

**Assupol
Community
Trust**
2021 Annual Report



ASSUPOL
COMMUNITY TRUST



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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 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 2020 to 28 February 2021.





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), 2012.

The NDP of 2012 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 (ECD) 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 the 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

" We believe, more than ever, in the power and potential of effective ECD to lay the basis for futures that live up to their potential. "

The Covid 19 pandemic has created considerable disruption to lives and economies and has increased the complexity and uncertainty of the operating environments for organisations globally. In line with the disruptions, it shook the ECD sector and the work of the Assupol Community Trust.

When planning for 2020 we were looking to expand further in Nellmapius, Msinga and Nquthu off the back of our previous successes in these areas. We were hopeful, energetic, and positive about the work we intended to accomplish. But as the pandemic and lockdowns instituted to curtail the spread continued, the heart-wrenching impact on ECD in South Africa became more and more apparent, and our focus shifted from trying to deliver against our strategic objectives to doing what we could to ameliorate the effect of Covid-19 on ECD centres, practitioners, day mothers, playgroup facilitators and of course, the children.

Socio-economic overview

The Covid-19 pandemic wreaked havoc on an economy that was already in dire straits. Unemployment worsened, GDP growth plummeted, and certain economic sectors will take years to recover. These trends had a direct impact on the ECD sector and the work of the Trust. Due to financial constraints and to limitations on movement and attendance, families began to withdraw their children from ECD activities, this in turn resulted in a loss of income for the centres and ECD practitioners.

Early childhood is a period of significant consequence in terms of our cognitive, social, and physical growth and development. That is why we have such a strong belief in the ability of effective ECD to make a consequential impact in the lives of the children we reach. But it also means that shocks to young people's routines and developmental structures can be uniquely damaging.

Disruptions to existing ECD programmes, coupled with the fear, uncertainty and socio-economic pressures caused by the pandemic, have undoubtedly had a significant effect on the cognitive and psychological wellness of young people across South Africa, and particularly those from poorer communities, who are disproportionately affected. The impact of the pandemic is likely to be more pervasive and persistent than we have anticipated.

A divided sector

What became painfully apparent throughout the year was the disparities between the effect of the pandemic on schools and ECD centres on either edge of the digital and funding divides. Well-resourced centres, equipped with tablets and other devices, and in areas with trustworthy



broadband internet access, continued with significant but surmountable disruption to their daily routines. At the ECD centres supported by the Trust, this was not the case. Covid-19 exacerbated differences that were already present, and which cannot be ignored. The future of education, even beyond the pandemic, is clearly digital, and our work to impact the delivery of ECD in our designated areas will have to take that into account.

Strategic objectives

In the view of the ACT board, the Trust's strategic framework remains applicable, and will be reviewed once again in 2022 as planned. The Trust's inability to deliver fully on all strategic objectives was clearly due to factors outside of their control, and does not indicate that either the objectives themselves, or the ability of the team to reach them, are insufficient. Given the exceptional circumstances over the course of 2020, it also means that comparisons with prior years are not applicable, and we will therefore look to re-establish useful benchmarks once our operations have recovered a semblance of normality.

Board changes

After the departure of our previous chairperson, Ms Ntjantja Ned, in April 2020, we were fortunate to have Ms Zibuyile Mbambo join our Board in October 2020. Ms Mbambo is experienced and well-versed in both ECD and the socio-economic realities facing the sector, and we look forward to her contribution.

During the year under review we also undertook a process of formalising a Board Charter that will guide the conduct of the Board, and formally describe processes, procedures and governance frameworks. This is a necessary and valuable step in professionalising the work and approach of the Board and will stand the Trust in good stead in the years to come.

Regulatory developments

We welcome the attention being given the legislative and governmental frameworks for a coordinated approach to ECD being discussed in parliamentary and other fora. We look forward to a final decision

on responsibility for the ECD sector being assigned to the Department of Basic Education. Any move that contributes to the rationalisation and coordination of the sector, to ensure the effective contribution of all stakeholders, is to be welcomed.

Despite the best intentions of government, NGOs and business, the administration of the ECD sector, dealing as it does with such disparate elements as nutrition, building codes, education, and others, is often overly complex and lacking in coordination. This results in extended delays and inefficiently allocated resources. Of course, the children bear the brunt of this inefficiency, and the Trust welcomes any move to streamline the sector to their benefit. An enabling legislative framework, with clear lines of governmental accountability, will set the sector on a firmer and more direct path to progress.

Looking forward

The events of 2020 were painful, difficult, and challenging. But we can nonetheless identify some positives. Covid-19 forced us to confront systemic gaps and needs

that we might otherwise have acknowledged but postponed addressing. The inequalities in our society have real ramifications. They are not numbers in a report; they impact the way children grow up, develop, their opportunities and potential.

We believe, more than ever, in the power and potential of effective ECD to lay the basis for futures that live up to their potential. We believe that the work of the Trust and others working in the sector have given the children we assist a good foundation for their future.

Although the past year has taught us the limitations of making confident predictions, we hope that in the not-too-distant future vaccination rollouts will curtail the spread of Covid-19, and our economy will begin a slow return to normal activity. At that stage we believe the Trust will be well positioned to assist in rebuilding a broken, but essential and deeply hopeful sector.

Acknowledgments

Finally, I would like to extend my heartfelt thanks to the Assupol Community Trust team. They did a sterling job under exceptionally difficult, and completely unprecedented circumstances. Their coordination of an effective Covid-relief response had a real impact in the sector when it was most needed and demonstrated both the strength of their relationships with key stakeholders, and their keen awareness of the lived reality, and daily challenges, of the ECD centres

and children within our designated areas.

It is gratifying that Dr Nhlapo and her team managed this, in addition to making real, though understandably limited progress against the Trust's existing strategic objectives, while operating under their own constraints of remote work. This is testament to their experience, expertise and commitment. Thank you all.

I would also like to thank my fellow board members for their invaluable support and input, and Assupol, who remain our pillar, and who continue to provide exceptional assistance in myriad ways.

The situation faced by the Trust in the year under review was as dire as any we could have imagined. However, the resourcefulness and committed work displayed by our teams indicated, once again, that the Trust is in safe and caring hands, and that when at last we are able to emerge from the pain and difficulties caused by Covid-19, we will be on the best possible path to ensuring a better future for our children.

Taurai Muranda
Chairperson



CEO'S REPORT

Dr Vuyelwa Nhlapo

“ The Covid-19 pandemic has shown us just how important our partnerships and relationships are. ”

The ECD sector was not alone in facing destabilising challenges in 2020. In fact, it was a year that clearly demonstrated the deep interconnectedness of socio-economic factors and sectors, and the necessity of partnership and collaboration to overcome unprecedented threats.

The impact of Covid-19

The Trust's ability to deliver on our mandate—to support government in terms of accelerating universal access to ECD—was significantly impacted. With ECD centres having been unable to operate for the majority of 2020, most children were disconnected from formal ECD services and a structured developmental approach. Since remote learning was not an option for the majority of families within the Trust's designated areas, children were often under-stimulated, and gains in terms of access to and the quality of ECD regressed significantly.

When schools reopened in the third quarter of 2020 attendance remained well below pre-Covid levels. Parents were cautious and did not want to risk their children's safety, and economic pressures meant many could not afford fees. There was also a sense that it was not worth the risk and cost to complete the last months of a school year that was already completely compromised.

The reopening of ECD centres was also delayed and complicated by a stringent set of guidelines issued by the Department of Health and Department of Social Development. Compliance had to be verified by in-person visits, and was often prohibitively expensive.

Along with the rest of the world, the Trust had to learn new ways of working, communicating and delivering on our objectives without endangering anyone's health or safety. Our shift to remote work was relatively smooth, but so much of our work entails face-to-face interactions, and these were unavoidably curtailed. Issues of connectivity and access to digital infrastructure in the areas in which we work demonstrated the limits of technological solutions to these challenges at some levels of society.

