



# ANNUAL REPORT 2009



**JET** EDUCATION  
SERVICES

# VISION

Quality education for every child in South Africa.



## MISSION

We offer educational research and knowledge-based interventions that are innovative, cost effective and sustainable to our clients who support disadvantaged young South Africans through education development initiatives.



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# Chairman's statement

JET's strategic focus for the coming five years is to define, design and implement education development and research programmes that contribute to systemic improvement of educational outcomes.

At the end of August last year I wrote as follows to all our stakeholders about two important developments at JET Education Services:

1. *'After 16 years of rendering important services in the field of schooling and education, Dr Nick Taylor has decided that he wants to get closer to the "chalk-face". He will therefore be JET's first Research Fellow with effect from 1 January next year. Godwin Khosa, who has distinguished himself as Programme Director at JET, will take over as CEO on 1 October 2009.*
2. *We have, in parallel with these leadership changes, embarked on a strategic review to ensure that JET is aligned with the ever-changing needs of our clients and responsive to the current economic imperatives.'*

I am very pleased to say that both tasks have been successfully completed and we celebrated Nick's 'farewell' and the launch of JET's New Strategic Focus at the Merrill Lynch Auditorium on Thursday 25 March 2010, at which our Vision 2015 document was ably presented by Godwin Khosa. Much of this Annual Report reflects the new vision, mission and strategic intent of JET in the coming five years, whilst re-emphasising the values that we hold dear and which infuse the ethos of the company.

Our primary goal remains true to the intent of our founders which is to use our resources without regard to race, sex, creed or ethnic origin to promote the development of disadvantaged people in South Africa, with particular regard to actions that will improve the quality of education and the relationship between education and the world of work.

## OUR STRATEGIC FOCUS AND OBJECTIVES

JET's strategic focus for the coming five years is to define, design and implement education development and research programmes that contribute to systemic improvement of educational outcomes in South Africa. Our purpose is to help government work effectively in delivering a quality education service, particularly to poor and disadvantaged South African children and young adults. Our vision is *'Quality education for every child in South Africa'*. We can only achieve our purpose in partnership with government and non-governmental interest groups, particularly

business, foundations and providers of funds for the development of our country. So, JET will –

- Demonstrate replicable, evidence-based systemic education change models that can be used by government and its partners to improve the quality of public education in South Africa;
- Make a meaningful contribution to the education development knowledge base and to finding solutions to the national educational challenges; and
- Run sustainable organisational operations that will increasingly strengthen JET's capacity and relevance as a professional player in the education sector.

To achieve these objectives JET has committed itself to creating knowledge, disseminating it and using it to gain a better understanding of the challenges facing education, and to design solutions that are tried and tested in the field. We are dedicated to the principle of making recommendations that are evidence-based.

In presenting the new strategic focus to the JET Board in October 2009 and to define the role of JET in the broader scheme of things, Godwin considered it essential that we understand and agree that the primary responsibility of providing education in South Africa lies with government and, in particular, the national department and the nine provincial departments of education. Thus, the role of JET is that of a partner to the education departments and schools. Since its founding JET has had extensive partnerships with all ten departments. It has implemented, in partnership with government and education funders, a range of large- and small-scale education improvement projects backed up by research.

An additional role that JET has played is that of facilitating social entrepreneurship. JET has promoted and advised social entrepreneurs on how to organise, create and manage projects to bring about change. The social entrepreneurs that JET has worked with include corporate social investors (CSI), foundations and trusts.

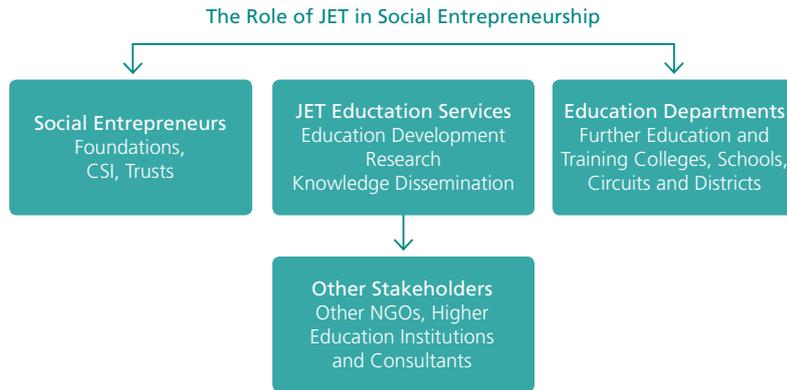
In the main, JET has provided its education know-how to design and implement education development projects and to provide cutting edge research and monitoring and evaluation. It has documented the lessons learnt, especially



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knowledge  
respect  
goals  
excellence

in terms of what worked, what didn't and what gaps need to be filled to achieve success. The partnership and facilitative roles of JET are represented in the diagram below.



Over and above its direct relationship with the social entrepreneurs and the education departments, JET has developed an extensive network of NGOs and education specialists working in the education sector. We are able to call on this expertise to enhance our own work.

It is against the background painted above that JET sees itself as a facilitating partner in the search for solutions to South Africa's education challenges. JET has designed and piloted a programme for sustainable systemic school and district improvement that can be adopted and taken to scale in each province's education improvement plan. The programme design takes into account international and local knowledge about education quality improvement. It consolidates lessons from other education improvement projects in order to avoid pitfalls encountered in the past and increase the potential for success.

Essential to the success of this intervention model that we are implementing in two education districts as detailed in the Education Development Division's (EDD) report, is the achievement of a critical mass in any chosen provincial district, combined with the time required to sustain change. This means that each project within a programme must have

a sufficient number of schools (at the least 30 to start with), sufficient time (five to seven years) and sufficient funds (R30 to R40 million).

The model is currently being implemented in the Cofimvaba District, Eastern Cape and the Bojanala District, North West Province (see page 11).

Ideally, if the funds were available it would be advantageous to increase the critical mass of these programmes. But large-scale programmes have been on the wane in South Africa since the focus of foreign funding shifted to even poorer countries than South Africa.

2010 saw the completion of JET's last traditional large-scale project – the Khanyisa Programme – a joint-venture undertaken with Cambridge Education and the Limpopo Department of Education. This highly-rated development programme was funded by the Department for International Development (DFID). The project involved 867 schools in all five districts of the Limpopo Province, cost R140 million in funding and spanned seven years!

The reduction in external project funding is vividly illustrated in the summarised Income statement below. It shows a reduction in operating income of virtually 50% between 2006 and 2009. It also shows the reduction of very modest operating surpluses in 2006 and 2007 to an increasing operating deficit in 2008 and 2009. It is true that the costs of our own restructuring (R621 899) to align ourselves with the ever-changing needs of our clients and to respond to the current economic imperatives have been included in the 2009 operating costs. Nevertheless it makes for sober reading. However, the bottom line is still healthy due to the interest income from the cash that JET has assiduously husbanded over the years.

### OPERATIONAL SUSTAINABILITY

JET is fortunate that 14 leading companies in the private sector made sure that when JET became self-sustaining it would have a reasonably sized 'kitty' to weather the volatile life of a public

| Summarised Income Statement  | 2009        | 2008       | 2007       | 2006       | Average    |
|--|-------------|------------|------------|------------|------------|
| Operating income   | 40 611 546  | 45 565 814 | 57 439 213 | 82 136 299 | 56 438 218 |
| Operating expenditure  | 43 750 883  | 46 373 115 | 55 743 707 | 81 420 724 | 56 822 107 |
| Operating (deficit)/surplus  | (3 139 337) | (807 301)  | 1 695 506  | 715 575    | (383 889)  |
| Other income   | 1 692 000   | 102 000    | 67 155     | 969 300    | 707 614    |
| Interest on risk capital employed  | 4 045 896   | 5 314 660  | 3 654 978  | 1 922 455  | 3 734 497  |
| Surplus/(deficit) for the year (as per income statement)                             | 2 598 559   | 4 609 359  | 5 417 639  | 3 607 330  | 4 058 222  |
| Designated project reserves allocated by the JET Board and used for special projects | 2 592 243   | 2 492 341  | 1 663 009  | 2 130 857  | 2 219 613  |

benefit organisation (PBO) operating in an environment not conducive to sustainability – not due to the merits of the PBO's contribution to development, but due to the prevailing common belief that PBOs should not have surplus beyond a few months of trading and that, like artists, they work better when they are poor. This is also often apparent in the case of PBOs helping the government with work that is rightly for government to do or at least fund. Many of these organisations are not being properly compensated for the essential work they do in poor and distressed communities in spite of government structures that have funds available for development. JET, too, might have to face the same 'hand-to-mouth' existence if it is not successful in getting its business model into better shape.

#### THE NEW BUSINESS MODEL

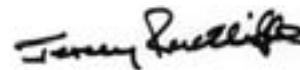
Firstly, we will 'lift our game' by deepening our intellectual capabilities and becoming a fully fledged knowledge-based entity. JET has always known the validity of 'transformation through knowledge' and it is now internalising that mantra.

Secondly, we believe a tipping point is in the offing. As Nick Taylor concluded in his CEOs' message in JET's 2008 Annual Report, *'a new model of school development beckons'*. As I mentioned last year, this conclusion begs the question as to who will have the entrepreneurial flair and the courage to back a cluster of seemingly poor performers. And who will back that entrepreneur? I believe the catalyst lies in JET's own hands. Social entrepreneurs, in their search for added social profit, have to commit deeply to engineer social change and

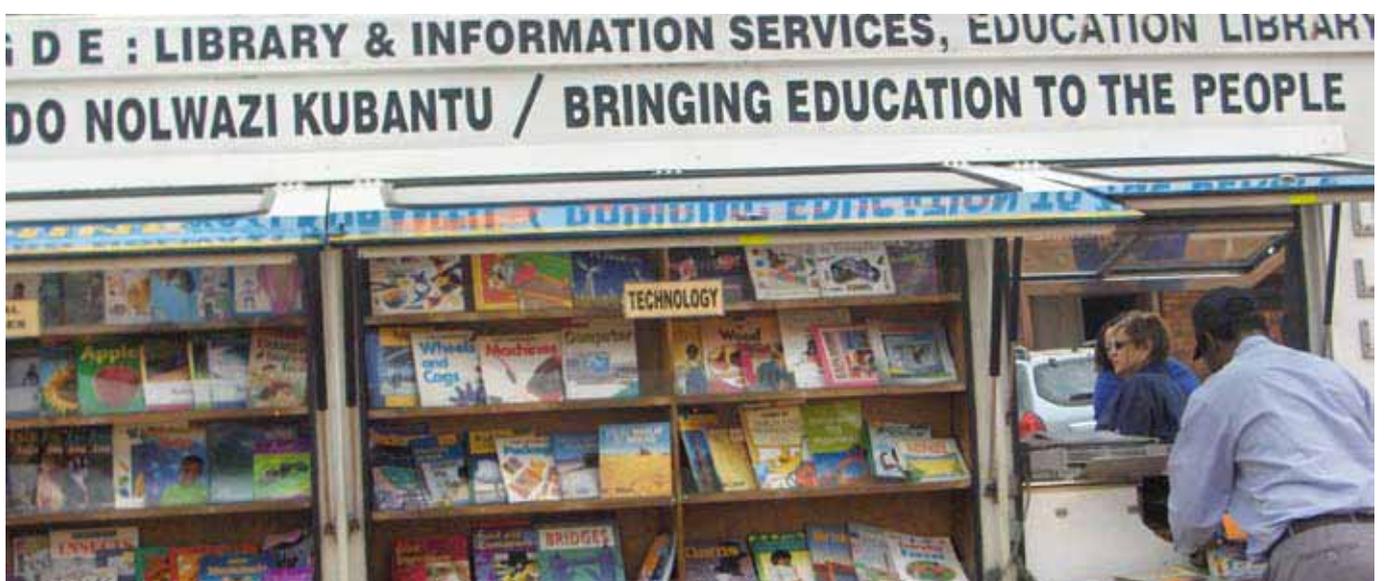
they have to lead the way. This means that JET must be prepared to utilise a major part of our existing monetary surpluses to contribute to society's transformation but without risking, in the short term, the financial stability of the organisation. New models take time and resources. JET has decided to take the lead and commit significant seed funding to proving the efficacy of the JET school improvement model.

