

SITHANDA UPLIFTMENT
PROJECTS

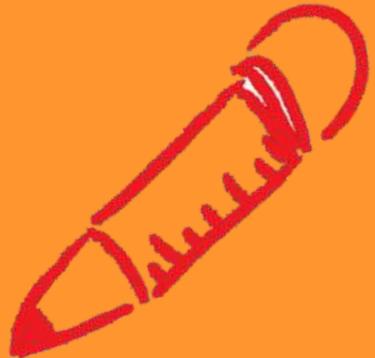
2018

ANNUAL REPORT

WWW.SITHANDA.ORG



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A YEAR IN REVIEW



Letter from the Directors

By Matt Whickham KZN DIRECTOR

As the year comes to a close, we look back and reminisce throughout the fantastic opportunities created, partnerships built and collaborations formed. We look back at the challenges that we have endured and the growth that has subsequently come thereof, as we seek to continuously refine our Non-Profit Organisation.

The 2018 Calendar year has been a year of many highlights, with our main highlight being right at the start of the year with the successful opening Ekuthuleni ECD in Kwa-Mashu KZN, our first operating Early Childhood Development (ECD) centre. What a gruelling 21-month fundraising period it was. This creche was originally founded by Doris Khumalo, who is the land owner of the property, and the mother of the crèche; now principle of the Ekuthuleni ECD. The Ekuthueni creche initially was one rondavel on a piece of property with a traditional township toilet across the grounds. It now stands as two classrooms, a kitchen, working ablutions blocks with sufficient plumbing and also a large storage container. The joy and excitement that it brought to us and the 40 children of the community who attended the facility this year, fuelled our flame to continue improving and help uplift underprivileged communities through education.

The beautiful souls of this community have been our driving force to remain committed to our vision and mission as we strive to create the essence of Ubuntu within the community.

Shortly following the opening of the school we had the success of our highest grossing fundraiser: Midmar Mile-raising over R140 000, which also set a massive precedence for the rest of the year! Unfortunately with a passion burning as bright as it is - one tends to get too ambitious and we found ourselves trying to organise fundraisers with short turn-around times and limited preparation. This ultimately led to disappointment due to the lack of lead time in soliciting participants. We arrived at a crossroad where we had to take a step back, to look at the bigger picture and navigate towards becoming more effective in our preparation and to successfully raise funds at Sithanda events.

All of the Sithanda directors are like-minded people who are filled with passion for non-profit work and who are all committed to personal/corporate business endeavours, which also require a part of our time and efforts. We believe in something greater than ourselves and we are a committed team who share the same ideas to dream and to build towards a greater cause.

Throughout this year, we have come to realize that there were a few in-house wrinkles which needed to be ironed out in order for us to succeed as an organisation. Through minor strategic re-structuring planning, and potential partnerships/collaborations, Sithanda are creating efficient working solutions, which will place organisation in good stead as we move toward the new calendar year.

Upon final reflection we allook back to the meaning of Sithanda, being "**WE LOVE**" in isiZulu.

WE LOVE that we have this opportunity to develop young South Africans through early education.

WE LOVE what we are able to do for others and how we can uplift communities in need.

WE LOVE that we can collaborate with volunteers, businesses and other entities who share the same vision.

And **WE LOVE** that we can share a platform for anyone to shown their own love.



SITHANDA OVERVIEW

Sithanda Upliftment Projects NPC ("Sithanda") is a registered Non-Profit Organisation set to champion Early Childhood Development (ECD) Projects in underprivileged communities. Driven by passion and purpose with the common interest of giving back to the community, and dedicated to making a difference to the lives of those less fortunate. To date, we have successfully built our first all-inclusive ECD facility in the Kwa-Mashu Valley – Kwa-Zulu Natal. This facility currently provides an education and the correct nutrition to 40 young children who previously did not have access to this love and support.

OUR VISION

To champion early childhood development in underprivileged communities.

OUR VALUES

Faith: We have complete trust and confidence in our ability to positively impact the lives of others.

Collaboration: We are committed to those whom we serve. Collaborating as a greater community whilst seeking solutions together.

Compassion: We root every action in a spirit of empathy and love for humankind.

SITHANDA OVERVIEW

Sithanda predominantly serves, but is not limited to, the general public, the less fortunate, rural African communities in South Africa. Sithanda strives to provide all-inclusive ECD centres, which are environmentally friendly and include: formal educational curricula, safe buildings and sanitation facilities as well as unique approved subsistence opportunities and feeding programs. Each facility must have the means to be sustainably operated and managed. The aim is to remain relevant, energy efficient, sustainable and to continuously progress in various industries in providing the best environment possible to the young children learning in our schools. It is important that we meet the all-inclusive aspect of our model and to effectively bridge the gap between traditional vs. modern methods of education.

