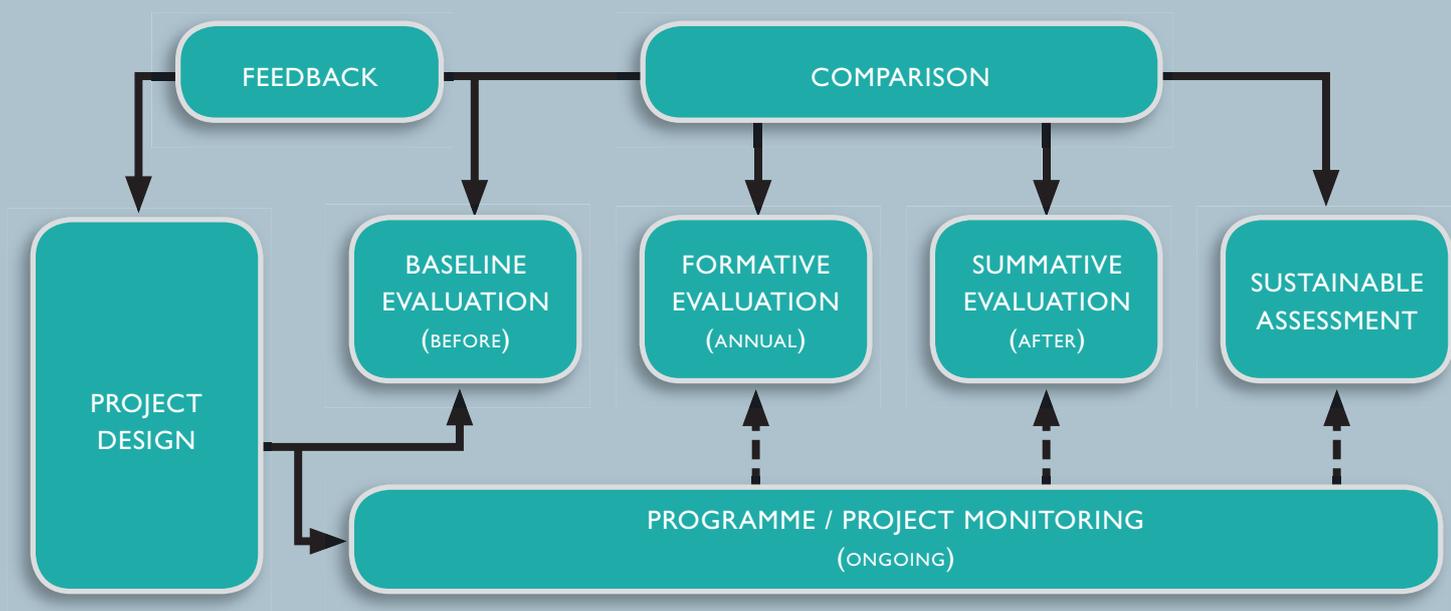
In the 16 years of its existence, JET has worked extensively with the government, international donors and the CSI sector to build evidence-based monitoring and evaluation elements into school development projects. This was achieved through JET serving as an external evaluator of numerous development projects and education systems, and through the development projects that are designed and managed by JET's School Development and Support Division. Through this work, JET has gained invaluable knowledge to share with our partners and use to refine our own project designs.

JET strives to implement comprehensive monitoring and evaluation designs as shown in the figure below.

The model emphasises the need to profile project delivery through a *baseline evaluation*, before an intervention starts. Sufficient time is set aside in our project designs for baseline evaluations to happen before implementation begins so that the actual outcomes of a project can be used to refine the programme design. In the case of school projects, data collection from schools is carried out at the end of the year when the learners would have completed the curricula.

continue >

GENERIC MONITORING AND EVALUATION MODEL



monitoring and evaluation

JET's role and experience in monitoring and evaluation...continued

Annual *formative evaluations* are recommended for projects that run for more than one year. The outcomes of the formative evaluation are discussed with the project managers and the clients in order to make prompt changes to the design where it is shown to be necessary. *Summative evaluations* are carried out during the final years of a project. The outcomes of the summative evaluation at the end are presented to the client and disseminated widely to the research community and education practitioners. Sustainability assessments are carried out on an ongoing basis from the start of a project. They are concerned with whether there are any variables (policy related, economic, technological, environmental, socio-cultural or organisational) that can be exploited to extend the lifespan of the project impact.

The monitoring component of any project is an ongoing activity carried out by project staff and participants who systematically collect and analyse project implementation information as frequently as every quarter. Jet uses a number of methods to collect monitoring and evaluation data including document analysis, observations, interviews and surveys.

In practice, it is common for programme sponsors and designers not to make provision for some of the essential components or steps of the above process. Commonly excluded elements are the formative and sustainability aspects. In some multi-year projects, formative evaluations are not provided for annually. Also linked to lack of good practice, few projects make provision for control groups. In this regard, it must be emphasised that weak evaluation designs significantly reduce returns on investment. It is therefore important that designs are comprehensive and carefully planned and budgeted for.

Questions to answer when designing an Evaluation Project

WHY?

The purpose and how the findings will be used

WHAT?

The main objectives of the evaluation and the questions to be asked

HOW?

The data sources and collection methods to be used

WHO?

Who has the expertise required to undertake the evaluations

WHEN?

The timing of each phase so that results can be used to make decisions

RESOURCES?

The budget required

UNFPA, 2004¹

The inclusion of monitoring and evaluation elements in project designs is a prerequisite for learning lessons from any development initiative. Comprehensive monitoring and evaluation designs, adequately budgeted, should form a key criterion for good project or programme planning. In this way, government and its development partners, and in particular, foundations and CSI units, can be assured of good returns on their investments.







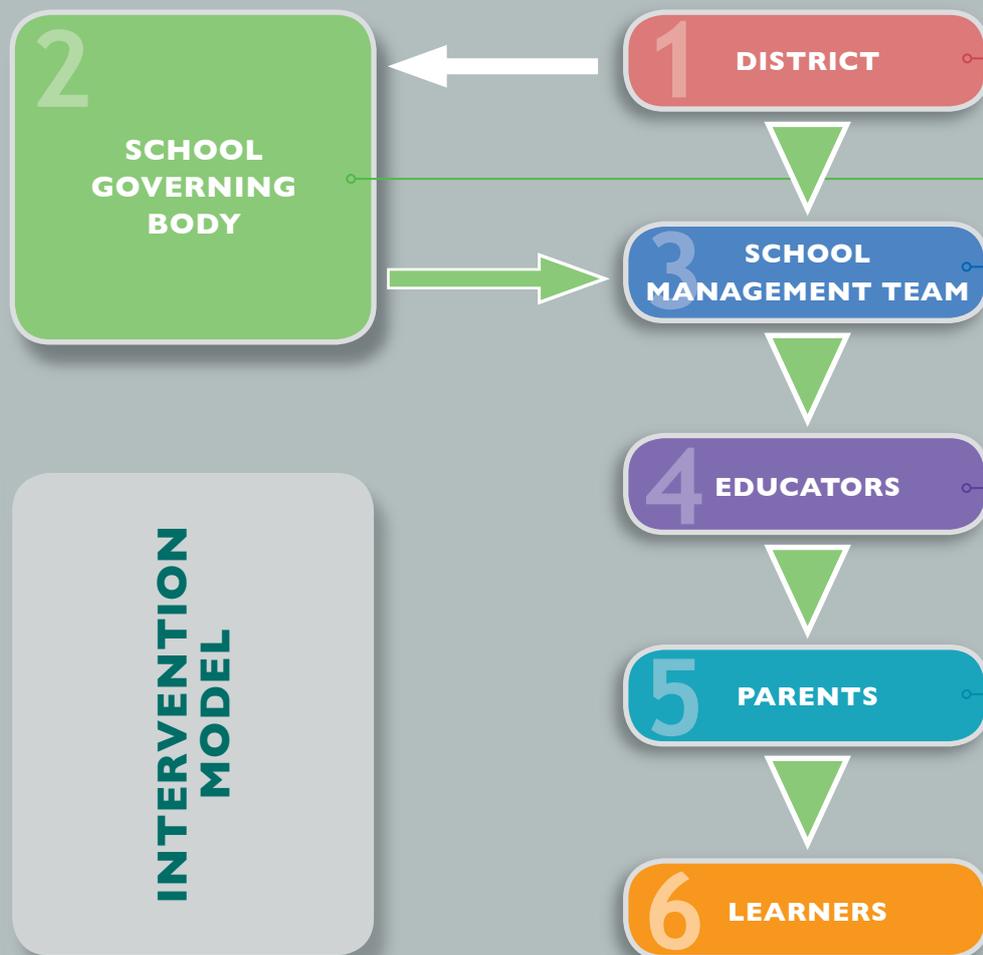
The JET School Improvement Model

Along with a number of smaller projects, the Division is managing 5 large multi-year school development programmes. All 5 involve schools which serve the poorest children in townships and rural areas around the country. These projects are designed to fit JET's school development model, developed on the basis of previous experience and lessons learnt, to address the challenges of poor quality teaching and learning prevalent in South African schools. As outlined in

the diagram below, the model is based on a whole-school development approach. It consists of five essential elements, each contributing to the school improvement process. These elements are:

1. The District Office
2. The School Governing Body (SGB)
3. The School Management Team (SMT)
4. The teaching staff (Educators)
5. Parents
6. Learners

THE JET SCHOOL IMPROVEMENT MODEL



1. **The District Office**
 - Falls under the Provincial Department of Education.
 - Assists with identifying schools to participate in the project, based on the project parameters.
 - Ensures that selected schools are sufficiently resourced (in terms of both human and physical resources) to ensure that the project is able to attain its objectives.
2. **The School Governing Body (SGB)**
 - Consists of the school principal and elected representatives drawn from parents, educators, other staff members, and learner representatives.
 - Responsible for the overall governance of the school.
3. **The School Management Team (SMT)**
 - Comprised of the Principal, the Deputy Principal, and Heads of Departments (HODs).
 - Responsible for the day-to-day management of the school.
 - Assists the Principal and the HODs with managing and implementing the curriculum.
 - The Principal is required to provide a quarterly report to the District Office detailing learners' academic achievements, with suggested remedial solutions for under-performing learners.
 - The HODs manage the delivery of the curriculum by the educators in each department.
4. **The Educators**
 - The educators deliver the curriculum based on the content of the National Curriculum Statement (NCS).
5. **Parents**
 - Parents provide guidance and support to their children by seeing that homework is completed and assisting them to prepare for various assessments.
 - Parents are being increasingly encouraged to create a culture of reading at home to enhance the lessons learnt at school.
 - Parents are also being encouraged to contribute to school improvement activities.
6. **Learners**
 - Learners are the ultimate recipients of the school improvement interventions. In the context of high poverty rates and broken family structures, the model pays particular attention to learners' welfare as it is crucial to their ability to learn.

