
2020

annual
report

01 JANUARY 2020 -
31 DECEMBER 2020

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REFLECTION ON 2020: DIRECTOR'S REPORT

2020 is of course a year that will stand out for millions across the world as the year we hit pause. So much of what we had been busy doing suddenly went into stasis, and the incredible became the norm. We shut down busy.

In South Africa and the region many developments took place which would not have been regarded as possible. Our borders were closed and people were restricted to their own homes. Dogs were not walked and streets were as empty as an apocalypse set. People stopped going to work and schools were closed. South Africans began to look forward to the regular live streaming of messages from the President

who became known as Papa and the broadcasts, the Family Meetings.

For SPII as a collection of people it was a difficult year. We anticipated the hard lockdown by working from home in early March as was suggested by the national leadership. While many of our activities could continue thus, the main casualty was our vibrant work with the Chiawelo Budget Coalition that was formed from the Chiawelo Clinic Committee. This however quite easily migrated to the virtual platform of WhatsApp and much information was shared about assistance and support, and solidaristic stories of encouragement were shared. We also proudly pioneered the first virtual submission by SPII with the Coalition to the Gauteng Provincial Legislature on the Medium Term Budget Policy Statement in October 2020.

Our staff managed to overcome daily challenges and, in many ways, raised our output rate to meet the increasingly urgent need for data and policy related information, such as on social grants. We were frequently invited to share our analysis in the media both print and broadcast, as people struggled to make sense of the changing world. SPII was also highly active in civil society coalitions that formed in response to various needs arising from Covid-19 restrictions as they affected people's lives. We were extremely busy through NEDLAC with the National Rapid Response Task Team formed ahead of the hard lockdown, meeting initially a few times a week and thereafter weekly and then fortnightly to accelerate decisions and actions to meet crises of lockdown. Achievements in this regard include PPE access, UIF TERS, the special Covid grants as well as issues of access to health care, public transport, public gatherings and early negotiations



ISOBEL FRYE // Director
Studies in Poverty and Inequality Institute

around the vaccine. This work at times felt all consuming and overwhelming, but we are pleased to have been able to assist as well as we could, and the SPII team really strove to ensure that our committed work was attended to.

One of the hardest knocks that we suffered was that due to Covid-19, our much-anticipated return to field to refresh the Decent Standard of Living Socially Perceived Necessities (SPNs) with partners SAPSRI, LRS and UNICEF could not proceed as focus group discussions did not meet Ethics Committee clearance due to the restrictions on face to face gatherings. We eventually have had to concede to the use of telephonic survey methodology which we will proceed to do in 2021. The year's delay was the more frustrating as the DSL itself won significant policy traction within the Department of Social Development as an aspirational level for income cash transfer setting. We were pleased to be able to continue to host our annual Decent Standard of Living Colloquium on 13 November 2020. This year's theme was "Embedding Multi-Dimensional Poverty Measurements For Covid-19 Structural Recovery" and was well attended in its new virtual state. The webinar was opened by the UN Country Representative, Ms Nardos Bekele-Thomas and Mr Godfrey Mashamba, Deputy Director General, Planning in the Department of Planning, Monitoring and Evaluation. SPII's Director, Isobel Frye, and Christine Muhigana, UNICEF representative in South Africa closed the event.

As long standing proponents of the universal Basic Income Grant we were able to appreciate the significance of the introduction of the special Covid caregivers grant

and the Social Relief of Distress Covid grant. Even though the amount was far too low and there were major flaws in the registration and distribution of these cash transfers, for the first time in our democracy the state recognised the right of able-bodied working age people to receive social assistance in line with the Constitutional obligations in this regard. SPII was regularly consulted on our work on the BIG and on 19 August 2020 SPII hosted a regional webinar, "Social Protection in the Face of Covid- 19. The Case for a BIG". We were supported in this by current partner OSISA and past partner Southern Africa Trust. The proceedings were streamed live and can be found on https://www.youtube.com/watch?v=eHVEwnJ_Z-k. We are also proud to have worked really hard on the NEDLAC Comprehensive Social Security Task Team, which enabled us to conclude our research work on the feasibility of a National Social Security Fund as a primary retirement fund in South Africa and the inclusion of informal workers into the social security and insurance funds, as well as the various policy implications of adopting a Basic Income Grant. These reforms will be carried into a new Green Paper to be released by the Department of Social Development in 2021.

