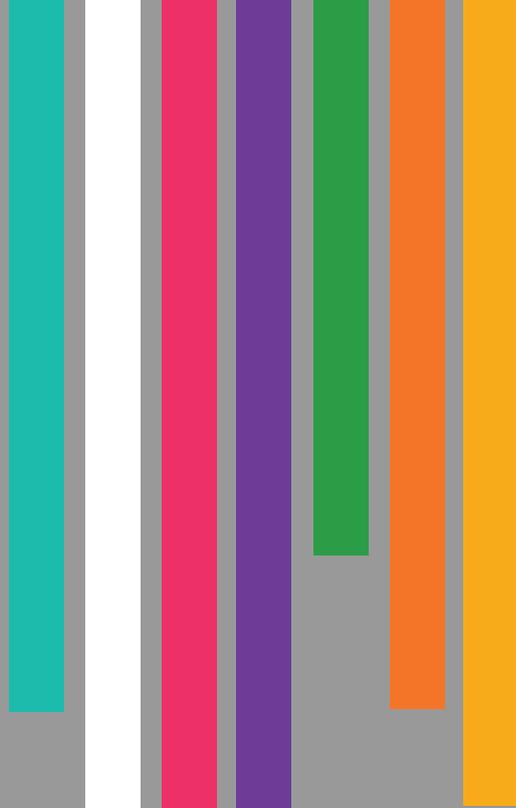


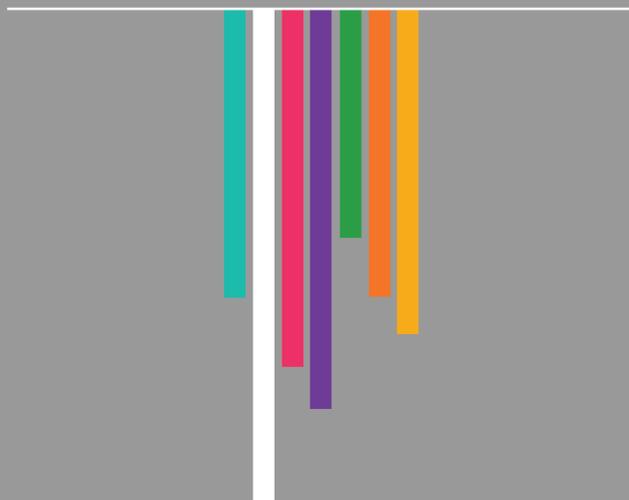
ASSUPOL COMMUNITY TRUST ANNUAL REPORT 2022





“Early childhood development is the most powerful investment in human capital that a country can make.”

- James Heckman, Nobel Prize Winner for Economic Sciences (2000)



CONTENTS



05	About this report
08	Chairperson's report
12	CEO's report
17	About the Assupol Community Trust <ul style="list-style-type: none">• What we do• Strategic objectives and desired outcomes• Key facts in the reporting year
21	Governance <ul style="list-style-type: none">• Role of the board• Our trustees• Board assessment policy• Board evaluation
27	Socio-economic impact
39	Testimonials
45	Financial highlights

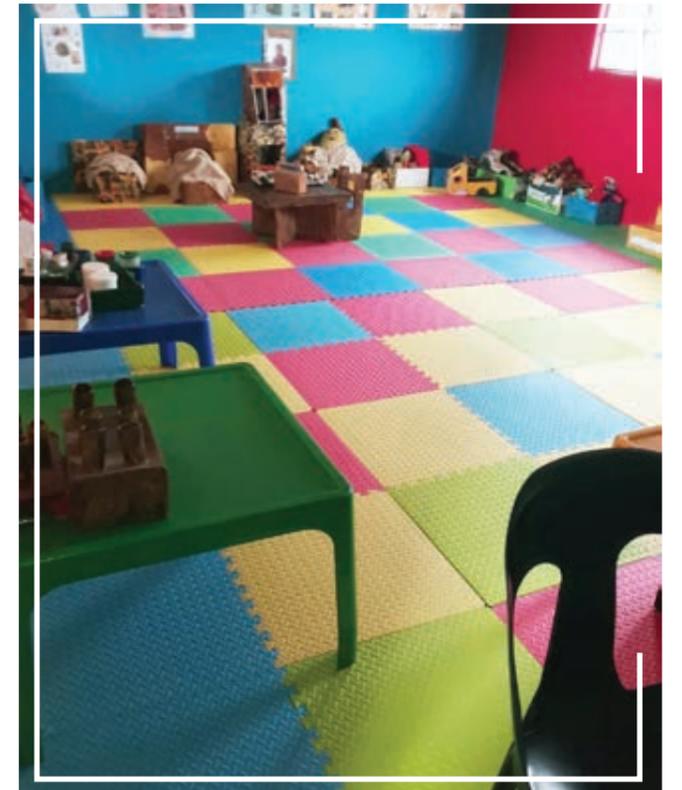
ABOUT THIS REPORT



The Assupol Community Trust (“the Trust”) is a registered public benefit organisation in terms of the Income Tax Act of 1962, established in 2010 to benefit communities in areas where a significant number of Assupol Life policyholders resided at the time of Assupol Life’s demutualisation. Only designated communities may benefit from the Trust. The designated communities are those communities of which at least 85% of the members are black people and were insured under group schemes underwritten by Assupol Life.

The Trust aims to support the South African government in attaining its goal of ensuring universal access to early childhood development (ECD) for all children by 2030, as prescribed in the National Development Plan (NDP).

In this report, we review the socio-economic impact, challenges and achievements of the Trust from the period 1 March 2021 to 28 February 2022.





INTRODUCTION

The Constitution of the Republic of South Africa, 1996 and international treaties ratified by South Africa regard education as a right for every child. The Trust not only aims to support the South African government in realising this right, but also in supporting government in attaining its goal of ensuring universal access to ECD for all children between 0-5 years by 2030, as prescribed in the National Development Plan (NDP) of 2012.

The NDP and the National Integrated Early Childhood Development Policy of 2015 (ECD policy) commit to ensuring that every child in South Africa has access to the full range of early childhood development services by 2030. Although the Department of Social Development (DSD), Department of Basic Education (DBE) and Department of Health (DoH) are the lead state actors in improving and scaling up ECD, the NDP recognises that universal access will only be possible with innovative public-private partnerships. There is also wide agreement that a multi-sectoral approach and support from non-governmental organisations (NGOs) that have developed a rich body of experience and expertise is also critical in achieving the goal of universal access.

Research indicates that ECD is key to the development of any nation. South Africa's development therefore depends on the extent to which it can unlock the potential human capital inherent within its very young population (DSD, 2015:19). A majority of children from

poor communities lack access to quality ECD services which disadvantages them at a critical point in their development and perpetuates cycles of poverty and exclusion.

The ECD policy identifies essential components of the comprehensive package of quality ECD services that are appropriate for each child's age and development stage that must be available and accessible to all infants and young children. Assupol Community Trust's strategy for 2019-2022 is rooted on these essential components focusing, in particular, on poor communities.



CHAIRPERSON'S REPORT





TAURAI MURANDA

CHAIRPERSON

The year under review was one of recovery and consolidation after a period of great disruption, and of laying the groundwork for future impact. It was also a year in which, despite adverse conditions, the Trust performed commendably, achieving many of the milestones we set for ourselves.

Continued economic hardship defines the South African landscape, especially for poorer people. Rising costs have hit the unemployed particularly hard, and slow economic growth does not bode well for any short-term alteration of these circumstances. In these conditions, the work of the Trust is more important than ever.

Strategic Review

Our strategy is structured around three-year cycles. Our first three-year cycle reached completion during the year under review. The end of the cycle provided us with an opportunity to take a step back and review what has or hasn't worked, and to adjust our strategy so that it is aligned with our goals, the external landscape, our strengths, and the needs of our stakeholders.

The outcome of our strategic planning session was reassuring. Much of our strategy is still

applicable—we believe that it has been largely effective, and we will continue to work towards the same strategic objectives.

In our interviews with stakeholders that comprised part of this strategic review, it was reiterated that the Trust's areas of focus are still applicable, and are of great need given the many challenges that still face the ECD sector. These challenges include non-compliance to South Africa's regulatory framework, unsafe infrastructure, lack of qualifications amongst practitioners, lack of or limited stimulation for children (including lack of age-appropriate learning materials), a lack of nutritious meals and lack of access to funding and subsidies. These challenges have been further exacerbated by the Covid-19 pandemic. Focus areas like infrastructure improvement, nutrition, development of skills for practitioners, and provision of quality learning materials and quality ECD were therefore themes that emerged strongly from these engagements.

In addition, themes emerged that the Trust has not up to this point focused on. After engagement, conversation and workshopping, we have adjusted our strategy going forward to include two additional strategic objectives: parental support and support for children with disabilities. Parental support recognises that ECD does not end when a child leaves the care of an ECD

practitioner. Equipping parents with the tools they need to stimulate their child's development will create environments conducive to learning and growth. Children with disabilities require special attention both in terms of ensuring they are able to access ECD services, and that ECD practitioners have the relevant skills required to assist and support them.

Child Safeguarding Policy

We also, in this year under review, developed a Child Safeguarding Policy. The Trust operates in an environment where we want to see children protected from harm, neglect and abuse. This policy seeks to encourage all stakeholders to take responsibility for ensuring that children are protected and in safe environments. The Board of Trustees has approved this policy, and it has been shared with stakeholders to ensure it is visible and implemented.

In this and other activities of the Trust we have made sure to comply with the requirements of the Protection of Personal Information Act, and to protect the personal information of all those who we work with, including children and ECD practitioners.