SDS in 2008

The year commenced with a re-conceptualisation of the design and implementation of the **Beyers Naudé School Development Programme** funded by the Kagiso Trust. The results of the baseline evaluation conducted in 2007 were not in line with the envisioned school intervention programme conceptualised during the project inception. This led to the adoption of a new approach making use of curriculum trainers within the schools to provide the educators with additional content knowledge and support teaching practices. A second pillar of the approach involved training and supporting the School Management Team (SMT) members to manage the implementation of the curriculum through the utilisation of specifically designed quality assurance and monitoring tools.

The three-year **Schools of Excellence Project** initiated by the Zenex Foundation in Gauteng is part of a 4-province programme. JET is managing the project in Gauteng and evaluating it nationally. The programme is targeted at moderately performing schools which serve poor children.

The baseline study of the DG Murray Trust/Claude Leon Foundation/JET **Centres of Excellence Project** has revealed a wealth of information detailing the current environment in which district officials operate, highlighting in particular the importance of connectivity in relation to the quality of data gathering and the role of accurate data in focusing the support that district officials provide to schools. During the year, a trial approach was initiated in this project in which the communities of selected schools were mobilised to assist the Department of Education in creating an environment conducive to learning. Parents became involved in assisting selected schools with refurbishing broken chairs and desks, and in so doing, sent out a strong message to both the Department and their children that they are an integral part of the education equation consisting of the school, the educators and the community. Communities came to realise that they can play an active role in changing the school environment and in the education of their children.



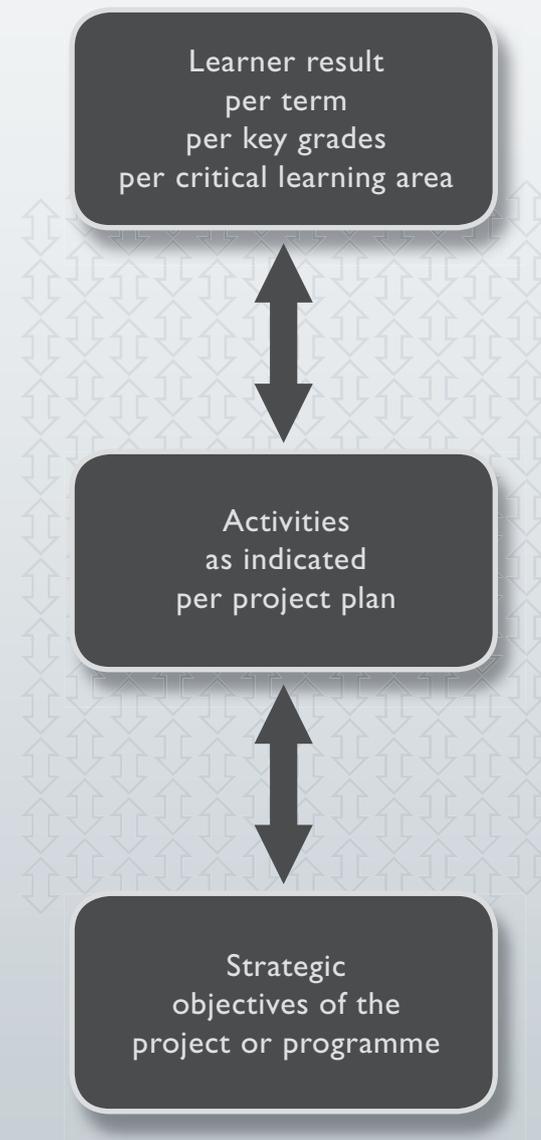


“ To be a developmental change agent that transforms schools in poor and developing communities into centres of excellence”.

Taking the lessons learned forward into 2009

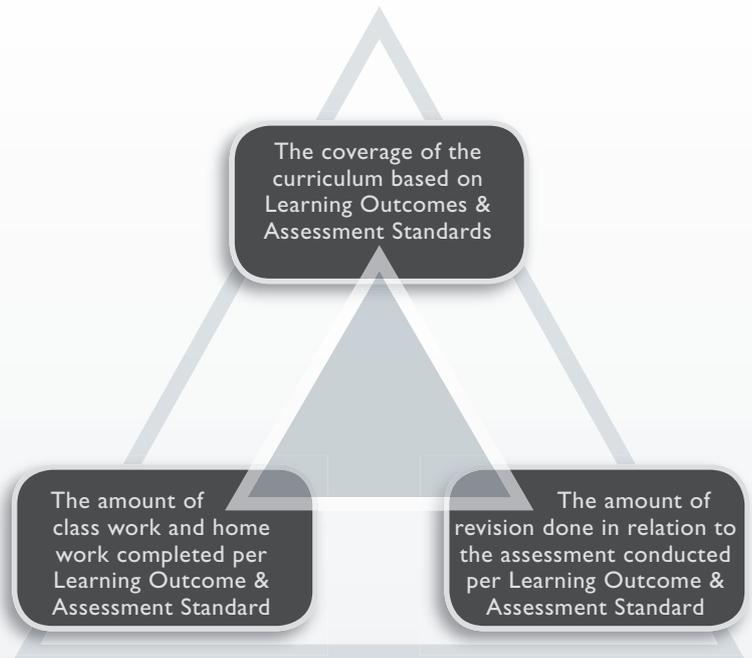
The value of monitoring tools

The importance of connecting learner results per term to project activities in relation to a project's strategic objectives is given more attention in the JET projects. The quality monitoring tools enables project managers to provide stakeholders with the relevant information to assess whether a project is on track or needs modification to attain its strategic objectives.



The importance of the National Curriculum Statement and Quality Assurance

The central role of the curriculum in any school intervention strategy and the absolute necessity of gaining a thorough understanding of its management within the classroom environment provided the division with a catalyst for re-defining the role of quality assurance within its projects/programmes.



Our quality assurance instruments were refined to collect data relating to the nature and extent of the coverage of the curriculum. Detailing whether the curriculum was covered proved to be a good starting point in trying to fathom how this information would ultimately feed into school intervention strategies.

The nature of curriculum coverage is measured by gathering information pertaining to Learning Outcomes (LOs) and Assessment Standards (ASs) in a specific learning area

By analysing this data it becomes possible to indicate to schools that by concentrating on a specific LO level, an optimal relationship can be initiated balancing the depth and coverage of the curriculum with the attainment of learner results.

Ultimately, the division envisions making use of this correlation and connecting it to the relevant LO/AS questions asked during formal assessments. In this manner, JET and the division can detail specific strategies in focused areas within the curriculum that need attention.

Examples Grade 10 Mathematics

LEVEL	LO I
ASSESSMENT STANDARD	10.1.2 Exponents
NUMBER OF EXERCISES IN CLASS	12
NUMBER OF EXERCISES AS HOMEWORK	15
NUMBER OF EXERCISES DURING REVISION	5
NUMBER OF EXERCISES ASKED IN ASSESSMENTS	2

Conclusion

In 2008, SDS continued through its work to strive towards its vision *'To be a developmental change agent that transforms schools in poor and developing communities into centres of excellence'*.



Introduction

In keeping with the spirit of its name, the Evaluation and Research Division (ERD) aims to produce work in evaluation and research projects. The difference between these distinct activities is that research is usually conducted with the intent to generalise the findings from a sample to a larger population, while evaluation focuses on assessing the worth of particular projects. However, evaluation has its greatest value when designed to answer important research questions, in addition to providing both formative and summative feedback to project participants. Thus, project evaluations should not only ask "Did the project have its intended impact?", but also "Is this an appropriate model for improving schools under similar conditions?"

Looking back over the past year, there have been notable successes within ERD's very diverse portfolio. These range from the development of learner tests for grades 1 to 7, adding to those already developed for grades 3 and 6, to large-scale research and evaluation programmes. The division has grown to 8 full-time researchers, and during 2008 we participated in 39 projects varying in scale and influence, but all very enlightening in terms of the creation of education knowledge.

2008 was a very busy year with a number of highlights being noted:

Conference papers and publications

ERD staff presented three papers at the Association for Evaluation and Assessment in South Africa (ASEASA) conference in Pretoria in July 2008.

- Roelien du Toit and Carla Pereira's paper was titled: "Can common task assessments in the Foundation Phase make a difference?" It used the evidence from an evaluation of a provincial project to examine the strengths and weaknesses of common task assessments.

In particular, the authors identified a tension between two equally important assessment

goals: to provide objective standardised data or to provide teachers with immediate feedback. The evidence provided from this paper is that attempting to implement the two aspects simultaneously is a fraught exercise.

- In their paper, "Using trends to hold schools accountable," Thabo Mabogoane and Carla Pereira demonstrated how schools could be held accountable by correlating diagnostic test results with the human and physical resources of the school. This is a method for assessing the extent to which any school attains its expected performance, given its socio-economic status. The paper showed how many schools add enormous value, despite serving learners from low socio-economic backgrounds, while many well resourced schools serving more economically advantaged learners are underperforming.
- In his plenary address to the conference, "Some uses of large-scale testing in South Africa: the case of the WCED test programme," Nick Taylor outlined the features of the Western Cape diagnostic tests designed by JET in 2002/03 and administered to all schools in the province annually. Feedback in both directions is perhaps the most important function of such systems: the upward flow of test results provides policy makers, system level bureaucrats, school principals and teachers with information about the impact of policy choices and curriculum implementation, while in a downward direction the kinds of items contained in the tests signal the curriculum standards to school managers, teachers and learners.