Institutionally, we continue to strengthen the Institute with the implementation of the Strategic Plan and the recommendations of our external review. Most specifically we will be appointing more research management staff to broaden our leadership, and to address the huge challenges in youth unemployment we have approached some of our funders to support more short term internships to enable graduates to enter the world of work.

It was a very special moment when our board resolved that SPII is to become a feminist research institution. This is something that we have felt strongly about on the ground, but felt it was necessary to adopt as a formal value that needs to shape our thinking, our writing and our actions. We will ensure that this positionality begins to emerge clearly in our work in 2021 and beyond.

It is trite to say that our lives will never be the same again. The challenge that we hope we can rise to is to ensure that as we build back post the initial impact of Covid- 19, SPII can help to ensure that we build back better.

There were some real wins, but also some missed opportunities that it is useful to capture for future actions, perhaps.

The state's decision to roll out social grants to able bodied working age people for the first time through the Caregiver and Covid- 19 Social Relief of Distress Grant is a fundamental victory in the long march towards the adoption of universal social security and our call for a Basic Income Grant. This has also whetted our appetite to examine more the question of Maximum Available Resources and Modern Monetary Theory as a potential source of financing that we have not yet considered in South Africa. We were also able to harness mobile phone technology to register eligible adults effectively given the continued failure of the state to develop a single comprehensive social register of South Africans.

What we sadly did not see was the effective use of this crisis to catalyse a National Health System. Initial concessions by private health care providers in the anticipation of the health crisis of Covid- 19 was not boldly seized and exploited, and as days turned into months the inequalities in the private and public health care facilities reverted to pre-Covid norms.

The collaboration of academic institutions to provide real time data on poverty and vulnerability through the NIDS-CRAM (National Income Dynamics Study- Coronavirus Rapid Mobile Survey) was unprecedented. What is disappointing is the lack of transparent engagement by government (National Treasury and Department of Planning, Monitoring and Evaluation in the Presidency) to base policy and resource prioritisation on these critical findings, to the detriment of future generations and development in South Africa.

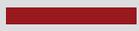
We have to conclude with a sombre warning that much of the smoke and mirrors of the recovery stimulus so proudly announced by Papa (President Ramaphosa) on various occasions has not in fact been delivered. From support to informal traders, to loans to small businesses and income support to workers in affected workplaces and comprehensive social income support: the bulk of the resources have been targeted to big business. Instead of go big and go fast we have seen big promises fade away to small delivery. SPII is working with a number of research institutions globally to track stimulus response

under the banner "Towards a People's Recovery: Tracking Fiscal and Social Protection Responses to COVID-19 in the Global South" which will be released in 2021.

From a funding perspective, SPII is moving towards greater sustainability. This will help us to attract and retain staff with as great a level of security as possible in the not for profit sector. We were very pleased to welcome UNICEF

SA as a new partner and as always, welcome approaches from interested partners to support our work.

We thank our trustees for their diligent commitment to our work, to our staff for all of their hard work and personal commitment to our objectives and to our partners, both strategic partners for advancing our reach, and those whose financial support make our work



SPII Mission:

"SPII is a think tank that provides innovative research, capacity building, advocacy, and globally relevant models of change to the solvable problems of poverty and inequality thereby enabling the progressive realisation of socio-economic rights."

SPII Vision:

"A prosperous and equal society in which people have free, fulfilling and meaningful lives."

02 Project Outcomes

SPII'S ACTIVE PROJECTS FOR 2020 HAVE BEEN:

- a. Decent Standard of Living
- b. SADC BIG
- c. Budgeting for Change

a. A DECENT STANDARD OF LIVING

WHERE DOES IT COME FROM?

The **DSL** was developed using simple steps that included what ordinary people thought.

48 Focus Groups were held across the country.

A **selection of goods** that people thought were necessary, not luxury goods, was developed.

These were developed in **two national surveys**.

21 Socially Perceived Necessities (SPNs) were identified - goods that two thirds or more of participants thought were necessary for a decent standard of life.

We then identified the **income range** of people who had all 21 SPNs from *Statistics South Africa Living Conditions Surveys*.

We chose the **median income amount**, which in 2018 prices, is **R7 043** per month, per person.

We were then able to see also what items the people who had all **21 SPNs spent their money on**.

This enabled us to **update the DSL** every year taking these goods and services bought, into account.