Board Evaluation

In the year under review, we engaged FluidRock; an independent corporate governance firm, to conduct an evaluation of our board. I'm pleased to say that they were happy with the diversity of the skills present, that we are functional, that all voices are heard, and that we have a robust and effective governance structure. They drew particular attention to the transparency and efficiency of engagement between the board and executive, which was personally pleasing. I believe that the fact that our engagement with stakeholders is consistently both robust and respectful is a key reason for the strength of the Trust at this point.

We remain grateful that we have a functioning Board, and that the focus of each board member is on acting in the best interests of the Trust. It is a privilege to be a part of this Board, knowing the impact of the Trust on the communities we serve.

ECD Census

This year the departments of Basic Education and Social Development, alongside the LEGO Foundation and other partners, released the ECD Census 2021 – the most comprehensive mapping exercise of the South African ECD sector to date.

The Census aims to integrate Early Learning Programmes (ELP) into the Department of Basic Education's Education Management Information System, identify gaps in the access to and quality of ELPs in South Africa, support research on ECD, and gain insights into the current enabling environment for Learning Through Play. The Census highlighted both the progress made in the provision of ECD in South Africa, and the significant challenges still facing the sector – challenges which are broadly aligned with those the Trust seeks to address.

From the Trust's perspective, we welcome the renewed focus and increased clarity that this report will bring to the sector, and the multi-stakeholder approach that led to its development, all of which bodes well for a coordinated and effective approach to strengthening the sector.

“The Trust operates in an environment where we want to see children protected from harm, neglect and abuse.”

Acknowledgements

We can measure our true worth only when tested. The past two years have been an exceptionally testing time. It is immensely gratifying to see that under this pressure, our strategy has held up and proved effective; we've continued to record progress against this strategy and our executive has displayed ingenuity, agility, resilience and

consistent performance under challenging and rapidly changing conditions. This performance bodes well for the future of the Trust.

I would like to thank Dr Nhlapo and her team for their sterling delivery against strategic objectives during an unprecedented time. You have truly outdone yourselves, and proven once again that we have the right team at the helm of the Trust.

I would like to extend gratitude to the Assupol Life team for their continued and committed support of our work. Assupol is an organisation that has community service deeply embedded in its culture and DNA. This is clear from the commitment of the CEO, management, and employees at every level, to lift up communities. It is this ethos that gave rise to the Trust, and which will continue to foster good in South Africa.

I would like to thank our partners and stakeholders for their great work, assistance and service delivery. I would like to single out JAMSA, who provides nutritious meals for the children in our programme. Food insecurity is a large and growing problem, exacerbated by global fragility and rising prices. JAMSA's work is fundamental to our vision.

Finally, I would like to thank my fellow trustees for their support, enthusiasm, and the quality of communication and rapport that we have built, that makes our work easier, more effective, and constantly stimulating.

Taurai Muranda
Chairperson



CEO'S
REPORT





DR VUYELWA NHLAPO

CEO

The past year has seen a glimpse of normality return to a sector that had been devastated by Covid-19 and our national lockdowns. Children slowly returned to ECD centres; a great improvement compared to 2021. We were once again able to travel and conduct our activities, and we made heartening progress against our objectives.

But the effects of Covid-19 linger. The very poor communities in which we work are still bearing the brunt of a depressed economy, rising food and fuel prices, and chronically low employment. As a result, although we are pleased with the overall effect of our work and our achievements in terms of the targets we have set, we are under no illusions as to the scale of the challenge ahead of us.

Covid-19 relief plan

In 2021, we put in place a Covid-19 relief plan to lessen the dire effect of Covid-19 on ECD practitioners, children and families. This plan comprised stipends to practitioners, the contribution of operational costs to ECD centres, and the provision of personal protective equipment.

In 2022, as we emerged from the restrictions of lockdowns and the worst effects of the pandemic, we continued to support the operational costs of 99 centres for six months as children and practitioners gradually returned to ECD centres.

Progress on strategic objectives

We have made progress against our objectives in the year under review, and since our first audit and strategic cycle in 2016. But we do recognise that the issue of access to ECD is the elephant in the room that cannot be fully addressed in three years. Sometimes, in fact, the scale of the challenges faced by the sector can seem overwhelming. At such times, looking back at our steady, incremental progress reminds us that change is indeed possible, and that if we remain committed the scale of that change might surprise us.

In order to gauge that progress, I am very pleased to report that we instituted a formal monitoring and evaluation programme in the year under review, which went live on 1 March 2021. This system will allow us to better track our progress

against objectives, the effectiveness of our activities, and our impact on the sector. The system will also allow us to move away from paper-based administration, and improve the efficiency of our reporting.

Our progress against each of our five strategic objectives is discussed below.

To improve access to ECD programmes and services for children between the ages of 0-5 years in Nellmapius, uMsinga and Nquthu by 2022

This strategic goal encapsulates the founding vision of the Trust: to reach a position of universal access to ECD in line with South Africa's National Development Plan 2030. Though equitable access to ECD is a laudable vision, children from rural and poor communities face additional challenges in this regard, and our work to improve access requires a broad and inclusive approach.

In the year under review we saw a 67% rise in attendance over the previous year, though this is measured off a base lowered considerably by Covid-19. An interesting component of this increase was the increase in non-ECD-centre attendance. A number of parents, and particularly parents of children with disabilities, prefer to enrol their children in smaller, more intimate environments, such as with day-mothers, who typically look after around six children, or with playgroup facilitators, who look after 10-15 children.

We recorded 58 children with disabilities accessing ECD in the year under review. This is the first time we have reported separately on this figure, and we will continue to do so in line with our expanded strategic mandate to encourage the attendance of children with disabilities. This figure represents around 2% of total attendance amongst children in our programme.

To improve the quality of ECD services in Nellmapius, uMsinga and Nquthu by 2022

This strategic objective comprises two areas of focus. The first is the training of practitioners. We know that the provision of quality ECD depends on practitioners having access to applicable skills. In the year under review we had set a target of 232 practitioners trained, and trained 282. This included a cohort of 34 practitioners who received their qualifications after completing their 18-month NQF Level 4 training. We are

beginning to see the positive effect of qualified practitioners in the work they do in the centres.

The second focus is nutrition. We are acutely aware of the foundational importance of nutrition: no hungry child can learn and grow. We are also aware of disparities in hunger. The General Household Survey that was conducted in 2020 showed that although hunger had declined from previous years, in KwaZulu-Natal and Gauteng – the areas in which the Trust operates – it had declined very slowly. Covid-19, and rising inflation in its wake, have kept issues of hunger and lack of nutrition top of mind.

In the year under review, 1 640 children were regularly fed with nutritious porridge, a slightly higher figure than in the previous year. This porridge provides 75% of the total daily nutrient intake required by each child, which means that even children from very poor households will receive the majority of the nutrients they require.

We also supported 112 centres with food gardens this year in KwaZulu-Natal, including, for the first time, centres in Nellmapius. These gardens produce nutritious vegetables that can supplement feeding programmes, and, in some instances, can generate additional income for the centres.

To facilitate compliance with basic standards of registration, health, and safety in line with the Children's Act and municipal by-laws in ECD facilities in Nellmapius, uMsinga and Nquthu by 2022

This strategic objective also comprises two areas of focus. The first is the screening of staff for security clearances. In line with the Children's Act no 38 of 2005 ("Children's Act"), staff should be evaluated to ensure they do not have criminal records or a history that would preclude them from working with children.

This was an area in which we were not able to meet our target of 325 staff screened, and only managed to screen 203. This was unavoidable, given that the process requires physically obtaining fingerprints, which was prevented under the lockdowns which were only lifted late in the year under review.

The second focus area is the improvement of infrastructure so that, in line with the Children's Act and municipal by-laws, infrastructure is conducive to learning, and children are safe in

that infrastructure. This focus area accounts for the majority of our budget each year and it is the most challenging given the onerous processes we have to adhere to in order to comply with the regulatory framework. If we build new centres, they are fully equipped with two or three classrooms, an office, sick bay, kitchen, storeroom and ablution facilities. If necessary, they are secured and water tanks are installed particularly in uMsinga and Nquthu where water is a scarce resource. Existing centres that do not meet the required standards are renovated, and this, too, can be an expensive process.

In the year under review, 21 new ECD centres were built, and 16 renovated. Of that total, 35 were judged fully compliant with legislation, received the required health and safety certificates, were registered as partial care institutions in line with the Children’s Act and will be funded by government. This is the ultimate outcome we seek to achieve, and represents a concrete enhancement of South African ECD capacity. It also has the gratifying side effect of encouraging attendance: parents are encouraged by the quality of these new structures to send their children there.

To promote good governance, partnerships and stakeholder relations in the City of Tshwane and uMzinyathi District Municipality

The ECD sector is bigger than any one stakeholder. Partnership is a requirement for any meaningful impact to take place. We also understand that the work we do needs to respond to the needs of key stakeholders. We therefore work hard to establish and nurture strong partnerships, and to ensure that our relationships with stakeholders involve a mutual understanding of our goals and activities.

The relationships with our governmental and non-governmental partners in KwaZulu-Natal continue to be constructive and mutually beneficial. We still strive to improve relations with the City of Tshwane, and continue to believe in the benefit that may be realised from more frequent and substantive engagements.

The Trust continues to be actively involved in several forums, including committees on community development and the ECD forum, and there does seem to be widespread understanding of and appreciation for the work we do.

To advocate for models that accelerate universal access to ECD

Advocacy activities have been another area unavoidably impacted by Covid-19. In-person awareness campaigns educating parents around

the importance and benefits of ECD were curtailed, but we did see non-centre-based ECD practitioners play an important role in communicating the benefits of ECD programmes, and hence saw an increase in children enrolled with day-mothers and playgroup facilitators.

“We are acutely aware of the foundational importance of nutrition: no hungry child can learn and grow.”