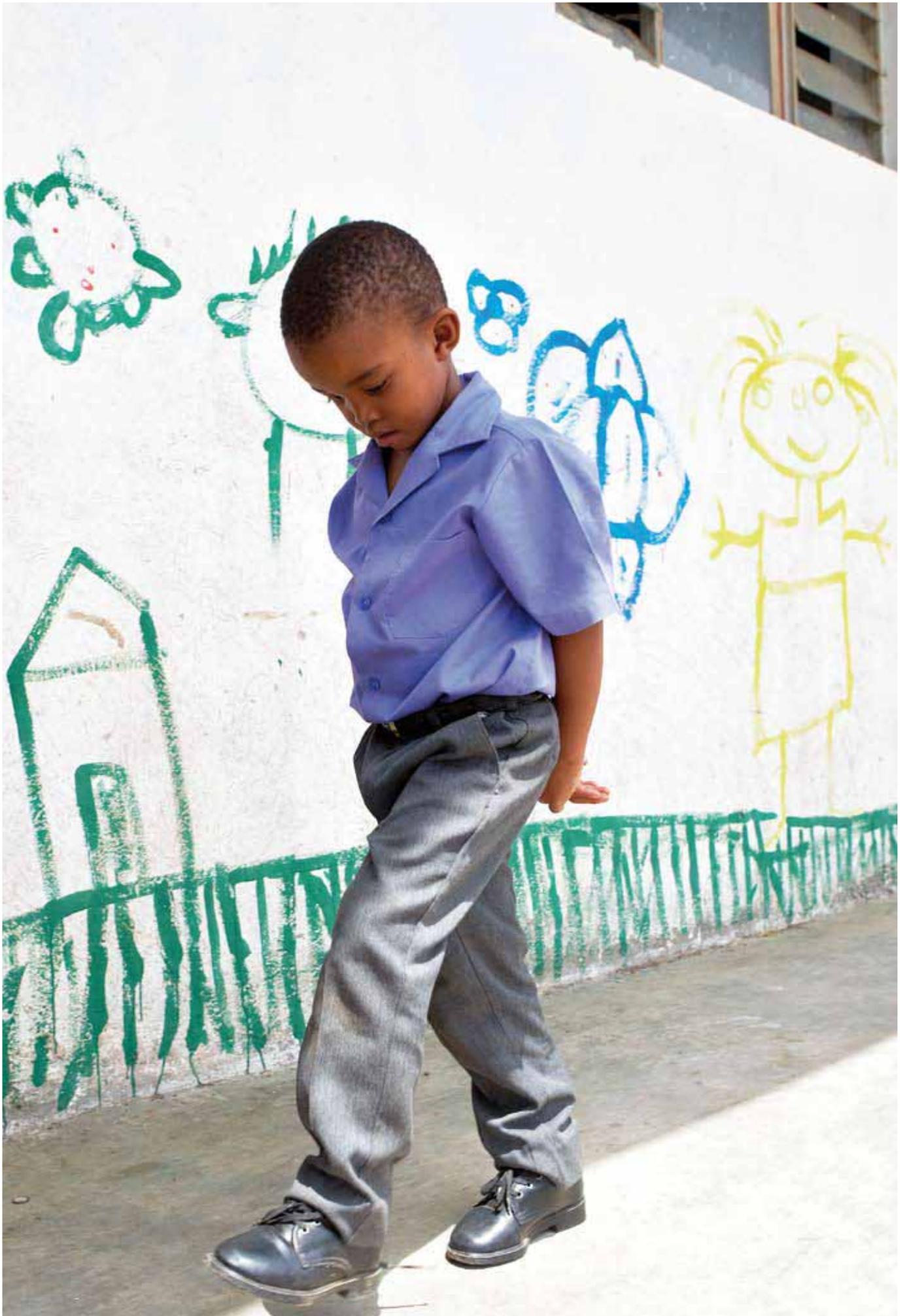
On 25 March 2010 the Board agreed to back its belief in our people and our knowledge base built up over 17 years and currently being utilised with greater purpose. We have made an in principal commitment to use R24 million over the next five years or so to partly fund designated projects individually approved by the Board after applying best practice funding criteria. Through leveraging this funding five to ten times we should move JET to a R60 million business from its current level of R40 million of operating income per annum – though I do not think it will be easy to achieve in the first year.

JET has had a painful year during which 24% of our people moved on or accepted different responsibilities. That was not easy. I am very impressed with the professional way the whole team dealt with this difficult situation. On behalf of the Board I would like to thank everyone for their commitment to the task at hand. I also pay tribute to Godwin and Nick – they are both doing a fine job, as are my fellow directors who have unstintingly given additional time and energy to this special enterprise.



Jeremy Ractliffe





# Message from the CEO

When I assumed my new responsibility as CEO, JET's operating environment was complex and dynamic.

On 1 October 2009 I took over from Dr Nick Taylor as CEO. Nick was the captain from the very beginning of the Joint Education Trust as deputy CEO and later as the CEO. Thank you to Nick for his high-level stewardship of JET, his contribution to the national education system and his mentorship of the many staff members who came in under his wing. The good news is that Nick is staying on at JET as a Senior Research Fellow responsible for technical guidance on research and education improvement, and to drive JET's publishing agenda.

When I assumed my new responsibility as CEO, JET's operating environment was complex and dynamic. A new government with renewed vigour to address the education challenges came into office in April 2009 and the effects of the economic recession were being strongly felt in government and the civil society sector. The long-standing international development partners of the South African government drastically reduced their funding commitments to South Africa. The recession and the decline in foreign aid meant a declining supply of revenue for cutting-edge education development. Nevertheless, there are exciting times and challenges ahead.

Looking back to 1994 – the dawn of South Africa's democratic rule and a year after the launch of JET – we have indeed come a long way as a nation. The road we have travelled can be described as an experimental one where new world-class development strategies were put to the test. Three overlapping chronological phases capture the journey of the past 16 years.

The five years post-1994 comprised the 'reconstitution phase' involving a reorganisation of institutions: restructuring the apartheid education departments, reorganisation of the ownership and funding of schools, and redefining the roles of teachers and the learning content. The few years post-1998 can be best described as the 'policy trialing phase', where policy outcomes and implications became more evident. It was during this period that several of the policies were found to be ineffective or to have unintended consequences. Learner performance was confirmed to be much lower than expected, the national curriculum not entirely appropriate and teacher content knowledge not satisfactory. The policy trialing phase did, however, bring about some new

understandings and in particular some realism. From 2001 onward, a new sense of awareness of the challenges in education began to emerge. This resulted in more realistic and specific curriculum expectations being laid down for teachers, new evaluation measures being introduced through a national evaluation unit and systemic evaluations and the re-emergence of stakeholder mobilisation through societal initiatives. Communities began taking up their citizen responsibilities by monitoring and speaking out on the quality of public services. These developments do not come as a surprise, since policy development is a continuous process and does not happen linearly. However, we remain concerned with the state of affairs and the pace at which the changes are happening.

In this context, JET's primary concern is how the over R150 billion invested in the education system annually can be efficiently and effectively turned into optimising educational gains. Therefore the big question underlying JET's work is, '*What should be done by JET, the education departments and education stakeholders to improve education in South Africa?*'. To address this issue, we have refocused and reconfigured JET. We have reviewed our organisational strategy and restructured the organisation to increase our focus on education improvement. We have broadened our field of work to include education planning, youth and communities, and Further Education and Training College improvement. The broadening of JET's focus areas will strengthen our time-honoured school improvement work and contribute to the national strategy to address the challenge of the approximately 3 million unemployed youth aged 18 to 24 years.

Towards this end, JET has designed two comprehensive systemic school improvement projects aimed at demonstrating how districts can improve education delivery in a cluster of schools in two circuits, one in the Eastern Cape Province and the other in the North West. One of the aims of these projects is to create school development models that can be taken to scale by government which has the constitutional responsibility for education as a public service. The projects will be used as laboratories for testing promising strategies. We are, for instance, testing the design of teacher development interventions based on profiles of teachers' content knowledge, promoting stakeholder involvement in practical school support projects such as study groups



We have reviewed our organisational strategy and restructured the organisation to increase our focus on education improvement.

curriculum  
teach  
expectation  
strategise

and supplementary lessons, and improving teacher professionalism through initiatives such as teachers' book clubs. The respective district authorities and the major teacher unions are involved in the steering of these projects.

During the past year our school development programme saw the completion of the seven-year Khanyisa Education Programme implemented in Limpopo and the continued implementation of several other school development projects – the Bojanala I Systemic School Improvement Project (BSSIP) in the North West Province, the Centres of Excellence Project (COEP) in the Eastern Cape and the Beyers Naude School Improvement Project in the Free State. The educational lessons from Khanyisa were shared with over 400 conference participants comprising education managers, practitioners and researchers. We were delighted to note that the Khanyisa project review team led by DFID hailed the project as successful and highly sustainable. JET is using the lessons learnt from Khanyisa in the other projects where we are pursuing the systemic school improvement approach.

The second programme area, research and evaluation, continued to support our key partners – government, corporate social investment units and foundations – through commissioned research and evaluation work. At the same time we continued with our school effectiveness research

agenda. In this regard two partnership projects are worth noting:

- The Primary Maths Research Project, funded by the D.G. Murray Trust, that uses randomised sampling methodology to investigate effective methods of maths teaching;
- A longitudinal school effectiveness research project, funded by the Royal Netherlands Embassy, that tracks 16 000 learners and their teachers to understand factors responsible for learning gains.

These research projects have the potential of informing national education policy, practices and the education research agenda in general.

In the coming years, JET will continue to contribute to the school effectiveness dialogue using evidence-led approaches. We will pursue this commitment in partnership with stakeholders in the education sector who are committed to improving the quality of education in South Africa. Thus we have geared ourselves to working with relevant partners to identify, develop and disseminate evidence-based good practices in support of the national education development agenda.



**Godwin Khosa**





# JET's Services

JET Education Services provides a wide-ranging suite of education services designed to improve the quality of education in South Africa, particularly for disadvantaged young people.

JET provides the following education-related services to education departments and institutions, schools, corporate social investment units, foundations, trusts and development agencies:

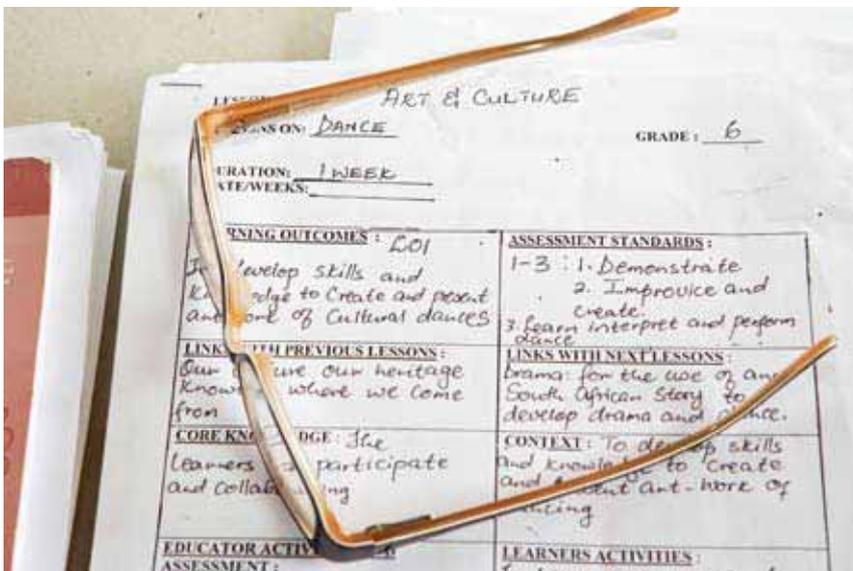
- Advice on educational projects;
- Planning support;
- Design and implementation of school improvement projects;
- Design and implementation of research projects;
- Implementation of systemic assessments; and
- Evaluation of educational projects and programmes.

