



A N N U A L
2016/17
R E P O R T



KAGISO
T R U S T
Overcoming poverty





KAGISO
T R U S T
Overcoming poverty

“ONLY THOSE WITH A
HEART OF GOLD ARE
TRULY BEAUTIFUL, FOR
TRUE BEAUTY AFTER ALL
ORIGINATES IN THE HEART.”

– UNKOWN

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We are proud to receive yet another opportunity to release our annual report to fellow South Africans and the world. We have met numerous individuals and organisations with Hearts of Gold as we carried out our work across the country's different landscapes. As we continue with our development work and proceed with the Heart of Gold Campaign, we look forward to many more partnerships and collaborations as we strive to overcome poverty and create a just and equitable society.

We continue to be committed to meeting the stated goals of South Africa's National Development Plan (NDP) and the United Nation's Sustainable Development Goals (SDGs). This annual report is our way of ensuring that our stakeholders – and, indeed, the citizens of South Africa as a whole – can hold us accountable to our ultimate aims of living up to our vision.

OUR APPROACH TO REPORTING

We present this annual report because sound corporate governance is a principle we, as an organisation, cherish. We have always sought to implement best practice; to conduct all undertakings with transparency; and to clearly demonstrate how we contribute to South Africa's sustainability.

This has never been more important than it is now, with the introduction and implementation of our refined strategy. It is one thing to indicate our intentions and note the goals we are reaching towards; quite another to put them into practice.

This annual annual report is, therefore a platform to clearly communicate our

objectives with all stakeholders. Linked as they are to the NDP and SDGs, they are clearly measurable – a fact which, as previously mentioned, ensures we are held accountable. We will, furthermore, be examining external and environmental drivers which have affected our response to challenges, whilst also noting our short- and medium-term goals; the more immediate milestones we need to reach in order to fulfil our 30-year strategy.

Through this report, we aim to demonstrate that we hold ourselves accountable in the face of the risks and challenges we encounter. We also highlight the enablers that put our strategic objectives within reach; the key organisational initiatives, the processes involved in their implementation, and the various activities we have introduced. We will show the resources we have allocated in each area, and how our business model has responded to our identified objectives.

Our discussions of these issues is guided by several questions we ask ourselves repeatedly: Will the strategy and business model we have in place allow us to reach the goals we have set as an organisation? Is our governance structure an enabler in terms of reaching those goals, and how do these relate to accountability? How can we balance our short, medium and long-term strategies?

Going forward, we plan to incorporate integrated thinking and integrated management, as we must be sure that the correct policies are in place to ensure the successful implementation of our strategy and to track performance.

We believe this is key for connecting

stakeholders with Kagiso Trust as it is today. Many people remember us as an organisation from the 1980s, but we have evolved significantly since then. This report allows us to reintroduce ourselves and make sure that the public is aware of our focus into the future.

Again, this report serves not only as a record of what we have done. It is also a call for us to fulfil the promises we have made to our nation; to measure what we have done against what we said we will do, and to compare our strategy to our achievements.

REPORTING PERIOD

The Kagiso Charitable Trust annual report is produced and published annually. The 2016/17 report covers the period 1 July 2016 to 30 June 2017. Any material events after this date have also been included. This report builds on our previous annual report for the period 1 July 2015 to 30 June 2016.

The report also contains Kagiso Trust's outlook, targets and objectives for the short (2017/18) and medium to long term (2018/19 to 2020/21 and beyond).

OPERATIONS

The scope of this report includes the Trust's programmes and key investments.

TARGETED READERS

The report is our primary report to stakeholders. We also present information relevant to other key stakeholders, including our employees, non-governmental organisations, programme partners, regulators and communities.

STRATEGIC FOCUS AREAS



HOW TO READ THIS REPORT

This report tells the story of how Kagiso Trust creates, delivers and ensures sustainable impact and value creation for its stakeholders.

About Kagiso Trust provides the reader with a concise overview of the Trust, our positioning in the development sector, our broad, important role as a non-profit organization and our development approach.

ASSURANCE AND INDEPENDENT ASSESSMENT

Kagiso Trust's annual report does not include the consolidated annual financial statements for the year ended 30 June 2017, which have been audited by PricewaterhouseCoopers Inc. and on which an unmodified opinion for the year ended 30 June 2017 has been expressed. The full annual financial statements may be accessed on our website.

“We present this annual report because sound corporate governance is a principle we, as an organisation, cherish.”

On behalf of the board:
Frank Chikane (Rev)
Chairperson

Mankodi Moitse
Chief Executive Officer



STAKEHOLDERS

- Partners
- Employees
- Non-profit organisations
- Beneficiaries
- Regulators
- Communities



“We have a purpose, and that is Kagiso has to outgrow us as individuals. Years from now, when we are qualified ancestors, it must be here. It must still be serving the people”

– Eric Molobi, Businessman and Political Activist, Former Kagiso Trust CEO

ABOUT KAGISO TRUST

10 GEARING TOWARDS A HOLISTIC APPROACH TO SUSTAINABILITY



Nontando Mthethwa
Head of Communications
and Marketing

“Observing sustainability from an Non-Government Organisation (NGO) point of view, means continuing to perform and delivering programme benefits to beneficiaries beyond donor funding.”

The world’s economy is continually changing as companies face global competition, technology innovations and increased regulation in response to financial and governance crises*. As such, the world is interrogating the goal of business in terms of creating wealth due to the narrow focus which excludes the creation of value or justice for people, society and the environment.

In line with this, corporate reporting has transformed, and voluntary reporting is increasing to provide more useful information, corporate transparency, as well as accountability. Therefore, managing, measuring and reporting the three elements of an organisation’s social, environmental and economic impact have gained prominence, with Integrated Reporting being promoted as a solution to the shortcomings of financial reporting.

The King Report on Governance for South Africa, which has its foundations in the Global Reporting Initiative and triple bottom line reporting, was introduced to address Integrated Sustainability Reporting as a concept to analyse a wide range of new and complex areas of non-financial reporting. As such, King reporting advocates a holistic representation of an

organisation’s performance in terms of both its finances and its sustainability.

Observing sustainability from an Non-Government Organisation (NGO) point of view, means continuing to perform and delivering programme benefits to beneficiaries beyond donor funding. In other words, sustainability means maintaining and continuing your programmatic efforts after the donor funding is over.

One must understand that sustainability requires long-term planning to facilitate diverse donor engagement and for improving institutional capacity of the targeted population. As such, sustainability planning is an important step as it prepares an organisation to deliver positive outcomes in the absence of donor funding.

In line with this, sustainability encompasses financial, organisational stability and programmatic sustainability. That is, financial sustainability refers to ensuring a steady flow of funds and generating revenue for maintaining and continuing the organisation’s work. Organisational sustainability refers to the organisation’s systems and structures being functional and efficient, whilst programmatic

sustainability relates to the continuation of the organisation's projects and programmes in the absence of donor support.

Kagiso Trust's (KT's/the Trust's) approach to sustainability is driven by its business strategy which seeks to create a prosperous, peaceful, equitable and just society. Thus, making South Africa more equal. Throughout the Trust's iterations and evolution, its steadfast commitment to uplifting South Africans remains firm.

When the organisation was established in 1985, it was as a key player in the fight - against apartheid. However, as the country developed into a fledgling democracy, the organisation had to evolve as well, and by 1994, KT had taken up arms against a new enemy: poverty. The Trust honed in on certain sectors where it believed it could make the greatest difference such as health, education, and funding. As a development agency, it followed a unique model, acting as a conduit for funds from the European Union who were as eager to see an end to injustice and inequality in South Africa. However, following the appointment of the country's first democratic administration, many donors preferred to work directly with government. This resulted in a significant reduction in donor funds, prompting KT to innovate new ways of operating.

This is the essence of what makes KT different to other development agencies. We are entirely self-reliant; and because we enjoy total independence from donor funding, we can direct our own agenda. Indeed, we have always preferred to generate our own solutions to empower disadvantaged communities.

This outlook has informed our engagement with other stakeholders. For example, during the 1980s, we contributed to discussions around the implementation of sanctions against South Africa. At the time, our European donors were concerned that this measure would have a negative impact on the very communities we were striving to assist, causing them to become even more disadvantaged. We took a different view: because we worked very closely with organisations at a grass-roots level, Kagiso Trust would be able to act as a channel for funds, thus ensuring that the communities continued to receive support.

Our ethos allows us to work with partners who are aligned to our strategic direction; entities which accept our need to be independent, but who want to become part of our journey by contributing in their own way.

The independence we so greatly cherish has been made possible thanks to the development of income generating streams. Having our own sources of revenue, we are able to approach role players in the development sphere on an equal footing, rather than with an open hand. This allows for deeper conversations, where we can demonstrate our skills and expertise.

To ensure that we maintain our position of strength, we have created two separate entities: Kagiso Tiso Holdings (KTH) and Kagiso Capital (KC). These organisations are central to maintaining a diversified portfolio, which in turn ensures long-term financial sustainability.

Established in 1993, KTH is the vehicle which enabled us to take the final step away from international donor funding. Indeed, our last donation was received in 1997, by that time we had secured investments in several spheres, including financial services, resources and industry. KTH has since become known as an investor of choice in B-BBEE transactions and, in so doing, has created long-term financial support for the Trust. Just like the Trust, KTH has an entrenched philosophy which guides all aspects of the company rather than seeking small shareholdings across industries. The company consolidates influence by purchasing large stakes, as this places us in a more compelling position to drive transformation. KTH, having recently made a foray into Ghana, is now looking forward to expanding its Pan African strategy.

On the programmatic front, our approach includes a sustainability roadmap for our interventions to ensure that well after we have exited the programme intervention, our beneficiaries are able to continue implementing best practices from the programme so that they are not reliant on the Trust but can incorporate and own the tools and skills learnt from each programme intervention.

KT's programmes have minimal negative impact on the environment. As part of the long-term organisation and programme planning, KT will find ways of integrating environmental sustainability into its model development and organisational strategy.

At an organisational level, KT is working on an environmental sustainability plan that will contribute towards reducing the organisation's carbon footprint by evaluating the office space and finding solutions thereof.

As the Trust continues the journey of development, sustainability will remain at the core of our work by supporting our beneficiaries to be well equipped to take full advantage of opportunities of the fourth industrial revolution. This will be achieved through digital classrooms in our schools, providing electronic indigent management solutions to our municipalities and encouraging SMMEs to introduce and create new markets to improve their globally competitiveness and be on par with other developing countries.

“At an organisational level, KT is working on an environmental sustainability plan that will contribute towards reducing the organisation's carbon footprint by evaluating the office space and finding solutions thereof.”

OUR VISION

A prosperous, peaceful, equitable and just society.

OUR MISSION

To contribute to development through sustainable funding, with like-minded partnerships innovative scalable development models.

OUR VALUES

Integrity
Accountability
Passion for Development
Hands On, Bottom Up Approach

OUR STRATEGIC GOALS

Education Development Pillar

To extend our educational development programmes

Socio-economic Development Pillar

To promote and support socio-economic development

Institutional Capacity Building Pillar

To support strategic institutional capability building for sustainability

Investment and Financial Sustainability Pillar

To ensure financial sustainability of Kagiso Charitable Trust

GAUTENG

Kagiso Trust Enterprise Rural Equity Fund (KERPEF)

- Jimmy's Killer Fish & Chips

Education Conversations

- University of Johannesburg, Soweto and Kingsway Campuses

KT Leverage Fund

- South African Council of Churches
- Tshwaranang Legal Advocacy Centre (TLAC)
- South African Women in Dialogue (SAWID)

Kagiso Trust Consulting

- City of Johannesburg
- Merafong City Local Municipality
- Emfuleni Local Municipality
- Midvaal Local Municipality
- Mogale City Local Municipality
- Rand West City Local Municipality
- Lesedi Local Municipality

NORTH WEST

Kagiso Trust Consulting

- Moses Kotane Local Municipality

FREE STATE

District Whole School Development Programme

- Fezile Dabi District
- Motheo District
- Thabo Mofutsanyana District (BNSDP)

LIMPOPO

District Whole School Development Programme (BNSDP)