The Covid-19 Relief Plan

It quickly became apparent, as the lockdowns were extended and the impact of the pandemic grew, that our focus would have to shift to short-term support for those most affected, instead of delivery on our medium and long-term strategic objectives.

With the closure of schools and ECD centres the ECD sector lost the income required to pay salaries and operational costs such as water, electricity and rent. In addition it was faced with the costs of ensuring the safety of staff and children upon their return.

The Trust therefore identified three areas in which we felt we could most

meaningfully support the sector in the short term.

- To address the issue of personal income we provided small monthly stipends for 258 ECD staff over a period of six months.
- We assisted 95 ECD centres with the day-to-day operational costs.
- We provided personal protective equipment (PPE) and hygiene equipment to 211 ECD centres.

In total, R1.9 million was spent on Covid-19 relief.

Progress on strategic objectives

The pandemic and the resultant lockdowns and restrictions on movement and businesses had a severe impact on the ability of the Trust to deliver on its strategic objectives. Our progress against each of our five objectives is discussed below.

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

This objective was greatly impacted. More than 40% of children did not return to school when schools reopened, and for most of the year they were unable to attend any formalised ECD programme. This impacted on the target we had set, which we did not achieve. We had previously had success in terms of encouraging uptake of ECD services through awareness programmes, but our ability to roll these out was severely hampered, and for much of the year attendance was a moot point. Despite this, the Trust continued on its drive to appoint more non-centre-based ECD practitioners (day mothers and playgroup facilitators), and in this regard saw some success.

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

The Trust looks to improve the quality of ECD services by bolstering three aspects of ECD: training of ECD practitioners, provision of learning materials, and nutrition. All three aspects were severely impacted in the year under review. All training was halted, except for the continued training of a small cohort of NQF Level 4 learners, as a result of the prohibitions on travel and gatherings. The distribution of learning materials was likewise affected by restrictions on travel.

In terms of nutrition, it quickly became apparent that lockdowns and the suspension of formal ECD programmes were likely to have an acute and serious effect on the ability of children to

access regular nutritious meals. Faced with a child-hunger crisis, the Trust, through its partnership with JAM South Africa, managed to continue to feed both children and their families with porridge and food parcels. JAM and the Trust were able to make food available for families to collect and take home, even in the midst of lockdowns.

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, Msinga and Nquthu by 2022

A strong focus of the work of the Trust in terms of facilitating compliance has been improving the infrastructure of ECD centres. In terms of the lockdown restrictions, construction was halted on most projects, and only resumed once lockdown restrictions were eased. Our team did well under such constraints, and managed to complete the renovation of six centres, and the installation of ceiling boards in 25 centres in KwaZulu-Natal.

ECD staff are required to receive security clearances to work in the sector, which ordinarily requires physical contact in order to provide fingerprints. The Trust determined that this would be a high-risk exercise and decided to resume security clearances once the risk of infection had decreased.

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

The Covid-19 pandemic has shown us just how important our partnerships and relationships are. We would, quite simply, not have been able to do what we did to engage with and support the sector were it not for the relationships we have established and nurtured over the past years. In the early days of lockdowns there was an unsettling lack of information and guidance. The Trust worked closely with its partners and stakeholders to analyse the situation, understand the likely impact on and challenges facing the sector, and identify gaps that most urgently needed to be addressed.

In this work I was fortunate to have been nominated to the Oversight Committee of the ECD Support Fund, an entity formed by the National Early Childhood Development Alliance in collaboration with the South African Congress for Early Childhood Development in order to provide bridging support for registered not-for-profit early childhood development programmes. Allowing the Trust to learn from the various



partners represented on the Support Fund, the nomination was a recognition of the position that the Trust has earned within the ECD sector.

Some aspects of relationship building and partnership, did however, face challenges over the course of the year. Face-to-face interactions had to be postponed, and our relationship with the City of Tshwane still requires progress to be made in order to work effectively to the benefit of the children in the area.

To advocate for models that accelerate universal access to ECD

Our most recently adopted strategic objective was one where, quite frankly, we were not able to make much progress in the face of other focus areas which were prioritised. Its importance remains clear, and we look forward to recommitting our support once it is appropriate.

Acknowledging our partners

Those stakeholders with whom we have worked over the past year are closer to us than ever. The local municipalities in Msinga and Nquthu are supportive and their assistance is valued. We are grateful to the work of the Local ECD Committees, the ECD Forums and other Committees on ECD, who work with us very closely, and from whom we continue to learn a great deal. Jam South Africa, in particular, warrants our thanks for the work they did to ensure the continuation of our nutritional programme under trying and ever-changing circumstances.

The ACT team has been wonderful in terms of working together and navigating the challenges of a new way of working and a previously unimaginable set of challenges. These have been difficult times, but we were able to make real headway nonetheless. Assupol, our board, and our partners have been generous with their time and steadfast in their support of our work, and I am extremely humbled and grateful.

The way forward

If there is one thing we've learnt this year, it is that we can adapt to the previously unthinkable, and learn to navigate uncharted waters. That said, it is clearly important that we tread carefully and don't too quickly assume a return to normalcy. In particular, we will need to review our operational targets to ensure that they are applicable and helpful given the prevailing context, and rigorously review what is doable and desirable under these circumstances. This will also guide the long-awaited rollout of our monitoring and evaluation framework, which we hope will become a useful resource for measuring progress and the impact of our work, and perhaps eventually of the ECD sector more widely.

Going forward and looking forward, the Trust is more committed than ever to making a positive difference in the sector. We know the importance of ECD in building a foundation for a better future, particularly for children coming from poor communities. We look forward to assisting with the sector's recovery from a tremendously damaging year, and then continuing to see the ambitious results which we have long planned for and remain optimistic about achieving.

Dr Vuyelwa Nhlapo
CEO





ABOUT US

What we do

The Assupol Community Trust aims to support the South African government in attaining its goal of ensuring universal access to early childhood development for all children between 0-5 years by 2030, as prescribed in the National Development Plan (NDP). We do this in designated communities in KwaZulu-Natal and Gauteng with the intention of supporting ECD centres to comply with the norms and standards to achieve full registration as prescribed by the Children's Act 38 of 2005.



Our vision

Every child ready for the future



Our mission

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



Our 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 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 within our ecosystem

Integrity and accountability

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



Number of lives impacted

- 258 ECD practitioners in Nellmapius, Msinga and Nquthu were provided with stipends for 6 months as part of Covid-19 relief
- 95 ECD centres were supported with operational costs as part of Covid-19 relief
- 211 ECD centres, playgroups and day mothers received personal protective equipment (PPE)
- 52-day mothers and playgroup facilitators were appointed and paid stipends
- 1,594 children received nutritious food
- 196 young people completed their 12-month employment contract as part of the Youth Employment Services (YES) initiative
- 105 food gardens were established in Nellmapius, Msinga and Nquthu



Our focus areas

KwaZulu-Natal: uMzinyathi District Municipality

- Msinga: 41 ECD centres, 81 playgroups
- Nquthu: 40 ECD centres, 38 playgroup facilitators

Gauteng: City of Tshwane

- Nellmapius: 78 ECD centres
- Nellmapius: 14 day mothers



Meet the team



Dr Vuyelwa Nhlapo
CEO



Mmemme Makane-Sibande
Project Manager: Gauteng



Fundiswa Molefe
Project Manager: KwaZulu-Natal



Chumani Maki
Monitoring and Evaluation Specialist: Gauteng



Zoleka Mahlangu
Administrator: Gauteng



Sibahle Dlamini
Project Officer: KwaZulu-Natal



Angel Khanyile
Project Officer: KwaZulu-Natal



Nontobeko Tshela
Administrator: KwaZulu-Natal

Our strategic objectives

- To improve access to ECD programmes and services for children between the ages of 0-5 years in Nellmapius, Msinga and Nquthu by 2022.
- To improve the quality of ECD services in Nellmapius, Msinga and Nquthu by 2022.
- 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, Msinga 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, Msinga and Nquthu.
- Increase the number of children living in an environment of care, development, safety, and security.
- Improved school readiness in children in the identified areas.
- Children performing better and being ready for school (health, growth, and nutrition).
- Parents involved and supporting the development of their children.
- The City of Tshwane, uMzinyathi District Municipality, Msinga Local Municipality and Nquthu Local Municipality, prioritising ECD through funded programmes in their integrated development plans (IDP)s.