Our suite of services is packaged to benefit target groups presented in the table below.

Clients working with JET stand to benefit from the following:

- Extensive knowledge of the education development sector accumulated over the past 16 years;
- Wide-ranging networks of development and research consultants and agencies;
- Strong relationships with provincial and national departments of education;
- Extensive databases of school information;
- An evidence-based approach to research and development;
- A comprehensive, rigorous and transparent project review system;
- Sound financial stewardship;
- A Level 2 BBEE rating.

| Technical advice                               | Planning support | Project design and implementation | Research | Assessments | Monitoring and evaluation |
|--|------------------|-----------------------------------|----------|-------------|---------------------------|
| Provincial and national education systems      | •                | •                                 | •        | •           | •                         |
| FET Colleges                                   | •                | •                                 | •        | —           | •                         |
| District and circuit systems                   | •                | •                                 | •        | —           | •                         |
| School Governing Boards and parent communities | —                | •                                 | •        | —           | •                         |
| School Management Teams                        | •                | •                                 | •        | •           | •                         |
| Teachers                                       | •                | •                                 | •        | •           | •                         |
| Learners                                       | —                | —                                 | •        | •           | —                         |

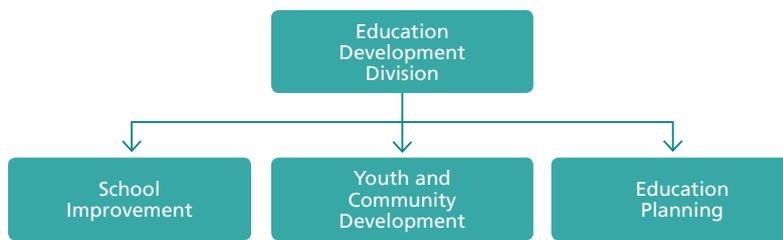


JET bids for and carries out commissioned work. In addition, it is involved in raising grant funding for projects designed in-house or in partnership with funders and clients.

Being a public benefit organisation, we disseminate knowledge generated from our research and development work through publications and seminars. We also reinvest accumulated funds in partnership funding of projects designed to contribute to the improvement of education.

# Education Development Division (EDD)

In 2009 JET's School Development and Support Division adjusted its focus – applying its strong organisational knowledge base to the broader education system. While the division continues to deliver on and strengthen its school improvement model, its scope has widened beyond the school gate to youth and communities.



EDD's two flagship school development projects in the Eastern Cape and North West Provinces are powerful examples of this (see page 11). These flagship projects seek to demonstrate sustainable systemic school improvement through strong partnerships and evidence-based interventions.

In the post-school arena, EDD is strengthening its focus on youth transitions from school-to-work and the particular role of Further Education and Training (FET) Colleges in enhancing youth employability. Working together with the new Department of Higher Education and Training (DoHET), it seeks to demonstrate models of college effectiveness that can ensure a sufficient and sustainable pipeline of skilled young people for the South African labour market.

As with its predecessor, the newly established Education Development Division works through partnerships to strengthen the capacity of education institutions and departments to deliver quality education to children and youth.

In addition, the division has a dedicated focus on system-level planning and enhancing the capacity of the education system to integrate planning and delivery.

EDD's work is underpinned by three key concerns:

- Tackling educational challenges systemically with a view to sustainability;
- Forming partnerships with key stakeholders to ensure projects are embedded and taken forward; and
- Using evidence to guide planning and to measure success.

In the next five years the EDD will focus on developing and testing systemic education development models that provide replicable solutions to the national education challenges. In order to do this, EDD will:

1. Design and implement education development demonstration projects focusing on schools and FET colleges;
2. Provide education improvement tools and strategies for education institutions and their communities; and
3. Develop the education planning task with a view to improving the planning function in the education sub-systems, namely education departments, districts, circuits, FET colleges and schools.

EDD is strengthening its focus on youth transitions from school-to-work and the particular role of FET Colleges in enhancing youth employability.



## THE CENTRES OF EXCELLENCE PROJECT (COEP) AND THE NORTH WEST SCHOOL DEVELOPMENT PROJECT

Over the past two years, JET, together with its key partners, has initiated two flagship projects, both aimed at demonstrating sustainable systemic school improvement models.

### The Centres of Excellence Project Cofimvaba District, Eastern Cape – 34 Schools

#### Key Partners:

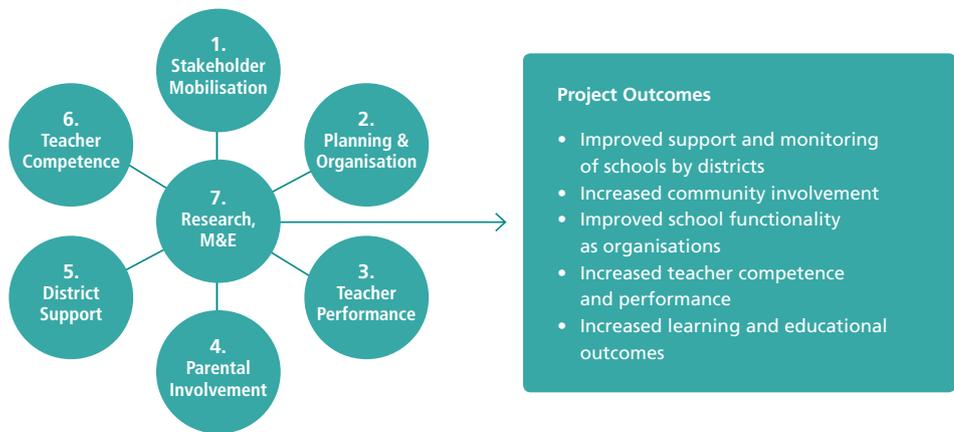
- Eastern Cape Department of Education
- DG Murray Trust (Funder)
- Claude Leon Foundation (Funder)
- JET Board (Funder)
- South African Democratic Teachers' Union (SADTU) and National Professional Teachers' Organisation of South Africa (NAPTOSA)

### The North West Partnership Project Bojanala District – 28 Schools

#### Key Partners:

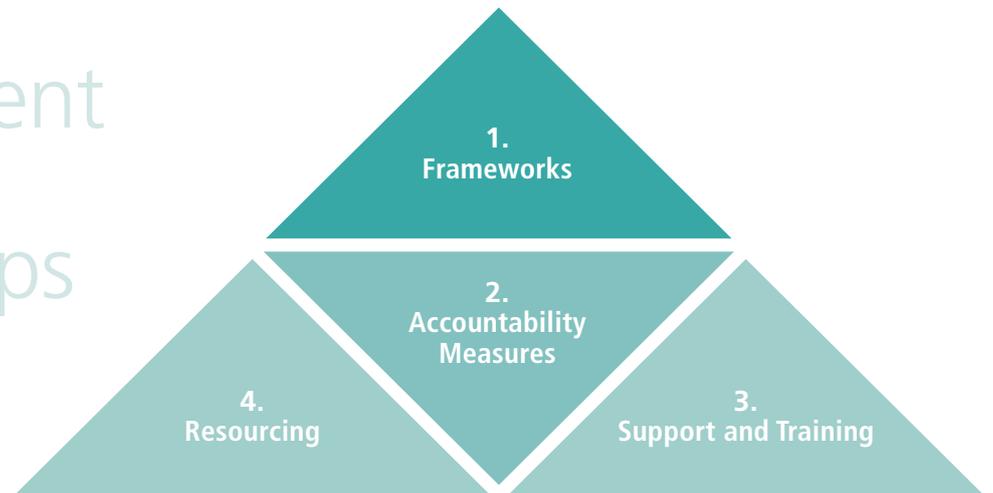
- North West Department of Education
- Murray and Roberts (Funder)
- JET Board (Funder)
- South African Democratic Teachers' Union (SADTU) and National Professional Teachers' Organisation of South Africa (NAPTOSA)

The systemic model shown below underpins both projects.



Over five to seven years the projects will seek to demonstrate that this systemic model can lead to sustainable change and thereby make a meaningful impact on the delivery of quality education in rural settings. The lessons learnt while implementing the projects will be disseminated to stakeholders during the projects' course through publications such as journal articles, project newsletters and project review reports. Each component of the model follows a comprehensive intervention approach, starting with the establishment of frameworks and the development of measures by which the beneficiaries will be held accountable. This is a consultative and inclusive process that requires buy-in from all concerned, after which the project move towards support, capacity building and resourcing. The model assumes that if the former components are done well, there will be a greater chance that the training and resourcing will be successfully implemented and utilised.

development  
focus  
partnerships  
delivery



The projects are at different stages of delivery. The Centres of Excellence Project has been in operation for 14 months, while the North West Project (Bojanala) was launched in mid-2009.

# Education Development Division (EDD) /cont.

The key achievements of both projects during 2009 are as follows:

| COEP (34 schools)  | North West (Bojanala) (29 schools)  |
|--|---|
| On-site school development facilitator appointed in mid-2009   | Baseline Study completed in May 2009  |
| IT systems operational in district office  | On-site school development facilitator appointed end 2009                                   |
| District officials equipped with tools and training to support and monitor schools                           | Visits to schools by district officials to support enhanced planning and organisation       |
| District officials undertook school profiling of all project schools   | Visits to schools by curriculum advisors to support educators to improve classroom practice |
| Formation of Mthawelanga Education Improvement Committee and a range of community pilot projects implemented | Completion of the first teachers' reading club and first literacy camp                      |

The North West Project introduced two innovative mechanisms to stimulate reading amongst teachers and literacy skills amongst learners.

## THE TEACHERS' READING CLUB

Moses Kotane West Teachers' Book Club was launched in Thathlganyane village at Batleng High School on Saturday, 7 November 2009. Initially the plan was to pilot the project with three clubs of ten teachers each, as well as a JET member to facilitate each club's discussions. However, since there were teachers from another five villages, the original plan had to be adapted to include them as well.

Consequently the project now consists of 2 clubs:

- Mokowe (16 teachers from various villages)
- Kabelo (14 teachers from various villages)

Each club has its own coordinator and has to read the following books:

- *Tuesdays with Morrie*
- *No. 1 Ladies Detective Agency*
- *Q&A*

Each member was also given a reading log in which to capture their reading experiences as they explored each story.

## THE LITERACY CAMP

The Re ya Phuthana Literacy camp intervention targeted Grade 7 and Grade 10 learners who under-performed in the baseline reading tests. Three Grade 7 and three Grade 10 teachers were trained to facilitate the activities. Literacy camps have been used in many countries (India, Canada and America) and in most cases, for the benefit of children at risk. It is understood that there are many factors which might inhibit children's progress in school. In the Moses Kotane area, poverty, a lack of reading resources and having to learn in a second language add to their challenges.

The rationale behind the literacy camp is to put at-risk children into an environment where they have access to reading, writing, story-telling, drama, poetry and art as fun, creative and inspirational ways to motivate them and to foster a love for reading and writing in English. This environment encourages optimal learning and results in learners' anxiety about English being minimised.

The camp was conducted in December 2009.