Another paper produced by Thabo Mabogoane, "Planning a teacher supply model," proposed a model for planning teacher supply in South Africa. The paper was commissioned by the South African Council of Educators (SACE) and argues for more resources for teacher training. The paper was presented at the SACE conference held in November 2008.

Nick Taylor's paper, "Standards based accountability in South Africa," was accepted for publication in the



international journal *School Improvement and School Effectiveness*, while his presentation to the Murray & Roberts/JET conference on School Development in February titled "What's wrong with South African Schools?" has been accepted by *The Journal of Education*, published by the University of KwaZulu-Natal.

Test Development

JET first began to develop tests in order to evaluate its own programmes, notably the **Mahlahle Project**, which worked with schools in rural Limpopo in 1999-03 in grades 3 and 6. The **QLP** tests in 2000-04 were pitched at high schools as part of the **Quality Learning Project** funded by the Business Trust. In 2006 we developed a grade 1 literacy test as part of the evaluation of a READ mother-tongue literacy programme.

Increasingly our tests are being requested by other agents for use in projects. JET's first venture into test development as a stand-alone activity was when we were commissioned by the Western Cape Education Department to design literacy and numeracy tests at Grade 3 and 6 levels. Since then, JET has received other commissions to develop tests which incorporate diagnostic elements and which can be used in systemic evaluations.

Given that we are increasingly involved in longitudinal research and evaluation designs, there is a need for the development of item banks and norms tables, as well as tests in grades other than grades 3, 6 and 9. Consequently, we are currently busy developing a full suite of literacy and maths tests for primary schools.

School Improvement and School Effectiveness Research and Evaluation

One of JET's largest and most important current projects is the evaluation of the Zenex Foundation's R75m 3-year programme which is piloting a new approach to school improvement in 4 provinces. This is a systemic intervention, targeted at schools which exhibit at least moderate levels of functionality, and working with teachers, school management teams and district officials. The project schools within each of the four participating provinces are clustered in a single district. The district offices were involved in the selection of schools and play an important part in programme implementation. JET has been contracted to undertake a longitudinal evaluation of the programme, reporting at national, provincial and school levels annually. Baseline reports for each province have been completed.



JET's **National School Effectiveness Study** is funded by the Royal Netherlands Embassy. This 5 year research initiative is working with a nationally representative sample of schools, and aims to identify the factors at school management and classroom teaching levels which optimise learner performance. A second round of data collection was done in 2008.

JET has also entered the field of experimental research, a method based on the random assignment of schools to project and control groups. This is the 'gold standard' of research design, which is seldom used in projects because of the difficulties of achieving the necessary conditions in practice. However, experimental designs are becoming far more frequent, and the international debate around their value, although contentious, is converging on the opinion that they present by far the most reliable method for establishing generalisable conclusions. We received a grant from the DG Murray Trust in 2008 to undertake an experimental study of a primary maths programme which adopts a direct teaching approach.

Internship

Although JET's formal internship programme was not operational in 2008, we had three international exchange students working at JET on a part time basis to fulfill their programme commitments. On the basis of our work in human rights and social development, JET was approached by the University of the Witwatersrand to host the three students (one from Zimbabwe and two from the US) from July to October 2008. This was a great success and JET received good feedback. It is anticipated that this three-month programme will continue in 2009.

Overview of 2008

The division had 39 active projects on its books for 2008. Details can be found in the table on pages 18 - 21.

Finance and Administration

The Finance and Administration Division is made up of twelve full time staff members, led by the Finance Director.

The Division is responsible for internal financial management and accounting for external projects, as well as for providing administrative support for the ERD and SDS divisions. It prepares monthly management accounts, statutory financial statements, contracts for staff and service providers, company financial policies and procedures, company budgets, forecasts and financial business plans. In addition, the division handles the procurement of goods and services, human resources management, and office administration and management. It is also responsible for managing JET's external audit process. The Finance and Administration Division therefore works closely with all other divisions in the company and is involved in each and every project.

External Projects

One of JET's strengths built up over the years is its financial management of external projects. This involves: fund holding and management, preparation and monitoring of project budgets and related expenditure, and the production of Project Management accounts. The Division also handles the preparation of contracts with project service providers, administration of project logistics (where necessary and as requested), the preparation of project procedure manuals, and recruitment services for projects when required. It is responsible for managing and coordinating external audits on projects where these are required.

A Public Benefit Organisation

Jet Education Services is approved by the South African Revenue Services (SARS) as a Public Benefit Organization with Tax Exemption under section 30 and 10(1)(cN) and 18A(1)(a) of the Income Tax Act.

JET operates as a non-profit organisation recouping its costs according to the services it is contracted to provide on individual projects that are funded, or specifically commissioned, by donor agencies, governments, non-governmental organisations or private sector institutions. Where recoveries exceed costs, JET uses its income to invest in strengthening and growing its organisational capacity and pursuing public benefit activities.

The Operations of the organisation as a whole recorded a surplus of R 1.8 million (2007 R 1.8 million) for the period under review. JET differentiates between Designated Projects and Operations. Designated Projects relates to specific donor funded projects and Operations to the organisation's own activities.

In terms of its founding principles, the company utilises some of its own funds called JET Funds Designated for Projects to run education projects. In the past year, JET used R 2 492 341 (2007: R 1 663 009) of its own funds to run internal projects. JET has allocated R 11.6 million of its reserves for JET funded projects.

Before these funds can be utilised for internal projects, management has to apply to the Board, which reviews each project individually before granting permission for the release of funds. Management reports to the Board on progress in these projects in the same way as it reports to donors.



The company has in the past used part of its own reserves for projects in partnership with other donor agencies and is prepared to do so in future.

JET has administered funds for, amongst others, The Department for International Development UK, The Danish International Development Agency (DANIDA), The Royal Swedish Embassy, The Zenex Foundation, BHP Billiton, The D.G. Murray Trust, the Gauteng Department of Education as well as the National Department of Education, to the value of some four hundred and twenty five million rand (R425 000 000.00).

The administration of these externally funded projects has been declining over the past few years as international donors move to other areas outside of South Africa. JET has developed very good systems and processes for the financial administration of projects which are scrutinised by independent auditors on an annual basis. This development has led us to look at new ways of harnessing and marketing the internal capabilities of the Finance and Administration Division. We are currently looking at a pilot programme to assist schools in the area of financial governance and administration. It is envisaged that this will be in the form of a support mechanism to enable schools to administer their finances optimally. We plan to link this new activity to our existing and future school projects to ensure that JET provides a holistic approach to school development.

Management

Our policy regarding management equity is to actively look for and appoint top management staff in line with the Broad-Based Black Economic Empowerment Codes of Good Practice. The targets for management include both male and female top managers.



Skills Development and Human Resources Management

We recognise that skills development is the cornerstone of both the country's growth and our own company's, and the Codes of Good Practice allocate 25 points to this element. We aim to continually work towards uplifting the skills of all our staff and in line with this, have recently updated our Staff Training and Development Policy. The policy's underlying aim is to encourage employees to pursue self-learning and self-development by making financial assistance and other resources available to permanent staff members who wish to advance themselves academically and to enhance the value of the work they do for JET.

JET plans to position itself as the service provider of choice given its BBBEE score, for all educational, research and evaluation programmes, financial administration and accounting for specific projects and fund holding services.



projects for 2008

PROJECT NAME	DIVISION/s	FUNDER/s	VALUE	STATUS
Accredited Programme for Language, Literacy and Communication (APLLC)	ERD	GDE	R3,9 million	Project was halted by GDE due to funding constraints
National Curriculum Statement - FET	SDS/ERD	GDE and GEDT	R6 million	The project will continue till March 2010
Mveledzandivho Project	SDS/ERD/F&A	BHP Billiton	R29 million	Ended in December 2008
Centres of Excellence Project	SDS	DG Murray Trust, Claude Leon Foundation and JET	R2,75 million	Continuing until June 2009
Beyers Naudé School Development Programme	SDS	Kagiso Trust	R6 million	The project will be completed by June 2009. A possibility of continuing with an additional project will be determined by the extent and impact of the current project
Provincial Mathematics, Physical Science and English Project Gauteng	SDS/ERD	Zenex Foundation	R16,5 million	Continuing until end 2010. ERD will continue until 2013
Moses Kotane West School Development Project	SDS/ERD	Murray & Roberts (R 4.4 million)	R4 million	Present district continuing until 2011
Thusong Service Centres	SDS	Umsobomvu Youth Fund	R3,7 million	The project will continue until February 2010
IEP - Learner Testing	ERD	USAID	USD 3 million	Ended in 2008
IEP - Master Teacher	ERD	USAID	R300,000	Ended in 2008
IEP - Classroom Observation	ERD	USAID	R500,000	Ended in 2008
Presidency Research	ERD	German Development Agency	R75,000	Ended in 2008
Eastern Cape QUIDS UP	ERD	Eastern Cape DoE	R350,000	Ended in 2008
Numeracy Challenge	ERD	GDE	R85,000	Ended in 2008
Provincial Assessment	ERD	GDE	R13 million	Ended in 2008
IEP -Persal analysis	ERD	USAID	R120,000	Ended in 2008
NW MIET	ERD	Zenex Foundation	R200,000	Ended in 2008
RNE School Effectiveness Study	ERD	Royal Netherlands Embassy	R15 million	Continuing until 2011
Khanyisa COBS	ERD	DfiD	R200,000	Ended in 2008





PROJECT FOCUS

The project aims to accelerate the language and literacy levels among learners in 350 schools in partnership with GDE and READ Educational Trust.

SDS and ERD are both managing the service provider who is conducting a longitudinal study that will provide quantitative and qualitative information to inform decision making and action plans for educator development.

The project began in 2003 and was implemented in Gauteng, Kwa-Zulu Natal, Limpopo, Mpumalanga, Northern Cape and the North West. Schools were provided with additional resources to improve their functionality and results. ERD conducted the learner testing and managed the evaluation of the project. F&A was responsible for managing the donor funds for the project.

In partnership with the Eastern Cape Department of Education, the project provides training to district officials in office procedures and systems, planning, human resource management and capacitates them to improve school performance.

