



2010 annual report



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.



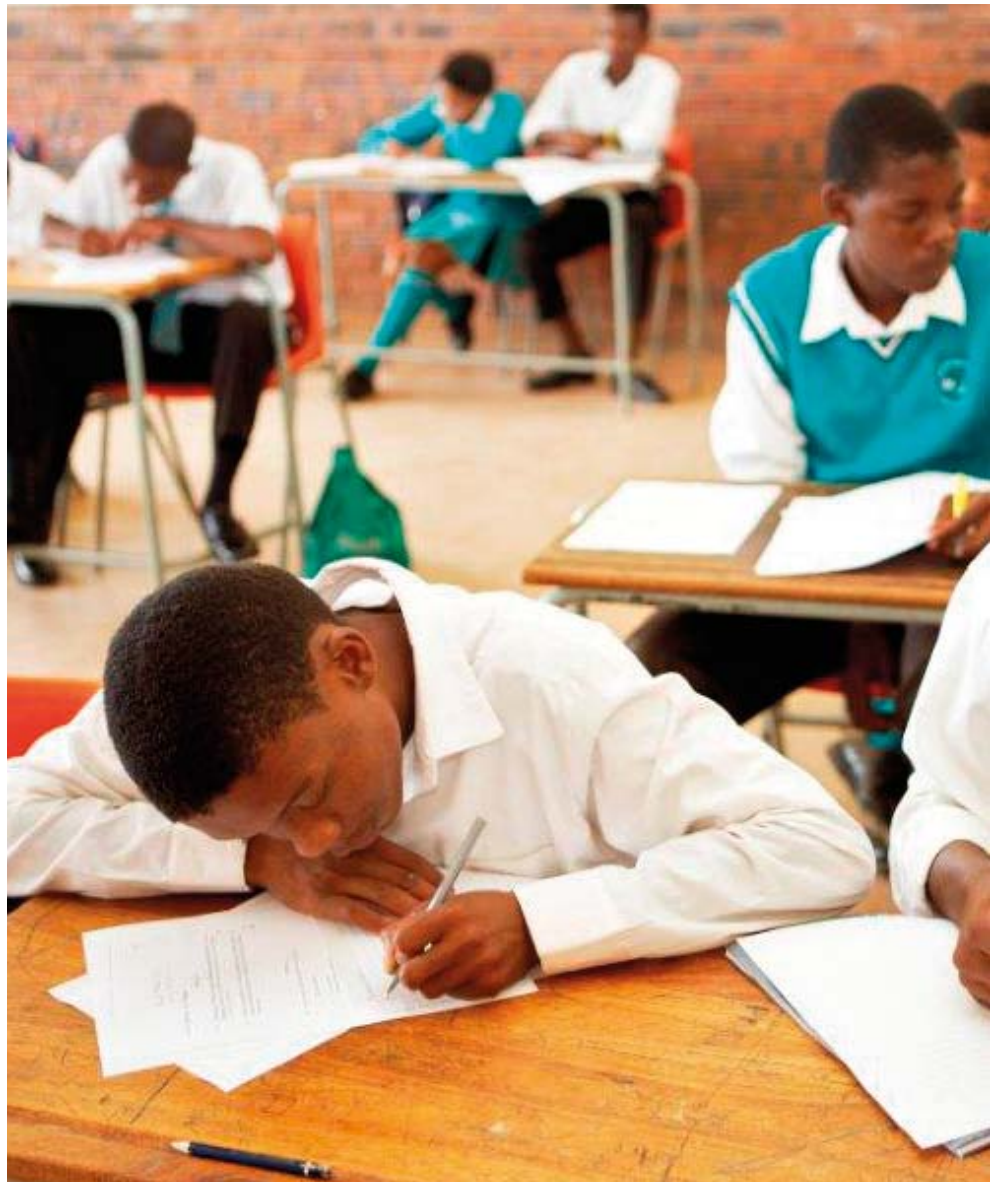
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Chairman's statement

Last year we reiterated our commitment to providing support to government and its partners in their endeavours to improve the quality of public education. From January 2010, we implemented the new JET configuration that features two education divisions and a finance support unit to enable us to carry out our new mission. We are delighted to report that we have successfully met the targets we set for ourselves in regard to the reorganisation. Later in the year, the Board agreed to make the Youth and Community Development subdivision a fully fledged division starting from January 2011. This change was necessary given the enormous challenge of unemployed youth and the inadequate provision made for their further education and training. The decision is

also in line with our commitment to continually strengthen education expertise in the organisation.

The management and staff of JET worked very hard to implement our new strategic objectives. We significantly increased our support activities to the nine provincial departments and two national departments of education. Most notable are our activities in support of the Department of Higher Education and Training (DHET) in implementing the new Further Education and Training (FET) College programme, implementation of the two systemic school improvement projects and our increasing focus on teacher development research. The education outcomes in FET Colleges as well as schools remain low and it is clear that the desired



Our engagements during 2010 demonstrate our continued commitment to undertaking a coherent body of work that impacts positively on public education policy and on education quality in particular.

changes will not be achieved easily. Institutional systems have to be rebuilt, teaching skills have to be improved, learner levels of commitment and community involvement need to be revived. All these changes require persistent implementation of coherent and bold strategies that are evidence-led and monitored, a role that JET has performed well in past years.

In our endeavour to continually promote good governance in the organisation, we adopted a Board Charter that sets out the Board of Directors' roles, responsibilities and procedures. It emphasises the role of the Board in promoting good leadership, sustainability and corporate citizenship. We will be recruiting new Board members in the critical areas of expertise highlighted in the Charter. In August, we bade farewell to Professor John Volmink who stood down from the JET Board to assume the very important role of heading the nascent National Education Evaluation and Development Unit. Mr Jeremy Ractliffe took leave of absence from Board activities from August.

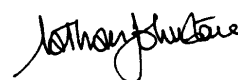
Education improvement remains our core focus, thus we established an Education Advisory Committee that ensures that JET's mission is clearly expressed and pursued in an effective and appropriate fashion through its work. The Committee reviews JET's educational outputs, divisional plans and capacity and makes recommendations accordingly to the CEO.

Our engagements during 2010 demonstrate our continued commitment to undertaking a coherent body of work that impacts positively on public education policy and on education quality in particular. As a result of this commitment, in 2010 the Board allocated R6.1 million of JET funds to implement priority

research and education improvement projects in partnership with development funders who share our vision. Of the allocated amount, JET spent R5.9 million. Similar funding partnerships will be sought in future years.

JET's income is generated through research and development services provided mainly to government and education funders such as corporations, trusts and foundations. As can be seen in the financial highlights presented in the table below, funding and surplus have been steadily declining from 2007. This trend is largely indicative of the reduction of the third party funds held by JET and a decrease in the number of large scale education intervention projects directly implemented by non-governmental agencies. An increasing number of these interventions are being implemented by the education departments themselves with assistance from non-governmental organisations. It is to fulfil this role that JET was restructured in 2009 and we envisage that the organisation will fully recover its costs from 2012, once this process has been consolidated.

I wish to express my appreciation to the management and staff of JET for the effort they have put into the taxing reorganisation process over and above the normal operations and to my fellow Board members who take so much interest in the work of JET. Without dedicated staff and Board members JET would not have achieved as much as it did.



Nathan Johnstone
Acting Chairman

Four year financial review					
Projects & operations	2010	2009	2008	2007	Average
Funds available	35 244 315	34 854 250	42 265 120	60 326 389	43 172 519
Expenditure	(31 776 175)	(31 034 796)	(29 773 069)	(40 337 154)	(33 230 299)
Project funds deferred and/or refunded	(6 246 652)	(6 005 406)	(13 197 352)	(18 226 574)	(10 918 996)
Interest received	3 034 596	4 045 896	5 314 660	3 654 978	4 012 533
Surplus on operations	256 084	1 859 944	4 609 359	5 417 639	3 035 757

Message from the CEO



JET's Board of Directors and Education Advisory Committee endorsed management's proposal to emphasise our role as one of providing support to government in its endeavours to deliver quality education.

Education remains a major area of concern to our nation. To many education researchers, practitioners and organisations such as JET, the question 'how to improve the quality of education' is a niggling stone in our shoes. Last year JET recommitted itself to continue the search for solutions to this challenge by designing and implementing both research and school improvement projects. In the current reporting period, JET's Board of Directors and Education Advisory Committee endorsed management's proposal to emphasise our role as one of providing support to government in its endeavours to deliver quality education. This appears to be the role that non-governmental organisations (NGOs) in education should assume, given that recently the state seems to have developed internal capacity to implement programmes, certainly in the more affluent provinces.

Since JET's founding, the organisation managed the implementation of a number of large scale school improvement projects that were mainly privately funded. Today we are seeing many such projects being funded from the public purse and largely run by government education departments. Examples of these initiatives are the literacy and numeracy improvement programmes in the Western Cape and Gauteng which are channelling close to a billion rands into improving teaching practices and resourcing in these fields. Similarly, Limpopo and the Western Cape are implementing multi-year teacher development programmes that are largely run in-house, but in partnership with NGOs and universities. The programmes have specific improvement targets and clear evaluation agendas that ensure that they are effective and responsive to training needs.

The good thing about these developments is that they are systemic and government led and thus they have a large scale impact and a high chance of being sustainable. Such developments should be celebrated as they mark the institutionalisation of the over 20 years of education development experience of NGOs in South Africa. We hope that these programmes will be replicated across the country, particularly in the less affluent provinces, so as to further broaden their impact.

This new preference for state funded, multiyear, large scale projects has required both government

and the NGO sector to rethink the role of NGOs. Both sectors must pay attention to the need for more sophisticated and improved capacity to ensure that increased rollout of the programmes is successful.

ACTIVITIES IN 2010

In addition to school improvement and education research projects, 2010 saw JET start to provide services in the areas of youth and community development. In the youth development area, our concern is to improve skills development and thus the employability of post-school youth. We thus focused on enhancing the performance of the Further Education and Training (FET) Colleges and creating links between the colleges, industry and communities. The community involvement element also seeks to improve the participation of parents and other community members in their children's schooling.

We are pleased to report that we continue to work with the nine provincial departments of education to varying degrees as well as the two national departments of education. In 2010, JET was directly involved in 63 schools participating in three school improvement projects in the Northwest, the Eastern Cape and Kwazulu Natal. These institutions are home to over 400 educators and 11 000 learners who receive various forms of support from our projects.

Our work with the FET Colleges has largely been in support of the Department of Higher Education and Training (DHET) in improving the colleges. In this regard, The DHET is faced with an enormous challenge of increasing the enrolments and at the same time improving the quality of the learning and teaching in the colleges. We estimate that 75% of the colleges require serious systems improvement interventions to improve their quality of outputs.

We supported the departments of education and other players in the education and training sector through research, evaluation and technical assistance services. To note just a few of our activities, we joined hands with experts and organisations in the field and: –

- Supported the DHET in conceptualising and rolling out its FET College improvement programme. Our contribution included carrying out initial research, assisting with

organising and hosting the FET College roundtable and summit, participating in three task teams and one work stream that carried out research in the sector, engaged with stakeholders and supported college planning. This part of our work impacts on 50 FET Colleges with close to 250 campuses and over 230 000 full-time equivalent learners;

- Developed learner assessment instruments for the Gauteng Department of Education in preparation for multi-year assessments in support of the new national assessment agenda;
- Supported the Gauteng Department of Education and the Gauteng Education Development Trust to implement the Trust's four year Primary Literacy Improvement Strategy. The strategy will deliver a range of literacy materials, training, mentorship and assessment inputs to 780 primary schools in Gauteng. The project will see an investment of close to R400 million in the target schools.
- Evaluated in-service teacher development programmes provided by the Western Cape's Literacy and Numeracy Improvement Project and the Cape Teaching and Leadership Institute;
- Evaluated the Zenex School Development Project which involved 18 schools from Limpopo, Gauteng, Kwazulu-Natal and the Western Cape;
- Developed a report on education indicators in South Africa for the Department of Basic Education.