Books to the value of R4453.25 were donated by Red Pepper Books.

facilitate  
literacy  
inspirational  
innovative



The key success of both the COEP and the North West projects is the strong relationship that has been forged between JET and the district offices concerned. The appointment of on-site facilitators to work from within the district offices provides the basis for consolidating and advancing this relationship.

During 2010, the focus of both projects is to further intensify support to the district officials, ensuring that the support and monitoring of schools and teachers are firmly entrenched. The development of community charters and community projects will be a priority area for 2010 as JET seeks to refine this critical aspect of the model.

The schools will participate in three key interventions: a language in education seminar, ongoing multi-grade teaching support and monitoring and development of teachers' content knowledge in mathematics and English first additional language.

#### **BEYERS NAUDE SCHOOL DEVELOPMENT PROGRAMME**

The Beyers Naude School Development Programme (BNSDP) seeks to address the poor quality of education in previously disadvantaged school communities, particularly those in rural areas. The BNSDP aims to achieve the following objectives:

1. To turn rural schools into centres of learning and excellence by creating conducive learning and teaching environments through improved curriculum implementation; and
2. To ensure that learners develop a sense of responsibility towards their education and strive towards reaching their full potential through the implementation of a youth leadership, sports and cultural programme.

JET was contracted by Kagiso Trust to work in ten secondary schools in the Thabo Mofutsanyana district in the Free State province.

Activities during 2009 included:

- School Management Teams and Heads of Departments were trained in curriculum management. This was followed by school visits to assist with the implementation of the monitoring tools.
- Curriculum trainers were assigned to the schools to assist teachers in mathematics, physical science and English first language. The trainers conducted workshops for teachers on various topics and carried out structured school and classroom visits.
- District Steering Committee meetings were held and, where possible, district officials

partnered with project officers to conduct school visits and training workshops.

#### **GAUTENG EDUCATION DEVELOPMENT TRUST**

As part of its strategic management thrust, the Trustees of the Gauteng Education Development Trust (GEDT) decided that, in line with its primary objective to support the development of education in the province, the Trust would also identify and implement creative and innovative projects that could make a real difference in improving the quality of schooling in the public education system.

In this regard, a call for proposals was circulated to a closed list of service providers to submit proposals for the 'Development and Support of a Maths and Science online Support Network'. After a rigorous selection process, two service providers were selected and contracted to implement the project in selected Gauteng schools. The project will be piloted over a period of three years.

JET continued to provide administrative support to the Trust in 2009. In addition, the GEDT also decided to contract JET to provide strategic management and support services to the Trust. The functions of the additional role are:

- To provide support to the Board of Trustees;
- To identify suitable projects, review proposals and tenders, and facilitate the decision-making processes of the Board; and
- To attend to decisions of the Board's executive between quarterly Board meetings.

JET will also endeavour to strengthen the GEDT's relationship with the Gauteng Department of Education, its other funding partners, service providers and stakeholders.

#### **FET NATIONAL CURRICULUM STATEMENT IMPLEMENTATION**

During 2009, JET and the Centre for Evaluation and Assessment at the University of Pretoria implemented a study to track the implementation of the Further Education and Training (FET) Mathematics and Physical Science National Curriculum Statements (NCS) in Gauteng schools. The project aimed to provide data to inform decision-making and action plans for policy development, implementation support and educator training for the FET band in schools. The project measured teachers' understanding and application of the NCS and learner performance. On the basis of this, the study identified areas in which support and intervention was needed to enhance delivery of the NCS. The project is due to be completed in March 2010.

# Education Development Division (EDD) /cont.

## ZENEX GAUTENG SCHOOLS OF EXCELLENCE PROJECT

The Zenex Gauteng Schools of Excellence Project (launched in 2008) works in 20 schools in Gauteng. JET provided overall project management with interventions being delivered by a group of independent service providers:

- The Matthew Goniwe School of Leadership and Governance provides support in school management and curriculum implementation to both primary and high schools.
- The READ Educational Trust provides support in literacy and language to both primary and high schools.
- The Sci-bono Discovery Centre provides support in science and mathematics to high schools.
- The SUPEDI Trust provides support in numeracy and mathematics to primary schools, and
- Tsebo Education Network provides direct support in science and mathematics to secondary school learners.

2009 saw the introduction of the learner interventions. Learners with potential (40%–60% performance levels) participated in Saturday, winter and spring camps where they received further intensive teaching in English, mathematics and science.

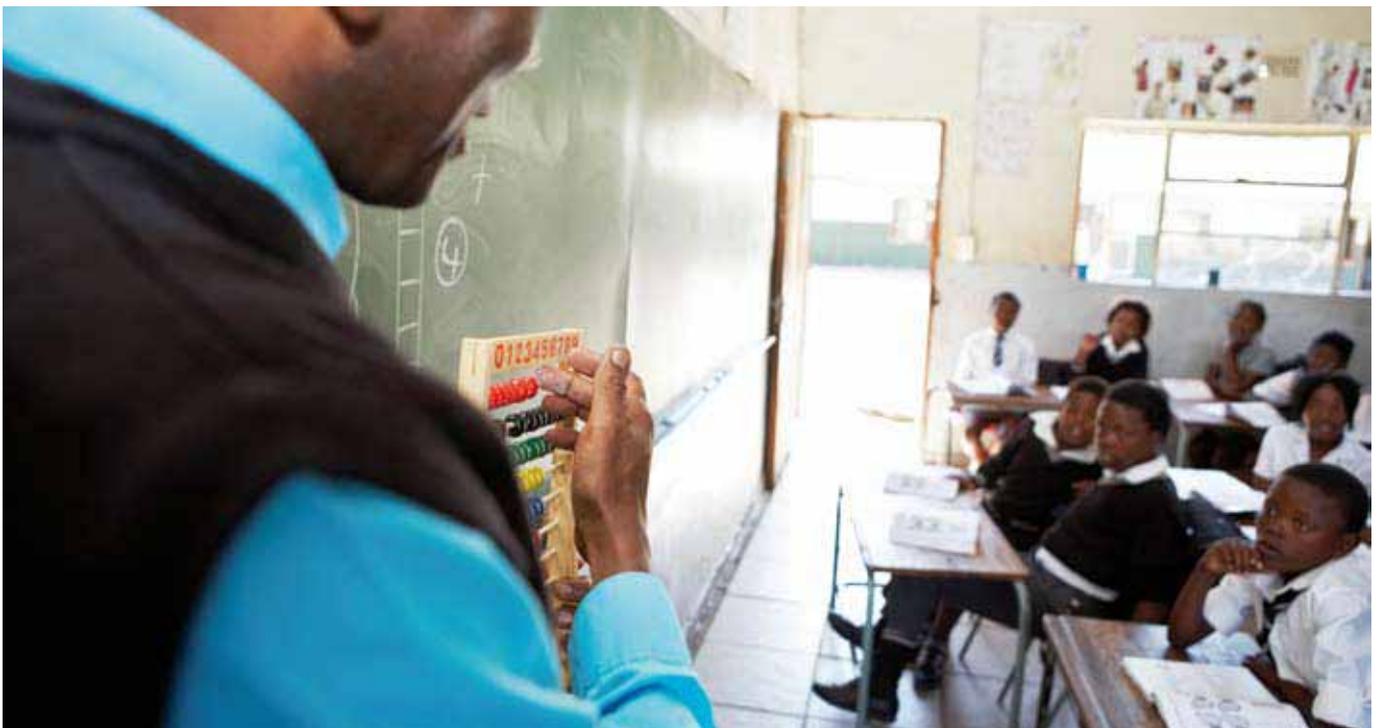
## UMSOBOMVU YOUTH FUND THUSONG SERVICE CENTRES PROJECT

In October 2008, JET was contracted to assist with the training of 150 youths in nine provinces to acquire skills and competencies that will enable them to operate as General Services Counter Consultants in the Thusong Service Centres in 72 designated municipalities.

Youths were selected from the targeted municipalities and underwent training which focused on strategies for public service delivery, the use of ICT to access and disseminate information, and work ethics to prepare them for the world of work. Thereafter the participants were placed in the Thusong Centres under the mentorship of the Centre Managers.

JET was responsible for administering the stipends and monitoring progress of the youth in the centres through monthly reports to the project office. Additionally, JET visited the centres to interview and offer advice on career pathing to the participants.

The Thusong Service Centres Project proved to be an effective model of skills development and the engagement of youth in meaningful community work. The participating youth liked the project; 89% completed the training and 50%



# improve evaluation results



of those were retained by the municipalities. This model warrants replication in more municipalities and provincial government departments. The project ended on 28 February 2010.

## KHANYISA EDUCATION SUPPORT PROGRAMME

JET completed the implementation of the Khanyisa Education Programme on a high note last year. The funder, the United Kingdom's Department for International Development (DFID) and its partners, Irish Aid and the Limpopo Department of Education, hailed the programme as very successful. DFID, who funds similar projects in developing countries around the world, stated that they had not seen many projects as successful as Khanyisa. The evaluators observed that *'the Khanyisa programme has been instrumental in developing a culture of informed decision making and accountability to agreed standards which is evident throughout the tiers of education administration through to the level of the school ... Khanyisa developed instruments and frameworks and a growing database of learning outcomes data [which] provides a sound basis for continued school focused systemic reforms.'*

The review team gave the programme a score of 1.6, on a scale of 1 to 5, where 1 means the objective is *'likely to be completely achieved'* and 5 means *'unlikely to be achieved'*. As shown in the table, the three Khanyisa output areas

to come. In the space of the two years within which learners were pre- and post-tested, learner performance in maths in the project schools improved by about 5%. Achievement in literacy unfortunately stagnated. In both maths and literacy assessments, learners from project schools performed better than learners from control schools in Grades 3 and 6, again by margins of about 5%.

The assessment results show that most schools benefited significantly from the Khanyisa Programme – 59% of the project schools achieved score gains of between 5% and 42% over the two-year period.

It must be noted that while the evaluations were only carried out in 200 schools, a total of 857 schools took part in the Khanyisa Programme and many more schools benefited indirectly through the strategies, tools and materials that were developed by the programme.

Mrs Onica Dederen, DDG: Curriculum Policy and Implementation in the Limpopo Department of Education summed up Khanyisa's accomplishment: *'The Khanyisa programme was very valuable. The evidence-led approach that underlined the programme showed us where the gaps are in the system, and the resultant school transformation model continues to serve as the basis for all the school improvement work in our province.'*

| Strategic output  | Weighting | Score |
|---|-----------|-------|
| Output area 1: Improved efficiency of the provincial education department                                     | 25%       | 1.30  |
| Output area 2: Better learning outcomes and life opportunities for learners                                   | 60%       | 1.25  |
| Output area 3: FET Institutions responsive to the needs of industry, youth and the provincial growth strategy | 15%       | 2.20  |

1 More successful ← Moderately successful 3 → Less successful 5

were scored differently. They were allocated scores ranging between 1.3 and 2.2.

The school evaluations carried out at two points during the implementation of the programme – in 2005 and 2007 – corroborate the findings of the review team. The evaluations show that teacher and management practices in the project schools improved by wide margins. In one of the four target districts, more than 60% of the teachers changed their curriculum management practices for the better. The number of extended passages written by learners per year increased by an average of 54% across the four districts assessed. Similarly, the number of complex math exercises given to learners was found to have risen by 49%. These sorts of practices are highly likely to stay with the schools in the years

## LESSONS LEARNT

- Systemic, comprehensive interventions are effective and are likely to be more institutionalised than externally driven, piecemeal projects.
- Embedding project management in the education system is essential to the success of systemic interventions – it makes it easier for the departmental officials to inform and adopt project strategies.
- Continuous testing of programme design allows for ongoing refinements which are key to achieving programme goals.
- A combination of internal monitoring, technical evaluation and independent evaluation allows project leadership to identify problems in the design and implementation timeously.