Strengths and Weaknesses of the South African Context

It is well known; much like the rest of Africa, South Africa is not immune to the challenges related to social-economic development and poverty alleviation. However, there are now numerous initiatives in place to overcome these challenges and many of them have become well established. We believe Sithanda's value proposition and mission, could leverage from these initiatives. The Government of the Republic of South Africa has prioritised early childhood development (ECD) since 1994.

According to the National Development Agency South Africa (NDA) (2017), ECD has been recognised as one of the most powerful tools for breaking the intergenerational cycle of poverty in South Africa. Scientific evidence confirms the tremendous importance of the early years for human development and the need for investing resources to support and promote optimal child development right from conception. The lack of opportunities and interventions, or poor-quality/poorly-executed interventions, during early childhood can significantly disadvantage young children and diminish their potential for success.

BUSINESS MODEL



WHY ECD EDUCATION?

Many children in SA do not have access to this basic human right. ECD is considered the most critical phase of learning for every human being. ECD is one of the most powerful tools for breaking the intergenerational cycle of poverty in South Africa. 84% of children aged between 0-4 years do not have access to ECD education, meaning approximately 5.6million children do not receive the stimulation and critical development required to allow them to reach their full potential. (UNICEF South Africa, 2007)

There are approximately 8 million children from birth to 6 years old according to the 2014 Mid-Year Population estimates. Please see the percentages below:

- Kwa-Zulu Natal: 23%
- Gauteng: 20%
- Free state: 5%
- Northern Cape: 2%

Whilst poverty levels have fallen by 15% since 2004 using the lower bound poverty level of R604.00 per person per month, about 58% of children are still deemed poor.



The burden of poverty is distributed unequally across provinces; the majority of poor children are black, living predominantly in rural provinces such as Limpopo (76%), Eastern Cape (75%) and Kwa-Zulu Natal (67%). Service provision is poor and affected by a combination of factors i.e. legislation that is not harmonised, insufficient funding, poor governance, including institutional arrangements, leadership and coordination National Treasury, 2017). Building institutional capacity of ECD centre management, particularly in the areas of governance, management, financial management, fundraising, human resource management, and report-writing is well supported by the NDA and the provincial Departments of Social Development.

THE CHILDREN OF EKUTHULENI

The real drive behind why Sithanda pushes forward and remains servant-hearted, stretching out to try and achieve great things is due to the little hearts who we are introduced to each year. Ekuthuleni, English translation 'a place of peace', is our first successfully erected educational facility, which opened on the 17th January 2018 and is now formal school to approximately 40 children with a variety of ages; 18months old to 5 years old. These beautiful souls now have a phenomenal opportunity, allowing them to potentially reach their own dreams and to seek their full potential daily.

The first 1000 days (0 - 2 and a half years) are the most important days for a child's brain development. By the age of five, 90% of a child's brain has been formed[1]. Without the adequate nutrition during this important time period, could potentially lead to developmental delays, poor performance at school and greater susceptibility disease and illness. KwaZulu-Natal province has a high prevalence of children who are stunted (i.e. low height-for-age) at 28.5%, mainly due to malnutrition[2].

Ekuthuleni ECD provides the children with 2 sufficient meals per day. These are nutritious meals cooked at school, which are designed through a qualified dietician and has been cross-referenced with Dorris to ensure she is capable of making these meals.



THE CHILDREN OF EKUTHULENI

Upon basic assessment of height and weight at the end of this year, we have come to find that our children at Ekuthuleni are closing the gap to meeting the standards of the World Health Organisation Guidelines. We hope that through our learning system and healthy eating plan that we will be able to optimize the growth phase of our children.

Age and Gender	Average Height (cm)	WHO Standards	Average Weight
Boys 4-5 years old	99.85	103.3-110	16.23
Girls 4-5 years old	101.33	102.7-109.4	16.74
Boys 2-3 years old	89.43	87.1-95.4	11.68
Girls 2-3 years old	91.1	85.7-94.4	14.28



1) <http://www.statssa.gov.za/?p=10950>

2) Stats SA: General Household Survey data, Early Childhood Development in South Africa, 2016

3) WHO.international Standards



FOOD SUSTAINABILITY



Rise Against Hunger is an international hunger relief organization that distributes food and life-changing aid to the world's most vulnerable, mobilizing the necessary resources to end hunger by 2030. Once Sithanda met the evaluation process set by Rise Against Hunger, they provided additional food sources to aid in feeding our kids. They have volunteers who package millions of nutritious meal packs and who help distribute to partners worldwide.