The project targets 10 schools in the Thabo Mofutsanyana District in the Free State. The strategic objective is to turn rural schools into centres of excellence by creating conducive learning and teaching environments. ERD conducted the baseline study and will do the final learner testing.

Targeting 7 secondary schools and 13 feeder primary schools, the project aims to increase the number of Maths and Science passes. SDS is managing the service providers who are working at management and educator level.

ERD is doing the external evaluation of all four provinces (KZ, WC, GA and LP) with a formative and summative focus.

Based on the systemic approach model, the programme targets all schools within a cluster. The programme provides school management with specific support to implement the NCS, aiming to increase the number of learners passing mathematics and science. ERD is doing the baseline and impact evaluation for the project in 29 schools involving learner testing and class visits.

The project will train 150 youth based in 75 Thusong Service Centres across South Africa. The training provides youth with the opportunity to become involved in government/community service and exit the programme with skills and competencies that enable them to access meaningful careers.

Tested learners in the project to determine whether project targets were being achieved at that level.

The IEP did content testing of their master teachers who attended their residential workshops. JET did the analysis and reporting thereof for 3 years.

As part of the monitoring process of the IEP interventions in schools in KZN, NC, LP and EC, RTI-IEP commissioned JET to conduct classroom observations in a sample of IEP schools and control schools. The purpose of the exercise was to report on practices at the levels of classroom teaching and school management.

Dr Nick Taylor was invited to write a paper together with consultants from Wits on lessons learned in education reform in South Africa consultants.

The provincial education departments received money from the National DoE to run the QUIDS UP Project. Each province was required to do a baseline study for learner performance at the Gr 3 level in quintile 1-3 schools. Eastern Cape DoE approached JET to assist with analysis and reporting.

In 2008, JET was approached to be the external evaluator of the Numeracy Challenge in the Gauteng province.

It is the aim of the Gauteng Department of Education to undertake province wide assessment of Grade 3 and Grade 6 literacy / language and numeracy / mathematics in all primary schools. The study was done in early 2008 as part of monitoring and tracking of provincial performance in language and mathematics at these levels and for the resourcing of schools as per the QIDS UP programme requirements.

Technical assistance provided to the national DoE on how to analyse Persal database. Training on STATA also provided.

JET appointed to do the learner testing which is a component of the extended evaluation of the project.

We are investigating the impact of the education system on a cohort of learners through grades 3 to 6 focusing on maths and language teaching and learner performance in those learning areas.

The Khanyisa Education Support Programme aims to facilitate the delivery of quality education services in the Province of Limpopo by supporting the Limpopo Department of Education (LDOE). The Programme was implemented over a 7 year period from 2003 to 2009. A comprehensive evaluation of the impact of the various intervention components forms an integral part of the initiative.



projects for 2008

PROJECT NAME	DIVISION/s	FUNDER/s	VALUE	STATUS
Khanyisa Learner Testing	ERD	DfiD	R200,000	Ended in 2008
Khanyisa CPDP	ERD	DfiD	R150,000	Ended in 2008
Graduate Tracer Study	ERD	JET	R300,000	Ended in 2008
Bitou IO	ERD	DG Murray Trust	R600,00	Ended in 2008
ABET	ERD		R6,000	Ended in 2008
QIDS UP Boksburg	ERD	GDE	R80,000	Ended in 2008
Carnegie HE Transformation	ERD	Wits University	R125,000	Ended in 2008
ORT SA	ERD	ORT	R72,000	Continuing until 2010
SAQA Impact Study	ERD	National Government	R25,000	Ended in 2008
Dinaledi Schools Evaluation	ERD	National Government	R4,000	Ended in 2008
Zenex Modeling	ERD	Zenex Foundation	R20,000	Ended in 2008
IEP FFL	ERD	USAID	R200,000	Ended in 2008
Paper for WITS (commissioned by Mary Metcalfe)	ERD	Wits University	R6,000	Ended in 2008
Systemic Evaluation	ERD	Zenex Foundation	R2,9 million	Ended in 2008
EQUIP - Xstrata	ERD	NBI	R70,000	Ended in 2008
Research project matacognition and reading comprehension	ERD	Wits University	R57,000	Ended in 2008
Limpopo Secondary Analysis	ERD	DfiD	R490,000	Continuing until 2009
Khanyisa	F&A	DfiD	GBP 10 million	Continuing until 2009
INTSIKA	F&A	SIDA	SEK 23 million	Ended in 2008
CHESP	F&A	Ford Foundation and JET	R16 million	Ended 2008
Gauteng Education and Development Trust	F&A/SDS	GDE	R 100 million	Ongoing
Family Literacy Project	SDS/F&A	National Lottery and Liberty Life	R 0,85 million	Ended in 2008
Lesedi La Sechaba	SDS/F&A	The Kellogs Foundation	USD 321 700	Ended 2008, with possible extension to 2009





PROJECT FOCUS

	See project above
	The Limpopo Province embarked on a continuous teacher development programme to improve teaching of science and maths in FET phase. JET was the external evaluator.
	Following on from the in-college survey in 2003, a telephonic follow up of 250 graduates from 4 technical colleges was conducted in 2006.
	Evaluation of Bitou 10 School Development Project in Plettenburg Bay.
	ERD did analysis for WFD's ABET project.
	In 2007, the GDE conducted testing with grade 4 learners in all schools in Johannesburg North district. JET was appointed for analysis and reporting.
	The transformation office (TO) at Wits was awarded a grant from Carnegie for seven projects. Monitoring of projects were not done and in 2007 Wits approach JET to assist them in this task.
	ORT SA currently implementing a project in 12 schools in Alexandra (6 on the Singapore Maths Programme and 6 on the Maths for All Programme). JET appointed as the external evaluator over next three years.
	JET researched and submitted a proposal for the evaluation of the impact of the NQF on SA education, training and employment.
	JET assisted DoE to monitor progress in maths achievement in 6 of its Dinaledi schools.
	Zenex approached JET to do a modelling exercise on their funding to direct their strategic planning
	JET approached to develop and manage the development of the Foundations for Learning tests in Grades 1-6.
	Paper commissioned on teacher supply and demand.
	Systemic evaluation is done to establish the health of the schooling system in delivering the new curriculum and entails assessing a national sample of children at grades 3 and 6. JET tests, developed in collaboration with the Department, were used for the systemic evaluation at the grade 3 level.
	JET was commissioned by the National Business Initiative (NBI) to evaluate the EQUIP Education project to improve education "through effective governance, quality management and strategic planning with a view to enabling schools to take on responsibility for their own development and the provision of quality teaching and learning in their classrooms". The final report covers the evaluation of the intervention in a selected sample of five schools in Gauteng.
	In 2007, JET was approached by Mrs Sharon Moonsamy from the University of the Witwatersrand to participate in a PhD research project that examined the effectiveness of metacognitive instruction on reading comprehension, as well as its link to the Planning, Attention, Simultaneous and Successive (PASS) Theory. The study was conducted among Grade 6 learners in mainstream government schools. An important component is to assess the impact of the intervention on scholastic achievement. JET tests were used.
	JET doing secondary analysis for the Khanyisa project to determine what common trends are emerging in Limpopo. Data sources being sought outside of JET to undertake this work.
	The project focuses on improving schooling in the Limpopo Province. It has been running for 5 years. F&A has managed the funds of the project since inception.
	The project focused on school development in the Eastern Cape. F&A successfully provided fund holding for the project.
	Successfully implemented by JET, the project provided community service training, materials and support to higher education institutions throughout South Africa. It was handed over to the HEQC in September 2008. F&A managed the funds on behalf of the donor.
	F&A provides ongoing financial and administrative support to the Gauteng Education Department Trust
	Capacity building of teachers to improve grade 1 reading and writing, including training of parents of learners to assist with reading and writing homework.
	Capacity building programme for a bead craft company.



In line with the King Report on corporate governance, JET is committed to the principles of good governance, sound operational procedures, transparency and accountability. Good corporate governance is intrinsic to JET, and is safeguarded by the Board of Directors.

Board of Directors

The Board of Directors effectively controls the affairs of the company by meeting regularly and monitoring management. The Board is responsible for a range of key decisions and ensures that the organisation adheres to proper policies and strategies. Board members are drawn from both the corporate and education sectors, and collectively possess a wide range of experience and expertise, thereby bringing objectivity to decision making processes. Procedures for appointments to the Board are formal and transparent and nominees' backgrounds are thoroughly investigated.

The Board, either directly or through Board committees, is responsible for:

- Approving the annual budget and strategy
- Monitoring company performance
- Ensuring that donated funds and funds held in trust are utilised in accordance with donors' dictates
- Overseeing the maintenance of systems of internal control and risk management

The Board consists of three executive directors and nine non-executive directors, one of whom is the Chair of the Board.

Members of the Board are listed below:

Board of Directors

Non- Executive

Jeremy Ractliffe – Chairman
Brian Figaji
Nqabomzi Gawe
Nathan Johnstone
Marianne MacRobert
Nigel Matthews
Angie Phaliso
Mike Rosholt
Jim Wotherspoon

Executive

Nick Taylor – Chief Executive Officer
Godwin Khosa – Programme Director
Deon Smith – Finance Director

The Board meets quarterly and monitors the company and the executive management through a structured approach to reporting and accountability. Mean attendance at the meetings held in 2008 was 89%. The Board is supported by two sub-committees: the Finance and Audit Committee and the Remuneration Committee.

Board Committees

The Board is authorised to establish Board committees as and when necessary to facilitate the efficient execution of its duties. Such committees have specific terms of reference and remain accountable to the Board. There are currently two such committees:

Finance and Audit Committee

The finance committee meets at least four times in a year, and is responsible for, inter alia, the following:

- Reviewing accounting policies
- Reviewing annual financial statements
- Reviewing quarterly management accounts
- Ensuring that donors funds are utilised as per donors' guidelines
- Reviewing business plans and budgets
- Monitoring of risk management policies

Mean attendance at the four meetings of 2008 was 92%.

Remuneration and Nominations Committee

The Remuneration Committee is responsible for the remuneration and employment terms of senior management and for the staff remuneration, merit and bonus policy of the company. Other general responsibilities include:

- Succession planning for senior management
- Acting as Nomination Committee for Board appointments

Mean attendance at the four meetings of 2008 was 81%.