# Education Evaluation and Research Division (EERD)

The Education Evaluation and Research Division (EERD) aims to provide cutting edge research, monitoring and evaluation services to direct and support the national education agenda and to find evidence-based solutions to current education problems.

The division strives to achieve the above through developing a research agenda that is focused on national strategic issues. It also intends extending its current focus on learner assessments to include assessment of teacher content knowledge and its effects on learning. Through this process it will be possible to account for the quality of classroom experience and the effects on learning of different schooling environments.

To ensure that the division remains on the cutting edge of research, it will disseminate its research outputs to peer-reviewed journals and other media. This will ensure that the division's research work is scrutinised by the wider research community, thereby strengthening its approaches, methods and the solutions it poses to educational problems. At the same time, the division will subject all its research, monitoring and evaluation reports to an internally constituted panel of experts for review. The intention is to continuously improve the quality of work performed by the division.

The monitoring and evaluation role of the division will continue to be highly scientific, using both qualitative and quantitative methods in evaluating projects. An additional service offered when required by clients will be project costing to evaluate the viability of increasing the scale of projects.

Three projects have been selected to highlight the depth and diverse nature of the work undertaken by the EERD. These projects include large-scale research and qualitative and quantitative project evaluations. The projects highlighted are:

- The National School Effectiveness Study funded by The Royal Netherlands Embassy;
- Improving Numeracy in Gauteng Schools, a partnership amongst JET, Bidvest and ORT South Africa; and
- The Apartheid Museum Teacher Training Project Evaluation from the perspective of an intern. (This project also serves to highlight JET's continued commitment to developing the next generation of researchers through our internship programme.)

## THE NATIONAL SCHOOL EFFECTIVENESS STUDY

The National School Effectiveness Study (NSES) is a unique research project in a number of ways. Firstly, the schools we chose to work in form a nationally representative sample. Therefore the findings from this study can be generalised to the school population as a whole. In other words, what happens in these schools is very likely happening in the large majority of schools in the country. Unlike small-scale studies which are able to drill down in order to understand the detailed mechanisms of institutional and individual behaviour, the findings from the NSES reflect broad-brush trends. By linking up with a number of other large- and small-scale studies being conducted by the Human Sciences Research Council, the Centre for Education Policy Development and the Project for Alternative Education in South Africa and others, we examined the workings of South African schools from both micro and macro perspectives. This partnership was generously funded by the Royal Netherlands Embassy for a period of five years.

A second unique feature of the NSES is the fact that it followed a cohort of pupils from Grade 3 in 2007, through Grade 4 in 2008 and Grade 5 in 2009. The project administered the same tests to these learners each year and also collected data on teacher knowledge, learner writing and curriculum management practices in the 300 sample schools (equivalent to around 15 000 learners).



One of the findings so far that stands out concerns teacher subject knowledge. We have known for some time now that many teachers across the country would fail the tests for which they are supposed to be preparing their pupils. The NSES adds to this understanding by showing that half the country's Grade 4 children are being taught by teachers who scored 40% or less in a very simple Grade 6 maths test. Unsurprisingly, children's results mirrored those of their teachers. However, there are other factors at work here, most notably poverty, which showed the same association. What is surprising about this result is the extent and depth of this very fundamental problem in our schools.

Another finding which stands out is that at least 40% of Grade 4 children did not write anything longer than a sentence during the course of the school year. Only about 6% wrote an extended passage at least once a term. Extended writing is of critical importance, not only in improving the literacy skills of learners, but in developing the higher cognitive functions. Learners should be undertaking at least one extended writing exercise per week, in every subject, in order to develop their descriptive, expressive and analytical faculties. 2010 will be spent analysing the data collected over the last three years and an extensive report will be finalised by year end. We will publish the findings in a book which will provide some answers for teachers who want to improve their practice.

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## ORT SOUTH AFRICA MATHS IMPROVEMENT PROJECT

In response to the current state of numeracy achievement in South Africa, ORT SA joined forces with the Gauteng Department of Education (GDE) and Bidvest in an effort to improve the levels of learner achievement in numeracy in the Foundation Phase in twelve primary schools in the Alexandra township, located in Gauteng. The ORT/Bidvest pilot project was managed by ORT SA in consultation with the GDE and funded by Bidvest. JET functioned as an external evaluator of the project. The project piloted materials from two numeracy programmes to determine their suitability in a South African context, namely:

- The Singapore programme;
- The South African OBE programme.

The project provided programme and learner books for every learner, a weekly two-hour training session for teachers and four support visits to each school per year. Six schools followed the Singapore programme and six schools the South African OBE programme.

JET Education Services was appointed in June 2008 as external evaluator of the project. The evaluation was conducted in three phases over three years:

- **2008:** Baseline and follow-up studies of Grade 1 numeracy teaching and learning.
- **2009:** Baseline and follow-up studies of Grade 2 numeracy teaching and learning.
- **2010:** Baseline and follow-up studies of Grade 3 numeracy teaching and learning.



## Education Evaluation and Research Division (EERD) /cont.

In the Grade 2 interim study (October 2009) the Singapore Programme group outperformed the South African programme group in both addition and subtraction. Furthermore, both groups showed positive gains in both addition and subtraction. However, the gains in the Singapore programme group were considerably bigger than in the South African programme group.

The number of concepts covered by both groups in the project improved from the baseline to the interim evaluation. The South African group covered more concepts than the Singapore group. However, the South African group only increased coverage by two concepts, whereas the number of concepts covered in the Singapore group increased by eight. Thus the Singapore group progressed to a large degree whilst the South African group only improved slightly.

From the baseline to the interim study, the average number of exercises completed by learners more than doubled. The Singapore group completed an average of just over 60 exercises more than the South African group. Thus, even though the South African group covered more concepts, it completed fewer exercises per concept, as well as fewer exercises in total. This might indicate that consolidation of concepts was better accomplished in the Singapore group.

In the interim evaluation, the use of multiple-step problems improved considerably in both groups, but almost five times more so in the Singapore group. The Singapore group fared better than the South African group in learner achievement. Thus, there might be an association between the number of multiple-step exercises



completed by learners and learner achievement in the test.

The average achievement of the teachers in the South African group increased by 7% to 68% and in the Singapore group by 3% to 57%. The 7% gain in the South African group was significant at the 95% level of confidence, whereas the 3% gain in the Singapore group was not. Thus, the achievement of the South African teachers in this subject knowledge test improved significantly, whereas it did not improve significantly in the Singapore group.

Even though the teachers in the Singapore group achieved a lower average score in the subject knowledge test than the teachers in the South African group, their learners achieved considerably better results. The teachers in this group received teaching and learning materials where the pedagogical content knowledge was embedded in the material through the provision of very explicit teaching steps. Since the South African material did not explicitly state teaching steps, the accessibility of concepts to learners

was dependent on the teachers' ability to transform their 'subject matter knowledge' to 'pedagogical content knowledge'. Thus, in the Singapore group, the better learner achievement in spite of the poor subject knowledge of the teachers might be related to the mediating role the materials played. It might also indicate that in programmes where the materials do not explicitly state teaching steps (e.g. the South African material), the teachers need additional support in transforming their own subject knowledge into knowledge that is accessible to learners.

The ORTSA Project provided JET with the exciting opportunity to closely examine and compare the impact of two vastly different sets of materials on learner achievement and teacher subject knowledge and to formulate hypotheses about factors that might contribute to gains in these areas. In addition, the project's findings highlighted the need for further research using a more controlled research design on the interaction between specific materials, learner achievement and teacher subject knowledge.



I was really impressed to see that teachers were being armed with the knowledge, skills and courage to deal with such highly emotive and sensitive topics.

skills  
workshops  
energy  
exercises

# Education Evaluation and Research Division (EERD) /cont.

## APARTHEID MUSEUM TEACHER TRAINING PROJECT EVALUATION

### Apartheid Museum workshop – intern's perspective

Following is an account written by Sarah Mitchell on her experience in the evaluation of the Apartheid Museum Teacher Training Project:

*I am currently a third year Wits student majoring in Sociology and French. Last year I participated in an academic programme offered by Wits called the 'International Human Rights Exchange' (IHRE). As part of this programme, I was given the opportunity to do an internship in a rights-based non-governmental organisation. Given a broad range of organisations to choose from, I decided to intern at JET. Given my deep love for learning, teaching and education, this was the ideal placement for me.*

*As part of my internship experience, I had the opportunity to work closely with Aneesha Mayet. I was extremely excited when Aneesha introduced me to the Apartheid Museum Project. I was really impressed to see that teachers were being armed with the knowledge, skills and courage to deal with such highly emotive and sensitive topics as apartheid and the holocaust. When Aneesha invited me to attend some of the workshop seminars, I jumped at the opportunity... and I was not disappointed!*

*I remember sitting outside the Apartheid Museum on the morning of the first day, waiting for the gates to open. Slowly, the teachers who were attending the workshops began to arrive. I took the opportunity to talk to some of them, as I was interested in finding out their attitudes towards the programme. With all the grumbling about the state of education in the country, I must admit that my expectations of the teachers were not high. However, I was pleasantly surprised to find that the teachers I spoke to were kind-hearted, intelligent, sincere people who were as eager to learn as they were to teach. Many of them felt ill-equipped when it came to the teaching of apartheid and genocide, and welcomed the opportunity to broaden their knowledge, skill and resource base on the subject.*

*When the workshops finally began, I sat quietly at the back – observing the faces of the attendees with as much attention as I was giving to the presentations themselves. While there appeared to be more and less popular workshop leaders, all of them appeared to have a clear area of knowledge and expertise and each one made their own valuable contribution. The subject matter was well-organised and interesting, and the workshop attendees appeared to engage in all the activities with zeal and vigour. However, as with school kids, energy and concentration tended to wane towards the end of the day as participants began to experience 'information overload'.*

*Overall, I got the impression that participants left the Museum each day in a tired but satisfied state. An important learning for many of the teachers seemed to be their change in perspective – particularly regarding apartheid. Many of the teachers said that previously they had only been able to talk about apartheid from a subjective, emotional perspective based on their own personal experiences. However, the workshops at the Apartheid Museum allowed them to see things from a more objective, factual perspective. I think that this was especially important since it would be a shame for resentful racial attitudes to be passed on to the next generation in place of a sound historical understanding of South Africa's past.*

*I was very glad that I was able to attend many of the workshop sessions. I enjoyed them all thoroughly and I learnt a great deal – particularly about the apartheid era. Working on the Apartheid Museum Project also gave me useful insights that enriched my knowledge and understanding from a human rights perspective. It was a very beneficial experience for me personally and I believe it was even more beneficial for the many teachers who attended these workshops. I hope that the Apartheid Museum, the Department of Education and JET will continue in this valuable collaborative project in the future.*