Acknowledgements

First and foremost, I would like to thank my team, without whom we would not be reporting these achievements. It is a small team, and we can sometimes feel stretched, but we always manage to pull through. Thank you for your hard work and commitment. I know I ask a lot of you, but your work in response is exceptional, and is acknowledged and appreciated.

Secondly, I would like to thank our Board of Trustees. Without their support we would not have been able to achieve what we have. I have worked with several boards, and the Assupol Community Trust’s board is notable in the degree of support, cooperation, trust and guidance which they extend.

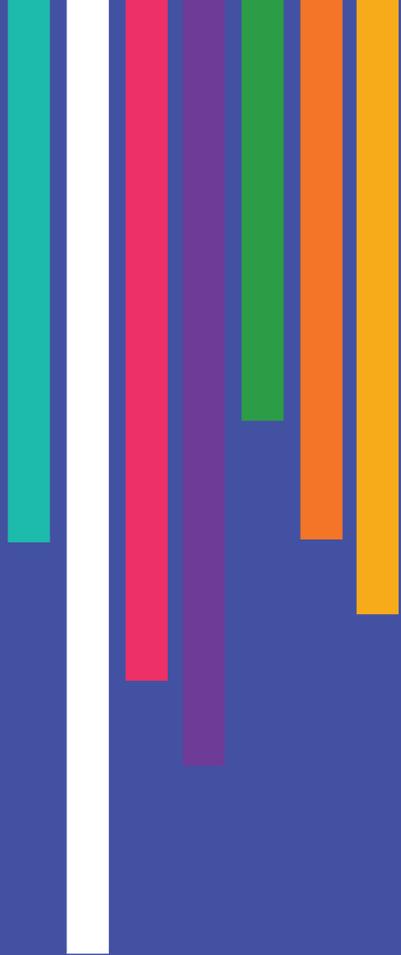
Finally, I would like to thank our trusted partners for their ongoing support, understanding and commitment.

The way forward

After the hardships of the past few years we look forward to a new year with a new strategic cycle in place, and exciting new areas of focus. We look forward to incorporating parental support and the support of practitioners in assisting children with disabilities into our work. We also look forward to conducting an impact study on the work of the Trust over the past three years, and to learning from its findings. The task in front of us is imposing, but we look forward to making further, steady progress.

Dr Vuyelwa Nhlapo
CEO





ABOUT US



WHAT WE DO

The Constitution of the Republic of South Africa, 1996 and international treaties ratified by South Africa regard education as a right for every child. The Trust aims to support the South African government in realising this right but also to support government in attaining its goal of ensuring universal access to ECD for all children between 0-5 years by 2030, as prescribed in the National Development Plan (NDP), 2012.

Vision



Every child ready for the future.

Mission



Play a leading role in impacting the delivery of early childhood development (ECD) in designated areas.

Values



Loving

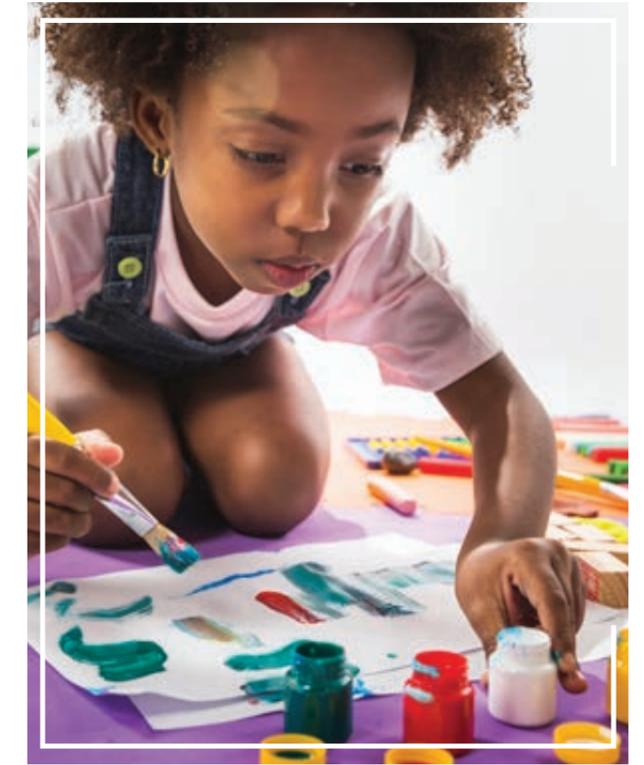
- We care for our staff and all the children we serve, including differently abled children.

Innovative and responsive

- We look for innovative solutions for our context.
- We need to be agile to achieve our objectives under different circumstances.

Respect and dignity

- We treat all stakeholders: children, mothers, fellow trustees and staff equally with respect and dignity.
- Respect and dignity drive us to do the "right thing".



Leaving a legacy

- We have a passion for what we do.
- We strive for quality in all we do.
- We serve a nation inclusive of all stakeholders.

Collaborative

- We engage with communities and other stakeholders towards sustainability.
- We look for opportunities to empower all those we work with, within our ecosystem.

Integrity and accountability

- We are ethical in all we do.
- We are transparent in everything we do.

Strategic objectives



- To improve access to ECD programmes and services for children between the ages of 0-5 years in Nellmapius, uMsinga and Nquthu by 2022.
- To improve the quality of ECD services in Nellmapius, uMsinga and Nquthu by 2022.
- To facilitate compliance with basic standards of registration, health, and safety in line with the Children's Act 38 of 2005 and municipal by-laws in ECD facilities in Nellmapius, uMsinga and Nquthu by 2022.
- To promote good governance, partnerships and stakeholder relations in the City of Tshwane and uMzinyathi District Municipality.
- To advocate for models that accelerate universal access to ECD.

Desired outcomes



- Increase the number of children accessing ECD in Nellmapius, uMsinga and Nquthu.
- Increase the number of children living in an environment of care, development, safety, and security.
- Improve school readiness in children in the identified area.
- Children performing better and being ready for school (health, growth, and nutrition).
- Parents involved and supporting the development of their children; and
- The City of Tshwane, uMzinyathi District Municipality, uMsinga Local Municipality and Nquthu Local Municipality, prioritising ECD through funded programmes in their integrated development plans (IDPs).

Key facts in the reporting year



2,655	new children accessed ECD
58	children with disabilities accessed ECD
99	ECD centres supported with operational costs as part of Covid-19 relief
282	ECD practitioners trained including day-mothers and playgroup facilitators
34	ECD practitioners received NQF level-4 qualifications
21	new structures built and 16 existing structures renovated
77	day-mothers and playgroup facilitators appointed and paid stipends
1,640	children received nutritious food
112	food gardens established in Nellmapius, uMsinga and Nquthu

Meet the team



Dr Vuyelwa Nhlapo
CEO



Mmemme Makane-Sibande
Project Manager: Gauteng



Chumani Maki
Monitoring and Evaluation Specialist: Gauteng



Patricia Boitumelo Mosehla
Personal Assistant



Neliswa Mlangeni
Project Officer: Gauteng



Fundiswa Molefe
Project Manager: KwaZulu-Natal



Sibahle Dlamini
Project Officer: KwaZulu-Natal



Angel Khanyile
Project Officer: KwaZulu-Natal



Nontobeko Tshela
Administrator: KwaZulu-Natal



The role of the Board of Trustees

The Board of Trustees (“the Board”) is the governing body of the Assupol Community Trust (“the Trust”) and seeks to ensure the best interest of stakeholders in all types of management decisions. The Board’s primary responsibility is to uphold the fiduciary duty to protect all of the assets and funds in the Trust. The overarching fiduciary duty includes the duties of care, obedience and loyalty, which means that a trustee must place the organisation’s interests above their own when making decisions on behalf of the Trust.

Trustees, then, must avoid conflicts of interest as much as possible and should disclose any information that could suggest self-dealing. For example; if the Board is deciding whether a contract should be awarded to a particular vendor, none of the trustees should hold an interest in that vendor. Such intermingling of affairs would likely be an unacceptable conflict of interest even if other Board members sign off on it.

While fulfilling its fiduciary duty, the Board manages its affairs and makes decisions to protect the stakeholders’ best interests. Such decisions may include how to invest assets, the choice of institutional manager, and the pursuit of specific investment options.

While day-to-day management of the organisation is usually more the responsibility of staff and other management, the Board focuses on larger and broader decisions that affect the organisation. Such issues may include the organisation’s overall mission and direction and other strategic planning matters.

The Trustees

The Trust has five trustees. In terms of the Trust Deed, it is required that three of the trustees must be black persons. Two trustees are appointed by Assupol Holdings Limited, and three trustees are required to be independent as defined in the Trust Deed. An “independent” trustee is defined as a trustee who:

- is not an employee or director of Assupol Holdings or a subsidiary of Assupol Holdings;
- is not a connected person of another trustee;
- is not employed by the Trust; and
- does not have a direct or indirect beneficial interest.

Independent trustees are appointed by the independent trustees, from candidates recruited and recommended by a professional human resource recruitment firm, which is of high standing and specialises in, or also in, the recruitment of company directors and similar fiduciary functionaries. The appointment of independent trustees is further subject to a confirmatory vote by designated communities at the annual general meeting of the Trust.

Notwithstanding anything to the contrary in the Trust Deed, the trustees appointed by Assupol Holdings do not take part in decisions to appoint or remove independent trustees.

A person may not be appointed as a trustee, and if appointed automatically stops being one, if he/ she is or at any time in the past was:

- disqualified from being a director of a company in terms of the Companies Act;
- removed from an office of trust because of misconduct;
- sequestered and has not been rehabilitated;
- declared by a court to be incapable of managing his/ her affairs, or placed under curatorship, or otherwise disqualified in law to hold office as a trustee; or
- convicted of a crime involving dishonesty, or a crime for which he is or was sentenced to imprisonment without the option of a fine.