Our continued involvement with schools is proving to us that the challenges remain large. Teachers' levels of professionalism, poor command of the English language and inadequate knowledge of teaching content and methodologies remain the most significant problems. It is however encouraging that teachers are gradually opening up to facing this unfortunate reality, albeit with some uneasiness. During the past year, JET assessed 361 teachers from four provinces for proficiency in English and curriculum content knowledge in English, Maths and Physical Science. The results show that there are a few competent teachers who could be recognised as lead teachers, half of the teachers could benefit from continuing professional development and up to a third would not benefit from continuing professional development, largely because they lack basic training in the subjects they are allocated

to teach. Although shocked, the teachers appreciated the insights the tests provided. Plans should be made to utilise the competent teachers as teacher trainers and tutors in cross-school teacher development programmes.

FINANCES

In 2010 the organisation recovered 85% of its costs before interest and 103% after interest from the JET funds. We have utilised R5.9 million of our funds in education development and research projects. The funds invested in school improvement projects leveraged R19.8 million from foundations and trusts and the investment made in research leveraged over a million rands from government. We will continue to engage more partners to co-fund projects.

CONCLUSION

Lastly, I wish to say a special thank you to Murray and Roberts, the DG Murray Trust and the Michael & Susan Dell Foundation for investing resources in the two systemic school improvement projects being implemented in the Northwest and Eastern Cape provinces and the RedCap Foundation for supporting five schools in Kwazulu-Natal in partnership with JET. These projects all provide hope to many teachers and learners, but perhaps even more importantly, they provide useful lessons for improving the national education system as a whole.



Godwin Khosa
Chief Executive Officer

Education Development Division (EDD)

School Improvement and Youth and Community Development

In 2009, JET went through a reorganisation that resulted in restructuring of the School Development Division, enabling it to expand its focus to include youth development, community mobilisation and education planning. The introduction of the youth and community focus has added value to the organisation's strategic trajectory in that it provides the basis for JET to make a broader impact on the quality of education.

JET's approach to education development is systemic – it assumes that meaningful change is achieved through the efforts of critical stakeholders within the system. JET views itself as a change agent, supporting the work of these critical stakeholders towards measurable outcomes. We do this in the following ways:

- In the school improvement and community arenas, we work to empower districts, schools, teachers, parents, learners and communities to take ownership of issues that impact on effective teaching and learning.
- In the youth development arena, we seek to enhance the performance of Further Education and Training (FET) Colleges and create sustainable linkages into industry and communities to ensure the development of skills and increase the employability of post-school youth.
- Finally, the knowledge that we generate through our programmes provides the basis for ongoing support to government in maximising planning at all levels of the education system.

The Education Development Division focused on two key objectives in 2010:

- Consolidating our systemic school improvement work, both within our 'anchor' projects and in new projects;
- Establishing our new Youth and Community sub-division.

The Division was able to make substantial progress towards achieving these two objectives.

Significant achievements in our school improvement projects for 2010:

- Teacher tests were conducted in all the projects. The test results indicated weaknesses in teachers' content knowledge as well as their mastery of different cognitive levels. The results from teacher testing activities are being used to design and write materials for the interventions aimed at improving teacher content knowledge and performance. Teachers have also developed professional development profiles and now self-monitor progress towards improvement goals.
- There was a general improvement in monitoring and support of schools by district officials in spite of the difficult conditions under which they work. Additional teachers were provided by the District in Bojanala as a consequence of JET's assessment of teacher provisioning.
- Despite challenges associated with the FIFA World Cup and the teachers' strike, all schools completed viable school improvement plans and teachers demonstrated commitment to the projects with strong attendance at workshops.
- A community charter model was fully tested. Some changes were made to the conceptual model, with more focussed and specific targets being identified with the communities in certain clusters. Programmes of home study support for learners directly involving parents are being implemented.
- Improvements in learner performance, as evidenced by increases in the matric pass rates from 2009 to 2010 ranging from 7.7% to 41.5%, were found in schools in the circuits in which our systemic school improvement projects are being implemented.

Our major achievements in the arena of youth development include:

- Managing the FET Roundtable and Summit which brought all stakeholders together to identify, debate and propose solutions to the key challenges in FET Colleges on behalf of the Department of Higher Education and Training (DHET) and the ETDP SETA¹;
- Leading the task team on FET Funding and Planning for 2011 and beyond;

¹ Education, Training and Development Practices Sector Education and Training Authority



- Conducting detailed fact-finding investigations in 14 FET Colleges;
- Providing support to the DHET to enhance the quality of strategic and operational planning in all 50 FET Colleges;
- Initiating a pilot project to create internship opportunities for engineering graduates in industry.

More detailed reflection on the school improvement and youth development work follows.

SCHOOL IMPROVEMENT

Overview

The bulk of the division's school improvement work focused on the implementation of JET's 'anchor' projects utilising JET's school improvement model. The Bojanala Systemic School Improvement Project (BSSIP) in the North West Province and the Centres of Excellence Project (COEP) in the Eastern Cape were in their second and third years respectively (although delivery in COEP only started in earnest in 2010). BSSIP targets 26 schools, 164 teachers and 3 956 learners, while COEP targets 32 schools, 330 teachers and 7 505 learners. As part of its commitment to reinvesting some of its historical

earnings in education development, the JET Board committed to funding a portion of both of these projects on a yearly basis. This investment is used to leverage additional support from key funding partners.

During the year, JET embarked on an additional school improvement project involving five schools in the KwaDukuza municipality in KwaZulu-Natal. This project, the RedCap Building Centres of Excellence Project, is funded through the RedCap Foundation affiliated to Mr Price. It uses a similar school improvement model to that adopted in our flagship projects and is complemented by a number of other interventions which the RedCap Foundation is implementing.

Short-term technical support was also provided to TEACH SA in developing young graduates in the content and pedagogical skills of English as a subject and to Room to Read in their literacy project in the Foundation Phase. These relationships are based on the recognition of JET's expertise – significant in a context where non-governmental organisations often work in isolation.

The table below lists each project, as well as the key partners and funders.

PROJECT	KEY PARTNERS	FUNDERS
Bojanala Systemic School Improvement Project (BSSIP)	North West Department of Education South African National Teachers' Union (SADTU) National Professional Teachers' Organisation of South Africa (NAPTOSA)	Murray and Roberts The JET Board The Michael & Susan Dell Foundation
Centres of Excellence Project (COEP)	Eastern Cape Department of Education South African National Teachers' Union (SADTU) National Professional Teachers' Organisation of South Africa (NAPTOSA)	DG Murray Trust The JET Board
RedCap Building Centres of Excellence Project	KwaZulu-Natal Department of Education South African National Teachers' Union (SADTU) National Professional Teachers' Organisation of South Africa (NAPTOSA)	RedCap Foundation (Mr Price)

Education Development Division (EDD) /cont.

Intended Project Outcomes

The project outcomes are in accordance with JET's school development model and are consistent for all three of the above projects.

They are:

1. Improved support and mentoring of schools by the District;
2. Increased community and parental involvement;
3. Improved school functionality;
4. Improved teacher competence and performance;
5. Improved learning and educational outcomes.

To measure the progress towards these outcomes, the research, monitoring and evaluation component of the model plays a vital role and assessments such as Rapid Baseline Assessment Tests, teacher testing and impact evaluations are conducted throughout the projects with the assistance of our Education Evaluation and Research Division.

Progress in 2010

Outcome 1: Improved support and mentoring of schools by the District

Education Development Officers (EDOs) were deployed to the Area Project Offices in each project. The interaction between the District Offices and the schools has shown evidence of increased support. In both anchor projects, the EDO's report an improved alignment between project activities and those of the District in terms of their Learner Attainment Improvement Plans (LAIP) – an important factor since teachers have previously complained about duplication of work between projects and District requirements.

In addition, an increased number of school visits (two more visits per teacher than undertaken in the previous year, on average one visit a term) were made by subject advisors who accompanied JET specialists to mentor teachers in classes in BSSIP. The inclusion of subject advisors in the mentoring and support by JET specialists is an important element in our quest for sustainability after the projects end.

Another aspect which will lead to sustainability is the regular contact made between the District, the Area Project Officer, the Circuit Manager and the JET EDO in terms of informing the relevant officials of systemic problems which might impact on a project's success. Following

these interactions and based on JET's research findings, issues such as heavy teacher workloads and a lack of resources are in the forefront of District priorities and steps are being taken to address these concerns.

Outcome 2: Increased parental and community involvement

Initially this component was based on the development of Education Charters in each village. In practice, however, this approach was found to be impractical and so the conceptualisation of the parental involvement component was adapted to include specific indicators of success such as:

- All schools identifying and implementing two projects per year, involving parental and community involvement;
- Each school designing a school newsletter twice a year, highlighting important issues for parents;
- Each project designing a quality parents' handbook containing specific guidelines for parents on assisting their children with homework activities – these to be made available in English and the dominant language of the province.

Of note is the infrastructural survey of schools JET conducted in both BSSIP and COEP. The data from the surveys revealed the infrastructural needs of the schools and plans are afoot to address some of them via additional fund raising by the community, as well as through national support.

Outcome 3: Improved school functionality

In 2010, this component was divided into three sub components, namely: planning and organisation, curriculum management and financial management.

Planning and organisation

Planning focused on developing School Self Evaluation (SSE); School Improvement Plans (SIPs); Circuit Improvement Plans (CIPs); School Management Team (SMT) support to teachers and the Principal Leadership Academy (PLA). SSE instruments were piloted in all schools but it was a challenge to get reliable information from principals, indicating that principals often lack the key educational information necessary to manage schools. After additional support in the use of the SSE instrument, the information

The inclusion of subject advisors in the mentoring and support by JET specialists is an important element in our quest for sustainability after the projects end.

gathered was fed into the development of SIPs. SIPs were found to have been complicated, vague and unrealistic in terms of timeframes. These problems were corrected and most schools now appreciate the value of well constructed plans as a means to successful implementation. Teacher needs were identified and will be addressed by the teacher competence and performance component.