We had planned as a research collective with SASPRI and LRS to go back to field and refresh the Socially Perceived Necessities (SPNs) in 2020 with the longstanding support of FES and the exciting new partnership with UNICEF South Africa. As we were about to submit our proposal for Ethics clearance however, South Africa moved into our hard lockdown. This was a real disappointment, as we were extremely keen to see what differences had occurred in the over a decade since the first focus group studies had taken place.

With the passage of time it was clear that we would continue to struggle to receive research clearance for any focus group discussions. We thus developed an adaptation of our methodology to one using telephonic surveys, building on the groundbreaking work of the NIDS – CRAM collective, and shall use that to go to field in the first half of 2021.

We produced the 2020 annual updates to the DSL. The 2020 value of the DSL was worth R7 541 per person per month. This compares with Statistics South Africa's three poverty lines: the Food Poverty Line of R585 per person per month, the Lower Bound Poverty Line of R840 and the Upper Bound Poverty Line of R1 268 per person per month. The gap between these talks to the levels of redistribution required to move people from poverty to a life of dignity, a message that we must never grow weary of carrying.

A really exciting victory for us is the use by the Department of Social Development of the DSL as an aspirational value to index their own assessment of social transfers against.

We held our annual Decent Standard of Living Colloquium, virtually, on 13 November 2020. This year's theme was "Embedding Multi-Dimensional Poverty Measurements For Covid-19 Structural Recovery" and was attended by 73 participants with further people following the live stream. The webinar was opened by the UN Country Representative, Ms Nardos Bekele-Thomas and Mr Godfrey Mashamba, Deputy Director General, Planning in the Department of Planning, Monitoring and Evaluation. SPII's Director, Isobel Frye, and Christine Muhigana, UNICEF representative in South Africa closed the event.

For the first time we invited a participant from the business sector, Anabel Bishop, a well-known analyst from the business sector, to share a more mainstream position on the priorities for investors relating to poverty interventions, and she and Dominic Brown from AIDC had a lively debate of how you calibrate your values in such a conversation, joined by Trenton Elsley. Shanelle van der Berg provided the perspective from the SA Human Rights Commission and Dr Kefiloe Masiteng, represented the National Planning Commission standing in for Commissioner Vivienne Taylor who suffered a bereavement and could not attend.

This work is even more critical as it provides the value-based living standard called for of the South African state by the United Nations Committee on Economic Social and Cultural Rights in their 2018 recommendations. SPII sees a Decent Standard of Living as being the overarching combination of the various socio-economic rights contained in our Constitution, as the right to an Adequate Standard of Living is guaranteed in Article 11 of the UN International Covenant on Economic Social and Cultural Rights.

b. SADC BIG

In 2020 we saw the SADC BIG presence revived through our collaborative work with OSISA. Initially we had planned to have an interactive reference group meeting to frame with research we were seeking to undertake of the shifts in social policy regionally around a BIG, and for the SPII research team to meet with civil society, policy makers and researchers in Namibia and Zimbabwe to collect information about policy formation, the strength of civil society campaigns and gather new evidence to guide future policy initiatives in the region. With the outbreak of Covid- 19 however we had to revise much of this planning. OSISA encouraged us to do so with a specifically future oriented approach to post- Covid recovery social policy possibilities.

As a result of this, the project was reshaped to consider the specific implications of Covid-19 on social protection in the SADC region. We hosted a regional Webinar on 19 August 2020 with OSISA and Southern Africa Trust and introduced a new nuance to the idea of social protection by the input of the Chair of SPII's Board, Langa Zita. In his presentation, he asked about

using social protection spend to stimulate a reindustrialisation of the SADC region to sustain a beneficial cycle of development. The YouTube of this webinar can be found here: [Social Protection Responses in SADC A Review of Current and Future Cash Transfer Programmes 1 - YouTube.](#)

We were not able to travel across national borders and so decided to commission local researchers in Namibia to undertake a specific study of the Namibian once off near universal cash transfer referred to as a basic income by policy makers. Namibia has always been of special relevance due to the civil society BIG pilot in the early 2010s. SPII will in early 2021 publish both an update on social protection in the SADC region following the devastation of Covid- 19, and a special Report focussing on Namibia. These reports will be available on the SPII website.

We will discuss with OSISA in 2021 what the future of their investment in the SADC BIG project might be in the months and years of post-Covid 19 rebuild.