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 in the Trust.

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 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.



T Muranda
CA(SA)
Chairperson

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



B Mkwena-Halala
MBL

Trustee since August 2014 (appointed by Assupol Holdings Limited)



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

Independent Trustee since October 2020



T Malatji
B Proc, LLB, Admitted Attorney

Independent Trustee since August 2014



Dr N Skeepers
PhD (Engineering Management)

Independent Trustee since November 2017



Dr V 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.

	2020/05/27	2020/10/06	2020/07/07	2020/06/10
Executives				
Dr V Nhlapo	X	X	X	X
Executives				
T Muranda	C	C	C	C
B Mokwena-Halala	X	X	X	X
Z Mbambo	X	X	X	X
T Malatji	X	X	X	X
Dr N Skeepers	X	X	X	X
Invitees				
S Keetse	I	I	I	I
R Boonzaaier	I	I	I	I
W Delpont	I	I	I	I

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

THE BOARD CHARTER

Introduction

The Board of Trustees of Assupol Community Trust ("the Trust") acknowledges the need for a board charter as recommended in the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). This Board Charter is subject to the provisions of the Trust Deed, Companies Act 71 of 2008, ("Companies Act"), the Company's Memorandum of Incorporation ("MOI") and any other applicable law or regulation.

The Trust is committed to good governance as espoused in King IV. As such, the Trust acknowledges that good corporate governance is essentially about effective, ethical leadership. Accordingly, the Board of Trustees of the Trust ("the Board") undertakes to set the ethical tone of the Trust by conducting the affairs of the Trust ethically and effectively.

Purpose of charter

The purpose of the Trust's Board Charter is to set out the role, composition and responsibilities of the Board as well as the requirements for its membership, its meeting and other procedures to guide its effective functioning. The conduct of the Board is also governed by the Trust Deed.

A number of operational matters relating to the Board such as the number of meetings per year, notification of interests and election of trustees are governed by the Trust Deed and are not reproduced here.

Membership

The Board must have five trustees. Three must be black people (black people" is a generic term which means Africans, Coloureds and Indians), of whom two must be women. All the trustees except trustees appointed by Assupol Holdings Limited, must be independent trustees. Trustees are appointed for three years. A trustee may be reappointed more than once. Every appointment must be approved by the Prudential Authority, to be valid. The appointment of independent trustees is further subject to a confirmatory vote by designated communities at the annual general meeting of the Trust.

The trustees must, between them, have relevant knowledge and experience to effectively fulfil their duties in realising the Trust purpose—notably about:

1. The financial services sector;
2. Accountability and business administration;
3. Early childhood development; and
4. South African law.

Role and responsibilities of the board

Leadership, ethics and corporate citizenship

- Lead ethically and effectively by cultivating the characteristics of integrity, competence, fairness, transparency, accountability and responsibility, and exhibit these characteristics in their conduct.
- Govern the ethics of the Trust in a way that supports the establishment of an ethical culture by:
 - o setting the direction on how the Trust should be approached;
 - o approving the codes of conduct and ethics policy, and overseeing management's implementation thereof; and
 - o exercising ongoing oversight of the management of ethics.

- Ensure that the Trust is and is seen to be a responsible corporate citizen, by setting the direction for how corporate citizenship should be approached and addressed.

Strategy, performance and reporting

- Appreciate that the Trust's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process, by:
 - o Steering and setting direction with regards to the Trust's strategy and the way in which specific governance areas are to be approached, addressed and conducted.
 - o Considering, challenging and approving management's formulation of short, medium and long-term strategy.
 - o Approving policy and operational plans developed by management to give effect to the approved strategy.
 - o Exercising ongoing oversight of strategy implementation and assessment.
- Ensuring financial sustainability of the Trust.

- Oversee and monitor implementation and execution of the strategy by management.
- Ensure accountability for organisational performance through reporting, monitoring and disclosures.
- Ensure that reports issued by the Trust enable its stakeholders to make informed assessments of the organisation's performance as well as its short, medium and long-term prospects by:
 - o Setting the direction of how its reporting should be approached;
 - o Approving management's determination of the reporting framework to be used;
 - o Ensuring the integrity of external reports, including the integrated report and annual financial statements.

Governing structures and delegation

- Act as the focal point and custodian of corporate governance in the organisation by steering the organisation and setting its strategic direction, approving policy and planning that give effect to that direction, overseeing and monitoring the implementation and execution by management and ensure accountability for the organisation's performance through reporting and disclosures.
- Assume responsibility for governing body composition, by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance and responsibilities.
- Promote diversity in its membership including field of knowledge, skills and experience, age, culture, race and gender, including the setting of targets for race and gender representation.

- Appoint a Chairperson from the independent trustees.
- Ensure that arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of duties.
- Ensure that the evaluation of its performance and that of its committees, its Chairperson and its individual members, supports continued improvement in its performance and effectiveness.
- Ensure the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.
- Appoint the Chief Executive Officer ("CEO") and formally evaluate the performance of the CEO.
- Set the parameters for the powers which it reserves for itself and those that are to be delegated to management.
- Ensure that there is access to professional and independent guidance on corporate governance and its legal duties, and also that it has support to coordinate the functioning of the governing body and committees.

Governance functional areas

- Govern risk in a way that supports the organisation in setting and achieving its strategic objectives, by:
 - o setting the direction of how it should be approached and addressed in the Trust;
 - o approving policy that articulates and gives effect to the set direction; and
 - o delegating to management the responsibility to implement and execute and provide ongoing oversight.
- Govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen, by:



- o setting the direction of how it shall be approached and addressed in the Trust;
- o approving policy that articulates and gives effect to the set direction;
- o delegating to management the responsibility to implement and execute and provide ongoing oversight; and
- o considering the need for periodic independent assurance.
- Ensure that the Trust remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.

Stakeholders

Adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Trust over time, by:

- setting the direction of how it should be approached in the Trust;
- delegating to management the responsibility to manage and execute the direction set and provide ongoing oversight; and
- overseeing that the Trust encourages proactive engagement with all stakeholders.

Access to information

In the execution of its duties and responsibilities, the Board or any trustee is permitted to obtain independent, external professional advice at the cost of the Trust, in accordance with the following process:

- A written request by a trustee to the Board of Trustees and this should be approved by the majority of the trustees.

In the execution of its duties and responsibilities the Board (or any trustee) is permitted to request documents

and set up meetings with members of management, in accordance with the following process:

- o written request to the CEO; or
- o verbal request in the trustees' meeting, which is decided by the Chairperson and is noted in the minutes.

Role of individual trustees

In the performance of their fiduciary duties, trustees are required to act in good faith and for a proper purpose, exercise due care and skill in the best interests of the Trust and not for any self-interest, in accordance with sections 76 and 77 of the Companies Act and King IV recommendations.

The trustees are expected to conduct themselves according to the highest standard of personal and professional integrity and set the standard for the Trust-wide ethical conduct, promote ethical behaviour and compliance with laws and regulations.

Assupol Community Trust leadership

The responsibilities for the running of the Trust are distinct tasks. The roles of the Chairperson and CEO shall be separate with a clear division of responsibilities.

Role of the Chairperson

- Provide effective leadership in formulating strategic direction.
- Manage the Trust effectively.
- Foster a constructive governance culture and apply appropriate governance principles among trustees and management.
- Make sure the Trust is well informed and effective, and that the trustees, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Trust.