- Sekhukhune District

MPUMALANGA

KERPEF

- Thembeka Sales and Logistics

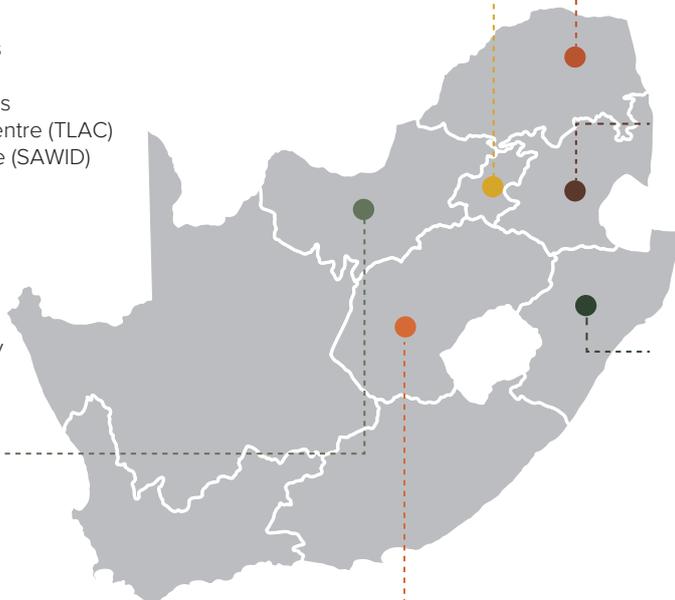
KWAZULU-NATAL

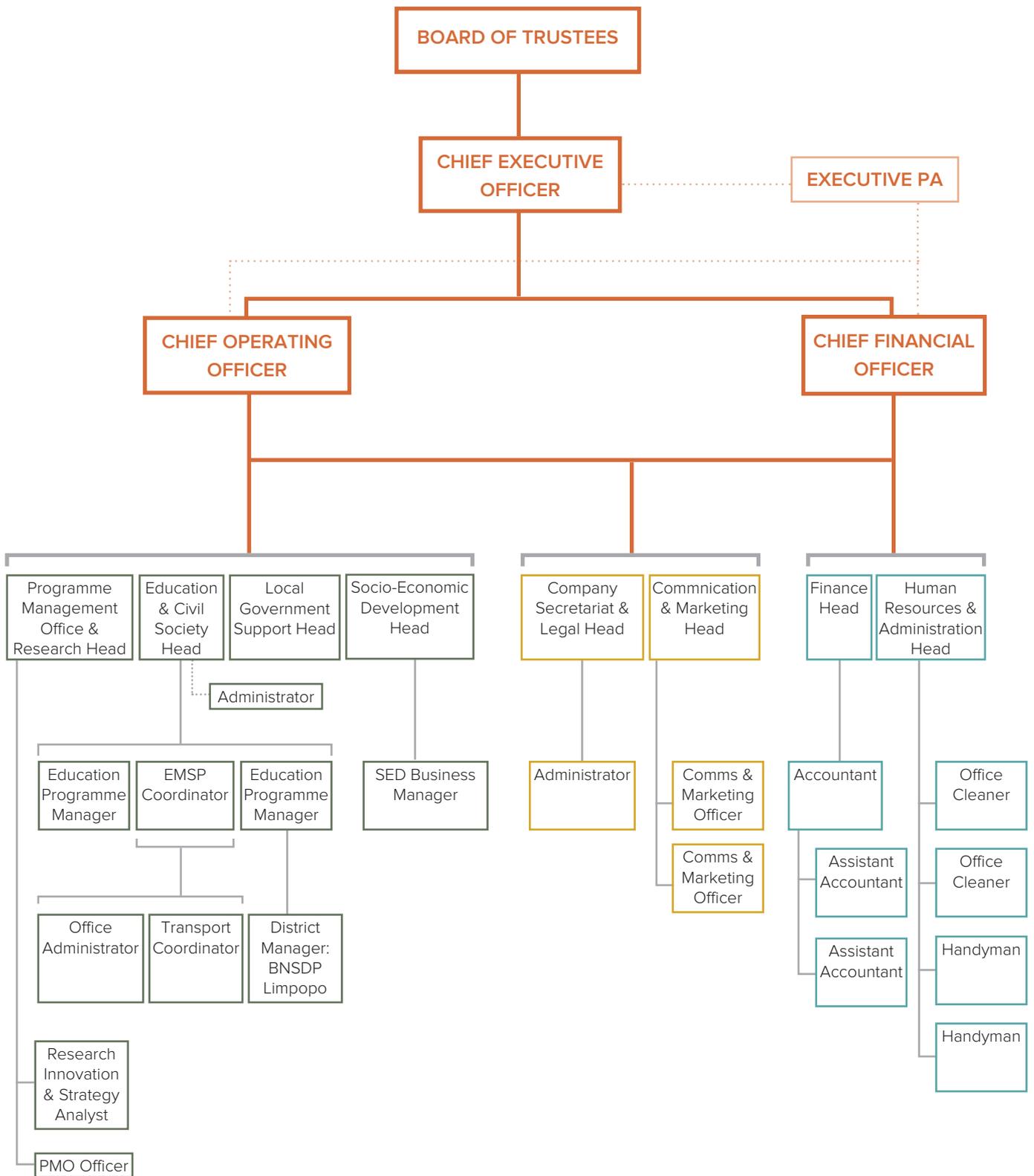
Beyers Naude Memorial Lecture

- University of Zululand, KwaDlangezwa Campus

KERPEF

- Sparkling Auto





KAGISO TRUST FAMILY



Mankodi Moitse
Chief Executive Officer



Themba Mola
Chief Operating Officer



Mzomhle Nyenjana
Chief Financial Officer



Silindokuhle Chamane
Finance Head



Phila Moremi
Company Secretariat &
Legal Head



Nontando Mthethwa
Communications &
Marketing Head



Mohlolo Selala
Socio-Economic
Development Head



Angelinah Mdakane
Education Programme
Manager



Sizakele Mphatsoe
Education Programme
Manager



Isabella Liba
Human Resources &
Administration Manager



Bansundu Maseko
SED Business Manager
Development Head



Dilakane Phasha
District Manager:
BNSDP Limpopo



Paul Smith
Local Government
Support Head



Zandile Magutywa
PMO Officer



Modjadji Seabi
Research Innovation &
Strategy Specialist



Linda Frampton
Executive Personal
Assistant



Amandla Kwinana
Communications &
Marketing Officer



Chulekazi Charlie
Communications &
Marketing Officer



Maria Mokae
EMSP Coordinator



Nicolene Phaho
Company Secretariat &
Legal Administrator



Mothusi Boikhutso
Education Programmes
Administrator



Joan Masemeng
Accountant



Phathutshedzo Munyai
Assistant Accountant



Nothile Jiyane
Assistant Accountant



Linkie Tshabalala
Office Administrator



Tsietsie Thakalekoala
Transport Coordinator



Nozipho Tshabalala
Officer Cleaner



Victoria Maqhosha
Office Cleaner



Amos Nkomontle
Handyman



Hendrick Phalama
Handyman



“You can never have
an impact on society if
you have not changed
yourself.”

– Nelson Mandela, Former President
of South Africa

HOW WE REMAIN RELEVANT



Mankodi Moitse
Chief Executive Officer

HEART OF GOLD

The 2016/17 financial year began with the launch of the Heart of Gold Campaign, a platform that unpacks the Kagiso Trust (KT) strategy. The campaign calls for collaboration and partnerships for our programmes to overcome poverty. By developing and implementing development models with partners, we can make a direct impact in the areas of education development, socio-economic development, institutional capacity building and financial sustainability.

The 2017 poverty report* released by Statistics SA paints a bleak picture of the current state and future of South Africa. It shows a regress in achievement over the past ten years. Whereas there was significant reduction in the levels of poverty, now we see over 50% of South Africans living in poverty. Unemployment is at 27.7%, the highest it has been since 2003. This however, gives all sectors of society an opportunity to find innovative ways of addressing the triple challenges of poverty, inequality and unemployment, a mission we are passionate about.

STRATEGIC FOCUS

During the past year, great strides have been taken to ensure we achieve the key strategic objectives set out for the Trust. The 2016/17 strategic objectives were:

To oversee the development of research based conceptualisation of programmes

To ensure effective consolidation and implementation of the Kagiso Shanduka Trust (KST) collaboration

To ensure organisational change and readiness to implement the new Kagiso Trust strategy

To ensure operational systems and processes are aligned to the needs of the programmes

We are proud of successfully achieving these objectives as laid out. As we review the achievements of our second year against the five-year strategy, we are confident that we will make our mark towards contributing to overcoming poverty in South Africa.

KAGISO TRUST'S 5-YEAR KEY STRATEGIC OBJECTIVES

- To extend our education development programmes;
- To broaden education reach nationally and regionally across the education spectrum;
- To develop exit options for our learners;
- To extend our socio-economic development programmes;
- To create enterprise development opportunities with social impact outcomes;
- To support strategic institutional capability building for sustainability
- To build and consolidate a model for capability and sustainability;
- To improve governance frameworks;
- To ensure financial sustainability of Kagiso Charitable Trust;
- To manage and grow the Trust's financial sustainability.

“As we review the achievements of our second year against the five-year strategy, we are confident that we will make our mark towards contributing to overcoming poverty in South Africa.”



OVERVIEW OF KAGISO TRUST'S 5-YEAR STRATEGY



ORGANISATIONAL TRANSITION OBJECTIVES AND MILESTONES

TO ENSURE OPTIMAL TRANSITION TO THE NEW DELIVERY MODEL	
STRATEGIC OBJECTIVES	KEY MILESTONES AND INITIATIVES
To ensure readiness of the organisation to implement the 30-year strategy	<ul style="list-style-type: none"> By end 2017, we will conceptualise processes and systems to implement programmes; Reviewed and developed appropriate organisational tools; Introduced a change management process. By 2017, we will complete organisational skills plan; Filled initial critical posts; Introduced and processed key organisational enabling strategies.
TO EXTEND OUR EDUCATION DEVELOPMENT PROGRAMMES	
To broaden educational reach nationally and regionally across the education spectrum	<ul style="list-style-type: none"> By 2021, we will expand the BNSDP programme to additional provinces, in partnership with likeminded organisations. By 2018, we will conceptualise and begin execution of an Early Childhood Development programme, in partnership with the Department of Social Development and other players; By 2021, we will have created a working model for Early Child Development education and expanded as part of the BNSDP.
To develop exit options for our learners	<ul style="list-style-type: none"> By 2018, we will begin expanding EMSP support for tertiary education to learners in varied career options; By 2018, we will facilitate placement for internships and in-service training, utilising a clear model to create impact; By 2019, we will extend the BNSDP programme to support TVET colleges to focus on building artisan skills; By 2018, we will provide support to potential young entrepreneurs through academic, mentoring and investment opportunities.
TO EXTEND OUR SOCIO-ECONOMIC DEVELOPMENT PROGRAMMES	
To create enterprise development opportunities with social impact outcomes	<ul style="list-style-type: none"> By 2021, create a new fund with partners; By 2021, develop a broader enterprise and supplier development model.
TO SUPPORT STRATEGIC INSTITUTIONAL CAPABILITY BUILDING FOR SUSTAINABILITY	
To build and consolidate a model for capability and sustainability	<ul style="list-style-type: none"> By 2017, establish an appropriate model for implementation.
To improve governance frameworks	<ul style="list-style-type: none"> By 2017, introduce initiatives in local government revenue data improvement; By 2018, establish an appropriate model for supporting local governance, taking past lessons learnt into account.
TO ENSURE FINANCIAL SUSTAINABILITY OF KAGISO CHARITABLE TRUST	
To manage and grow the Trust's financial sustainability	<ul style="list-style-type: none"> By 2021, we will have diversified our assets along the identified investment sector; By 2021, we will review adequacy of dividend split to balance the Trust's programmatic delivery and financial sustainability; By 2021, we will work with our investee companies to identify opportunities to work with us in our programmatic work.

HIGHLIGHTS

1. Formalising and embedding a clear programmatic approach;
2. Conceptualising and refining programme models;
3. Adapting to organisational change.

The year under review offered us an opportunity to solidify our work and articulate our strategic focus in detail. This was based on the strategic framework that we developed in the previous financial year. Our state of readiness and implementation of the new strategic framework required that we embed the tools agreed upon. These included:

- Applying a programmatic approach to our development work;
- Gathering and exchanging key learnings, knowledge and information with partners;
- Monitoring and evaluating our programmes; and
- Removing pillar and programme silos through an integrated approach.

The mechanisms of embedding and streamlining the programmatic approach saw the establishment of the Programme Management Office. This department has played a significant role in reforming reporting and documenting processes.

The Trust intentionally took on a bottom-up approach as we conceptualised new programmes and refined those that already existed. Instead of collaborating with stakeholders at the point of delivery, we saw an opportunity to collaborate by sharing knowledge and best practice at the model development stage. The below illustration demonstrates the programme model conceptualisation process that was adopted.



As we resume this 30-year journey, KT will continue to intensify collaborations and partnerships to grow and scale our development work with like-minded partners. This has required KT to embrace change and innovation. Through Kagiso Shanduka Trust (KST), KT employees have become 21st century employees who have adapted and embraced the culture of partnerships. It has been delightful to see how employees have grown and acclimatised.

In positioning ourselves as thought leaders in the development environment, we are strengthening our tools and capacity by improving our governance and organisational policies as well as attracting new talent that align with our values.

EXPANDING PARTNERSHIPS

What I find encouraging is seeing indicators that our education model has achieved the desired impact. This is evident when key education stakeholders are willing to partner and/or replicate our model to make a sustainable impact in the education sector. Our long-term objective is to have the same indicators for our other three pillars: socio-economic development, institutional capacity building and financial sustainability.

FIRSTRAND FOUNDATION

The FirstRand Foundation has committed R100 million towards collaborating with us through the Kagiso Shanduka Trust partnership. This makes KST one of the country's largest partnerships of its kind. This expansion will support our District Whole Schools Development Programme in the Fezile Dabi and Motheo districts in the Free State. As we enter the consolidation phase, we look forward to the impact and legacy we will leave behind in the Free State.

LIMPOPO DEPARTMENT OF EDUCATION

Due to the success of our education development programme, Kagiso Trust will be expanding into the Sekhukhune District in Limpopo. We are due to sign a memorandum of understanding with the Limpopo Department of Education and start with programme implementation in 2018.

UNIVERSITY OF ZULULAND

The University of Zululand in KwaDlangezwa, KwaZulu-Natal, will be our new home for the Beyers Naudé Memorial Lecture Series. Part of our institutional capacity building pillar, the lectures provide a platform to deliberate on values and leadership issues. The three-year partnership will commence in 2018.

UNIVERSITY OF JOHANNESBURG

We've had a successful year of Education Conversations, and look forward to continued engagements with stakeholders and the public in solutions-driven conversation to transform education. The Conversations will continue being hosted by Kagiso Trust in partnership with the University of Johannesburg's Faculty of Education.

APPRECIATIONS

I would like to thank our Trustees for their guidance and oversight during this year of change and growth of the organisation. To the KT family: thank you for your tireless dedication and willingness to grow with your respective pillars and programmes during what was quite a challenging year.



Mankodi Moitse
Chief Executive Officer

* Poverty trends in South Africa: An examination of absolute poverty between 2006 and 2015 / Statistics South Africa (2017)



“We can only get our continent to have inclusive growth if we are educated and change our mindsets.”

– Doreen E. Noni, Creative Director, Eskado Bird

HUMAN CAPITAL AND SUSTAINABILITY

OUR APPROACH

Our staff are at the core of delivering Kagiso Trust's (KT, the Trust) programmes across South Africa. Whether these are core to programme implementation or provide support services, KT understands the importance of everyone's role. Having built up credibility and integrity over the past 31 years, The Trust seeks to protect its legacy by attracting and retaining employees who are not only highly competent, but possess the values which are treasured by the organisation.

Kagiso Trust's human resources initiatives focus on these key goals:

To plan for the workforce requirements to effectively execute our programmatic focus;

To acquire and retain talent required to meet KT's strategy;

To build internal capacity that can tackle key requirements of the Trust;

To step up performance management and reward to drive high productivity and efficiency in KT;

To ensure the smooth running of HR processes and systems.

Our Human Resources Policies and Procedures comply with the relevant pieces of legislation in South Africa.

OUR EMPLOYEES

At the end of the 2016/17 financial year, there were:



Kagiso Trust employees



Kagiso Trust Board of Trustees

Employment equity performance by category – as at end June 2017.

Occupational Category	Historically Disadvantaged South Africans	Women Employed by Category (%)
Board	9 (23%)	30
Top (Executive) Management	3 (8%)	33
Senior Management	8 (15%)	75
Middle Management	3 (5%)	100
Core and Critical Skills	15 (46%)	87

8

Kagiso Trust appointments, and one resignation, during the year under review



Matsobane Sexwale

Head: Programmes Management Office, November 2016

Sadi Mpungose

Research, Innovation and Strategy Analyst, November 2016

Nozipho Tshabalala

Office cleaner, January 2017

Victoria Maqhosha

Office cleaner, January 2017

Amos Nkomontle

Handyman, January 2017

Hendrick Phalama

Handyman, January 2017

Isabella Liba

Human Resources and Administration Manager, January 2017

Modjadji Seabi

Research, Innovation and Strategy Analyst, April 2017

TRAINING AND DEVELOPMENT

All KT's training and development programmes are aligned with the organisation's strategic and operational needs. These include skills development, adult education and training, graduate development, talent management, and supervisory and leadership development.

EDUCATIONAL ASSISTANCE

5 Kagiso Trust employees given training and development assistance in the FY 2016/2017



Amandla Kwinana

Bachelor of Arts (BA) Communication Science, Nelson Mandela Metropolitan University

Nontando Mthethwa

Master of Business Administration (MBA), Gordon Institute of Business Science

Isabella Liba

Master of Business Administration (MBA), Regent Business School

Mohlolo Selala

Master of Philosophy (MPhil) Development Finance, Stellenbosch University

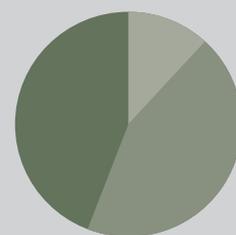
Modjadji Seabi

Bachelor of Commerce with Law (BCom), University of South Africa

SHORT COURSES

12 Kagiso Trust also provided 12 employees an opportunity to attend short courses.

2016/17 Training and Development of Kagiso Trust Employees



- Short courses
- Educational assistance
- No training/development

EMPLOYEE WELLNESS

All KT employees have full access to an Employee Health and Wellness Programme offered by ICAS on a 24/7 basis. The programme was introduced during the year under review.

The aim of the programme is to improve the quality of life of employees by

providing support and assistance to alleviate the impact of everyday work as well as personal and family challenges. The Employee Health and Wellness Programme service was put in place to minimise behavioural problems that impact on the personal and work life of employees. Unattended individual setbacks can have a negative impact on the entire work environment, resulting

in absenteeism, employee turnover, low morale and higher costs.

KT is committed to creating and maintaining a safe and healthy work environment for all employees. As a result, we monitor and manage occupational health and safety in the workplace with consideration of all stakeholders.



“South Africa has all the tools to compete in the new global village - an eager workforce, ready to take on any challenge.”