One of the most innovative interventions used this year has been the design and implementation of the SMT monitoring dashboard. The SMT monitoring dashboard is a tool created to assist managers to improve school monitoring, particularly of curriculum management, using a set of indicators which provide information about school inputs, processes and outputs. Though well received, it was not implemented in most schools due to the inability of schools to initiate data collecting mechanisms. SMTs have struggled to perform their management functions for a variety of reasons, including incapacity, heavy workloads and poor time management. The main casualty in the non-performance of SMT functions is the management of curriculum delivery. This aspect suffers because managers prioritise other functions such as planning and resource management to meet Circuit and District

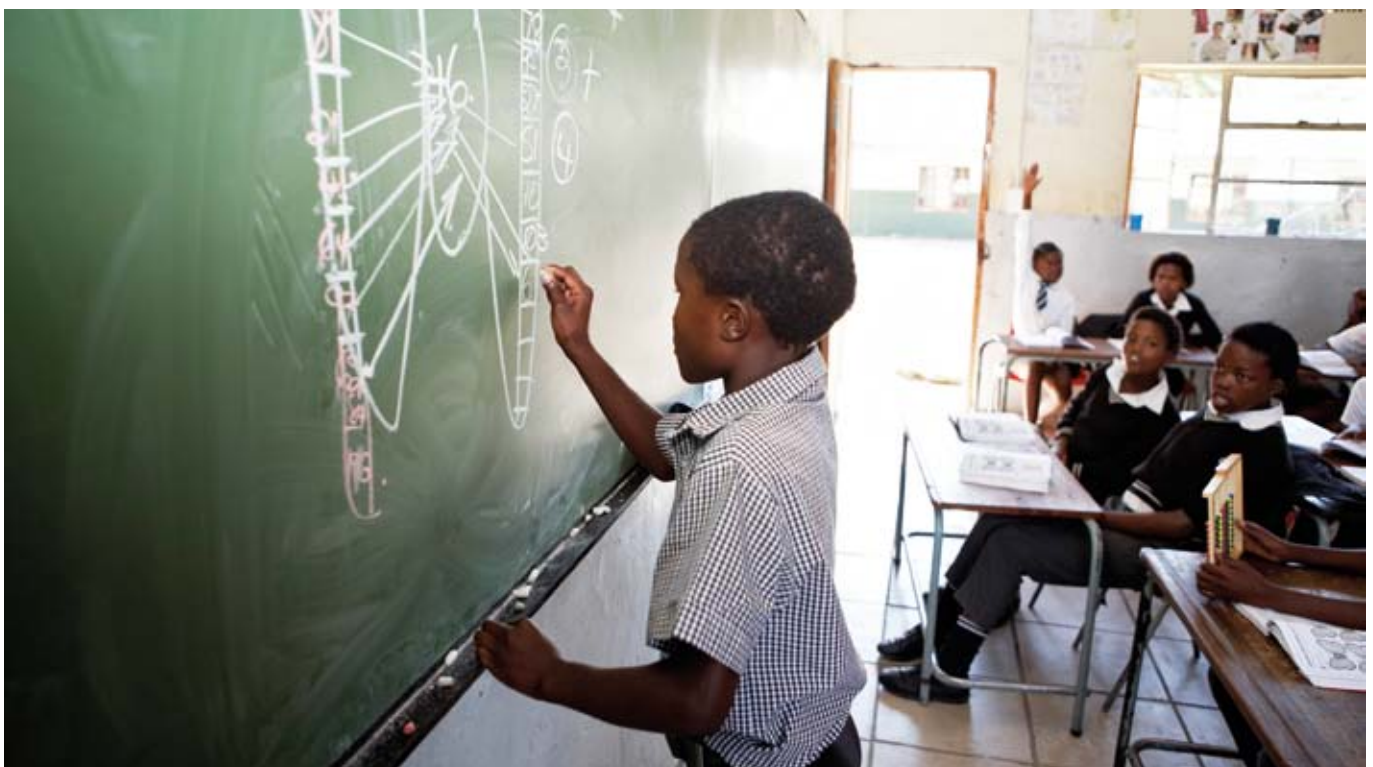
demands. Activities to support SMTs in prioritising their activities more efficiently will be a specific focus in 2011.

Both projects have also incorporated Principal Leadership Academies, which are opportunities created for principals to network, discuss common problems and find solutions together.

JET collaborated with the Council for British Teachers (CfBT) in an initiative involving the piloting of school reviews in the COEP schools. The review process sought to test approaches that the CfBT has employed in other parts of the world and entails school reviews conducted by both independent experts and the province's Whole School Evaluation officials. This intervention will be completed by the end of March 2011. Lessons from the exercise will be used to improve the project and shared with others concerned with improving school quality.

Curriculum management

In BSSIP, all 27 schools formed Curriculum Committees to improve the management of the curriculum. After a number of support and mentoring workshops, 17 schools demonstrated improved curriculum management operations. The remaining 10 schools will benefit from additional support in 2011.



Education Development Division (EDD) /cont.

Financial management

In addressing the request for financial management assistance, JET undertook a pilot study in BSSIP to establish the needs of all schools in relation to basic standards of book keeping and accounting. Key findings of this pilot indicate that:

- All schools had policies and procedures for key financial activities;
- 23 of the 27 schools had budgets;
- 26 of the 27 schools did not have cash books.

It is clear that schools, despite having policies and procedures in place, had difficulties in implementing these efficiently. Hence, plans for 2011 include continued support and mentoring in the systems and processes that result in efficient maintenance of school budgets.

Outcome 4: Improved teacher competence and performance

This component followed a needs-based design approach, with test results being used to design content training modules which also integrate teaching methodology and assessment.

- JET's Education Evaluation and Research Division used its standardised tests to test the English proficiency levels and content knowledge of 108 General Education and Training (GET) phase teachers in Bojanala and 101 teachers and 10 curriculum advisors in KwaDukuza in Kwazulu-Natal. Subjects tested were Literacy (English) and Numeracy, Mathematics and Natural Science across the cognitive levels.
- A Rapid Baseline Assessment Test (RBAT) was introduced to determine the curriculum content knowledge needs of the teachers in the FET phase in the project schools.

Knowledge of the curriculum in four subjects (Mathematics, Mathematical Literacy, English First Additional Language and Physical Science) was tested at matric level.

Before testing was conducted, JET ensured advocacy at all levels (Unions, District, Circuit and teachers themselves). This took some time as participants were justifiably suspicious of the intentions behind the tests. After reassurances and ethical promises, teachers were in agreement that the tests would benefit them professionally and not be used punitively.

The post test innovations included three weekends of content training in addition to three support visits by JET specialists accompanied by subject advisors. Unfortunately, the challenges facing successful implementation were daunting. The national public servants' strike ensured that JET could not enter schools or involve teachers in any development work. Following the strike, no teacher development could take place due to the Districts' recovery plans taking priority. Plans are to implement this training in 2011.

Professional activities

A range of professional development activities were implemented in both BSSIP and COEP.

- A language in education seminar was held in Bojanala, attended by delegates from national, provincial and district level, as well as two representatives from each project school.
- Subject communities of practice were initiated in COEP by the EDO who coordinated meetings of teachers to discuss curriculum concerns as well as solutions to address these.
- The teachers' reading club in BSSIP, initiated in 2009, continued despite challenges and the meetings proved valuable to the teachers who attended. They reported increased confidence in their speaking ability on a professional and personal level, increased quality of work in their university studies and an increase in their desire to read books. Teachers also indicated that they are ready for articles of professional value to be introduced and discussed in the book club meetings.



The goal is to also attain better quality passes to ensure that learners have access to tertiary education.

2011 plans include increasing the clubs to include five school book clubs and venturing into the concept of mobile libraries for the schools in North West.

Two important lessons learnt in the teacher competence and performance component are that:

- Standardised teacher tests reveal gaps in teachers' knowledge in terms of curriculum content, as well as the fact that most teachers operate at a factual cognitive level. Most teachers reveal a weakness in mastering skills of application and problem solving. This helps to answer the question as to why schools are not achieving pass levels which allow learners access to tertiary education. JET interventions will thus follow up with concentrated content development in areas of weakness, as well as in the higher cognitive levels.
- In order for improved teacher performance and competence to be sustained, schools need to ensure that the environment is conducive to teaching, namely that:
 - Teachers have a fair workload;
 - Teachers teach subjects in which they are specialised;
 - Principals are supportive and motivating.

Despite teaching under difficult conditions, the project teachers have shown their willingness to work to improve not only their own professionalism, but to strive towards attaining better results from their learners.

Outcome 5: Improved learning and educational outcomes

Below are tables illustrating the matric pass rates for the project schools compared to the provincial averages. While these results indicate an increase in the pass rate for both provinces, the goal is to also attain better quality passes to ensure that learners have access to tertiary education.

Improvements in learner performance, as evidenced by an increase in the pass rate in the senior certificate examination were found in the circuits in which our systemic school improvement projects are being implemented. The gains made by the project schools over 2009 and 2010 are represented in the tables below, with significant gains of more than 15% in seven of the 10 schools.

The subject specific pass rates in each province varied in terms of increase and decrease. A close analysis of the English, Maths and Science pass rates in the project schools over 2009 and 2010 showed the following trends and patterns:

- In the Northwest (BSSIP) schools, all learners consistently passed in English while those in the Eastern Cape (COEP) maintained an average pass rate of around 80%.
- The average pass rate in Maths largely remained at around 44% for the past two years across both projects.
- In the Eastern Cape, the average pass rate in Physical Science increased three-fold to 33%, while in the Northwest it stagnated just below 30%.

Table 1 Increase in matric pass rate BSSIP per school

PROJECT	2009	2010	MARGINS
BSSIP			
Bataung	26.7%	44.4%	+17.8%
Batleng	72.1%	82.3%	+10.1%
Kgalatlowe	48.0%	75.3%	+27.3%
Makoba	60.9%	45.5%	-15.4%
Ramatshodi	51.4%	67.4%	+16.0%
Provincial average	67.5%	75.7%	8.2%

Table 2 Increase in matric pass rate COEP per school

PROJECT	2009	2010	MARGINS
COEP			
Gobinamba SSS	24.6%	46.9%	+22.3%
Langaletu SSS	22.2%	46.4%	+24.2%
Middle Zolo SSS	52.8%	50.0%	-2.8%
Ndyebo Ntsaluba SSS	71.4%	79.1%	+7.7%
Tsomo SSS	30.5%	72.0%	+41.5%
Provincial average	51.0%	58.3%	7.3%

Education Development Division (EDD) /cont.

These statistics show that there has been a general increase in the overall pass rate in both projects which is a notable achievement. However, challenges remain, particularly in Physical Science and Mathematics.

RedCap Building Centres of Excellence Project

The RedCap Foundation is a key partner and sole funder in this five year project to improve five selected schools in the KwaDukuza Municipality, with the aim of making them Centres of Excellence. The Foundation is excited about JET's systemic school improvement model and complements it with its own innovative activities such as Compstart (an IT initiative) Young Heroes (a sports development initiative) and DreamBuilders, an initiative which motivates and inspires principals to excel and become powerful leaders of excellent schools.

Gains have been made in all components, with teachers and subject advisors having written standardised assessment tests in the four subjects of the intervention. The results are currently being fed into the design of the teacher content training sessions to be held in 2011. In the parental involvement component, schools have embarked on the process of identifying their two projects for the year.

Finally, principals and SMTs completed school improvement plans, participated in a survey which identified their needs and are working together with the DreamBuilders initiative to inculcate the values of strong leadership.

A valuable lesson from this project has been that the concept of self selection is proving to be an asset in the implementation of project activities. Principals from 12 schools were chosen by Ward Managers from the three Municipal Wards and had to motivate for their schools to be included in the project. School visits were conducted to verify principals' information. On the basis of selected and agreed upon criteria, five schools were then identified for inclusion in the project. The RedCap Foundation has incorporated an exit strategy for schools that do not show commitment – fortunately this has not been implemented yet.

Another lesson learnt is that funders with a strong interest in the project, and who also provide complementary initiatives, add a different ethos to development. The RedCap Foundation is to be commended for its direct involvement in school development and its constant recognition of systemic matters which impact on project sustainability.



Much work is needed to ensure that the colleges are able to produce the necessary pipeline of skills for the various industrial sectors of the country.

YOUTH DEVELOPMENT

JET's Focus on Further Education and Training (FET)

In 2009, JET took a deliberate decision to expand its focus in education improvement to include public FET Colleges. This was borne from recognition of the growing importance of the FET College sector in providing post-school learning pathways for youth. As it so happens, this decision was timely. The establishment of the DHET in 2009 created an opportunity for FET Colleges and the preparation of young school leavers for access to the labour market to achieve a prominent position in the post-school arena. However, colleges face a number of challenges in realising this new position. The current quality and relevance of their teaching and learning and the resultant output of learners is under question; much work is needed to ensure that the colleges are able to produce the necessary pipeline of skills for the various industrial sectors of the country.