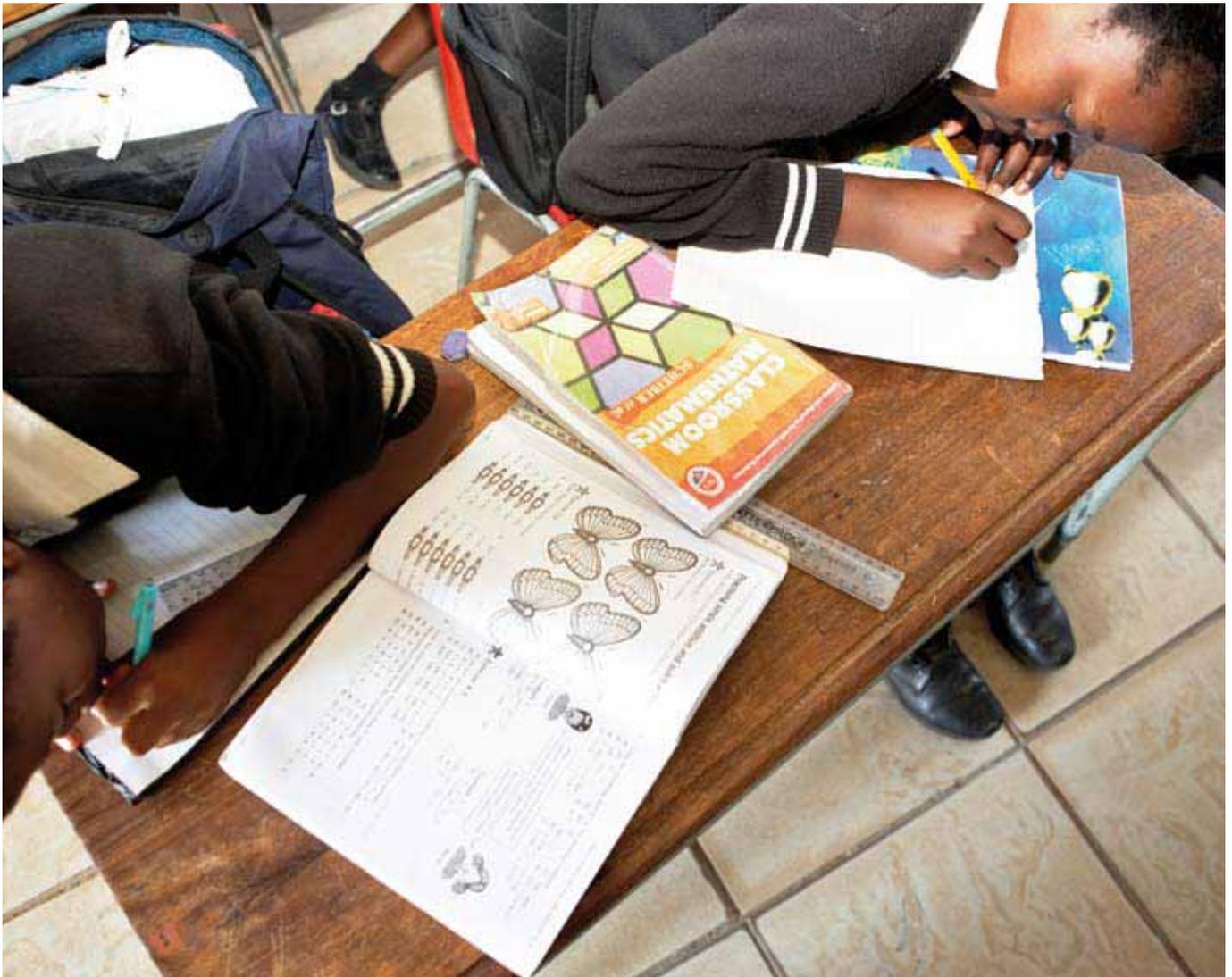
Sarah Jane Mitchell  
Wits University Student  
1 March 2010

## LESSONS LEARNT

The division has learnt valuable lessons from the projects discussed which we will carry forward into our future work. These include:

- Longitudinal studies are an important tool in analysing learner knowledge gains. The studies might be expensive in financial and human resource terms but they provide invaluable data for analysing factors such as schools, class and teachers which have an impact on learner knowledge gains. They provide information which cross-sectional analysis is unable to provide and they deal effectively with statistical biases. The richness of the data makes it possible to isolate and analyse the specific inputs to education, for example, the impact of teacher knowledge on learner achievement.
- Teacher knowledge remains one of the most significant hurdles that the education system still has to overcome before we realise quality education for all. The ORT study shows how the use of textbooks can provide a short-term solution to improving teacher knowledge and helping teachers mediate their knowledge more effectively. Teachers with limited knowledge require good prescriptive textbooks. These make it possible for even limited knowledge to be well mediated. On the other hand, teachers without prescriptive textbooks require more support to enable them to teach effectively.
- Learners need to write more in order to increase their level of literacy and the quality of writing done is as important as the quantity. Learners in schools that do not use extended writing intensely will lag behind in their levels of literacy.
- Teacher training projects that expose teachers to different views on a subject help teachers to teach more effectively by enabling them to move away from emotional involvement in a topic and providing a space in which they can see the subject more objectively. In this way, even difficult subjects such as the history of apartheid can be successfully taught and brought to life for learners.
- Finally, the projects highlight the importance of collaborating with other organisations in research, through which process our research is enriched.

The richness of the data makes it possible to isolate and analyse the specific inputs to education.



# Corporate Governance

In line with the King Report III 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; and
- Overseeing the maintenance of systems of internal control and risk management.

In 2009, the Board consisted of three executive directors and ten non-executive directors, one of whom is the Chair of the Board. See details in the Directors' report on page 28.

The Board meets quarterly and monitors the Company and the executive management through a structured approach to reporting and accountability.

## 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 and Audit 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 donor funds are utilised as per donors' guidelines;
- Reviewing business plans and budgets; and
- Monitoring risk management policies.

The Board is responsible for a range of key decisions and ensures that the organisation adheres to proper policies and strategies.





The company takes particular care to ensure that it acts ethically as it handles large amounts of donor funds intended to benefit vulnerable groups in society.

### REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations 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; and
- Acting as Nomination Committee for Board appointments.

### 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.

The Company recognises and endeavours to manage the following areas of risk:

- **Donor fund management**  
Loss resulting from inadequate or failed internal processes to utilise donor funds for intended purposes. The management of this risk is inherent in the day-to-day execution of duties of the Company management.

- **Human resources**  
Succession issues, loss of key staff, attracting and retaining specialist staff.
- **Client concentration**  
The risk of being dependent on a few large clients. This is mitigated by diversifying the client base.
- **Reputational risk**  
The Company protects its reputation by ensuring that it complies with appropriate standards of behaviour in terms of governance, financial controls and ethical conduct.

Additional risks managed in the day-to-day operations of the Company include: liquidity risk, operational risk and compliance risk.

### CODE OF ETHICS

The Company 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.

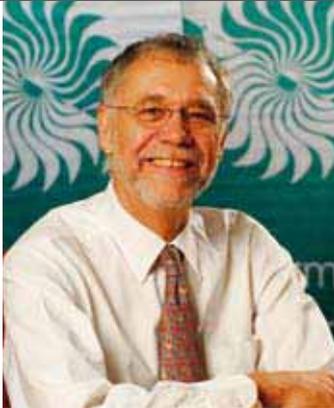
funds  
process  
society  
resources



# Reflections of a former CEO

25

Nick Taylor



In many schools, districts and even provinces we are seeing a renewed dedication to efficiency.

Since being established in 1993, JET has had only three CEOs. Professor Chabane Manganyi was in office for a just a year before being appointed as the first Director-General of the Department of Education and Godwin Khosa has not yet passed his half-year initiation period. So, does JET fit the picture of an NGO whose identity is so closely tied to that of its head that it won't survive the retirement of the chief? I believe not. While we continue to suffer the consequences of South Africa's acute skills shortage, JET has built considerable capacity over the years to ensure continued leadership at many levels within the organisation. The fact that my successor has been with JET for eight years says a lot for the continuity of the organisation's institutional memory and leadership.

Besides Chabane Manganyi, JET has had many distinguished alumni over our proud 17 year history: Mashwahle Diphofa, Penny Vinjevold, Rahmat Omar, Kholofelo Sedibe, Graeme Bloch – the list goes on. It is significant that however high former JET employees have risen in government (and the examples show just how far they continue to progress), none of them has risen on a political track, but rather through the ranks of the public service and organs of civil society. This reflects JET's commitment to a society driven by professional expertise in service of the poor.

One could make a case for characterising the first ten years of our country's democracy as being occupied to a considerable extent with finding new terms for speaking about schooling, reflecting new ways of imagining how to educate the next generation. Thus we tried to replace 'teacher' with 'education and training development practitioner (ETDP)'. Fortunately that one didn't fly, but we have pretty much succeeded in replacing 'school subject' with 'learning programme' and in using 'learning and teaching support materials (LTSM)' instead of 'textbooks and stationery'. Thankfully we are beginning to understand that the most important resource is a capable teacher who keeps up with her subject through daily study and knows that the most important classroom activity is reading and writing by every child, every day, in all subjects.

Well, if the first decade since 1994 was about finding new meanings for schooling, we can characterise the last five years as being a time in which we have grown increasingly impatient

with our own inability to translate the terms of our discourse into action. Something has to give soon to shock us out of our paralysis of anger at the past and dependence on someone else to 'develop us'. As more fires break out in more of the country's townships, it is starting to dawn on us that a weak school system is the root cause of inefficiencies in our organs of service provision.

Some commentators are hoping that if we give parents more information about their children's learning, they too might rise up and jolt teachers and the managers of schools and districts into more effective teaching and learning. Experience elsewhere tells us not to expect too much from this strategy. Getting parents more involved in the workings of their children's schools is certainly a good thing. However, parent action cannot make up for failures by government to enforce the fundamental terms of the service contracts of its employees and so teachers continue to strike illegally without punishment. And parent power will not wipe out the demoralisation throughout the system caused by nepotism and corruption which government seems reluctant to stop. We must understand that we will not succeed in building a society based on expertise and fairness if we continue to allow favouritism to be the fastest route to riches and status in both the public and private spheres.

To end on an optimistic note, I do see a tipping point being reached in segments of our country. In many schools, districts and even provinces we are seeing a renewed dedication to efficiency and rooting out mediocrity. The truth is beginning to dawn that there is no omnipotent father who is going to make it all better: we're going to have to do this ourselves, brick by brick. And to come back to my starting point, the greatest contribution which non-profit organisations like JET can make is to continue to build our skills and to offer services of the highest quality. In particular, we need to strengthen our understanding and technical capacity in the areas of research design, statistical analysis, psychometrics and project management. It is through improved knowledge about teaching and learning that we can contribute most to building a healthy nation. I believe that JET has achieved a lot since it was founded in 1993, but I'm sure that the best is yet to come. And the secret to the future is, as for the country at large, improved knowledge and skills.

learning  
programme  
skills  
development

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## 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 judgements 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

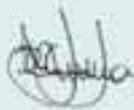
to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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 2010 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 27.

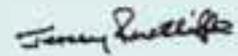
The annual financial statements set out on pages 26 to 38 which have been prepared on the going concern basis, were approved by the Board of Directors on 25 March 2010 and were signed on its behalf by:



Alec Ngwenyama  
Chief Financial Officer



Godwin Khosa  
Chief Executive Officer



Jeremy Ractliffe  
Chairman

Johannesburg  
25 March 2010

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## INDEPENDENT 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 statement of financial position at 31 December 2009, the statement of comprehensive income, the statement of changes in equity and statement of cashflows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 38.

### 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.

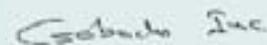
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 2009, and of 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  
Registered Auditors  
Per Denas Hansjee  
Director

Johannesburg  
25 March 2010

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## DIRECTORS' REPORT

31 December 2009

The Directors present their annual report, which forms part of the audited annual financial statements of the company for the year ended 31 December 2009.

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;
- Provide entrepreneurial education and training for young people and adults;
- Develop schools as institutions;
- Train and develop school personnel;
- Institutionalise 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; and
- Provide 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; and
- Performing project management, project planning and facilitation, evaluation and 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.

The company recorded a deficit for the year of R1 447 337 before interest of R4 045 896. The detailed figures are reflected in the attached annual financial statements.

The directors increased the funds put aside to carry out projects in line with the company's mandate by R24 162 969. The total of these funds now stands at R33 131 293. In the past year, the company used R2 592 243 of its own funds for activities in education of which R1 172 166 was for use of internal resources. The fund, which is under the control of the directors, is available for projects in education carried out by JET alone or in partnership with any other organisations that work on the improvement of education in South Africa. Detailed information is reflected under the accounting policies and notes in the attached annual financial statements.

