

BUILDING A NEW ROAD FOR A

BRIGHTER FUTURE



KAGISO
TRUST
Overcoming poverty

Annual Report
2020/21



Strategic Focus Areas



Stakeholders

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

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ABOUT KAGISO TRUST

This report covers the period 1 July 2020 to 30 June 2021 and sets out to communicate the development climate within which we find ourselves and detail our response and initiatives to address these.



OUR IDENTITY

OUR VISION

A prosperous, peaceful, equitable and just society

OUR VALUES

- Integrity
- Accountability
- Passion for Development
- Hands On, Bottom Up Approach

4IR

Committed to developing and implementing technological innovation

OUR MISSION

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

OUR STRATEGIC GOALS:

- **EDUCATION DEVELOPMENT PILLAR**
To extend educational development programmes
- **SOCIO-ECONOMIC DEVELOPMENT PILLAR**
To promote and support socio-economic development
- **INSTITUTIONAL CAPACITY BUILDING PILLAR**
To support strategic institutional capability development for sustainability
- **FINANCIAL SUSTAINABILITY PILLAR**
To ensure financial sustainability of Kagiso Charitable Trust



OUR FOOTPRINT

Gauteng

Education Conversations:

- Faculty of Johannesburg, UJ

Kagiso Trust Consulting:

- CoGTA

PMO:

- Thabo Mbeki Foundation
- Human Science Research Council
- South African Human Rights Commission

SED:

- PROPreneurX

North West

PMO:

- North West University Research Partnership

SED:

- BPI Funding

Northern Cape

KST:

- 25 Anglo American Schools Project

Free State

BNSDP:

- 166 schools in Thabo Mofantsanyaya

KST:

- 323 schools in Motheo & Fezile Dabi

EMSP:

- 51 Students, including 2018 intake of 15 students

PMO:

- UFS Research partnership

Western Cape

PMO:

- Stellenbosch and Western Cape Universities Research partnerships

Eastern Cape

KTC:

- CoGTA

Local Government Support Programme:

- Makana Municipality

SED:

- Groendal Workers Trust

Limpopo

KST:

- 60 Anglo American Schools Project

PMO:

- University of Limpopo Research partnership

Kagiso Trust Consulting:

- Molemole Municipality
- Musina Municipality
- Makhaduthamaga Municipality
- Collins Chabane Municipality

BNSDP:

- 243 schools in Sekhukhune East

SED:

- Spar Mopani Rural Hub Initiative

Mpumalanga

KST:

- 25 Anglo American Schools Project

KwaZulu-Natal

Beyers Naude Memorial Lecture:

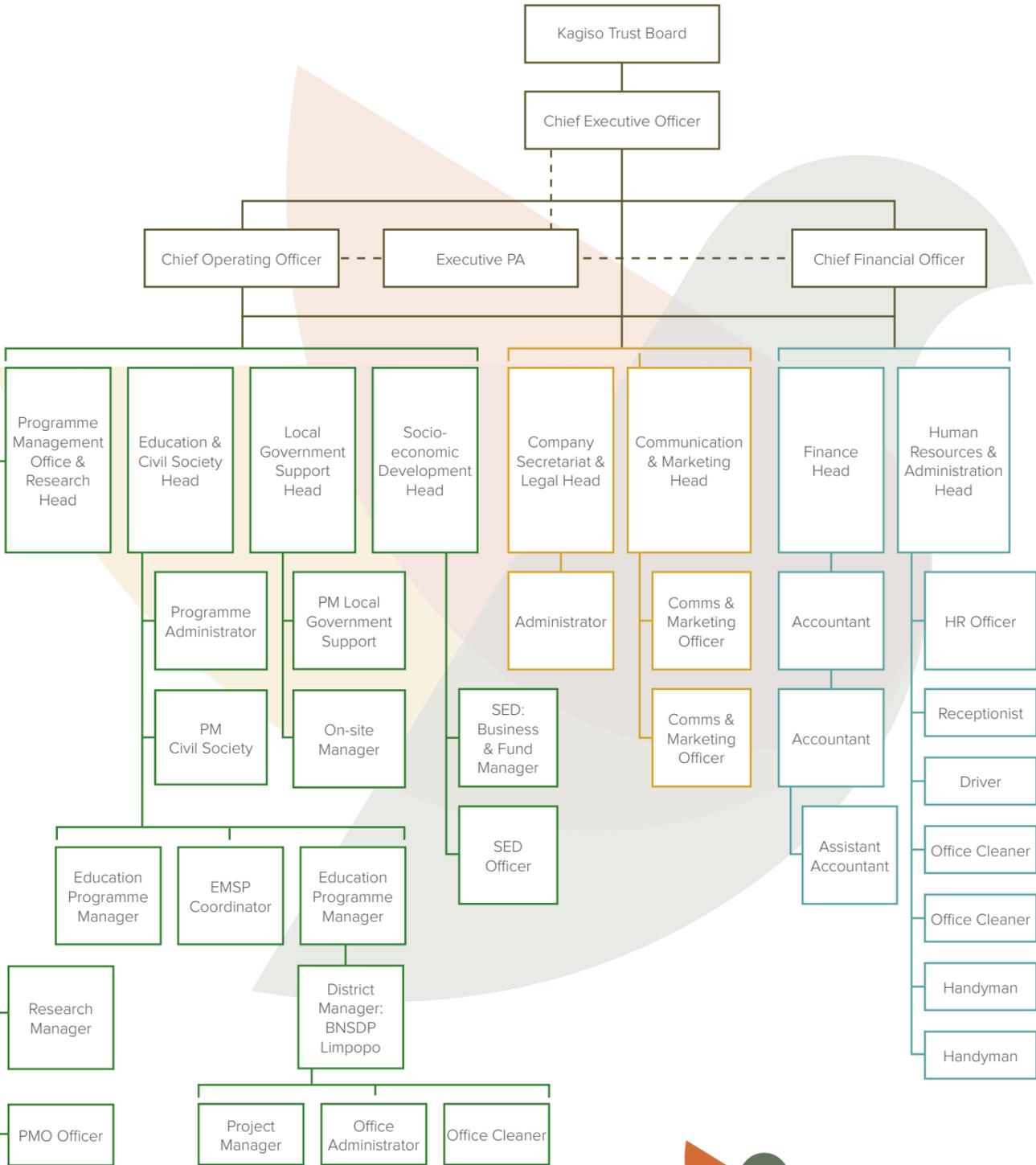
- University of Zululand

SED:

- Funding through – For Farmers East for yellow maize crops and Sebenzangamandla Pty (Ltd)

OUR ORGANISATION

Note: As at 30 June 2021



OUR FAMILY

Note: As of 30 June 2021

Mankodi Moitse Chief Executive Officer	Themba Mola Chief Operating Officer	Mzomhle Nyenjana Chief Financial Officer	Modjadji Seabi Programme Management & Research Head	Sizakele Mphatsoe Education & Civil Society Head			
Paul Smith Local Government Support Head	Phila Moremi Company Secretariat & Legal Head	Silindokuhle Chamane Finance Head	Isabella Liba Human Resources & Administration Head	Mandisa Tselane Communications & Marketing Head	Linda Frampton Executive Personal Assistant		
Angelinah Mdakane Education Programme Manager	Zandile Magutywa Education Programme Manager	Genius Mokgoadi SED: Business and Fund Manager	Kabelo Mothusi Local Government Support: On-site Manager	Phasha Dilakane District Manager: BNSDP Limpopo	Boichoko Dithlake Programme Manager: Civil Society		
Nyeleti Mlambo PM Local Government Support	Patrick Mthimunye BNSDP: Project Manager	Joan Masemeng Accountant	Phathutshedzo Munyai Accountant	Lorna Mafa Communications & Marketing Officer			
Temoso Lekhuleni Human Resources Officer	Nomvula Masole SED Officer	Palesa Juvhuho Programme Management Officer	Nicolene Phaho Corporate Governance and Legal Administrator	Mothusi Boikhutso Education Programmes Administrator			
Linkie Tshabalala Receptionist	Faith Letsoalo Limpopo Office Administrator	Nothile Jiyane Assistant Accountant	Tsietsie Thakalekoala Transport Coordinator	Amos Nkomontle Handyman			
Hendrick Phalama Handyman	Nozipho Shabalala Office Cleaner	Victoria Maqhosha Office Cleaner	Lina Mohlatlole Limpopo Office Cleaner				

OUR HISTORY

Kagiso Trust (KT) was founded in 1985 after a process of dialogue between, amongst others, the European Community and the South African Council of Churches. KT came into being in order to operate as a conduit for international aid money, directed towards the assistance and upliftment of marginalised South Africans during the apartheid era. This was a period of intense struggle in South Africa, where many individuals, communities and organisations desperately needed financial assistance.

Kagiso Trust Investments

With the advent of South Africa's first democratic elections in 1994, the international aid funds, which KT and many other similar organisations had relied upon, dried up, necessitating that KT look to new ways of financing its still much needed upliftment programmes. KT took advantage of the Broad-Based Economic Empowerment initiative and developed its own investment company (Kagiso Trust Investments) from which it would build capital and dividends to fund the organisation. This move was a crucial factor in securing KT's future.

Kagiso Tiso Holdings

KT's investment base was strengthened in 2011 with the merger of Kagiso Trust Investments and the Tiso Group, creating Kagiso Tiso Holdings. This merger created a sizeable investment company of critical mass, with access to larger transactions and increased investment portfolio diversification.

Kagiso Capital

KT's financial underpinning was further diversified and secured with the establishment of Kagiso Capital in 2014. KC is an investment holding company wholly owned by Kagiso Trust. The primary purpose of Kagiso Capital was to ensure the longevity of the Kagiso Trust and to diversify the investment asset base of the Trust beyond its existing investments.

36 years as one of SA's leading development organisations

36 years after its formation, KT is today a R6.9 billion organisation and one of South Africa's leading development thought leaders and organisations. Importantly, KT's beneficiaries, those who KT came into existence to aid, are the ones who benefit most from KT's success.

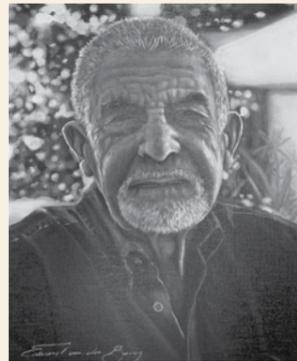


The Legacy Display area at the Kagiso Trust head office in Johannesburg.

The patrons of Kagiso Trust are acknowledged and honoured for their contribution, support and dedication to the goals of the Trust. They provide a remarkable example for their successors and leave a legacy that has changed the lives of many people in South Africa.



The Late Dr. Beyers Naude
Patron



Dr. Max Coleman
Patron



Dr. Abe Nkomo
Patron



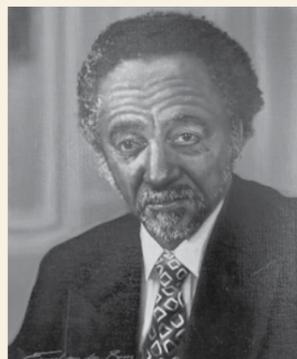
Dr. Allan Boesak
Patron



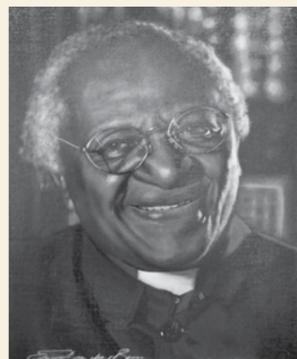
The Late Mr. Yunus Mohamed
Patron



Father Smangaliso Mkhathswa
Patron



The Late Professor Jakes Gerwel
Patron



Archbishop Emeritus Desmond Tutu
Patron



Mrs Zanele Mbeki
Patron



Girlie Silinda
Patron



Bongiwé Njobe
Patron

STAYING RELEVANT

“In the wake of COVID-19, we have found ourselves having to build the road ahead as we walk it, being that there was no precedent to guide us.”

– Mankone Ntsaba



CHAIRPERSON'S REVIEW



Mankone Ntsaba
Chairperson

My first year as Chairperson has certainly proven to be a memorable one, commencing as it did, shortly after the COVID-19, level 5, hard lockdown that had been implemented in March 2020. This was uncharted territory for all of us and it required us individually and organisationally to make some profound changes in the way we lived and worked.

Whilst taking up the Chair in the midst of COVID-19 lockdowns and restrictions brought with it many challenges, I must stress that I found KT to be in a very healthy position, healthy from a financial point of view and healthy from the operations point of view.

The relatively seamless manner in which the organisation was able to switch to remote working was testament to an organisation that was both agile and current with communications and online management technologies. A few things needed to be tweaked, devices had to be upgraded, and the provision of data so that people could continue working but these issues were easily managed.

A significant COVID-19 related challenge was a financial one, from the point of view of funding our development programmes. Soon after lockdown had been implemented, the government announced that financial institutions should not pay dividends, as a prudent measure against the potential negative impact of the lockdown on the economy. This of course was a serious concern for us, being that KT runs its operations on cash derived from its investment dividends. Fortunately, because Kagiso Trust has been well-run, we had healthy cash reserves which saw us through. These restrictions on our income did require us to make certain cuts and restructure budgets. However, the learnings we gained from this experience were that there was room to improve our efficiencies, without compromising our programmes and that partnerships with shared financial commitments are a viable way forward.

Then there was the impact of COVID-19 on people in our organisation. Many people experienced members of their immediate families and communities passing away or being very sick. It was a time of high anxiety and we learnt through it the importance of encouraging people to communicate and

open up about their fears. In a sense, it brought the organisation closer together, even though we were all physically separated.

An external challenge that was of great concern to me was the BBBEE debate on whether Trusts such as Kagiso Trust should be considered as genuine beneficiaries of BBBEE. It was a conversation that went on for quite some time before being settled just a few months ago with the issuing of a Practice Note by the Minister of Trade, Industry and Competition, Mr Ebrahim Patel, thus securing KT's future in its current mode of operation. This was a very significant pronouncement which had far reaching effects for a number of similar organisations. I'm very glad to have this behind us.

Financial Sustainability

In light of the issue around the dividend moratorium and its impact on KT's revenue, the board has been proactive through the finance and investment committee, investigating and researching strategies of alternative funding which will form part of our next five-year plan. By developing an alternative funding route, we hope to ensure that we are no longer solely reliant on a single source of revenue via our investment dividends.

We will be looking at alternatives such as crowdfunding and working in part through partnerships where we can share the financial commitments. We are also looking at the viability of new investment tools such as social impact bonds and sustainability linked bonds.

Changes for KT

This past year and its financial challenges have shown clearly that it is no longer business as usual. Two aspects have emerged requiring some changes in how we operate. The first is relating to our investments, what we expect from those investee companies and how we manage them. The second relates to how we, as an organisation, show the greatest level of stewardship and prudence when working with partner's funding. We have ensured that our investments are with companies that are performing and who have quality management systems. We have evaluated the terms of our agreements to ensure that we are extracting the best possible value, in short, the companies we invest with should be trailblazers within their sectors.

This relates to the second area of change in terms of our own operations. If we are working with partner funds, it is incumbent upon us to ensure that our partners can rest assured that their funds and what is done with those funds are in the best possible hands. We have therefore started upgrading our systems and quality control management to ensure that we subscribe to the highest possible standards.

Reflecting on the 2016-2021 five-year Strategy

It was very satisfying to reflect on the successes of the previous five years in the knowledge that we achieved so much of what we set out to do. Going forward, we have been able to review our previous strategy, take onboard learnings, identify the gaps and respond to the changing environment.

KT Highlights 2020/2021

BBBEE

The resolution of the BBBEE issue was a landmark moment for the organisation. Our former Chair, Rev. Chikane, the CEO Mankodi Moitse and our CFO Mzomhle Nyenjana worked extremely hard in keeping the discussion going, together with continual interactions with the Minister, the Minister's office and with the BEE Commissioner. It took over a year of these interactions and with it a great deal of anxiety before the point in time where the Minister issued the Clarification Note. This issue also highlighted the importance of KT using its advocacy voice around issues that impact us and the work we do. We will continue to be more vocal in this respect going forward.

Agility and continuity

KT's ability to move to remote working almost overnight was indicative of the organisation's agility. Take for instance the education program where we had to quickly introduce blended learning. Prior to that KT had managed to introduce the radio lessons in an extremely short turnaround time. These radio lessons were incredibly valuable for poor rural students without any internet access. In my eyes, this was a stand-out achievement and an example of true agility – being able to bounce back and continue with our programs while we were exposed to such a financial risk was a stand-out achievement.

SED Program

Seeing the final fruits of the Tyala Impact Fund, which was conceptualised and designed as part of our SED programme in the previous 5-year strategy has been a great highlight. We had difficulty in establishing the Fund and it took longer than planned but we now have farmers supported and thriving through it. It was gratifying to go and visit Tzaneen farmers in April 2021 and hear about how our interventions have alleviated some of their biggest challenges. These successes have also seen a positive impact on jobs, with 2436 jobs created in this past year alone.

Global and Local Awards

In another first, this past year was being awarded the 'Brand Innovator of the Year' and being selected as a finalist in the 'Best in Social Good, Public Service, and Activism' category at the prestigious global SABRE Awards. The SABRE awards celebrate work that illustrates high levels of strategic thinking, implementation and achieving measurable business impact.

Looking Forward

A major focus is going to be on our partners and relationships in government, the private sector and civil society.

In particular, I believe we need to increase our interactions with those private sector organizations that share the same vision as us in reducing inequality, reducing poverty, reducing strife, and reducing crime. There's a lot that the private sector is doing around these issues, and we need to tap into those initiatives that align with our strategy. We will identify those organisations and initiatives and formalize partnerships. These partnerships are important as we do not have deep enough pockets to deal with all the issues on our own.

We need to increase our interactions with those private sector organizations that share the same vision as us in reducing inequality, reducing poverty, reducing strife, and reducing crime.

I also want to modernise Kagiso Trust. We are a corporate organisation dealing in billions of Rands. Therefore, we have to up our game and function as any other forward-thinking, successful corporate.

This means upgrading and digitising our systems. We need to be embracing the Fourth Industrial Revolution in all ways possible. By way of example, globally farms are beginning to use technology such as drones to increase productivity, this is something we should be encouraging and supporting our farmers to do. They are still very manual where they could be looking at technology to assist with such things as irrigation, planting, harvesting etc. This principle of looking to technology to improve efficiencies applies to all our programmes, including, for instance, the local government program, where we need to assist local government in modernization. The intention is that in all our programme work, we look at the role technology could play in providing solutions.

In summary, my two key focuses for the year ahead will be building stronger relationships with our partners, private sector partnerships being key and bringing in further modernisation, technological innovation, embracing of Fourth Industrial Revolution technologies, both internally within KT and externally with our stakeholders.

Mankone Ntsaba
Chairperson

CHIEF EXECUTIVE OFFICER'S REVIEW



Mankodi Moitse
Chief Executive Officer

The year under review has been a dynamic one, with many new challenges created by the pandemic, demanding that we be adaptive and agile as an organisation. This has resulted in new capabilities emerging within the organisation which might not otherwise have been discovered.

I have been impressed with how the organisation has successfully managed to embrace remote working, in all its forms. It has come with its challenges, but we have never-the-less continued to deliver on all levels.

It has truly been a year of creativity and out-of-the-box thinking. We have learned patience and formed a greater empathy for each other. The new challenges have highlighted more than ever, how every person brings unique and special skills to the table with everybody working together to achieve our shared vision – it is a beautiful thing to witness, and it illustrates how KT's values have been imbued and internalised in all of our activities, both at a professional and personal level.

The manner in which the organisation managed finances during times of financial distress caused by the impact of COVID-19 on the economy, showed great maturity and ability to innovate. Ultimately, we learnt to do more with less.

Reflecting on the 5-year strategy

2021 was a particularly significant year for KT as it was the final year of our previous 5-year strategy (2016 -2021). It was gratifying to see the fruits of what we had set out to do, achieving some remarkable results, particularly when facing this past year's COVID-19 challenges. This has laid a solid foundation in planning for the 5 years ahead.

Greater organisational integration and cohesion

This past year has seen a greater level of integration and cohesion between the KT group of companies in working together towards achieving our goal of alleviating poverty. There has been closer engagement between the Trustees and EXCO, and this has filtered down the organisation where we have witnessed the various pillars (Education, Socio-Economic Development, Civil Society and Local Government) and support units aligning with and feeding each other, forming a more cohesive and synergistic organisation. To further embed this dynamic, we have developed frameworks to guide greater integration and cohesion work at group, organisation, and programme levels.

2020-2021 Highlights

Advocacy

Going forward, we intend to strengthen KT's advocacy voice. We have proven the effectiveness of speaking out on issues that impact us and the work we do. We are thought leaders in the development space, and we have a responsibility to use our voice where it is needed.

Our advocacy together with other Trusts on the BBEEE legislation was critical to address the view that broad-based trusts were not compliant with the law and did not constitute genuine and effective black ownership. We welcomed the issuing of a Practice Note by the Minister of Trade, Industry and Competition, Mr Ebrahim Patel, in May 2021, which provided much needed clarity on the interpretation of Broad-Based Black Economic Empowerment status.

We are grateful for the incredible work done by the Minister and the Commissioner in finally clarifying this issue. This outcome has ensured that both KT and similar organisations, can continue with the great work of development in marginalised communities.



The Minister Ebrahim Patel states that BEE trusts are genuine in support of broad-based ownership schemes and ownership of trusts. Photo courtesy of *Business Day Live*, 8 February 2021.

Looking ahead

Partnerships and Scaling

The role of partnerships remains a highlight, contributing to successes we're experiencing in our development work. These partnerships are going to become a much greater enabler going forward.

Partnerships also bring in new perspectives and skills. It is important for us as an organisation to always remain open-minded and adaptable in our development work. This is precisely why we have placed such a strong emphasis on model development – allowing us to adapt, tweak and sometimes rethink our initial strategies. By entering partnerships, we welcome other perspectives and skills. By way of example, CRF and Sasol have proven to be incredibly valuable partners in our education programmes and similar organisations in our Local Government and Socio-Economic Development work.