JET has adopted a five part strategy with regard to improving conditions in the FET College arena:

- Providing technical Support to the DHET to enhance planning and monitoring in the sector;
- Demonstrating models of interventions to improve the effectiveness of teaching and learning in FET Colleges;
- Working with industry to secure workplace learning opportunities for FET College learners, either during the course of their studies or post-qualification, in order to enhance their employability;
- Demonstrating models of youth livelihood development with FET Colleges in impoverished areas;
- Providing strategic research to support knowledge development in the sector.

Support to the Department of Higher Education and Training

During 2010, JET was able to play a role in supporting the transition of the FET Colleges to the DHET and laying the foundation for the sector's sustainable development. Early in 2010, JET was contracted by the ETDP SETA to manage an FET Round Table and Summit on behalf of the DHET. A multi-stakeholder Round Table was convened in April and the

critical challenges facing the FET College sector were tabled and debated. The Round Table endorsed the establishment of four task teams to tackle these critical challenges and make recommendations.

Through funding provided by the Swiss-South Africa Cooperation Initiative (SSACI), JET played a prominent role in Task Team 3 (Funding and Planning for 2011 and beyond) and began to work with the DHET to improve planning and achieve stabilisation within the turbulent sector. Task Team 3 conducted a detailed analysis of the funding systems and the obstacles to effective planning and management in colleges and developed recommendations to ensure that the colleges could be stabilised in 2011 and that the necessary support could be put in place to prepare them for sustainable growth.

To support the task team work, JET secured funding from the Sasol Inzalo Foundation to conduct qualitative fieldwork in a sample of 14 colleges in order to provide evidence for the task team analysis. JET also formed a strong working partnership with the National Business Initiative (NBI) and a collaborative model has emerged between the two organisations with respect to work in the FET College sector. As a result of the task team work, JET and the NBI worked closely with the DHET to begin to realise the task team recommendations with funding from the University of Cape Town's Employment Promotion Programme. Through an intensive process of facilitation and technical support, all 50 colleges received support in the development of their operational plans for 2011; these plans form the basis for the colleges' budget allocations from national government. JET worked with a team of consultants to support the colleges to better understand the planning process and the implications of planning beyond compliance. The focus was on how to use planning to better stabilise enrolments and budgets in 2011.

As of the end of 2010, the JET/NBI partnership had:

- Contributed to the finalisation of 50 college plans and provided the DHET with a national funding grid;
- Assisted the DHET to bring colleges into a national planning framework;
- Generated baseline data on enrolments and budgets for monitoring purposes;

Education Development Division (EDD) /cont.

Colleges are tasked with providing an alternative learning opportunity for the large numbers of school leavers who wish to embark on a vocational pathway.

- Identified key constraints on effective planning in FET Colleges;
- Supported the DHET to develop and refine instruments for reporting and monitoring.

The support to the DHET is set to continue into 2011. The focus will shift to establishing a monitoring and evaluation framework which will enable the DHET to track progress in the sector, provide ongoing intelligence around its practices and guide interventions to address critical challenges as they arise. The measurement of indicators will also enable the DHET to report to the Minister, who will in turn report to the Presidency, on achievement of delivery targets.

Positioning Colleges to Address Youth Employability

Context

It is estimated that 1 million young school-leavers, a third of whom have achieved a Grade 12 qualification, enter the labour market annually. The majority of these school leavers do not gain entry to post-school education and training. While those with Grade 12 may have a better chance of gaining access to employment opportunities, the labour market itself has not been able to create sufficient entry positions to cater for this large influx of youth. This results in the 2.8 million 18-24 year olds who are not in employment, education or training. The lack of access to post-school education and training limits their prospects for long-term meaningful employment and heightens their exposure to behavioural risks.

The challenge of youth employability has gained prominence over the past couple of years, with persistent weaknesses in the performance of the schooling system and resultant shortages in skills supply for the labour market. Colleges are tasked with providing an alternative learning opportunity for the large numbers of school leavers who wish to embark on a vocational pathway. These learners have not been given the necessary foundational skills by the schooling system to be trained and become immediately productive in the workplace. This places a burden on colleges to provide the necessary general vocational skills that will enable the learners to easily absorb on-the-job training.

Simultaneously, JET has been consistently tracking the post-college destinations of

graduates and the results have suggested that a college qualification is not sufficient on its own, but that learners require access to workplaces for on-the-job learning. Traditionally, the colleges provided this access as they prepared youth for artisan and other forms of industry training and young people were indentured or taken on by companies for on-the-job learning which ensured they would find employment. The decline of the apprenticeship system, as well as the general decline in industry training in the 1980's and 1990's, severed the relationship between many colleges and industry and the programmes that colleges offered provided little opportunity for workplace access. More recently, the DHET sought to expand and modernise teaching in colleges in line with the skills demands of the country and thus provide the necessary foundation for employability that schools have not been able to provide.

Innovation for enhanced employability

Based on the results of tracer studies and a recent pilot project by SSACI, JET initiated a pilot project, together with SSACI and the NBI, to test out a programme of post-qualification workplace learning for FET College graduates. The goal of the pilot is to demonstrate a model of post-qualification workplace learning which provides the learner with a first foothold in the labour market as well as access to on-the-job training. This training takes the form of a 6-month structured internship. Learners who are in the final year of their qualification will be preselected based on attendance, performance and general attitude to learning and may have been exposed to the employer and the workplace during their final year. Once their examination results are received, those that are successful will be placed in internships in February/March of the following year.

The development and management of the pilot is being jointly funded by SSACI and JET. The MerSETA² has committed to paying the internship grants (which cover both the interns' stipends and training costs) to participating companies who are MerSETA levy payers. The employers are under no obligation to retain learners after completion of the internship, but it is anticipated that many learners will be retained and placed in further training, including apprenticeships, or in entry-level positions. Those that are released will be linked to a placement agency for alternative placement.

² Manufacturing Engineering and Related Services Sector Education Training Authority



The pilot students have now been identified, guidelines and logbooks have been developed and the first cohort of graduates will enter the workplace in March 2011.

The broad industry-DHET partnership

The internship model was being used in 2010 as a basis for engagement with many of the large industries that are involved in the development of artisans and other technical trades. Under the leadership of Business Leadership South Africa, JET was invited to participate in the Artisan Working Group (AWG) and provide technical advice on how industry can work with the DHET to enhance and sustain the skills supply from FET Colleges. Through this engagement, JET and the NBI have been able to build on the willingness of industry to support colleges and initiate a national project to strengthen the colleges that are particularly geared to working with industry around the supply of youth who are equipped to enter into technical trades. The AWG has endorsed a partnership with the DHET and the plans for this partnership have been developed through existing programmes being managed by the NBI, namely the College-Industry Partnership (Construction Industry) and the Technical Skills Business Partnership. Through these two initiatives, companies have agreed in principle to pool their resources to support the strengthening of teaching and learning at targeted engineering campuses and to provide learners and staff from these campuses with access to workplaces in order to ensure the skills being developed are in line with industry expectations. This project will be rolled out in 2011.

Building Sustainable Livelihoods for Youth

In light of the challenges associated with job creation in the formal sector, JET has begun to develop a framework for youth employability through livelihoods. The framework is aimed at strengthening FET Colleges to provide programmes for youth which will enable them to create sustainable livelihoods through which they could contribute to income generation, sustainable job creation and local economic development, particularly in rural and peri-urban communities. Together with key partners, JET is seeking to work with the DHET to initiate a demonstration project in targeted sites across the country. These sites will be located primarily in poverty nodes with exceedingly high youth unemployment. The livelihood programmes offered by the colleges will depend on the local demands, but could range from engineering and construction to agriculture or early childhood development. Where industry has a particular vested interest in the communities concerned, JET will seek to bring them in as a key partner to enhance the value of the intervention.

Over a three- to five-year period, the project aims to achieve the following outcomes:

- Youth in local communities able to contribute to household income;
- Youth in local communities able to pursue further learning opportunities;
- An appropriate model of youth livelihoods tested and the lessons thereof captured and disseminated broadly;
- A contribution made to building the FET College sub-system.

Education Evaluation and Research Division (EERD)

MAPPING THE TERRAIN: THE VALUE OF JET'S RESEARCH IN TEACHER DEVELOPMENT

Teacher Effectiveness Research

For many years, educators and researchers have debated which school variables influence learner achievement. As policymakers become more involved in school reform, this question takes on new importance since many school reform initiatives rely on presumed relationships between various education-related factors and learning outcomes. Some research has suggested that "schools bring little influence to bear upon a child's achievement that is independent of his background and general social context"¹. Other evidence suggests that factors like class size, teacher qualifications, school size and other school variables may play an important role in what students learn. More recent research suggests that a teacher's effectiveness has more impact on student learning than any other factor controlled by school systems.

Effects of Teaching on Learner Performance

Although the factors which play a significant role in learner performance have been difficult to isolate in empirical research at both international and local levels, the current South African education reform climate is demanding the introduction of standards to measure teacher quality as it relates to learner performance. Although this ongoing policy conversation on standards and accountability has served to energise the education sector in South Africa and abroad, there is still a great deal of confusion regarding what counts as indicators of quality in teacher development and teaching. Furthermore, there is disagreement in the research community as to whether it is possible to find the links between how and what teachers learn, how teachers teach and how and what learners learn, especially in South Africa. With our continuously poor performance in international comparative studies such as the *Southern African Consortium for Monitoring Educational Quality (SACMEQ)*, the *Third International Mathematics and Science Study (TIMMS)* and the *Progress for International Reading Literacy Study (PIRLS)*, the need to understand this phenomenon becomes even more pressing.

Teacher Knowledge

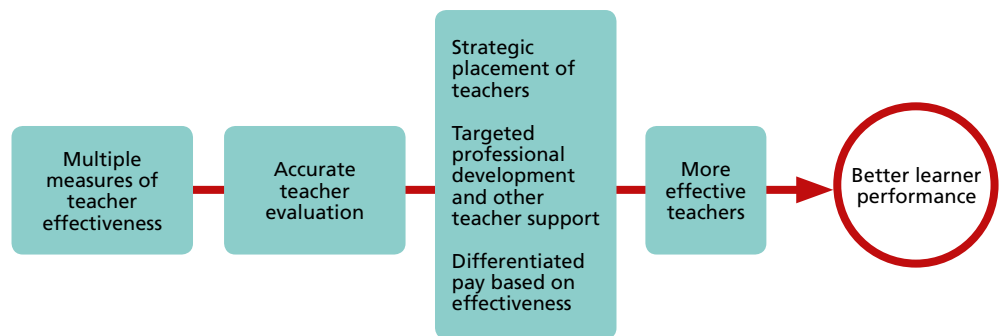
In South Africa, one of the most consistent research findings over the past 10 years has been that teachers' low levels of conceptual knowledge, their poor grasp of their subjects and the range of errors made in the content and concepts presented in their lessons has a direct and inverse relationship with learner performance. At the end of the day, research on teacher competence or effectiveness confirms what many parents already know – that with appropriate preparation teachers will produce better-educated learners: that high quality teaching will yield high quality learning. The opposite is also held to be true and teachers are often blamed for poor learner performance. Thus, there is an assumed connection between what teachers know and do and how they learn it and what learners know and do and how they learn it. However, although teacher knowledge and the possible role it plays in the classroom and in learner achievement is well documented in international literature, what and how much knowledge a teacher needs to be successful remains a question for debate. Fuelling this debate is the very issue of *measuring teacher competence and teacher effectiveness*.