The financial results are set out on pages 30 to 38.

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## 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.

## 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 2009 and 2010 business plans and recommending that the Board approve them;
- Meeting external auditors, reviewing and approving their annual audit plans and fees; and
- 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; and
- Reviewing the Performance Management System.

## Directors

The directors of the company are:

### Non-Executive

Mr Jeremy Ractliffe (*Chairman*)<sup>†\*</sup>  
Prof Brian Figaji  
Prof Nqabomzi Gawe  
Mr Nathan Johnstone  
Ms Marianne MacRobert  
Mr Nigel Matthews\*  
Ms Angelina Phaliso\*  
Mr Mike Rosholt<sup>†</sup>  
Dr John Volmink (*appointed 25 August 2009*)  
Mr Jim Wotherspoon<sup>†</sup>

### Executive

Mr Godwin Khosa (*Appointed CEO 1 October 2009*)  
Dr Nick Taylor (*Resigned 30 September 2009 as CEO*)  
Mr Deon Smith – (*Finance Director, resigned 28 February 2010*)

<sup>†</sup> member of Finance and Audit Committee

\* member of Remuneration and Nominations Committee

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2009

|  | Notes | 2009<br>R         | 2008<br>R         |
|--|-------|-------------------|-------------------|
| <b>ASSETS</b>                          |       |                   |                   |
| <b>Property, plant &amp; equipment</b> | 2     | 136 076           | 255 979           |
| <b>Current assets</b>                  |       | <b>65 917 055</b> | <b>66 154 038</b> |
| Accounts receivables                   | 3     | 13 638 759        | 9 499 863         |
| Cash and cash equivalents              | 4     | 52 278 296        | 56 654 175        |
| <b>Total Assets</b>                    |       | <b>66 053 131</b> | <b>66 410 017</b> |
| <b>EQUITY &amp; LIABILITIES</b>        |       |                   |                   |
| <b>Reserves</b>                        | 5     | <b>52 966 728</b> | <b>50 368 169</b> |
| Other reserves                         |       | —                 | 14 162 949        |
| Reserves designated for projects       | 6     | 33 131 293        | 11 560 587        |
| Accumulated funds                      |       | 19 835 435        | 24 644 633        |
| <b>Current Liabilities</b>             |       | <b>13 086 403</b> | <b>16 041 848</b> |
| Donor funds designated for projects    | 7     | 6 005 406         | 9 339 168         |
| Accounts payable                       | 8     | 5 096 559         | 5 269 953         |
| Provisions                             | 9     | 1 984 438         | 1 432 727         |
| <b>Total equity and liabilities</b>    |       | <b>66 053 131</b> | <b>66 410 017</b> |

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2009

|  | Notes | 2009<br>R          | 2008<br>R         |
|--|-------|--------------------|-------------------|
| <b>INCOME</b>                                |       | <b>42 303 546</b>  | <b>45 667 814</b> |
| Funds received                               |       | —                  | 967 294           |
| Recoveries                                   |       | 16 046 945         | 16 600 046        |
| Other income                                 | 12    | 1 692 000          | 102 000           |
| Donor funds for designated projects received | 7     | 24 564 601         | 27 998 474        |
| Unutilised prior year funds                  |       | 9 339 168          | 11 143 426        |
| Funds received during the year               |       | 21 230 839         | 27 560 059        |
| Funds refunded                               |       | —                  | (1 365 843)       |
| Unutilised funds carried to next year        |       | (6 005 406)        | (9 339 168)       |
| <b>EXPENDITURE</b>                           |       | <b>43 750 883</b>  | <b>46 373 115</b> |
| Audit fees                                   |       | 134 001            | 128 000           |
| Bad debts                                    |       | 780 770            | 692 931           |
| Project management                           |       | —                  | 953 706           |
| Internal project costs                       | 14    | 1 420 077          | 1 297 238         |
| Administration                               |       | 16 851 435         | 15 302 766        |
| Donor funds for designated projects utilised | 7     | 24 564 601         | 27 998 474        |
| <b>(Deficit)/surplus before interest</b>     |       | <b>(1 447 337)</b> | <b>(705 301)</b>  |
| Interest received                            |       | 4 045 896          | 5 314 660         |
| <b>Surplus for the year</b>                  | 13    | <b>2 598 559</b>   | <b>4 609 359</b>  |
| Other comprehensive income                   |       | —                  | —                 |
| <b>Total comprehensive surplus</b>           |       | <b>2 598 559</b>   | <b>4 609 359</b>  |

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## STATEMENT OF CASH FLOWS

for the year ended 31 December 2009

|   | Notes | 2009<br>R          | 2008<br>R         |
|---|-------|--------------------|-------------------|
| <b>Cash generated from operating activities</b>                   |       |                    |                   |
| Cash receipts from recoveries                                     |       | 38 164 650         | 51 441 498        |
| Cash paid to suppliers and employees                              |       | (46 518 999)       | (50 741 383)      |
| Cash (utilised)/generated from operations                         | 14    | (8 354 350)        | 700 115           |
| Interest income   |       | 4 045 896          | 5 314 660         |
| <b>Net cash from operating activities</b>                         |       | <b>(4 308 454)</b> | <b>6 014 775</b>  |
| <b>Cash flows from investing activities</b>                       |       |                    |                   |
| Proceeds from disposal of assets                                  |       | —                  | 25 481            |
| Acquisition of property and equipment                             | 2     | (67 426)           | (77 355)          |
| <b>Net (decrease)/increase in cash and other cash equivalents</b> |       | <b>(4 375 880)</b> | <b>5 962 901</b>  |
| Cash and cash equivalents at the beginning of the year            |       | 56 654 175         | 50 691 274        |
| <b>Cash and cash equivalents at the end of the year</b>           |       | <b>52 278 295</b>  | <b>56 654 175</b> |

## STATEMENT OF CHANGES IN FUNDS

for the year ended 31 December 2009

|                                    | Notes | JET<br>designated<br>funds<br>R | Special<br>funds<br>R | Specific<br>funds<br>R | General<br>funds<br>R | Accumulated<br>funds<br>R | Total<br>R        |
|------------------------------------|-------|---------------------------------|-----------------------|------------------------|-----------------------|---------------------------|-------------------|
| Balance at 1 January 2008          |       | 12 463 754                      | 5 846 186             | 4 000 000              | 4 316 763             | 17 766 371                | <b>44 393 074</b> |
| Funds used for JET projects        |       | (2 492 341)                     | —                     | —                      | —                     | 2 492 341                 | —                 |
| Funds transferred in/(refunded)    |       | 1 589 174                       | —                     | —                      | —                     | (223 438)                 | <b>1 365 736</b>  |
| Surplus for the year               |       | —                               | —                     | —                      | —                     | 4 609 359                 | <b>4 609 359</b>  |
| Balance at 1 January 2009          |       | 11 560 587                      | 5 846 186             | 4 000 000              | 4 316 763             | 24 644 633                | <b>50 368 169</b> |
| Funds used for JET projects        | 14    | (2 592 243)                     | —                     | —                      | —                     | 2 592 243                 | —                 |
| Funds transferred in/(out)         | 5     | 24 162 949                      | (5 846 186)           | (4 000 000)            | (4 316 763)           | (10 000 000)              | —                 |
| Surplus for the year               |       | —                               | —                     | —                      | —                     | 2 598 559                 | <b>2 598 559</b>  |
| <b>Balance at 31 December 2009</b> |       | <b>33 131 293</b>               | <b>—</b>              | <b>—</b>               | <b>—</b>              | <b>19 835 435</b>         | <b>52 966 728</b> |

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 1. 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.

#### 1.1 Income recognition

Income comprises the fair value of the consideration received or receivable and is accounted for as and when received.

Project Funds received are 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.

#### 1.2 Project accounting and expense allocation

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

#### 1.3 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.

#### 1.4 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.

#### 1.5 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.

#### 1.6 Operating leases

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

#### 1.7 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.

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 2. PROPERTY, PLANT AND EQUIPMENT

|  | Computer<br>equipment | Furniture<br>and fittings | Total          |
|--|-----------------------|---------------------------|----------------|
| Cost                                       | 1 206 843             | 633 786                   | 1 840 629      |
| Accumulated depreciation                   | (1 019 056)           | (565 594)                 | (1 584 650)    |
| <b>Carrying amount at 31 December 2008</b> | <b>187 787</b>        | <b>68 192</b>             | <b>255 979</b> |
| Cost                                       | 1 115 136             | 557 787                   | 1 672 923      |
| Accumulated depreciation                   | (1 026 705)           | (510 142)                 | (1 536 847)    |
| <b>Carrying amount at 31 December 2009</b> | <b>88 431</b>         | <b>47 645</b>             | <b>136 076</b> |
| Reconciliation of assets                   |                       |                           |                |
| Carrying amount at 1 January 2008          | 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 1 January 2009          | <b>187 787</b>        | <b>68 192</b>             | <b>255 979</b> |
| Additions                                  | 37 024                | 30 402                    | 67 426         |
| Depreciation                               | (136 380)             | (50 619)                  | (186 999)      |
| Disposals – cost                           | (128 731)             | (106 400)                 | (235 131)      |
| Disposals – depreciation                   | 128 731               | 106 070                   | 234 801        |
| <b>Carrying amount at 31 December 2009</b> | <b>88 431</b>         | <b>47 645</b>             | <b>136 076</b> |

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 3. ACCOUNTS RECEIVABLE

|                                   | 2009<br>R         | 2008<br>R        |
|-----------------------------------|-------------------|------------------|
| Trade receivables                 | 10 731 329        | 6 284 948        |
| VAT                               | 11 497            | 924 794          |
| Interest receivable               | 255 855           | 990 221          |
| Other receivables                 | 915 241           | 1 005 623        |
| Amounts due to projects           | 1 724 837         | 294 277          |
| Mveledzandivo – Billiton Project  | –                 | 336              |
| Khanyisa Project                  | –                 | 39 082           |
| Cofimvaba – Centres of Excellence | 16 803            | 254 859          |
| Zenex                             | 334               | –                |
| Umsobomvu Youth Fund              | 1 600 926         | –                |
| Murray and Roberts                | 106 774           | –                |
|                                   | <b>13 638 759</b> | <b>9 499 863</b> |

### 4. CASH AND CASH EQUIVALENTS

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| Short term deposits | 45 010 205        | 46 799 183        |
| Cash at bank        | 7 266 091         | 9 852 992         |
| Petty cash          | 2 000             | 2 000             |
|                     | <b>52 278 296</b> | <b>56 654 175</b> |

### 5. RESERVES/ACCUMULATED FUNDS

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| Reserves                         | –                 | <b>14 162 949</b> |
| Special fund                     | –                 | 5 846 186         |
| Specific reserves                | –                 | 4 000 000         |
| General fund                     | –                 | 4 316 763         |
| Reserves designated for projects | 33 131 293        | 11 560 587        |
| Accumulated Funds                | 19 835 435        | 24 644 633        |
|                                  | <b>52 966 728</b> | <b>50 368 169</b> |

The directors have transferred specific reserves of R14 162 949 together with R10 000 000 from accumulated funds to reserves designated for projects. These reserves will remain under the control of the directors and are to be used to finance internally generated as well as jointly financed projects.

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 6. RESERVES DESIGNATED FOR PROJECTS

|                                       | 2009<br>R         | 2008<br>R         |
|---------------------------------------|-------------------|-------------------|
| Unutilised prior year funds           | 11 560 587        | 12 463 754        |
| Funds transferred from other reserves | 24 162 949        | 1 589 174         |
| Total available designated funds      | 35 723 536        | 14 052 928        |
| Expenditure                           | (2 592 243)       | (2 492 341)       |
|                                       | <b>33 131 293</b> | <b>11 560 587</b> |

The funds of R33 million are under the control of the directors for use in JET's own projects and/or in projects funded jointly with partners whose projects are in line with the mandate of JET. These projects are sanctioned by the board.