C. BUDGETING FOR CHANGE

2020 was shaping up to be an exciting year for the Budgeting for Change project. Starting off with the success of our first Budget Training in January 2020 and the good news of an extension to the life of our partnership with OSF New York Public Health Programme, we had just concluded a two year advocacy and research plan when

Covid- 19 hit us. With the emergence of the COVID-19, however, we had to alter those plans to comply with national regulations.

One of the main objectives of the Budgeting for Change project was the development and facilitation of the Chiawelo community – based local government budget training

workshops. The aim of these trainings is to bring often alienating budget information closer to people directly affected by poor local government budgeting and spending to equip them to engage actively in these processes going forward.

The first Budget Training was held on the 23rd and 24th of January 2020 at the Soweto Hotel. The second Budget Training was scheduled to take place at the end of May 2020. When the hard lock-down was put in place in March, however, we had to find alternative ways to keep the interaction with our community group alive while meeting our project objectives.

Before the pandemic hit, SPII was invited to attend regular community meetings at the Chiawelo Community Practice, in Soweto. These meetings gave us unique opportunity to build a lasting relationship with the broader and very diverse Chiawelo community.

With the prohibition of physical meetings, we had to find a solution that would keep us in touch with the community and give us a platform to share our research and budget information. That's when we created the Chiawelo Budgeting for Change WhatsApp group with a total of 46 members. This group is a platform that everyone uses to share relevant information and keep up-to-date with local government processes. To build local ownership of the group, the community elected five members to form a steering committee to manage the flow of information and to set ground rules on content and tone.

With SPII no longer able to host our second Budget Training workshop, we decided to dedicate one of our quarterly SPII Talk newsletter editions to the community

of Chiawelo. This included their lived experiences during lockdown and their demands for a COVID-19 recovery. The publication was well met by the community and in addition to being given a platform to express themselves, we were also able to have a photo journalist record some of the contextual imaging of their **stories**.

SPII has had the opportunity to be part of the Community -Based Planning sessions for the updating of the 2019/2020 Integrated Development Plan. These sessions are ward based and are designed to solicit community input on the development projects. From this involvement, we developed an IDP policy paper that highlights the importance of public participation. We recount our first-hand experience with the IDP process and feature exclusive interviews from facilitators and officers from the City of Johannesburg Speaker's Office. We worked together with a civic technology organisation, OpenUp, who assisted in the design and layout of the policy paper. From this partnership, stemmed the upcoming SPII/OpenUp collaboration on the Public Participation online portal.

We had also planned to travel to Cape Town for the tabling of both the national budget in February and the Mid-term budget policy statement in October 2020. Upon registering for the economist budget lockup in Cape Town, we were told the spaces had already been filled and we would not be able to get invited to the actual tabling of the budget. We then registered for the economist budget lockup at the National Treasury in Pretoria.



We had hoped to bring a few members of the Chiawelo steering committee to provide verbal submissions on the budget allocations and expenditure. Instead, to generate interest around the national budget and the MTBPS, SPII developed factsheets that were circulated on the WhatsApp group, and also gained traction on our social media pages. Even though there was no opportunity for direct involvement, our community members had the opportunity to engage with the budgeting process and catalyse conversations around public participation.

Like the rest of the world, SPII has had to learn and adapt to a new way of operating due to the pandemic. It is this attitude we have carried forward into 2021 and the fulfilment of our community engagement objectives.

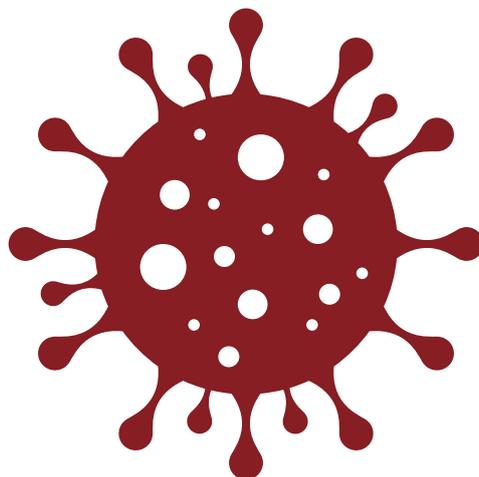
Despite the challenges brought by the COVID-19 pandemic, SPII was still able to deliver a successful Budget Training that equipped communities to advocate for better delivery of basic services. A total of 32 participants attended the Budget Training in January, meaning a total of 32 community representatives were equipped with budget information and advocacy knowledge. We were still able to keep our community members involved and informed about national, provincial and local budgeting processes happening in and around their areas. We were proud to produce publications

that were driven and informed by the lived experiences in our communities.