Developing programmes and models through partnerships also assists in us being able to scale programmes. We are finding that partnering in programmes at the outset is proving to be more effective, rather than developing a programme in isolation and then trying to get buy-in once completed.

We are thought leaders in the development space, and we have a responsibility to use our voice where it is needed.

Systems and Technology

KT will be upgrading and introducing new technology, both for internal efficiencies and to enable effective programmes in development and scaling. The pandemic accelerated the adoption of new technologies. This tech focus will ensure that we stay at the fore of development.

In closing, COVID-19 has undeniably challenged us all and brought in a great deal of change, some of it very positive. As individuals and as an organisation we have grown remarkably through the challenges of this past year, and I believe we are all stronger for the journey ahead.

Mankodi Moitse
Chief Executive Officer

CHIEF OPERATIONS OFFICER'S REVIEW

Themba Mola
Chief Operating Officer



This year has seen us adjusting to a 'new normal' brought about by the pandemic. We have had to be adaptable and agile and look to new and different ways of operating both within the organisation and through our development programmes.

Education

Of the many challenges we faced through the pandemic in our education programme, the greatest challenge was undoubtedly the restrictions in physical interactions. Our programmes have been driven by regular face-to-face interactions with participants and beneficiaries. Overnight, we have had to look to alternative modus operandi in the way we interacted. Blended learning, a mix of school, home and online study is an obvious option, however many of the schools and pupils we deal with have severe challenges in terms of access to devices and data and further to this, learners' home situations are often not conducive to home study. Ultimately, we have had to rely on our programme's student mentors to address these issues on a case-by-case basis.

Additional to the challenges of disrupted schooling and/or trying to prepare for Grade 12 exams through lockdowns and restrictions, there have been emotional, psychosocial challenges. Students and teachers have had to deal with illness and losing family members to the disease. This was a significant enough issue that in response, we started looking at what is called the school-based support teams. These are teachers who deal with emotional traumas and psychosocial support. Our programme has ensured, as far as it can, that schools offer this support capacity. In the Free State, for example, we established a relationship with the Department of Health so that this kind of support is brought into the schooling environment.

Eric Molobi Scholarship Programme – EMSP

Through the EMSP, KT supports selected students through bursaries into tertiary education. The lockdowns and restrictions of this past year have created particular difficulties for some of these students. Because much of the studies have shifted online, we had students who did not have homes or accommodation that were conducive to home study, we, therefore, had to provide alternative accommodation for them.

Fortunately, our bursary programme is comprehensive enough that we can provide this kind of assistance.

Early Childhood Development (ECD)

Our education pillar has always appreciated the importance of learning and cognitive learning starting very early in life. Unfortunately, public early learning centres often struggle with poor infrastructure, inadequate facilities and poorly trained practitioners. In dealing with these challenges, our ECD programme works with several stakeholders.

Firstly, we work in coordinating the efforts of the various stakeholders in the ECD space, the Department of Basic Education, the Department of Health, local municipalities and sometimes the Department of Social Development.

Then we work with the ECD practitioners directly. One of our key principles is centred around teacher skills development and in this respect, we assist ECD practitioners in building their own capabilities and facilitating learning through play.

A recent step forward in ECD has come with the Department of Basic Education introducing Grade R into the primary schooling system – we see this as a very positive step. We do also appreciate that most primary schools do not have the necessary infrastructure and capacity to host an effective Grade R learning experience. We have already helped several primary schools in building suitable Grade R facilities in the Free State, fully furnished.

We have also been working with the departments of Health, Social Development and Education in streamlining a data sharing and analysis project. The aim is to ensure that important student data collected in isolation by each of these departments is shared to the benefit of both students and teachers. As an example, if at an ECD centre a particular learner has experienced learning challenges, it would be of benefit to both the learner and the primary school to which the learner moves, to have that information shared so that appropriate steps can be taken to accommodate the learner's challenges.

COVID-19 vaccination advocacy

Through our advocacy, we have also been able to assist those working in the ECD space with getting their COVID-19



vaccinations. Through our work in education, we were aware of the vaccination programme using the PASCAL system. However, there are those working in ECD that are not registered on the PASCAL system. In response to this, we wrote a letter to the Minister of Basic Education, which ultimately brought about the opportunity for these ECD workers to receive their vaccinations through the programme.

Strategic Partnerships

Fundamentally our programs are driven through partnership collaboration. As mentioned above, the Department of Health was brought in to support the school-based support teams which has also included the eye testing programme we introduced into the primary school's programme some time back. This is to ensure that these programmes continue after our direct involvement ceases.

Another partnership was one we formed with radio stations in Limpopo, where we broadcasted lessons through Kagiso Radio Teachers to help our learners access their curriculum during the hard lockdown. Our partnership with the University of Johannesburg in Education Conversations has become an extremely successful platform from which to discuss issues in the education space.

SED

Although our Social Economic Development programme is relatively new, we have made quick progress. We have managed to transition from pilot into full implementation quite fast, particularly with our agriculture programme.

This year we made sure that there is targeted support available to black Agripreneurs. As a vehicle to offer this support, we set up the Tyala Impact Fund.

The farmers we targeted are those that don't have collateral and who are lacking access to the latest farming methods and

technology. We assisted them with access to markets, funding and provide the necessary skills training and equipment to enable them to become operational.

We already have some very positive results. With the SPAR initiative in Limpopo, our farmers are currently supplying produce to the market through the SPAR Mopani produce hub. We have also managed to link farmers with export markets. The For Farmers East, KZN initiative is now successfully producing maize and we have also been able to link them with both domestic and international offtake channels. In these cases, we have shown that through our involvement, we have managed to accelerate progress. We help build the pipelines that allow farmers to participate competitively in the agro-processing space. We have also noted that there is limited participation by young people. So, we have started targeting young people who are in agriculture colleges who can be brought into this agriculture space. If one looks at the profile of people involved in farming, it's normally the elderly - very few young people regard agriculture as an opportunity, owing to this perception. We need to shift perceptions around agriculture to attract the young.

Property – PROPreneurX

Black participation in the commercial property sector has been and remains insignificant. An investigation into why this was the case, we identified lack of skills as one of the major barriers for black SMEs in accessing opportunities in the sector. To address this, we, together with Motseng Investment Holdings ('Motseng'), the South African Supplier Diversity Council ('SASDC') developed a platform to support entrepreneurs servicing the property sector. PROPreneurX was born.

Of the many challenges we faced through the pandemic in our education programme, the greatest challenge was undoubtedly the restrictions in physical interactions.

PROPreneurX is a master class programme in training entrepreneurs in business skills. We've seen two sets of cohorts complete the programme to date and we've seen many of them access new business opportunities as a result of the skills and contacts they made through attending the programme – this has been very gratifying for us to see. However, we have identified that the obstacles to entrepreneurs in this sector go beyond just skills training, it's about obstacles in funding and gaining access to markets – similar to what our rural farmers are up against. So, we are now looking to ways in which we, as an organisation, can offer a comprehensive solution.

Local Government

Our Local Government programme's purpose is to work with municipalities in revenue recovery. The challenge faced by many municipalities is simply lack of funding because of non-payment of services. How does one assist municipalities in managing their revenue so that they can become self-sustainable? We have a programme that assists municipalities in this regard and through a Cooperative Governance and



SED Investees Mopani Spar Rural Hub in Tzaneen Limpopo and the Sebenzangmandla potato farm in Mooi River, Kwa-Zulu Natal.

Traditional Affairs (COGTA) tender, we have been awarded a contract to work with different municipalities.

One of our key observations is that unless the programme directly and deliberately addresses the local economic development space, there will be little chance of success – people cannot pay their bills if they have no income, it's that simple. Then there is the indigent community, these are the unemployed, poor people who cannot afford basic services. Unfortunately, municipalities do not have reliable data on these people and therefore cannot manage their services accordingly.

Community participation in local government is another important dynamic that needs to be addressed. With a community actively involved in the running of their local municipalities, the opportunity for corrupt dealings is made a great deal more difficult. So, we are facilitating processes that ensure greater community participation in local government.

Our work with the Makana Municipality in the Eastern Cape has shown how, when communities, local government and businesses work together with a common goal, much can be achieved. For example, when the COVID-19 lockdown and restrictions came into effect, we were able to help coordinate the community, municipality and local business in working together to distribute food parcels more effectively. The important takeaway from this initiative is that we proved that through communication, cooperation and collaboration between the community, local government and business, much can be achieved.

There is still more to be done with Makana but there have been very powerful learnings. We hosted a Local Government webinar recently and we were able to share these lessons and best practice with other municipalities. It has certainly been a very valuable experience.

Civil Society

This past year has seen our Civil Society pillar conduct two studies. The first, done in conjunction with the Council for Scientific and Industrial Research Council (NHRC) was to better understand the profile of civil society in South Africa. We have subsequently shared the findings of this study widely. The second was a study on Community Resilience during COVID-19. This too has been shared widely.

We are also in the process of rebuilding the Nikela Trust so that we can begin to mobilise community activism.

Looking ahead

It has been a year of great change and challenges and we will be reviewing and sharing our learnings and best practices when scaling our education, SED and local government programmes. We will also be looking to validate our current ECD model approach.

We will be increasing our advocacy voice going forward and, in this respect, we believe that our Civil Society pillar has a greater role to play in contributing to building a more accountable and equitable democratic dispensation.

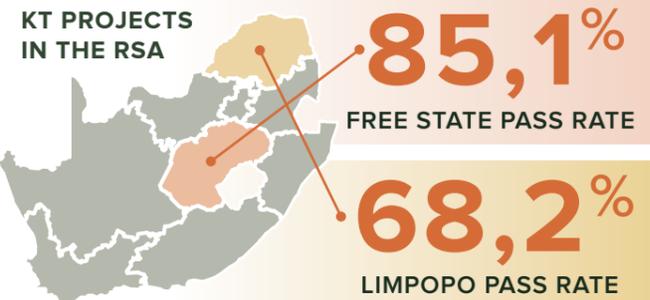
Matric Results of Kagiso Trust's District Whole School Development Programmes in Free State & Limpopo

Congratulations
... CLASS OF 2020 ...

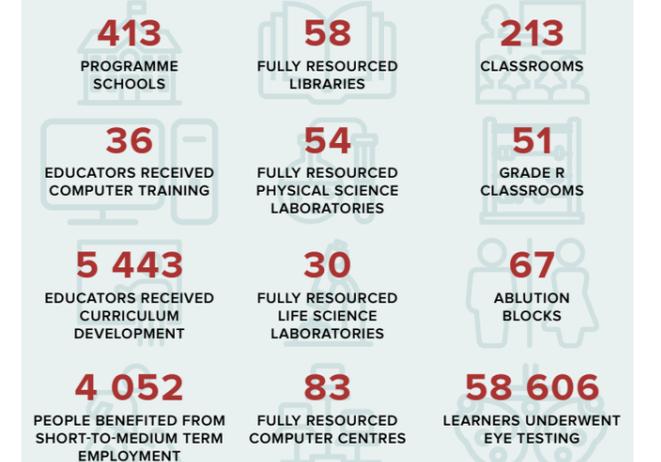
TOP 3 PERFORMING PROVINCES



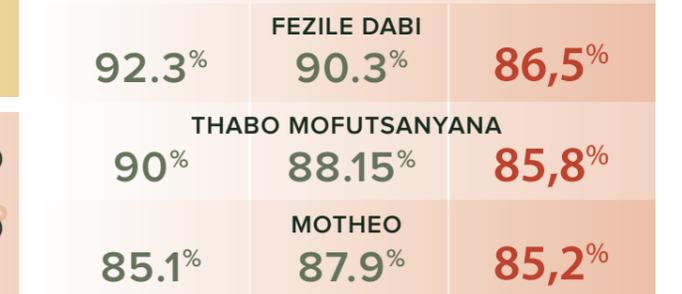
OUR FOOTPRINT AND PERFORMANCE



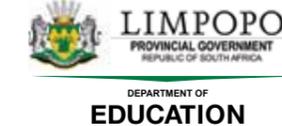
OUR IMPACT TO DATE (2007-2020)



FREE STATE PERFORMANCE BY DISTRICT



LIMPOPO PERFORMANCE BY DISTRICT



CHIEF FINANCIAL OFFICER'S REVIEW



Mzomhle Nyenjana
Chief Financial Officer

Kagiso Trust's (KT) financial position has improved significantly during the current financial year after experiencing a considerable downturn in the previous financial year due to the effects of the COVID-19 pandemic.

KT's balance sheet has been resilient during these tough economic times and management is implementing an investment diversification strategy to ensure KT's financial sustainability in the long term.

Dividends received were lower than the previous year due to South African Reserve Bank Prudential Authority (SARB PA), which provided a substantive temporary regulatory relief to banks from distributing dividends and payment of cash bonuses. However, that has subsequently been reversed. KT is currently in a healthy cash position as the cash reserves are well above the current target range.

The KTH's (Kagiso Tiso Holdings) turn-around strategy is gaining traction and we have seen the Net Asset Value (NAV) grow by 4.8%, which has illustrated the strength of these assets, particularly that this was achieved during the tough trading conditions of the COVID-19 restrictions.

KC's (Kagiso Capital) has made a number of strategic investments during the period, which are now yielding quality returns that will continue to ensure KC's self-sustainability. KC NAV has increased by 93% during the current financial year as a result of acquisitions and asset growth.

Our financial sustainability continues to be achieved through the application of the model below:

- Setting robust budgets
- Maximise investment returns
- Actively monitor expenditure
- Solicit partnerships and alternative funding
- Diversify our investment portfolio
- Maintain cash reserves at adequate levels

Highlights

KT Group's NAV increased by 21% during the financial year 2020/21.

KT received dividends of circa R85 million, which was significantly lower than the pre-COVID levels. However, this is expected to normalise going forward as the worst times are over and the SARB PA Guidance Note has been lifted.

Future funding for the 5-year strategy

In spite of the economic challenges, KT remains in a strong financial position to fund its planned programs for the next 5-year strategy.

KAGISO TRUST CURRENTLY HAS DIRECT SHAREHOLDING IN THE FOLLOWING COMPANIES:



CORPORATE GOVERNANCE

Kagiso Trust (the Trust) aims towards the highest possible standards of governance, and it achieves this through compliance with relevant legislation, regulations, and voluntary codes, thereby ensuring the sustainability of the Trust.

The Trust applies principles of the King IV Code which are relevant to its operations and continues to identify areas where its application can be enhanced in the best interests 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

Kagiso Trust 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, and finance both the public and private sectors. This enables them to provide balanced, independent advice and judgement in decision making processes.

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

The Board consists of the following members:

- Ms Mankone Ntsaba (Chairperson)
- Mr Goolam Aboobaker
- Ms Nthobakae Angel
- Mr Hylton Appelbaum
- Rev Frank Chikane
- Ms Tessa Dooms
- Mr Andrew Maralack
- Dean Zwoitwaho Nevhutalu
- Mr Thabsio Ratsomo
- Bishop Mazwi Tisani (retired in April 2021)

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.

OUR TRUSTEES

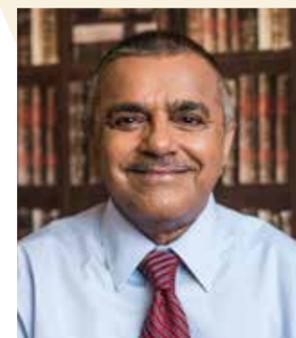
Note: As at 31 June 2021



Mankone Ntsaba
Chairperson



Thabiso Ratsomo
Deputy Chairperson



Goolam Aboobaker



Nthobakae Angel



Hylton Appelbaum



Rev Frank Chikane



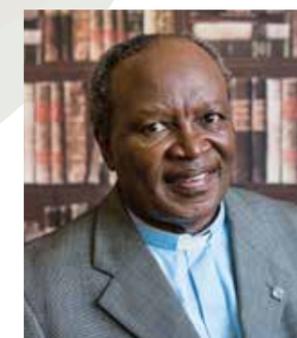
Tessa Dooms



Andrew Maralack



Dean Zwoitwaho Nevhutalu



Mazwi Tisani (Bishop)

The Board transacts its business through the following committees:



Executive Committee

Executive management and the Board work closely in determining the strategic objectives of the Trust. Authority has been 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 Operating Officer, and the Chief Financial Officer. The Board is apprised of progress through reporting at Board and Committee meetings as well as through regular communications 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.

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 responsibilities of the Committee include:

- Investigating and making recommendations to the Board in respect of projects or any other project opportunities.
- Ensuring that the projects of the Trust are in line with the Trust's objectives.
- Ensuring that the projects are considered in the best interests of the Trust and the beneficiaries.
- Monitoring the Trust's stakeholder relations.
- Ensuring that the Committee members and employees do not have conflicts of interest about the projects of the Trust.

The Committee meets at least four times per year.

The Committee consists of the following members:

- Ms Mankone Ntsaba (Chairperson)
- Mr Goolam Aboobaker
- Ms Tessa Dooms
- Dean Zwoitwaho Nevhutalu
- Mr Thabiso Ratsomo
- Bishop Mazwi Tisani



Audit and Risk Committee

The role of the Audit and Risk 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, and Management.
- Ensuring the integrity of the integrated reporting and internal controls.
- Overseeing the Trust's risk management.

The Committee meets at least four times per year.

The Committee consists of the following members:

- Mr Andrew Maralack (Chairperson)
- 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, employee's 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 two times per year.

The Committee consists of the following members:

- Ms Nthobakae Angel (Chairperson)
- Rev Frank Chikane
- Ms Mankone Ntsaba
- Dean Zwoitwaho Nevhutalu



Corporate Governance and Nominations 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.
- Overseeing the Trust's social and ethical matters.
- The Board has the appropriate composition for it to execute its duties effectively.
- Trustees and Directors of subsidiaries are appointed through a formal process.
- Overseeing 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 four times per annum.

The Committee consists of the following members:

- Ms Mankone Ntsaba (Chairperson)
- Rev Frank Chikane
- Ms Nthobakae Angel
- Mr Andrew Maralack
- Dean Zwoitwaho Nevhutalu



Finance and Investment Committee

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

The Committee also reviews 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 matters relating to its financial performance comply with all statutory requirements.

The Committee's functions include:

- Monitoring and reviewing budget and expenditure
- Approval of budget
- Approval of Annual Financial Statements
- 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 time per annum.

The Committee consists of the following members:

- Mr J N Njeke (Chairperson)
- Mr Hylton Appelbaum
- Ms Tessa Dooms
- Mr Thabiso Ratsomo



Risk management

The Board is responsible for the oversight of risk and has delegated the responsibility of the risk management process to the Audit and Risk 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 on that to the Audit and Risk Committee bi-annually.

Conflict of interests

The Board of Trustees had 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.

APPLICATION OF KING IV PRINCIPLES AT KAGISO TRUST

Principle	Description	Extent of application
1	<p>LEADERSHIP</p> <p>The governing body should lead ethically and effectively. Members of the governing body should individually and collectively cultivate the following characteristics:</p> <ul style="list-style-type: none"> Integrity, Competence, Responsibility, Accountability, Fairness and Transparency (ICRAFT). 	<ul style="list-style-type: none"> KT has a Board of Trustees that leads ethically and effectively. The Board has set up a Code of Conduct and Ethics and the Conflict of Interests Policy for KT Group. The Board members themselves seek to adhere to the highest standards of ethical conduct.
2	<p>ORGANISATIONAL ETHICS</p> <p>The governing body should govern the organisation in a way that supports the establishment of an ethical culture.</p>	<ul style="list-style-type: none"> The Code of Conduct and Ethics was approved by the Board. Workshops were organised to ensure that staff understand the Code as well as implications related to non-compliance to the policy. The Code is published in the organisation's website. The Board approved the Whistle Blowing Policy.
3	<p>RESPONSIBLE CORPORATE CITIZENSHIP</p> <p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen. This principle requires the governing body to oversee and monitor on an ongoing basis how the consequences of the organisation's activities and outputs affect its status as a responsible corporate citizen.</p> <p>This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas:</p> <ul style="list-style-type: none"> Workplace – employment equity, fair remuneration, safety & health, dignity, development of employees. Economy – economic transformation, prevention, detection and response to fraud and corruption, and responsible and transparent policies. Society – public health and safety, consumer protection, community development, protection of human rights. Environment – responsibilities in respect of pollution, waste disposal and protection of biodiversity. 	<ul style="list-style-type: none"> This is part of the duties of the Social & Ethics Committee. The duties of this Committee are distributed to all relevant Committees but are monitored by the Corporate Governance Committee as it is the custodian of the organisation's governance. The Corporate Governance Committee has included monitoring of the organisation's social and ethics matters in its terms of reference.
4	<p>STRATEGY AND PERFORMANCE</p> <p>The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<ul style="list-style-type: none"> The Board and management developed and approved a strategy for KT operations and the Board oversees the implementation of that strategy. The Board of KT through its Programmes Committee ensures that KT programmes are meeting the needs of its beneficiaries when implementing the strategy of the organisation. A reliable support base has been established in order to fulfil the needs of the beneficiaries. There are also measures and procedures in place to ensure the careful and accountable handling of all the organisation's resources and programmes.