### 7. DONOR FUNDS DESIGNATED FOR PROJECTS

|   |                  |                  |
|---|------------------|------------------|
| Unutilised prior year funds   | 9 339 168        | 11 143 426       |
| Funds received during the year  | 20 710 864       | 26 693 457       |
| Interest received   | 519 975          | 866 602          |
| Total designated projects funds available                               | 30 570 007       | 38 703 485       |
| Expenditure   | 24 564 601       | 27 998 474       |
| Refund to donors  | –                | 1 365 843        |
| <b>Total funds designated for projects carried forward to next year</b> | <b>6 005 406</b> | <b>9 339 168</b> |

### 8. ACCOUNTS PAYABLE

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Trade payables                    | 1 370 796        | 4 417 244        |
| Other payables                    | 910 859          | 649 813          |
| Amounts owed by projects          | 2 814 904        | 202 896          |
| Mveledzandivo – Billiton Project  | –                | 26 407           |
| Khanyisa Project                  | 722 307          | 148 678          |
| Cofimvaba – Centres of Excellence | 34 708           | 302              |
| Umsobomvu Youth Fund              | 1 661 407        | 27 509           |
| Zenex                             | 391 256          | –                |
| Murray and Roberts                | 5 226            | –                |
|                                   | <b>5 096 559</b> | <b>5 269 953</b> |

# Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 9. PROVISIONS

|                                     | Retrenchment   | Leave          | Incentive awards | Total            |
|-------------------------------------|----------------|----------------|------------------|------------------|
| Balance at 1 January 2008           | –              | 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 at 1 January 2009   | –              | 583 542        | 849 185          | 1 432 727        |
| Charged to the income statement     | 621 900        | 185 357        | 390 974          | 1 198 231        |
| Adjusted/(utilised)                 | –              | 1 738          | (648 258)        | (646 520)        |
| Closing balance at 31 December 2009 | <b>621 900</b> | <b>770 637</b> | <b>591 901</b>   | <b>1 984 438</b> |

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

### 10. 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.

### 11. CONTINGENT LIABILITIES

The guarantees are in respect of the leased premises occupied by the company. The guarantees commenced on 1 January 2010 and expire on 31 March 2015.

### 12. OTHER INCOME

Income on finalisation of major contracts

### 13. NET SURPLUS

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

#### 13.1 Income

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Interest income                     | 4 045 896 | 5 314 660 |
| (Loss)/profit on disposal of assets | (330)     | 16 972    |

#### 13.2 Expenses

|                           |            |            |
|---------------------------|------------|------------|
| Depreciation              | 186 999    | 142 309    |
| Lease expenses – premises | 1 149 911  | 1 144 974  |
| Staff costs               | 12 768 510 | 11 997 424 |
| Retrenchment costs        | 621 900    | –          |
| Bad debt                  | 780 770    | 692 931    |

|  | 2009<br>R | 2008<br>R |
|--|-----------|-----------|
|  | 242 280   | 57 000    |
|  | 1 692 000 | 102 000   |

# Annual Financial Statements

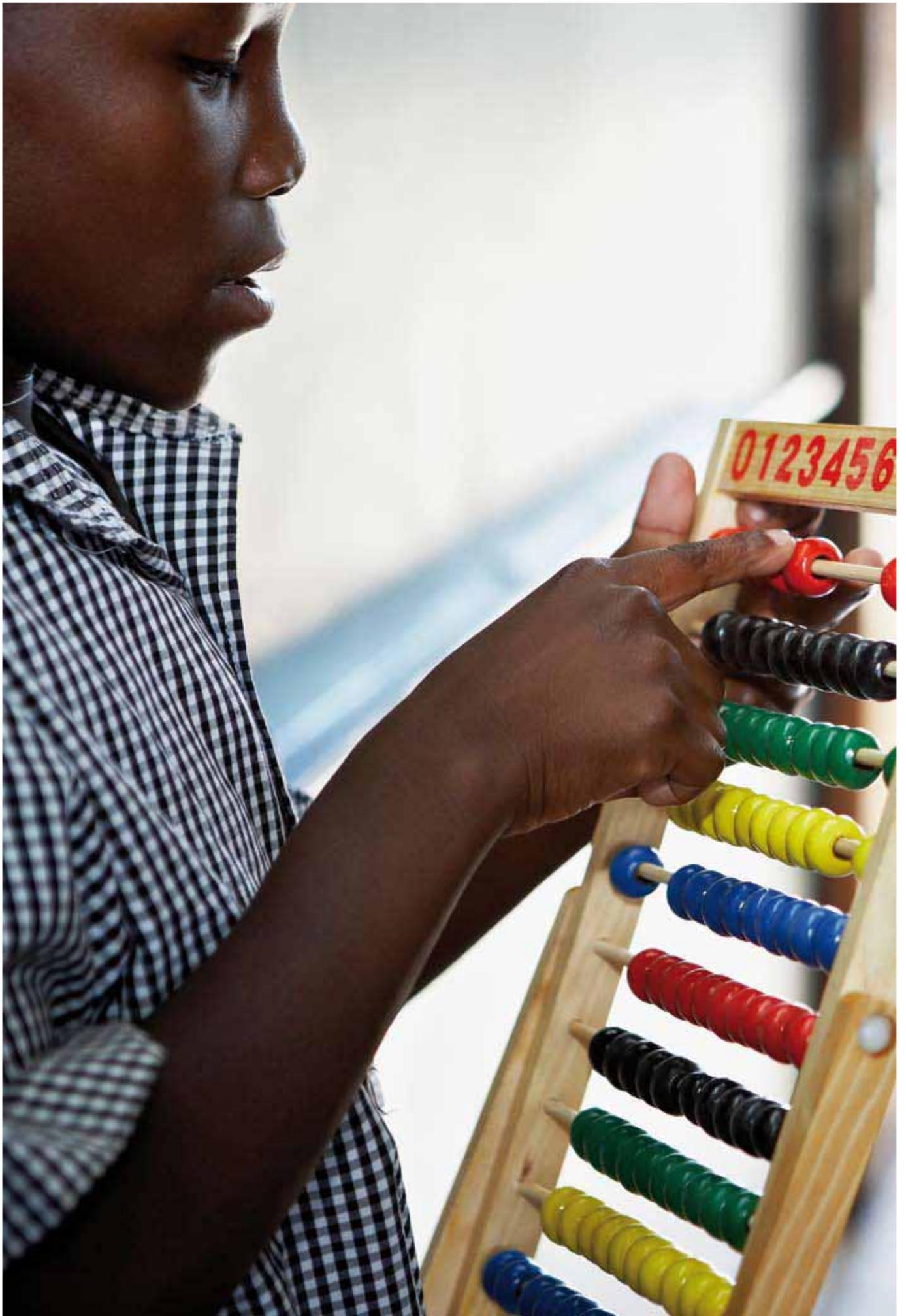
JET Education Services (Association incorporated under Section 21)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2009

|  | 2009<br>R          | 2008<br>R        |
|--|--------------------|------------------|
| <b>14. VALUE OF PROJECTS FINANCED FROM INTERNAL FUNDS</b>            | 2 592 243          | 2 492 341        |
| Paid to third parties  | 1 420 077          | 1 297 238        |
| For use of internal resources  | 1 172 166          | 1 195 103        |
| <b>15. DIRECTOR'S REMUNERATION</b>                                   |                    |                  |
| <b>Non-executive directors</b>                                       |                    |                  |
| For service as directors   | 446 550            | 440 100          |
| <b>Executive directors</b>   |                    |                  |
| For salaries as directors  | 3 113 610          | 2 992 668        |
| <b>16. RECONCILIATION OF SURPLUS TO CASH GENERATED/(UTILISED)</b>    |                    |                  |
| <b>Net surplus for the year</b>                                      | 2 598 559          | 4 609 359        |
| Interest received  | (4 045 896)        | (5 314 660)      |
| <b>Adjustment for non cash items</b>                                 |                    |                  |
| (Loss)/profit on disposal of assets                                  | 330                | (16 972)         |
| Depreciation   | 186 999            | 142 309          |
| <b>Operating cash flow before working capital changes</b>            | (1 260 008)        | (579 964)        |
| <b>Cash generated from (utilised in) working capital</b>             | (7 094 341)        | (85 657)         |
| Decrease in designated funds   | (3 333 762)        | (1 804 258)      |
| (Decrease)/increase in receivables                                   | (4 138 896)        | 4 578 581        |
| Increase/(decrease) in payables                                      | 378 317            | (2 859 980)      |
| <b>Net cash inflow/(outflow) from operating activities</b>           | <b>(8 354 350)</b> | <b>(665 621)</b> |
| <b>17. OPERATING LEASE EXPENSE</b>                                   |                    |                  |
| Future commitments of the operating lease are summarised as follows: |                    |                  |
|  | Year 1             | Year 2           |
| Minimum future lease payments  | 685 524            | 3 379 138        |
|  |                    | Year 3           |
|  |                    | 4 064 662        |

The company rents offices under a non-cancellable 5 year operating lease, which commenced on 1 January 2010 and expires on 31 March 2015 which has extra base rentals at a fixed rate of R51 168 and operating costs at a fixed rate of R5 969.



# Board of Directors



Angie Phaliso



Brian Figaji



Jeremy Ractliffe  
Chairman



Jim Wotherspoon



John Volmink



Marianne MacRobert



Mike Rosholt



Nathan Johnstone



Nigel Matthews



Nqabomzi Gawe

# Staff Members



Alec Ngwenyama  
Chief Financial Officer



Aneesa Mayet  
Specialist Manager (EERD)  
Qualitative Evaluation and Research



Anthony Gewer  
Executive Manager (EDD)



Benita Reddi  
Junior Research Officer (EERD)



Bina Akoobhai  
Research Manager (EERD)



Carla Pereira  
Executive Manager (EERD)



Cynthia Moeng  
Project Manager (EDD)



Debbie Mogorosi  
Receptionist



Diana Zhou  
Statistician (EERD)



Dina Mashamaite  
Education Development Facilitator  
(EDD – North West Project)

# Staff Members /cont.



**Elizabeth Koaho**  
Accounts Clerk



**Godwin Khosa**  
Chief Executive Officer



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Human Resource/Office Manager



**Kathy Tracey**  
Project Manager (EDD)



**Kedibone Boka**  
Specialist Manager (EDD)  
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**Koleka Ntantiso / School**  
Development Facilitator (COEP)



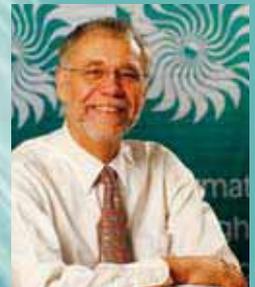
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Knowledge Manager



**Michelle Mathey**  
Specialist Manager (EDD)  
School Improvement



**Mmaphake Ramasodi**  
Research Officer (EERD)



**Nick Taylor**  
Research Fellow (EERD)



**Phumzile Dhludhlu**  
Executive Administrator (EDD)



**Portia Peteni**  
Intern (COEP)



**Roelien du Toit**  
Research Manager (EERD)



**Roshan Seedat**  
Bookkeeper



**Seome Maowasha**  
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**Talia de Chaisemartin**  
Research Manager (EERD)



**Thabo Mabogoane**  
Specialist Manager Stats (EERD)



**Thelma Dibakwane**  
Executive Administrator (CEO)



**Thoko Jali**  
Accounts Clerk



**Vithagan Rajagopaul**  
Specialist Coordinator (EDD)  
School Governance &  
Management



**Zaakira Abdul Latiff**  
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