However, while the debate continues, information about teacher competence and effectiveness is generally not being collected and if it is, is poorly done and misunderstood. If we are unable to measure the effectiveness and quality of our teachers how is the education system supposed to develop and support them? The costs of this failure are enormous. In the often quoted words of Bob Talbert "Good teachers are costly, but bad teachers cost more".

If we say 'teachers matter' (and the research clearly says they do) and that what happens in the classroom is at the heart of creating the future generation of South Africa's employable and skilled workforce, we need to start paying better attention to what teachers' developmental needs are. We also need to start expecting excellence from our teachers. For us to achieve this, teachers will need to open up their practice for review and constructive critique – because that is what excellence requires. Since we are just starting out on this path, we need to be humble about what we know and do not know. We should take heart from the fact that the challenges to providing quality education are

What happens in the classroom is at the heart of creating the future generation of South Africa's employable and skilled workforce.

¹ Coleman, JS et al. (1966). Equality of educational opportunity. Washington, DC: US Government Printing Office.



The current loud pursuit of grand, magical remedies for our educational problems, while neglecting the use of effective, research-proven ideas, is impossible to achieve.

being met every day by those teachers who regularly generate impressive results. Our first steps must be to continue to collect data on learner performance, ask learners to help by providing their own confidential feedback about their teachers, begin to test teachers on their subject content knowledge and refine our approaches to conducting classroom observations. JET's Bojanala Systemic School Improvement and Centres of Excellence Projects are providing important first steps in doing this and enabling us to identify those teachers who truly excel, to support them and to develop others to generate similar results.

Teacher Testing

JET's research findings are clear: Dramatically improving education means ensuring that every learner has an effective teacher in every class in every school year. Better information about teacher effectiveness could be an extraordinarily valuable tool for achieving this goal and assisting in closing the gap in achievement between South Africa and higher-performing countries such as Japan or Singapore. Learning from our research, in late 2009 and during much of 2010, JET worked on developing our own set of standardised teacher tests to provide instruments for measuring teacher subject knowledge. These tests focussed on literacy/ language (specifically English) and numeracy/ mathematics concepts spanning Grade 2 to Grade 9. The tests have been piloted in three areas: Sedibeng East in Gauteng, Moses Kotane West in the North West and Cape Town in the Cape Province. The importance of these instruments is that they provide the education system, the intervention project, the school and the individual teacher with a benchmark against which to measure progress over time and, more importantly, identify development needs. The Department of Basic Education (DBE) together with the Department of Higher

Education and Training (DHET) has adopted a similar viewpoint and is investigating the possibility of developing a web-based teacher-testing system. JET is proud to have contributed to the process with our proposal that using multiple measures of teacher competence (including that of subject content knowledge) to test teacher effectiveness will result in more accurate teacher evaluation which will in turn enable the education departments to produce more responsive support mechanisms and thus better learner outcomes.

Research Applications

While JET's research findings on teacher effectiveness are significant, they are not new or ground breaking. What they do highlight are the lessons to be learnt in the application of research to practical situations. Although practically all of the ideas from the research laboratory make increased demands on teachers and the system at large, if the proven findings from learning research were extensively and energetically applied in classrooms, the success of South African schools would be measurably improved. The current loud pursuit of grand, magical remedies for our educational problems, while neglecting the use of effective, research-proven ideas, is impossible to achieve. Could the scarcity of research-based initiatives be due to a surfeit in the literature of one-shot quasi-experimental studies of organisational changes in schools or classrooms that have not been subjected to rigorous study? Or perhaps we find too many school improvement designs that do not really allow us to generalise beyond the specific methods that were used in the particular study? Unfortunately, many weak practices still infest the literature. To circumvent this, the international research community is fast adopting the use of Randomised Control Trials (RCTs) which up to mid 2005, were not readily applied in education-based research.

Education Evaluation and Research Division (EERD) /cont.

In keeping with this trend, in 2010 JET initiated and participated in South Africa's first peer reviewed education-focussed RCT study. The findings sparked much interest, both locally and internationally, but a salient feature of the study was its potential to extract empirical impact data in a fairly cost-effective manner. Of course, this is not the only method that can be used to measure the impact and effectiveness of a particular programme or intervention, but the study demonstrated decisively that RCTs can be successfully applied to education research. (See pages 18 to 20 for more).

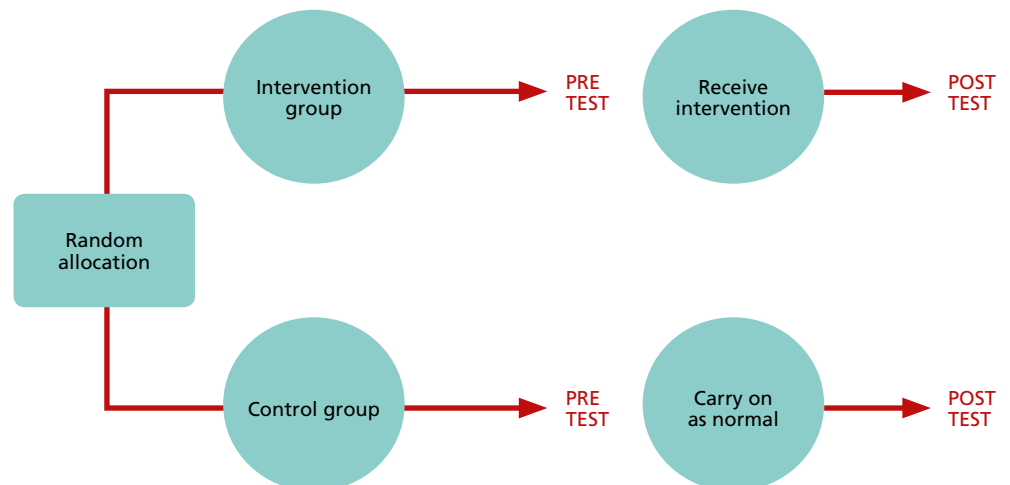
Conclusion

The pursuits of conducting research and evaluation projects that support national education development initiatives, seeking long-term solutions to current educational challenges and adding to the body of education research literature remain EERD's focus. We have learnt many lessons with respect to teacher development but we have much work still to do and many questions to answer in order to provide high quality professional development to all teachers. It will take many different types of inquiries and a vast array of research tools to generate the rich knowledge base needed to achieve this goal. As we engage in professional development design and research, we must make thoughtful, informed decisions about the designs and methods most appropriate to the specific questions we are asking. In keeping with this, we continue to learn from our research activities and share our lessons for the improvement of education in South Africa.

THE FUTURE IS RANDOM BUT CAN EDUCATIONAL RESEARCH BE RANDOMISED?

The use of Randomised Control Trials

RCTs have long been considered the gold standard in experimental research design in the natural and physical sciences and even in some social sciences such as cognitive psychology. However, some of the human sciences have been slow in accepting the ideological principles underpinning RCTs, to the extent of even considering RCTs impossible to implement in fields such as education. In education, as in most human sciences, a multitude of factors influence outcomes, both singly as well as in combination and just determining these factors, let alone measuring and controlling them as required in experimental research designs, is a daunting task for any researcher. However, the beauty of RCTs lies in the simplicity of their design. RCTs are based on the fundamental assumption that in a large sample, if you randomly assign individuals to, for example, two groups, you will end up with two groups that are the same in all attributes, both those you can define and measure as well as those that are difficult to define and measure. If you then intervene in the area you are interested in measuring in one of the groups (i.e. the intervention group) and do nothing in the other group (the counterfactual group), the difference between the two groups in the specific attribute you are interested in will be due to your intervention. This is of course an oversimplification of the integrated planning, consideration and exact execution that goes into the design and implementation of an RCT.





When to use Randomised Control Trials

An RCT should be considered as the first choice to establish whether an intervention works because:

- It eliminates selection bias and can generate a causal conclusion.
- It avoids potentially misleading results from non-experimental work which has inadequately controlled for selection bias.
- It provides a quick and digestible conclusion about programme effectiveness that avoids lengthy caveats.
- Its results can be incorporated into future meta-analyses.

In 2010 JET Education Services, in partnership with the School of Education at the University of the Witwatersrand (Wits) successfully executed an RCT in the field of Mathematics education². The study was the first of its kind in South African education research. It aimed to compare two different sets of Grade 6 Mathematics workbooks. The sample used in the study consisted of 44 schools that were randomly assigned to either the intervention group or the counterfactual group. The two groups, while using different kinds of learning materials, shared a common emphasis on providing all learners with workbooks and ensuring their consistent use in the classroom. At the most basic level, the results of the study showed substantial gains in learner test scores in both the intervention and counterfactual groups. Despite the differences in both the form and internal logic of the materials used by the two groups, there was no significant difference in the gains each group made. This led the researchers to conclude that if learner materials

(in whichever format) are universally provided and used consistently, learner achievement is likely to improve. Furthermore, the study showed that the use of RCTs in the field of education is not only feasible, but also yields useful information for use in the field of school improvement.

Constraints of Randomised Control Trials

However, as with all research designs, RCTs are not without constraints. A huge problem for RCTs at a national level is the regular rolling out to schools of initiatives which have not been properly trialled. Evaluation is either a late afterthought or not considered important enough to delay roll-out. The exposure of children to educational harm when initiatives are not properly tested is a very real risk.

Critics of RCTs have also criticised them for not successfully mitigating against the Hawthorne effect – the propensity for the intervention group participants to ‘try harder’. While in a medical drug trial, patients, doctors and researchers can be kept unaware of what treatment patients are receiving (a double-blind placebo trial), in educational research this is rarely possible, since the intervention is clearly visible to all concerned. We are, however, often able to blind those involved in the measurement of outcomes. Other evaluation methods will rarely improve on this since they are also not able to operate blindly.

Another constraint is that RCTs are blind to the mechanisms which drive the changes observed. They do not tell us how the intervention works – only that it did work. This former area is the domain of intensive descriptive studies, but

² Fleisch B, Taylor N, du Toit R, Sapire I. (2010). Can workbooks improve learner performance? Findings of the randomised control trial of the Primary Mathematics Research Project. Paper presented at the Wits School of Education research seminar, Johannesburg, August 2010.

Education Evaluation and Research Division (EERD) /cont.

because of their thoroughness, such qualitative studies are necessarily small in scale and therefore cannot reach general conclusions. Ideally, intensive descriptive studies should accompany RCTs in order to couple predictions with an understanding of change mechanisms and hence of their implications for policy and practice. This is a good argument for qualitative work to take place in parallel with any quantitative study. JET's newly established Qualitative Research Unit was put into operation in 2010 for this purpose.

Conclusion

It may well be that randomised experiments are not necessarily the gold standard. But then no one method is and the alternatives are usually worse (Berk, 2005)³. Of course, deciding on the best design is dependent on what the focus of the investigation is. From a statistical perspective, field studies in which schools or classrooms are assigned randomly to interventions are the best way to produce causal conclusions about the relationships among educational resources, instructional practices and student learning. Quasi-experimental designs are a preferred choice when random assignment is not feasible or desirable, for example, in a large scale national intervention study where the intervention is being applied to the entire population. In-depth case studies conducted in conjunction with large-scale field studies can provide important insights about the processes and mechanisms by which the causes produce their effects. At the end of the day, educational researchers should remember that it is essential to have a clear understanding of what is being investigated and how best to investigate it.

TEACHER DEVELOPMENT MODELS – WHAT HAVE WE LEARNED FROM OUR RESEARCH?

The improvement of teacher education is a recurrent topic in policy debates and this is as true in South Africa as it is in North America and the United Kingdom. With teachers being perceived as professionals and the preparation to teach as a lifelong learning process in which they actively participate in their own growth and development, the concept of 'teacher training', whether pre-service or in-service, is no longer fitting (Villegas-Reimers, 2003)⁴; 'teacher professional development' is perhaps a more accurate term.