Principle	Description	Extent of application
5	<p>REPORTING</p> <p>The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.</p>	<ul style="list-style-type: none"> An annual report is issued and published for all stakeholders. The Programmes, Operations, Corporate Governance, audited annual financial statements are always included in the annual report.
6	<p>PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>The governing body should exercise its leadership by:</p> <ul style="list-style-type: none"> steering the organisation and setting the strategic direction; approving policy and planning that gives effect to the direction provided; overseeing monitoring of implementation and execution by management; and ensuring accountability of organisational performance by means of among others reporting and disclosure. 	<ul style="list-style-type: none"> The organisation has an effective governing body that has delegated some of its duties to the Committees to ensure that its responsibilities are discharged effectively. The Board Charter and the Committee Terms of Reference state the mandate of the Board and Committees. These documents are reviewed annually by the Board and Committees.
7	<p>COMPOSITION OF THE GOVERNING BODY</p> <p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<ul style="list-style-type: none"> The KT Board has a mix of skills but concerns have been raised with the shortage of legal and investment skills. The Board decided and set a criterion to appoint more board members to close gaps in respect of the identified skills shortage. The process had been started and the Nominations Committee is currently looking at that. Additional Board members will be appointed soon.
8	<p>COMMITTEES OF THE GOVERNING BODY</p> <p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties.</p>	<ul style="list-style-type: none"> The Board delegated some of its duties to various Committees. That delegation is recorded by means of formal terms of reference that are reviewed annually by the respective Committees and approved by the Board. The following are the Committees established by the Board: <ul style="list-style-type: none"> Programmes Committee Audit and Risk Committee Finance and Investment Committee Corporate Governance Committee Remuneration Committee Nominations Committee

APPLICATION OF KING IV PRINCIPLES AT KAGISO TRUST

Principle	Description	Extent of application
9	EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY The Board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	<ul style="list-style-type: none"> The evaluation of the Board and Committees is conducted once in two years. This means that during the year under review the evaluations were conducted as the Board will be implementing the recommendations arising from the evaluations in the next year.
10	APPOINTMENT AND DELEGATION TO MANAGEMENT The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	<ul style="list-style-type: none"> The Board is not involved in day-to-day management of the organisation. Day-to-day responsibilities for management of the organisation are overseen by the Executives who report regularly to the Board. The Delegation of Authority was approved by the Board and published to the organisation. 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.
11	RISK GOVERNANCE The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	<ul style="list-style-type: none"> The Board is responsible for the oversight of risk and has delegated this responsibility to the Audit and Risk 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 policies 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 on that to the Audit and Risk Committee bi-annually.
12	TECHNOLOGY AND INFORMATION GOVERNANCE The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	<ul style="list-style-type: none"> The governance of information and technology has been considered by the Board. IT Governance is part of the Corporate Governance Committee duties and its mandate had been reviewed to include this. Management submits a report to the Committee on how the organisation deals with Technology and Information Management as well as how they intend to monitor this.

Principle	Description	Extent of application
13	COMPLIANCE GOVERNANCE The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	<ul style="list-style-type: none"> Compliance with laws is monitored. The Board has delegated this responsibility to the Corporate Governance Committee.
14	REMUNERATION GOVERNANCE The Board should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	<ul style="list-style-type: none"> The Board has allocated oversight of the remuneration to the Remuneration Committee (Remco). The Remco has approved the remuneration policy for the organisation. The policy sets out how the remuneration is approached. The Remco also set outs the basis fees for board members.
15	ASSURANCE The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the external reports.	<ul style="list-style-type: none"> The Board has delegated this responsibility to the Audit and Risk Committee. The Committee provides assurance to the Board in respect of effectiveness of internal controls.
16	STAKEHOLDERS In the execution of its governance role and responsibilities, the Board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.	<ul style="list-style-type: none"> The stakeholder relations include relationships with subsidiaries. Mandating and governing documents for subsidiaries had been drafted and approved by the Board. The governing documents for subsidiaries were approved by KT as the shareholder. A policy on stakeholder relations was drafted and approved by the Board. Stakeholder relations had been included in the Programmes Committee mandate.
	<ul style="list-style-type: none"> The governing body should assume responsibility for governance of stakeholder relationships by setting direction for how stakeholder relationships will be approached and conducted in the organisation. The governing body should approve policy that articulates and gives effect to its direction on stakeholder relationships. The governing body should delegate to management the responsibility for implementation and execution of effective stakeholder relationship management. 	

HUMAN RESOURCES REVIEW



Isabella Liba
Human Resources & Administration Head

Our staff are at the core of delivering Kagiso Trust's (KT, the Trust) programmes across South Africa. Having built up credibility and integrity over the past 33 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 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.

Staff Demographic

The statistical analysis reported hereunder is for the period ended 30 June 2021.

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management	2	0	0	0	1	0	0	0	3
Senior management	1	0	0	1	6	0	0	0	8
Professionally qualified and experienced specialists and mid-management	2	0	0	0	2	0	0	0	4
Skilled technical and academically qualified workers, supervisors, foremen, and superintendents	1	0	0	0	8	1	0	1	11
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	2	0	0	0	2	0	0	0	4
TOTAL PERMANENT	9	0	0	1	20	0	0	1	32
TOTAL FIXED TERM CONTRACT	4	0	0	0	3	0	0	0	7
GRAND TOTAL	13	0	0	1	23	1	0	1	39

Recruitment

During the period under review, KT made the following appointments:

NAME AND SURNAME	DEPARTMENT	POSITION	DATE OF APPOINTMENT
Palesa Jivhuho (Black Female)	Programme Management Office & Research	Programme Management Officer	01 September 2020
Cassious Matibidi (Black Male)	Programme Management Office & Research	Manager: Research, Strategy & Knowledge Management	01 September 2020

Training

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.

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 in the 2017/2018 financial year. 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 stresses 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.



DELIVERY FOR OUR STAKEHOLDERS

“The issuing of the BBBEE practise note was a landmark moment for the organisation and it highlighted the importance of KT using its advocacy voice around issues that impact us and the work we do.”

– Mankodi Moitse



YEAR IN REVIEW HIGHLIGHTS

2020

JULY

Kagiso Trust welcomes Ms. Mankone Ntsaba as new Chairperson of the Board.



MAY

Kagiso Trust welcomes DTI gazette on B-BBEE.



2021

APRIL

A delegation of KT Trustees visits Tzaneen SED Farmers Project.



JUNE

Kagiso Trust receives global recognition.



JUNE

PROpreneurX Inaugural Graduation Ceremony.



MAY

Kagiso Trust Inaugural Mathematics Symposium.



EDUCATION DEVELOPMENT

“Education is a responsibility for all within society and that the burden to empower the next generation through education must be borne by all.”

– Beyers Naudé



EARLY CHILDHOOD DEVELOPMENT PROGRAMME

Early childhood offers a critical window of opportunity to shape the trajectory of a child's holistic development and build a foundation for their future.

For children to achieve their full potential, as is their human right, they need health care and nutrition, protection from harm and a sense of security, opportunities for early learning, and responsive caregiving – like talking, singing and playing – with parents and caregivers who love them. All of this is needed to nourish developing brains and fuel growing bodies. – UNICEF

Education is the foundation upon which a society is built and KT, through ECD, seeks to provide a holistic quality programme. Chapter 10 of the Constitution of the Republic of South Africa, (Act 108 of 1996) promotes an integrated, cooperative and developmental approach, through local government, which is inclusive of children and youth in accordance with the accompanying rights, responsibilities and obligations.

Early Childhood Development Programme is one of the priorities of the Government, in terms of the National Development Plan 2030, which requires stakeholders to work together to render integrated services. KT conceptualised an ECD programme informed by the policy, including theories in education – Maslow's Theory of needs and Piaget's Theory on stages of development.

Three programmes are piloted by KT, intersectoral committee coordination, advocacy through parental programmes and capacity building of managers and practitioners. The KT focus seeks to address the urgent priorities such as scaling up access to ECD and improve the quality of early opportunities, ensuring optimal development of children.

Non-enrolment in Early Childhood Development (ECD) centres in South Africa continues to be as high as 70%. Many children attend informal facilities, or they remain at home with either a parent or caregiver. Possible reasons for non-attendance include cost factors (unlike formal schooling, ECD is not subsidised), the prevalence of non-centre based child-care arrangements (such as play groups, day mothers or child minder facilities), or because parents choose to keep their children (especially very young children) at home. While access to early childhood development programmes is increasing, early learning and care programmes are not universally available or equitably accessible for all children (RSA: 2014).

It is this that Kagiso Trust's ECD programmes aim to help address.



DEVELOPING A MODEL FOR REPLICATION

An ECD pilot plan has been developed in order to test the programme. Through the pilot, an intersectoral committee has been established to serve as a district platform to coordinate and collaborate quality ECD services and measure the impact of the pilot towards integration of ECD in the pipeline.

THE PILOT KEY AREAS ARE:

1 Establishment of the intersectoral committee with the purpose of advocating the importance of Early Childhood Development in the community with the aim to create awareness for all community ECD programmes, engage with all stakeholders and encourage partnerships.

2 Capacity building. Enhancing the capacity of practitioners and managers in the delivery of quality, play-based early learning and improving the quality of play-based early learning in ECD centres.

3 Advocacy. Capacitating parents with knowledge and skills to support their children's development thus taking ownership and responsibility for their children's development.



Children being encouraged to play and explore their curiosity.



2020/2021 in review

Our development approach in ECD has required a few different approaches:

- KT is helping to co-ordinate the efforts of various stakeholders in the ECD space; the Department of Basic Education, Department of Health, local municipalities and sometimes the Department of Social Development, to assist in developing and improving ECD in the areas in which we are active.
- Being that one of our key principals is centred around teacher skills development we assist ECD practitioners in building their own content knowledge.
- Then there is the issue of building infrastructure. The Department of Social Development or the Department of Health offers subsidies for ECD centres, ensuring that children are catered for in an appropriate and conducive centre. This is where infrastructure becomes an issue, and this is where we have been able to coordinate solutions. The department of Basic Education has recently introduced Grade R into the primary school system.
- We have been involved in a data streamlining and data sharing project with the departments of Health, Social Development with the aim of ensuring that important student data collected in isolation by each of these departments is shared to the benefit of both students and teachers.
- On the infrastructure front, we have discovered that at the municipal level there are budgets allocated for ECD's in terms for infrastructure. So, we are investigating how we can ensure that this information is made available to the appropriate bodies in order that ECD centres can apply for support by the municipalities.
- Through our advocacy, we have also been able to assist those working in the ECD space with getting their COVID-19 vaccinations. Through our work in education, we were

aware of the vaccination programme using the PASCAL system. However, there are those working in ECD that are not registered on the PASCAL system. In response to this we wrote a letter to the Minister of Basic Education, which ultimately brought about the opportunity for these ECD workers to receive their vaccinations through the programme.

KEY ACHIEVEMENTS TO DATE

- 4 out of the 5 pilot centres have been registered.
- Sasol donated mobile toilets to one of the centres through the multisector coordination.
- The collaboration with Department of Social Development and other NGOs resulted in the:
 - Registration of centres
 - Awareness programmes
 - Assessment of learners
 - Vaccination of practitioners
- The COVID-19 restrictions have disrupted the full offering of a range of ECD services to youngsters. However, Kagiso Trust believes that collaboration and partnerships will enhance the ability to deliver once things normalise.
- KT added its voice in advocating for the vaccination of the ECD sector workforce. They were not included in the June announcement made by Department of Basic Education to vaccinate all government officials and teachers. The minister for health and Department of Social Development has acknowledged receipt of the letter, enabling the process of vaccinating ECD workforce. We are proud to state that all practitioners who had registered for vaccines were vaccinated.

BEYERS NAUDE SCHOOLS DEVELOPMENT PROGRAMME

Kagiso Trust continued to implement its education flagship programme in Limpopo, Sekhukhune East district under the restrictive conditions brought about by COVID-19.

Highlights of the current BNSDP in the Limpopo Province

Since implementation commenced in August 2019, 67 schools have participated in Empowerment & Transformation workshops. The purpose of these workshops, which ran over two and half days, is to cultivate team cohesion and develop a school action plan to address challenges identified by school stakeholders.

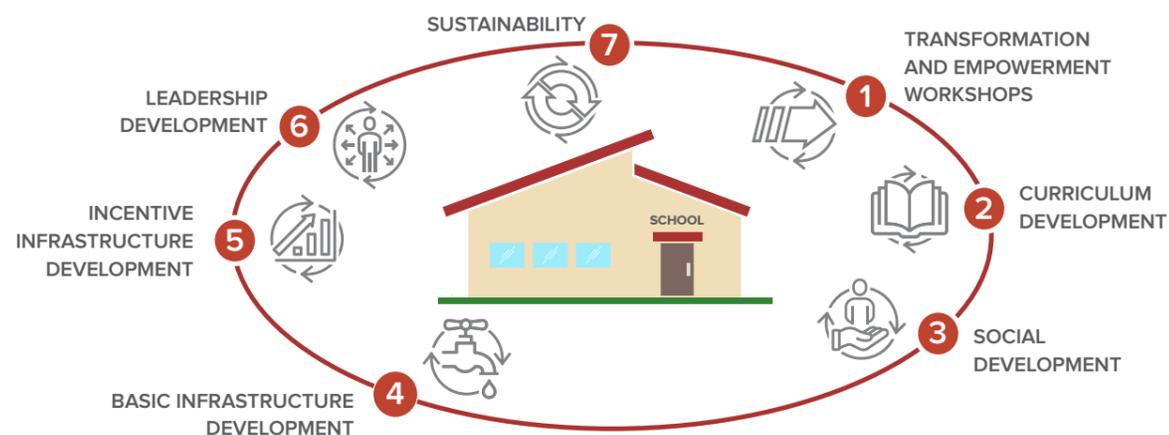
Based on the existing BNSDP model, further interventions on issues such as leadership, addressing the curriculum and teacher development should also have taken place during this period. However, due to the restrictions placed on operations by the pandemic, these could not take place.

Further to this, interventions that were made by the National Department of Education could not reach the rural communities of Sekhukhune due to ICT infrastructure, network, and connectivity deficiencies. The programme had to be quickly adjusted to respond to the school closures as the programme delivery was initially loco centric, and a blended approach had to be explored within limited ICT support, and what support was available, had to be directed to the Grade 12 learners who were due to sit for their final exams.

To support the schools within the existing restrictions, the following adjustments were made on the model:

- Lessons were conducted using regional and community radio stations. (This initiative gained a great deal of recognition for KT, highlighting its agility and ability to think out of the box.)
- Grade 12 Learner Camps were conducted as additional support for 400 learners with a focus on Mathematics, Physical Science and Accounting subjects. These were facilitated by Kagiso Trust Mentors who are subject specialists and lead teachers identified by the district. The intent was to offer learners revision of the year's curriculum and provide techniques on how to prepare for exams. Of the 400 learners, 310 achieved Bachelor passes and were therefore eligible for university entrance. 49 received Diploma passes, while 25 receives Higher Certificates. Just over 4% of learners did not achieve the minimum pass rate.
- Learners were also provided with personal protection equipment (reusable face masks which were locally procured to support local enterprises, hand sanitisers and awareness posters).
- Additional psychosocial support was provided by capacitating system leaders. Candidates for providing this support had to have shown leadership capabilities during a time of crisis, providing care and support not only to educators but also to learners as the effects of Covid was taking its toll. 57 schools, and 9 circuit managers were supported and capacitated on Instructional leadership.

DISTRICT WHOLE SCHOOL DEVELOPMENT PROGRAMME MODEL



Learners from Sekhukhune East attending Learner Camps for the last academic support system before Matric exam finals.

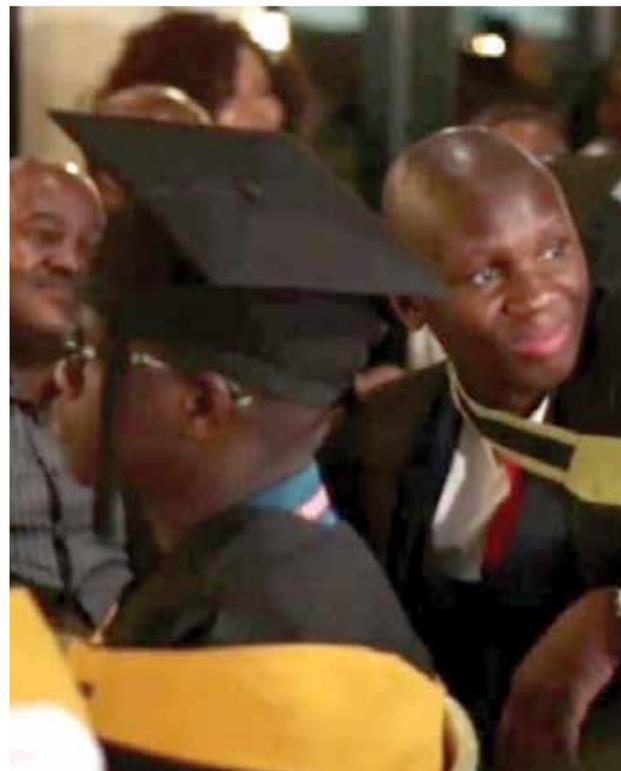
THE INVESTMENT KT HAS MADE ON PROGRAMME SPENDING IN THE QUEST TO IMPROVE EDUCATION

YEAR	EMSP	BNSDP	School Halls
2009	R1 873 380	R21 200 000	-
2010	R2 260 000	R23 540 000	-
2011	R2 839 100	R28 660 900	-
2012	R2 450 000	R27 850 000	-
2013	R2 500 000	R76 450 000	-
2014	R3 364 224	R64 843 483	R65 186 515
2015	R3 782 954	R53 003 422	R51 403 701
2016	R3 829 021	R27 994 888	R69 592 106
2017	R4 380 173	R8 986 519	R29 096 302
2018	R4 892 879	R7 627 318	R2 156 033
2019	R5 387 362	R7 450 259	-
2020	R5 963 932	R2 389 726	R16 725 724
2021	R2 823 632	R8 365 625	63 152 347
TOTAL	R46 346 657	R358 362 140	R234 160 381

KT CEO, Mankodi Moitse has highlighted that "Critical to the success of this programme is our partners commitment to achieving the strategic growth and advancement of the province's education system". This highlights that stakeholder engagement in the BNSDP by the various governance structures is key to ensuring that there is an understanding and shared vision of what is to be achieved and that all stakeholders join in taking responsibility and accountability throughout the programme lifecycle.

Dean Zwo Nevhutu, a KT Trustee, reiterated the message "we all know that this district is doing very poorly with matric results, and we hope that with the buy-in and participation of the stakeholders, we are going to see a radical change." These are key messages to reiterate for a concerted effort and commitment by all stakeholders to influence the desired systemic change and learner performance outcomes.

ERIC MOLOBI SCHOLARSHIP PROGRAMME



Dinner held in honour of the Eric Molobi Scholarship Programme graduates.

The EMSP was established in 2007 to provide scholarships for learners from rural and disadvantaged schools affiliated with the Trust's Beyers Naude Schools Development Programme.

Engineering and the commercial sciences are the key focus as these have been identified as offering the best possible opportunities for young black professionals.

The goal of EMSP is to create a viable, vibrant network of young leaders in the business and engineering sectors through supporting learners as they advance their education.

The objective of the programme is to develop a cohort of businessmen and women who will go on to have a positive impact on their communities, breaking the chains of intergenerational poverty and becoming active players in the economy.

The programme funds selected students from BNSDP schools who are enrolled in the science stream subjects. Funding is granted based on an individual's unique needs and circumstances. As it stands currently, the programme has 42 learners and 10 students have been added to the programme for 20/21 financial year.

In general, the programme accepts a maximum of 20 students per year. In addition to financial support, students are also



Interview with potential Eric Molobi Scholarship Programme candidates.

offered academic and psychosocial support to fully assist learners through their undergraduate learning.

support was required by each learner as a result of issues brought about by the pressures and challenges from the changing and transitioning of the academic environment.

COVID-19 Impact

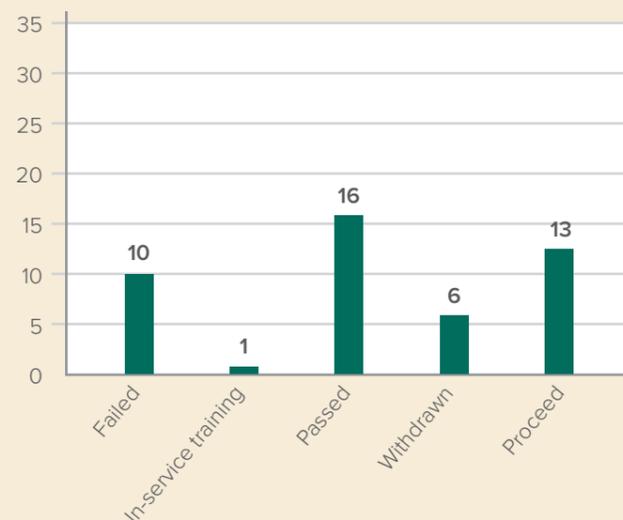
During the strict lockdown regulations, system checks were introduced to aid scholars. This took the form of virtual interactions through regular check-ins with the Education and Civil Society Head, Sizakele Mphatsoe, who would have 30-minute conversations with all the 42 learners in the system.

Two learners have been to in-service training for the 2020/2021 financial year for Product Development and Technology Station (PDTs) at the Cape University of Technology (CUT)

Looking forward

In the year ahead, the aim is to scale the programme to include more students, building and maintaining strategic partnerships that will aid opportunities for in-service training.