Financial Control and Risk Management

The practical application of financial control and risk management is delegated to management which is accountable to the Board for designing, implementing and monitoring the risk management process and integrating it into the day-to-day activities of the company.

The company maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised use or disposition. The Finance and Audit Committee regularly reviews the effectiveness of the internal controls and the exercise of delegated authority. The Board is responsible for identifying and addressing the management of all operational, reputational and financial risk and is satisfied that all key business risks are being addressed.

Code of Ethics

The organisation takes particular care to ensure that it acts ethically, as it handles large amounts of donor funds intended to benefit vulnerable groups in society. As such, the company expects its officers to maintain high levels of ethical behaviour in all their dealings.

Donor Relations

Because of its obligations to funders and donors in terms of the funds entrusted to JET, donor relations are an essential element of JET's operations. A number of steps are taken to ensure that donor funds are utilised according to donors' guidelines. These include regular reviews by the JET Board as well as various reports on the progress of projects. Donor funds are audited at least annually and donors can elect to have their funds and projects audited by our external auditors or their own auditors. In addition the return on investments in projects is measured by assessing their impact on the targeted community and the education sector using internationally benchmarked assessment tools.

Employment Equity

The organisation has an established employment equity recruitment plan which is supported by its training and development policy to meet both the company's requirements and individual staff growth needs.

The employment demographics at 31 December 2008 are shown below.

		FEMALE	MALE	TOTAL
Board of Directors	Black	2	2	4
	White	1	4	5
Executive Directors	Black	0	1	1
	White	0	2	2
Senior Management	Black	3	0	4
	White	1	1	2
Other Professionals	Black	7	4	11
	White	3	0	3
Support Staff	Black	12	3	15
	White	0	0	0
TOTAL	Black	24	10	34
	White	5	7	12
TOTAL		29	17	46

Broad-Based Black Economic Empowerment (B-BBEE) - Codes of Good Practice

Regarding the implementation of Broad-based Black Economic Empowerment, JET has chosen to follow the Codes of Good Practice as gazetted on 9 February 2007.

We are a section 21 company and our operational revenue/recoveries are less than R35 million per annum. The Code defines us as a small enterprise and we will follow the Adjusted Qualifying Small Enterprise scorecard as per code 000 statement 004 that requires us to comply with 4 of the 6 elements listed below.

Our B-BBEE policy is based on the following six pillars of empowerment and we intend making a meaningful contribution to each pillar, in line with the targets.

- Management
- Employment Equity
- Skills Development
- Preferential Procurement
- Enterprise Development
- Socio Economic Development





Broad-Based Black Economic Empowerment (B-BBEE) - Codes of Good Practice... *continued*

The scorecard below was produced using our own information based on 2008 data. We were assisted by EconoBEE, our BEE consultants. In our opinion it is substantially correct.

JET SCORECARD	Element (*)	Points Available	Points Scored
	Management	27	27
	Employment Equity	27	23.69
	Skills Development	25	21.25
	Preferential procurement	25	25
	Enterprise Development	0	0
	Socio-Economic Development	0	0
	Total	100	96.94

A score of 96.94% places JET as a Level 2 Contributor. JET will apply to be independently scored by an accredited agency in 2009.





Conference: What's working in school development? 28-29 February 2008

The purpose of this two-day conference hosted by Murray & Roberts and JET Education Services brought government, donors, educational researchers and service providers together to look at trends in school development in South Africa. The questions that the conference set out to answer were:

- Which school development models are most appropriate for schools at different levels of functionality? How can existing programmes be improved?
- How can government and donors work more closely together in promoting the quality of teaching and learning in all South African schools?

The conference showcased school improvement interventions of different kinds which are seen to be making a difference, as measured by objective impact assessments.



AGM: JET's 15th Anniversary: 10 June 2008

JET's AGM this year provided an occasion to celebrate the organisation's 15th anniversary. The keynote address was delivered by Professor Ihron Rensburg, Vice Chancellor of the University of Johannesburg. The address, delivered in remembrance of Eric Molobi and Beyers Naude, outlined JET's achievements against the background of the current state of the nation. Founding Board Chairman Mike Rosholt spoke about JET's origins in the political climate of the 1990s. The 2007 annual report, released at the AGM includes reflections on JET's work and accomplishments over the past fifteen years.



CHESP handover function:

On the 9th September 2008 a function was held at which the **Community-Higher Education-Service Partnerships Project (CHESP)**, was handed over to the Higher Education Quality Committee (HEQC) of the Council on Higher Education (CHE). CHESP was launched by JET in 1999 with funding from the Ford Foundation in response to government's 1997 White Paper on higher education. The project's main purpose was to support the development of pilot community-engagement projects in universities with the aim of establishing Community Engagement or Service-Learning as part of the curriculum in South African higher education institutions. The external review of the project commissioned in 2007 indicated that the project's objectives had been achieved, and that it was now appropriate for it to be located in the higher education sector. Jo Lazarus, CHESP Project Manager, Priscilla Daniels from the University of the Western Cape, Mabel Erasmus from the University of the Free State, Alice Brown from the Ford Foundation and Lis Lange Executive Director of HEQC spoke of the project's achievements. The words of guest speaker Naledi Pandor, Minister of Education, outlined CHESP's role in pioneering community engagement in South African higher education institutions.

"CHESP has been seminal in making community engagement an integral part of teaching and research – a mechanism to enrich teaching and research with a deeper sense of context, locality and application. Along with this change in perception, the terminology used in community engagement has shifted from "community service" to "knowledge based community service" to "community engagement" and to the current "scholarship of engagement". CHESP was innovative in identifying service learning as the entry point into community engagement. CHESP supported the conceptualisation, implementation, and evaluation of 256 accredited academic courses, in 39 different academic disciplines, in 12 higher education institutions. These courses served as a basis for generating data that inform higher education policy and practice at national, institutional and programmatic level. I hope through this intervention, our institutions will produce better engineers and better architects and better mathematicians - responsive to the needs of communities including those in the rural hinterlands."

She concluded by commending CHESP for its "...rich legacy of awareness of community engagement that will benefit many in the years to come."

"I hope through the CHESP intervention, our institutions will produce better engineers and better architects and better mathematicians - responsive to the needs of communities including those in the rural hinterlands."

Dr Naledi Pandor, Minister of Education

Mvele Review and Closure

Funded by BHP Billiton and managed by JET Education Services, this education development project was implemented in six provinces between 2004 and 2008 to improve learning and teaching in schools.

The project was externally evaluated by the HSRC and officially closed in November 2008 at a celebration held at the Birchwood Hotel. The successes of the programme were noted so that these can be replicated and the challenges highlighted so that these can be addressed in future programmes and avoided where possible.



meet the team



Jeremy Ractliffe
CHAIRMAN OF
THE BOARD



Brian Figaji
BOARD MEMBER



Angie Phaliso
BOARD MEMBER



Thabo Mabogoane
SENIOR STATISTICIAN



Jim Wotherspoon
BOARD MEMBER



Marianne MacRobert
BOARD MEMBER



Nigel Matthews
BOARD MEMBER



Godwin Khosa
PROGRAMME DIRECTOR



Nathan Johnstone
BOARD MEMBER



Mike Rosholt
BOARD MEMBER



Nqabomzi Gawe
BOARD MEMBER



Buyi Diba
RECORDS CLERK



Hawa Hoosen
HR MANAGER



Deon Smith
FINANCE DIRECTOR



Maureen Otto
PROJECT ACCOUNTANT



Cynthia Moeng
PROJECT MANAGER



Selby Xinwa
PROJECT MANAGER



Jabu Simelane
ADMINISTRATOR



Elizabeth Koaho
ACCOUNTS CLERK



Alec Ngwenyama
ACCOUNTANT &
COMPANY SECRETARY



Diana Zhou
PROJECT OFFICER



Aneasha Mayet
PROJECT MANAGER



Kathy Tracey
PROJECT MANAGER



Gcina Hlophe
PROJECT MANAGER



Nick Taylor
CEO



Kedibone Boka
PROJECT MANAGER



Roelien Du Toit
PROJECT MANAGER



Maureen Mosselson
KNOWLEDGE OFFICER



Nevina Smith
MARKETING MANAGER



Peter Verbeek
DIVISIONAL MANAGER



Carla Pereira
DIVISIONAL MANAGER



Tebogo Kibe
ACCOUNTS CLERK



Debbie Mgorosi
RECEPTIONIST



Phumzile Dhludhlu
SENIOR ADMINISTRATOR



Nkululeko Dube
JUNIOR BOOKKEEPER



Thoko Jali
ACCOUNTS CLERK



Roshan Seedat
BOOKKEEPER



Ruth Magoro
ADMINISTRATOR



Thelma Dibakwane
PA & OFFICE
ADMINISTRATOR

Approval of Annual Financial Statements

Directors' Responsibilities and Approval

The directors are required by the Companies Act, 1973, to maintain adequate accounting records and are 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

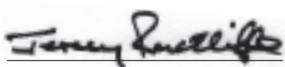
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. These include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. 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 directors 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 directors have reviewed the company's budget and cash resources for the year to 31 December 2009 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 external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 31

The annual financial statements set out on pages 34 to 51 which have been prepared on the going concern basis, were approved by the Board of Directors on 17 March 2009 and were signed on its behalf by:



CHAIRMAN
Johannesburg
17 March 2009



CHIEF EXECUTIVE OFFICER



FINANCIAL DIRECTOR

INDEPENDANT AUDITOR'S REPORT TO THE MEMBERS OF JET EDUCATION SERVICES

We have audited the annual financial statements of JET Education Services, which comprise the directors' report, the balance sheet as at 31 December 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 51.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 December 2008, and of the its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.



Gobodo Incorporated
Chartered Accountants (SA)
Registered Accountants and Auditors
Per Denas Hansjee
DIRECTOR

JOHANNESBURG
17 March 2009

Director's report

31 December 2008

The Directors present their annual report, which forms part of the audited annual financial statements of the company for the year ended 31 December 2008.