In the year 2021, we plan to hold our second and third Budget Training workshops to capacitate participants so that they can carry the information far and wide. We also plan on developing training material that will not only complement the facilitation of these Budget Training workshops, but will leave a footprint of SPII's research and commitment to the proactive realisation of socio-economic rights on a local level.

SPII plans on having more community involvement in public hearings at the Gauteng Provincial Legislature and better representation in provincial and local budgeting processes. In addition to periodic budgeting factsheets, we also have plans to develop an animation video to capture the importance of public participation in realising socio-economic rights and contribute to a progressive democracy.

SPII is excited to be a part of the Fiscal Openness Accelerator in partnership with the National Treasury and IBP. We have the opportunity to contribute to the development of participatory mechanisms that will directly link the public to budgeting processes. In 2021, we look forward to facilitating our community's participation in the International Budgeting Partnership initiatives.



03 Other Institutional Highlights

- SPII Talk
- NEDLAC-National Economic Development
- SPII Quarter Labour Force Survey Reviews
- Media
- Publications



a. SPII Talk

Due to the disruption of Covid- 19, we decided to consolidate our SPII Talk into one Special Edition in 2020. This was a very comprehensive publication entitled The Community's Experiences. In this we provided opportunities for members of the Chiawelo community to share their experiences of the impact of the pandemic and their views on life going forward. We were able to deepen this report with a photo report that enabled readers to share the written experiences more with the photographic reflections. The 2020 SPII Talk Special Edition is available here [SPII Talk Newsletter 2nd Quarter April – June 2020 – SPII](#).

b. NEDLAC-National Economic Development and Labour Council

SPII is a very active member of the Community Constituency (Civil Society) at NEDLAC. SPII is the lead for Community Constituency in the Comprehensive Social Security Reform Task Team and headed the CSSR research team for Community Constituency as we commissioned research into the BIG, a National Social Security Fund and the impact of the consolidation of social security (including social insurance) funds nationally on the investment framework on a macro- level.

From early March 2020 we were extremely active as part of the National Rapid Response Task Team for Covid- 19 interventions. This work initially began with two to three meetings a week in which we identified potential areas of crisis that would require interventions, including the development of the UIF

TERS for employees affected by lockdown or failing employers, the social security support and the issue of transport and public space management, the liquor lockdown as well as PPE procurement and distribution, and early negotiations of the vaccine.

With time this settled into standing fortnightly meetings to monitor the effectiveness of

the interventions as our economy opened up. SPII's role was consistently protesting against the lack of cash income through social transfers as well as our unrelenting advocacy on a Basic Income Grant. SPII is a valuable asset to Community Constituency with our research capacity, while at the same time we benefit enormously from the reach of our research into policy spaces.

**National Economic Development
and Labour Council**



c. SPII Quarter Labour Force Survey Reviews

In the middle of our virtual office, working lockdown style, we decided to implement a new publication aiming at broadening knowledge about the shape and nature of our unemployment crisis in South Africa. SPII's objectives are to undertake new research but also to act as a hub of existing knowledge to people. We developed three QLFS briefs which we circulated to media in 2020 and from 2021 will be hosting these on our website as we grow more confident in our methodology.

d. Media

SPII has been very active in sharing our analysis and research during lockdown. With our work in NEDLAC and with our regular contributions regarding the need for state distribution of income in the face of pre-existing poverty exacerbated by the impact of lockdown on livelihood strategies for individuals in the informal economy as well as for the army of unemployed in South Africa. Our top interviews as well as contributions to print media can be accessed here: [Media – SPII](#).

SPII participated in 7 webinars throughout the year. We have also been invited regularly locally, regionally and internationally on matters such as the potential for a universal Basic Income Grant in South Africa. Our Executive Director was invited to participate in the 2020 Gothenburg Book Fair Global Square by Church of Sweden.

Our social media continues to grow us followers, likes and sometimes non – likes. Please visit us at our FB page, our website and follow our Tweets on@SPII1.

e. Publications

Much of our work in early lockdown was focussed on providing reactive analysis and comment due to a large degree to the unknown nature of the impact of the pandemic itself. SPII provided much in terms of media commentary as we have indicated above.