– Tom Peters, American Business Author

SUSTAINABLE DEVELOPMENT
AND DELIVERY FOR OUR
STAKEHOLDERS

2016

JULY 2016

Kagiso Trust takes on a new corporate identity and implements year 1 of the refreshed 30-year organisational strategy

14 JULY

Kagiso Trust Youth Collab, Johannesburg

Keynote delivered by economist and author Dr Dambisa Moyo

Kagiso Trust 30th Anniversary Gala Dinner, Johannesburg

Honoured guests included Kagiso Trust patrons Archbishop Desmond Tutu, Dr Abe Nkomo, Dr Max Coleman, Father Smangaliso Mkhathshwa, and others

AUGUST 2016

18 AUGUST

Bold Step Breakfast, Johannesburg

Keynote address by Mr Sizwe Nxasana, NSFAS Chairperson

SEPTEMBER 2016

8 SEPTEMBER

International Stakeholder Celebratory Dinner, Pretoria

Co-hosted by Kagiso Trust Chairperson Frank Chikane (Rev), His Excellency Shigeyuki Hiroki, ambassador of the Embassy of Japan in the Republic of South Africa, and Dr Marcus Cornaro, European Union ambassador in the Republic of South Africa

OCTOBER 2016

4 OCTOBER

Kagiso Trust Golf Challenge, Midrand

All proceeds went towards the Eric Molobi Scholarship Programme

2017

APRIL 2017

4 APRIL

Education Conversations Johannesburg

Facilitated by Masechaba Ndlovu, the panellists included Dr Linda Zuze of the Human Sciences Research Council, Dario Fanucchi, technical director at Isazi Consulting and consultant Nontobeko Mabutu. The event theme was 'Mathematics: How does South Africa measure up?'

JUNE 2017

22-23 JUNE

KCDF 20th Anniversary Conference, Nairobi, Kenya

Attended by Kagiso Trust trustees and senior management, the conference theme was "Durable Development – Shifting the Power, Building Community Resilience"

JULY 2017

25 JULY

Education Conversations, Soweto

Facilitated by Masechaba Ndlovu, the keynote address was delivered by Deputy Minister of Basic Education, Mr Enver Surty who was joined by panellists, Mr Abram Kgari, Founder and Executive Director of Oratile ECD Centre and Mr Keketso Nthimbane, Education Honours Student at the University of Johannesburg

28 JULY

TenFold Education launch, Randburg

The launch was attended by businesswoman and philanthropist Mrs Wendy Appelbaum as well as key individuals from Kagiso Capital, Kagiso Trust, Mindset Learn and other education stakeholders

SEPTEMBER 2017

28 SEPTEMBER

Eric Molobi Scholarship Programme 10th Anniversary Dinner, Johannesburg

Keynote address delivered by Lereko Chairperson, Dr Popo Molefe

OCTOBER 2017

18 OCTOBER

Kagiso Trust Golf Challenge, Johannesburg

All proceeds went toward Kagiso Trust's development programmes

30 MESSAGE FROM THE CHIEF OPERATING OFFICER



Themba Mola
Chief Operating Officer

“The weight of the Kagiso Trust name and its credibility, is written in the hearts and souls of its people.”

The weight of the Kagiso Trust (KT, the Trust) name and its credibility, is written in the hearts and souls of its people. You can see this through Ousi Linkie Tshabalala, the lady at reception and our Chairperson Reverend Frank Chikane, that indeed this is an extraordinary organisation. The Trust has retained its bottom up, hands on approach and continued to display passion for development in all respects.

We respect not just our partners and service providers; our beneficiaries and the communities in which we work are just as important to us. Our beneficiaries and communities play a critical role in ensuring that there is meaningful impact and sustainability of our programmes long after we have exited. This, among others, is being exhibited by the Thabo Mofutsanyana Education District in the Free State Province, through their exceptional “par excellence” performance in the recent 2017 matric examinations.

We spent most of the 2016/17 financial year conceptualising and refining our programmes for a refined strategic focus and thrust. We kept inline with our values and collaborated with key stakeholders and experts. The process has been

exciting and worthwhile, and we look forward to introducing refreshed cutting-edge programmes in the coming years. The Trust will remain entrenched in education programmes which indeed have transformed the lives of young people in rural communities.

EDUCATION DEVELOPMENT HIGHLIGHTS

Over the years, our whole school development programmes have become our key flagship programmes. We have spent a lot of time building and refining the model which we can now confidently say is at a point where it can be replicated beyond the areas where we started.

Our greatest achievement in education development to date has been reviewing the impact which our model has had in the Free State Province. In 2016 the Free State was the leading province with regards to the national matric results, reaching an average of 88.2%. This made the Free State the first rural province to achieve a National Senior Certificate (NSC) pass of over the 80% percentage on national average. The Free State clinched the first position again with the 2017 NSC results, obtaining a pass rate of 86%. Those who



doubted this achievement have witnessed an unprecedented two-year succession in performance in the Free State.

This reaffirms that the Beyers Naudé Schools Development Programme (BNSDP) and the District Whole School Development Programme (DWSDP) play a significant role in the improvement and sustainability of academic results in the Free State. We are pleased that our integrated education development model, implemented in three of the five Free State districts, addresses the entire education pipeline. We have put a lot of effort into the feeder school levels to address challenges in the system like progressed learners and we are looking forward to seeing a significant decrease in school dropouts over the coming years.

BEYERS NAUDÉ SCHOOLS DEVELOPMENT PROGRAMME (BNSDP)

Remarkably, Thabo Mofutsanyana's class of 2017 achieved the 90/40 target set by the Free State Department of Education. All schools in the district achieved 90% and above NSC pass, and at least 40% of their learners obtained a bachelor pass. In addition, Thabo Mofutsanyana became the second best performing district nationally, after Fezile Dabi. KT continues to have a

remarkable relationship with the Thabo Mofutsanyana's district officials and schools through our Legacy Initiatives which incentivises outstanding performance from the programme schools.

We are excited to expand the BNSDP to the Sekhukhune district in the Limpopo province. The programme will be implemented in 2018 in partnership with the Limpopo Department of Education. The rural district of Limpopo has been experiencing similar challenges we saw before in the Free State. Our intention is to bring a comprehensive and tailored programme that will address some of the challenges that the schools face and use the lessons learnt from the Free State.

DISTRICT WHOLE SCHOOL DEVELOPMENT PROGRAMME (DWSDP)

As we concluded our third year of implementation in the Fezile Dabi and Motheo districts in the Free State province, we have seen significant progress. We commenced our consolidation phase by enhancing the sustainability of the programme, with a strong focus on instructional leadership. This cuts across the system, looking at the capacity of the District Managers, Circuit Managers and Subject Advisors.

"By making investments in ECD, we are more likely to observe long-term benefits in terms of retaining learners in school."

The extent to which support is given to schools was re-evaluated, ensuring that support is not confined to compliance. Instead, support focused on capacity, content knowledge and classroom practice.

The Kagiso Shanduka Trust (KST) partnership has seen us learn a great deal from our partners, the Cyril Ramaphosa Foundation and the Free State Department of Education. In turn, we continue to share our lessons and best practice from the BNSDP in Thabo Mofutsanyana. It has always been an enriching experience to collapse what does not work and rebuild new trajectories based on lessons learnt.

In the 2017/18 financial year we look forward to a partnership between KST and the FirstRand Foundation. FirstRand Foundation's R100 million investment will see the expansion of the District Whole Schools Development Programme, with a focus on instructional leadership to ensure programme sustainability well after we have exited the districts.

REPLICATION

Anglo American, one of the leading mining companies in South Africa, has shown interest in adopting the whole school development model for implementation in schools in and around their mining towns in the North West, Northern Cape, Limpopo and Mpumalanga provinces.

This gives testament to our aspirations of creating models which are scalable and replicable, whether they are implemented in partnership with Kagiso Trust or independently. Kagiso Trust's vision is to make an impact in broader communities across the country and in areas where we would not necessarily have a footprint but can build new networks with compatible organisations.

We look forward to more organisations approaching us for partnerships, collaborations or to share their experiences as they replicate the education development model.

EARLY CHILDHOOD DEVELOPMENT (ECD)

South Africa's development and future highly depends on the extent to which it can unlock the potential human capital inherent within its youngest population. By making investments in ECD, we are more likely to observe long-term benefits in terms of retaining learners in school, as well as addressing the throughput (a measure introduced to evaluate learner retention) in the education system. ECD, especially the first 1000 days, is particularly sensitive for development. Therefore, the shortfalls of minimal ECD intervention means that it becomes more difficult to rectify and intervene in a learner's long-

term academic development as they consistently have to play catch-up.

Our interventions need to start at the beginning of the education pipeline if we are to ensure that all the learning outcomes, class appropriate competencies and early childhood cognitive development are built early. Having completed the validation process with industry experts and stakeholders this past year, Kagiso Trust in the 2017/18 financial year will conduct a needs analysis. This will result in a pilot with 10 ECD centres in Diepsloot, Gauteng and Fezile Dabi, Free State.

ERIC MOLOBI SCHOLARSHIP PROGRAMME (EMSP)

As we strive for good academic performance at basic education level, KT has, for the past 10 years, looked at how the Trust could further support BNSDP learners. EMSP affords learners access to higher education to broaden their opportunities, aiding them to break the cycle of poverty and be in a position to plough back to their communities.

Having celebrated the EMSP's 10th anniversary in 2017, we called for partnerships and collaborations to grow our annual student intake. We foresee 2018 presenting these partnerships that will translate into more bursaries being made available to learners who cannot afford to

further their studies at university. Kagiso Trust knows that the issues of access to higher education and the #FeesMustFall remain critical in helping previously disadvantaged students.

To further assist the EMSP to grow and be sustainable, and in celebration of its 10th anniversary, Kagiso Trust will be launching an alumni programme in 2018. The programme will also allow alumni to connect with each other, motivate and support students in the programme as well as share their stories with KT.

INSTITUTIONAL CAPACITY BUILDING HIGHLIGHTS

LOCAL GOVERNMENT SUPPORT

Local Government is the sphere of government closest to communities. KT understands that municipalities are a key catalyst for community socio-economic transformation. We therefore support municipalities to play their rightful role in community development. We do this by providing a solution that will assist municipalities capture and manage accurate data to assist, among other things, with their indigent register and improving municipal revenue. With an accurate indigent register and sufficient revenue, municipalities will be able to provide free basic services to those who need them the most.

A key highlight for us has been the success of the inaugural Local Government Collab (Collaborations). The platform served as part of our validation process with key stakeholders and role players in indigent management in the municipal and local government sphere.

CIVIL SOCIETY

This past year saw KT refine its civil society capacity development programme. The Leverage Fund has, for several years, supported NGOs in their effort to address organisational sustainability. As we refine this programme, we are broadening our support to help the sector to look beyond donor funding which has remained elusive to many well-intentioned community initiatives. We will also consider community responses to crises that disrupt education and schooling.

Our civil society capacity development programme will, therefore, continue to support NGOs and civil society at large. In the coming year, we look forward to the commencement of our partnership with the University of Zululand in hosting the Beyers Naudé Memorial Lectures.

SOCIO-ECONOMIC DEVELOPMENT PILLAR

Kagiso Trust has taken great strides in conceptualising a socio-economic development programme that will not just provide funding to deserving entrepreneurs, but disrupt the current economy by introducing more black industrialists into the agricultural and property sectors.

Building on the Kagiso Enterprises Rural Private Equity Fund (KERPEF) model, the new programme will take on a comprehensive approach to ensure that business owners receive the relevant industry knowledge and training, access to markets, and financial backing. As this new programme is being finalised, we are looking for like-minded partners to set up an AgriFund. We will host a Socio-economic Development Collab in the 2017/18 financial year to form part of the programme's validation process and engage relevant stakeholders. This is a programme which we hope will grow to be as big and impactful as our education development programme, going forward.

APPRECIATION

I would like to thank the Board of Trustees for giving us the opportunity to consolidate our thoughts around our four strategic pillars of the refined strategy. This gave us gateway to strengthen our programme conceptualisation through stakeholder validation. To our programme teams, your resolute commitment to the challenging task which was laid before you is appreciated. Your contribution to building and refining our models is more than an organisational objective, it is a public service. Most of us come from these very communities we want to serve, and indeed it is an honour to serve them.

“To our programme teams, your resolute commitment to the challenging task which was laid before you is appreciated. Your contribution to building and refining our models is more than an organisational objective, it is a public service.”



“Long term vision requires the
patience to invest in the future.”

– Cardinal Peter Turkson, Ghanaian cardinal
of the Roman Catholic Church

EDUCATION DEVELOPMENT



36 DISTRICT WHOLE SCHOOL DEVELOPMENT PROGRAMME

Ten years ago Kagiso Trust implemented its pilot of the District Whole School Development Programme (DWSDP) in 10 schools in the Free State's Thabo Mofutsanyana district. Kagiso Trust implemented the programme, known as the Beyers Naudé Schools Development Programme (BNSDP), in partnership with the Free State Department of Education. The programme grew from 10 schools to 166 by 2011. Kagiso Trust consolidated the BNSDP in Thabo Mofutsanyana in 2016, having provided concentrated support to the district, teachers and learners. The district had already started to see noticeable improvements in its schools' performance and it was time to let the district spread its wings.

The success of the programme in Thabo Mofutsanyana opened doors to influence a greater part of the Free State province. One of our key success indicators is seeing an uptake from partners and collaborators in adopting this DWSDP model to improve education. One of the ways we have managed to scale our model is the partnership between Kagiso Trust and the Cyril Ramaphosa Foundation (CRF) to form the Kagiso Shanduka Trust (KST). In 2014, KST began to implement the DWSDP which today is implemented in

247 schools in the Fezile Dabi and Motheo districts in collaboration with the Free State Department of Education.

FLYING HIGH

Kagiso Trust's impact in the Free State can be clearly seen in the 2017 National Senior Certificate (NSC) performance of the districts where we have a footprint and the overall performance of the province. The Fezile Dabi and Thabo Mofutsanyana districts were the country's top performing districts, respectively. Thabo Mofutsanyana achieved the provincial target of 90% pass and 40% bachelors (known as the 90/40 target). These impressive results have not gone unnoticed.

SUSTAINING PERFORMANCE

Following the consolidation of the BNSDP in Thabo Mofutsanyana, Kagiso Trust continues to give support to the district through its Legacy Initiatives. While the Legacy Initiatives model is being finalised, Kagiso Trust continues to reward performing schools. The rewards are in the form of prizes for educators during the Free State Provincial NSC Results Announcement and Well Done Celebration event. To track the impact and

sustainability of the programme in Thabo Mofutsanyana, Kagiso Trust will carry out a longitudinal study which will be conducted in the district for three years.

In the 2016/2017 financial year, KST added a component to the DWSDP model. This component was the Sustainability Roadmap which seeks to sustain the impact of the programme, even after KST has exited. In the first of its three-year consolidation phase, the DWSDP in Fezile Dabi and Motheo has already started to implement key aspects of the Sustainability Roadmap such as institutional capacity building for Lead Teachers (top performing educators who are groomed to pass down their knowledge and skills to other educators).

The roadmap will cut across the system looking at capacity of the District Managers, Circuit Managers, Subject Advisors and the extent to which they provide support for schools. The roadmap will also ensure that this is not confined to compliance, but support and access to capacity, content knowledge and classroom practice which is what districts should be striving to achieve.

KAGISO TRUST'S DISTRICT WHOLE SCHOOL DEVELOPMENT PROGRAMME FOOTPRINT

DISTRICT	PERIOD	PARTNERSHIP
Thabo Mofutsanyana District	2007 – 2016	KT with Free State Department of Education
Fezile Dabi District	2014 – present	KST with Free State Department of Education
Motheo District	2014 – present	KST with Free State Department of Education



MESSAGES OF SUPPORT RECEIVED

Dear Mankodi, Themba and the management team,

Congratulations to Kagiso Trust for its comprehensive education enrichment programme in the Free State that has contributed so much to the province's sterling performance; thus bequeathing the learners a lifetime legacy. Stay inspired to give leadership to the nation.

Even, I am receiving congratulatory messages because of your performance.

Keep rising.

Zanele Mbeki

Who are the players behind basic "Education Excellence" in the Free State province?

"The story of Kagiso Trust, Shanduka Foundation and Free State MEC for Education."

Abe Mbulwana

Well done on the fruits of the KT programme especially in the Free State!