- Ensure there are processes and procedures in place to evaluate the performance of the Board. The Chairperson should meet with individual trustees once a year to discuss their performance.
- Ensure that a formal programme of continuing professional education is adopted at Board level.
- Act as a mentor or counsel for the CEO and act as mentor to the other trustees to enhance their confidence
- Act as the link between the Board and the CEO on a day-to-day basis.

Role of the CEO

- Set the tone from the top by providing ethical leadership and creating an ethical environment.
- Organise the structure of the Trust to achieve its strategic plans.
- Ensure that the Trust complies with all relevant legislative laws, regulations and policies.
- Serve as the chief link between management and the Board by leading the implementation and execution of approved strategy, policy and operational planning.
- Monitor and report performance and conformance with strategic imperatives for the Trust.
- Be accountable and report to the Board, the performance of the Trust and its conformance with compliance imperatives.

Role of Board Secretariat

- Be secretary to the Board, courtesy of the Assupol Group.
- Ensure that the trustees are aware of the requirements of a Public Benefit Organisation and update the trustees on any changes in statutory matters.
- Minute all the meetings held by the Board.
- Co-ordinate all the necessary training for the Board.



- Ensure that statutory books, the Board Charter and Board Committees' terms of reference are appropriately maintained in accordance with legislation and King IV as relevant.
- Be responsible for the proper compilation and timely circulation of Board packs and for assisting the Chairperson of the Board with drafting of yearly work plans.
- Have the duty to obtain appropriate responses and feedback to specific agenda items and matters arising from earlier meetings of the Board. The Board Secretary's role should also be to raise matters that may warrant the attention of the Board.
- Ensure that the proceedings of Board meetings are properly recorded and that minutes of meetings are circulated to the trustees in a timely manner, after having been reviewed by the Chairperson of the Board.

Board committees

The Board is authorised to form committees to facilitate efficient decision-making, promote independent judgement, and assist with the balance of power and the execution of its duties. Committees are constituted with due regard to members' skills, qualifications and experience to effectively fulfil their duties. Committee chairpersons are selected and appointed by the Board.

The Board has two committees:

- Human Resource Committee; and
- Finance Committee.

Board committees should:

- Observe the same rules of conduct and procedure as the Board;
- Act on behalf of the Board when specifically, so authorised; and

- Ensure transparency and full disclosure when reporting to the Board, except where the committee has been mandated otherwise.
- The board committees are non-remunerated.

Delegations

- The Board may delegate any of its powers to the CEO, a committee, or a trustee.
- The Board shall delegate certain functions to the two committees but without abdicating its own responsibilities.
- Delegation shall be formal and shall involve the following:
 - o Establishment and annual review of formal terms of reference for each Board committee; and
 - o Appropriate constitution of committees with due regard to the skills required by each committee;
 - o Board committees will observe the same rules of conduct and procedures as the Board unless the Board determines otherwise.
- Board committees will only speak to and act for the Board when so authorised.
- Board members may, if necessary, take independent professional advice at the Trust's expense in accordance with procedure approved by the Board for this purpose.

Delegation to the CEO involves:

- Delegating authority keep to facilitate efficient decision-making.
- Various policies approved to guide delegation of authority to the CEO.
- Delegation limits are set by taking into account the balance between making efficient decisions close to the business activity and the need for the Board and the CEO to oversee areas of significant impact on the Trust in terms of strategic direction, risk and value.

Assessment

- Performance of the Board, Board committees and individual trustees is assessed yearly, whether internally or independently.
- Annual declaration of interest to be completed by trustees.
- Based on the results of the performance assessment, the Board may identify necessary training and development needs for the Board, Board committees and individual trustees.
- Informal monitoring of the trustees' performance, attendance of meetings and participation and contribution in meetings shall be monitored and if considered insufficient, the Chairperson shall address same with the relevant trustee.

Meeting procedures

Frequency

- The trustees will meet at least once every six months in line with section 8.2 of the Trust Deed.
- The second meeting of the financial year will coincide with the annual general meeting (AGM) where possible.
- Trustee meetings may also be held by telephone or any electronic communication, provided that all participants can communicate verbally at approximately at the same time as if present in person at a meeting.
- Two trustees jointly may request a meeting for special matters, by written notice to the Chairperson. A meeting must then be held as soon as reasonably possible.

Attendance

- Trustees must attend all scheduled meetings including meetings called on an ad-hoc basis for special matters.

Agenda and minutes

- The Board should establish a yearly work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year;
- A detailed agenda, together with supporting documentation, will where appropriate be circulated at least 7 working days prior to the meeting to the trustees;
- The Board secretary in conjunction with the CEO and Chairperson of the Board will establish the agenda for each Board meeting;
- Comprehensive minutes of the meetings will be kept; and
- The Board secretary will assist the Board members in ensuring that they comply with the law and good corporate governance at all times.

Quorum

- A quorum for a meeting is three trustees, of whom two must be independent trustees.
- The trustees make decisions by majority vote.
- A descending vote will be recorded.

Trustees remuneration

- The trustees are entitled to reasonable remuneration commensurate with their duties.
- The remuneration is reviewed and determined yearly by a recognised remuneration specialist appointed by the trustees.
- The remuneration specialist must take into consideration any factors that it deems relevant.
- The remuneration as determined by the remuneration specialist must be approved by the Prudential Authority.

Compliance and review of the Board Charter

The Board shall be required on an annual basis, to confirm on whether it has fulfilled its responsibilities in accordance with this charter. This charter is subject to an annual review by the trustees.

Approval of the Board Charter

This Board Charter was approved by the Board in March 2021 and will be due for review on an annual basis.

- Approving policy that articulates and gives effect to the set direction;
- Delegating to management the responsibility to implement and execute and provide ongoing oversight;
- Considering the need for periodic independent assurance; and
- Ensuring that the Trust remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.



SOCIO-ECONOMIC IMPACT



The Covid-19 pandemic which found South Africa and the world unprepared, compelled the State President, Cyril Ramaphosa, to declare Covid-19 a national disaster, thus announcing a period of lockdown on March 26, 2020. The lockdown was a strict and a prompt action to prevent the spread and acceleration of infections. The proactive steps taken by the government of South Africa to enforce lockdown regulations were commended both domestically and internationally.

Operations in all sectors including government, private sector and non-governmental organisations were affected by the lockdown restrictions implemented and had a serious impact on the South African economy. To this effect, the ECD sector was instructed by the Department of Social Development (DSD) to stop all operations in order to prevent the spread of infections. This brought an immediate, insurmountable

threat to the livelihoods of the communities we serve.

With ECD centres having been unable to operate for the majority of 2020, challenges around resumption of normal practice were significant. According to UNICEF (April 2020) in their article on early childhood development and Covid-19, "the ripple effects of such actions and the impact on families and societies is now being felt, and seen, in very real ways including strain on healthcare systems, pending economic crisis, food and housing insecurity and social upheaval". Parents stopped paying school fees, and the effects on the ECD practitioners were severe—without income they were unable to pay rates and taxes and other day-to-day operational costs for the running of ECD centres.

A majority of children were at home unable to access ECD services and

entirely dependent on their parents and caregivers to meet all their developmental needs. Parents and grandparents were concerned about how to support their children at home during the lockdown, and not all parents have the capabilities to stimulate their children or use other important educational and learning materials.

Lockdown was difficult especially for poor families who had to worry about feeding their children. One of the serious impacts of lockdown restrictions has been hunger, particularly in areas with high poverty levels such as KwaZulu-Natal. Healthy meals that were previously provided in the ECD centres were suspended. This forced the Trust and its partners to look at creative ways of providing meals, not only to the children they support in the ECD centres, but also to their families in their homes.