Trustee remuneration

The trustees are entitled to a reasonable remuneration commensurate with their duties. Their remuneration is reviewed and determined yearly by a recognised remuneration specialist appointed by the trustees. The remuneration specialist must take into consideration the provisions of the Trust Deed, and may take into consideration any factors that it deems relevant.

Our Trustees



Taurai Muranda
CA(SA)

Chairperson

Trustee since August 2014 (appointed by Assupol Holdings Limited), Independent since January 2018



Bridget Mokwena-Halala
MBL

Trustee since August 2014
(appointed by Assupol Holdings Limited)



Tebogo Malatji
B Proc, LLB, Admitted Attorney

Independent Trustee since August 2014



Dr Natalie Skeepers
PhD (Engineering Management)

Independent Trustee since November 2017



Zibuyile Mbambo
MA Social Science, BA Honours Psychology, BA Social Work, Diploma in HR

Independent Trustee since October 2020



Dr Vuyelwa Nhlapo
PhD (Public Affairs)

Programme Director since February 2016 and CEO since August 2019

Meeting Attendance

The table below shows the attendance of trustees at board meetings held during the reporting period.

Meeting dates	07 March 2021	14 June 2021	07 July 2021	06 October 2021
Executives				
Dr V Nhlapo	X	X	X	X
Trustees				
T Muranda	C	C	C	C
N Skeepers	X	X	X	X
T Malatji	X	X	X	X
Z Mbambo	X	X	X	X
B Mokwena-Halala	X	X	X	X
Invitees				
S Keetse	I	A	A	I
W Delport	I	I	I	I
R Boonzaainer	I	I	I	I

A - Absent with an apology C - Chairperson X - Trustee I - Invitee



Board assessment policy

The Assupol Community Trust and its leadership subscribe to the principles of good corporate governance as set out in the King IV™ Report on Corporate Governance for South Africa, 2016 (“King IV™”). In accordance with Principle 9 of King IV™, the governing body of an organisation should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness. It is for this reason that the Board of Trustees approved the Assupol Community Trust Board Assessment Policy.

The Policy seeks to promote a culture of ethical behaviour, transparency, sound corporate governance and to identify areas of improvement related to the performance and effectiveness of the governing body, being the Board of Trustees (“the Board”), of Assupol Community Trust (“the Trust”). The Policy prescribes regular assessments to be conducted.

The Board believes that the performance of regular assessments will result in the following potential benefits: improved leadership; greater clarity of roles and responsibilities; improved teamwork; greater accountability; better decision-making; improved communication and more efficient Board operations, all of which should ultimately have a positive impact on the functioning, performance and long-term sustainability of the Trust.



Board evaluation

During the year under review, the Board of Trustees was evaluated by FluidRock, an independent corporate governance firm, to identify and record areas requiring specific attention in strengthening the performance and effectiveness of the Board as part of good governance.

The Board and trustees were commended for the positive outcome of the 2020/2021 performance evaluation, based on both the ratings given as well as the input provided during the interviews. Ratings per theme ranged between 3.18 and 3.87 (more than satisfactory). With an average rating of 3.48, the Assupol Community Trust Board of Trustees scored the second highest in comparison with 15 other organisations where FluidRock was responsible for facilitating the evaluation process. It was the consistent positive ratings and comments in respect of culture that in particular stood out to the FluidRock team. The trustees should be commended for a special attribute of the Board as a whole. It was made very clear during the interviews that open and robust discussions and questions were welcomed in meetings and were well received and responded to. This is a critical attribute of an effective governing body and its structures. Notwithstanding the high ratings and positive comments, specific areas for improvement were also identified and are captured in the various

recommendations forming part of the report that was transferred to the action plan for ongoing oversight until such time as each item has been addressed to the satisfaction of all concerned.

The following high-level items were specifically highlighted by the Trustees as areas that could improve:

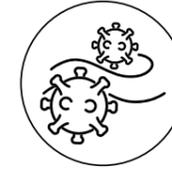
- Succession planning - specifically at CEO and management level
- Stakeholder engagement
- Oversight of risk management
- Relevance of the Human Resource Committee
- Whistleblowing facility
- Director Induction Programme



SOCIO ECONOMIC IMPACT



Impact of Covid-19



The South African ECD sector plays a critical role in providing early care and education, catering generally for children aged 0-5 years in their pre-primary school years. Though early care and education are an essential service, this sector remains mostly informal—government does not provide sufficient funding support needed to enable quality early care and early learning services to reach intended children. Government funding is also only available to registered ECD centres. As a result, the majority of ECD centres rely on fees paid by children’s parents or caregivers to fund their operations. Services are therefore, out of reach for parents and caregivers who are unable to pay these fees.

The sector primarily employs black African women, who bear the brunt of funding constraints by working for low wages or stipends. Even before Covid-19, the sector’s challenges were well documented, and during the pandemic, the sector was ill-prepared to endure additional shocks and impacts on education, employment, hunger, and mental health.

The loss of revenue from fees was the most significant negative impact of the pandemic on ECD centres, as many parents were unable to pay fees due to economic difficulties. The second most detrimental impact was that the majority of parents or caregivers did not know what to do with their children during the stricter lockdown levels, because they were not fully equipped to stimulate children in a way that was beneficial for their development while they were in their care at home. As a result, children were unsafe while playing on the streets and any ECD exposure they may have previously had was at risk of being lost.

There was a significant difference in the number of children returning to ECD centres during the year under review, compared to the 2020 financial year when Covid-19 began. The majority of children returned because ECD centres served as educational facilities and as important developmental spaces for young children during the Covid-19 era. The return of a majority of children to ECD centres and reduction in the spread of the virus has influenced the Trust’s decision to review its Covid-19 relief plan.

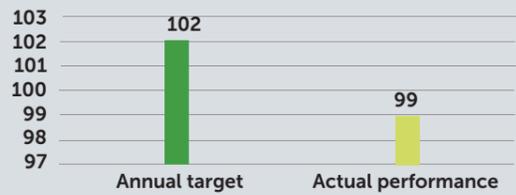
Covid-19 relief plan



In the 2021-2022 financial year, the Trust reviewed its Covid-19 relief plan which, in the previous year, included the payment of stipends to ECD practitioners to address the loss of income, and the provision of personal protective equipment (PPE) to enable the ECD sector to comply with the guidelines of the Department of Health (DoH) and the Department of Social Development (DSD). In 2022 the Trust focussed only on the payment of operational costs with a view to assist unfunded ECD centres in their operations including payment of rates and taxes.

Of the 102 ECD centres targeted during the year under review, 99 were unfunded ECD centres that were supported with operational costs for a period of six months. The three remaining ECD centres qualified for funding from DSD. This performance can therefore be viewed as **100% performance.**

Number of ECD centres supported with operational costs



Accelerating access to ECD services



The South African government's vision expressed in the National Development Plan (NDP) is that, by 2030 every young child in South Africa must have access to high-quality ECD programmes. The importance of ECD should not be underestimated. It may seem that learning starts when children begin formal schooling, however, it starts right from birth. That is why it is important to create a healthy learning environment for children to grow and learn in.

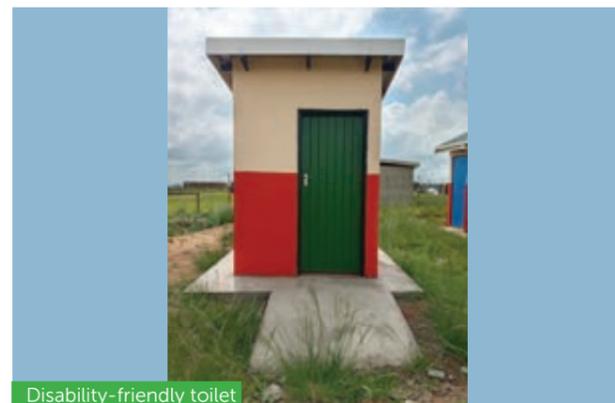
The first years of life shape a child's future into adulthood. This is when the most significant brain development happens, particularly in the first 1,000 days of life. In order for government to honour its commitment to improve the standard of living and quality of education, and secure the future of its children, it has to transform ECD service delivery with a view to address critical gaps and ensure provision of comprehensive universal and equitable ECD.

President Ramaphosa announced in 2019 that the mandate for ECD would be transferred from the DSD to the Department of Basic Education (DBE), signalling recognition of the significance of early learning, and committing to adding a mandatory two years of ECD before grade 1. This change took effect on 1 April 2022. In resource-challenged environments in South Africa, ECD also provides safety, supervision, and nutrition – without which many of these children and their families would not cope. The transition from DSD to DBE gives

hope that there will be more resources that will be invested in the ECD sector to help the sector function effectively and efficiently for the benefit of our country's children.

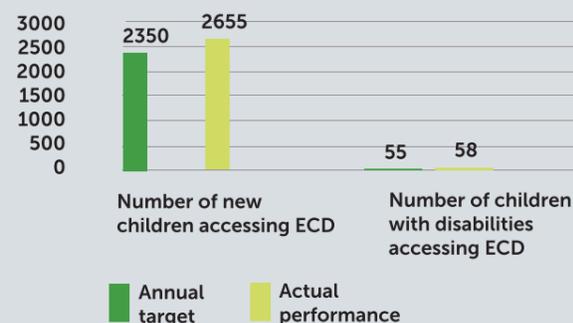
In previous years, the Trust conducted awareness campaigns to advocate the importance and benefits of ECD with a view to contribute towards universal access to ECD. However, with the emergence of Covid-19 in the past two years, this activity has not been undertaken, impacting negatively on this objective. The growth in access to ECD that was achieved is commendable given the circumstances under which the Trust and the sector at large found itself. A total of 2,655 new children accessed ECD services in Nellmapius, uMsinga and Nquthu during the 2022 financial year. This number constitutes a 67% rise from the previous financial year.