Geraldine Fraser-Moleketi

Kagiso Trust's District Whole School Development Programmes: Free State



Implemented in partnership with the Free State Department of Education and the Cyril Ramaphosa Foundation

CONGRATULATIONS — Class of —

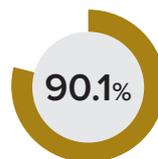


76.5% National pass rate | **86%** Free State pass rate

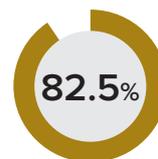
OUR FOOTPRINT AND 2017 PERFORMANCE IN THE FREE STATE



Fezile Dabi



Thabo Mofutsanyana



Motheo

OUR IMPACT (2007 – 2017)

413 programme schools



882 educators received computer training



2 622 educators received curriculum development



1 539 people benefited from short-to-medium term employment



65 fully resourced libraries



53 fully resourced physical science laboratories

30 fully resourced life science laboratories



65 fully resourced computer centres



19 grade R classrooms



22 ablution blocks



36 454 learners underwent eye testing



15 011 learners received spectacles

LEARNER PERFORMANCE

	Fezile Dabi	Motheo	Thabo Mofutsanyana
learners enrolled for matric	4 013	8 678	6 566
learners passed	3 619	7 161	5 913
bachelor passes	1 364	2 978	2 642
diplomas attained	1 621	2 961	2 339
higher certificates attained	631	1 221	918



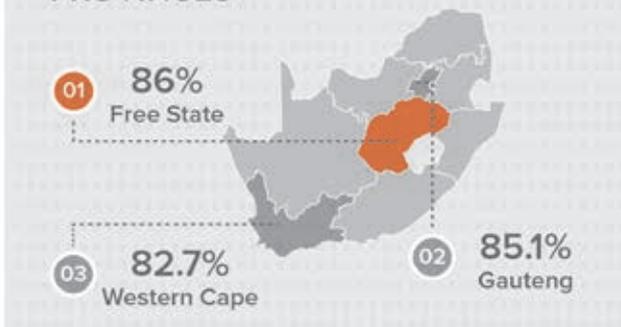
Congratulations to the Fezile Dabi and Thabo Mofutsanyana districts for achieving 1st and 2nd position (respectively) and being the BEST PERFORMING DISTRICTS IN THE COUNTRY.

PERFORMANCE BY DISTRICT

	2015 %	2016 %	2017 %	
Fezile Dabi	86.2	91.8	90.2	01
Thabo Mofutsanyana	87.5	90	90.1	02
Lejweleputswa	82.6	86	82.9	03
Xhariep	78.4	92	82.7	04
Motheo	74.8	85	82.5	05

Results are inclusive of progressed learners

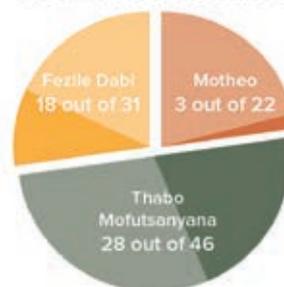
TOP THREE PERFORMING PROVINCES



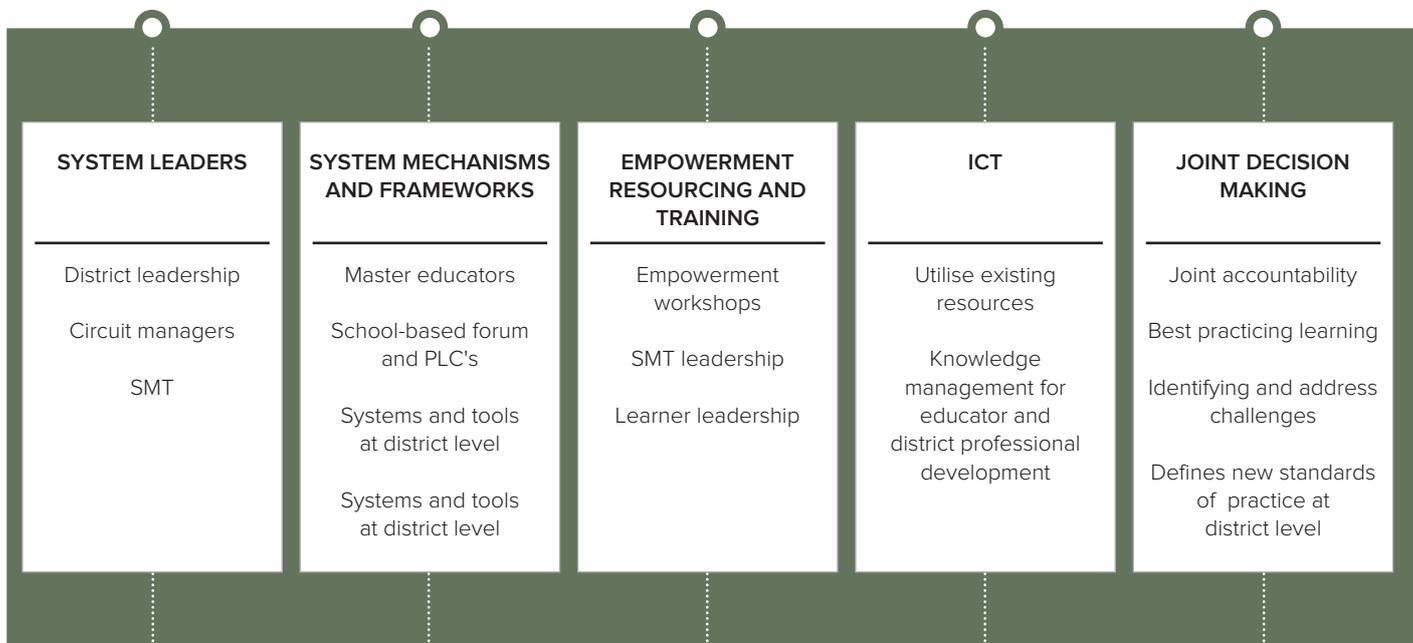
Our Gold (100%) Schools



Our Silver (90-99%) Schools



SUSTAINABILITY ROAD MAP

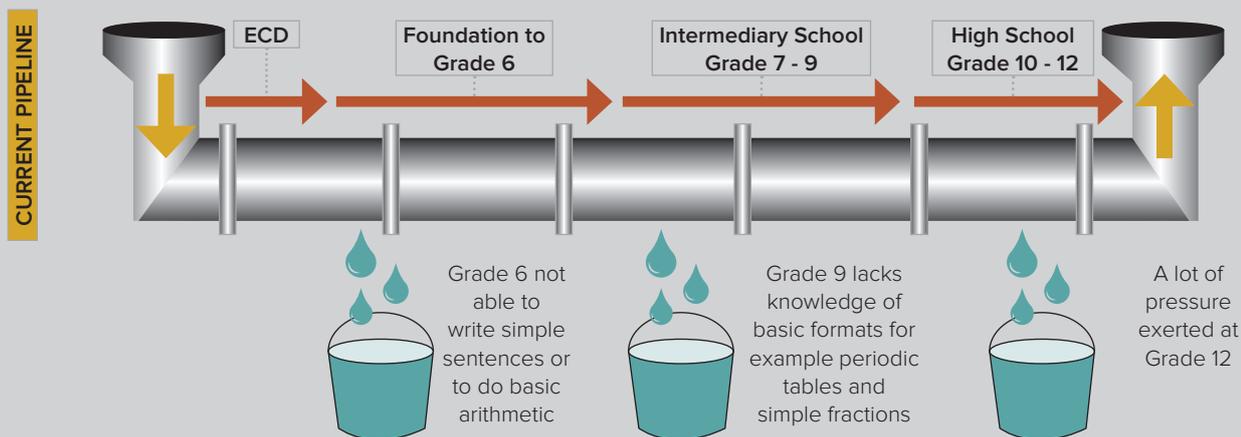


The year in review gave Kagiso Trust an opportunity to review and take the lessons learnt from the Thabo Mofutsanyana district to refine the BNSDP model to become more effective and scalable. The model was extended to look at an integrated approach to cater for the entire education

pipeline. This would mean engaging with Early Childhood Development (ECD), basic education, higher education and training. The approach would also consider exit options for learners who may not be academically inclined to consider Technical and Vocational Education and

Training (TVET) colleges as an option. This approach is meant to assist in keeping learners in the education system, reduce high school dropout rates and provide guidance and aid learners to be active contributors of the economy and society.

KAGISO TRUST'S EDUCATION PIPELINE APPROACH



PARTNERSHIPS FOR GREATER IMPACT

Financial sustainability remains a crucial element in ensuring that a programme lives out its intended lifespan in a district. Having a vision to transform South Africa’s landscape is noble, however, as the saying goes, we have to put our money where our mouth is.

CYRIL RAMAPHOSA FOUNDATION AND THE FREE STATE DEPARTMENT OF EDUCATION

Together with our partners, the Cyril Ramaphosa Foundation and the Free State Department of Education, we have continued to provide funds to enable programmatic work to be implemented in the Fezile Dabi and Motheo districts.

FIRSTRAND FOUNDATION

In the 2017/18 financial year we anticipate the FirstRand Foundation to commit R100 million contribution to KST that will go towards intensifying capacity building initiatives.

These initiatives include:

- ICT Training for Teachers
- Provision of Onsite Technical ICT Support
- Instructional Leadership to SMTs

LIMPOPO DEPARTMENT OF EDUCATION

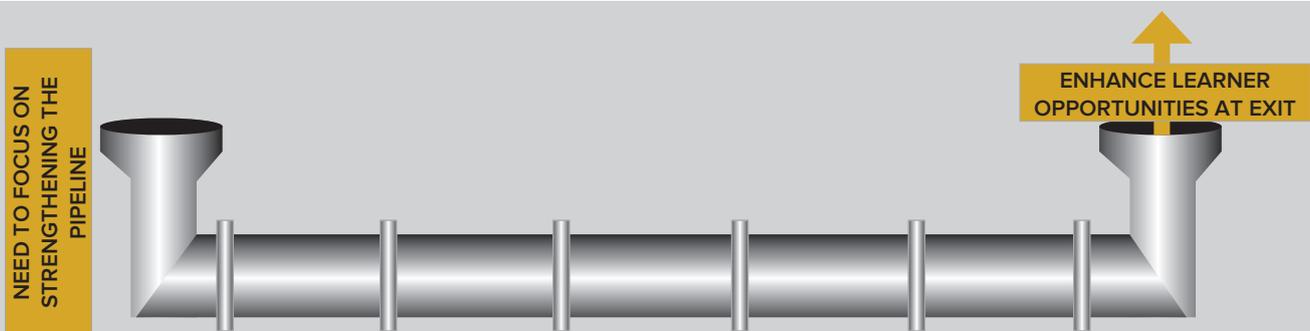
In 2018 we will commence our BNSDP partnership with the Limpopo Department of Education. Having conducted a needs analysis, the BNSDP model will be customised to fit the needs of the schools in the Sekhukhune district in Limpopo.

LOOKING AHEAD

The 2017/18 financial year has a lot in store for the DWSDP:

- A validation process with key stakeholders in ECD will take place
- An ECD needs analysis will be conducted to shape and inform the role Kagiso Trust can play in the phase
- A number of ECD centers will be included as the programme is piloted
- The FirstRand Foundation partnership with KST will commence

The Limpopo Department of Education partnership with Kagiso Trust will commence



The pressure of moving on to the next phase of young adulthood often leads to anxiety and stress for most learners. This ultimately affects their social cohesion and more importantly, their academic performance. One such learner whose social circumstances were almost a setback is 19-year old Emmanuel Mofammere who recently passed Grade 12 at Lenyora la Thuto Comprehensive School with stellar marks. This made him eligible for a bursary from the Free State Department of Education to further his studies in Astrophysics at the University of Cape Town. While growing up he attended different astronomy competitions and astronomical quizzes, which sparked his interest in the field. However, life has not been easy for Mofammere like many other learners from rural areas who face many socio- economic challenges, he was raised by his foster mother who played a supportive role during his schooling years.

Lenyora la Thuto Comprehensive School is one of the schools supported by Kagiso Shanduka Trust (KST) in Botshabelo, Free State Province where the District Whole Schools Development Programme is being implemented. As part of encouraging youth leadership, Mofammere initiated an after-school camping programme where learners were able to stay after school and form study groups and peer-to-peer tutoring groups among the Grade 12 learners leading up to the 2017 National Senior Certificate examinations.

Parents, educators and the principal played an integral part in ensuring that learners were fed and safe while studying at the school's premises.

The reality is that not every young person can be as fortunate as Mofammere or other learners at Lenyora La Thuto. Through perseverance and dedication, the learners and educators embraced various interventions brought to the school by KST. These include support in Mathematics from Grade 8 – 12, Physical Sciences and Accounting in Grade 10 – 12. The school also received a media centre in 2015 from KST, assisting learners to adapt to the digital disruption in learning. In 2016, KST contributed to costs associated with the hosting of matric learners' schools camp and Lenyora La Thuto was one of these schools.

Mofammere was also part of the KST Longitudinal Study, that follows 20 learners from 10 schools. The study tracks the impact of the KST programme and how it leads to improvements in learners' lives. Parents are also included in the study to check whether KST, through their children, made an impact on them and their homes. The same learners are tracked throughout their school careers. Communities need valuable partnerships in schools and KST encourages private entities to also lend a helping hand to government institutions for the benefit of learners affected by socio-economic conditions that may take years to uproot.



Emmanuel Mofammere

“Mr Sam, from KST, helped us a lot with Mathematics, especially Geometry. I passed all my subjects with an above 70% mark. It was only Physical and Life Sciences where I got below 80%.”

– Emmanuel Mofammere

The Eric Molobi Scholarship Programme (EMSP) has always aimed to create a viable, vibrant network of young leaders in the business and engineering sectors. Kagiso Trust (KT, the Trust) has been supporting learners as they advance their education with the end goal of assisting bright young South Africans to become promising businessmen and -women who go on to have a positive impact on their communities. Young men and women who are not just active players in the economy, but equipped to break the chains of intergenerational poverty.

The 2016/17 financial year marked the

EMSP's 10th anniversary. This came at a time where Higher Education and Training remains top of the South African agenda with the #FeesMustFall and the anticipated outcomes and findings of the Heher Commission report* on higher education and training fees.

Each year, 15 students are carefully selected from disadvantaged, mostly rural, schools affiliated to the Trust's Beyers Naudé Schools Development Programme (BNSDP). Kagiso Trust then funds the selected students during their three to four-year degree. KT's investment finances the students' university tuition fees, textbooks, educational

equipment, accommodation, transport, administrative and management expenses.

With lessons learnt while working closely with communities and embracing a bottom-up approach, Kagiso Trust modelled the EMSP to address the hard issues of financial challenges. Due to the Trust's goal of overcoming poverty, the EMSP has become more than a bursary: it differs from most bursaries in that it approaches students holistically. The EMSP model ensures that students' psycho-social needs are addressed, and the students' parents and/or guardians get to know Kagiso Trust personally.

ADDITIONAL SUPPORT IS PROVIDED TO BENEFICIARIES THROUGH:

- VISITS TO THE STUDENTS' HOMES
- ACCLIMATISATION SUPPORT
- TECHNICAL SUPPORT
- FINANCIAL SUPPORT
- IN-SERVICE TRAINING

for parents and/or guardians to meet Kagiso Trust; to help students adjust to their environment; in the form of a laptop bought for each student; for tuition and a monthly living allowance; opportunities are sought out for engineering students who struggle to get placement.

SUSTAINABLE IMPACT AND HIGHLIGHTS

The EMSP aims to create young leaders that will become change agents in their immediate homes and communities by ploughing back and paying it forward. We are encouraged that more of our students are given opportunities of employment and are growing in their careers. We are also proud of our alumni who have become entrepreneurs after completing their studies.

CHALLENGES

The EMSP continues to face challenges of in-service training and employment. The following assistance is required:

In-service training for 6 students (3 electrical engineering; 1 mechanical engineering; 1 chemical engineering and; 1 metallurgical engineering);

Employment for 6 engineering students (2 mechanical engineering; 3 electrical engineering; and 1 chemical engineering).

LOOKING AHEAD

In the 2017/2018 financial year:

The programme will actively seek out partnerships to increase the annual student intake;

The EMSP Alumni Programme will be launched;

EMSP to be extended to learners from Kagiso Trust's programme schools in Limpopo.