Reported end October 2020: Total = 52 Students



Failed – Students who failed most of their subjects and given grace of 12 months

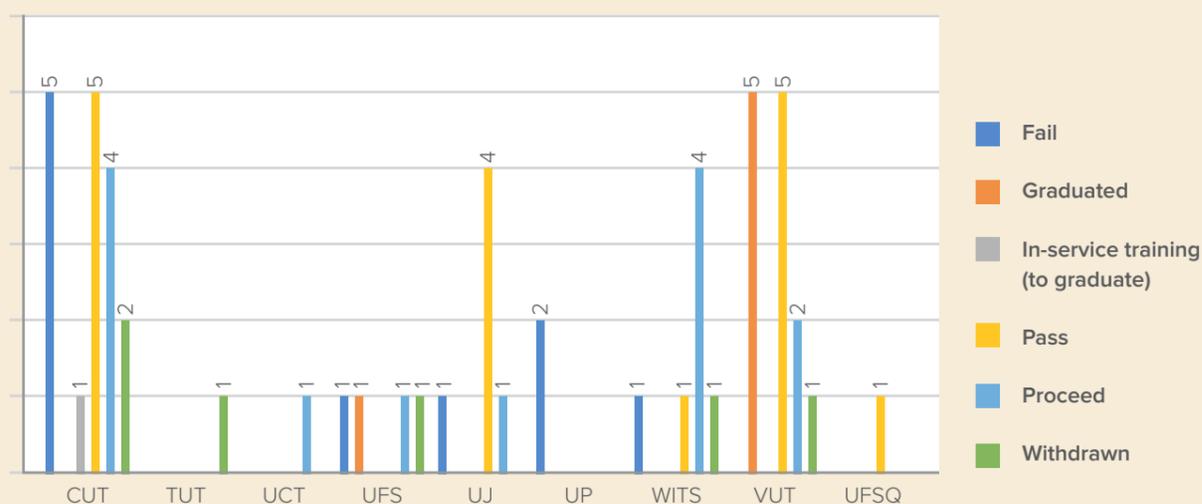
In-service training – to graduate end 2020

Passed – Students going on to the next year with no outstanding courses

Withdrawn – Students excluded by the institution and/or having opted for another scholarship/course change outside KT criteria

Proceed – Students allowed to proceed with new courses plus the failed ones

Reported end October 2020 by tertiary institution:



SOCIO-ECONOMIC DEVELOPMENT

A large, glowing Earth globe is the central focus, held gently by a hand from the bottom left. The background is a soft, warm gradient of orange and yellow, dotted with small, bright white stars, suggesting a celestial or hopeful atmosphere. The globe shows the continents in a golden-yellow hue, contrasting with the blue and white of the oceans and clouds.

Socio-economic development amongst previously disadvantaged communities remains one of the most critical challenges in moving South Africa towards a prosperous, peaceful, equitable and just society.

SOCIO-ECONOMIC DEVELOPMENT



Strategic objective: SED aims to transform agriculture and the property sector across the value chain through increasing the number of black entrepreneurs in these sectors.

Background

Kagiso Trust's ('the Trust') is passionate about developing entrepreneurship as a means of uplifting people and empowering black entrepreneurs to play a greater role in the economy. This achieved through KT's Socio-Economic Development pillar. SED seeks to develop programmes that promote entrepreneurship and offer comprehensive solutions to the major challenges and barriers faced by entrepreneurs. The development of sustainable SMEs and increased participation of black entrepreneurs in the economy is what drives the development of the SED programmes.

The focus of the SED's programmes is in two key sectors that were identified posing great challenges for entrepreneurs participating in these sectors, i.e.:

- Agriculture sector
- Property sector

Agriculture

The agricultural sector plays a critical role as a contributor to economic growth, food security and employment. The crucial importance of this sector became evident to everyone, particularly our government, during the COVID-19 restrictions.

Unfortunately, the contribution of black farmers in the sector is currently insignificant and this is due, amongst other factors,

to the lack of access to funding, market opportunities and technical support. To address these issues, the Trust, through SED has set up an Agri-strategy, which will ensure that there is targeted support available to Agripreneurs. In this respect, the Tyala Impact Fund has been established to provide solutions for farmers on essentials such as funding, market access and technical support.

The goal is to grow the fund and position Tyala to become a significant player in the agricultural sector. The Trust's objective for Tyala is to become an independent Agri fund. Tyala Impact Fund has attracted strategic partnerships with critical sector role players, which has helped Tyala push forward its mandate by unlocking resources for new-era farmers to adequately contribute to agricultural production and the overall value-chain.

The agriculture strategy has thus far been implemented in two strategic phases i.e.

- Formal markets: works to unlock critical resources for new-era farmers to be able to contribute to the best of their abilities to agricultural production
- Informal markets: works to support small holder farmers to sustainably supply alternative/informal markets and thereby financially uplift the communities in which they operate.

SED through Tyala aims to:

- Become a black Agri-intermediary (promoting Agri entrepreneurship) which is aimed at the commercialisation of black, new-era farmers.
- Create transformation in the agriculture sector.
- Support sustainable job creation.
- Contribute to food security, inclusive food systems and equitable ownership.

Targeted beneficiaries are:

- 100% black owned farms.
- 51% black majority joint ventures, where partners are committed to transferring skills to black farmers and share the financial risks.
- Community Property Association (CPA), where instead of individually seeking to secure resources, small community farming operations are brought together with their produce aggregated and sold in bulk.

Successes to date



FOR FARMERS EAST (PTY) LTD (FFE)

Company Profile

Tyala's first investment initiative was with FFE, a 100% farmer-owned aggregator based in Kwa-Zulu Natal. The company was created by the farmers for the farmers. For Farmers East (Pty) Ltd is the largest, majority black owned, grain farming enterprise in Kwa Zulu Natal Province.

	2020	2021
Farmer	For Farmers East	For Farmers East
Form	Aggregator	Aggregator
Crop	Yellow Maize	Yellow Maize
Location	Rural Area-KZN	Rural Area-KZN
Hectares	1905 ha	2251ha
Loan Type	Production Input	Production Input
Term	1 year	1 year
Loan Amount	R7 500 000	R10 000 000

Development Impact

During the 2019/20 summer production season, FFE approached Tyala to finance the cultivation of yellow maize on 1 600 hectares of arable land in the region. With good rains and successful growth of the crop, FFE was able to fully repay the Tyala loan. Tyala refinanced FFE for the summer (2020/2021) production for R10m and unlocked R30m of funds from FNB/ ABSA in December 2020.

Sustainable Job Creation:

FFE was able to create 256 jobs for the 2019/2020 summer season. Sustaining/increasing this number in 2020/21 summer crops production is crucial.

Sustainable Farm Production:

The total arable land size within FFE is 5 000 hectares. There are currently 10 active farming entities/shareholders within FFE who collectively cultivated a total of 4 600 hectares during the 2019/20 summer production season. As a collective, they managed to produce 24 700 tons of yellow maize, 4900 tons of white maize and 4 700 tons of sorghum on the 4 600 hectares. FFE intends to cultivate 5 000 hectares of grains during the 2020 – 2021 summer production season. This includes the cultivation of 1560 (ha) of white maize and sorghum.



BAPHUDUCHWANA PRODUCTION INCUBATOR (PTY) LTD (BPI)

Company Profile

BPI was incorporated in 2014, with the initial objective to establish an agricultural production incubator in Taung. The company was incorporated with the view of utilizing the entity as a vehicle to address the multiple challenges of the farmers in Taung.

Furthermore, the company aims to produce high quality crops for various markets through agricultural best practices, operate as an aggregator to benefit from economies of scale and to become a successful black owned farming enterprise in the region.

For various reasons, operations were delayed until the 2018 winter production season. Initially a group of farmers, on Pudimoe Farm, came together and decided to revitalize BPI (Pty) Ltd.

BPI comprises a total of 660 hectares of aggregated land portions on communal land of 10 hectares each in Taung, North-West. By aggregating these farmers, it enables them to source resources as a collective.

	2021
Farmer:	BPI
Form	Aggregator
Crop	Lucerne
Location	Rural Area – North-West
Hectares	594ha
Loan Type	Production Input
Term	1 year
Loan Amount	R7 369 114,50

Development Impact

BPI approached Tyala for production funding to cultivate Lucerne. Tyala along with Anglo American's Zenzele, successfully co-funded the cultivation budget for the Lucerne crop. In participating in this transaction, Tyala unlocked an interest-free loan from Zenzele for the benefit of the farmers.

SOCIO-ECONOMIC DEVELOPMENT (CONTINUED)



SPAR MOPANI RURAL HUB

Company Profile

The SPAR Mopani Rural Hub initiative entails the identification and development of local small-scale farmers to become Emerging Commercial Farmers, produce and supply food safe produce into fresh Assembly points (Packhouses) for local and centralised distribution. SPAR ESD has developed a Rural Hub in Mopani (Limpopo) where its currently developing 10 small scale farmers into market ready commercial farmers.

A collaboration between Tyala Impact Fund, SPAR ESD and FNB has been created to consolidate resources for the farmers:

- Tyala will provide Infrastructure and production Loans
- FNB will grant funding for Business/Technical support costs
- SPAR ESD provides Market access, farmers support and training (certification)

2021

SPAR Mopani Rural Hub

Farmer:	All Farmers	Leyda Farming Projects	Maamadulo Farming	MNM Mabuza & Sons	Sam Mokgadi Farming	Maswele Farming	NTL Baraka	Rakgobi Farm
Form	Aggregator							
Crop	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops
Location	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo
Hectares		15ha	5ha	10ha	35ha	50ha	5ha	5ha
Loan Type	Production Input	Production Input		Production Input	Production Input	Production Input	Production Input	Production Input
Term	1 year	1 year		1 year	1 year	1 year	1 year	1 year
Loan Amount	R1 380 300	R215 039		R93 813	R365 746	R536 056	R57 181	R112 465
Loan Type	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan		
Term	6 years	6 years	6 years	6 years	6 years	6 years		
Loan Amount	R3 400 000	R550 000	R500 000	R300 000	R650 000	R1 400 000		

Development Impact

As part of the informal/alternative market strategy, Tyala identified the SPAR Group's Mopani Rural Hub Initiative as an opportunity to collaborate and leverage resources. The SPAR Mopani Rural Hub focuses on small scale farmers who operate on farmland between 0,5 to 50 ha, in the Limpopo province.

Sustainable Local Production:

A core component of the SPAR Mopani Rural Hub is sustainable local production, to limit the farmers' cost of logistics where packaging and marketing is concerned.

Sustainable Job Creation:

The farmers on the programme can employ up to 326 employees (composition of permanent and temporary employees).

Skills Transfer:

SPAR ESDP has also put in a technical skills transfer programme which includes, formal food safety training and implementation, financial and non-financial business practices.

Market Access:

SPAR Rural Hub will procure the entire yield from the farmers. Produce will be distributed from packhouses to different off-takers, mainly commercial off-takers such as Ocolaco Packers as well as Freshline.

SEBENZANGAMANDLA (PTY) LTD

Company Profile

Sebenzangamandla (Pty) Ltd is an agricultural business with operations in Mooi River, (KZN). Sebenzangamandla commenced operations in 2018 on a 79-ha portion leased from Gugulethu Trust (345ha). Gugulethu Trust is made up of 30 households, established by beneficiaries who benefited from a 345ha piece of land by the Department of Rural Development and Land Reform.

The Trust has leased equipment, irrigable land, and related irrigation equipment to Sebenzangamandla to run from the 1st of September 2019 to August 2022(renewable). There is water access on the land from the Mooi River which is administered by the Mooi River Irrigation Board, with one its directors serving as the member of the board.

The farm has a total of (3) directors consisting of 1 female and 2 males, aged between 37 and 50 years, who are active in the business and who have previous experience in vegetable farming.

	2021
Farmer	Sebenzangamandla Pty Ltd
Form	Non-Aggregator
Crop	Potato
Location	Rural-KZN
Hectares	79ha
Loan Type	Production Input
Term	1 Year
Loan Amount	R856 000

Development Impact and skills transfer

The business envisages expanding the current 18ha potato enterprise to 30ha. In 2020 Tyala collaborated with Potato SA, who provide a mentorship programme and a seed subsidy/ grant. Potato SA conducted a pre-feasibility study and offers continuous technical support along with a PSA locally elected mentor.

Sustainable Job Creation

This farming operation has a significant social impact in the local community where the it employs 134 local community members which it intends to expand to 170 (composition of permanent and seasonal employees) in the near future.

Market Access:

The produce takers are Durban Fresh Produce market and Delta Market agents.

Sebenzangamandla ('Sebenza') was featured in a Netherlands based online publication regarding the successes around Land Reform in South Africa.

RIXON INVESTMENTS ('GROENDAL')

Company Profile

The farm properties are situated in the Langkloof (Eastern Cape). The original portion of the farm was bought in 1957 by Dries Kritzinger, an agriculture teacher at McLachlan High School in Joubertina.

In 2005 Johan Kritzinger Jnr sold the business to Rixon Investments (Pty) Ltd. Rixon Investments (Pty) Ltd is 50% owned by a workers trust (60 employees of Groendal) that was acquired as a BEE transformation transaction, located in the Eastern Cape.

	2021
Farmer	Rixon Investment
Form	Workers Trust
Crop	Pears/Apples/Stone Fruit
Location	Rural-Easter cape
Hectares	380ha
Loan Type	Production Input
Term	10 Years
Loan Amount	R3 000 000

Development Impact

Tyala and FNB collaborated in this transaction. Tyala's participation in the Rixon Investments transaction unlocked R19 million from FNB, which also provided a capital moratorium to assist Groendal to recover from the drought and match increased production cashflows.

Sustainable Job Creation

Joubertina is one of the poorest areas in the province and therefore the Rixon Investments pome and stone fruit farm is an important economic hub. The pome and stone fruit industry remains labour intensive, and a large seasonal labour force is required for harvesting and packaging. Mechanisation is limited mainly to the pack houses

Workers Trust Ownership

50% of Groendal farm is owned as a BEE transformational workers trust which consist currently of 60 members.

Infrastructure

Between 2007 and 2020, in collaboration with technical advisers, old orchards were contractually replaced with newer varieties, and micro-irrigation was replaced with drippers.

Market Access:

A marketing agreement has been made with Dutoit Agri (part of the well know Du Toit Family Group), where fruit not suited for packing (local markets and exports) is sold to vendors and to Granor Passi for processing.



Debt Consolidation

The current debt is consolidated into a single credit facility with a capital moratorium that will assist Groendal to expand on the current recovery trajectory.

SOCIO-ECONOMIC DEVELOPMENT (CONTINUED)

Property

The property sector contributed 5.6% to GDP, based on 2016 data. The South African listed-property sector is worth about R500bn with about 46% of the value of the sector reflecting investment in overseas markets. The sector's performance largely depends on economic drivers and have been challenged by slow economic growth during the past few years, and further exacerbated by the COVID-19 pandemic.

South Africa's property landscape is set to undergo major changes in the future driven mainly by regulatory changes, including land restitution and technology disruptors, which necessitates active transformation to redress the state of the sector and improve areas of preferential procurement. Despite its size, participation by black individuals and enterprises in the property sector is insignificant. SED identified lack of skills as one of the major limitations for black SMEs to access opportunities in the sector. To address this, the Trust developed the property development strategy.

The Trust, in collaboration with Motseng Investment Holdings ("Motseng") and the South African Supplier Diversity Council ("SASDC") have identified the commercial property sector as a suitable platform to support entrepreneurs servicing the property sector.

PROPreneurX – The Property Entrepreneur Accelerator

PROPreneurX was established and launched in November 2019, with the objective of empowering black property entrepreneurs with the capacity and capability to be able to identify and seize market opportunities presented to them in the property sector. In 2019, this 6-months programme welcomed the first cohort that were taken through sessions of

facilitated development sessions with business and industry experts, followed with individualised mentorship.

With the first cohort completing the development in June 2020, the second cohort was welcomed into the programme and went through development sessions and are currently receiving mentorship as per the varied business and entrepreneurial needs. A Gap Analysis is performed on all businesses in the programme, to identify areas in need of special attention, which helps in pairing the businesses with the appropriate mentor.

As we adjust to the new normal, having to move operations to virtual platforms, PROPreneurX sought to deliver the development sessions online, which meant the postponement of the graduation for the first cohort which therefore was combined with the graduation of the second cohort on the 29 June 2021. The inaugural ceremony was held online, with the honourable Deputy Minister of the National Department of Public Works and Infrastructure, Ms Noxolo Kiviet, delivering the key-note address. KT was represented by CEO, Mrs Mankodi Moitse relaying the vision behind PROPreneurX.

Over and above the programme, a masterclass designed to engage industry leaders and entrepreneurs across all value-chains was held. In conversation with Motseng CEO, Mrs Ipeleng Mkhari and the COO of Broll Property, Ms Nkuli Bogopa the entrepreneurs got to receive insights, especially on advantages of associating with industry bodies such as Broll Property and processes to follow.



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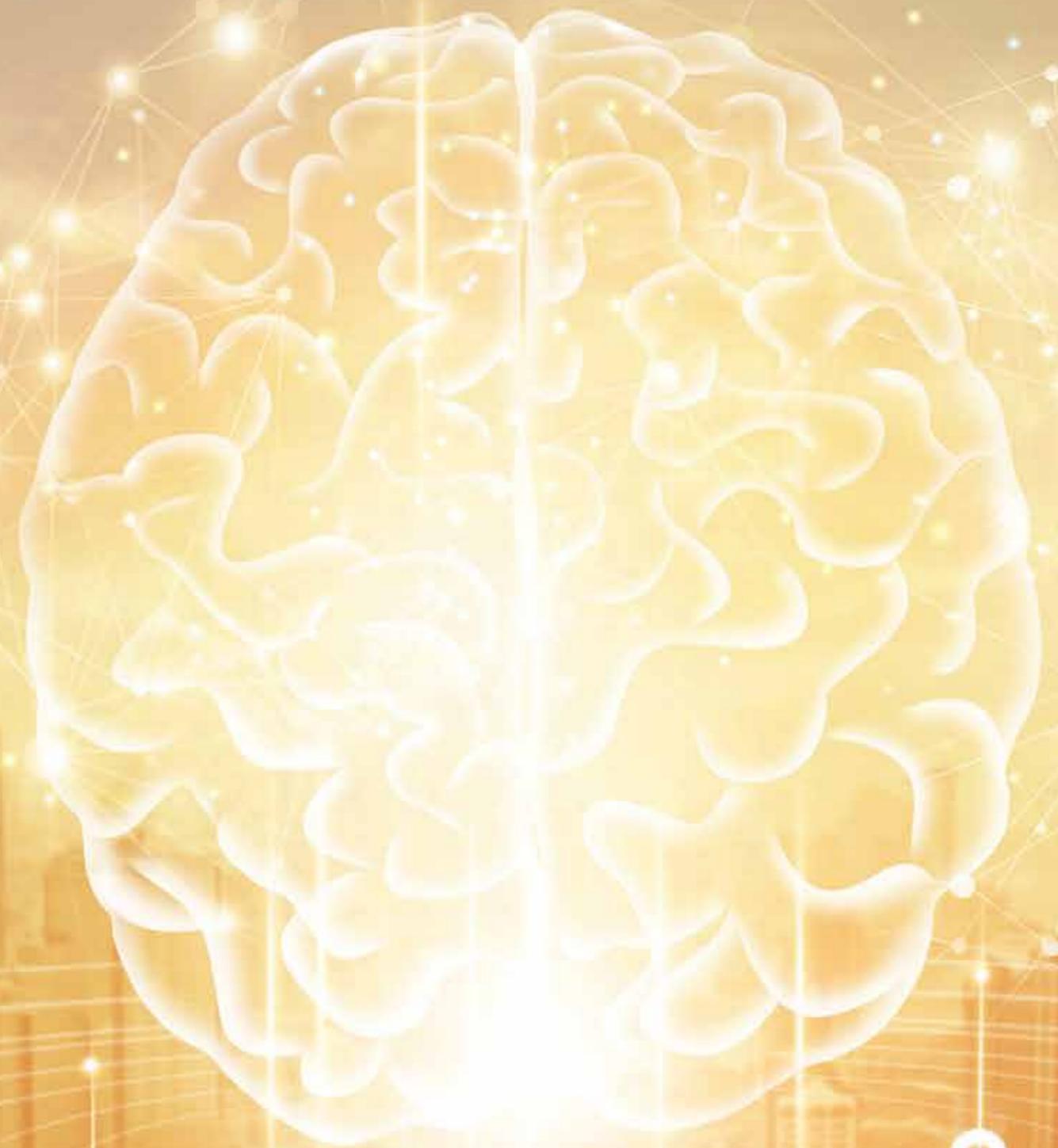


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INSTITUTIONAL CAPACITY BUILDING

The Civil Society Support Programme is guided by the following strategic objective: **Fostering and facilitating consensus with strategic stakeholders on national policy issues and emerging trends impacting Kagiso Trust.**



CIVIL SOCIETY SUPPORT PROGRAMME

2020/21 is the final year of Kagiso Trust's Five-Year Strategic Plan (2016/2017-2020/2021). During this reporting period, the Civil Society Support Programme (CSSP) was guided by the following strategic objective: "Fostering and facilitating consensus with strategic stakeholders on national policy issues and emerging trends impacting Kagiso Trust."

The year under review took place under the conditions of the Corona Virus pandemic, therefore, a new approach was needed for programme implementation. In this regard, CSSP activities had been adjusted, adapted, and realigned to capture the new and emerging trends and realities of our 'new normal'.

In responding to these new health and socio-economic conditions, the Typology Study report was complemented by the Community Resilient Survey which seeks to appreciate the new challenges – structural and social inequalities exposed and re-affirmed by COVID-19 pandemic.

Both these studies are providing a substantiated analysis of the factual situation as it currently exists and has enabled Kagiso Trust to appreciate the needs for programme intervention as well as the necessary solutions which are feasible, scalable, and sustainable.



Bertrams Inner City Farm flourishing in the Makers Valley.

Activity Highlights

In this last year of the Five-Year Strategic Plan, a set of targets were predetermined in the annual performance plan (APP) for the FY 2021 and highlights on progress are summarised below:

- **Enhance KT's contribution to national policy issues and emerging trends** – The strategic aim of this intervention is to enhance and amplify KT's contribution to national policy issues and emerging trends as determined by the organisational strategic objective. The reporting period under review was a building block for KT's gravitation towards policy advocacy and social transformation. Using research reports as the basis towards policy intervention and advocacy, several roundtables were convened to engage both civil society and government to highlight research outcomes based on the Typology Study and Community Resilient Survey, which included case studies from Makana Municipality in the Eastern Cape, Sekhukhune District in Limpopo, and Alexandra Township in Gauteng.

In addition, four transitional social policy briefs were developed:

- Food Security During the Pandemic: From Emergency Response to Fundamental Change.



Food distribution in the community of Makana.

- Civil Society Organisations, COVID-19 Impact and Rebuilding Resilience.
- Priority Issues for a Just and Inclusive social transformation.
- Position Paper on COVID-19 experiences and policy options beyond the pandemic - From COVID-19 Relief to Re-Assertion of the Transformation Agenda.