The Covid-19 pandemic also brought new responsibilities for practitioners. When ECD centres reopened, each centre was expected to comply with Covid-19 guidelines published by the DSD. These guidelines required monitoring of body temperatures on a regular basis, taking extra precautions with hygiene, and handling learning materials differently (e.g. no sharing) for the sake of children's safety and ensuring that children kept safe distances to prevent infection. In Nellmapius, three people from the ECD sector we support were reported to have died as a result of Covid-19. There have been no fatalities reported in the ECD facilities we support in KwaZulu-Natal.

Some parents experienced job losses, causing many of them to withdraw their children from attending ECD facilities. Since parents were at home caring for their children, the number of children in ECD centres decreased; however with the ease of lockdown regulations later in the year, the attendance of children at ECD centres gradually improved. There is no doubt, however, that the gains that had been made by the Trust in improving the quality and access to ECD, will be lost with the emergence of Covid-19.

Realising the constraints experienced by the ECD sector, with the emergence of Covid-19 and the subsequent closure of ECD centres, the Trust had to change its normal business plan in order to respond to Covid-19. This resulted in suspending activities like training of practitioners, provision of learning materials and conducting ECD awareness campaigns.



COVID-19 RELIEF PLAN

The Trust consulted and engaged with a range of stakeholders, including the DSD, municipalities and leadership of Nellmapius, Nquthu and Msinga, ECD forums and ECD committees, to understand the magnitude of the impact of Covid-19 in order to respond to its consequences. The findings of which indicated a dire need of support to respond to the impact of Covid-19. The Trust developed a Covid-19 Relief Plan to assist unfunded ECD centres against the serious negative impact of the pandemic and to provide a cushion against their vulnerability. The plan focused on three activities namely; provision of stipends to ECD staff, payment of operational costs and provision of personal protective equipment (PPE).

Provision of stipends to ECD staff

With parents not able to pay school fees, ECD centres could not pay salaries to their staff. To close the gap resulting from a loss of income, the Trust targeted to pay stipends to 305 staff in the ECD centres for a period of six months. The Trust was able to pay 258 staff members in the ECD centres, with the remaining 47 staff members not being paid. One practitioner in Msinga resigned during the course of the year and 46 practitioners did not meet the requirements for payment of stipends.

ECD centres supported with operational costs

ECD centres were unable to generate revenue during lockdown levels five and four, especially centres that are not funded by government. This put a strain on running day-to-day operations of the ECD centres including paying rentals, rates and taxes. The Trust responded to the impact of Covid-19 on the centres by ensuring that their operational expenses were covered in the form of relief. The Trust targeted to pay operational costs to 95 unfunded ECD centres in Nellmapius, Msinga and Nquthu for a period of six months. The Trust paid 92 unfunded ECD centres and the remaining three centres were removed from the list in November 2020 because they became fully registered and qualified to receive funding from DSD.

Provision of personal protective equipment (PPE)

The Covid-19 standard operating procedures and guidelines for the reopening of the ECD centres, state that teachers and learners must have sufficient personal protective equipment (PPE), maintain a social distance of 1,5 meters, and body temperature screening must be carried out on both learners and teachers. ECD centres in Nellmapius, Msinga and Nquthu that are not funded found it difficult to comply with Covid-19 health and safety standards because of their inability to afford the necessary PPEs.

The Trust committed to support ECD centres, day mothers and playgroups in Nellmapius, Msinga and Nqutu with PPE, in compliance with the guidelines of the DSD to ensure that children were protected when they returned to the centres. A total of 221 ECD centres, day mothers and playgroups were supplied with PPE. These included the following:

- Body infrared thermometers
- Disposable latex gloves
- Multi-purpose gloves
- Water soluble sanitisers
- Bar soaps
- Dishwashing liquid
- Bleach
- Trigger spray bottles
- Disposable paper towels and
- Cleaning cloths

ACCELERATING ACCESS TO ECD SERVICES

Research shows that pupils with sufficient exposure to ECD have better attainment levels and cognitive abilities. The return on investment in ECD programmes can far exceed that of economic development projects. The Trust has contributed towards universal access to ECD by advocating for the importance and benefits of ECD through awareness campaigns in the communities where few or no children access ECD. During the previous financial year, the Trust had seen a 40% increase in the number of children accessing ECD. As a result of closure of ECD facilities during the hard lockdown and suspension of activities like awareness campaigns, gains achieved in the previous years were significantly lost, impacting negatively on achieving this objective.

Early childhood development services were closed in March 2020 and reopened in September 2020, more than six months after the nationwide lockdown was imposed to slow down the spread of Covid-19 infections. These disruptions meant that fewer children returned to the ECD centres. Out of 4,740 children that accessed ECD in 2020, 2,578 returned when ECD facilities reopened. This reduction in numbers impacted negatively on the goal of accelerating access to ECD.

The Trust, in 2019, initiated a pilot programme of establishing and implementing a non-centre based ECD programme. The aim was to ensure increased access for children to ECD services. The National Integrated ECD Policy 2015 (ECD Policy), refers to non-centre based ECD support as a service or intervention providing daily care for children aged birth to 2 years, in the temporary absence of their parents. This support may be provided in the form of parent support groups, outreach programmes, playgroups, child minders, toy libraries, mobile programmes, amongst others.

The Trust initiated a day mother model and playgroups as part of the non-centre based ECD model, in order to increase access to ECD particularly for those children who could not be accommodated in the ECD centres. A day mother, who is also referred to as a child minder in line with the ECD Policy, is defined as any adult woman taking care of up to six children in their private homes. Playgroups are programs are designed to run 3-4 hours a day, two times a week. Their focus is to learn through play.

Benefits of the non-centre based ECD programme

The Trust has multiple benefits from its non-centre based ECD model namely:

- Skills development for unemployed women.
- Job creation and income generation for unemployed women (leading to poverty reduction).
- Access to ECD services for children especially those from poor households who cannot afford to pay for ECD services.
- Holistic development of children at foundation level.

During the year under review, the Trust appointed and paid stipends to 52-day mothers and playgroup facilitators in Nellmapius, Msinga and Nquthu, albeit the closure of ECD for six months. When ECD reopened very few children returned to the ECD due to the fear and uncertainty of parents about the safety of their children.

IMPROVING QUALITY ECD SERVICES

Teaching and learning in ECD

Quality teaching and learning are essential for effective early development to take place. Regardless of the situation or the facility in which a child is placed, a practitioner with the skills, knowledge and experience in early learning and development, can provide a learning environment in which a child can develop optimally and in a holistic manner. To improve the skills and knowledge of practitioners in order to ensure quality early learning and development, ECD practitioners are exposed to various training and education opportunities. These include full ECD qualifications and short skills development programmes.

Children's learning has been significantly affected by the

lockdown. Many parents and caregivers, especially in KwaZulu-Natal, were not equipped to stimulate and teach their children. Some parents do not have access to radio and television, and were therefore unable to access educational radio and television programmes. A number of organisations posted a range of learning materials on their websites to be accessed by parents, but not all parents had access to or knowledge of the information. This resulted in a majority of children in rural areas lagging behind in development and learning.

The teaching methods had to change, practitioners had to adjust to Covid-19 regulations with no sharing of toys, books and other material being allowed in ECD centres. ECD practitioners were forced to be creative and use alternative teaching and learning methods.

The Department of Basic Education (DBE) cited loss of learning as one of the greatest lessons from Covid-19 in the education sector. These losses have redressed the gains made by the Trust in the three designated areas, which have a long-term impact on lifelong learning, thus exacerbating social inequalities in South Africa. To this effect, the Trust shared with ECD practitioners, some lessons that were developed by UNICEF in partnership with DBE, to assist parents in stimulating children at home.

Nutrition as part of quality development

Due to the extraordinarily high prevalence of poverty in South Africa, hunger, malnutrition and food insecurity are significant challenges facing children across the country. This is even more significant during the Covid-19 pandemic. Nutrition is a basic physical need. The absence of adequate nutrition greatly affects a child's early development (physical development, brain development, cognitive and learning abilities), which can lead to significant, negative adult outcomes, such as reduced earning potential in adulthood (Wildeman, Beбето, Victoria, 2005).