Different authors have different criteria for guiding programmes that promote teachers' professional development. While some say that teacher development should foster growth in knowledge, skills, judgement (classroom related) and the contribution teachers make to a professional community, others suggest that teacher development models should promote survival skills, becoming competent in the basic skills of teaching, expanding one's instructional flexibility, acquiring instructional expertise, contributing to the professional growth of colleagues and exercising leadership and participating in decision making.

In-service Teacher Development Models

There are a number of models that have been developed and implemented in different countries to promote and support teachers' professional development. In the main we can group these models into one of two groupings:

- Models that require and imply certain organisational or inter-institutional partnerships in order to be effective; or
- Models that can be implemented on a smaller scale (in a school, a classroom, etc).

The table below summarises the different models (as taken from Villegas-Reimers, 2003):

ORGANISATIONAL PARTNERSHIPS MODELS	SMALL GROUP OR INDIVIDUAL MODELS
Professional development schools	Supervision traditional and clinical
Other university-school partnerships	Workshops, seminars, courses
Other inter-institutional collaborations	Self directed development
Social networks	Co-operative or collegial development
Teachers' networks	Observation of excellent practice
Distance learning	Skill development model Reflective model Project based models Cascade model Coaching or mentoring model

Given the number of models reported in the literature and the multiple combinations possible, those interested in promoting, designing and implementing teacher professional development

³ Berk, RA. (2005). Randomized experiments as the bronze standard. *Journal of Experimental Criminology*, 1(4):417–433

⁴ Villegas-Reimers E. (2003). *Teacher professional development: an international review of the literature*. Paris: International Institute for Educational Planning.



Education Evaluation and Research Division (EERD) /cont.

have a large variety of available options and opportunities. It is, however, of paramount importance to pay attention to the characteristics of the context in which these professional development models are implemented as well as to any other factors that may support these efforts. In particular, the kinds of professional development programmes and activities designed by and for teachers must respond to teachers' professional needs, their personal and professional interests, their stages of professional development and particular educational levels. Programmes of professional development must be coordinated so that unnecessary repetition is avoided and a logical sequence of experiences can be followed.

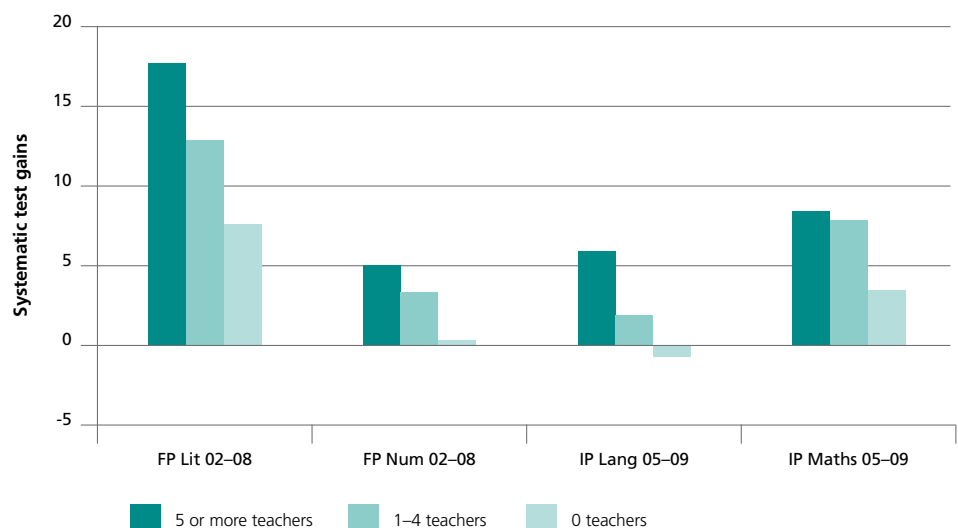
What Models has South Africa Implemented?

As we know, in South Africa there are serious challenges in terms of the quality of teaching and learning. The new departments of Basic Education and Higher Education and Training are in the process of formulating a national teacher development plan that seeks to improve teacher competence. By definition, system-wide programmes supported by the state fall into the organisational partnerships approach shown in the table on page 20. In addition, corporate social investment programmes collectively allocate over R300 million a year to teacher development. These non-governmental programmes fall into the small group or individual approach, although many have in recent years attempted to forge partnerships with provincial departments of education.

In the most significant in-service teacher development initiatives in operation at the present time, NGOs provide services to province-wide programmes led by government. JET is involved in the management or evaluation of more than half a dozen large programmes of this kind, two of which are discussed below: the Cape Teaching and Leadership Institute (CTLI) and the Lit/Num Strategy, both programmes of the Western Cape Education Department. These programmes are of particular interest at the present time for two reasons: they represent very different models of teacher in-service development and both have been subjected to comprehensive evaluations in the past year.

The CTLI has been in operation since 2002 when the WCED converted a former teacher training college into an in-service centre. The model adopted was based on a block-release system, where teachers attend residential training for two two-week blocks during the year, while substitute teachers are found for their classes. This is a very intensive form of training, allowing teachers to attend sessions during the day and to build professional friendships with their peers which, the evaluation found, serve a valuable support function when teachers return to their schools. The most striking evidence of the impact of CTLI on learner performance is given by the graph below, which shows the gain scores registered by schools on the provincial systemic tests conducted at Grade 3 and 6 levels in Literacy and Numeracy. Those schools that

Comparison of gains according to the number of teachers trained at CTLI between 2002 and 2009



District officials should be more closely involved in the planning and delivering of the courses and supporting teachers in their schools.

sent five or more teachers to CTLI courses in the period 2002–2009 showed very clear gains, compared with those who sent one to four teachers, which in turn showed significantly superior gains to those schools from which no teachers attended.

The Lit/Num Strategy of the WCED, by contrast, conforms more closely to the in-service training model commonly used in donor driven programmes, with four teachers per school attending a five-day residential course, followed by on-site support visits to schools and afternoon training by service providers. Results have been disappointing to date, although the programme has only been in operation for two years.

In both instances, the recommendations from the evaluation studies are clear: courses need to have a stronger focus on content knowledge and a secondary focus on the classroom context and related policy. In regards to processes, the evaluation studies recommend that the selection

process become an integral part of the districts' strategy to address poor performance by systematically targeting weak schools, although having a mix of stronger and weaker schools enables teachers to share experiences and build effective peer networks. The evaluations suggest that district officials should be more closely involved in the planning and delivering of the courses and supporting teachers in their schools.

Conclusion

As K. Patricia Cross put it,

“The task of the excellent teacher is to stimulate ‘apparently ordinary’ people to unusual effort. The tough problem is not in identifying winners: it is in making winners out of ordinary people.”

Not accepting mediocrity from our teachers is paramount. By expecting excellence and providing appropriate support, we can make a difference. After all, teaching is the profession that teaches all the other professions.



Corporate Governance

The Board is the focal point of JET's Corporate Governance system and is ultimately accountable and responsible for the performance and management of the organisation and the achievement of its vision.

The Board members' responsibilities are to:

- Provide leadership and vision to drive JET's mission based on an ethical foundation;
- Approve a three-year strategy, operating objectives and an annual business plan;
- Appoint and evaluate the performance of the executive management;
- Establish and annually review the composition, chairmanship and terms of reference of its sub-committees;
- Ensure that the JET Board's code of ethics is adhered to;
- Ensure that the JET Board operates as a responsible corporate citizen;
- Disclose real or perceived conflicts to the Board so that the Board can deal with them accordingly;
- Ensure that policies and procedures are in place and consistent with the organisation's objectives; and
- Ensure that the organisation and its officers act legally, ethically and responsibly in all matters.

In line with recommendations of the King III Report on Corporate Governance, the JET Board of Directors adopted a Board Charter that sets out the Board's appointment procedures, roles,

responsibilities and modus operandi. The Charter is consistent with JET's Memorandum and Articles of Association and the Companies Act. The JET Board aligns itself with the broadened scope of corporate governance in South Africa with its core philosophy revolving around leadership, sustainability and corporate citizenship. Among other principles enshrined in the King III report, the JET Board recommitted itself to observing the following:

- The positioning of the internal audit as a strategic function with the purpose of conducting a risk-based internal audit that provides a written assessment of the company's system of internal control, including internal financial controls;
- The governance of risk through formal risk management processes which are carried out by management under the oversight of the Finance and Audit Committee;
- The clear definition of strategy in order to provide direction and establish the ethics and values that will influence and guide organisational practices and behaviour with regard to sustainable performance;
- The embracing of the concept and practice of sustainability as a primary moral and economic imperative thereby promoting innovation, fairness and collaboration in the organisation;
- The recognition that social transformation and redress are important and need to be integrated within the broader transition to sustainability.

The JET Board aligns itself with the broadened scope of corporate governance in South Africa with its core philosophy revolving around leadership, sustainability and corporate citizenship.



The JET Board Charter also stipulates the types and weighted representation of expertise required for effective governance of the organisation. These expert profiles are presented in the table below.

There were a number of changes in the membership of the Board during the year. Professor John Volmink resigned and Mr Jeremy Ractliffe (then Chairman) took leave of absence from the Board on 27 August; Mr Nathan Johnstone was appointed Acting Chairman. The members of the Board are listed below:

Nathan Johnstone (Acting Chairman, appointed 27 August)
 Jeremy Ractliffe (On leave of absence from 27 August)
 Brian Figaji
 Nqabomzi Gawe
 Marianne MacRobert
 Nigel Matthews
 Angie Phaliso
 Mike Rosholt
 Jim Wotherspoon
 John Volmink (Resigned on 27 August)
 Godwin Khosa (Chief Executive Officer)

There are currently two Board committees, namely the Finance and Audit Committee and the Remuneration and Nominations Committee. (See the Directors' Report, page 30).