- **Stakeholder engagement and management** – The aim is to build and foster strategic and value-add partnerships through stakeholder engagement and management. These partnerships will anchor KT's resource leveraging philosophy towards supporting and strengthening civil society interventions and sustainability at institutional and programmatic levels.

Key strategic partnerships are:

- Nikela Trust:** Nikela Trust is a crowd funding ("through Rounda") initiative between government, private sector, and civil society. It is a partnership platform where ordinary South Africans can contribute to programmes aimed at poverty eradication initiatives, through creation of an alternative funding vehicle to support Civil Society Support (CSS) and development programmes. As chair of the Nikela Trust, Kagiso Trust invested in strengthening Nikela Trust governance mechanism and institutional frameworks towards the acceleration of Rounda implementation by the private sector.
- SADC Civil Society Forum:** SADC CS Forum is made of regional apex CS organisation (Labour, NGOs & Faith-based) together with regional networks and social movements and convenes annually alongside SADC Summit of Governments & Heads of State, Council of Ministers and Senior Officials. The outcomes of the forum are presented to the Summit for policy consideration. CSSP shared the Typology Study report during the forum and was requested to undertake

a similar study in other SADC member states to strengthen civil society.

- Department of Social Development (DSD) & CSO collaboration** on the development of a CSO Stimulus package for Civil Society, through a steering committee which CSSP participated in developing. The stimulus packaged proposals were submitted to the national Treasury by DSD for consideration and financing.

- Philanthropy platforms/webinars:** CSSP participated and engaged in several philanthropy webinars. The webinars focused on emerging trends within the philanthropy space, and how the sector is being influenced by, and adapting to the impact of COVID-19 disruption. They also explored how the philanthropy sector could be directed to enhance support for the NPO sector.

- Lesotho Council of NGOs:** A webinar convened by the Lesotho Council of NGOs on how civil society can play its role in supporting Mozambique civil society following the terrorist attack in the Delgado Province of Mozambique to complement SADC interventions. CSSP made a presentation in the webinar on the role that SADC civil society can play to support the civil society in Mozambique.

- **Catalysing community-led responses survey** – The strategic intent is to catalyse community-led experiences and responses through local resilience during the COVID-19 pandemic. These lessons and experiences have informed the framing of the CSSP's 5-year strategic plan and underpin its strategic intervention areas towards enhancing community-based resilience and local resources. In total, 12 reports were generated from community & NPO experiences and resilience during COVID-19 from over 300 direct participants. The 12 reports have been shared with stakeholders nationally and have generated significant data and information from communities and NGOs on their resilience, aspirations, and strategic priorities.

CIVIL SOCIETY (CONTINUED)



These survey products will remain an important reference resource for Kagiso Trust and the sector for years to come.

- **CSSP strategic plan:** The strategic plan's objective is to reframe CSSP's strategic intervention towards enhancing and strengthening civil society capability in ensuring good governance, accountability, and effectiveness of community resilience, as well as institutional and financial sustainability.

The strategic plan framework, thrust and intervention areas are underpinned by what stakeholders value and will harmonize their collaborative intent towards the implementation of the CSSP 5-year strategic Plan.

The plans' intervention areas for the next five years are to:

- Provide capacity building services for NPOs.
- Strengthen cluster or sector coordination & collaboration within civil society.
- Facilitate agenda-setting dialogues to develop common positions & amplify voice.
- Facilitate government-CSO strategic engagement.
- Generate strategic knowledge regarding the NGO sector's contribution to development.
- Establish Pan-African CSO collaboration.



The Year Ahead

KT COVID-19 project: Catalysing community-led responses through local resilience, represents a significant intervention for Kagiso Trust to capture the lived & evolving experiences and realities of COVID-19 and the effectiveness of associated intervention responses by government and NPOs at community level. This new normal will strengthen the reframing of CSSP and give transformational meaning to pro-poor policy approach, advocacy, strategic partnerships, strengthening civil society voice with deeper national, regional, and continental relevance, orientation, and footprint.

As a model of civil society compacting with government and anchored on the interplay between civil society (NGOs) and community advocacy and activism, it will enrich the civil society programmatic thrust beyond the national state of disaster into the new landscape of state civil society relations.

Conclusion

The COVID-19 pandemic revealed not just vulnerabilities, but also opportunities to boldly renovate and remodel policy, as well as programme interventions. It has also catalysed a transformational inclination for sustainable change to tackle underlying and enduring fault lines of inequity and social injustice. The next 5-year strategic plan will be critically significant in positioning KT, and it is grounded on what stakeholders value, and has laid the foundation for effective partnerships and collaboration for its implementation.



INSTITUTIONAL CAPACITY BUILDING

Kagiso Trust Consultancy – our context

The impact of COVID-19 and its negative effects on the continues to negatively affect communities, businesses, and municipalities in South Africa.

Poverty and unemployment are at an all-time high, the economy and business confidence is at an all-time low, communities are deeply polarised, and municipalities continue to slide into crisis, unable to respond to the needs of constituencies. This context provides KTC with an exciting and difficult landscape to operate in.

To quantify the municipal crisis, the Auditor General (AG), Tsakani Maluleke highlighted that there are two main issues that need to be resolved. There is insufficient municipal's own revenue, and the wrong hands are in the municipal till. The 2020 / 2021 AG municipal financial results indicated that 27% of municipalities face significant doubts in their ability to continue as going concerns. She also indicated that 46% of municipal revenue and equitable share was spent on salaries with only 2% of revenue spent on infrastructure maintenance. It is not surprising that municipal service levels continue to decline with limited prospect of recovery.

This reality is playing out in many communities who are experiencing the impact of failing infrastructure, poorly maintained roads, leaking sewage systems, uncollected refuse, and unreliable water and electricity supply. Marginalised communities unfortunately continue to bear the brunt of a dysfunctional state and continue to express their discontent and anger towards municipalities.

As with every meaningful crisis there is significant opportunity. Winston Churchill famously said, *“Never let a good crisis go*



to waste”. If we gather our thoughts, gain insight and think differently about how we engage to find solutions, change is possible. Despite this desperate context, Kagiso Trust Consulting (KTC) has had a successful and exciting year, focusing on two work streams:

- Strengthening local government revenue management capacity, with a view to improving municipal’s sustainability and service delivery.
- Promoting collaboration as a catalyst for sustainable socio-economic development.

Adopting these two workstreams enables KTC to both promote municipal suitability while strengthening the municipal governance and development landscape to promote the growth and prosperity for marginalized communities.

The Gauteng CoGTA Revenue Management Project

KTC was appointed by Gauteng CoGTA in December 2020 to implement a three-year revenue management project called the “Big Consumer Revenue Management” project to be implemented in the six small municipalities within Gauteng province. As indicated above and reiterated by the Auditor General, there is insufficient municipal own revenue to fund municipal operations and maintenance budgets let alone development budgets. It is for this reason that the KTC revenue management workstream focuses on the support of municipal revenue management capacity to both protect and grow municipal revenue streams.

In addition to supporting municipal revenue departments this project provided KTC with the opportunity to remain relevant and grow our municipal network so that we understand the context in which municipalities function and communities exist as these influences how we design and implement future projects.

Consulting and supporting municipalities during COVID-19 restrictions has been difficult, with municipal staff working from home, people feeling insecure, and providing technical support via virtual platforms, the “New Norm”. Despite the challenges KTC will continue to find ways to better use technology to provide meaningful support to municipalities and connect with clients on an interpersonal level.

The KDOS digital data tool has proved to be very useful during COVID-19, enabling electronic and remote data extraction, analytics, and enrichment without the need to engage clients in person. KTC will continue to enhance this product and make



LED Training.

it available to more municipalities during the next five years to manage municipal customer and indigent data.

The three-year Gauteng CoGTA appointment will provide KTC the opportunity to both consolidate and reimagine our revenue management support approach to ensure that we continue deliver relevant sustainable impact for municipalities into the future.

KTC biggest challenge in the “New Norm” remains municipal leadership and management capacity, to transform dysfunctional municipal organisations into effective delivery systems while navigating the complex polarised political landscapes. To address this and strengthen our support, KTC will leverage on the successes from the Makana Municipality pilot project and advocate for new approaches to municipal leadership and management empowerment line support, that will enable the municipal institutional and functional transformation.

The Makana Municipality Pilot Site

The Makana Municipality pilot project has been a rich learning environment for KTC and KT continues to gain momentum and delivery impact for communities and the municipality. In Makana, KTC remains focused on developing the fundamental enablers of local socio-economic development with the intention of producing a small-town rejuvenation model that can be shared and adopted by other municipalities in South Africa.

The New KTC Municipal Collaboration Model

Based on the lessons learnt in Makana the following KTC municipal collaboration model has emerged. The model recognises that local governance systems, the social collaboration context, economic potential, and socio-economic challenges collectively impact the prospect of local development. KTC also recognised that while these issues are complex, they are also unique to each municipality.

Based on this contextual understanding, the new municipal support model focuses on creating and enabling environment that is conducive for sustainable development, where all local stakeholders collectively collaborate to identify and address any local issues affecting their communities. The model has four key elements.



The **Situational Analysis** provides a unique contextual understanding of the locality and its issues for all stakeholders, providing insight into the issues inhibiting local development. This approach provides local stakeholders with the opportunity to reflect on reality, gain insight into their local context before deciding on appropriate action. Without this crucial reflective process, common understanding and shared purpose are not possible, compromising potential impact.

The next two model elements focus on both **Community Stakeholders** and **Municipal Stakeholders** who need to be empowered and prepared for meaningful radical collaboration. Municipal Stakeholders, both political and administrative, need to be more coherent, cohesive, and committed to collaboration before attempting to collaborate with non-government stakeholders meaningfully.

Community Stakeholders on the other hand generally represent a segment of community who champion a specific narrow agenda that is important to their constituency. This narrow self-centred and self-preservation approach often results in deep stakeholder polarisation and uncoordinated initiatives to solve local issues. Community stakeholders need to be empowered to change by realising the importance and power of radical collaboration, common purpose and shared value and improves the prospect of meaningful development.

The fourth element is **Stakeholder Mobilisation**, this enables structured meaningful authentic engagement between civil society and the municipality for the common good of community. This includes the co-creation of solutions for local challenges. It is within this sound integrated governance structure that stakeholders will be able to generate ideas, interest and investment that stimulates community led development.

Because the model is solution based and not issues based it is adaptable to any situation providing a framework that can cope with complexity, even the emerging need for political coalition within local government. Therefore, this model is scalable and easily adopted by all municipalities in South Africa.

LOCAL GOVERNMENT SUPPORT (CONTINUED)

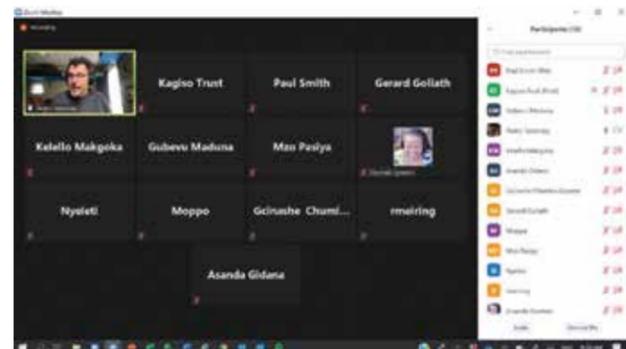


Municipal Leadership and Management Support

Municipal functionality is a key enabler for regional socio-economic development and by focusing on the municipalities ability to function effectively, it further enables the prospect of better collaboration with the community. KTC has focused on leadership and management empowerment in Makana to both build institutional collaboration and coherence, including promoting collaboration with the community. To achieve this outcome KTC has embarked on two key initiatives, the Municipal Empowerment Retreat and monthly management ethics workshops. Both these initiatives are intended to empower individual to function better within their context and deliver better services to the community.

The “Retreat” allowed space for leaders and managers to confront and reflect on the realities of their situation, and to identify and grapple with the issues affecting municipal performance. The process assisted leaders and managers to emerge with solutions to improve their team’s performance. This work will be followed up with assessments and more support in the years to come as it is intended to modify behaviour which takes time to unlearn and relearn new behaviour.

The retreat monthly ethics dialogues sessions have provided officials with the opportunity to reflect on and make sense of their work environment and grapple with ethical issues as they



emerge. This will continue and is a fundamental part of KTC effort to change behaviour one person at a time.

The Makana Circle of Unity (MCU)

The Makana Circle of Unity (MCU) is a product of radical collaboration which continues to grow in stature as impact is realised. The MCU consists of several function clusters of civil society volunteers who discuss local challenges from food security to preserving the fragile education economy with the intention of agreeing on possible solutions.



The appointment of a MCU program director, Sakhe Ntlabezo has been a game changer for the MCU stakeholder solidarity initiative and community as he is tasked with the challenge of implementing the desired change.

The MCU is a registered non-profit organisation (registration number: 258-810 NPO) and at the heart the MCU is an organisation that is deeply committed to facilitating citizen participation in the development and revival of Makana Municipality, alongside the municipality itself.

<https://www.facebook.com/MakhandaCircleofUnity/>

The MCU seeks to harness this civic commitment and energy to support the municipality in enabling space for various stakeholders to sit together and collectively strategise on responses to the challenges at hand. This initiative starts to place development back into the hands of local communities and to strengthen local governance.



LED training and the MCU.

Key KTC Initiatives in Makana

- **Open Government Partnership:** In the short time it has been around, the MCU has collaborated with the Makana Municipality in late 2020 to join the Open Government Partnership (OGP) network, which in turn led to Makana Municipality being the first municipality in South Africa to be accepted into this global network.
- **Makana East Precinct Development Plan:** Makana East has for many years been underdeveloped and in partnership with the municipality and the MCU, KTC is developing a Makana East Precinct Development plan to stimulate much needed business development and work opportunity in Makana East.
- **Community Wi-Fi Project:** The digital divide and access to 4IR opportunities is a critical challenge for marginalised communities in South Africa with only 17% of people with reliable access to the internet. In collaboration with the MCU, Khula Technologies, all non-fee-paying schools have access to free Wi-Fi. In addition, and in collaboration with the Municipality all community libraries will have access to free Wi-Fi.
- **Township Robotic:** Robotics and coding are key skills for accessing future work opportunity. In collaboration with the MCU Education Cluster, Joza Youth Hub, Care for Education, and the Good Shepard School, KTC has introduced two robotics clubs. This includes the training of 15 robotic trainers and provided LEGO equipment to be used to train learners from marginalised communities. KTC intends promoting the roll-out of this initiative throughout the Makana Municipality.
- **Education Economy Research:** The education economy is the heartbeat of the Makana economy. The MCU Education Cluster has been tasked to both preserve and grow the education economy. To achieve this KTC is co-funding

the development of an education prospectus, to enable this prospectus KTC is co-funding an education economy research initiative to both quantify the education economy, and to determine economic leakage points to promote local economic development.

Strengthening KTC Capacity Through Partnerships and Collaboration

The KTC team is relatively small when compared to our expected output. To enable KTC to deliver our strategic objectives we are dependent on partnerships and collaboration to both enhance our human capacity and technical skills to effectively implement projects. To achieve this KTC has the following key partnerships.

- **M22Z** – financial and revenue management skills for the implementation of the Gauteng CoGTA project.
- **Ulwazi Data Analytics** – The development and hosting of KDOS data management tool, this included adhering to POPI compliance and data security. They also play an operational role in project providing data science and analytics capability for the project teams.
- **Kagiso Capital** – KC Inner Works: KC has enabled the first local government retreat in Makana Municipality, and we will continue to build on the approach to enable municipal institutional transformation and leadership development.

As KTC moves into a new operation phase in 2022 focusing on model consolidation and scaling, it is anticipated that KTC will be both increasing in-house capacity and continue to grow our partnership and collaboration base. We look forward to an exciting 2022 that delivers impact for marginalised communities by changing the way communities and municipalities engage for the greater good of community prosperity.

PROGRAMME MANAGEMENT OFFICE

The Programmes Management Office (PMO) supports the organisation through providing insights and research findings that better enables strategic planning and decision making.

The unit leads and coordinates the implementation of research whilst keeping abreast of emerging developments in areas of interest to KT. This necessarily involves strategically partnering with universities, research entities and other knowledge producing institutions in line with KT pillars.

The results of this research and acquired knowledge are shared with both stakeholders and a broader spectrum of interested parties, thereby helping to cement KT's position as a thought leader in the developmental sector space.

Projects and initiatives for 2020/21

Programmes management:

- Facilitated the development and approval of organisational Programmes Design and Integration Guidelines.
- Coordinated the development and compilation of KT Five-Year Strategic Plan for 2022 – 2026, as well as the approved Annual Performance Plans (APP) and Operation Plans for the financial year (FY) 2021/22.
- Coordinated the collation of quarterly reports, quality assured the performance reports and compilation of Consolidated Quarter Reports for Programmes Committee.
- Compiled Programmes Committee Chair and CEOs Reports for Board meetings
- Coordinated and administered the Execution Management Team (EMT) weekly meetings throughout the year.
- Served on the KERPEF and KTC Board Admin.
- Contributed to identification and profiling of guest speakers for the Board Retreat.

Research:

- Coordinated the collation of the 2020 matric results statistical data, analysed the data and compiled a report presented to the Special Board.
- Completed a draft desktop study on the Landscape of Mathematics in South Africa.
- Continued to coordinate KT's participation with In On Africa on the 'Voices Unite' project with the survey on 'Voices Unite Youth Development Report'. A study report has been published.
- Successfully convened the Inaugural KT Mathematics Symposium in partnership with the University of Limpopo (UL).
- Developed a draft report on "Department of Basic Education: School Funding and Budget Allocations".
- Compiled factsheets on the impact of COVID-19 on KT Programmes which are available on the KT website:
 - "The impact of COVID-19 on School dropout in South Africa".



- "The impact of COVID-19 on the Un/employment rates in South Africa Q3".
 - "The impact of COVID-19 on the Un/employment rates in South Africa Q4".
 - "Opportunities" brought by and/or to mitigate the impact of COVID-19 in sub-Saharan Africa".
- Compiled a factsheet assessment survey report.
 - Facilitated the sign-off of MoU and coordinated bilateral steering committee sessions with the Council for Scientific Industrial Research (CSIR). In addition, coordinated the monitoring and reporting on the joint projects between the two parties.
 - Initiated a Memorandum of Understanding (MoU) between KT and AB4IR.
 - First KT's Masters sponsored student, Ms Rufaro Mashaya, has completed her studies and graduated. She presented her research findings to Trustees.
 - A second KT scholarship recipient - Masters student, Mr K Dandane, at the University of Limpopo (UL) has completed his draft research paper on "cost analysis of irrigation systems and effect on profit".
 - A third KT scholarship Masters student at the North-West University (NWU) – Ms Letlhogonolo Ntsodololwana, whose research focuses on 'Communities' barriers to and access to economic opportunities at local government'. She has compiled and shared with KT a draft research proposal.
 - Compiled draft action research proposal on blended teaching and learning.

Strategy:

- Compiled Board approved KT Pan African Collaboration Strategic Framework.
- Developed a briefing document titled "Blended Learning: An overview".

Looking forward

Strategy:

- Complete the draft KT Digitisation Strategy.
- Compile KT Youth Development Strategic Framework.
- Convene strategic planning session for and coordinate the compilation of the FY2023 (2022/23) annual performance plan (APP)
- Review and update all concept guidelines documents.

Knowledge Management:

- Complete the First Edition of the KT Programmes Knowledge Report (Local Government, Socio-economic development – SED and Education).
- Compile a draft KT Monitoring and Evaluation Framework.
- Conduct a review of the Knowledge Management and Systems Framework.

Research:

- Sign-off and coordinate implementation of the revised SLA and research proposal on the Longitudinal Study of the implementation of the BNSDP in Sekhukhune East.
- Finalise the report on Beyers Naudé School Development Programme: Cost Analysis (2011-2015).
- Present a desktop study report on the Landscape of Mathematics in South Africa to executive management, Programmes Committee and Board.
- Convene the second KT Annual Mathematics Symposium .
- Continue compiling thought leadership articles related to KT programmes.
- Continue to report on the impact of COVID-19 on KT programme areas through factsheets.
- Source research funds for studies on 4IR from the Thabo Mbeki Foundation study that KT contributed to in the past financial year.
- Promote the increased use of Knowledge Drive and SharePoint within the organisation.
- Establish new additional research partnerships.
- Conduct a study on blended teaching.
- Submit for approval the draft proposal on food security and participation of black farmers to and in partnership with the SAHRC.

- Complete the draft research reports on the following:

- State of ABET
- Agriculture land use and ownership survey: Winterveldt area
- An overview of technical training courses in SA: a desktop survey
- Monitoring and evaluation report of FY2021/2022 APPs

FINANCIAL SUSTAINABILITY

As a self-funding development organisation, financial sustainability is fundamental to Kagiso Trust's operations and future.

KAGISO CAPITAL

Kagiso Capital (Pty) Ltd (KC) is an investment holding company that was established in 2014 with its primary purpose being to diversify the KCT investment portfolio away from its investments in KTH, MMH Limited, Discovery Limited and FirstRand Limited.

2021 highlights

In the current year, KC was happy to have acquired 100% of Open Learning Group. The Open Learning Group companies include a South African and a Namibian private education institution and a technology business that delivers a Learning management system and an academic management system used by various institutions.

Additionally, KC acquired additional Phuthuma Nathi ordinary shares for circa R 74m, this acquisition was made to increase the portfolio's exposure in dividend yielding assets.

KC took the decision to invest in Growthpoint's REIT for Purpose Built Student Accommodation, which is in line with KT's education strategy.

The impact of COVID-19 on the economy was disruptive and negatively impacted equities value. However, we feel that the KT group assets are resilient and will be able to trade out of the negative economic environment as it slowly recovers.

KC's long-run strategy remains one of delivering sustainable growth for Kagiso Trust.