FACILITIES



Through Elangeni Buildings we have been able to provide a close key build for all of our facilities. Elangeni Building facilitates the entire build phase and includes the electrical and plumbing requirements for the schools. Schools are designed as per the National regulations in order to accommodate 50 children. The build includes facilities such as:

- Classroom
- Teachers office and class store room
- Kitchen and food preparation area
- Clean functional male and female ablutions.
- Kitchen Store room





SCHOOL & COMMUNITY UPLIFTMENT



With the assistance of volunteers, this has made it so easy and possible!

We have found that donating time is just as important as monetary donations!

1 *Pre-loved clothes sales*

Sithanda Upliftment Projects accepts and collects good quality second hand clothing, which we sell to underprivileged communities at a nominal fee of R10 per item - regardless of what it is – from shoes to dresses to hats. All items are cross-checked before being selected for sale and must meet the requirements and standards we have set. Which means “no clothes with holes or stains” and “no jocks or lonely socks”. We will undergo sales every-second month during the year, where all funds raised from the pre-loved clothes sales, on average R 8000.00 per sale, is then put towards operational expenses and associated maintenance at the Ekuthuleni ECD.

Through this initiative we hope to provide the local community with an opportunity to buy good quality clothing for themselves and their loved ones at a very affordable price. We hope to not only sell the clothes for use, but hope that it can stimulate entrepreneurship in the community through reselling at a slightly higher price.

SCHOOL & COMMUNITY UPLIFTMENT



2 Community build days

Sithanda Volunteers gear up at least once a year with paints, tools, gardening equipment and head out to the school to tend to any tasks that need to be completed which could include maintenance and gardening.

Activities we have performed:

- Built livestock pens out of donated pallets
- Harvested fresh produce from gardens and replanted seedlings
- Planted succulents plants into the retaining wall
- Washed and re-painted walls
- Painted murals on the inside of the classroom

3 Corporate Days and CSR initiatives:

We are always appreciative to corporates who wish to do community outreach programs and upliftment and Sithanda encourage corporates to come and get involved and hands on. During these corporate days, Sithanda allow for companies to come up with their own ideas as how they would like to contribute. For those corporates that are unsure of how to help, we implement various campaigns to which the corporates can assist with (Eg. Blanket drives, School Bag campaign, Outdoor activities)

SCHOOL & COMMUNITY UPLIFTMENT



3

Corporate Days and CSR initiatives:

Corporates and Companies who we would like to thank and give special mention to is the following:



SMG MINI UMHLANGA ROCKS

Conducted a CSR initiative for Mandela Day bringing through snacks and cool drinks for the kids and created 3 activity stations which they could do with the kids. They also donated used tyres that were re used around the jungle gym and play area.



NIELSEN GLOBAL

Nielsen Global came with a team of colleagues who got involved in the gardens preparing the soil to plant vegetable seedlings, had painting activities to do with the kids and provided ice creams for the kids. They also were kind enough to arrange and donate school bags and lunch boxes for all of the children at Ekuthuleni.



VUMATEL

Conducted a CSR day taking through balls and hula hoops to enjoy some games with the kids.

SCHOOL & COMMUNITY UPLIFTMENT



3

Corporate Days and CSR initiatives:



GRANT THORNTON

Grant Thornton, one of our first corporates to join us came over two days to clean and chip away the old paint on the rondavel, fill any cracks that remained and then repainted both the inside and outside of the rondavel, putting a new look to the old building.



SHAVE PAINT

Shave paints have not only supported us with paint donations but they have also got the staff members involved in some of our fundraising events – such as KZN Warrior race an obstacle course race of varying distances.



• ECD CURRICULUM •



THE UNLIMITED CHILD

We were so grateful when we had been notified of our acceptance to collaborate with The Unlimited Child (TUC) to provide our schools with their ECD education curriculum for a minimum of 3 years. TUC is a national, non-profit initiative and now a tried, tested and proven model. They give young children in disadvantaged crèches a chance to live an incredible life!

- 4 age-appropriate toolkits

The Unlimited Child has 4 programmes designed to enrich children of various age groups. Our programmes for babies, toddlers and pre-Grade R children are aligned to National Early Learning Development Standards (NELDS). Our Grade R programme is aligned to Curriculum and Assessment Policy Statement (CAPS).