During the year under review, the Trust has seen great progress in improving access to ECD programmes for children with disabilities – this is the first year to report on this. Fifty-eight (2%) of children with disabilities have accessed ECD. A majority of these children are from Gauteng. This is significant progress given the fact that very few children with disabilities access ECD. However, there is a need to do more awareness on the importance of ECD to improve access for children with disabilities.



Disability-friendly toilet

Access to ECD services in Nellmapius, uMsinga and Nquthu



Improving the quality of ECD services

Quality has become a talking point in our day and age. Every product and service must provide quality; every consumer desires it (Dahlberg, Moss & Pence, 2013). ECD is no exception when it comes to providing high-quality ECD programmes. The National Integrated ECD Policy (2015) acknowledges the many times the word "quality" has been used in the policy document, which in itself shows the importance of quality ECD.

It is widely accepted that ECD input has a long-term positive impact on children's development and learning. It is critical for improving the health, cognitive, and socio-emotional development of young children. It is for this reason that the Trust's second objective is to improve the quality of ECD services in Nellmapius, uMsinga, and Nquthu. In order to improve the quality of ECD services, the Trust invested in two areas, namely; practitioner training and the provision of nutritious food.



Before



After

Provision of nutritious food

Poverty is widely acknowledged to be a root cause of poor child development. Poor early childhood development is strongly associated with low socio-economic status (DSD, 2015:19). In 2020, Statistics South Africa conducted a General Household Survey that measures the living circumstances of South African households. This survey compared the results of 2002 to those of 2020. In 2020, 10% of children (2.1 million) lived in households that reported child hunger. More than a fifth of these children (22%) were from KwaZulu-Natal (KZN), while 19% were from Gauteng (GP). Child hunger rates in 2020 were 20 percentage points lower than they were in 2002 when 30% of children (5.5 million) lived in households that reported child hunger. The largest declines have been in the Eastern Cape (EC), Limpopo (LP) and Mpumalanga (MP). One of the main contributors to this decline was reported as the expansion of the Child Support Grant which in 2020 covered 13 million children. It is clear from this survey that child hunger in KZN and GP is declining at a very slow pace. This therefore, supports the decision of the Trust to provide nutrition as a way of addressing hunger in these provinces.

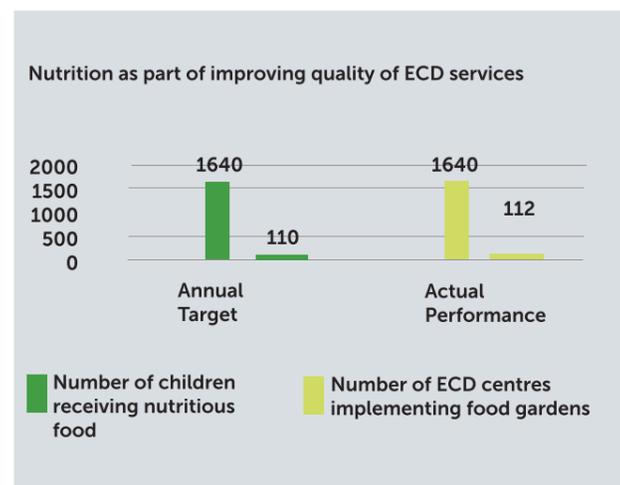


Healthy eating in infancy and childhood, as part of a healthy and active lifestyle, are vital for the optimal health, growth and development of children. The nutritional status of children influences their short and long-term physical and mental development. The damage to physical and mental well-being caused by poor nutrition has the potential to be irreversible (Nutrition Guidelines for Early Childhood Development Centres, 2016).

Children in South Africa suffer from various forms of malnutrition, including high levels of stunting, obesity, and inadequate intake of certain micronutrients. This malnutrition is caused in part by poor breastfeeding practices, poor complementary feeding practices, and poor complementary diet quality. Childhood malnutrition is the biggest challenge that can cause developmental delays in children (Martnez and Fernández, 2008). ECD stimulation and adequate nutrition are thus both important predictors of successful child development and must be prioritised by social workers who monitor ECD programmes.



As part of provision of nutrition to ECD, the Trust implemented two activities; implementation of food gardens and provision of nutritious porridge. During the year under review the Trust planned to support 110 ECD centres by providing agricultural inputs to enable them to establish food gardens that would feed children in the ECD centres and poor households in Nellmapius, uMsinga and Nquthu. This target was exceeded and 112 food gardens were supported. The Trust continued to contract JAMSA to feed 1,640 children. This is **100% performance** against the target. The porridge that the Trust provides to the ECD centres through JAMSA, provides 75% of a child's daily required nutrients.



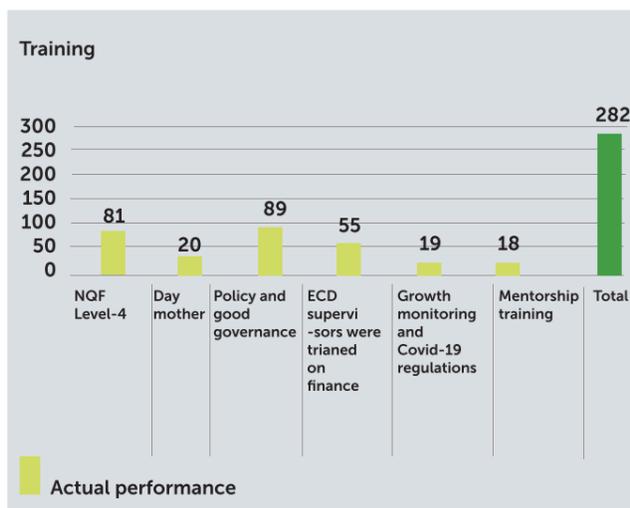
Training of ECD practitioners

The ECD educators who work within the ECD programmes are expected to be competent in their work. The knowledge, skills, and practices of ECD educators are important factors in determining how much a young child learns and how prepared that child is for entry into primary school (Sheridan, Edwards, Marvin & Knoche, 2009). However, with the current increase of ECD programmes, particularly in rural areas, the issue of competency is neglected by the ECD sector.

According to Atmore (2012), quality teaching and learning is essential for effective early development to take place. The DSD and UNICEF (2006), concur with this notion by indicating that all practitioners must be trained, receive ongoing training in ECD and in the management of programmes and facilities for young children. Atmore (2012) further states that in order to produce quality ECD teachers, various training and education opportunities should be made available through short skills programmes, and through comprehensive ECD qualifications.

To run ECD centres that are efficient, sustainable and effective in caring for young children, it is essential for ECD principals, supervisors, and teachers to be skilled. Training should be provided through full qualifications and through focused skills training programmes. In most cases training programmes are selected in relation to the capacity of the ECD teachers participating in each project. ECD qualifications include a Further Education and Training Certificate: ECD (NQF Level 4) as well as the Higher Certificate: ECD (NQF Level 5).

The Trust exceeded the target of training 233 ECD practitioners, by training 282 ECD practitioners including day-mothers and playgroup facilitators. The training included the following:



Facilitating compliance to norms and standards and other regulatory framework



As part of facilitating compliance to norms and standards and other regulatory framework governing ECD, the Trust focused on two activities namely the screening of ECD staff for security clearance and infrastructure improvement.

Screening of ECD staff for security clearance

The Children's Act prescribes that all staff members working with children are to be screened for security clearance for the purpose of protecting children in their care. During the year under review, the Trust screened 203 out of a target of 325 ECD practitioners in Nellmapius, uMsinga and Nquthu. This activity was impacted by Covid-19 regulations, as the Trust realised that the screening of staff was a high-risk exercise. The decision was, therefore, taken to suspend this activity in order to protect the Trust and ECD staff.

Infrastructure improvement

One of the challenges that face the ECD sector in South Africa is infrastructure that is not conducive for learning, particularly in the poor communities. Infrastructure is an essential enabler needed to carry out teaching and learning activities including care in ECD centres. This infrastructure includes spacious and well-ventilated classrooms, playgrounds, well equipped learning classrooms, basic utilities such as water and electricity and outdoor play equipment. All these, are considered to be key elements in a child's holistic growth and they provide safety, care and learning.

According to the Development Bank of Southern Africa (2022) when you provide children with quality care, nutrition, healthcare, hygiene, education and social environments, they are more likely to visualise a brighter future for themselves and work hard to achieve their goals. It is for this reason that the Trust has invested so much on infrastructure improvement to ensure

that children are cared for in an environment that is conducive for learning.

During the year under review, the Trust built and renovated 35 ECD centres against the target of 47. All the 35 ECD centres were registered with DSD and received health certificates to comply with basic standards of registration, health and safety in line with the Children's Act. All the 35 ECD centres are from uMsinga and Nquthu area. The Trust also provided playmats as part of learning material for 136 ECD centres. This is a **100% achievement**. Lastly, as part of ensuring compliance to Covid-19 protocols, the Trust monitored the usage of PPE in 200 ECD centres, against the target of 222. This constitutes 90% of the ECD centres that were supported with PPE in Nellmapius, uMsinga and Nquthu.

Good governance, partnerships and stakeholder relations



According to Vitiello & Kools (2010) good governance within the ECD sector has been deemed central for facilitating collaborations amongst actors and can further ensure that services provided are of quality standards, are affordable, meet local demand, promote cost-effectiveness and achieve equity goals. They further stress that good governance is important in ensuring that ECD policy development and implementation meet the diverse needs of children, amongst others. It is for this reason that the Trust regards good governance as an important aspect in discharging its duties. The gains that the Trust has achieved since its existence and particularly during Covid-19, are as a result of well-established partnerships and good stakeholder relations.