INVESTMENT MADE IN 2016/17:

R4 380 173

2016/17 INTAKE:



*The Heher Commission report was released on 13 November 2017, stating that "...There is insufficient financial capacity in the state to provide totally free higher education and training to all who are unable to finance their own education, let alone to all students, whether in need or not," in its executive summary.

EMSP MODEL

Applications Process

- Scholarship is available to learners from rural and/or disadvantaged schools affiliated to the Beyers Naudé Schools Development Programme
- Learners need to attain a 70% academic performance average to apply
- Learners should have an interest in studying in the fields of commerce and engineering
- Annual intake of 15 students
- Criteria:
 - Strong leadership ability either in their community or school.
 - A strong sense of character, including ethics, integrity and humility.
 - That they have lived with or overcome severe personal challenges.
 - Commitment to spend university holidays and summer breaks participating in volunteering programmes that give back to their community.
 - Proof of South African citizenship.
 - Proof of provisional university acceptance.
- About 30 potential scholarship candidates are shortlisted and interviewed
- 15 from the 30 candidates are selected
- Confirm university application
- Introduction to the university

Studies

- Students' academic performance is monitored by REAP every semester
- If students are not performing well additional support and intervention is provided
- During semester breaks EMSP students are required to pay-it-forward during their holidays and give back to their communities at home by helping their community schools with extra lessons
- EMSP encourages students to become family and community change agents
- EMSP facilitates the placement of students for in-service training (P1 & P2) in order for them to complete their qualification



Placement

EMSP also supports and facilitates job placements for the graduates however we call on private and public stakeholders to partner with the programme in placing the graduates.





Psychosocial Support

- Home visits - KT visits the homes of the 15 successful applicants to speak to the parents and guardians build a rapport and ask the parents/ guardians to handover their child to EMSP
- Students receive laptops – pre-arrival to university
- EMSP has appointed the Rural Education Access Programme (REAP) which has a national footprint in all Universities
 - The EMSP students get support from REAP from first year until they complete their studies. The support from REAP includes:
 - Monitoring of students’ academic performance
 - Acclimatising to new urban and academic environment
 - Moral and personal support
 - Ensuring that students have textbooks, accommodation, meals, transportation and administration expenses



Graduation

- KT attends the graduation of all the programme beneficiaries
- The students also graduate from the programme and are awarded blazers
- The students become part of the EMSP alumni

Additional support

- If students fail their first year, the programme gives them a second chance with necessary support
- The programme does not use a blanket approach however looks at the individual needs and circumstances of each student



**Mkhithika Abram
Mthembu**

“I am a dreamer, hardworking and innovative in my approach to my profession and life in general.”

– Mkhithika Abram Mthembu

Mkhithika Abram Mthembu was born on 18 July 1992 in Phuthaditjhaba (QwaQwa) in the Free State province. He attended Mathabo Senior Secondary School and was first introduced to Kagiso Trust’s education programmes at grade 10, through Mathematics and Physical Sciences extra classes that were conducted by the organisation’s Beyers Naude Schools Development Programme (BNSDP). In 2011, Abram obtained his matric with distinctions.

Abram studied N. Dip: Eng. (Electrical) at Central University of Technology (CUT), Free State through a full scholarship granted by the Eric Molobi Scholarship Programme (EMSP). While studying at CUT, he was offered an opportunity to tutor Engineering Mathematics and Electrical Engineering modules until he graduated, obtaining his National Diploma in 2016.

In December of 2013, he vocationally worked as an electrician at Tshepo Bathong Trading Company in Bethlehem to acquire exposure into the Electrical Engineering field. Post completion of the theoretical part towards attaining his N. Dip: Eng (Electrical), he was challenged to find himself seeking in-service training for a period of six (6) months. In 2015 January, Abram was offered an opportunity as an engineer-in-training at Calibre Consulting Engineers SA (Pty) Ltd in Witbank, Mpumalanga province.

He has, through his passion for the craft and the ambition to curb unemployment, integrated learning among the young adults in the engineering field and established a professional engineering and electrical contracting company. He established the company with the assistance of a group of young professionals who have attained experience in the consulting and construction environment. His wish was to infuse the two professions in an endeavour to create employment and a platform for skills development in disadvantaged communities.

Abram is currently working as a Project Engineer at Ikageng Electrical Contractor CC in Bloemfontein and simultaneously holds a director position at Mvelase Engineering Service (Pty) Ltd.

Abram’s wish for the company is to provide services that are designed to enhance the quality of life while creating sustainable relationships with clients. He wants the company to continue to provide professional services that are of high quality, innovative, timeous and effective.

GETTING THE YOUTH INVOLVED

The period under review presented a significant milestone for the Education Conversations. Hosted in partnership with the University of Johannesburg's (UJ's) Faculty of Education, the Education Conversations were established in 2012 as a platform for education stakeholders, and society at large, to engage on issues critical to education reform. This past year saw more youth participate in the events, oftentimes being the majority, than ever before.

This milestone comes at a time where the youth are demanding for their voice to be heard. A time where they have a say in the trajectory of the country. A time where they don't just talk but follow through with action as they did with #FeesMustFall. Kagiso Trust, being cognizant of the need to involve youth in these crucial discussions, together with UJ, took deliberate steps in engaging with the students.

The role of youth involvement in the Education Conversations directly impacts not only sustainability of the events but the education system as a whole. These future educators, practitioners and public servants have shared their varying views of South Africa's education and proposed ways to improve and structure our education initiatives. The robust engagements with the students, who are not limited to UJ, has shown us that given a chance, our youth are more than capable of making South Africa a better place for all.

Kagiso Trust and UJ produced the Our Vision for South Africa booklet (also known as the Visions Booklet) for the Education Conversations which discussed the vision

people had for South Africa's education system. The booklet with 90% contribution from students, was developed and 100 copies distributed at the event. The booklet was praised by the Deputy Minister for its emphasis on giving future educators a voice. The Visions Booklet is freely available on the Kagiso Trust website.

SUSTAINING PARTNERSHIPS

Our five-year partnership with the University of Johannesburg continues to grow from strength to strength. The Faculty of Education team, under the leadership of Professor Sarah Gravett, has been a most supportive and active partner. In the past financial year, we hosted three events which attracted a high calibre of speakers and robust audience.

As we look to hosting more Education Conversations, we are actively pursuing a partnership with the Department of Basic Education and the respective provincial departments. We cannot talk about improving the country's education system without the custodians of education being present. During the year under review we were delighted to host the Deputy Minister of Basic Education, Mr Enver Surty at UJ's Soweto Campus.

The Education Conversations anticipates more relationships being established with industry experts and academia. During the 2016/17 financial year, we had exceptional speakers which included: Professor Leketi Makalela (Wits School of Education); Dr Linda Zuze (Human Sciences Research Council); Mr Dario Fanucchi (Isazi Consulting); and education consultant, Ms Nontobeko Mabutu.

AUDIENCE FEEDBACK

The audience indicated that they enjoyed the Education Conversations and ratings received for the overall events averaged on 4, with 5 being the best rating.

The following are some of the inputs received from feedback forms filled out by attendees:

- The event was educational and highlighted important issues that our education system is facing;
- Panellists and the open conversation should be given more time, this will give everyone a chance to speak out;
- Take this event to places like Diepsloot, Alexandra, etc. so that more people can get this info;
- Increase the time or make it two days; call the Minister or deputy minister to listen to the concerns by aspiring teachers and qualified teachers and also add solutions from teachers and future teachers. The solution is with us who are on the ground;
- This was my first time I learnt a lot; I wish to be part of this family, if possible all teachers should attend;
- The conversation was a success because it is thought provoking and challenging; I recommend the conversation continues to ask difficult and uncomfortable questions; the young people present today had good examples and I am sure they were inspired to build their agency in their profession.

TOPIC	SPEAKER/S	DATE	VENUE
Nurturing our Future: Supporting the transition from home life to formal schooling	Professor Leketi Makalela (Wits School of Education)	13 September 2016	UJ Auckland Park Kingsway Campus
Mathematics: How does SA measure up?	Dr Linda Zuze (Human Sciences Research Council); Mr Dario Fanucchi (Isazi Consulting); and education consultant, Ms Nontobeko Mabutu.	4 April 2017	School of Tourism and Hospitality, UJ Bunting Road Campus
Our Vision for South African Education	Mr Enver Surty (Deputy Minister of Basic Education); Mr Abram Kgari (Founder and Executive Director of Oratile Early Childhood Development Centre); and Mr Keketso Nthimbane (UJ Education Honours student)	25 July 2017	UJ Soweto Campus



“There is no easy fix for youth unemployment. Partnership between the public and private sectors can make a big difference.”

– Madam Ellen Johnson Sirleaf, Former President of the Republic of Liberia

SOCIO-ECONOMIC DEVELOPMENT



Kagiso Enterprise Rural Private Equity Fund (KERPEF) is 100% owned by Kagiso Trust (KT). Established in 2002, KERPEF has provided funding and business development support to entrepreneurs in various sectors and, most recently, funding through a franchising model. Through the franchising fund, KERPEF invested in six entrepreneurs, facilitating their ownership of various franchises. KERPEF's R11.6 million investment in the franchise sector and Thembeka Sales and Logistics resulted in the creation of over 130 jobs across the country.

In the 2016/2017 financial year, KT began conceptualising a Socio-economic Development (SED) programme. The SED programme will adopt a value chain approach to empower and fund black-owned businesses in the agriculture, property and construction sectors.

HIGHLIGHTS

Thembeka Sales and Logistics (Thembeka) continues to be one of the best performing investment in terms of the business' role in socio-economic development. Thembeka provides hundreds of local spaza (or informal) shops with goods at affordable and competitive prices. Goods are freely delivered to these small businesses. The savings by the businesses are meant to trickle down to the consumers, most of whom reside in disadvantaged communities.

Having received a loan of R1.6 million from KERPEF six years ago, Thembeka is well on its way to settle the outstanding amount in the next financial year. There are positive indicators being exhibited by Thembeka such as their business turnover which has grown on an average from R3.5 million turnover per month to R4.3 million turnover

per month. Furthermore, the business still has capacity to grow by 20 percent over the next year.

LESSONS LEARNT

During the year under review, South Africa has faced a tough economic climate which had a negative impact on all businesses, particularly small businesses. Inevitably, what happens in the macroeconomic environment has an impact on microeconomic environments.

PARTNERSHIPS AND LOOKING AHEAD

In the 2017/18 financial year the Socio-economic Development pillar will:

VALIDATE THE SED PROGRAMME:

KT will host an SED Collab with stakeholders in agriculture, construction and property with the aim of getting input on the SED model and the challenges facing black SMMEs in these sectors. The feedback will be used to confirm the model.

FORM PARTNERSHIPS:

With aligned funding institutions and business development support service providers for the implementation of the programme.

LAUNCH THE EMERGING BLACK FARMERS IMPACT FUND:

We will launch and implement the SED programme.

Generally, less than 70% of businesses survive the first two years and many fail within five years.* This is due to a number of factors that include:

MACRO- AND MICROECONOMIC CONDITIONS

LACK OF BASIC SKILLS AND 'BEING IN IT' FOR THE WRONG REASONS

LIMITED OR NO ACCESS TO MARKETS

ACCESS TO APPROPRIATE FUNDING OR LIMITED KNOWLEDGE OF FUNDING SOURCES

LACK OF FINANCIAL LITERACY AND POOR FINANCIAL MANAGEMENT

As we finalise our Socio-economic Development model, we continue to draw from these lessons.

R1.2 million

amount invested in Thembeka in the 2016/17 financial year

87



people employed in 2016/17



Kurt Geneapril

“The franchise has remained resilient and retained its staff compliment during this tough period.”

Jimmy’s Killer Fish & Chips is a scaled down version of the Jimmy’s Killer Prawns franchise and is geared for the take-away and take-home market. The aim of the franchise is to establish stores with low set-up costs and enable more investors as well as first-time business owners, who may not have much experience, to enter the fast food franchise market.

Kurt Geneapril, a franchisee, received financial support from Kagiso Enterprise Rural Private Equity Fund’s (KERPEF) Franchise Fund in August 2014 to open two Jimmy’s Killer Fish & Chips franchises. Kurt’s Johannesburg-based franchises employ 12 staff members.

The tough local and international economic climate has impacted on all business but particularly small and emerging businesses, however the franchise has remained resilient during this time and has retained its staff compliment during this tough period. Other challenges faced by Kurt included operating since 2015 without an anchor tenant which hindered the franchise out of their lease. As a result, Kurt had to operate the two stores from different locations. Kurt received support and funding from KERPEF to make this move possible. Kurt is appreciative of the support from Kagiso Trust, noting that not many investors understand the real challenges that are faced by franchisees in the sector.

THEMBEKA SALES AND LOGISTICS



JIMMY’S KILLER FISH & CHIPS

The business experienced low foot traffic and, as such, has relocated to a new centre and is now stabilizing.

SPARKLING AUTO

The business employs more than 55 people and remains profitable, with an average annual turnover of

R5.6 million



“It doesn’t make sense to want to try and keep all of the gains for yourself. You have a much more viable business system when you have partners along the value chain who have a vested interest in the long-term survival of your business because they derive a living from your business system. That is the ultimate formula for sustainability on the continent.”

– Bill Egbe, President, The Coca-Cola Company South Africa

INSTITUTIONAL CAPACITY BUILDING



Kagiso Trust's (KT/the Trust) involvement in local government support is due to its direct link with KT's goal to overcome poverty. As a development agency passionate about empowering the disadvantaged, the Trust has taken the year under review to refine its local government support model. Our local government support vehicle, Kagiso Trust Consulting (KTC) will therefore play a more pronounced role in ensuring those who need help the most, have access to it.

Statistics SA's (Stats SA) most recent release of its non-financial census of municipalities report*, shows an increase in the number of indigent** households across the country. South Africa's 278 municipalities registered 3,56 million indigent households in 2016, the highest number on record since figures were first published by Stats SA in 2004. To put it into perspective, 2 in every 10 households in South Africa live in extreme poverty, lacking the basic resources of a normal life.

Poor economic conditions, escalating unemployment, an increase in the cost of service delivery and diminishing capacity are some of the key game changers for municipalities. Because institutions function according to the level of their staff's capacity, it can therefore be assumed that an under-performing municipality has under-skilled staff and vice versa. Addressing this complex and critical problem requires municipal leadership, management and operational transformation, a different way of thinking and execution. Dumping technical projects in a dysfunctional environment exacerbates non-performance as poor functioning departments are further burdened with tasks and activities over and above their primary functions.

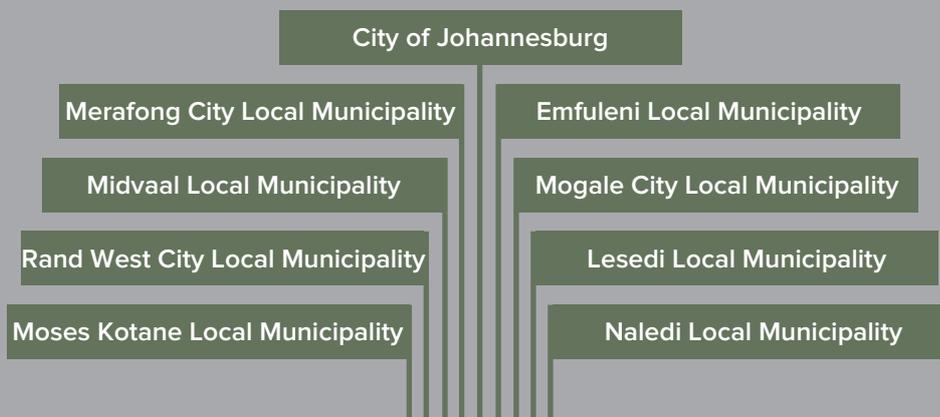
It is for this reason that KTC emphasises people development at all levels. This ensures that staff are suitably capacitated to function effectively and that the organisation is suitably transformed to be receptive to innovation and creative in

problem solving. No systems, processes or policies can improve a dysfunctional municipality, it is up to the municipalities' most important asset, its staff, to implement change.