The company was registered on 20 April 2000 as a non-profit company to carry on the mission of the Joint Education Trust. The company was formed by the PSI Joint Education Trust for this purpose.

Business and Operations

The main activities of the company are:

- To improve the quality of schooling and systems through which schools are supported and managed;
- To provide entrepreneurial education and training for young people and adults; and
- To improve the knowledge and skills of working adults through systematic schooling, instruction and training.
- Developing schools as institutions
- Training and developing school personnel
- Institutionalising projects by working with government and providing training of persons employed in the national, provincial and local spheres of government for purposes of capacity building in those spheres of government.
- Providing programmes addressing needs in education provision, learning, training, teaching, curriculum support, governance, whole school development at schools and educational institutions

Ancillary activities encompass:

- Project management
- Project planning and facilitation
- Evaluation
- Research
- Advocacy and networking
- Fund management
- Management of grants, planning and management of projects, evaluation and research, advocacy and networking
- Investigation at schools and other learning sites to establish which delivery models work best and under what conditions
- Performing project management, project planning and facilitation, evaluation, research in respect of educational projects.

Financial Results

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

The past year saw JET record strong results with strong performances being achieved in the respective divisions. In line with the strategy to focus on its core business, the directors made the decision to close down the skills development division called Workforce Development. The impact of the closure did not have a material effect on the financial position of the company. The company recorded a surplus from Operations before interest of R 1 787 040. The detailed figures are reflected in the attached annual financial statements.

The company has amended its accounting policies in respect of Project Funds. It has decided to amend the policy to recognise and match all project income with project expenses when utilised. The project funds name has been replaced and is now known as Designated Project Funds. The detailed information is reflected under the accounting policies and notes in the attached annual financial statements.

Tax Status

The company was granted exemption from income tax by the South African Revenue Services as a Public Benefit Organisation (PBO) in terms of section 30 and 10(1)(cN) and 18A of the Income Tax Act. As a section 21 company, no distribution to members is permitted.

The financial results are set out on pages 34 to 51.

Director's report... *continued*

31 December 2008

Corporate Governance

The company continues to place a strong emphasis on good corporate governance which is highlighted by the composition of the Board of Directors of Three Executive Directors and Nine Non Executive Directors.

The Finance and Audit Committee, appointed by the board met four times during the year with a charter of:

- Reviewing and analysing the Annual Financial Statements and recommending that the Board approve them.
- Driving the process and the legalities for the winding up of the PSI Joint Education Trust.
- Reviewing and analysing the 2008 and 2009 business plans and recommending that the Board approve them
- Meeting external auditors, reviewing and approving their annual audit plans and fees.
- Reviewing the risk management policies of the company.

The Remuneration and Nominations Committee, appointed by the Board met three times during the year with a charter of:

- Reviewing annual remuneration increases in line with market trends.
- Reviewing the level of the merit and bonus award structure.
- Reviewing the Performance Management System

Directors

The directors of the company are:

Non-Executive

Prof. Brian Figaji
Prof. Nqambozi Gawe
Mr. Mike Rosholt
Mr. Jim Wotherspoon
Mr. Jeremy Ractliffe (*Chairman*)
Ms Angelina Phaliso
Ms. Marianne MacRobert
Mr. Nathan Johnstone
Mr. Nigel Matthews

Executive

Dr. Nick Taylor (*CEO*)
Mr Godwin Khosa (*Programme Director*)
Mr. Deon C Smith (*Finance Director*)

annual financial statements

JET Education Services (Association incorporated under Section 21)

BALANCE SHEET

for the year ended 31 December 2008

		2008	2007
	Notes	R	R
ASSETS			
Property, plant & equipment	2	255 979	329 438
Current assets		66 154 038	64 769 718
Accounts receivables	3	8 575 069	13 677 472
VAT receivable		924 794	400 972
Cash and cash equivalents	4	56 654 175	50 691 274
Total Assets		66 410 017	65 099 156
EQUITY & LIABILITIES			
Reserves	5	50 368 169	44 393 070
Other reserves		14 162 949	14 162 949
JET funds designated for projects		11 560 587	12 463 754
Accumulated funds		24 644 633	17 766 367
Current Liabilities		16 041 848	20 706 086
Donor funds designated for projects	6	9 339 168	11 143 426
Accounts payable	7	5 269 953	7 714 240
Provisions	8	1 432 727	1 848 420
Total equity and liabilities		66 410 017	65 099 156

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JET Education Services (Association incorporated under Section 21)

INCOME AND EXPENDITURE STATEMENT

for the year ended 31 December 2008

	Notes	2008 R	2007 R
INCOME		46 862 917	57 506 368
Funds received		967 294	1 919 598
Recoveries		17 795 149	15 406 553
Other income		102 000	67 155
Donor funds for designated projects received	6	27 998 474	40 113 062
EXPENDITURE		45 075 877	55 743 707
Audit fees		128 000	190 000
Bad debts		692 931	-
Project management		953 706	2 013 584
Administration		15 302 766	13 427 061
Donor funds for designated projects utilised	6	27 998 474	40 113 062
Surplus before interest		1 787 040	1 762 661
Interest received		5 314 660	3 654 978
Net surplus for the year		7 101 700	5 417 639

annual financial statements

JET Education Services (Association incorporated under Section 21)

CASHFLOW STATEMENT

for the year ended 31 December 2008

	Notes	2008 R	2007 R
Cash generated from operating activities			
Cash receipts from recoveries		51 441 498	66 306 167
Cash paid to suppliers and employees		(49 614 778)	(69 782 282)
Cash generated from operations	14	1 826 720	(3 476 115)
Interest income		5 314 660	3 654 978
Net cash generated from operating activities		7 141 380	178 863
Cash flows from investing activities			
Proceeds from disposal of assets		25 481	-
Acquisition of property and equipment	2	(77 355)	(353 588)
Cash effects of financing activities			
Movement in JET funds designated for projects		(1 126 605)	(1 663 009)
Net cash generated/(utilised) for the period		5 962 901	(1 837 734)
Cash and cash equivalent at the beginning of the year		50 691 274	52 529 008
Cash and cash equivalent at the end of the year		56 654 175	50 691 274

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JET Education Services (Association incorporated under Section 21)

STATEMENT IN CHANGE OF FUNDS

for the year ended 31 December 2008

	JET DESIGNATED FUNDS R	SPECIAL FUNDS R	SPECIFIC FUNDS R	GENERAL FUNDS R	ACCUMULATED FUNDS R	TOTAL R
Balance at 1 January 2007	14 126 763	5 846 186	4 000 000	4 316 763	12 348 728	40 638 440
Funds used for JET projects	(1 663 009)	-	-	-	-	(1 663 009)
Surplus for the year	-	-	-	-	5 417 639	5 417 639
Balance at 31 December 2007	12 463 754	5 846 186	4 000 000	4 316 763	17 766 367	44 393 070
Funds used for JET projects	(2 492 341)	-	-	-	-	(2 492 341)
Funds in /(refunded)	1 589 174	-	-	-	(223 438)	1 365 736
Surplus for the year	-	-	-	-	7 101 704	7 101 704
Balance at 31 December 2008	11 560 587	5 846 186	4 000 000	4 316 763	24 644 633	50 368 169

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

I. Accounting Policies

The following are the principal accounting policies of the company, which are consistent in all material respects with those applied in the previous year except as otherwise indicated. The financial statements have been prepared on the historical cost basis.

I.1 Income recognition

Income comprises the fair value of the consideration received or receivable and is accounted for as and when received. The Accounting Policy for Project Funds has been amended from being accounted for in the financial year to which it is received to being Designated Project Funds received and deferred and recognised in the statement of income and expenses when utilised. Any unspent amounts are disclosed as current liabilities for Donor Funds. JET Funds Designated for Projects are reflected under the reserves of JET. Funds Designated for Projects are those funds the use of which is restricted by the donor and JET for projects. For comparative purposes see note 16 for the change in accounting policy.

I.2 Project accounting and expense allocation

Project costs that are clearly identifiable are allocated directly against project funds, in terms of its contractual obligations. Indirect and shared costs are recovered through management fees allocated to the projects in terms of the contracts.

I.3 Property, plant and equipment and depreciation

Property, plant and equipment for operations is stated at cost less accumulated depreciation. Depreciation is provided on the straight-line basis over the useful lives of the assets, the following categories being the most important:

Computer equipment	33.3% per annum
Office equipment and furniture	20% per annum

Fixed assets acquired for projects are written off in total in the year of acquisition, in order to effect project expenditure in terms of the contract.

I.4 Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year-end exchange rates.

I.5 Financial instruments

Financial assets

The company's principal financial assets are bank balances and cash and receivables. Receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include payables. Payables are stated at their nominal value.

I.6 Operating leases

Payments made under operating leases are charged against the income statement on a straight line basis over the period of the lease.

I.7 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of events for which it is probable that an outflow of economic benefit will occur and where a reliable estimate can be made of the amount of the obligation.