Since the Covid-19 pandemic started in 2020, the Trust changed its approach to stakeholder relations, to create, maintain and strengthen partnerships to ensure the smooth running of its operations within the ECD sector. The Trust continued during the period under review to adapt to the new ways of communicating with its stakeholders. All meetings such as the annual general meeting (AGM) Inter-departmental Technical Task Team meetings, and ECD Forum meetings were conducted virtually in order to comply with Covid-19 regulations.

On good governance, the Trust held two steering committee meetings out of a target of four. The two meetings were held in KZN. The Trust supported local ECD committees in Nellmapius, uMsinga and Nquthu; Out of the target of 14 programmes for local ECD committees, the Trust exceeded the target and supported 19 ECD committee programmes.

On partnerships established, the Trust planned to establish six partnerships, however, only three partnerships were established during the year under review. The Trust continued to maintain four existing partnerships that were formed in 2021. However, some aspects of relationship building and partnership did face challenges. The Trust is still working very hard to build and strengthen relations with the City of Tshwane to the benefit of the children in the area.

Another important part of stakeholder relations in the Trust work, is providing support to ECD forums. During the year under review, the Trust had planned to support 22 ECD forums. **All 22 (100%) ECD forums were supported.** The achievement in this target is an indication of strong stakeholder relations that the Trust has built over the years.



Advocate for models that accelerate universal access to ECD

Once Covid-19 restrictions commenced in 2020, the Trust could not perform its advocacy activities, particularly, awareness campaigns that assist the Trust in recruiting potential day-mothers and playgroup facilitators in order to increase access to ECD services. Other creative ways of

advocating for models that accelerate universal access to ECD had to be introduced during the reporting period.

The Trust continued to use day-mothers, playgroup facilitators and ECD owners to market ECD services to individuals who wished to serve as day-mothers or playgroup facilitators. Day-mothers and playgroup facilitators who were excelling in their work remained our strongest link to the public, as people in the community saw the work they were doing and started showing keen interest in becoming day-mothers and joining the non-centre based ECD. Local day-mothers and playgroup facilitators, therefore, served as brand ambassadors for the Trust to improve non-centre based ECD. The Trust is looking forward to recommitting to the awareness campaigns in the financial year 2022-2023.

Monitoring and evaluation system

The Trust's ECD programme is ambitious, operating in a complex policy and legislative environment with multiple stakeholders who have varying degrees of influence. The Trust, therefore, developed a clear and robust monitoring and evaluation (M&E) framework to guide the programme over time and to ensure not only that implementation goes according to plan, but the broader goals of the programme are achieved and interpreted into an M&E system.

In the 2021-2022 financial year, the Trust contracted Social Collective with the assistance of the Assupol Life's Group Information Technology (IT) team to develop an M&E system that went live on 01 March 2022. The system was developed to help the Trust remedy challenges such as delays in data submission during project implementation, and data loss which usually occurs in the paper-based data collection process or on Excel spreadsheets on a monthly, quarterly, mid-term and annual basis.

The developed system is useful to different stakeholders including the Board of Trustees, the Trust Chief Executive Officer (CEO), project managers, decision-makers, policymakers and the M&E team in tracking the project's progress in the Trust domain. The M&E system also acts as a tool for management to make better and more informed decisions.



Assupol-led financial education and training for ECD principals

Assupol Life contracted Avocado Vision Learning Centre to train 55 ECD principals or supervisors on financial literacy in the uMsinga and Nquthu local municipalities. The training programme's purpose was to equip the supervisors with knowledge on financial management to enable them to apply this in practice when making financial decisions and resolving financial problems.

The financial literacy programme is important in improving the lives of the people in the communities we serve, particularly by unlocking active citizenship, economic participation, and the creation of wealth. The five-day programme entailed the following topics for the Principals:

- Personal financial management: personal financial goal setting
- Business growth: Learning the basics of business and how to grow their ECD centre into a self-funded establishment that seeks to help others and create employment
- Practical business improvement plan development: Implementing identified business opportunities and how to sustain their ECD centres
- Business strategy: Application as well as risk management

Training was done through group work to enhance participation and understanding. All the funds ECD centres receive need to be managed effectively and efficiently in order to build sustainable businesses. This programme played a critical role in enabling ECD centres to be sustainable as viable businesses, and in achieving this desired outcome.



Policies developed during the year under review

Child Safeguarding and Protection Policy

The Trust actively promotes an environment where children are safe and protected from harm, neglect and abuse. It also encourages all primary stakeholders to take responsibility and progressive measures to mitigate harm to children in order to foster, nurture and promote their well-being and development.

Section 28 (1)(d) of the Constitution of the Republic of South Africa 108 of 1996, states that every child has the right "to be protected from maltreatment, neglect, abuse or degradation". It is for this reason that the Trust developed the Child Safeguarding and Protection Policy.

The main goal of this policy is to create a safe and an enabling environment for children who are in direct contact with trustees, staff, contractors and caregivers in ECD centres and non-centre based ECD services funded by the Trust. This policy seeks to create awareness amongst stakeholders employed or contracted by ECD centres on:

- (a) How to prevent abuse and maltreatment of children;
- (b) How concerns and potential cases need to be reported;
- (c) How to deal with abuse and maltreatment cases as well as the abusers; and
- (d) How to make sure that all primary stakeholders are protected.

The scope of the policy applies to all trustees, staff, day-mothers, playgroup facilitators, contractors and caregivers employed or contracted by ECD centres receiving funding from the Trust.

Popia Policy

This policy explains how the Trust obtains, uses and discloses personal information, in accordance with the requirements of the Protection of Personal Information Act No. 4 of 2013 ("Popia"). Through this policy, the Trust ensures compliance with Popia in the collection, management and use of data. The Trust is committed to protect the privacy of all data subjects, and to ensure that their personal information is collected and used properly, lawfully and transparently.

This policy also forms the basis of the privacy notice that the Trust discloses to all its data subjects as part of its compliance with Popia. The policy is essential to ensure that the privacy rights of data subjects are protected. It applies to all employees of the Trust as well as its contractors, beneficiaries and stakeholders.



Graduation and the best performers in NQF level 4 training

The Trust prioritised ECD practitioner training as a result of findings of an audit that was conducted in 2016 involving all ECD centres in Nellmapius, uMsinga and Nquthu. In Nellmapius, in particular, more than 60% of the ECD practitioners did not have required qualifications and skills to teach in ECD. A total of 154 practitioners were trained during the reporting period.

Quality teaching and learning are required for effective early development to occur, regardless of the condition of the facility in which a child is placed. A good ECD practitioner should provide a conducive learning environment in which a child can develop holistically. In the document titled

Guidelines for ECD Services (2006), the DSD and UNICEF established the minimum standards for ECD practitioner requirements. According to these guidelines, the national qualifications framework (NQF) Basic ECD Certificate is the minimum qualification for any ECD practitioner, followed by NQF Level 4 (Matric level) and Level 5 (Diploma level) (DSD, 2006).

The audit report concluded that the majority of ECD centres do not adhere to the norms and standards outlined in the Guidelines for ECD Services document. As a result, the Trust was required to implement critical training programmes in order to address the skills deficiency. The Trust then prioritised practitioner training in order to improve practitioner skills and enhance child stimulation to ensure school readiness.

In April 2019, the Trust appointed Ntataise Trust to train 35 ECD practitioners working in ECD centres in Nellmapius on the Further Education and Training Certificate (FETC), ECD Level 4 qualification programme. This programme integrates an accredited training programme at NQF Level 4 with on-site support and mentoring, designed to meet the needs of practitioners working in ECD centres. The qualification comprises three components: the core knowledge modules, three foundational learning competency modules and four elective modules.

The enrolled ECD practitioners attended 102 days of training over 20 months. The training sessions were supported by on-site visits, enrichment workshops, study groups and specially designed assessments to support practitioners to implement practically what they learnt in theory. The tool and methodology used in training was designed to meet the needs of ECD practitioners who, in most cases, have limited education, often a poor knowledge of ECD and are already working in community and home-based ECD facilities.

ECD practitioners attended monthly week-block contact training sessions, between which they were required to implement what they learned in the workplace. Each ECD practitioner was required to submit a portfolio of evidence (tests, assignments and observations) for each module and received feedback on their progress throughout the programme. Between modules, ECD practitioners also received on-site support visits from an experienced trainer, to assist and support practitioners to implement what they learned in the classroom.

The group of 34 ECD practitioners had their graduation on 30 November 2021 in Nellmapius where they were awarded their respective certificates. This achievement was lauded, given the emergence of Covid-19 that forced the practitioners to continue their learning online. The graduands were excited and beautifully dressed in their black academic regalia. The Director for Ntataise Trust robed all the graduates on stage with their blue and white graduation stole. The graduates then proceeded to be capped by Dr Vuyelwa Nhlapo, CEO of the Trust.

The three top achievers that obtained distinctions were awarded certificates for their outstanding performance. These top achievers were:

- Ms Jabulile Venter, an ECD Practitioner at Masihlalisane Day Care in Nellmapius
- Ms Phumzile Masango, the Principal at Uthandolwethu Day Care in Nellmapius
- Ms Maria Skolas, the Principal at Botshelo Day Care in Nellmapius



The Trust also awarded certificates to day-mothers at the graduation ceremony. The Trust started a pilot programme to ensure increased access to ECD services for children 0-5 years by implementing the Day-Mother Programme in 2019. To date 20 day-mothers have been recruited, trained and contracted for 12 months. During their contract period, they were also paid stipends. The Day-Mother Training Programme comprised of four one-week modules of training. After each week of training there were on-site support visits for supervision.