PARTNERSHIPS FOR SUSTAINABILITY

In the 2016/2017 financial year, KTC focused on the delivery of two revenue management tenders. The tender focus was on municipal debt resolution and the implementation of a simplified revenue model. Key to the solution was enhancing municipal customer and billing data management through the use of the Kagiso Data Optimisation Tool (K'DOS). K'DOS is a data management tool that provides municipalities with access to essential data to enhance the prospect of improving revenue collection, managing indigent data and collecting debt. Skills transfer provides sustainable and scalable revenue management processes.

This past year, KTC has worked in partnership with the following Gauteng and North-West municipalities who have used the K'DOS tool in various degrees to validate their data:



The Gauteng Provincial Government and the Department of Cooperative Governance and Traditional Affairs sponsored the projects.

LEARNINGS

KTC has gathered learnings as it assisted the Gauteng and North-West municipalities and is in the process of refining its local government support model.

Some of these learnings revealed:

The inaccurate number of deceased account holders continues to be a major issue;
Access to deceased account holders' data is also a challenge for municipalities;
The inability of municipalities to manage and maintain their own business data. There are people responsible for billing data but there is lack of resources and capacity for customer data quality and maintenance it needs to become part of a municipality's daily function;
Unemployment is affecting municipal viability as tax bases decline;
Indigent registers are generally inaccurate and understated, impacting negatively on revenue and debt;
Municipal leadership and management need to play a bigger and more innovative role in defining projects, holding staff accountable and owning project outcomes.

FORGING AHEAD

In tough economic times, protecting municipal revenue is of paramount importance to sustainable viability. Customer and billing data remains critical to effective customer management with respect to credit control, debt management and indigent management. Municipalities will need to successfully compete in an aggressive debt collection space as more pressure is placed on the diminishing disposable cash available from customers.

Accurate and complete indigent registers are essential to ensure that the municipalities know which customers can and can't afford to pay for services. This will assist municipalities to deal with customers appropriately, accurately forecast revenue, implement effective credit control measures and to ensure that rightful indigent accounts are provided with free basic services (FBS).

In the 2017/2018 financial year we will explore a more integrated municipal support model that will include Local Economic Development (LED) as part of the indigent register exit strategy to both increase the municipal tax base and to create jobs and improve the quality of peoples' lives.

Combatting escalating poverty meaningfully requires a broader socio-economic development approach over and above the provision of FBS. The municipal long-term focus must be on the conversion of unemployed yet able citizens into economically active citizens. This integrated LED approach starts with accurate awareness of the magnitude of the unemployment problem within municipalities including accurate data of the skills, capacity and experience that exist in the unemployed population.

* Non-Financial Census of Municipalities Report (2016), Statistics South Africa

** Indigent customers in a municipal service delivery context is a group of municipal account holders that do not have the financial means to pay for municipal services, and therefore are entitled to subsidised services in the form of Free Basic Services (FBS).

SUSTAINING A LEGACY

Kagiso Trust patron, the late Dr Beyers Naudé, possessed a life and identity embedded in the values of reconciliation, sacrifice, integrity and true humanity. He continues to be a moral compass for Kagiso Trust. As South Africa grapples with racial reconciliation, social justice and courageous leadership, the Beyers Naudé Memorial Lecture Series provides a platform that encourages these difficult conversations to seek out solutions for the betterment of society.

The first Beyers Naudé Memorial Lecture was hosted at the University of Pretoria in 2003, with Archbishop Emeritus Desmond Tutu as the keynote speaker. The lectures are hosted in partnership with various universities on a three-year cycle so as to reach an inclusive and diverse audience and encourage the participation of wider society in dialogue.

FORGING AHEAD

Kagiso Trust spent the 2016/17 financial year identifying, approaching and securing a partnership for the next chapter of lectures. Located in rural KwaDlangezwa, KwaZulu Natal, the University of Zululand (UniZulu) can be classified as one of the country's historically black campuses, often perceived to be second-class institutions.

Having hosted the Beyers Naudé Memorial Lecture Series for 12 years, Kagiso Trust took the deliberate decision to approach a tertiary institution that would support its strategy of overcoming poverty and be a key role player in creating a society which is prosperous, peaceful, equitable and just. UniZulu has expressed its enthusiasm for the partnership as this also supports the university's strategy and transformation plan. Kagiso Trust will, during the 2017/18 financial period, commence with the Beyers Naudé Memorial Lecture through an 80/20 co-funding approach which will see Kagiso Trust absorb the majority of the costs.

Former Public Protector, Professor Thuli Madonsela is expected to deliver a keynote address at the inaugural lecture at UniZulu in 2018. The theme for the lecture, *Confronting the evil in our midst: Women and child abuse in present day South Africa*, is relevant and pertinent in view of the escalating levels of various forms of abuse perpetrated against women and children.



PREVIOUS UNIVERSITY PARTNERS

University of Pretoria (2003-2005)

Stellenbosch University (2006-2008)

University of the Free State (2009-2011)

Nelson Mandela Metropolitan University (2012-2015)

SOME OF OUR PREVIOUS SPEAKERS

Archbishop Emeritus Tutu (2003)

Professor Charles Villa- Vicencio (2004)

Former Minister of Education, Ms. Naledi Pandor (2005)

Prof Russel Botman (2006)

Dr Franklin Sonn (2007)

Archbishop Emeritus Tutu (2008)

Rev Cedric Mayson (2010)

Dr Allan Boesak (2011)

Rev Frank Chikane (2012)

Dr Barney Pitso (2013)

Dr Brigalia Bam and Archbishop Thabo Makgoba (2014)

Former President of South Africa, Mr Thabo Mbeki (2015)

Founded in 2011, Kagiso Trust's Leverage Fund was established to support non-government organisations (NGOs) with funding. NGOs often face many challenges to carry out much-needed programmes and projects at a community level. During the 2016/17 financial year, Kagiso Trust sought to refine its civil society programmes to play a more meaningful role in the sustainability of NGOs.



ASSISTING NGOS IN BEING SUSTAINABLE

For the past six years, the Leverage Fund has worked on a matched-funding approach. In these cases, NGOs would need to raise 50% of the amount required, with the Fund matching the balance.

As we implemented the Fund we realised that this approach was not sustainable, and many NGO's had difficulty raising their portion of the funding. Some of the challenges Kagiso Trust observed included:

Lack of capacity;
Lack of human capital;
Poor governance structures;
Lack of long-term organisational plans;
Minimal efforts of partnership and collaboration to leverage resources and funding.

As a result, Kagiso Trust decided to take an approach which would not just focus on the funding aspects of NGOs, but on other areas which are just as critical to organisational sustainability. Going forward, Kagiso Trust's civil society programmes will be extended beyond the Leverage Fund to approach civil society more holistically.

CIVIL SOCIETY MODEL



OWN INCOME GENERATION

The South African Council of Churches (SACC) is an instrument and servant of its members and is committed to expressing, through proclamation and programmes, the united witness of the church in South Africa, especially in matters of national debate. With its enviable track record of advocacy, care and empowerment, the SACC aims to be the moral compass of South Africa, advocating for social and economic justice, national reconciliation, the integrity of the natural environment, eradication of poverty, and contributing towards the empowerment of all those who are spiritually, socially and economically marginalised.

This past financial year, Kagiso Trust, assisted SACC with refurbishments to their Johannesburg head office in an effort to generate sustainable rental income.

INVESTING IN INSTITUTIONAL CAPACITY BUILDING

The Tshwaranang Legal Advocacy Centre (TLAC) to end violence against women is a registered non-governmental organisation that was established in 1996 to promote and defend the rights of women to be free from violence and to have access to quality effective services. Their work to date has primarily focused on improving government accountability on policy and legislative reform, the delivery of services and increasing awareness about and access to justice for women and girls affected by violence. TLAC was instrumental in the development of the South African Domestic Violence and Sexual Offences Acts and has led impact litigation to achieve justice outcomes for women who would not otherwise have prevailed in the justice system.

TLAC received a grant from the Leverage Fund to support internal capacity building which included:

Enterprise skills, research and training;
Active collaboration and partnerships;
Active sharing research outputs that influence policy;
Active fund raising through industry speaker functions.

CO-FUNDING FOR SUSTAINABILITY

South African Women in Dialogue (SAWID) is an NGO which aims to mobilise women to commit themselves to good governance, development and poverty reduction by linking its actions to national development goals namely the:

Integrated & Sustainable Rural Development Strategy (ISRDS) and Programme;
The Urban Renewal Strategy (URS);
The Growth & Development Summit goals;
Women support the African Union objectives of democracy, peace and stability and commit to the continent's development programme (NEPAD);
Work towards the attainment of The United Nations Millennium Development Goals.

SAWID received a grant from the Leverage Fund which was allocated to strategic planning and match-funding after SAWID presented written proof that they had successfully sought additional financing.

LOOKING FORWARD

In the 2017/2018 financial year, our civil society programmes will adopt a holistic model to address challenges facing NGOs. Additionally, we will have a strong focus on institutional capacity building and alternative funding models that NGOs can use to become self-sustainable and less reliant on donor funding. The programme will also pursue partnerships with The Southern African NGO Network (SANGONeT) and SANGACO with the aim of formalising and revitalising the NGO sector. The programme will also streamline supported NGOs to KT's four pillars: education development, socio-economic development, institutional capacity building and financial sustainability.





“A global human society, characterised by islands of wealth, surrounded by a sea of poverty, is unsustainable.”

– Thabo Mbeki, Former President of South Africa

FINANCIAL SUSTAINABILITY





“The fact that KT is still able to carry out its development programmes 31 years after it was established is quite remarkable.”

OUR FINANCIAL SUSTAINABILITY FRAMEWORK

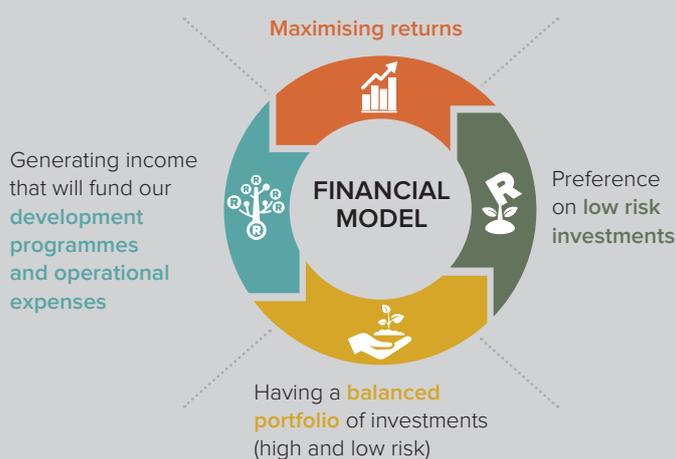
Early on in Kagiso Trust’s (KT) journey, it became clear that in order to continue serving underprivileged South Africans, we would need to find mechanisms to ensure the organisation’s sustainability. Key to this realisation was the decision to become self-sustainable rather than direct efforts to seeking funders.

After 1994, KT’s directors and Trustees identified an opportunity to participate in Black Economic Empowerment deals, which were fast becoming a necessity for the predominantly untransformed business sector. Kagiso Trust Investments was founded with the objective of pursuing investment opportunities and participating in the BEE share ownership deals so that dividends received would finance KT’s development work in order to continue empowering disadvantaged communities.

23 years later, KT has a number of investments which enable KT to continue its development work in rural and disadvantaged communities. Being self-sustainable has also provided us leverage to partner with other organisations and entities.

Our financial sustainability framework is intended to ensure a continual balance between asset growth and programme spend, working towards achieving our vision of overcoming poverty. KT’s portfolio remains well diversified, ensuring sustained dividend inflows and capital growth year-on-year.

Our financial sustainability model looks at:



OUR INVESTMENTS

Kagiso Capital (Pty) Ltd (KC) is an investment holding company wholly owned by KT. The primary purpose of KC is to ensure the longevity of KT and to diversify the investment asset base of KT. Kagiso Trust also has a shareholding in Kagiso Tiso Holdings (KTH) and FirstRand Empowerment Trust (FRET).

OUR PROGRAMME SPEND

The fact that KT is still able to carry out its development programmes 31 years after it was established is quite remarkable.

During the 2016/17 financial year, most of the organisation's pillars were occupied with programme conceptualisation, resulting in minimal programme spend. With the consolidation of the Beyers Naudé Schools Development Programme (BNSDP) in Thabo Mofutsanyana, Free State province in the previous financial year, programme spend will be redirected to the BNSDP in Limpopo (Sekhukhune district). The year has therefore been spent on refining the model and conducting a needs analysis in Limpopo. Implementation in Limpopo will commence in 2018.

Our Kagiso Shanduka Trust (KST) partnership with the Cyril Ramaphosa Foundation and Free State Department of Education is ongoing. KT contributed R17 million to KST during the year under review.

With most of the programme conceptualisation complete, KT will, from 2018 onwards, be launching new programmes in the Education Development, Socio-economic Development and Institutional Capacity Building pillars. As we implement these new programmes, we will adhere to the five-year plan and ensure that this is rolled-out within the amounts allocated to each programme. Each programme is expected to raise additional finances through partnership, collaboration and a co-funding approach.

The five-year projection remains conservative due to the current economic climate.

Total programme spend was R42 million, with school halls making up 69% of the total spend. The remaining balance was spent on BNSDP, EMSP and Civil Society.

OUR FINANCIAL PERFORMANCE

Beyond the current five years, KT expects more dividends from the FirstRand Empowerment Trust (FRET).

For the past two financial years, the FRET investment has performed well and has exceeded our target by 35%. Despite the instability in the economic environment, the FRET investment continued to perform fairly well, with a capital growth of 4%. This has had a positive impact on our ability to implement our five-year strategy.

Dividends received in the year under review:

KTH	FRET
R19 million	R203 million*

* 30% of FRET dividends are distributed to Kagiso Trust for programmatic work while the remainder is directed to Kagiso Capital to ensure the financial sustainability of KT well into the future.

Kagiso Tiso Holdings (KTH) had a tough year during the 2017 financial period, which saw an overall decline in value of the underlying investment by 9%. However, this didn't drastically affect KT's balance sheet as it was augmented by the increase in the FRET investment.

ADDING VALUE

KT, through Kagiso Enterprise Rural Private Equity Fund (KERPEF), has been supporting small, rural, black-owned businesses. Although a tough sector, KERPEF has been maintaining and assisting SMMEs under the programme. Due to the high failure risk of such businesses, KT acknowledges that the mainstream banking sector shies away from these investments.

As such, KERPEF's main objective is not purely on the commercial investment front but also focused on social benefit with the aim of increasing job creation in disadvantaged communities and seeing the SMMEs become formalised and commercialised.

As our Socio-economic Development pillar expands, it makes it more probable for KT to support more businesses in the agricultural and property sectors with a more expanded model of intervention, not only addressing funding of SMMEs, but also ensuring that they are supported technically and are assisted with market access, amongst other interventions.

The financial sustainability concept is not only vital for KT to remain in existence for the foreseeable future, but we also ensure that we impart that approach with our beneficiaries through our expanded model of intervention. Our success indicator and return on investment is seeing our interventions continue to make a difference, change lives and be sustainable beyond KT's financial support.

LOOKING AHEAD

In the 2017/18 financial year as our programmes expand, the financial spend will also grow in line with the projected five-year plan which outlines our targeted income and expenditure. Estimated budgets and scale will be allocated for each pillar and programme. Each pillar/programme will need to work within the allocated budget and raise additional finances through a partnership, collaboration and co-funding framework. Beyond the five years, we anticipate receiving more dividends from our main investments (KTH and FRET).

To view or download our full financial report, please visit our website www.kagiso.co.za

KAGISO TRUST CURRENTLY HAS DIRECT SHAREHOLDING IN THE FOLLOWING COMPANIES:



ENSURING THE LONGEVITY OF KAGISO TRUST

Established in 2015, Kagiso Capital (KC) is an investment holding company wholly owned by Kagiso Trust. The primary purpose of Kagiso Capital is to ensure the longevity of the Kagiso Trust and to diversify the investment asset base of the Trust. Kagiso Capital's main objective is to drive a diversification strategy through meaningful investment in innovative and growing businesses that are committed to economic transformation such as those it is currently invested in.