KC'S INVESTMENT STRATEGY FOCUSES ON A NUMBER OF PREFERRED SECTORS:

EDUCATION	FINANCIAL	LOGISTICS	HEALTH
			
The Open Learning Group, which is a natural fit with the work that Kagiso Trust does in the education sector	Currently with MMI Holdings, FirstRand Limited and Discovery Limited	OneLogix Group	Kagiso Capital Health Investments



The Kagiso Capital Team

Note: As at 31 June 2021.



KGOTSO SCHOEMAN
Chief Executive Officer



LEBOGANG MOSIANE
Chief Operations Officer



ROSE MAHLOPHE
Personal Assistant



NTHOBAKAE ANGEL
Non-Executive Chairperson



FRANK CHIKANE (REV)
Non-Executive Director



HYLTON APPELBAUM
Non-Executive Director



ANDREW MARALACK
Non-Executive Director



MANKODI MOITSE
Non-Executive Director



MZOMHLE NYENJANA
Non-Executive Director

STAKEHOLDER ENGAGEMENT

The role of partnerships remains a highlight, contributing to successes we're experiencing in our development work. These partnerships are going to become a much greater enabler going forward.



COMMUNICATIONS AND MARKETING REVIEW



Mandisa Tselane
Communications
& Marketing Head

The 2020/21 financial year has been a challenging but rewarding year for Marketing and Communications. The continued impact of the pandemic required us to step up our interventions, engagements and communications. Both internally and externally across our education, SED and local government pillars. Never has it been more important that we show and communicate hope, progress, and our continued commitment to overcoming poverty.

There was no shortage of progress, newsworthy events, and uplifting stories to share both within the organisation and with our stakeholders and beneficiaries. In fact, a raised media profile, increased brand presence and higher profile advocacy policy forms part of Marketing and Communications strategy going forward.

Advocacy, media coverage and

Brand profile

We spent a substantial amount of time developing and socialising an advocacy strategy document at the request of the board, who want the organisation to exercise its voice as a thought leader on issues that affect our programmes, and our main purpose, overcoming poverty. We started this process via a thought leadership piece speaking out against the SAA bailout that affected the education budget, as well as engaging with the then Minister of Finance, the Honourable Tito Mboweni on KT's investment in new era farmers via our Tyala Fund. Further to this, Marketing and Communications ran a very successful soft diplomacy campaign that got crucial and urgent changes to the BBBEE laws gazetted.

Digital Statistics



www.kagiso.co.za
Total Page Views
49 756



kagisotrust
Page Reach
19/20 = 271 800
20/21 = 164 980



Kagiso_Trust
Impressions
19/20 = 340 596
20/21 = 303 216



Kagiso Trust
Impressions
19/20 = N/a
20/21 = 17 345



Kagiso Trust
Impressions
19/20 = 68
20/21 = 755

Media coverage

Our strategy to raise KT's media profile and increase brand presence was reflected in the following ways:

- Our earned media value for the year totals R 22 554 017, a substantial increase from the previous years of R 14 831 023 2019/20 and R10 979 090 for 2018/19.
- We also saw improvements in views; engagement and reach on our website and social media pages.

Brand highlights

SABRE AWARDS

We entered awards events for the first time this year in an effort to raise awareness of our brand and work, globally.

Featuring the work we did for #KagisoRadioTeachers, the Tyala Fund and the Makana collaborative project, we entered the PRISM, SABRE Africa and SABRE EMEA awards. The PRISM awards are oriented to the South African market. The SABRE awards are international with regional awards: and SABRE EMEA (European, Middle East & Africa).

The awards aim to celebrate organisations that have been able to execute campaigns that illustrate high levels of strategic thinking, implementation and achieving measurable business impact.

In the SABRE EMEA (Europe, Middle East and Africa) we won Innovator Brand of the Year 2021, as well as a Certificate of Excellence for 'best in social good, public service and activism'. In the SABRE Africa awards we won two certificates of excellence for media relations and public education.



ORCHID AWARD

We were awarded an Orchid Award by *The Citizen* newspaper for "Showing the value of professional PR and marketing – even when a client is a non-government organisation doing good work and not (selling) a product."

BRAND SA

Brand SA recognised us, together with Gift of the Givers and the Imbumba Foundation, as one of the 3 NGOs in South Africa working towards meaningful change.

Stakeholder engagement

We held regular and well attended Education Conversations in partnership with University of Johannesburg and continued with meaningful engagement and relationships with our stakeholders, civil society, media, academia, and like-minded organisations such as NECT and BRIDGE.

We have introduced a CRM system for sharing of knowledge, KT events, news and to continuously engage with our stakeholders. The database currently reaches 2099 stakeholders, including KT group of employees and our Board of Trustees. The system can track the response to distributed information by content read, times email has been opened, bounce rate and click through rates, enabling effective communication relationship management.

Education Conversations

The Education Conversations has responded to the new normal in a virtual format and has become an important space to discuss emerging critical issues. The new virtual format has increased engagements and attendance to an average of 120 attendees per Conversation. This platform attracts experts from different fields, including educators, NGOs, academia and the private sector. Topics covered crucial issues of interest and relevance to the education community and the Government.

TOPICS COVERED BY EDUCATION CONVERSATIONS INCLUDED:

	APRIL 2021 COVID-19 impact on the future of education in South Africa – Solutions for African challenges
	JULY 2020 Bridging the digital gap in times of COVID-19
	SEPTEMBER 2020 Psychosocial impact of COVID-19 on learners and teachers
	5 OCTOBER 2020 Celebrating teachers: Teachers leading in crisis, re-imagining the future

We paid tribute to teachers and celebrated them on World Teacher Day, giving teachers and principals the podium to share the impact that COVID-19 has had on them.

The report and links to all the conversations and the round table discussions are available on our website and YouTube channel.

We are forever thankful to our dedicated Programme Director and facilitator of the Education Conversations, Prof Kat Yassim, who is passionately invested in the education space, and also to the diverse presenters whose contributions have benefitted the whole education fraternity.

Other Highlights

Matric results

We celebrated matric results in Partnership with the Department of Basic Education, Free State Department of Education, and the Limpopo Department of Education.

Socio-economic development – Agriculture

Another highlight was our board visit to Mopani to meet with the new era farmers, who we are funding, as well as the partners in the project.

Civil Society

We hosted round tables and shared insights on our community resilience study, as well as engaged with broader civil society through a webinar in June, "Sustaining Civil Society."

The way forward

In the year ahead we will continue to look at growing KT's media presence and Brand awareness to create a heightened awareness of KT's work and role in development. Part of this effort will be to further strengthen our advocacy and thought leadership efforts in the development space.

To this end, together with playing a thought leadership role through our advocacy efforts, we will be launching our Alumni Network, a network of past and present KT beneficiaries (individuals who have benefitted in various ways through KT's development interventions) who we see as being a new generation of advocates supporting both KT's work and its role



in the development sector and therefore introducing a new generation of like-minded partners and individuals to partner with KT.

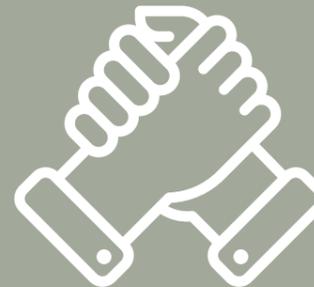
Further to this and related to it, is the set objective of communicating to a wider audience, the important fact that KT is a wholly self-funded development organisation. This fact is not widely known and yet it is unique to KT amongst other development organisations, who generally rely on donations. This puts KT in the unique position of being able to chart its own course in its development work and makes KT a very attractive development partner to those organisations and individuals in development.



Kagiso Trust gift packs given as a token of appreciation for successful Learner Camps in 2020.

HOW TO JOIN US IN OVERCOMING POVERTY

"You can never win a war against terror as long as there are conditions in the world that make people desperate – poverty, disease, ignorance, et cetera."
 – Desmond Tutu, Elder Emeritus, Archbishop Emeritus of Cape Town and Nobel Peace Laureate



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:

1



ONCE-OFF DONATIONS OR SPONSORSHIPS

2



FUND A SPECIFIC PROGRAMME WITHIN EDUCATION DEVELOPMENT:

- Early Childhood Development
- District Whole Schools Development Programme
- Eric Molobi Scholarship Programme (EMSP)
- Education Conversations

VALUE OF BEING A SPONSOR



GREATER IMPACT

Support programmes that transform lives in measurable ways in some of South Africa's most impoverished areas.



SUSTAINABILITY

Invest in our poverty alleviation focused programmes with tried and tested, replicable and sustainable models from an organisation with over 30 years' experience in development.



PUBLIC RECOGNITION

Gain visibility as a leader in social responsibility through joint public relations and marketing campaigns.

FOR MORE INFORMATION ON KAGISO TRUST PARTNERSHIP AND CONTRIBUTION OPPORTUNITIES

CONTACT US ON 011 566 1900 OR INFO@KAGISO.CO.ZA

STAKEHOLDER ENGAGEMENT

Stakeholder engagement plays an integral role in ensuring KT's successful delivery of its initiatives and programmes given that in almost all cases, stakeholder and partner contributions make KT's various initiatives and programmes possible.

Through the KT CEO's office, stakeholders are continually engaged through activities such as meetings, events, KT publications and online platforms.

Stakeholder Description	Engagement Activities In 2020/2021
<p>Government</p> <p>The government stakeholders include primarily, the National Department of Education, Minister of Basic Education, provinces and districts, Department of Agriculture, Department of Small Businesses, South African Local Government Association (SALGA), and Department of Cooperative Governance and Traditional Affairs (COGTA).</p>	<p>Government is engaged through meetings, conferences and workshops, CSI project events and through social media platforms.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • National DEPT of Basic Education and Provincial (Free State & Limpopo) Matric Results announcements • COGTA meetings • SALGA meetings
<p>Beneficiaries</p> <p>Beneficiaries include community members located in areas within which we operate, youth, local and small businesses, teachers and learners from basic and tertiary institutions.</p>	<p>Beneficiaries were engaged through events, media and social media.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Limpopo learner Camps • Education Conversations reached teachers and tertiary students • Learner & teacher support
<p>Civil Society & 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 sector.</p>	<p>The NGO community are engaged through In-Brief magazine, meetings, round tables and events.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Civil Society roundtable community resilience surveys • Civil society webinar: Sustaining Civil Society and Community Resilience through State & Civil Society Compact.
<p>Media</p> <p>This includes editors, journalists, and online influencers on social media platforms.</p>	<ul style="list-style-type: none"> • Sekhukhune FM, • Mail & Guardian • Sunday World • Tubatse FM • Capricorn FM
<p>Employees</p> <p>This group includes permanent and contract staff of Kagiso Trust.</p>	<p>Our employees are engaged through, internal newsletters, learning circles and staff events and meetings</p>



KAGISO TRUST IN THE MEDIA

MAKANA COLLABORATES FOR COHESION

The COVID-19 pandemic has shown that collaboration, co-operation and the mutual creation of solutions are vital between all local stakeholders if communities are to prosper

Speaking at a recent Dialogue webinar, 'Supporting Local Government in the Midst of a Global Pandemic', Paul Smith, Kagiso Trust's local government support head, recounted the trust's ongoing work with the Makana municipality in the Eastern Cape, using it as a case study of what can be achieved.

"When people set aside their differences and get their hands dirty working together, things get done," says Smith.

The Kagiso Trust began working with the Makana municipality finance department in 2018, assisting with debt and revenue management issues, as well as building capacity and transferring skills. Municipal revenues were shrinking, service delivery levels were rapidly declining, unemployment levels were at an all-time high, and the municipality was unable to attract people to this once sought-after town. "At Kagiso, we wanted to reimagine our support for local government and find ways for our support to impact on marginalised communities directly. Our work with local governments was having some impact, but it was debatable if it was being filtered through to the greater community," says Smith.

"In Makana, we included three new elements over and above revenue management support. First was indigent management – identifying the poorest of the poor who need the most social support and linking them to the output of the local economic development (LED) strategy. Second was to develop a meaningful, commonly accepted LED strategy that would promote sustainable local job creation. Community



Paul Smith

recognised this positive energy as an essential ingredient for transformation and so initiated discussions with stakeholders in 2019.

The MCU, according to Smith, created various focus groups (clustered) to attract stakeholders with relevant interests and skills. Municipal department heads were represented in all clusters providing a first-time opportunity for officials and civil society to share views and agree on key focus areas and initiatives.

"The new MCU collaborative structure has begun mending the divisive relationships, issues are being discussed and solutions found, and previously polarised groups are collaborating," says Smith.

The MCU has enabled a new food security cluster to co-ordinate feeding schemes and enhance the regional response to the food security crisis during COVID-19. This includes collaboration with government agencies, SASSA, DSD, SAP and the municipality to make food parcel delivery possible.

The MCU has also assisted in developing COVID-19 communication material, manufacturing face masks, producing sanitation liquid, and has actively participated in the Municipal Joint Operation Committee (JOC) meetings.

"Makana leadership has demonstrated that transformation is possible when people set aside differences, embrace disruption, remain people-centric and hold each other accountable. Kagiso Trust looks forward to sharing its experience in Makana with other municipalities," says Smith. ■

SAFM
Jul 2020 27
AVE R 38,682.00

Kagiso Trust does work in municipalities

Kagiso Trust had taken it upon themselves to start doing some work in municipalities. They wanted to see how they can get municipalities to start working again. They went into Makana Municipality to help with issues like their finances. Presenter is in discussion with Kagiso Trust Local Government Support Head Paul about this project. Int: Paul : Kagiso Trust : Local Government Support Head

Capricorn FM
28 Sep 2020
AVE R 70,490.00

Social matters in South Africa

Presenter is in conversation with Kagiso Trust Board Member and Social Commentator, Tessa Dooms to discuss the state of social development in South Africa and the options Government has in order to tackle this social matters. Int: Social Commentator and Board Member Int: Kagiso Trust : Tessa Dooms

Cape Argus. Money

Ntsaba Named New Chairperson Of Kagiso Trust (Part 1)

Jul 2020 31

AVE R 30,185.72

Publication: Cape Argus (All Edition), Money
Date: Friday, July 31, 2020
Page: 9

APPOINTMENT

Ntsaba named new chairperson of Kagiso Trust

MANKOSHE Ntsaba has been announced as the new chairperson of Kagiso Trust.

Ntsaba has been on the board of Kagiso Trust since 2009 and has served as deputy chairperson of the board and chairperson of the programmes committee for the past six years.

She has served as a member of the board of Kagiso Trust Holdings, Kagiso Africa Investments and the advisory board of Kagiso Shambuka Trust.

Ntsaba runs her own management consulting company in the water and sanitation sector. She previously worked as a researcher and consultant at the Council for Scientific and Industrial Research. She has also worked as a lecturer at the universities of Zululand and Transkei, and serves on the board of Rand Water.

Ntsaba is passionate about community development and poverty eradication and has worked on various development programmes in the rural



NEW KAGISO Trust chairperson Mankoshe Ntsaba. | Supplied

area of South Africa. Ntsaba takes over from the Reverend Frank Chikane, whose term has come to an end. Chikane served as chairperson from 2015.

"It is an honour to take over from one of the founding members of Kagiso Trust," said Ntsaba, "and I look forward to leading a phenomenal board as we work through these dif-

icult times globally. Kagiso Trust is one of South Africa's leading development agencies working towards a prosperous, peaceful, equitable and just society. Over the past 35 years, we have invested over R2 billion in development and implemented over 1 831 programmes. I look forward to reaching more milestones."

Mankoshe Mofe, chief executive of Kagiso Trust, said: "We welcome Mankoshe as our chairperson. She shares a long history with us and has served in various positions.

"Her experience and counsel is invaluable as we work to overcome poverty by developing and implementing scalable, replicable, sustainable development programme models in the areas of education development, institutional capacity building, socio-economic development and financial sustainability."

Chikane, founding member of Kagiso Trust, welcomed the appointment

of Ntsaba as his successor.

"I am confident that Ms Ntsaba will take Kagiso Trust to higher levels than where he left it. I hand over this honour with pride. Mankoshe will bring her own special touch to this position, and we look forward to seeing further legacy work unfold," he said.

Kagiso Trust was founded in 1985 during a period of intense struggle in South Africa to provide support to development institutions and initiatives across a range of sectors.

After 1994, the organisation broadened its social vision through the establishment of Kagiso Trust Investments and focused on uplifting communities through targeted education and enterprise development programmes.

In 2005, Kagiso Trust secured its financial stability through a series of strategic investments and partnerships that strengthened and expanded its capacities to develop people and communities. | Supplied

The screenshot shows the BizCommunity website interface. At the top, there's a navigation bar with 'BIZCOMMUNITY SOUTH AFRICA' and various category links like 'CD & SUSTAINABILITY' and 'NGO, NPO & SOCIAL ENTERPRISE'. A prominent yellow banner advertises 'Online bulk mask orders'. Below this, a news section titled 'NGO, NPO & SOCIAL ENTERPRISE NEWS SOUTH AFRICA' features a large article: 'Kagiso Trust survey seeks to learn from community resilience during Covid crisis'. The article text states: 'The Kagiso Trust has launched a national survey seeking to understand and learn from the community resilience shown in the face of the Covid-19 crisis and its associated socioeconomic effects.' A sidebar on the left lists various industry categories, and a 'Trending' section is visible at the bottom.

Kagiso Trust pivotal in uplifting education in Free State

By Kabelo Khumalo

The performance of township and rural schools in the Free State has been partly credited to Kagiso Trust's Beyers Naude Schools Development Programme (BNSDP).

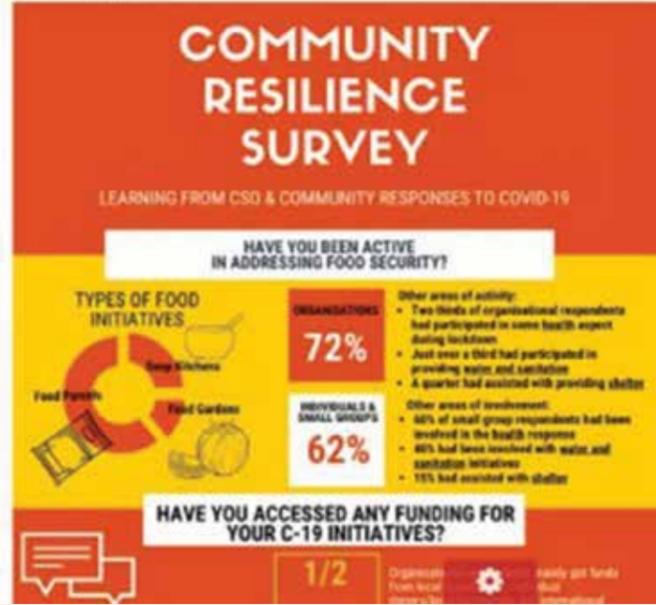
In 2004, Kagiso Trust implemented its pilot of the BNSDP in the Vhembe district in Limpopo. In 2007, the programme was extended to schools in the Free State's Thabo Mofutsanyana district in partnership with the Free State department of education.

By 2011, the programme had grown from 10 schools to 166 in 2016. The BNSDP has since been extended to Fezile Dabi and Motheo districts in the Free State, which again took the number one spot in the 2020 matric results.

In the 2020 National Senior Certificate results, the Fezile Dabi, Thabo Mofutsanyana and Motheo districts in the Free State made the national top 10 list. Fezile Dabi and Motheo have been in the top 10 for two consecutive years.

Kagiso Trust and the survey team thank you immensely for participating in the Covid-19 Community Resilience Survey. Thank you for sharing your experiences and insights. Here are the findings results.

Please do not miss the lookout for further activities and releases related to the KT Community Resilience Project, as the Trust seeks to stimulate further engagement on issues such as civil society strengthening, development and attainment of a just society.



(MyPR.co.za) October 15, 2020 By/ by Guest PR Filed Under: Education

Despite the fear and anxiety that has affected all involved in education during the Covid-19 pandemic, an Education Conversation webinar on the psychosocial issues for education held recently heard stories of hope, solutions and a way forward during the pandemic.



Themba Mola, COO of Kagiso Trust
Photo: Supplied by Kagiso Trust

The Education Conversation, an initiative presented by Kagiso Trust, the University of Johannesburg Faculty of Education, and Bridge, was attended by role players and stakeholders across all sectors of education. The webinar, guided by highly respected education academic Professor Kat Yassim, was a robust, constructive and necessary engagement that gave voice to many of the issues facing all in education at this time.

The lived experience of the rural child in attaining education is one that must be given urgent and careful attention, said Themba Mola, chief operating officer of the Kagiso Trust. "The mental, physical and social impact on the educational development of children in rural areas during this time is one that cannot be underestimated," said Mola. "Kagiso Trust has seen through our programmes and projects how much assistance and guidance all involved in education need, from the child to the teachers. In rural areas this is much more intense because of the challenges rural schools face in terms of the distanced learning, connectivity and environment. We must keep an awareness of how each added challenge during this pandemic further adds another layer of concern for these children, and we

Date: Friday, October 09, 2020
Page: 18

The promised land? Lack of access

The agricultural sector has grown this year, but an absence of collateral is preventing black farmers from making a go of their business

Tshegoatso Mathe

The agriculture sector has outperformed all other sectors in the growth of its contribution to the gross domestic product (GDP) this year. In the first quarter of this year, the sector increased by 27.8%, but later the number was revised to



The Triologue Knowledge Hub provides social investors with relevant up-to-date content, research, and case studies to allow them to make more informed, evidence-based decisions about their social investments. A freely available online platform, the Triologue Knowledge Hub is a comprehensive and growing body of knowledge on topics across numerous development sectors, including education, enterprise development, and water and sanitation.

Corporate partners select sectors and topics that they wish to sponsor, receiving the exclusive branding rights of that topic, as well as regular consultation on the content development process. The corporate partner is also invited to profile their own work related to the topic through case studies and interviews.

Topic highlights

With education leading the vast majority of Covid-19 related topics being in a low or mid-level investment in this crucial area.

- ICT in Education:** Bridging the digital divide is essential to achieve our 4IR goals.
- Maths and Science:** Improving the quality of STEM education supports development, economic prosperity and 'industrialisation' in the country.
- Teacher Development:** Quality education depends on how effective teachers are.
- School Leadership and Management:** The success of any intervention in a school starts with quality school leadership.