A total of 57 day-mothers, including 16 youth employment service (YES) learners, were awarded certificates of completion by the Early Care Foundation; a foundation contracted by the Trust.

The Trust is confident that children will benefit from qualified ECD practitioners and trained day-mothers because this will result in effective teaching and learning. We believe that we are making a mark on ECD practitioners and day-mother development, which is a great development indicator that will contribute to the outcome on education for our country. Quality ECD service is a key priority of the Trust. Graduation 2021, was the start of bigger and better achievements to come.



Success stories

Promoting integration and co-ordination in delivering quality ECD interventions in KZN

The Trust clearly understands the magnitude of the ECD challenges that need to be addressed in South Africa as a whole. The choice made by the Trust to work in the three designated areas of Nellmapius, uMsinga and Nquthu is by no means a surprise given the high levels of poverty in these areas, but the Trust was confident that it could make a meaningful difference that would have a significant impact on the lives of the children reached in these areas.

Given the challenges within the sector, it was also clear that the impact will be achieved through the collaboration of various partners working towards

the same goal of universal access to the full range of ECD services. On 23 November 2021 in Nquthu, and 24 November 2021 in uMsinga, a collaboration site visit was held with various partners in KZN.

The site visit was in accordance with the Trust's strategic goal of promoting good governance, partnerships, and stakeholder relations in the uMzinyathi District Municipality.

During the visit, various stakeholders evaluated the infrastructure improvements that were completed in uMsinga and Nquthu, and monitored compliance with Covid-19 regulations.

The following stakeholders attended the site visit, demonstrating the Trust's effective partnerships:

- Nquthu Local Municipality
- uMsinga Local Municipality
- Local early childhood development committee (LEC) members
- Infrastructure improvement service providers (LIMA, Proz Consultants and Mahlaba property management company)
- Environmental Health Practitioners (EHPs)
- Department of Social Development
- Ward Counsellors

The abovementioned stakeholders played a critical role in the success of the project's implemented during the year under review. These stakeholders were responsible for the following:

- Local municipalities liaised between counsellors and the Trust and they assisted in guiding the Trust on the ward demarcation. They also discharged their duties by facilitating services like water and sanitation provided at local government level.
- Counsellors enabled the Trust to work well in their respective wards and assisted with getting local people to participate during the implementation phase.
- EHPs assisted with the pre and post assessments of the renovations and newly built structures, to ensure they comply with the municipal by-laws in order to issue health certificates to the structures that complied.
- LEC members liaised between the Trust, parents and ECD forums.

The Trust team and stakeholders present were very proud of the work done at the ECD centres in uMsinga and Nquthu local municipalities, demonstrating that through good governance, partnerships, collaboration, and stakeholder relationships, we can all contribute to the improvement of services to children in our country.

Randanani Day Care in Nellmapius

Randanani Day Care Centre has been operating since 1989, providing ECD services. The first 11 years of service were spent in Mamelodi where the founder and principal, Mrs Veronica Mosuoane, operated from her family home. She later found her own house in Nellmapius in 1997 and continued operating an ECD centre on the property for more than 22 years, to date.

The ECD centre is widely known in the neighbourhood as a place of safety and childcare as parents go to work. The centre contributes to the holistic development of children in the community; preparing them for school readiness, and creating jobs for a number of people who work in the centre.

Initially the centre accommodated 150 children. Demand for ECD services in the area was high, as this was the only ECD centre in Extension 3. The children were housed in the Reconstruction and Development Programme (RDP) house that was also her family home, as well as in shacks built inside her yard. Later the children's classes were upgraded to a Wendy House and ultimately Veronica managed to build four rooms outside, extending her RDP house. Veronica managed to do all of this while raising her children as a single parent after, her divorce, with the support of her family.

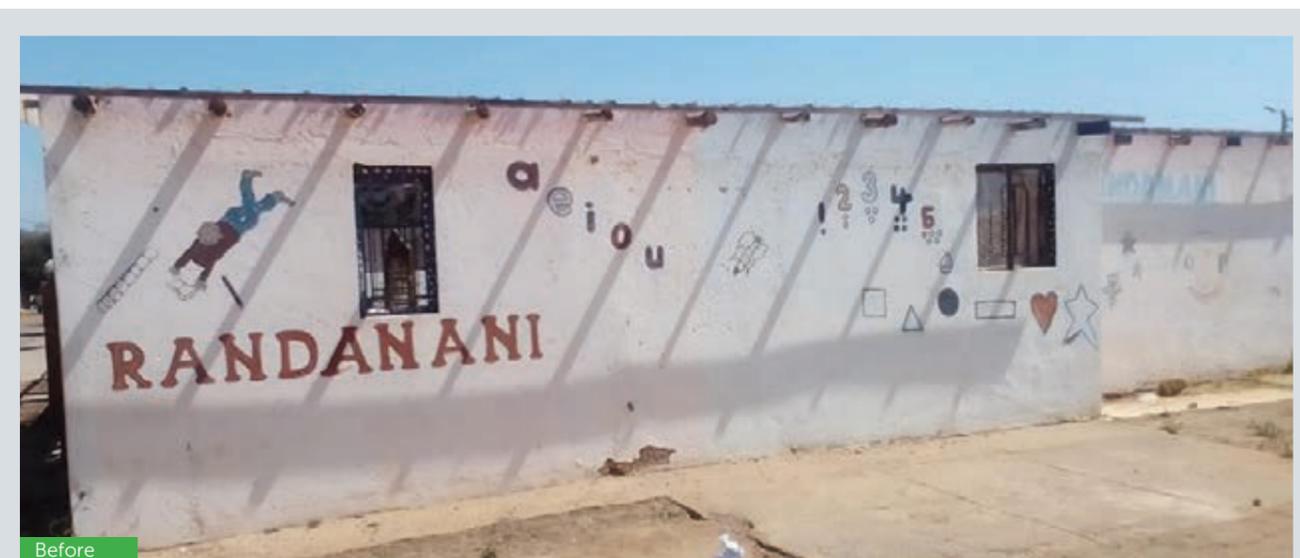
Veronica has managed her ECD business well. Her facility has improved from the original RDP house she started in, to a well-established ECD centre that operates in the newly built extension on her property. Unfortunately, the renovation and building of the ECD centre was not compliant to municipal by-laws because there was no approved building plan. The rooms were built on a municipal boundary and the building was not built professionally, posing a safety risk to children.

Randanani Day Care was therefore selected to be assisted with infrastructure improvements and

was part of the phase two renovations to help the centre become compliant, to ultimately receive a health certificate and register the ECD programme. The Trust demolished the Randanani structure and built a new full ECD centre with 3 classrooms, a separate kitchen, office, sick bay with basin, staff toilet, children's toilets, storage and outdoor play area.

The centre is now eligible for government support and is compliant, awaiting endorsement by the City of Tshwane. The total number of staff at Randanani is four including the principal and three ECD practitioners. Of note is the fact that two of Randanani ECD practitioners are Veronica's children—this is encouraging as it gives hope that this ECD centre will leave a legacy.

A number of children that Randanani Day Care raised, have grown to be successful men and women with their own families. Amongst them is Lindiwe Sihlangu who went to Randanani Day Care when she was a child and currently, she operates her own ECD centre with Veronica serving as her mentor and coach.



Before



After

TESTIMONIALS



Masihlalisane Day Care

To: Assupol

On behalf of Masihlalisane Day Care, I would like to say thank you for assisting me to complete the NQF Level 4 studies, I highly appreciate it hence it has broaden my horizon at the day care, the persistent hard work that has given me fruitful results .

I am also honored for Masihlalisane Day Care to be partaking in the upcoming building infrastructure project, through diligence, it will be a success. Because of your generosity, we will be able to further our day care goals in securing our children's future in our community.

Again, many thanks for your support it means the world to us and keep up the good work.

Kind Regards

Jabulile Nthabiseng Venter

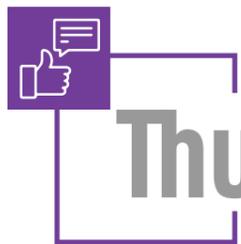


Enjabulweni Day Care and Pre-School

We are proud to say we are here where we are now because of the Help we got from Assupol Community Trust. They started working with us by developing our skills and knowledge including our staff (Teachers) by giving us further training courses such as NQF level 4. Our Centre was further not up to standard to the requirements of the Department of Social Development. Assupol Community Trust managed to help us by renovations and added by building new toilets for our Centre and making it appealing to the public eye. Now our Centre got dignity and got enough space as classrooms. Assupol Community Trust has also assisted us in paying towards our outstanding consent use fees, which we could not afford to pay as principals. We would like the working relationship with Assupol not to end. This is our wish.

Thanks Assupol, now we are striving high because of you. We look forward to be a fully registered ECD centre.

From Enjabulweni Day Care and Pre-School.

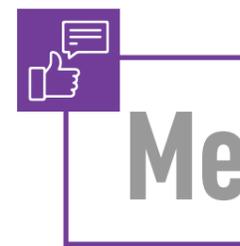


Thuso Thata

I just wanted to thank the board and trustees of Assupol Community Trust for all the help and support I get from them. I started as a day mother with 6 children in my care. The training and support I get from Mmemme was enough and it was a curve that I will never forget. I am so thankful to Assupol Community Trust for the support during Covid-19 it helped me a lot to make sure my centre is safe and clean. When I started, I worked from my dining room but because of the financial support (Stipend) from Assupol Community Trust I managed to build two rooms outside the house and a kitchen. I am also gaining because I am a business woman who manages to employ two community members who work in my centre all because of Assupol Community Trust. I also know how to stimulate and develop the children in my care. All because of Assupol Community Trust, my centre is the place where parents want to bring their children to be taken care of by me. Thank you very much Assupol Community Trust. keep up the good work.