Kagiso Capital spent the year under review cementing the following key objectives:

- Implementing the approved Kagiso Capital strategy
- Building the right organisational culture

PURPOSEFUL INVESTMENTS

Kagiso Capital's investments are predominantly focused on three sectors:

- Education: The Open Learning Holdings and TenFold Education
- Financial: MMI Holdings, FirstRand Limited and Discovery Limited
- Logistics: OneLogix Group

Aligned to Kagiso Trust's investment viewpoint, Kagiso Capital will not invest in what is termed sin investments such as: liquor, weapons, tobacco and gambling.

Kagiso Capital's portfolio reflects diversified investments that are strategically and responsibly selected based on three important criteria:

- The growth potential of target companies – creation of long term shareholder value;
- Expansion strategies into the continent of target companies;
- Cash generative capacity of target companies.

Because the shareholder is a development organisation largely dependent on dividends, the dividend allocation is a significant factor which forms part of the strategy. Asset growth is equally important, more so during these early years of Kagiso Capital. As the company's fundamental role is to ensure the financial sustainability of Kagiso Trust, a role that cannot be fulfilled without an allowance for asset growth, the strategy addresses this.

Kagiso Capital resolved to take a more focused approach, prioritising investments in the education sector, a decision influenced by our shareholder's interests. The current investment in Open Learning Holdings is important to this approach. The year under review saw Kagiso Capital invest in a start-up investment, TenFold Education which is an Ed Tech solution and Centre aimed at providing quality education through a digitally enabled and stimulating environment.

REMAINING VALUES-DRIVEN

Beyond being driven by the growth of asset value, Kagiso Capital is grounded in the values of Kagiso Trust. To this end, the company's board of directors has an interest in Kagiso Capital that goes beyond the deals. Kagiso Capital creates and maintains a culture which is conducive to the positive growth of the company as well as the recruitment of young professionals with the relevant talents and skills set.

INVESTMENT PORTFOLIO PERFORMANCE

Kagiso Capital reported an investment portfolio performance of -2% as of the

30 June 2017. This reflects a period of poor economic growth, near 1% for the first nine months of 2017 as compared to a similar period in 2016.

Business confidence in South Africa slumped quite heavily during the year under review mainly due to political uncertainty and the impact of debt downgrades on the economy. As a result of all these factors, the market was bearish on equities and priced in the impact of a downgrade which impaired the share price growth in Kagiso Capital's listed investments.

However, fundamentals remained sound and Kagiso Capital maintains the view that the portfolio was resilient enough to weather the storm. Dividend yields were maintained, except for MMI Holdings which maintained its prior year dividend. Kagiso Capital was apt at ensuring that portfolio assets continue to yield returns and growth for Kagiso Trust.

The total dividends received by the Kagiso Group (Kagiso Trust and all its subsidiaries) from FRET during the 2016/17 financial year amounted to R203 million and R19 million from KTH.





“In time, we shall be in a position to bestow on South Africa the greatest possible gift - a more human face.”

– Steve Bantu Biko, Black Consciousness Movement Leader

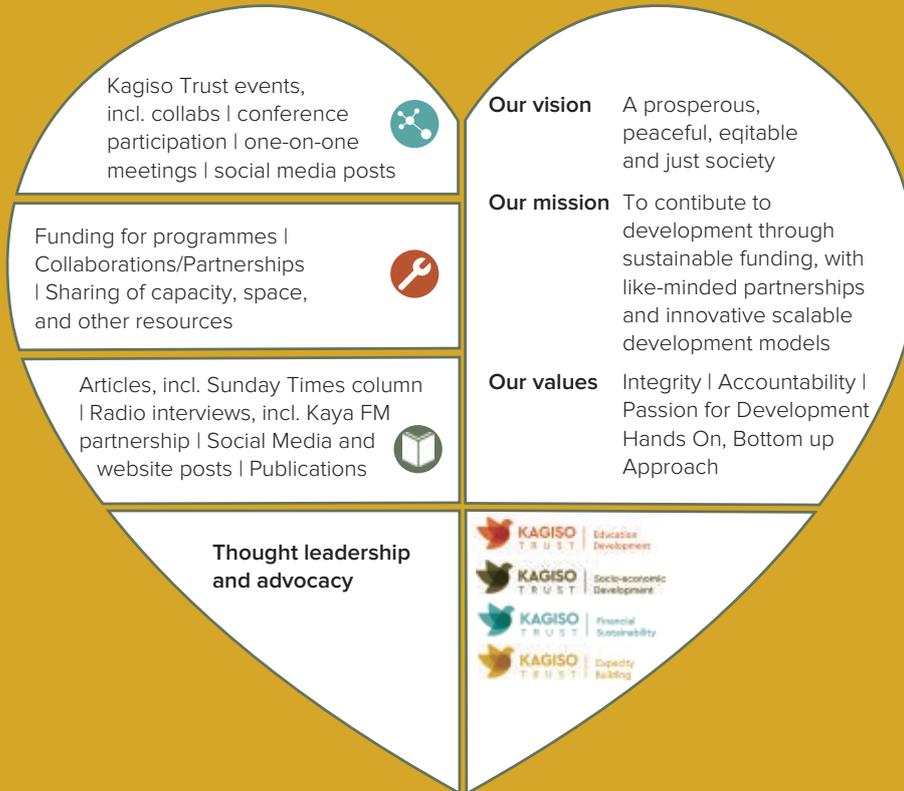
SPECIAL PROJECTS



The Heart of Gold campaign unpacks the Kagiso Trust strategy, calling for collaboration and partnerships for our programmes through effective thought leadership and advocacy.

The campaign calls for South Africans to show us their hearts of gold by joining s in overcoming poverty.

HOW WE COMMUNICATE WHAT WE DO AND CALL-TO-ACTION



WHO WE ARE AND WHAT WE DO

Resources
Materialisation of ideas, primary and secondary sources of income, resource endowments

Networks
Participation in networks, formation of alliances, profit as relational rent

Knowledge Sharing
The free distribution of ideas, collective knowledge, competitive advantage

Following the Pearls of Wisdom campaign which saw Kagiso Trust (KT, the Trust) celebrate its 30th year milestone, the Trust launched a new corporate identity and prepared to launch its refreshed 30-year strategy. The Heart of Gold campaign (the Campaign) was conceptualised to serve as an umbrella platform to holistically showcase the

Trust’s programmes and collaboration opportunities; by so doing increasing the organisation’s brand awareness.

The Campaign seeks to create a sense of urgency in encouraging the participation of government, business, civil society and the general public in collaborating to overcome poverty through Education Development,

Socio-Economic Development, Institutional Capacity Building and Financial Sustainability. In addition, the Campaign serves as a platform to explore alternative means of leveraging financial collaborations with different stakeholders through promotional and marketing sponsorship initiatives.

AS SUCH, THE HEART OF GOLD CAMPAIGN HAS BEEN CONCEPTUALISED TO ADDRESS THREE MAIN COMMUNICATION NEEDS:

THOUGHT LEADERSHIP AND ADVOCACY OPPORTUNITIES

MARKETING FOCUS

LEVERAGING COLLABORATIONS / FUNDING OPPORTUNITIES

to cement Kagiso Trust as a thought leader in the development space as well as exchanging best practice with other organisations in the sector.

to increase brand recognition. That is, the extent to which KT’s stakeholders can correctly identify its programmes.

To serve as a platform for investment into Kagiso Trust’s social enterprises, education and institutional capacity building programmes. The goal will be to get KT’s partnership and collaboration messages out to the organisation’s stakeholders (including potential partners), and motivate them to invest.

In an effort to create an effective and memorable campaign, the Heart of Gold Campaign leverages different media platforms. This means harnessing a combination of website content, social media, traditional media (radio, print) and

email blasts. The goal will be to get the message out to stakeholders, wherever they are and to motivate them to take action.

Kagiso Trust has secured media partnership with the Sunday Times for six column

contributions and Kaya FM for six radio interviews during a period of six months in the 2017/18 financial year. Kagiso Trust also plans to host Collab (Collaboration) events to engage with stakeholders and industry experts on a face-to-face basis.

OUR APPROACH

Stakeholder engagement has always been central to the ethos and success of Kagiso Trust (KT, the Trust) and its work. The Trust remains committed to ensuring that its key stakeholder groups are informed and engaged while always recognising the important role they have played in its history and evolution into South Africa's leading development organisation.

2016/17 saw the commencement of the Heart of Gold campaign which provides several touch points for the Trust to engage with key stakeholders. Central to our approach is cementing our role as thought leaders while deriving knowledge and learnings from our stakeholder groups that will inform and sustain our development approach.

Although engagement and involvement of our stakeholder groups has always been part of our DNA, there is a need for more

in-depth, formal and measurable reporting. The objectives of the stakeholder engagements and profiling are based on the broader strategic objectives of the organisation and are aimed at strategically positioning the organisation, exploring and managing collaborations, providing an advocacy platform as well as identifying opportunities for consultation and research on key developmental trends locally and globally.

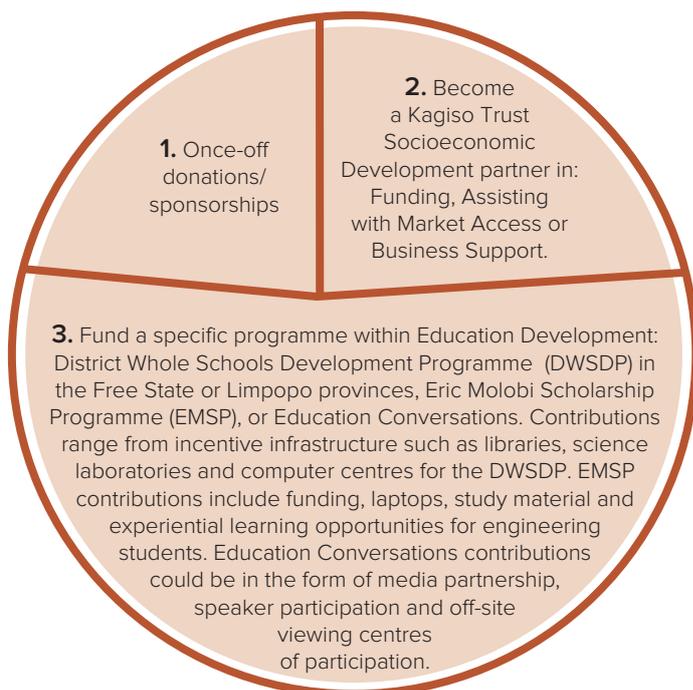
STAKEHOLDER DESCRIPTION	ENGAGEMENT ACTIVITIES IN 2015/2016
<p>Government</p> <p>The government stakeholder includes primarily the Department of Education, Minister of Basic Education, Higher Education and the provincial Education MECs.</p> <p>We also engage with local municipalities, Department of Trade and Industry, Small Business and Enterprises and SEDA.</p>	<p>Government is engaged through meetings, conferences and workshops, CSI project events and through social media platforms.</p> <p>On average we are engaging with government on a monthly basis.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Kagiso Trust Education Development programmes, due to the nature of the model and co-funding partnerships, engage with the Free State Department of Education on a regular basis and undertake decision making collectively. • The Kagiso Shanduka Trust (KST) external advisory board, which includes senior officials from the Free State Department of Education such as the MEC and HoD, offers strategic guidance. • Kagiso Trust Consultancy has been actively engaged with the Gauteng CoGTA as part of its "Top 500 Business Debtor Resolution" project; seven municipalities in Gauteng and one in the North West province. <p>The Heart of Gold campaign has provided the opportunity to engage with various stakeholders in academia, private sector and government. Insight was derived from political analyst, Dr Somadoda Fikeni; Ms Phuti Mahanyele, CEO of Sigma Capital; Mr Xolile George, CEO of South African Local Government Association (SALGA) and Mr Maaria Ishmael Kgetjepe, MEC for Education in Limpopo, among others.</p>
<p>Beneficiaries</p> <p>Beneficiaries include community members located in areas within which we operate, youth, local and small businesses, students, teachers and learners from basic and tertiary institutions.</p>	<p>Beneficiaries were engaged through well-attended community events, infrastructure launches, panel discussions held at universities, editorial coverage, social media, gala events, and local media coverage.</p> <p>In 2016/2017 it is estimated that we engaged with over 2 500 beneficiaries through four events.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Over 60 municipal officials attended the Local Government Support Collab • 80 beneficiaries attended the EMSP 10th Anniversary Dinner • 1 431 children participated in the KST Dignity Days and received goody bags with essential toiletries • Over 1 000 community members attended our infrastructure launches

STAKEHOLDER DESCRIPTION	ENGAGEMENT ACTIVITIES IN 2015/2016
<p>Funders</p> <p>Our funding stakeholder group includes corporates who invest in education, enterprise development, large international Aid organisations and philanthropic funds.</p>	<p>Funders are engaged through meetings, Kagiso Trust's InBrief magazine, editorials, social media, golf day and AV content.</p> <p>In 2016/17 three events were recorded with funders outside of meetings.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Kagiso Trust met with varied stakeholders to solicit advice and feedback on our new strategy • The Trust has met with corporates to explore collaboration opportunities • 160 guests, mostly from the private sector, joined us at the annual Kagiso Trust Golf Day • InBrief magazine was shared with over 550 stakeholders
<p>Civil society and partners</p> <p>Partners include registered non-profit or non-governmental organisations working in the country particularly those who work in the education and enterprise development sectors.</p>	<p>The NGO community and our partners are engaged through InBrief magazine, meetings and events.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Cyril Ramaphosa Foundation is engaged weekly as part of the Kagiso Shanduka Trust partnership • 4 In-Brief issues were distributed via emailer as well as hard copies to over 550 stakeholders • Over 300 students and academics attended the Education Conversations at the University of Johannesburg • Continued engagement with Semanya Furumele Consulting, Transnet, the University of Johannesburg and the University of Zululand.
<p>Media</p> <p>This includes editors, journalists, and online influencers on social media platforms.</p>	<p>Media are engaged through events, media releases, telephonically and through a one to one media engagement programme.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • 12 media releases issued • Media engaged at least 2 times per month • Media invited to 2 events • Good relationship developed and continues with the Sunday Times editorial team
<p>Employees</p> <p>This group includes permanent and contract staff of Kagiso Trust.</p>	<p>Our employees are engaged through InBrief magazine, our internal publication, emailers, staff events and team-building sessions. We also hold staff meetings and learning sessions.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Values and behaviours HR workshop and internal campaign roll out • 3 In-Brief issues were distributed to all staff • 8 staff activities were reported in the form of learning circles and a staff retreat

HOW TO JOIN US IN OVERCOMING POVERTY

Kagiso Trust is one of South Africa's leading development agencies working to achieve freedom from poverty. We promise transparency, action, delivery and measurable results for our social investment programmes in education, socioeconomic development and institutional capacity building. Our tried and tested development models have a track record of success. We utilise our own investment dividends to fund our programmes and, as such, have a vested interest in the outcome.

You can join us in overcoming poverty by contributing in the following ways:



“We utilise our own investment dividends to fund our programmes and, as such, have a vested interest in the outcome.”

VALUE OF BEING A PARTNER/SPONSOR



For more information on Kagiso Trust partnership and contribution opportunities contact Nontando Mthethwa on 011 566 1900 or nmthethwa@kagiso.co.za



“People who are privileged tend to take their privilege for granted... We also forget that our struggle was waged on such high moral ground that it led to the development of a unique cadre of leaders whose concern was for the people and the country rather than for themselves, their families, factions and friends.”

– Rev Frank Chikane, Political Activist and Cleric, Kagiso Trust Chairperson

GOVERNANCE

CHAIRPERSON'S REVIEW: A YEAR OF TRANSITION



Frank Chikane (Rev)
Chairperson

LONG-TERM SUSTAINABILITY

Kagiso Trust's 32-year history is one most organisations, in particular those in the non-profit sector, would find enviable. Our founding fathers and leaders have been individuals who are known as legends, heroes, stalwarts and visionaries of South Africa. They succeeded in skillfully steering Kagiso Trust (the Trust) through the rough storms of apartheid, right through the new waters of a young democracy. Their foresight and resolve to build a prosperous, peaceful, equitable and just South Africa, moulded who we are today.