As part of provision of nutrition to ECD, the Trust implemented two activities; implementation of food gardens and provision of nutritious porridge. Despite Covid-19 challenges, 105 ECD centres managed to implement food gardens which provided nutritious vegetables to ECD centres and poor households.

As a result of the closure of ECD centres, children were forced to be at home and could not access food they were accustomed to receiving from the ECD centres. The Trust's partnership with JAM South Africa (JAMSA) continued to feed up to 1,594 children and their families with JAM porridge and food parcels during lockdown restrictions. The effects of nutritious meals on children's early

growth and developments cannot be overstated. The porridge we provide, with the help of our JAMSA partners, provides 75% of a child's daily required nutrients.



FACILITATING COMPLIANCE TO NORMS AND STANDARDS AND OTHER REGULATORY FRAMEWORKS

As part of facilitating compliance to norms and standards and other regulatory frameworks governing ECD, the Trust engaged in the screening of ECD staff for security clearance, and infrastructure improvement.

Screening of ECD staff for security clearance

The Children's Act no 38 of 2005 prescribes that all staff members working with children are required to undertake security clearance for the purpose of protecting children in their care. The Trust screened 381 practitioners in Nellmapius, Msinga and Nqutu for security clearance. This activity was also affected by the closure of the centres and when the centres were reopened, the Trust realised that the screening of staff within Covid-19 regulations, was a high-risk exercise, therefore, the decision was taken to suspend this activity in compliance with Covid-19 regulations.



Infrastructure improvement

Infrastructure improvement is one of the important aspects to ensure health and safety of children in ECD centres. Prior to commencement of the Covid-19 lockdown, various infrastructure work was in progress including renovations, building of new ECD centres and installation of ceiling boards in 40 ECD centres in KwaZulu-Natal. These infrastructure improvements were put on hold during the lockdown and only continued during level three lockdown restrictions. The Trust experienced delays in the finalisation of infrastructure projects due to lockdown restrictions, however, some progress was achieved.

In Nellmapius the new buildings for Lebato Day Care and Living Waters Day Care centres were finalised. At Lebato Day Care the Trust built a new building with three classrooms (30m² each), an office and ablution facilities (three for children and one for staff—which is accessible to wheelchair users). At Living Waters Day Care, a new office with storage was built along with ablution facilities (four toilets for children and one for staff), a new roof for one class which was further partitioned into two classes with a nappy changing room.

In Nellmapius a new ECD structure for Agape Day Care was built. This new building comprised of:

- A separate kitchen with pantry;
- A storeroom for the storage of PPEs, ECD materials and potentially harmful substances;
- Three classrooms of 30m² size each, with capacity to accommodate a maximum of 20 children;
- An office with space for a sick bay for emergency or isolation of a child that falls sick while at school; and
- An ablution facility including three children's toilets and one toilet for staff which is accessible to wheelchair users.

In KwaZulu-Natal the renovations continued between November 2020 and February 2021. Ceiling boards were installed in 25 phase 2 ECD centres. The renovations continued and were completed at Philanathi, Lindelani, Siyathuthuka, Sibonukuhle, Qiniso and Philakahle. There were delays in the completion of infrastructure improvements in Mehlokazulu, Isibusisiwe, Sthandokuhle and Mqeqeshwa. As a result, the renovations in these ECD centres will be completed in the next financial year.

GOOD GOVERNANCE, PARTNERSHIPS AND STAKEHOLDER RELATIONS

During the pandemic, partnerships and stakeholder relations became stronger, and the sharing of information among stakeholders and other organisations became critical in ensuring a fair distribution of resources to all those who were in need. Information sharing prevented beneficiaries from receiving the same services from different organisations.

The Trust had to adapt to the new ways of communicating with stakeholders. For the first time, all meetings such as the annual general meeting (AGM) Inter-departmental Technical Task Team meetings and forum meetings were conducted virtually in order to comply with Covid-19 regulations. The Trust continued to build and maintain the existing partnerships throughout this period.



ADVOCATE FOR MODELS THAT ACCELERATE UNIVERSAL ACCESS TO ECD

Due to Covid-19 restrictions, 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.

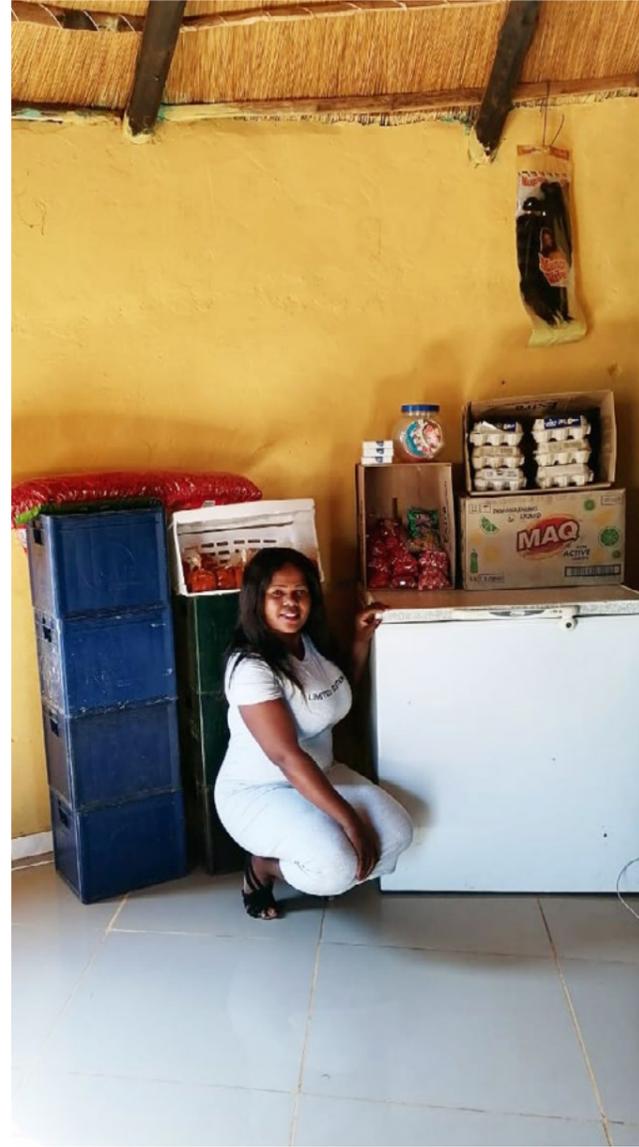
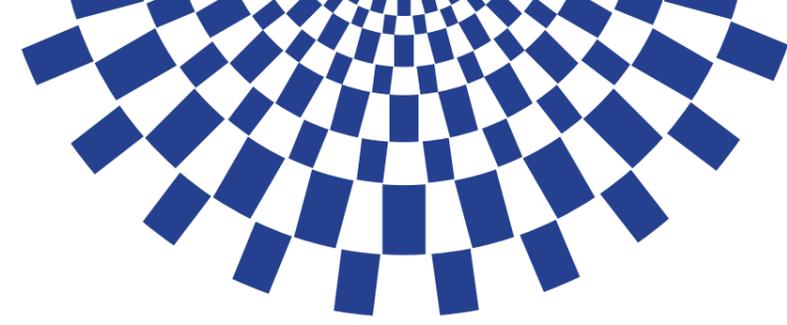
Other creative ways of advocating for models that accelerate universal access to ECD had to be introduced during the reporting period. The Trust used day mothers, playgroup facilitators and ECD owners to market ECD services to individuals who wished to serve as day mothers or playgroup facilitators. 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. Our local day mothers and playgroup facilitators, therefore, served as advocacy ambassadors for the Trust to improve non-centre based ECD.