Annalie Jood

Thusa Thata Day Care



Mehlokazulu Pre-school

Dear: Assupol Community Trust

On behalf of Mehlokazulu board, staff, parents and community, I would like to express my deepest appreciation to Assupol Community Trust for the high-quality services that they have supported us with in Mehlokazulu.

Assupol Community Trust supported us with numerous services that assisted us to be able to comply and receive a health certificate which we have been failing to get ever since we started Mehlokazulu. Assupol Community Trust provided the following for us; They did renovations and built a new structure for us as we were overcrowded and did not have enough classrooms to accommodate all the children. The Trust also attended to the health and safety of our ECD by providing a fenced waste pit.

They also improved water and sanitation through the provision of 5000L tank and toilets. Assupol Community Trust also provided our ECD with garden tools, chemicals and seedlings for the garden. They provided JAM instant porridge to boost the diet of the learners as well as the weighing scale for learner's weight.

Thank you very much Assupol Community Trust for all the things you have done for us and for other ECD Centres as well, your interventions to our ECD Centres have given us hope that the foundation and development of our children is strong enough. May God continue to bless you all!!!!

Yours sincerely
S.P Mbokazi
Mehlokazulu Pre School



Mawozini ECD Centre

Letter of Appreciation

To the Assupol Community Trust, it is with great pride and extreme honor that I write this letter to you. I am indebted to you for everything that you have done for not just myself and my community but mostly for our young children. For years I have encountered great distress each time the district health inspector from the Department of Health paid us a visit seeing that our ECD centre was not built to a standard where children could be safe and out of harm's way. This was also due to the fact that we had a limited amount of resources of course due to a shortage of funds and with Assupol Community Trust as our rescue, an enormous load has been lifted off my shoulders, what a huge blessing you are to us.

Firstly, the Trust renovated and fixed our centre. They installed ceiling boards, painted the entire building, and installed the perfect fit toilet seats for children. We also have had the luxury of being provided with play mats for children not just to play and learn but to keep them protected to ensure that they never have to feel winter agony on the floor any longer. Thank you for making my dream of having another extra classroom come true. The extra classroom will also be very well taken care of, it will last for even the next generation of the Mawozini community as the only ECD centre in this area.

Secondly, we sincerely appreciate the many training programmes that you have offered free of charge, they add to our development and skills. One of the training programmes that stood out for me was the Growth Monitoring and Training, it spoke volumes on the importance of taking care of children, vaccinations, the food types that children should be having at their appropriate ages as it leads to good nutrition and healthy growing babies learning very well in our ECD centres and being ready for school. We appreciate the growth monitoring scales as they help us track changes and know our children are growing.

Thirdly, you have always fulfilled your promises and kept your values toward us. You are like a good-hearted, loving, caring, and reliable mother who takes care of her children with everything she has. You have been a blessing to our children.

Lastly, our gratitude goes to Dr. Nhlapo, you have a very big heart, together with your team. May the good Lord bless you all abundantly. I would also like to send a huge shout-out to my fellow Assupol Community Trust beneficiaries - keep nurturing and taking care of our children they are our future. I thank you.

Yours sincerely,
Celiwe Mzila (Miss)

FINANCIAL HIGHLIGHTS



REPORT OF THE BOARD OF TRUSTEES

for the year ended 28 February 2022

The Assupol Community Trust presents its unaudited condensed financial results for the year ended 28 February 2022.

1. Nature of business

The principal objective of the Trust is to benefit designated communities through public benefit activities in a non-profit manner and for an altruistic or philanthropic purpose. The Commissioner of the South African Revenue Services approved the Trust as a public benefit organisation in terms of paragraph 4(h) of Part 1 of the Ninth Schedule of the Income Tax Act, 1962, with the specific purpose of providing educare or early-childhood development services for pre-school children.

2. Review of operations and financial position

During the financial year, the main activities of the Trust revolved around the execution of ECD projects approved by the Trustees.

The devastating impact of COVID-19 continued in this financial year, with a significant loss of lives in South Africa during the third wave experienced around June 2021. Further lockdown restrictions that were implemented by the government during this period had an impact on the services provided by the Trust and the communities in which it operates. However, the Trust was able to invest more time in projects than in the previous financial year.

In response to the pandemic and lockdown restrictions, the Trustees allocated funds to support the ECD centres with their operational cost.

3. Trustees

The Trustees of the Trust are:

	Date of appointment
T Muranda (Independent trustee) (Chairperson)	26 August 2014
TSS Malatji (Independent trustee)	26 August 2014
MB Mokwena-Halala (trustee)	22 November 2010
NC Skeepers (Independent trustee)	31 December 2017
BPZ Mbambo (Independent trustee)	28 October 2020

4. Auditors

PricewaterhouseCoopers are the independent auditors of the Trust and will continue in office in accordance with clause 12.1 of the Trust Deed.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2022

	Notes	2022 R	2021 R
Income resources	2	12 667 523	18 130 020
Resources utilised			
Projects	3	(26 216 014)	(14 077 715)
Operating and administration expenses		(1 838 262)	(1 524 181)
(Loss) / surplus for the year		<u>(15 386 753)</u>	<u>2 528 124</u>

STATEMENT OF FINANCIAL POSITION

as at 28 February 2022

	Notes	2022 R	2021 R
Assets			
Equipment		433 237	643 380
Intangible assets - Software		-	866
Investments held at fair value through profit/loss	4	311 230 753	327 291 453
Accounts receivables		1 942 643	569 109
Cash and cash equivalents		10 345 271	10 753 788
Total Assets		<u>323 951 904</u>	<u>339 258 596</u>
Reserves			
Accumulated funds		323 535 696	338 922 449
Liabilities			
Accounts payable		416 208	336 147
Total reserves and liabilities		<u>323 951 904</u>	<u>339 258 596</u>

STATEMENT OF CHANGES IN RESERVES

for the year ended 28 February 2022

	Accumulated funds R
Balance at 1 March 2020	336 394 325
Surplus for the year	2 528 124
Balance at 28 February 2021	338 922 449
Loss for the year	(15 386 753)
Balance at 28 February 2022	<u>323 535 696</u>

STATEMENT OF CASH FLOWS

for the year ended 28 February 2022

	Notes	2022	2021
Cash flow from operating activities			
Cash utilised in operations		(29 136 741)	(15 865 524)
Interest income (excluding income reinvested)		474 223	502 224
Net cash flow from operating activities		<u>(28 662 518)</u>	<u>(15 363 300)</u>
Cash flow from investing activities			
Acquisition of investments	4	(4 500 000)	(7 200 000)
Disposal of investments	4	24 900 000	13 200 000
Dividend income (excluding income reinvested)	2	7 854 000	10 285 000
Net cash flow from investing activities		<u>28 254 000</u>	<u>16 285 000</u>
Net movement in cash and cash equivalents		(408 518)	921 700
Cash and cash equivalents at beginning of the year		10 753 788	9 832 088
Cash and cash equivalents at the end of the year		<u>10 345 270</u>	<u>10 753 788</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2022

1. Basis of preparation and accounting policies

The Trust is registered with the Master of the High Court under the Trust Property Control Act, 1988, and as such no part of its income or property shall be transferred to its Trustees directly or indirectly that is not in line with the Trust deed. Consequently all reserves of the Trust may only be applied in line with the purpose of the Trust.

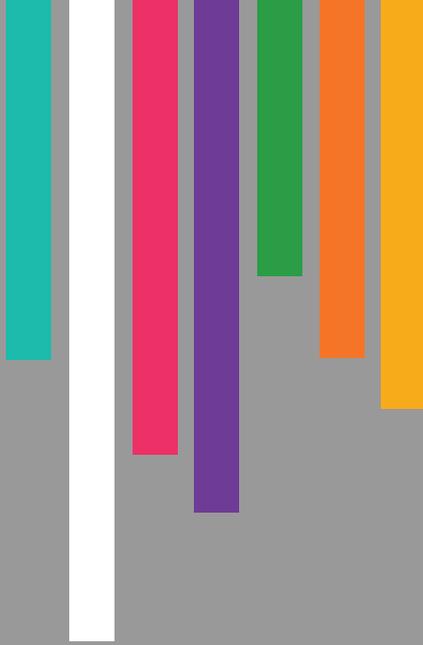
The financial statements are prepared on a going concern basis based on the Trust's specific basis of accounting. The accounting policies are consistent with the prior year.

The condensed financial results have not been audited.

The condensed report does not include all the notes normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the audited annual financial statements for the year ended 28 February 2022.

	2022 R	2021 R
2. Income resources		
Dividend income	8 282 420	10 599 108
Interest income	1 940 130	2 894 040
Fair value adjustments on investments	2 444 973	4 636 872
	<u>12 667 523</u>	<u>18 130 020</u>
3. Projects		
Specific projects:		
Umzinyathi District Municipality - Nquthu and uMsinga	14 709 386	3 099 424
City of Tshwane - Nellmapius	4 293 755	3 407 778
Operating expenses in respect of projects:		
Consulting / Professional fees	328 839	20 540
COVID-19 expenses	475 200	1 964 996
Employee cost	5 615 195	4 889 267
Day mother expenses	640 088	602 849
Travel and subsistence	153 551	92 861
	<u>26 216 014</u>	<u>14 077 715</u>
4. Investments		
Held at fair value through profit and loss		
Investment in Assupol Holdings Limited	149 600 000	158 950 000
Unit trusts	161 630 753	168 341 453
Total investments	<u>311 230 753</u>	<u>327 291 453</u>

NOTES



Assupol Community Trust

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IT3678/10

Website
assupol.co.za