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JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

2. Property, Plant & Equipment - Operations

	COMPUTER EQUIPMENT	FURNITURE & FITTINGS	TOTAL R
Cost	1 154 132	652 871	1 807 003
Accumulated depreciation	(913 848)	(563 719)	(1 477 567)
Carrying amount at 31 December 2007	240 284	89 152	329 436
Cost	1 206 843	633 786	1 840 629
Accumulated depreciation	(1 019 056)	(565 594)	(1 584 650)
Carrying amount at 31 December 2008	187 787	68 192	255 979
Reconciliation of assets			
Carrying amount at 1 January 2007	84 068	6 508	90 576
Additions	254 094	99 494	353 588
Depreciation	(97 878)	(16 850)	(114 728)
Carrying amount at 31 December 2007	240 284	89 152	329 436
Additions	75 777	1 578	77 355
Depreciation	(119 771)	(22 538)	(142 309)
Disposals - cost	(23 066)	(20 663)	(43 729)
Disposals - depreciation	14 563	20 663	35 226
Carrying amount at 31 December 2008	187 787	68 192	255 979

In 2006, the Joint Education Trust transferred its assets to JET Education Services at the net book value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

	2008 R	2007 R
3. Accounts Receivable		
Donor designated funds	294 277	1 428 252
Mveledzandivo - Billiton Project	336	-
Khanyisa Project	39 082	-
Cofimvaba- Centres of excellence	254 859	-
CHESP	-	1 428 252
Operations	8 280 792	12 249 220
	<u>8 575 069</u>	<u>13 677 472</u>
4. Cash & Cash Equivalents		
Short term deposits	46 799 183	33 253 854
Cash at bank	9 852 992	17 435 420
Petty cash	2 000	2 000
	<u>56 654 175</u>	<u>50 691 274</u>
5. Reserves / Accumulated Funds		
Reserves	14 162 949	14 162 949
Special fund	5 846 186	5 846 186
Specific reserves	4 000 000	4 000 000
General fund	4 316 763	4 316 763
JET funds for designated projects	11 560 587	12 463 754
Accumulated funds	24 644 633	17 766 367
	<u>50 368 169</u>	<u>44 393 070</u>

The reserves of R14.162m constitute part of the funds that were transferred to the company on the winding-up of the Joint Education Trust and are under the control of the directors.

annual financial statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

	2008 R	2007 R
6. Donor Funds Designated for Projects		
Unutilised prior year funds	11 143 426	21 492 856
Funds received during the year	26 693 457	34 234 631
Interest received	866 602	949 140
Total designated projects funds available	38 703 485	56 676 627
Expenditure	27 998 474	40 113 062
Refund to donors	1 365 843	5 420 139
Total funds designated for projects carried forward to next year	9 339 168	11 143 426

7. Accounts Payable

Donor designated projects	202 896	550 538
Mveledzandivo - Billiton Project	26 407	-
Khanyisa Project	148 678	-
Cofimvaba- Centres of excellence	302	-
Umsobomvu Youth Fund	27 509	532 036
Zenex	-	18 502
Operations	5 067 057	7 163 702
	5 269 953	7 714 240

8. Provisions

	LEAVE	INCENTIVE AWARDS	TOTAL
Balance at 1 January 2007	512 972	395 000	907 972
Charged to the income statement	793 438	928 070	1 721 508
Utilised	(439 491)	(341 569)	(781 060)
Closing balance 31 December 2007	866 919	981 501	1 848 420
Charged to the income statement	(265 207)	832 489	567 282
Utilised	(18 170)	(964 805)	(982 975)
Closing balance 31 December 2008	583 542	849 185	1 432 727

The incentive awards will only be paid provided certain conditions have been met.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

9. Taxation

The company has been approved as a public benefit organisation and the South African Revenue Services has granted the company exemption from income tax and duties in terms of Section 18A, Section 10(1)(cN) and Section 30 of the Income Tax Act and in respect of activities in the Ninth Schedule Part 1 and Part 2.

2008	2007
R	R

10. Contingent Liabilities

57 000

57 000

The guarantees are in respect of the leased premises occupied by the company and expire on 31 March 2009.

11. Net Surplus

The net surplus for the year is stated after charging the following

9.1 Depreciation	142 309	114 730
Lease Expenses - Premises	1 144 974	1 006 426
Staff Costs	11 997 424	10 673 670
9.2 Interest Income	5 314 660	3 614 126
Profit on disposal of assets	16 972	-

12. Director's Remuneration

Non -executive directors

For service as directors	440 100	260 000
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Executive directors

For salaries as directors	2 992 668	2 092 861
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13. Related Party Transactions

J. Wotherspoon, a member of the board and past financial director of the company, with the sanction of the board, rendered consultancy services to the company for which consulting fees were paid

-	34 038
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

	2008 R	2007 R
14. Reconciliation of Surplus to Cash Generated / (Utilised)		
Net surplus for the year	7 101 700	5 417 639
Interest Received	(5 314 660)	(3 654 978)
Adjustment for non cash items		
Profit on disposal of assets	(16 972)	-
Depreciation	142 309	114 728
Operating cash flow before working capital changes	1 912 377	1 877 389
Cash generated from (utilised in) working capital	(85 657)	(5 353 504)
Decrease in designated funds	(1 804 258)	(10 349 432)
Decrease in receivables	4 578 581	8 799 801
Decrease in payables	(2 859 980)	(3 803 873)
Net cash inflow/(outflow) from operating activities	1 826 720	(3 476 115)

15. Operating Lease Expense

The company rents offices under a non-cancellable 5 year operating lease, which commenced on 1 April 2004 and expires on 31 March 2009 which bears base rentals at a fixed rate of R31 892 and an operating cost at a fixed rate of R14 859 per month. These are subject to a contingent rental increase which is computed at 10% and 12% on operating costs respectively per annum. Negotiations to renew the lease are in progress.

Future commitments of the above operating lease are summarised as follows;

Minimum future lease payments	YEAR 1	YEAR 2-5	TOTAL
	140 253	-	140 253

annual financial statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

16. Change in Accounting Policy

The company changed its accounting policy from recognising project income when funds are received to when the expenses to which that income relates are incurred. This will result in fairer presentation as the matching of project revenues and project expenses is improved. The comparative figures using the old policy are as follows;

BALANCE SHEET

	2008			2007		
	R PROJECTS	R OPERATIONS	R TOTAL	R PROJECTS	R OPERATIONS	R TOTAL
ASSETS						
Property, plant & equipment	-	255 979	255 979	-	329 438	329 438
Current assets	22 049 865	56 611 974	78 661 839	25 841 864	40 612 000	66 453 864
Project receivable	294 277	1 038 292	1 332 569	1 428 252	2 656 410	4 084 662
Accounts receivables	-	8 189 714	8 189 714	-	11 276 956	11 276 956
VAT receivable	753 449	171 345	924 794	303 344	97 628	400 972
Cash and cash equivalents	21 002 139	47 212 623	68 214 762	24 110 268	26 581 006	50 691 274
Total assets	22 049 865	56 867 953	78 917 818	25 841 864	40 941 438	66 783 302
EQUITY AND LIABILITIES						
Reserves	20 899 755	50 368 169	71 267 924	23 607 180	31 929 316	55 536 496
Unutilised designated Project funds	20 899 755	-	20 899 755	23 607 180	-	23 607 180
Other reserves	-	25 723 536	25 723 536	-	14 162 949	14 162 949
Accumulated funds	-	24 644 633	24 644 633	-	17 766 367	17 766 367
Current liabilities	1 150 110	6 499 784	7 649 894	2 234 684	9 012 122	11 246 806
Accounts payable	1 150 110	5 067 057	6 217 167	2 234 684	7 163 702	9 398 386
Provisions	-	1 432 727	1 432 727	-	1 848 420	1 848 420
Total equity and liabilities	22 049 865	56 867 953	78 917 818	25 841 864	40 941 438	66 783 302

annual financial statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2008

16. Change in Accounting Policy... continued

INCOME AND EXPENDITURE STATEMENT

	2008			2007		
	R PROJECTS	R OPERATIONS	R TOTAL	R PROJECTS	R OPERATIONS	R TOTAL
		-				
Funds received	26 916 788	967 294	27 884 082	34 234 631	1 919 598	36 154 229
Interest received	866 602	5 314 660	6 181 262	949 140	3 654 978	4 604 118
Recoveries	-	17 795 149	17 795 149	-	15 406 553	15 406 553
Other income	-	102 000	102 000	-	67 155	67 155
Total funds for projects / Total income	27 783 390	24 179 103	51 962 493	35 183 771	21 048 284	56 232 055
Expenditure						
Audit fees	72 000	128 000	200 000	-	190 000	190 000
Bad debts	-	692 931	692 931	-	-	-
Project management	-	953 706	953 706	-	2 013 584	2 013 584
Administration	-	15 302 766	15 302 766	-	13 427 061	13 427 061
Project expenses	30 418 815	-	30 418 815	41 776 071	-	41 776 071
Total expenditure	30 490 815	17 077 403	47 568 218	41 776 071	15 630 645	57 406 716
Net surplus (-deficit) for the year	(2 707 425)	7 101 700	4 394 275	(6 592 300)	5 417 639	(1 174 661)

annual financial statements

JET Education Services (Association incorporated under Section 21)

BALANCE SHEET - DESIGNATED PROJECTS

for the year ended
31 December 2008

ASSETS

Property, plant & equipment

Current assets

Cash and cash equivalents

Project receivable

VAT receivable

Total assets

EQUITY AND LIABILITIES

Reserves

Designated funds

Current liabilities

Accounts payable

JET loan account

Total equity and liabilities

	JET PROJECTS	LIBERTY FOUNDATION	NAT. LOTTERY DIST. FUND	ANGLO AM. DENALEDI	COFIMVABA COEP	WFD	NDE
Property, plant & equipment							
Current assets	11 560 587	-	-	570 045	1 239 613	-	-
Cash and cash equivalents	11 560 587			570 045	1 217 672		
Project receivable							-
VAT receivable	-				21 941		
Total assets	11 560 587	-	-	570 045	1 239 613	-	-
EQUITY AND LIABILITIES							
Reserves							
Designated funds	11 560 587	-	-	570 045	1 203 948	-	-
Current liabilities					35 665	-	-
Accounts payable	-	-	-	-	302	-	-
JET loan account	-	-	-	-	35 363	-	-
Total equity and liabilities	11 560 587	-	-	570 045	1 239 613	-	-

for the year ended
31 December 2007

ASSETS

Property, plant & equipment

Current assets

Cash and cash equivalents

Project receivable

VAT receivable

Total assets

EQUITY AND LIABILITIES

Reserves

Designated funds

Current Liabilities

Accounts payable

JET loan account

Total equity and liabilities

	JET PROJECTS	LIBERTY FOUNDATION	NAT. LOTTERY DIST. FUND	ANGLO AMERICAN	COFIMVABA PROJECT	WFD	NDE
Property, plant & equipment	-	-	-	-	-	-	-
Current assets	12 463 754	128 420	193 060	492 407	1 750 000	1 041 016	149 683
Cash and cash equivalents	12 463 754	128 420	193 060	492 407	1 750 000	1 041 016	149 683
Project receivable	-	-	-	-	-	-	-
VAT receivable	-	-	-	-	-	-	-
Total assets	12 463 754	128 420	193 060	492 407	1 750 000	1 041 016	149 683
EQUITY AND LIABILITIES							
Reserves							
Designated funds	12 463 754	128 420	193 060	492 407	1 750 000	1 041 016	149 683
Current Liabilities	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
JET loan account	-	-	-	-	-	-	-
Total equity and liabilities	12 463 754	128 420	193 060	492 407	1 750 000	1 041 016	149 683

annual financial statements

JET Education Services (Association incorporated under Section 21)