During the year under review, Kagiso Trust started implementing its refreshed strategy which will drive our direction for the next 30 years. A comprehensive and systematic approach was utilised to recognise the need for both hard and soft dimensions in the design of strategy, such as the 7S framework*.

This work has resulted in a clear strategic architecture to guide the role of Kagiso Trust. The strategy is designed to create an impactful organisation that continues to lead the development agenda in South Africa and Africa as a whole.

As Kagiso Trust takes its first steps towards the next 30 years, we expect to make a profound impression in overcoming poverty and as we gain more knowledge in the development space and borrow from the wisdom of those who have gone before us.

The focus in 2016/17 was on creating a transition from the previous focus to a new way of working. One of the key changes in the defined strategy is a programmatic focus that requires the Trust to take a broader programmatic approach in executing its mandate. This required a revision of current practices, establishment of new programmes and preparing the organisation for change.

KAGISO TRUST'S 30-YEAR STRATEGIC ARCHITECTURE



“The prospects of replicating our District Whole School Development Programme model across South Africa are encouraging as we cement our place as thought leaders in the education sector.”

In this period, there were a number of key activities that were undertaken, which included:

Enhancing existing frameworks;
Reviewing current work and impact;
Reviewing and developing optimal organisational tools;
Conceptualising new programmes;
Continuing the implementation of existing programmes;
Preparing the organisation for change.

GOVERNANCE AND FUNCTIONAL STRUCTURES

The programmatic focus necessitated a revision in the organisational positioning and institutional arrangements in the Trust from both the governance and the functional perspectives.

From a governance perspective, a key change required was for the Programmes Committee mandate to be expanded to include all programmes in education development, socio-economic development and institutional capacity building. The benefits of this have been a holistic approach to how programmes work and interlink.

The Investment Committee's role has also expanded to include both the financial and non-financial investment review, as submitted by the executives. This has allowed for a comprehensive perspective and tracking of both financial and socio-economic investment impact.

MANAGING THE CHANGE

It has been important to ensure that all staff impacted by the strategy refresh are

taken along in understanding the 30-year strategy, as well as in how the strategy will be implemented.

The strategic change management focus:

Facilitated strategic engagements with identified groups affected by the changes in the organisational structure;
Enabled directed efforts for ensuring buy-in is gained for a change;
Ensured consistent and appropriate messaging to various stakeholders – thus allowing the organisation to maintain trust and credibility;
Facilitated buy-in for the change by mitigating against emotional and political reactions from stakeholders, by appealing to the rational benefits of the structural changes.

I believe that Kagiso Trust has transitioned with grace and stoicism, to emerge stronger than before. For this, our staff must be given due credit. We are particularly proud of their forbearance, as we realise that without their input, our goals would remain beyond reach. The values of the Kagiso Trust resonate deep within our hearts, so that being a Trust member has become an enmeshed part of our identity. We hope never to lose this special relationship we have with our employees, as we believe it is something that defines and differentiates us.

SOCIETY'S HEART OF GOLD

The power of partnerships is immense, particularly in the development space where a number of stakeholders are equally passionate about creating a thriving and unprejudiced society. Civil society, government and business collaborations, being appreciative of each sector's

strengths and weaknesses, are able to manipulate their power over culture, policies and economics to create a better South Africa.

Kagiso Trust's partnerships with the Cyril Ramaphosa Foundation and the Free State Department of Education in our education development programmes has yielded greater impact in the impoverished communities we work in through coordinated and strategic involvement and resources. Our education partnership will, in 2018, be extended to the Limpopo Department of Education. The prospects of replicating our District Whole School Development Programme model across South Africa are encouraging as we cement our place as thought leaders in the education sector.

The Heart of Gold campaign has been conceptualised to serve as an umbrella platform to holistically showcase the Trust's programmes and collaboration opportunities; by so doing increasing the organisation's brand awareness. Fundamental to the campaign is the active stakeholder engagement and advocacy activities which will be taking place to profile Kagiso Trust as a thought leader in development as well as create opportunities for further partnerships and collaboration.

Frank Chikane (Rev)
Chairperson

* The McKinsey 7S Framework is a management model developed by well-known business consultants Robert H. Waterman, Jr. and Tom Peters in the 1980s. This was a strategic vision for groups, to include businesses, business units, and teams. The 7 Ss are structure, strategy, systems, skills, style, staff and shared values.

Kagiso Trust (the Trust, KT) aims to achieve high standards of governance and ensure compliance with relevant legislation, regulations and voluntary codes to ensure the sustainability of the Trust.

The Trust has applied principles of the King IV Code that are relevant to its operations throughout the financial year under review and continues to identify areas where application can be enhanced in the best interest of the Trust.

The Trust subscribes to the highest levels of professionalism and integrity. The Board and the Trust's individual employees are committed to the Trust's code of conduct. This prescribes the Trust's approach to ethical business practises and its obligations to beneficiaries, employees, suppliers and authorities.

Governance processes are regularly reviewed to align with the relevant legislative and regulatory changes and to reflect best practice.

BOARD OF TRUSTEES

KT has a unitary board structure with ten non-executive Trustees. The powers and duties of the Trustees are stipulated in the Trust Deed which is the founding document of the Trust.

The Board of Trustees is the highest decision-making body. Day-to-day responsibilities for management of the organisation are overseen by the Executives who report regularly to the Board. The Chairperson of the Board and

the Chairpersons of the Committees of the Board play an active role in all corporate governance matters and regularly interact with the Company Secretary, Executives and Management.

The Board has a formal charter which, among other things, sets out its roles and responsibilities in areas such as ethical leadership, strategy, financial management, risk management, compliance, sustainability and governance in general. The charter also addresses important matters such as separate roles of the Chairperson of the Board and the Chief Executive Officer.

The Trustees have extensive skills in development, sustainability, governance, finance as well as in public and private sectors. This enables them to provide balanced independent advice and judgement in decision making processes.

EXECUTIVE COMMITTEE

Executive management and the Board work closely in determining the strategic objectives of the Trust. Authority is delegated by the Board to the Chief Executive Officer and Executive Committee for the implementation of the strategy and the ongoing management of the Trust.

The Executive Committee comprises of three Executives, the Chief Executive Officer, the Chief Operations Officer and the Chief Financial Officer. The Board is apprised of progress through reporting at Board and Committee meetings as well as through regular communication with Management.

The responsibilities of the Executive Committee include the following:

Ensuring proper governance of the Trust;
Developing and implementing strategic plans;
Preparing budgets and monitoring expenditure;
Monitoring operational performance against agreed targets;
Adhering to financial and capital management policies;
Ensuring that strategic planning, development, investments, staffing and related areas are coordinated for effective delivery of programmatic work;
Monitoring and managing risk;
Communicating with stakeholders.

BOARD COMMITTEES

The Board transacts its business through the following committees:

Programmes Committee

The Programmes Committee has an independent role, operating as an overseer and a producer of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the Executives and other members of management. The role of the Committee is to review the Trust's programmes and report to the Board appropriately.

The Board consists of people who are drawn from diverse backgrounds across the country.

The Board consists of the following members:

Reverend Frank Chikane (Chairperson);
Ms Mankone Ntsaba (Deputy Chairperson);
Mr Goolam Aboobaker;
Ms Nthobakae Angel;
Mr Hylton Appelbaum;
Mr Andrew Maralack;
Ms Bongwiwe Njobe;
Dean Zwoitwaho Nevhutalu;
Mr Thabsio Ratsomo;
Bishop Mazwi Tisani.

The Board meets at least four times a year. Additional meetings can be convened to consider specific business issues which may arise between scheduled meetings.

“The Trust subscribes to the highest levels of professionalism and integrity. The Board and the Trust’s individual employees are committed to the Trust’s code of conduct”



Frank Chikane, Rev



Ms Mankone Ntsaba



Mr Goolam Aboobaker



Ms Nthobakae Angel



Mr Hylton Appelbaum



Mr Andrew Maralack



Ms Bongiwe Njobe



Dean Zwoitwaho Nevhutalu



Mr Thabiso Ratsomo



Bishop Mazwi Tisani

The responsibilities of the Committee include:

- Investigating and making recommendations to the Board in respect of programmes or any other programme opportunities;
- Ensuring that the programmes of the Trust are in line with the Trust's objectives;
- Ensuring that the programmes are considered in the best interests of the Trust and the beneficiaries;
- Ensuring that the Committee members and employees do not have conflicts of interest with regard to the programmes of the Trust.

The Committee meets at least four times a year.

The Committee consists of the following members:

- Ms Mankone Ntsaba (Chairperson);
- Reverend Frank Chikane;
- Ms Bongiwe Njobe;
- Dean Zwoitwaho Nevhutalu;
- Mr Thabiso Ratsomo;
- Bishop Mazwi Tisani.

Finance and Audit Committee

The role of the Finance and Audit Committee is to:

- Review the principles, policies and practices adopted in the preparation of the accounts of the Trust and to ensure that the annual financial statements of the Trust and any other formal announcements relating to its financial performance comply with all statutory requirements;
- Review the work of the Trust's auditors to ensure the adequacy and effectiveness of the Trust's financial management controls;
- Assist the Board to ensure that: -
 - The Trust has implemented an effective policy and plan for risk management that will enhance the Trust's ability to achieve its strategic objectives; and
 - The disclosure regarding risk is comprehensive, timely and relevant.

The responsibilities of the Committee include:

Providing oversight to external audit, internal audit, budget and financial management;

Ensuring the integrity of the integrated reporting and internal controls;

Overseeing the Trust's risk management.

The Committee meets at least four times a year.

The Committee consists of the following members:

- Mr Andrew Maralack (Chairperson);
- Mr Hylton Appelbaum;
- Mr Thabiso Ratsomo;
- Bishop Mazwi Tisani;

Remuneration Committee

The Remuneration Committee ensures that the Trust has a competitive remuneration policy to attract, retain and reward quality staff.

The responsibilities of the Committee include:

- Ensuring that the Trust has a remuneration policy that is aligned with the Trust's strategy and performance goals;
- Assessing and reviewing of remuneration policies, employees' long-term and short-term incentive schemes;
- Approving remuneration of Executive Management;
- Proposing Trustees fees for approval by the Board;
- Assisting the Board in recruitment of Executives and the Company Secretary;

- Determining Executive and staff participation in the long-term incentive scheme;
- Developing effective succession planning for senior management;
- Ensuring that performance of the Executives and staff is reviewed annually.

The Committee meets at least four times per year.

The Committee consists of the following members:

- Ms Nthobakae Angel (Chairperson);
- Mr Goolam Aboobaker;
- Reverend Frank Chikane;
- Dean Zwoitwaho Nevhutalu.

Investment Committee

The role of the Investment Committee is to review and evaluate the Trust's investments and report to the Board appropriately on these matters.

The Committee's functions include:

Investigating and making recommendations to the Board in respect of investment matters;

Ensuring that the investment companies of the Trust have a clear and proper investment mandate;

Reviewing investment policy and philosophy;

Monitoring performance of investments.

The Committee meets at least four times per annum.

The Committee consists of the following members:

- Ms Bongiwe Njobe (Chairperson);
- Mr Goolam Aboobaker;
- Mr Thabiso Ratsomo.

Corporate Governance Committee

The role of the Corporate Governance Committee is to assist the Board to ensure that the Trust is governed in accordance with relevant laws, regulations and policies.

The Committee's functions include the following:

Effective monitoring of the Trust's governance and compliance with relevant laws, policies, rules and regulations;

Ensuring that there are relevant policies, procedures and structures in place to ensure proper governance of the Trust;

Ensuring that Management has adequate controls and resources to comply with applicable laws;

Overseeing the development and implementation of continuing professional development programmes for Trustees.

The Committee meets at least twice a year.

The Committee consists of the following members:

- Dean Zwoitwaho Nevhutalu (Chairperson);
- Reverend Frank Chikane;
- Ms Nthobakae Angel;
- Mr Andrew Maralack;
- Ms Bongiwe Njobe;
- Ms Mankone Ntsaba.

Nominations Committee

The role of the Nominations Committee is to assist the Board to ensure that:

The Board has the appropriate composition for it to execute its duties effectively;

Trustees and Directors of subsidiaries are appointed through a formal process.

The Committee performs all the functions necessary to fulfil its role as stated above and including the following:

Overseeing the annual assessment of the Board and Committees;

Ensuring the performance of the Board, individual Board members and Committees is reviewed regularly;

Ensuring the establishment of a formal process for the appointment of Trustees and Directors of subsidiaries.

The Committee meets at least twice per annum.

The members of the Committee are:

- Reverend Frank Chikane (Chairperson);
- Dean Zwoitwaho Nevhutalu;
- Ms Mankone Ntsaba.

RISK MANAGEMENT

The Board is responsible for the oversight of risk and has delegated the responsibility of the risk management process to the Finance and Audit Committee. This Committee is responsible for ensuring that the Trust has implemented an effective policy and plan for risk, and that disclosure regarding risk is comprehensive, timely and relevant.

Management is responsible for designing and implementing risk management processes as well as monitoring ongoing progress. Management regularly reviews the Trust's risks to ensure that mitigation strategies are being implemented by the organisation. Management monitors the progress and reports to the Finance and Audit Committee bi-annually.

CONFLICT OF INTERESTS

The Board of Trustees has approved the policy on conflict of interests which is applicable to the Board members, Management and staff.

The Trustees, Management and staff are required to disclose their financial interests on appointment to the Board or the organisation.

It is mandatory for the Board members and employees to declare any conflict of interests during the Board or Committee meetings.



“Ubuntu is not a biblical concept but an ancient African one. Nevertheless, it falls back on one simple thing: that humans have been created for togetherness, and what drives us apart is greed, lust for power, and a sense of exclusion, but those are aberrations.”

— Allan Boesak, Anti-apartheid Activist and Kagiso Trust Patron

ACKNOWLEDGEMENT OF PARTNERS

The following partners and sponsors have contributed to the impact Kagiso Trust has made across the country.



Free State Department of Education

Programme: District Whole School Development Programme
Capacity: Co-funding; Partner

Cyril Ramaphosa Foundation

Programme: District Whole School Development Programme
Capacity: Co-funding; Implementation Partner

University of Johannesburg's Faculty of Education

Programme: Education Conversations
Capacity: Co-funding; Implementation Partner

Masechaba Media

Programme: Education Conversations
Capacity: Event Facilitation and Marketing

Semenya Furumele Consulting

Programme: Eric Molobi Scholarship Programme
Capacity: In-service Training

Transnet

Programme: Eric Molobi Scholarship Programme
Capacity: In-service Training

Omnia Holdings Limited

Programme: Eric Molobi Scholarship Programme
Capacity: In-service Training



South African Franchise Warehouse

Programmes: KERPEF Franchise Fund
Capacity: Business Support



Gauteng Provincial Government

Programme: Kagiso Trust Consulting

Capacity: Project Sponsorship

Department of Cooperative Governance and Traditional Affairs

Programme: Kagiso Trust Consulting

Capacity: Project Sponsorship



Cyril Ramaphosa Foundation

Event: Kagiso Trust Golf Challenge 2017

Capacity: Corporate Sponsor

Kagiso Tiso Holdings

Event: Kagiso Trust Golf Challenge 2017

Capacity: Corporate Sponsor

OneLogix

Event: Kagiso Trust Golf Challenge 2017

Capacity: Corporate Sponsor



Kaya FM

Campaign: Heart of Gold

Capacity: Media Partnership

Sunday Times

Campaign: Heart of Gold

Capacity: Media Partnership

KAGISO TRUST

27 Scott Street, Waverley,
Johannesburg,
2090

www.kagiso.co.za
info@kagiso.co.za
+27 11 566 1900



KAGISO
T R U S T
Overcoming poverty