

**EDUCATION MANAGEMENT ASSOCIATION OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

D.K. Motiram & Co.

**Chartered Accountants (S.A.)
Registered Auditors**

Independent Auditor's report

To the members of Education Management Association of South Africa

We have audited the accompanying annual financial statements of Education Management Association of South Africa, which comprise the statement of financial position as at 31 December 2010, the statement of financial performance, 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 4 to 8.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of these annual financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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 annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the association to institute accounting controls over collections from donations and conference and membership fees prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Independent Auditor's report

Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects the financial position of the association as of 31 December 2010, and of its financial performance and its cash flows for the year then ended.

D.K. Motiram + Co

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Chartered Accountants (S.A.)
Registered Auditors**

03 March 2011

Johannesburg