ALL AFRICA MIN. CONFER.	CHESP	MVELE BILLITON	KHANYISA PROJECT	LESEDI LA SECHABA	ZENEX PROJECT	UMSOBOMVU YOUTH FUND	MURRAY & ROBERTS	TOTAL
2 103 264	-	414 823	2 594 192	885 529	499 267	429 006	1 753 539	22 049 865
2 103 264	-	234 207	2 090 811	883 137	178 155	410 722	1 753 539	21 002 139
		336	39 082		254 859			294 277
		180 280	464 299	2 392	66 253	18 284		753 449
2 103 264	-	414 823	2 594 192	885 529	499 267	429 006	1 753 539	22 049 865
2 103 264	-	57 171	1 865 802	884 635	499 267	401 497	1 753 539	20 899 755
-	-	357 652	728 390	894	-	27 509	-	1 150 110
-	-	26 407	148 678	-	-	27 509	-	202 896
-	-	331 245	579 712	894	-	-	-	947 214
2 103 264	-	414 823	2 594 192	885 529	499 267	429 006	1 753 539	22 049 865

ALL AFRICA MIN. CONFER.	CHESP	SESD FEE	SESD PROG	SESD EXT	MVELE BILLITON	KHANYISA PROJECTS	LESEDI LA SECHABA	SISONKE PROJECT	TOTAL
-	-	-	-	-	-	-	-	-	-
1 915 548	1 508 919	-	-	-	414 101	3 151 445	1 553 231	1 080 280	25 841 864
1 915 548	61 761	-	-	-	383 427	2 899 118	1 551 794	1 080 280	24 110 268
-	1 428 252	-	-	-	-	-	-	-	1 428 252
-	18 906	-	-	-	30 674	252 327	1 437	-	303 344
1 915 548	1 508 919	-	-	-	414 101	3 151 445	1 553 231	1 080 280	25 841 864
1 915 548	1 508 919	-	-	-	394 038	2 017 104	1 553 231	-	23 607 180
-	-	-	-	-	20 063	1 134 341	-	1 080 280	2 234 684
-	-	-	-	-	18 502	532 036	-	-	550 538
-	-	-	-	-	1 561	602 305	-	1 080 280	1 684 146
1 915 548	1 508 919	-	-	-	414 101	3 151 445	1 553 231	1 080 280	25 841 864

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INCOME STATEMENT - DESIGNATED PROJECTS

for the year ended 31 December 2008	JET FUNDED PROJECTS	LIBERTY FOUNDATION	NAT. LOTTERY DIST. FUND	ANGLO AM. DENALEDI	COFIMVABA COEP	WFD	NDE
INCOME							
Unutilised funds from prior year	12 463 754	128 420	193 060	492 407	1 750 000	1 041 016	149 683
Funding received	1 365 736	-	-	225 000	275 000	-	-
Interest received	-	-	-	-	41 593	12 353	1 965
Management fees/revenue	223 438	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-
Total income	14 052 928	128 420	193 060	717 407	2 066 593	1 053 369	151 648
EXPENDITURE							
Programme expenses	2 492 341	128 420	193 060	147 362	862 645	877	128 917
				-	-		
Total expenditure	2 492 341	128 420	193 060	147 362	862 645	877	128 917
Net surplus(-deficit) for the year	11 560 587	-	-	570 045	1 203 948	1 052 492	22 731

for the year ended 31 December 2007	JET PROJECTS	LIBERTY FOUNDATION	NAT. LOTTERY DIST. FUND	ANGLO AMERICAN	COFIMVABA PROJECT	WFD	NDE
INCOME							
Funding received	-	-	301 100	500 000	1 750 000	-	-
Interest received	-	-	-	-	-	83 585	59 639
Management fees/revenue	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total income	-	-	301 100	500 000	1 750 000	83 585	59 639
EXPENDITURE							
Programme expenses	1 663 009	-	209 340	7 593	-	306 453	1 361 907
Transfers back to Donors	-	-	-	-	-	-	-
Total expenditure	1 663 009	-	209 340	7 593	-	306 453	1 361 907
Net surplus(-deficit) for the year	(1 663 009)	-	91 760	492 407	1 750 000	(222 868)	(1 302 268)

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ALL AFRICA MIN. ONFER.	CHESP	MVELE BILLITON	KHANYISA PROJECT	LESEDI LA SECHABA	ZENEX PROJECT	UMSOBOMVU YOUTH FUND	MURRAY & ROBERTS	TOTAL PROJECTS
1 915 548	1 508 919	394 038	2 017 104	1 553 231				23 607 180
		7 905 738	9 811 332		6 197 176	530 091	1 749 120	28 059 193
191 778	5 106	121 121	208 871	120 996	155 925	2 343	4 551	866 602
								223 438
								-
								-
2 107 326	1 514 025	8 420 897	12 037 307	1 674 227	6 353 101	532 434	1 753 671	52 756 413
4 062	1 223 405	8 363 726	10 171 505	789 592	5 853 834	130 937	132	30 490 815
								-
								-
4 062	1 223 405	8 363 726	10 171 505	789 592	5 853 834	130 937	132	30 490 815
2 103 264	290 620	57 171	1 865 802	884 635	499 267	401 497	1 753 539	22 265 598

ALL AFRICA MIN. CONFER.	CHESP	SESD FEE	SESD PROG	SESD EXT	MVELE BILLITON	KHANYISA PROJECTS	LESEDI LA SECHABA	SISONKE PROJECT	TOTAL
-	-	303 725	-	-	3 426 775	24 683 414	2 524 452	745 165	34 234 631
136 776	9 374	5 387	31 928	251 754	91 983	177 583	15 731	85 400	949 140
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
136 776	9 374	309 112	31 928	251 754	3 518 758	24 860 997	2 540 183	830 565	35 183 771
494	1 896 727	277 512	1 081	4 208 387	4 937 678	23 842 082	2 540 183	523 625	41 776 071
									-
-	-	121 826	811 037	4 487 276	-	-	-	-	5 420 139
494	1 896 727	399 338	812 118	8 695 663	4 937 678	23 842 082	2 540 183	523 625	47 196 210
136 282	(1 887 353)	(90 226)	(780 190)	(8 443 909)	(1 418 920)	1 018 915	-	306 940	(12 012 439)

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JET Education Services (Association incorporated under Section 21)

BALANCE SHEET - OPERATIONS

for the year ended 31 December 2008

	2008			2007			
	JET EDUCATION SERVICES	EASTERN CAPE SIDA	TOTAL	JET EDUCATION SERVICES	EASTERN CAPE SIDA	KHANYISA JOINT VENTURE	TOTAL
ASSETS							
Property, plant & equipment	255 979		255 979	329 438	-	-	329 438
Current assets	56 611 974	-	56 611 974	51 668 589	1 407 165	-	53 075 754
Cash and cash equivalents	47 212 623		47 212 623	38 818 491	226 269	-	39 044 760
Project receivable	1 038 292		1 038 292	2 322 266	334 144	-	2 656 410
VAT receivable	171 345		171 345	-	97 628	-	97 628
Accounts receivables- trade	6 193 870		6 193 870	9 990 599	749 124	-	10 739 723
Accounts receivables- other	1 995 844		1 995 844	537 233	-	-	537 233
			-				-
Total assets	56 867 953	-	56 867 953	51 998 027	1 407 165	-	53 405 192
EQUITY AND LIABILITIES							
Current liabilities	6 499 784	-	6 499 784	8 041 638	970 484	-	9 012 122
Accounts payable	5 067 057		5 067 057	6 193 218	970 484	-	7 163 702
Project payables	-		-	-	-	-	-
Provisions	1 432 727		1 432 727	1 848 420	-	-	1 848 420
Reserves	50 368 169	-	50 368 169	43 956 389	436 681	-	44 393 070
Accumulated funds	24 644 633		24 644 633	17 329 686	436 681	-	17 766 367
Special reserves	5 846 186		5 846 186	5 846 186	-	-	5 846 186
Specific reserves	4 000 000		4 000 000	4 000 000	-	-	4 000 000
General reserves	4 316 763		4 316 763	4 316 763	-	-	4 316 763
JET funds designated for projects	11 560 587		11 560 587	12 463 754	-	-	12 463 754
Total equity and liabilities	56 867 953	-	56 867 953	51 998 027	1 407 165	-	53 405 192

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INCOME STATEMENT - OPERATIONS

for the year ended 31 December 2008

	2008			2007			
	JET EDUCATION SERVICES	EASTERN CAPE SIDA	TOTAL	JET EDUCATION SERVICES	EASTERN CAPE SIDA	KHANYISA JOINT VENTURE	TOTAL
INCOME							
Funds received	-	967 294	967 294	-	1 919 598	-	1 919 598
Interest received	5 302 143	12 517	5 314 660	3 614 126	26 831	14 021	3 654 978
Recoveries	17 795 149	-	17 795 149	15 406 553	-	-	15 406 553
Other income	-	102 000	102 000	-	67 155	-	67 155
Total income	23 097 292	1 081 811	24 179 103	19 020 679	2 013 584	14 021	21 048 284
EXPENDITURE							
Audit fees	128 000	-	128 000	190 000	-	-	190 000
Bad debts	692 931	-	692 931	-	-	-	-
Project management	-	953 706	953 706	-	2 013 584	-	2 013 584
Administration	15 302 766	-	15 302 766	13 427 061	-	-	13 427 061
Total expenditure	16 123 697	953 706	17 077 403	13 617 061	2 013 584	-	15 630 645
Surplus for the Year	6 973 595	128 105	7 101 700	5 403 618	-	14 021	5 417 639



JET EDUCATION SERVICES

JET EDUCATION SERVICES

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