In addition to the SPII Talk, we brought out **SPII Project Brief: ICESCR & Covid-19**. Brought out in October 2020, this special brief sets out the main recommendations made by the UN Committee on Economic, Social and Cultural Rights to the South African state in their 2018 Concluding Observations, against the initial views of two experts in the field of what the impact of Covid- 19 would be in respect of the ability or inability of the state to meet these recommendations. In the brief, SPII interviewed Tim Fish-Hodgson of International Council of Jurists and Fernando Ribeiro Delgado of the Strategic Litigation Working Group. The brief remains of great strategic value and can be found here: [SPII-PROJECT-BRIEF-FINAL.pdf](#).

06 SPII Institutional Finances

SPII continues to strengthen its core base. We are delighted to have the support for a dedicated fundraiser through our partnership with OSISA in 2020. We will also explore possible avenues for income generation to underwrite future sustainability and growth of the Institute.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF STUDIES IN POVERTY AND INEQUALITY INSTITUTE

OPINION

We have audited the annual financial statements of Studies in Poverty and Inequality Institute (the trust) set out on pages 8 to 16, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Studies in Poverty and Inequality Institute as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA

Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Trust Property Control Act 57 of 1988 which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in

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

RESPONSIBILITIES OF THE TRUSTEES FOR THE ANNUAL FINANCIAL STATEMENTS

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the trust's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Darryl Sklar & Associates
Chartered Accountants (SA)
Registered Auditors
Per: Darryl Sklar | Partner
30 April 2021 | Johannesburg

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

Figures in Rand	2020	2019
Assets		
Non-Current Assets		
Property, plant and equipment	3	3
Current Assets		
Trade and other receivables	90 237	205 377
Cash and cash equivalents	5 136 457	2 900 768
Donor allocated funds	4 350 513	2 260 008
SPII General Reserve	785 944	640 760
	5 226 694	3 106 145
TOTAL ASSETS	5 226 697	3 106 148
EQUITY AND LIABILITIES		
Equity		
Trust capital	100	100
Accumulated surplus	3 434 211	2 014 223
	3 434 311	2 014 323
Liabilities		
Current Liabilities		
Trade and other payables	1 792 386	1 091 825
TOTAL EQUITY AND LIABILITIES	5 226 697	3 106 148

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020		
Figures in Rand	2020	2019
Revenue		
Open Society Initiative for Southern Africa	1 154 509	969 528
Open Society Foundation - New York	887 814	922 635
Church of Sweden	886 518	761 119
Christian Aid	217 666	666 657
Cyril Ramaphosa Foundation	-	400 000
National Lotteries Commission	8 333	165 000
Friedrich Ebert Stiftung - South Africa	204 735	150 000
Open Society Foundation - South Africa	-	125 000
Foundation for Human Rights	-	50 000
Standard Bank Limited	1 000 000	-
UNICEF	100 000	-
	4 459 575	4 209 939
Other income		
Interest received	136 085	80 206
Sundry income	-	70 992
	136 085	151 198
Total income	4 595 660	4 361 137
Programme expenses		
Advocacy, policy analysis and research	397 029	364 035
Communication and publications	18 708	10 895
Data analysis, augmentation and research	-	60 000
Employee costs	1 517 790	1 269 585
SPII Talk and annual report	23 518	28 350
Travel and accommodation	6 186	41 492
	1 963 231	1 774 357
Operating expenses		
Accounting fees	-	3 450
Auditors remuneration	30 000	30 000
Bank charges	5 433	8 015
Board meetings	9 540	33 963
Computer equipment	-	70 243
Consumables	17 354	18 374
Employee costs	758 781	634 697
ICT maintenance & website support	61 483	88 235
Institutional review and strategic planning	123 440	155 361
Insurance	-	9 973
Interest paid on prior year loan	-	22 360
Lease rentals on operating lease	157 704	179 691
Relocation costs	-	38 870
Security	-	1 610
Subscriptions	2 852	15 489
Telephone and fax	45 858	33 556
	1 212 445	1 343 887
Total programme and operating expenses	3 175 677	3 118 244
Surplus for the year	1 419 983	1 242 893



*Building up knowledge
to break down Poverty*

Studies in Poverty and Inequality Institute (SPII)

Old Trafford 3 Building,
Ilse of Houghton,
36 Boundary Road,
Parktown.

Phone: + 27 11 833 0161

Fax: + 27 11 832 3085

www.spii.org.za