Other key topics on the Knowledge Hub include:

- Monitoring and Evaluation:** An important tool to ensure the effectiveness of investments and interventions.
- Capacity Building at Local Municipalities:** How businesses can support municipalities to improve service delivery, quality of life opportunities for community development, as well as business operations and growth.
- ICT for Gender:** Empowering women to participate in the information society's skills for South Africa to become competitive in 4IR.

South Africa's progress response to the threat of the spread of Covid-19 has received global praise. However, the country remains particularly vulnerable to this pandemic. How business can contribute to develop more resilient responses to the crisis remains a key feature of several topics.

- Business Response to Covid-19:** We examine the business responses of companies that have supported the local, national and global communities, and the most vulnerable in society.
- Enterprise Development:** The global recession and the high level of unemployment have made investment in enterprise development increasingly vital for us.
- Water and Sanitation:** Sustainability and access to these key resources are vital to keep communities safe.
- Philanthropy:** In a time of increasing need, this topic looks at how anyone can act with philanthropic intent for the sake of the public good.

View these topics and additional content at <http://www.trialogueknowledgehub.co.za>.



- visited by over **15 000** unique users annually
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- featured in almost **50** news articles and radio interviews with coverage worth over R6.6 million

This content has been created to be a first selection for our social media and for made in our membership.

fm feature / education

The 76% matric pass rate might be a better result than the carnage that was expected after a year of pandemic lockdown and disruptions. But a closer look at the results shows that more than 50% of the potential class of 2020 – the pupils who were enrolled in grade 2 in 2010 – either repeated a grade (or several), or dropped out of the education system before reaching matric.

And according to education activist organisation Equal Education (EE), the department of basic education's own calculations show that even taking into account people who complete matric after leaving school, the proportion who attain it remains around 50%.

The 76.2% pass rate is down on the 81.3% achieved by the class of 2019, but basic education minister Angie Motshekga has noted the difficult year the class of 2020 faced.

"Had it not been for the Covid-19 pandemic, the class of 2020 could have been the best performers, since the inception of the national senior certificate," she said on announcing the results last week.

But EE senior researcher Stacey Jacobs warns that the matric results should be interpreted with caution.

"They do not take into account the number of learners who leave the system before reaching their grade 12 year, nor those learners who are held back," she says. "Therefore they potentially overestimate the pass rate."

For a more accurate picture, EE calculates the grade 2 throughput rate alongside the traditional pass rate (see graph). It's not a perfect measure, says Jacobs, but it is "a better indicator of the overall health of the education sector".

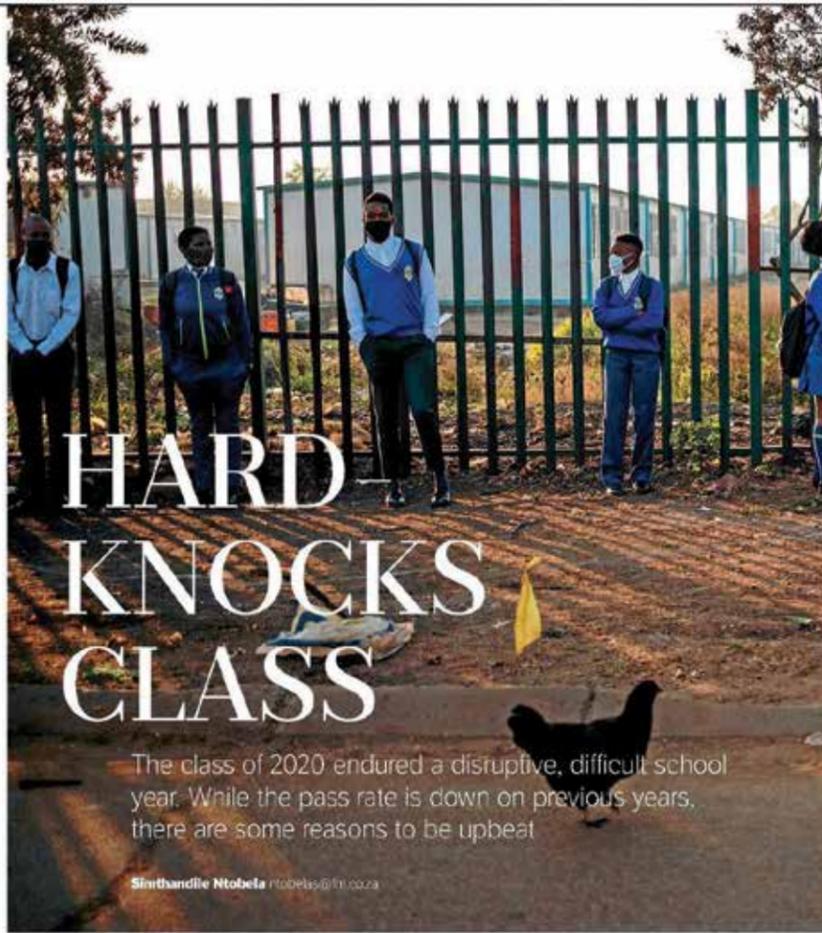
Taken this way, the throughput rate for the class of 2020 sits at just 46%. Still – and notably, considering the year it was – that's up 4 percentage points on 2019's results. And there were improvements in the throughput rates in each province (though all are still below 50%), except the Western Cape, which dropped from 51% to 50%.

As in the past, inequality remains entrenched in the educational system, the organisation says.

"Our grassroots organising in five provinces [Eastern Cape, Western Cape, KwaZulu-Natal, Limpopo and Gauteng], as well as EE's member-informed research, consistently shows that the inequalities in the education system play out more at schools in rural communities, townships [and other] poor and working-class areas," says Jacobs.

If anything, the Covid-19 pandemic has widened SA's educational divide, according to the Kagiso Trust.

Kagiso communications head Mandisa Tselane says the development agency has partnered with the department of education in a number of rural areas to try to bridge the edu-



HARD KNOCKS CLASS

The class of 2020 endured a disruptive, difficult school year. While the pass rate is down on previous years, there are some reasons to be upbeat

Sinthandile Mtobela | mtobela@fm.co.za

educational divide, with positive results.

But as schools were closed and learning moved online last year, access to quality education became even more of a challenge for pupils in rural areas.

"[These] children had to face issues of connectivity," Tselane says – and that's before factoring in data costs and the price of a smartphone or computer.

2020 matriculant Sinoyolo Mpela was one such student. Not only were there constant connectivity issues in KwaGadma, the rural Eastern Cape village where he lives, but facilities where he could get online – such as internet cafés – were far away.

With schools shut, Mpela had to teach himself for much of the year.

"I didn't have any smart device other than my cellphone," he says. With a monthly budget of R200-R300, he "downloaded study material and tutorial videos".

These, along with the government's educational TV and radio broadcasts, and motivation from his teachers at St Teresa Senior Secondary, helped him to gain a firm grasp of the material.

"I never watch SABC 3, but it became my go-to channel," Mpela says. "Even after we went back to school, there was little time to catch up on our curriculum; we had to put in 5-6 hours of work at home, daily, to catch up."

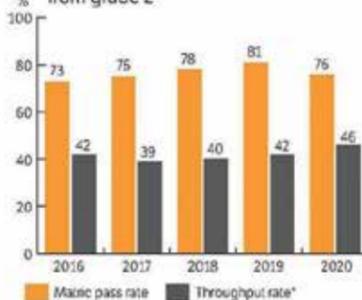
Mpela's efforts paid off: he achieved a distinction in every subject. And, with an average of 81%, he was the top pupil in the Joe Gqabi district.

His results, he says, were a godsend for his mother, a single parent.

"My mom is a community health-care

MEASURES OF SUCCESS

Matric pass rate vs throughput rate from grade 2



*The throughput rate shows the percentage of matriculants when measured against the size of their grade 2 cohort. Source: Equal Education



Matric results and challenges in rural schools



Free to ANYONE
FREE to download
24/7 online access

Open letter to Tito Mboweni ahead of Budget speech from Kagiso Trust



Open letter to Tito Mboweni ahead of Budget speech from Kagiso Trust

OFM (English) - Priority 1 - High

At Lunch

At Lunch

Continue -- 4 of 4 -- Matric Results Focus with the Kagiso Trust / Free State Department of Education

The Free State enjoyed an 85.1% matric pass rate in 2020. Free State Education MEC Tate Makgwe, speaking at a well done function earlier this week, said he is very proud of the results. Free State Education Department spokesperson Howard Ndaba said stakeholders such as Kagiso Trust supported schools throughout last year's Covid-ravaged year. Continue: Free State top matric achiever Mark van der Nest of St Andrews School in Bloemfontein obtained nine distinctions. Hoer Meisieskool Oranje pupil Christie Dempers also achieved nine distinctions. Continue: Hoer Meisieskool Oranje is among the top 10 schools in the country. Headmistress Anna-Marie Klink comments. Hoenskool Witteberg in Bethlehem was once again named as the top physical science and maths school in the province. Headmaster Hannes Oosthuizen comments. Continue: The Kagiso Trust partnered with the Free State Department of Education in 2007 and through their Beyers Naude Schools Development Programme saw the pass marks steadily improve. board chair Mankone Ntsaba comments. Continue: Free State Premier Sisi Ntombela congratulated the class of 2020 at a well done function. R-Int : Sisi Ntombela : Free State Premier (Dur 00:02:47) A.V.E. = R 14 529

315000

Allocation Date: 26 Feb 2021 14:16:02

Broadcast Date: 26 Feb 2021 12:55:29



Publication: Daily News (Deadline Edition), Money
Date: Tuesday, April 13, 2021



Tyala funding helps to create 2 436 jobs

KAGISO Trust's Tyala Impact Fund, a vehicle to provide new era farmers with a holistic funding solution, had collaborated with financial partners and investors, approving the co-funding of transactions worth R204.2 million in North West, Limpopo, KwaZulu-Natal and the Eastern Cape, it said yesterday.

It said the trust had invested R57.3m of its developmental funding, unlocking R147.2m from partners and creat-



ENCA
 Broadcast: 20 May 2021
 AVE: R 167 000,00
 Circulation: 56830,00

Black Economic Empowerment - Government to review BEE regulations
 Trustee of the Kagiso Trust Reverend Frank Chikane speaks about the review of the current Black Economic Empowerment framework. Int: Reverend Frank Chikane : Trustee of the Kagiso Trust

SAFM
 Broadcast: 20 May 2021
 AVE: R 45 886,00
 Circulation: 192000,00

Kagiso Trust welcomes the practice note which was gazetted by Trade and Industry and Competition Minister
 The presenter is in discussion with CEO of Kagiso Trust, Mankodi Moitse. The Kagiso Trust says it welcomes the practice note which was gazetted by Trade and Industry and Competition Minister Ebrahim Patel. The Minister gazetted the Broad-Based Black Economic Empowerment status of non profit development agencies and the vital role they play in eradicating poverty and creating economic opportunities in South Africa. Int: CEO : Mankodi Moitse : Kagiso Trust

Power FM
 Broadcast: 22 Apr 2021
 AVE: R 60 025,00
 Circulation: 108000,00

Focus on the mandate of The Kagiso Trust
 Presenter is in discussion with the Kagiso Trust Head of Communication and Marketing Mandisa Tselane, on the role and mandate of the Kagiso Trust. Kagiso Trust aims to eradicate poverty and inequality in South Africa. The Kagiso Trust has invested over R2 billion in development projects, over the years. OPEN LINES Int: Kagiso Trust : Mandisa Tselane : The Kagiso Trust : Communication and Marketing Head



Mathematics is not a difficult subject. It just seems that way

The inaugural Kagiso Trust Mathematics Symposium, titled 'Mathematics for the 21st century and beyond: Improving mathematics teaching and learning', held in May at the University of Limpopo, heard that the way mathematics is taught, learnt and understood is evolving. Teachers remain the central element of the education cycle in an ever-changing world, and there is a need for their skills and understanding to similarly evolve in a holistic and holistic manner to overcome the stigma that it is a 'difficult' subject.

Educators, mathematics professors and the learner with the highest marks in mathematics in South Africa in 2020, joined the symposium, hosted both physically and virtually, of how learners could be made to embrace mathematics as not only part of their school curriculum, but as an essential part of their lives in the age of the Fourth Industrial Revolution.

Mathematics education in South Africa is regarded as poor, with a decline in the number of grade 12 learners writing and passing the subject over the last few years, particularly in rural and disadvantaged areas. This need not be so, speakers at the symposium said. The methods and practice of teaching, the difference between teaching and learning, the need for education in mother tongues, growing teacher capability, teacher education and rethinking how mathematics is taught and perceived was required.

"As teachers and parents we have this stigma of saying this subject is difficult, which is not the case," said Dr Rhengwen Sibaya, who was named the 2020 Global Teacher of the Year. He uses creative strategies to improve the teaching and learning of mathematics, bringing in the elements of song, physical demonstration, sport and, perhaps most importantly, learner guidance, to help learners embrace the subject.

"What I do when I teach, is I get the learners to write their choices for their careers. I allow them to go up to three choices and then we discuss requirements. If one wants to be a doctor, we must discuss on the first day what levels in what subjects you need to do that. If you want to be a doctor, you need an A in mathematics. This assists them when they are studying so they know what they must achieve to realise their goals," said Sibaya.

EMPOWERMENT

BEE trusts in battle for survival due to regulation uncertainty

EDWARD WEST
edwest@efl.co.za

KAGISO Trust, along with many other board-based empowerment schemes, is fighting for survival due to the ongoing uncertainty about the definition of broad-based empowerment by the BEE Commission. Kagiso's chief executive Mankodi Moitse said last week.

Without BBBEE credentials or approval of deals by the commissioner, the empowerment scoring on transactions by the investment arms of the empowerment trusts are negatively affected, potentially stopping investments with market players.

In April 2019, the new commissioner of the BBBEE Commission, Zodwa Nhlo, who was appointed last year, questioned the legitimacy of broad-based ownership schemes, and said she did not regard "beneficiaries" as "stakeholders".

Moitse said in an interview with Business Report that the commissioner's view effectively stripped many empowerment trusts of their BEE credentials.

Other trusts similarly affected include the likes of Minesworkers Investment Trust, IFC Foundation, Women's Development Bank Trust, Royal Bafokeng National Trust and Wiphold Trust.

Moitse said while the commission appeared to have indicated that it viewed the "beneficiaries" of the trusts as ownership fronts and not genuine black owners, there had to be



MANKODI Moitse is the Kagiso Trust's chief executive. | Supplied

a place in the empowerment agenda for the beneficiaries of development projects.

Kagiso's beneficiaries include those rural black school children that had benefited from 30 years of education programmes, those that had benefited from its local government and NGO support programmes, and emerging farmers and other black entrepreneurs that benefited from Kagiso support programmes.

She said the laws itself on empowerment were not clear on the definition of broad-based black empowerment, and it appeared that the government was moving towards only viewing equity ownership as the sole criteria for empowerment.

"Given the socio-economic and developmental needs in our country, how can you exclude this from empowerment? When these development programmes are done right they also produce

dividends," she said. As a self-funding non-profit organisation Kagiso, like other empowerment and development trusts, do not have shareholders, and their profits go to the beneficiaries, who are considered the "owners".

Moitse said she expected that Trade, Industry and Competition Minister Ebrahim Patel would in April publish some kind of clarification on the matter, either by way of some kind of proclamation or regulation, to remove the "uncase in which we currently operate and so that we can get on with our projects".

She said that while the Department of Trade, Industry and Competition had said on November 23, 2020 that it "affirms that we recognise the use of broad-based ownership scheme structures for BBBEE ownership", it had not yet committed to publishing the clarification.

Kagiso Trust and financial self-sustainability



Mankone Ntsaba is the Chairperson of the board for Kagiso Trust

possible, benefiting the previously disadvantaged and changing lives. KTI is now Kagiso Tsao Holdings and has broadened the range of its investments, entrenching financial stability and enabling Kagiso Trust to continue its work in rural and disadvantaged communities.

Outgoing chairperson Reverend Frank Chikane pointed out last year that in 2001 KTI had a net asset value of R26-million. Today, the Trust's net asset value is around R5.8-billion.

"For us, financial self-sustainability allows us to target the projects we believe will do the most good and give the greatest return in terms of development and upliftment," said Ntsaba. "We can partner with government and provincial organisations while staying true to our aims because of that position of financial strength. In 30 years we have been able to invest R2-billion in over 1 800 programmes. Building and maintaining significant, sustainable financial resources allows for real, tangible, sustainable empowerment for those who need it most – the poor."

Like all of South Africa and the world, Kagiso Trust has had to deal with the adverse effects of Covid-19, but it is pleased to report that the business side of the organisation is stable. For the many, many South Africans who need the help and guidance of the Trust, that could make all the difference to their present and futures.

For more information, visit: <http://www.kagiso.com/press.php>

Many development agencies including NGOs are struggling for funding to support their programmes and projects. For South African development agencies to be able to provide sustainable programmes to help eradicate poverty, they require access to a consistent and sustainable source of funding.

This involves a cap-in-hand model that can detract from the essential work that NGOs provide, necessitating much time having to be spent on sourcing funding. This dependency makes them vulnerable to how economic factors affect their donors, not to mention the needs and aims of their sponsors and the possible influence that may have.

Becoming a self-funding development agency is the ideal, ensuring financial stability through investments and partnerships. That is the path the Kagiso Trust chose in 1994, creating Kagiso Trust Investments (KTI), allowing the Trust to continue to fund and expand its programmes to break the cycle of poverty in South Africa.

"Being self-funding and financially stable, even in tough economic times such as the Covid-19 pandemic, gives us the capacity to continue with our projects and partnerships across South Africa to uplift the lives of the poorest of the poor," said Mankone Ntsaba, Chairperson of Kagiso Trust. "Our investment arms have developed and evolved since the Trust decided on taking the direction to being self-sustainable rather than relying on funders, allowing us to continue our stated mission of building and delivering sustainable programmes to end poverty."

It was the late Robben Island veteran Eric Molobi, an early administrator of the Kagiso Trust, who co-founded Kagiso Trust Investments (KTI) in 1994. Since 1984, the Trust had been backed by the European Union, with Beyers Naudé and Archbishop emeritus Desmond Tutu as trustees, among others. In 1990, with the death knells of apartheid sounding, the NGOs that were previously funded by the EU had to find alternative funding.

To ensure that funding for their projects continued, Molobi became the first chairperson of KTI. The Trust saw the opportunity in Black Economic Empowerment deals to build a funding base from which it could produce dividends that would fund its programmes and reach their beneficiaries and stakeholders: the poorest of South Africa's poor.

Indeed, KTI was a symbol of the original objectives of BEE – to spread the benefits of investments in the open market as widely as possible, benefiting the previously disadvantaged and changing lives. KTI is now Kagiso Tsao Holdings and has broadened the range of its investments, entrenching financial stability and enabling Kagiso Trust to continue its work in rural and disadvantaged communities.

Outgoing chairperson Reverend Frank Chikane pointed out last year that in 2001 KTI had a net asset value of R26-million. Today, the Trust's net asset value is around R5.8-billion.



KAGISO TRUST
Overcoming poverty

Blended face-to-face and remote learning can help solve

30-06-2021 | 16:59



Blended face-to-face and remote learning can help solve education crisis, experts suggest.

POLITICS

Q&A Sessions: Frank Chikane on the rainbow where colours never meet

Carlen Du Plessis 30 Nov 2020

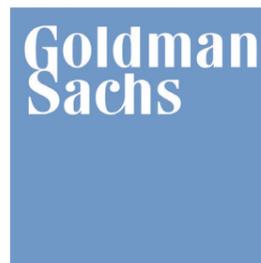


ACKNOWLEDGEMENT OF PARTNERS

Ultimately, everything we do relies on partnerships with people and organisations who share the same visions and values.

LIST OF PARTNERS AND SPONSORS

The following partners and sponsors have contributed to the impact Kagiso Trust is making across the country.



GROUP ANNUAL FINANCIAL STATEMENTS

KT aims towards the highest possible standards in its financial management, risk management, compliance and sustainability.

GROUP ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2021,
for Kagiso Charitable Trust and its Subsidiaries
(Registration number IT374/87)
Issued 12 November 2021

Trust Information

Country of incorporation and domicile	South Africa
Registered office	27 Scott Street Waverley Johannesburg 2090
Postal address	PO Box 1878 Johannesburg South Africa 2000
Bankers	First National Corporate Bank Rand Merchant Bank
Auditor	PricewaterhouseCoopers Inc. Johannesburg
Trust registration number	IT374/87
Trustees	Rev Dr Frank Chikane Dean Z Nevhutalu Mr HI Appelbaum Bishop M Tisani (Retired 23 April 2021) Ms N Angel Mr T Ratsomo Ms M Ntsaba Mr G Aboobaker Mr A Maralack Ms T Dooms
Attorneys	Weber Wentzel Edward Nathan Sonnenbergs Cliffe Dekker Hofmeyr

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Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The group annual financial statements are prepared in accordance with International Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the group's cash flow forecast for the year to 30 June 2022 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group's group annual financial statements. The group annual financial statements have been examined by the group's external auditor and their report is presented on pages 99 to 101.

The group annual financial statements set out on pages 97 to 149, which have been prepared on the going concern basis, were approved by the board of trustees on 12 November 2021 and were signed on their behalf by:

Approval of financial statements



Ms M Ntsaba ("Chairperson")



Dean Z Nevhutalu

Trustees' Report

The trustees have pleasure in submitting their report on the group annual financial statements of Kagiso Charitable Trust and its Subsidiaries for the year ended 30 June 2021.

1. Principal activities of the Trust

The principal activity of the trust is to create a fund for charitable, and educational purposes to be applied in the Republic of South Africa. Cash is derived mainly from donations, dividends and interest. The consolidated annual financial statements of the trust and its subsidiaries also incorporate the equity accounted income of associate companies.

2. Basis of preparation

The consolidated group annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated group annual financial statements.