- The Practitioners' Guides

With assistance from renowned early childhood development specialist Freda Wilkens, the content and layout of our practitioners' guides are simple and easy to follow. Each day has its own page and all 200 days of the school year are included. The sections are divided into life skills, mathematics, life science and language. Each day ends with a story that the caregiver can share with the children. This layout is the same across all the programmes.

- Caregiver Training

The programme kicks-off with a hands-on, 4-day training session. From the day-to-day practitioners' guide, to the daily routine and learning through play with educational toys – they train our caregivers how to make learning, fun.

- On the ground Monitoring support

At least once a month, Monitors visit each of the crèches reached to ensure that the high standards are being maintained. While they provide ongoing guidance and support to caregivers, the Monitors first priority is to ensure that our programme is being used effectively on a daily basis. Maintaining standards is of the utmost importance to the long term success of The Unlimited Child and the schools they collaborate with.

• ECD CURRICULUM •

MONTESORRI LIFE PRE-PRIMARY

We have been so fortunate to be associated with Montessori Life together we have been able to create a twinning partnership with them. Which involves the following:

Upskilling staff members through Teacher Exchange

Through this we are allowed to expose our staff to a functional facility and for them to learn through this experience and to broaden their knowledge of educating children in different environments. Montessori Life have also offered certificates recognizing their time at the school as acknowledgement for their learning experience.



School excursions

Montessori Life have offered to take as their sister school to help upskill our staff members but have also offered provided us with the means to give the children of Ekuthuleni a chance to have an excursion to Montessori. On these excursions the children are befriended with a child from Ekuthuleni for the day to show them around and to enjoy some fun filled activities together at the Montessori premises. At another point of the year we are also able to welcome the children of Montessori to the Ekuthuleni ECD.



Christmas boxes

Going into December and the closing of school - the staff, children and families of Montessori have also partnered with us to hand out Christmas boxes for the staff and children of Ekuthuleni ECD. This generous and sincere gesture is the true indication of a broad and selfless partnership.



Planting of the school tree

After our Christmas party this year - Sithanda, Ekuthuleni and Montessori had hands involved in planting a tree on the Ekuthuleni property. This will not only provide shade and aesthetics to the school but will be a representation of how the bonds between the 2 school facilities are growing together alongside the growth of the children which who we both serve.



FINANCIAL STATEMENTS

WG

Waller Gilliver

Chartered Accountants (South Africa)

**REPORT OF THE ACCOUNTING OFFICER TO THE DIRECTORS OF SITHANDA UPLIFTMENT
PROJECTS NPC FOR THE YEAR ENDED 28 FEBRUARY 2018**

We have performed the duties of Accounting Officer to Sithanda Upliftment Projects NPC as required by section 17 of the Non Profit Organization's Act, 1997 for the period ended 28 February 2018.

No audit is required by to be carried out and no audit was conducted. Accordingly, we do not imply or express an opinion or any other form of assurance on the financial statements.

The annual financial statements set out on pages 4 to 9 are the responsibility of the directors.

We have determined that the financial statements are in agreement with the accounting records and have done so by adopting such procedures and conducting such enquiries in relation to the accounting records as is considered necessary in the circumstances. We have also reviewed the accounting policies which have been represented to us as having been applied in the preparation of the financial statements, and we consider that they are appropriate to the business.

Walker.

N M Waller

Date: 11/12/2018

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Sithanda Upliftment Projects NPC

(Registration number: 2017/448543/08)

Financial Statements for the 4 month period ended 28 February 2018

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Sithanda Upliftment Projects NPC for the 4 month period ended 28 February 2018.

1. Business and Operations

The organisation's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

The objective of this fund is:

To shape the future of South Africa by uniting like-minded, committed individuals to undertake compassionate, practical, life changing interventions which alleviate the suffering of the poor and needy - engaging directly with local disadvantaged communities to provide support, hope and upliftment.

2. Directors

The directors in office at the date of this report are as follows:

G Ruttell
M J Wickham
N M Braby
R Tyack
S T Hagemann

3. Accounting Officer

Natalie Mackay Waller will continue in office for the forthcoming year.