YES LEARNING PROGRAMME

The Youth Employment Service (YES) initiative was a presidential programme that was aimed at contributing towards building and strengthening our economy by creating one million jobs and job opportunities for young South Africans from rural, urban and peri-urban areas. Through Assupol Life, 196 young people (of which 94% were women) were recruited and appointed in learnership programmes where they received stipends. The YES learners were placed in various ECD programmes in Nellmapius, Msinga and Nquthu. The 12-month contracts of YES learners which had commenced in 2019 came to an end in June 2020.

Part of the requirements of the programme was that 10 percent of the total number of YES learners must be absorbed in the industry where they were receiving internship. In Nellmapius, Msinga and Nquthu, 81 YES learners were trained and started their own playgroups and day mother programmes. Five of the learners were absorbed by the ECD centres. YES learners gained tangible skills during their internship but also used the income they received to improve their livelihoods: 26 YES learners saved money and paid their tertiary tuition fees, 9 paid their driver's license fees, 2 paid their learner's license fees, and 12 started their own businesses.

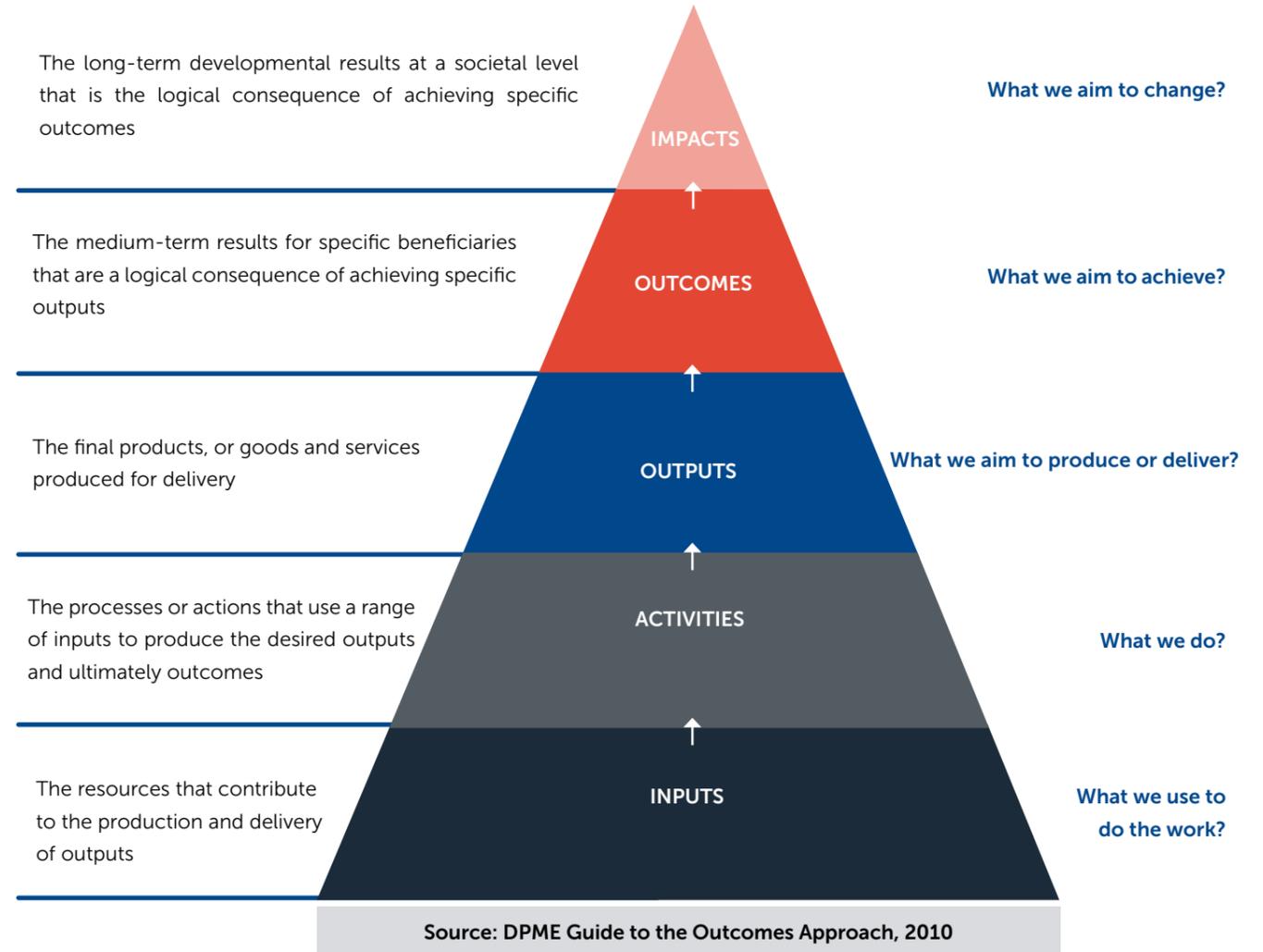




The Trust ECD programme is ambitious and operating in a complex policy and legislative environment with multiple stakeholders, with varying degrees of influence. The Trust, therefore requires a clear and robust framework to guide the programme over time to ensure that implementation goes according to plan and also that the broader goals of the programme are achieved. In acknowledging and appreciating this need, the Trust commissioned the development of the monitoring and evaluation framework.

Theory of change

A theory of change is an explicit theory or model of how an intervention, such as a project, a program, a strategy, an initiative, or a policy, contributes to a chain of intermediate results and finally to the intended or observed outcomes (Funnell & Rogers, 2011). Scholars indicate that theories of change help navigate the complexity of social change. In this case the theory of change for the Trust's programme helps to define various complex activities that will enable it to bring about changes in the early development of children. The programme theory is usually presented as a diagram and details the inputs, activities, outputs and intended outcomes and impacts of a programme. The logic operates as follows:



The theory of change is aligned to the Trust's strategic objectives which talk directly to the programme problem statement. The lower order elements of the theory of change (i.e. activities, outputs and immediate outcomes) represent factors within the programme that are within the Trust's sphere of control. The following explains the Trust's immediate medium-term outcomes:

Strategic objectives	Immediate outcome (what the Trust wishes to achieve)	Medium-term outcomes (what changes the Trust wishes to see)
To improve ECD access to children between 0–5 years in Nellmapius, Msinga and Nquthu	Increased provision of non-centre based ECD	Increased number of children accessing ECD
To improve the quality of ECD services in Nellmapius, Msinga and Nquthu	Improved knowledge and skills of ECD practitioners	Improved teaching and stimulation for learning
	Increased access to the appropriate learning tools/resources	Improved nutrition and health status of children (reduction of malnutrition)
	Improved infrastructure, health and safety of ECD	
	Improved management of ECD services	
	Consistence of provision of sufficient nutritious food	
Increased early detection and treatment of malnutrition		
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, Msinga and Nquthu	Increased number of ECD centres that meet the requirements for registration	Increased number of ECD centres registered and qualify for DSD funding
To promote good governance, partnerships and stakeholder relations in the City of Tshwane and uMzinyathi District Municipality	Increased deeper engagements with relevant stakeholders	Improved collaboration and coordination of ECD provision
To advocate for models that accelerate universal access to ECD	Increased knowledge sharing about ECD	

Assupol Community Trust ECD Service Delivery Model

The Trust has developed a blue print of an ECD Service Delivery Model which is used as a guideline for upscaling universal access to ECD in the future. The model details specific steps that must be implemented in planning, execution, monitoring and evaluation of ECD delivery support interventions.

The detailed steps of the model are:



For each of these steps, standard operating procedures have been developed to assist in executing each step.



TESTIMONIALS

The Trust received numerous letters from its beneficiaries in Nellmapius, Nquthu and Msinga, expressing gratitude for the support provided by the Trust during the most difficult moments of their ECD operations. We are proud to have given hope to the communities we serve, through the support we continue to provide through the Covid-19 Relief Plan.

Non-centre based ECD model

Success story of a day mother

Ms Sabinah Tshela has made amazing progress in caring for babies between 0 to 2 years old. In marketing her services, she informs pregnant women in her community about her services so that they know where to go if they need child care services once their children are born.