Financial control and risk management

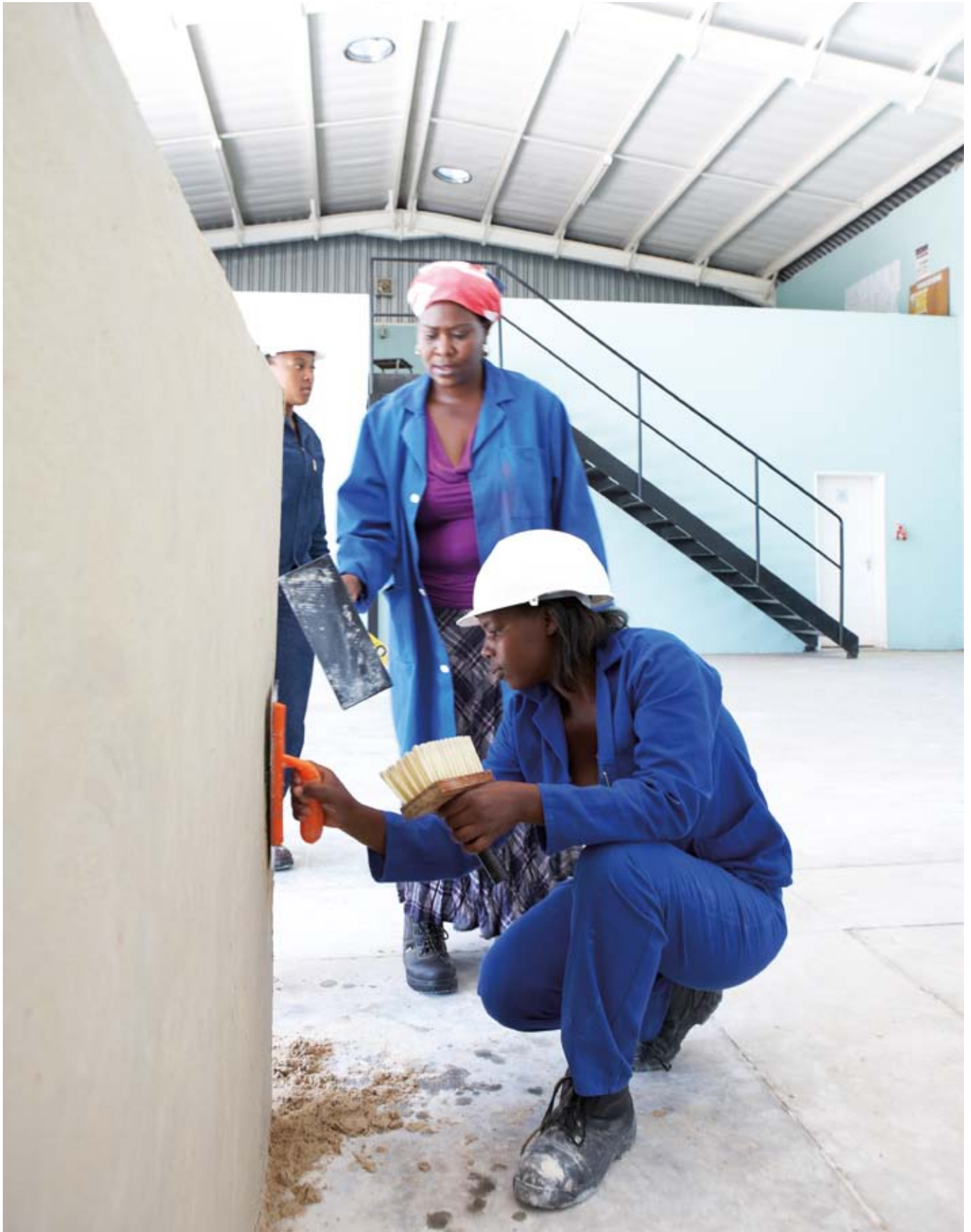
The practical application of financial control and risk management is delegated to management which is accountable to the Board for designing, implementing and monitoring the risk management processes and integrating them into the day to day activities of the organisation. See the Notes to the Annual Financial Statements, pages 35 to 44 for details.

	DESCRIPTION OF THE KEY REQUIREMENTS	WEIGHTED REPRESENTATION (No. of people)
Education	Knowledge of the education and training sector at a strategic level, particularly school improvement, pre-workplace youth development, research and evaluation and education planning.	30% (3)
Fundraising and marketing	Knowledge of the workings of the Corporate Social Investment sector, foundations, trusts and other development funders.	30% (3)
Business management	Prior experience in and extensive knowledge of running an organisation on pure business principles. The directors should be able to oversee and guide the strategic planning process, organisational performance and risk management.	15% (1-2)
Financial management and accounting	Prior experience and extensive knowledge of the financial management and accounting environments. Knowledge of the IFRS and GAAP.	15% (1-2)
Human resources management	Experience in managing human resources, particularly in respect to managing staff rewards and motivation and labour relations.	5% (1)
Legal expertise	Knowledge of and expertise in South African corporate legislation and good governance practices.	5% (1)
Total number of non-executive directors		(10 – 12)



Annual Financial Statements

JET Education Services (Association incorporated under Section 21)



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for the year ended 31 December 2010

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 in 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

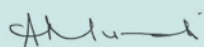
to minimise risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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 2011 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 29.


The annual financial statements set out on pages 32 to 44, which have been prepared on the going concern basis, were approved by the Board of Directors on 8 April 2011 and were signed on its behalf by:



Agness Munatsi
Acting Chief Financial Officer



Godwin Khosa
Chief Executive Officer



Nathan Johnstone
Acting Chairman

Johannesburg
8 April 2011

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 2010, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 44.

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, 1973. 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 2010 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, 1973.

Gobodo Inc.

Gobodo Incorporated
Registered Auditors

Per N Moodley
Director

Johannesburg
8 April 2011

Annual Financial Statements

for the year ended 31 December 2010

REPORT OF THE DIRECTORS

31 December 2010

The Directors present their annual report, which forms part of the audited annual financial statements of the company, for the year ended 31 December 2010.

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:

- Advocacy and networking;
- Fund management;
- Investigation at schools and other education institutions 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's operations recorded an operating shortfall of income over expenditure before interest of R2 778 512 (2009: R2 185 952) whilst projects recorded an overall shortfall of R5 936 600 (2009: R1 420 077). The R5.9 million shortfall by projects is accounted for by JET's contribution to project expenditure as per the board's decision in March 2010 to co-fund some of the projects.

The financial results are set out on pages 32 to 34.

Events subsequent to the year end

There have been no facts or circumstances that have come to the attention of the Directors between the accounting date and the date of this report that have had an impact on the amounts in the annual financial statements.

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, consisting of ten Non Executive Directors and one Executive Director.

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;
- Reviewing and analysing the 2010 and 2011 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 Nathan Johnstone (Acting Chairman from 27 August 2010) *
Mr Jeremy Ractliffe (leave of absence from 27 August 2010)
Prof. Brian Figaji
Prof. Nqabomzi Gawe
Ms Marianne MacRobert
Mr Nigel Matthews *†
Ms Angelina Phaliso *
Mr Mike Rosholt *†
Prof. John Volmink (Resigned 27 August 2010)
Mr Jim Wotherspoon †

Executive

Mr Godwin Khosa

† member of Finance and Audit Committee

* member of Remuneration and Nominations Committee

Annual Financial Statements

for the year ended 31 December 2010

STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

	Note	2010 R	2009 R
ASSETS			
Non-Current Assets			
Property, plant & equipment	2	899 330	136 075
Current Assets			
Accounts receivable	3	7 123 448	13 054 828
Cash and cash equivalents	4	46 661 647	52 278 296
Total Assets		54 684 425	65 469 199
FUNDS AND LIABILITIES			
Funds			
Accumulated Funds		17 932 827	17 676 743
JET funds designated for projects	5	27 194 693	33 131 293
Current Liabilities			
Donor funds designated for projects	6	6 083 252	6 005 406
Accounts payable	7	2 809 592	6 671 319
Provisions	8	664 061	1 984 438
Total Funds and Liabilities		54 684 425	65 469 199

Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

	Note	2010 R Projects	2010 R Operations	2009 R Projects	2009 R Operations
INCOME					
Revenue		–	14 213 529	–	13 888 254
Other income	11	–	36 876	–	1 692 000
Donor funds for designated projects	6	23 024 187	–	24 564 601	–
Unutilised prior year funds		6 005 406	–	9 339 168	–
Funds received during the year		22 964 971	–	20 710 864	–
Interest earned on fund balances		137 062	–	519 975	–
Unutilised funds carried to next year		(6 083 252)	–	(6 005 406)	–
		23 024 187	14 250 405	24 564 601	15 580 254
EXPENDITURE					
JET funds for designated projects utilised	5	(5 936 600)	–	(1 420 077)	–
Operations and administration		–	(17 028 917)	–	(17 766 207)
Donor funds for designated projects utilised	6	(23 024 187)	–	(24 564 601)	–
Shortfall of income over expenditure	12	(5 936 600)	(2 778 512)	(1 420 077)	(2 185 953)
Interest received	13	–	3 034 596	–	4 045 896
(Shortfall)/excess of income over expenditure after interest	12	(5 936 600)	256 084	(1 420 077)	1 859 943
Other comprehensive income		–	–	–	–
Total comprehensive (shortfall)/excess of income over expenditure	12	(5 936 600)	256 084	(1 420 077)	1 859 943

Annual Financial Statements

for the year ended 31 December 2010

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 December 2010

	Note	JET Designated project funds R	Specific funds R	Accumulated funds R	Total R
Balance at 1 January 2009		11 560 587	14 162 949	24 644 633	50 368 169
JET funds designated for projects utilised		(2 592 243)	–	1 172 166	(1 420 077)
Excess of income over expenditure		–	–	1 859 944	1 859 944
Funds transferred in/(out)		24 162 949	(14 162 949)	(10 000 000)	–
Restated balance at 1 January 2010	14	33 131 293	–	17 676 743	50 808 036
JET funds designated for projects utilised	5	(5 936 600)	–	–	(5 936 600)
Excess of income over expenditure		–	–	256 084	256 084
Balance at 31 December 2010		27 194 693	–	17 932 827	45 127 520

STATEMENT OF CASH FLOWS

for the year ended 31 December 2010

	Note	2010 R	2009 R
Cash utilised by operating activities			
Cash receipts from customers and funders		43 276 865	38 164 650
Cash paid to suppliers and employees		(50 920 280)	(46 518 999)
Cash utilised by operations	17	(7 643 415)	(8 354 350)
Interest income		3 034 596	4 045 896
Net cash utilised in operating activities		(4 608 819)	(4 308 454)
Cash flows from investing activities		(1 007 830)	(67 426)
Proceeds from disposal of assets		14 180	–
Acquisition of property and equipment	2	(1 022 010)	(67 426)
Net decrease in cash and cash equivalents		(5 616 649)	(4 375 880)
Cash and cash equivalents at the beginning of the year		52 278 296	56 654 176
Cash and cash equivalents at the end of the year	4	46 661 647	52 278 296

Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

1. ACCOUNTING POLICIES

Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa, 1973.

The annual financial statements have been prepared on the historical cost basis, except as modified by measuring at fair value financial instruments. The principal accounting policies adopted and applied, which are set out below, are consistent in all material respects with those applied in the previous year.

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 Board 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 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

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, at the following rates:

Computer equipment	33.3% per annum
Office equipment and furniture	20% per annum
Motor vehicles	50% per annum
Leasehold improvements	20% per annum

Property, plant and equipment acquired for projects are written off in total in the year of acquisition, in order to effect project expenditure in terms of the contract.

The carrying value of equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or such cash generating units are written down to their recoverable amount.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

1.5 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company has become party to the contractual provisions of the instrument.

Financial instruments recognised in the statement of financial position include:

- Cash and cash equivalents;
- Trade and other receivables;
- Trade and other payables.

Financial assets

The company's principal financial assets comprise the following:

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and instruments which are readily convertible, within 90 days, to known amounts of cash and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, all of which are available for the company unless otherwise stated.

Trade and other receivables

Trade and other receivables, which generally have 30 to 90 day terms, are recognised initially at fair value of consideration receivable and subsequently measured at amortised cost using effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any transaction costs and any discount or premium on settlements.

The company's principal financial liabilities comprise the following:

Trade and other payables

Trade and other payables, which generally have 30 to 90 day terms, are recognised initially at fair value of consideration payable and subsequently measured at amortised cost using the effective interest rate method.

1.6 Operating Leases

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

Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

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.

2. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment R	Furniture and fittings R	Motor vehicles R	Lease improvements R	Total R
Cost	950 115	746 988	257 858	109 545	2 064 506
Accumulated depreciation	(553 473)	(537 874)	(53 746)	(20 083)	(1 165 176)
Carrying amount at 31 December 2010	396 642	209 114	204 112	89 462	899 330
Cost	1 115 135	557 787	–	–	1 672 922
Accumulated depreciation	(1 026 705)	(510 142)	–	–	(1 536 847)
Carrying amount at 31 December 2009	88 430	47 645	–	–	136 075
Reconciliation of assets					
Carrying amount at 1 January 2009	187 786	68 192	–	–	255 978
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
Carrying amount at 31 December 2009	88 430	47 645	–	–	136 075
Additions	434 468	220 139	257 858	109 545	1 022 010
Depreciation	(119 027)	(58 671)	(53 746)	(20 083)	(251 527)
Disposals – cost	(599 487)	(30 940)	–	–	(630 427)
Disposals – depreciation	592 259	30 940	–	–	623 199
Carrying amount at 31 December 2010	396 642	209 114	204 112	89 462	899 330

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for the year ended 31 December 2010

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

3. ACCOUNTS RECEIVABLE

	2010 R	2009 R
Trade receivables	6 018 675	10 147 398
VAT	101 975	11 497
Interest receivable	938 611	255 855
Other receivables	64 187	915 241
Amounts due to projects	–	1 724 837
Umsobomvu Youth Fund	–	1 600 926
Murray and Roberts	–	106 774
Other	–	17 137
	7 123 448	13 054 828
Trade receivables ageing		
31 to 60 days	4 454 753	–
61 to 90 days	452 093	–
90+ days	1 111 829	10 147 398
	6 018 675	10 147 398

4. CASH AND CASH EQUIVALENTS

Short-term deposits	31 907 683	45 010 205
Current and call accounts	14 746 981	7 266 091
Petty cash	6 983	2 000
	46 661 647	52 278 296

5. JET FUNDS DESIGNATED FOR PROJECTS

Unutilised prior year funds	33 131 293	11 560 587
Funds transferred from other reserves	–	24 162 949
Total available designated funds	33 131 293	35 723 536
Project expenditure:		
Incurred on internal resources	–	(1 172 166)
Paid to third parties	(5 936 600)	(1 420 077)
	27 194 693	33 131 293

The funds of R27,2 (2009: R33,1) 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.

Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

6. DONOR FUNDS DESIGNATED FOR PROJECTS

	2010 R	2009 R
Unutilised prior year funds	6 005 406	9 339 168
Funds received during the year	22 964 971	20 710 864
Interest received	137 062	519 975
Total designated project funds available	29 107 439	30 570 007
Expenditure	(23 024 187)	(24 564 601)
	6 083 252	6 005 406

7. ACCOUNTS PAYABLE

Trade payables	2 196 683	2 945 556
Other payables	612 909	910 859
Amounts owed by projects	–	2 814 904
Mveledzandivo – Billiton Project	–	–
Khanyisa Project	–	722 307
Cofimvaba – Centres of Excellence	–	34 708
Umsobomvu Youth Fund	–	1 661 407
Zenex	–	391 256
Murray and Roberts	–	5 226
	2 809 592	6 671 319

8. PROVISIONS

	Retrenchment R	Incentive awards R	Leave R	Total R
Balance at 1 January 2009	–	849 185	583 542	1 432 727
Charged to the statement of comprehensive income	621 900	390 974	185 357	1 198 231
Adjusted/(utilised)	–	(648 258)	1 738	(646 520)
Balance at 31 December 2009	621 900	591 901	770 637	1 984 438
Charged to the statement of comprehensive income	–	–	317 721	317 721
Adjusted/(utilised)	(621 900)	(591 901)	(424 297)	(1 638 098)
Balance at 31 December 2010	–	–	664 061	664 061

Annual Financial Statements

for the year ended 31 December 2010

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

9. TAXATION

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

10. CONTINGENT LIABILITIES

Guarantees

	2010 R	2009 R
Guarantees	242 280	242 280

The bank has guaranteed an amount of R242 280 (2009:R 242 280) for rentals to the landlord in respect of the leased premises occupied by the company. The guarantees commenced on 1 January 2010 and expire on 31 March 2015.

11. OTHER INCOME

Income on finalisation of major contracts

Profit on sale of assets

Other sundry items

Income on finalisation of major contracts	–	1 692 000
Profit on sale of assets	6 953	–
Other sundry items	29 923	–
	36 876	1 692 000

12. SHORTFALL OF INCOME OVER EXPENDITURE

12.1 Projects' shortfall of income over expenditure

JET funded projects

Centres of Excellence Project

Bojanala 1 Systemic School Improvement

Western Cape Education Department

Other projects

Donor funded projects

JET funded projects	5 936 600	1 420 077
Centres of Excellence Project	773 761	–
Bojanala 1 Systemic School Improvement	2 591 645	–
Western Cape Education Department	1 890 500	–
Other projects	680 694	1 420 077
Donor funded projects	–	–
	5 936 600	1 420 077

JET projects were funded solely from Reserves designated for project activities. There was no additional external income received during the year in JET funded projects. The funding is accounted for in the Statement of Changes in Funds. Unutilised donor funds are deferred and recognised as a liability per Note 6.

Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

12. SHORTFALL OF INCOME OVER EXPENDITURE (CONTINUED)

	2010 R	2009 R
12.2 Operations shortfall of income over expenditure		
The shortfall of income over expenditure is stated after taking into account the following:		
Loss/(profit) on disposal of assets	(6 953)	330
Depreciation	251 527	186 999
Lease expenses – premises	963 636	1 149 911
Staff costs	12 717 589	12 768 510
Retrenchment costs	497 359	621 900
Audit fees	286 500	134 000
13. INTEREST RECEIVED		
Short-term investments	1 749 035	3 483 541
Current and call accounts	1 285 561	562 355
	3 034 596	4 045 896

14. PRIOR YEAR ERROR

a) Nature of error

Funding received for project activities was incorrectly recognised in the statement of comprehensive income as earned income instead of being deferred as a liability until utilised for the purpose and net of all project costs.

b) Impact on each financial statement line item affected

	Previously reported R	Adjustment R	2009 Restated R
<i>i) Statement of Changes in Funds</i>			
Accumulated funds	19 835 434	(2 158 691)	17 676 743
<i>ii) Statement of Financial Position</i>			
Accounts payable	5 096 560	1 574 759	6 671 319
Accounts receivable	13 638 759	(583 932)	13 054 828
<i>iii) Statement of Comprehensive Income</i>			
Revenue	16 046 945	(2 158 691)	13 888 254

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

	2010 R	2009 R
15. DIRECTORS' REMUNERATION		
Non-executive directors		
For service as directors	463 932	446 550
Executive directors		
For salaries as directors	1 058 341	3 113 610
16. RELATED PARTY TRANSACTIONS		
There were no related party transactions during the course of the year.		
17. RECONCILIATION OF SHORTFALL OF INCOME OVER EXPENDITURE TO CASH UTILISED BY OPERATIONS		
(Shortfall)/excess of income over expenditure	(5 680 516)	439 866
Projects	(5 936 600)	(1 420 077)
Operations	256 084	1 859 943
Interest received	(3 034 596)	(4 045 896)
Adjustment for non cash items		
(Profit)/loss on disposal of assets	(6 952)	330
Depreciation	251 527	186 999
Operating cash outflow before working capital changes	(8 470 531)	(3 418 700)
Cash utilised on working capital	827 122	(4 935 649)
Increase/(decrease) in donor funds designated for projects	77 846	(3 333 762)
Decrease/(increase) in receivables	5 931 380	(4 138 896)
(Decrease)/increase in payables	(5 182 103)	2 537 009
Net cash outflow from operating activities	(7 643 415)	(8 354 350)

Annual Financial Statements

JET Education Services (Association incorporated under Section 21)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2009

	2010 R	2009 R
18. OPERATING LEASE EXPENSE		
Future commitments of the operating lease are summarised as follows:		
Not later than one year	685 644	685 524
Later than one year and less than five years	2 693 614	3 379 138
	3 379 258	4 064 662

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

19. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

- (a) Depreciation of property, plant and equipment;
- (b) Fair value of trade and other receivables;
- (c) Fair value of trade and other payables.

20. FINANCIAL RISK

The Company's activities expose it to a variety of financial risks. These risks include credit risk and liquidity risk. JET's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the Finance and Audit Committee as well as by management. The Board identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

i) Interest rate risk

The company's interest rate risk arises from short-term investments. The company analyses its interest rate exposure on a dynamic basis.

Sensitivity Analysis

With the average interest rates during the year, an increase in interest rates during the reporting period of 50 basis points would have increased the company's surplus as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2010

	2010 R	2009 R
20. FINANCIAL RISK (CONTINUED)		
Short-term deposits	172 950	288 339
Call and current accounts	79 933	46 547
	252 883	334 886

A decrease in interest rates during the reporting period of 50 basis points would have had the equal but opposite effect on the reporting surplus to the amounts shown above, on the basis that all other variables remain constant.

ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Management monitors rolling forecasts of the company's liquidity reserve comprised of cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the company in accordance with practice and limits set by the Board.

The following are contractual maturities of financial liabilities, including estimated interest payments and excludes the impact of netting agreements:

Liquidity risk	Current amount R	Contractual cash flows R	Less than 1 year R	Between 2 and 5 years R	Over 5 years R
2010					
Accounts payable	2 809 593	2 809 593	2 809 593	–	–
2009					
Accounts payable	7 255 251	7 255 251	7 255 251	–	–

ii) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to outstanding receivables (excluding VAT and prepayments). For receivables, management assesses the quality of the donors taking into account their financial position, past experience and other factors beforehand. The company, however, has no significant concentration of credit risk, due to the nature of its activities.



Board of Directors (Non-executive)



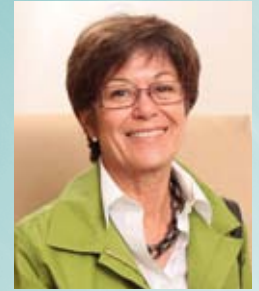
Nathan Johnstone
Acting Chairman



Brian Figaji



Nqabomzi Gawe



Marianne MacRobert



Nigel Matthews



Angie Phaliso



Mike Rosholt



Jim Wotherspoon



Jeremy Ractliffe
(Leave of absence from August)



John Volmink
(Resigned August)

Jet Staff Members



Godwin Khosa
Chief Executive Officer

Education Evaluation and Research Division (EERD)



Carla Pereira
Executive Manager



Nick Taylor
Research Fellow



Aneesha Mayet
Specialist Manager, Qualitative
Evaluation and Research



Jennifer Shindler
Specialist Manager, Statistics



Roelien Herholdt
Specialist Manager, Assessment



Bina Akoobhai
Research Manager



Talia de Chaisemartin
Research Manager



Double-Hugh Marera
Statistician



Benita Reddi
Junior Research Officer



Mmaphake Ramasodi
Junior Project Officer



Zaakira Abdul Latiff
Junior Research Officer



Ziyanda Khumalo
Executive Administrator

Education Development Division (EDD)



Anthony Gewer
Executive Manager



Michelle Mathey
Specialist Manager, School
Development



Kedibone Boka
Specialist Manager, Youth
and Communities



Nimrod Mbele
Specialist Manager, Youth
Development



Vithagan Rajagopaul
Specialist Coordinator,
School Governance and
Management



Carien Vorster
Project Manager



Chimwemwe Kamanga
Project Manager



Cynthia Moeng
Project Manager



Kathy Tracey
Project Manager



Seome Maowasha
Project Officer



Dina Mashamaite
Education Development
Officer, BSSIP



Koleka Ntantiso
Education Development
Officer, COEP



Phumzile Dhludhlu
Executive Administrator



Sarah Maseko
Executive Administrator

Support Services



Adelaide Cindi
Human Resources/Office
Manager



Thelma Dibakwane
Executive Assistant to the CEO



Maureen Mosselson
Knowledge Manager



Zandi Msibi
Marketing Coordinator

Finance and Administration



Agness Munatsi
Acting CFO



Roshan Seedat
Bookkeeper



Elizabeth Koaho
Accounts Clerk



Thoko Jali
Accounts Clerk



Debbie Mgorosi
Receptionist



Zibuyisile Diba
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