The financial statements set out on page 4 - 9, which have been prepared on the going concern basis, were approved by the directors on 11 December 2018, and were signed on its behalf by:

Approval of financial statements


G. Ruttell


M J Wickham

FINANCIAL STATEMENTS

Sithanda Upliftment Projects NPC

(Registration number: 2017/448543/08)

Financial Statements for the 4 month period ended 28 February 2018

Statement of Comprehensive Income

	4 month period ended 28 February 2018 R	Note(s)
Revenue		
Donations received	347 596	
94.7 Cycle race - fundraiser	49 301	
Midmar swim - fundraiser	164 798	
	561 695	
Operating expenses		
Accounting fees	6 000	
Advertising	2 935	
Amortisation on leasehold improvements	11 399	
Bank charges	892	
Consulting fees	11 400	
Courier and postage	72	
Fuel	1 621	
Fundraiser costs - 94.7 Cycle race	18 320	
Fundraiser costs - Midmar swim	48 472	
Legal fees	9 243	
Printing and stationery	2 398	
Subscriptions	249	
Supplies for the Ekuthuleni school	4 174	
Telephone and fax	411	
Training	6 643	
Travel - local	3 076	
Wages	33 950	
	161 255	
Total comprehensive surplus for the 4 month period	400 440	

Sithanda Upliftment Projects NPC

(Registration number: 2017/448543/08)

Financial Statements for the 4 month period ended 28 February 2018

Statement of Financial Position as at 28 February 2018

	28 February 2018 R	Note(s)
Assets		
Non-Current Assets		
Property, plant and equipment	2	330 581
Current Assets		
Prepayments	3	21 290
Cash and cash equivalents	4	54 569
		75 859
Total Assets		406 440
Equity and Liabilities		
Equity		
Retained surplus		400 440
Liabilities		
Current Liabilities		
Trade and other payables	5	6 000
Total Equity and Liabilities		406 440

Sithanda Upliftment Projects NPC

(Registration number: 2017/448543/08)

Financial Statements for the 4 month period ended 28 February 2018

Statement of Cash Flows

	4 month period ended 28 February 2018 R	Note(s)
Cash flows from operating activities		
Cash receipts from customers		
	561 695	
Cash paid to suppliers and employees		
	(165 146)	
Cash generated from operations		
	7	396 549
Net cash from operating activities		396 549
Cash flows from investing activities		
Additions to property, plant and equipment	2	(341 980)
Total cash movement for the 4 month period		54 569
Total cash at end of the 4 month period		54 569

FINANCIAL STATEMENTS

Sithanda Upliftment Projects NPC

(Registration number: 2017/448543/08)

Financial Statements for the 4 month period ended 28 February 2018

Notes to the Financial Statements

	4 month period ended 28 February 2018 R		
2. Property, plant and equipment			
	2018		
	Cost or revaluation	Accumulated amortisation	Carrying value
Leasehold improvements	341 980	(11 399)	330 581
Reconciliation of property, plant and equipment - 2018			
	Opening balance	Additions	Amortisation
Leasehold improvements	-	341 980	(11 399)
			Closing balance
			330 581
3. Prepayments			
Golf day - fundraiser			21 290
4. Cash and cash equivalents			
Cash and cash equivalents consist of:			
Petty cash	254		
First National Bank	54 315		
	54 569		
5. Trade and other payables			
Accruals	6 000		
6. Taxation			
Reconciliation of the tax expense			
In terms of section 10(1)(1cN) of the Income Tax act, the public benefit organisation is exempt from income and other related taxes. Therefore no provision for taxation has been made.			
7. Cash generated from operations			
Profit before taxation	400 440		
Adjustments for:			
Amortisation	11 399		
Changes in working capital:			
Prepayments	(21 290)		
Trade and other payables	6 000		
	396 549		

Sithanda Upliftment Projects NPC

(Registration number: 2017/448543/08)

Financial Statements for the 4 month period ended 28 February 2018

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Leasehold improvements	10 years

1.2 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.3 Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments and bank overdrafts.

1.4 Comparative figures

No comparative information has been provided as this is the company's first year of trade.



● PARTNERS ●

We would like to give special mention to particular companies and organisations who we have successfully partnered with:

- Building Contractor – Elangeni Building
- Fencing Supplier and Contractor – Hendok and Conrite
- Igardi Project – vegetable garden solution
- Water tank supplier - Mica Ballito
- Medical and Fire safety installation – Fire Doc.
- Learning Program – The Unlimited Child
- Hygiene solutions – Geochem
- Paint – Shaves paint
- Internet service provider – Broadlink
- IT Supplier and Service Provider – Simplicity Internet Solutions
- Storage Container - Shoprite (Container)
- Zenzele Truck bodies (Refurbishing and maintenance)
- Clarks Forklifts (Delivery)
- Educational psychologist – Nikki Preston
- International funding – Get Global Recruitment (they have signed a formal partnership document so we will get funds in due course)
- Bread supply – Just Flour
- Grass – Evergreen turf
- School shoes – Jim green footwear
- Lego learning material – Lego Foundation
- Insurance – Comprehensive choice



The LEGO Foundation



SITHANDA UPLIFTMENT PROJECTS

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For more information please email: info@sithanda.org