Ms Tshela initially had five children under her care and applied all the ECD knowledge that she learned from her training. She keeps record of each child, prepares balanced meals for children, and stimulates children through play using toys and songs. Ms Tshela lived in a one-roomed Reconstruction and Development Programme (RDP) house with her two sons when she started in this programme.

She later recruited a total of six children in no time, as she started serving as a day mother. Her commitment to serving children was highlighted when she received two children whose mother was not able to pay school fees, but she

willingly took care of them without expecting payment. For Ms Tshela it has been proven that being a day mother is not just for income generation but a deeper need as well as the value of keeping children safe, well cared for and stimulated despite the affordability of parents.

Ms Tshela is a visionary who was disciplined enough to save money from the stipend she received from the Trust. She reported that she saved one thousand rands of her stipend monthly, which she used to buy building material to extend her RDP house by two additional rooms, after having received the necessary approvals from her local municipality. By Ms Tshela ensuring compliance with the regulations and municipality by-laws, she demonstrated her commitment in providing a healthy and safe environment for the children under her care. The additional space will be sufficient for both her family and the children under her care.



Day mother promoted to partial care level

As at February 2021, Ms Tshela had 15 children under her care despite the reported Covid-19 challenges across ECD services. Her services were improved through referrals as parents spread the word about the good service that she provides.

We have a number of other day mothers that have crossed levels from day mother to an ECD centre. This tells us that the day mother model is an effective mechanism for improving access of children to ECD services and job creation.

Success story of playgroups

Ms Nobuhle Zuma hosts one of the playgroups operating in Msinga. Nobuhle was born and raised in Mbabane. She started assisting children in her community in 2012 and in 2015, after hearing about Smart Start from her friend, she signed up for training. Although Ms Zuma had some experience in caring for children, she knew that there was a lot of room to grow in preparing children for Grade R.

“My favourite thing with Assupol Community Trust is that they fulfil their promises. They have even assisted my playgroup with PPE in times of difficulty within our families and the community at large. I started this journey in 2012 but it was the first time in my life receiving the stipend deposited into my own account. I have learnt that working with children you need to be patient” – Nobuhle Zuma.

Ms Zuma also benefited from establishment of the garden in her playgroup; she received seedlings, agricultural tools and agricultural inputs. Ms Zuma is using a two-room mud house for her playgroup, which she built herself. Mud structures are a common feature in rural ECD infrastructure. Despite bad weather conditions that sometimes affect these structures, the mud structures continue to provide a reasonably safe shelter to care for children. Partners like DSD and Msinga Local Municipality continue to ensure that these structures comply with health and safety regulations. It is the support from the Trust and its partners that encourages Ms Zuma to continue with her passion of taking care of children from her community.

Her community and local primary school acting principal sing her praises for the amazing work she has done with her playgroup. The feedback she has received makes her feel very proud to run a playgroup.

Ms Zuma encouraged the unfunded ECD centres in the ECD forum, advising them that perseverance is very important when you work with children. In April 2021 her playgroup was funded by DSD for 10 children.





FINANCIAL HIGHLIGHTS

Report of the board of trustees

for the year ended 28 February 2021

The Assupol Community Trust presents its unaudited condensed financial results for the year ended 28 February 2021.

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 ('ECD') 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 significant impact on the South African markets and economy due to the COVID-19 pandemic became evident around the week ending 13 March 2020 and shortly thereafter the country went into level 5 lockdown. The Trust's projects and other activities were unable to continue for a couple of months due to the restrictions put in place by the South African government. Projects were resumed as restrictions were gradually lifted toward the latter part of the 2020 calendar year.

In response to the pandemic and national lockdown, the Trustees adjusted the 2020/21 workplan and allocated funds for the following items:

- To assist the ECD centres with the provision of services in line with government's health and safety guidelines;
- The provision of stipends to day mothers and practitioners; and
- To support the ECD centres with operational costs.

3. Trustees

The Trustees of the Trust are:

	Date of appointment	Date of resignation
T Muranda (Independent trustee) (Chairperson)	26 August 2014	-
TSS Malatji (Independent trustee)	26 August 2014	-
BPZ Mbambo (Independent trustee)	28 October 2020	-
MB Mokwena-Halala (trustee)	22 November 2010	-
NC Skeepers (Independent trustee)	31 December 2017	-
TBN Ned (Independent trustee) *	26 August 2014	20 April 2020

* TBN Ned was the chairperson until her resignation. T Muranda was appointed as the chairperson on 29 May 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 2021

	Notes	2021 R	2020 R
Income resources	2	18 130 020	10 277 407
Resources utilised			
Projects	3	(14 077 715)	(10 589 324)
Operating and administration expenses		(1 524 181)	(1 700 904)
Surplus / (loss) for the year		<u>2 528 124</u>	<u>(2 012 821)</u>

Statement of financial position

for the year ended 28 February 2021

	Notes	2021 R	2020 R
Assets			
Equipment		643 380	865 636
Intangible assets - Software		866	2 938
Investments held at fair value through profit / loss	4	327 291 453	325 948 657
Accounts receivables		569 109	355 861
Cash and cash equivalents		10 753 788	9 832 088
Total Assets		<u>339 258 596</u>	<u>337 005 180</u>
Reserves			
Accumulated funds		<u>338 922 449</u>	<u>336 394 325</u>
Liabilities			
Accounts payable		<u>336 147</u>	<u>610 855</u>
Total Reserves and Liabilities		<u>339 258 596</u>	<u>337 005 180</u>

Statement of changes in reserves

for the year ended 28 February 2021

	Accumulated funds R
Balance at 1 March 2019	338 407 146
Loss for the year	(2 012 821)
Balance at 29 February 2020	336 394 325
Surplus for the year	2 528 124
Balance at 28 February 2021	338 922 449

Statement of cash flows

for the year ended 28 February 2021

Notes	2021 R	2020 R
Cash flow from operating activities		
Cash utilised in operations	(15 865 524)	(13 341 999)
Interest income (excluding income reinvested)	502 224	878 705
Net cash flow from operating activities	(15 363 300)	(12 463 295)
Cash flow from investing activities		
Acquisition of equipment	-	(833 023)
Disposal of equipment	-	7 901
Acquisition of investments	4 (7 200 000)	(130 700 000)
Disposal of investment	4 13 200 000	125 698 356
Dividend income (excluding income reinvested)	2 10 285 000	16 643 000
Net cash flow from investing activities	16 285 000	10 816 235
Net movement in cash and cash equivalents	921 700	(1 647 060)
Cash and cash equivalents at beginning of the year	9 832 088	11 479 148
Cash and cash equivalents at the end of the year	10 753 788	9 832 088

Notes to the financial statements

for the year ended 28 February 2021

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 2021.

2. Income resources

	2021 R	2020 R
Dividend income	10 599 108	16 643 000
Accrued dividend income	-	398 822
Profit on sale of equipment	-	2 574
Interest income	2 894 040	6 758 991
Accrued interest income	-	1 106 239
Fair value adjustments on investments	4 636 872	(14 632 219)
	18 130 020	10 277 407

3. Projects

Specific projects:		
Umzinyathi District Municipality - Nquthu and Msinga	3 099 424	2 242 391
City of Tshwane - Nellmapius	3 407 778	4 592 847
Operating expenses in respect of projects:		
Consulting / Professional fees	20 540	119 755
COVID-19 expenses ^(a)	1 964 996	-
Employee cost	4 889 267	2 985 952
Day mother expenses	602 849	309 212
Legal fees	-	3 900
Travel and subsistence	92 861	335 267
	14 077 715	10 589 324

(a) The Trust assisted ECD services in the following manner during the onset of the COVID-19 pandemic:

- Providing stipends to approximately 265 practitioners and 40 day mothers.
- Supporting ECD centres with operational cost to an amount of R800 per month
- Assisting ECD centres with equipment and goods to facilitate compliance with the COVID-19 regulations.



Assupol Community Trust

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