3. Trustees

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

Trustees

Rev Dr Frank Chikane
Dean Z Nevhutalu
Mr HI Appelbaum
Bishop M Tisani (Retired 23 April 2021)
Ms N Angel
Mr T Ratsomo
Ms M Ntsaba
Mr G Aboobaker
Mr A Maralack
Ms T Dooms

Patrons

Archbishop D Tutu
Dr A Nkomo
Dr M Coleman
Fr S Mkhathshwa
Ms Z Mbeki

Management committee

Mrs Mankodi Moitse – Chief Executive Officer
Mr Themba Mola – Chief Operating Officer
Mr Mzomhle Nyenjana – Chief Financial Officer

4. Going concern

The trustees and the directors believe that the trust and the group have adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated group annual financial statements have been prepared on a going concern basis. The trustees and the directors have satisfied themselves that the trust and the group are in a sound financial position and that they have access to sufficient borrowing facilities to meet their foreseeable cash requirements. The trustees and the directors are not aware of any new material changes that may adversely impact the trust and the group. The trustees and the directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust and the group.

Trustees' Report (continued)

5. COVID-19 Consideration

The COVID-19 pandemic has had a dramatic impact on the economy at large, with an expected SA GDP contraction of 8%. The lock-down restrictions imposed by the South African government, had a negative impact on businesses who provided nonessential products and services.

The group's investment portfolio has been defensive across the healthcare, education, logistics and technology sectors. Whilst we anticipate a serious contraction in GDP, we are quite comfortable that the portfolio assets would not require follow-on capital calls, and are solvent and liquid, except for Open Learning Group, a subsidiary of Open Learning Holdings.

Our debt facility being a PIK (Pay-in-kind) instrument, is only repayable when FirstRand, MMH and Discovery Limited distribute ordinary dividends. This non-mandatory debt service arrangement ameliorates any liquidity risk and being in default of the debt facility arrangement.

Overall the business remains solvent and liquid, whilst adopting a prudent capital allocation strategy in defensive assets.

The trust was significantly affected by COVID-19 as its operations are mainly centred around the education sector where impact of COVID -19 is and remains substantial.

School closures, phasing of school opening, limited access to schools, curriculum trimming, and the revision of the school calendar have caused delays in activity implementation plans. There has further been uncertainty in programme implementation due to financial constraints caused by no contributions made by partners.

The Trustees together with the Executive Committee have further reviewed the programme elements, activities and implementation plans to include blended approach and they have further reviewed programme elements, piloting of new initiatives, phasing in of service providers and conducting survey needs and resources.

Given the current state of the local economic environment, the Trustees and Executive Committee believe that it would be more appropriate for the trust to conserve cash and maintain adequate debt headroom to ensure that the Trust is best place to with stand any prolonged adverse economic conditions and lack of funding.

6. Events after the reporting period

Subsequent to year end, on the 23rd of August 2021, the company concluded the purchase of 100% of the ordinary shares of Open Learning Group ("OLG"), which was a subsidiary of Open Learning Holdings (an associate in which the company holds 29.16%). The purchase is effective 1 July 2021.

A new investment in Purpose Built Student Accommodation has been approved by the board and should be finalised in October 2021.

The Healthcare REIT has a management company that KCHI management have decided to participate in. On the 24th of August 2021, the agreements and terms are still being finalised.

7. Auditors

PricewaterhouseCoopers Inc. will continue in office as auditors for the trust and its subsidiaries.



Independent Auditor's Report

To the Trustees of Kagiso Charitable Trust

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Kagiso Charitable Trust (the Trust) and its subsidiaries (together the Group) as at 30 June 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Kagiso Charitable Trust's consolidated and separate financial statements set out on pages 102 to 149 comprise:

- the consolidated and separate statements of financial position as at 30 June 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg no 1998/01 2055121, VAT reg.no. 4950174682



Independent Auditor's Report (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Kagiso Charitable Trust and its subsidiaries Group (Registration number IT374/87) Annual Financial Statements for the year ended 30 June 2021", which includes the Trustees' Report. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the consolidated and separate financial statements

The trustees are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the trustees are responsible for assessing the Group and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group and/or the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent Auditor's Report (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: SN Madikane
Registered Auditor
Johannesburg, South Africa
12 November 2021

Statement of Financial Position as at 30 June 2021

	Note(s)	Group		Trust	
		2021 R '000	2020 R '000	2021 R '000	2020 R '000
Assets					
Non-Current Assets					
Property, plant and equipment	12	30 533	31 771	29 699	30 735
Investment in associates	6	2 652 014	2 433 094	1 715 332	1 888 269
Loans receivables	10	5 551	-	-	-
Forward exchange asset	22	-	3 173	-	-
Deferred tax	15	-	4 671	-	-
Investment held in subsidiaries	8	-	-	185 245	134 341
Financial assets at fair value through other comprehensive income	7	5 173 168	3 719 186	4 763 586	3 494 578
Financial assets at fair value through profit & loss	9	418 870	407 540	-	-
		8 280 136	6 599 435	6 693 862	5 547 923
Current Assets					
Amounts due from related parties	35	1 372	1 372	40 208	27 024
Loans receivables	10	19 379	13 705	-	-
Trade and other receivables	13	1 521	3 969	104	104
Current tax receivable	34	221	17	-	-
Financial assets at fair value through profit & loss	9	138 829	127 302	138 829	127 302
Cash and cash equivalents	14	136 207	215 424	95 558	158 735
		297 529	361 789	274 699	313 165
Non-current assets held for sale & assets of disposal groups	11	-	5 674	-	-
Total Assets		8 577 665	6 966 898	6 968 561	5 861 088
Equity and Liabilities					
Equity					
Reserves	16	(26 069)	(470)	(18 303)	472
Retained income		7 094 524	5 812 623	6 936 894	5 791 924
		7 068 455	5 812 153	6 918 591	5 792 396
Liabilities					
Non-Current Liabilities					
Financial liabilities at fair value	17	3 879	114 915	-	-
Deferred tax	15	44 821	-	-	-
Financial liabilities measured at amortised cost	18	1 387 766	948 543	-	-
		1 436 466	1 063 458	-	-
Current Liabilities					
Trade and other payables	20	9 492	22 455	8 350	6 724
Amounts due to related parties	35	-	-	574	1 224
Provisions	21	26 567	10 202	4 361	2 114
Funds available for projects	19	36 685	58 630	36 685	58 630
		72 744	91 287	49 970	68 692
Total Liabilities		1 509 210	1 154 745	49 970	68 692
Total Equity and Liabilities		8 577 665	6 966 898	6 968 561	5 861 088

The accounting policies on pages 107 to 115 and the notes on pages 116 to 149 form an integral part of the group annual financial statements.

Statements of Profit or Loss and Other Comprehensive Income

	Note(s)	Group		Trust	
		2021 R '000	2020 R '000	2021 R '000	2020 R '000
Revenue	23	957	7 246	-	55
Other income	24	385 482	267 296	149 290	257 829
Other operating gains / (losses)	25	39 673	(51)	31 527	(5 762)
Impairment loss	30	(3 052)	(652 847)	(6 748)	(716 586)
Operating expenses	27	(186 675)	(138 580)	(147 883)	(112 678)
Operating income/(loss)		236 385	(516 936)	26 186	(577 142)
Interest income	28	7 438	19 134	3 940	9 958
Finance costs	29	(77 070)	(62 068)	-	-
Loss from equity accounted investments		(189 985)	(244 234)	(154 163)	(196 564)
Other non-operating losses	12	-	(5 167)	-	(5 167)
Loss before taxation		(23 232)	(809 271)	(124 037)	(768 915)
Taxation	31	(49 953)	4 253	-	-
Loss for the year		(73 185)	(805 018)	(124 037)	(768 915)
Other comprehensive income:					
Share of comprehensive income of equity accounted investments	32	(25 599)	15 203	(18 775)	10 990
Fair value through other comprehensive income		32 135 086	(2 420 288)	1 269 007	(2 469 640)
Other comprehensive income / (loss) for the year net of taxation		1 329 487	(2 405 085)	1 250 232	(2 458 650)
Total comprehensive income / (loss) for the year		1 256 302	(3 210 103)	1 126 195	(3 227 565)

The accounting policies on pages 107 to 115 and the notes on pages 116 to 149 form an integral part of the group annual financial statements.

Statements of Changes in Equity

	Share of equity account associate	Contributions from trustees	Retained income	Total equity
	R '000	R '000	R '000	R '000
Group				
Balance at 01 July 2019	(26 562)	10 889	9 037 930	9 022 257
Loss for the year	-	-	(805 019)	(805 019)
Other comprehensive income	15 203	-	(2 420 288)	(2 405 085)
Total comprehensive loss for the year	15 203	-	(3 225 307)	(3 210 104)
Balance at 01 July 2020	(11 359)	10 889	5 812 623	5 812 153
Loss for the year	-	-	(73 185)	(73 185)
Other comprehensive income	(25 599)	-	1 355 086	1 329 487
Total comprehensive loss for the year	(25 599)	-	1 281 901	1 256 302
Balance at 30 June 2021	(36 958)	10 889	7 094 524	7 068 455
Note(s)	32		32	

Statements of Changes in Equity

	Share capital	Share of equity account associate	Fair value adjustment assets- available- for-sale reserve	Contributions from trustees	Retained income	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000
Trust						
Balance at 01 July 2019			(10 518)	-	9 030 480	9 019 962
Loss for the year			-	-	(768 916)	(768 916)
Other comprehensive income			10 990	-	(2 469 640)	(2 458 650)
Total comprehensive loss for the year			10 990	-	(3 238 556)	(3 227 566)
Balance at 01 July 2020			472	-	5 791 924	5 792 396
Loss for the year			-	-	(124 037)	(124 037)
Other comprehensive income			(18 775)	-	1 269 007	1 250 232
Total comprehensive Loss for the year			(18 775)	-	1 144 970	1 126 195
Balance at 30 June 2021			(18 303)	-	6 936 894	6 918 591
Note(s)			32		32	

The accounting policies on pages 107 to 115 and the notes on pages 116 to 149 form an integral part of the group annual financial statements.

Statement of Cash Flows

	Note(s)	Group		Trust	
		2021 R '000	2020 R '000	2021 R '000	2020 R '000
Cash flows from operating activities					
Cash generated from operations	33	(130 910)	(99 934)	(100 200)	(75 042)
Interest income	28	6 192	19 134	3 940	9 958
Finance costs		-	-	-	-
Tax paid	34	(666)	(973)	-	-
Net cash from operating activities		(125 384)	(81 773)	(96 260)	(65 084)
Cash flows from investing activities					
Purchase of property, plant and equipment	12	(506)	(577)	(229)	(72)
Sale of property, plant and equipment	12	1	3	-	-
Proceeds on sale of investments	11	4 117	-	-	-
Purchase of investment in associates	6	(255 738)	(64 124)	-	-
Movements in loans to related parties	35	-	15	(19 933)	(7 238)
Acquisition of investments at fair value through other comprehensive income	7	(98 896)	(463 168)	-	-
Advances of loans receivables at amortised cost	10	(19 815)	(13 595)	-	-
Repayment of loans receivables at amortised cost	10	8 622	-	-	-
Purchase of ordinary shares in subsidiary	8	-	-	(50 904)	(148 362)
Withdrawal of funds from fair value investments through profit or loss	9	20 000	-	20 000	-
Dividends received	24	135 562	247 289	84 799	239 985
Net cash from investing activities		(206 653)	(294 157)	33 733	84 313
Cash flows from financing activities					
Increase in long term loan at amortised cost	18	-	171 595	-	-
Repayment of long term loan at amortised cost	18	(29 525)	(9 103)	-	-
Increase in long term loans at fair value	17	(111 036)	113 571	-	-
Repayment of loans from related parties	35	-	-	(650)	331
Preference shares issued	18	464 350	71 000	-	-
Redemption of preference share liability	18	(28 140)	(47 617)	-	-
Repayment of finance costs	18	(41 951)	(23 468)	-	-
Finance costs	29	(878)	(10)	-	-
Net cash from financing activities		252 820	275 968	(650)	331
Total cash movement for the year		(79 217)	(99 962)	(63 177)	19 560
Cash at the beginning of the year		215 424	315 386	158 735	139 175
Total cash at end of the year	14	136 207	215 424	95 558	158 735

The accounting policies on pages 107 to 115 and the notes on pages 116 to 149 form an integral part of the group annual financial statements.

Accounting Policies

Corporate information

Kagiso Charitable Trust is a trust incorporated and domiciled in South Africa.

The consolidated and separate annual financial statements for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the trustees.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

This is in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these group annual financial statements.

These group annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The group annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and trust's functional currency.

1.2 Consolidation

Basis of consolidation

The group annual financial statements incorporate the annual financial statements of the trust and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the group annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the group annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the trust.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Accounting Policies (continued)

1.2 Consolidation (continued)

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

Investments in associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the profit and loss and its share of post-acquisition movements in reserves is recognised in reserves. When the trust's share of losses in an associate equals or exceeds its interest in the associate, the trust does not recognise further losses, unless the trust has incurred obligations or made payments on behalf of the associates. The cumulative post-acquisition movements are adjusted against the cost of the investment.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group's investment in associates includes goodwill (net of accumulated impairment losses) and notional intangibles (net of accumulated amortisation) identified on acquisition.

Where associates have a different year end to the Group, the groups accounting policy is to account for a one-month lag period in reporting their results. Any significant transactions that occurred between the associate year end and the Group's June year end are taken into account.

The trust accounts for associates using the equity method of accounting.

If the share holding in any of the associates is less than 20%, the group is presumed not to have significant influence unless such influence can be clearly demonstrated.

1.3 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:

- Fair value through comprehensive income.
- Fair value through profit or loss

Financial assets which are debt instruments:

- Amortised cost; or
- Fair value through other comprehensive income.
- Fair value through profit or loss.

Financial liabilities:

- Amortised cost.

Note 3 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Accounting Policies (continued)

1.3 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to group companies are classified as financial assets at amortised cost. They are initially measured at fair value and are subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Accounting Policies (continued)

1.3 Financial instruments (continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 30).

Instruments at fair value through other comprehensive income

Classification

The group holds certain investments in equity instruments which are classified as fair value through other comprehensive income. They are initially measured at fair value and are subsequently measured at fair value through other comprehensive income or fair value through profit or loss.

They have been classified in this manner because the objectives of the group's business model is achieved by both collecting the contractual cash flows on these instruments and by selling them.

Recognition and measurement

These instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified at amortised cost. They are initially measured at fair value and are subsequently measured at amortised cost (note 13).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting Policies (continued)

1.3 Financial instruments (continued)

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 13.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 30).

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Borrowings and loans from related parties

Classification

Loans from group companies are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 29.)

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Accounting Policies (continued)

1.3 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 20), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 29).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The classification into different levels is based on the extent that quoted prices are used in the calculation of fair value and the levels have been defined as follows:

- Level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- Level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

1.4 Property, plant and equipment

All plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use. Land is not depreciated. Depreciation is calculated on a straight-line method to write off the cost of the assets over their expected useful lives. Major leasehold improvements are amortised over the shorter of their respective lease periods or estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Major leasehold improvements are amortised over the shorter of their respective lease periods or estimated useful life. In the event of such impairment, the carrying amount is reduced and the reduction is charged as an expense in the profit or loss. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains or losses on disposals are determined by comparing the proceeds with the assets' carrying amounts. These are included in the profit or loss in the related period.

1.4 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Buildings	Straight line	3,33% per annum
Plant and machinery	Straight line	20% per annum
Office furniture	Straight line	10 - 20% per annum
Motor vehicles	Straight line	20% per annum
Office equipment	Straight line	20 - 33% per annum
Computer equipment	Straight line	20 - 33% per annum
Leasehold improvements	Straight line	15% per annum
Land	Straight line	Indefinite
Legacy wall	Straight line	10% per annum

1.5 Impairment of non financial assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds their recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Intangible assets with indefinite useful life and goodwill are tested for impairment annually.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The tax expense on the profit or loss for the year comprise current and deferred tax. Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years. Tax expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax and deferred capital gains tax are provided for on a comprehensive basis, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is also not recognised on the initial recognition of goodwill, nor is it recognised on investments in subsidiaries and joint ventures where the Group controls the timing of the reversal of temporary differences and it is possible that these differences will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each statement of financial position date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of each asset or liability, and is not discounted.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Accounting Policies (continued)

1.7 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

1.8 Funds available for projects

Project funds are allocated to the funds available for project account as a liability. These funds are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for related costs for which the project funds are intended to compensate.

1.9 Provisions

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

1.10 Employee benefits

Pension obligations

The Group operates a defined contribution plan. The Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.11 Revenue

The group recognises revenue from the following major sources:

- Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Accounting Policies (continued)

1.11 Revenue (continued)

Donations received

Donations received from donors are accounted for as revenue by the group. The group recognises the donations received when cash is received by the group.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract and, excludes amounts collected on behalf of the third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Consultancy income is recognised by reference to the stage of completion of the transaction.

The group provide consultancy services to its customers and recognises its revenue over a period of time.

Revenue recognised over a period of time is based on contracts entered into with the customers that cover specific period during which, the consultancy service is performed. The revenue recognised over a period of time is measured in accordance with the duration of the contract as the costs are incurred on stage of completion basis.

Revenue Recognition – IFRS 15

The group applies the principles of IFRS 15 when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. Applying IFRS 15, the group recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. Revenue is recognised over a long term contract based on the percentage of work completed.

To recognise revenue under IFRS 15, the group applies the following steps:

- identifies the contract(s) with a customer.
- identifies the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.
- determines the transaction price. The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, the group must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.
- allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.
- recognises revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, group would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

1.12 Comparatives

Where necessary, comparative figures have been restated to conform with changes in presentation in the current year.

Notes to the Group Annual Financial Statements

2. New Standards and Interpretations

2.1 Recently issued accounting standards

International Financial Reporting Standards and Amendments effective for the first time in 30 June 2021 year end:

Amendment to IAS 1, 'Presentation of financial statements' and IAS 8 (Effective: Annual periods beginning on or after 1 January 2020). The amendment was for the definition of material. The amended definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of the general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Amendments to IFRS 9, Financial Instrument IAS 39, Financial Instruments: Recognition and Measurement and IFRS 7, Financial Instruments: Disclosure – Interest rate benchmark reform [effective annual periods beginning on or after 1 January 2020]. These amendments provide certain reliefs in connection with interest rate benchmark reform (IBOR). The reliefs relate to hedge accounting and have the effect that IBOR should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

2.2 Standards and interpretations not yet effective

International Financial Reporting Standards, interpretations and amendments issued but not effective for 30 June 2021:

Amendments to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current (annual periods beginning on or after 1 January 2022). The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use- The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss, [effective annual periods beginning on or after 1 January 2022].

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract. The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

Annual improvements cycle 2018 -2020 [effective annual periods beginning on or after 1 January 2022]

These amendments include minor changes to:

IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS.

IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.

IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

Impact of the Financial reporting Standards on the annual financial statements

The expected impact has been assessed and it has been concluded that there will be no material impact from Financial Reporting Standards not yet effective.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000

3. Financial instruments and risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to Group shareholders, return capital to stakeholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the trust monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

During 2021 the Group's strategy, which was unchanged from 2020, was to maintain the gearing ratio limit to 60%. The Trust has no long term debt. The gearing ratios at 30 June 2021 are:

	Consolidated		Trust	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000
Total debt	1 391 645	1 063 458	-	-
Cash and cash equivalent	(136 207)	(215 424)	(95 558)	(158 735)
Net debt	1 255 438	848 034	(95 558)	(158 735)
Total equity	7 068 455	5 812 153	6 918 591	5 792 396
Total capital	8 301 092	6 660 187	6 822 164	5 633 658
Gearing ratio	18%	15%	(1)%	(3)%

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure on loans to group companies and loans receivable. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables are presented net of the allowance for doubtful receivables. The Group has no significant concentration of credit risk.

The Group is also exposed to credit related losses in the event of non-performance of counterparties to loans from investee companies, these loans are disclosed as part of amounts due from related parties.

The Group manages the credit risk through monitoring of debtors days. At statement of financial position date all trade receivables were current. The Group does not have off-statement of financial position credit exposures. The Group's maximum exposure to credit risk is represented by the carrying amount of all the financial assets determined to be exposed to credit risk.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

3. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed facilities. The Group remains confident that the available cash resources and borrowing facilities will be sufficient to meet its funding requirements.

Consolidated

Available liquidity resources are	Carrying amount		Fair value	
	2021	2020	2021	2020
Cash at bank and on hand	136 207	215 424	136 207	215 424
Trade and other receivables	307	304	307	304

Trust

Available liquidity resources are	Carrying amount		Fair value	
	2021	2020	2021	2020
Cash at bank and on hand	95 558	158 735	95 558	158 735
Trade and other receivables	104	104	104	104

The maturity profile of contractual cash flows of derivative financial liabilities are as follows:

Group – 2021

	R'000	R'000	R'000	Total
	Less than 1 year or on demand	Between 1 and 5 years	More than 5 years	
Financial liabilities measured at amortised cost	-	1 387 766	-	1 387 766
Financial liabilities measured at fair value	-	3 879	-	3 879
Trade and other payables	4 281	-	-	4 281
	4 281	1 391 645	-	1 395 926

Group – 2020

	R'000	R'000	R'000	Total
	Less than 1 year or on demand	Between 1 and 5 years	More than 5 years	
Financial liabilities measured at amortised cost	-	948 543	-	948 543
Financial liabilities at fair value	-	114 915	-	114 915
Trade and other payables	17 202	-	-	17 202
	17 202	1 063 458	-	1 080 660

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

3. Financial instruments and risk management (continued)

Trust – 2021

	Less than 1 year or on demand	Between 1 and 5 years	More than 5 years	Total
Amount due to related parties	574	-	-	574
Trade and other payables	3 158	-	-	3 158
	3 732	-	-	3 732

Trust – 2020

	Less than 1 year or on demand	Between 1 and 5 years	More than 5 years	Total
Loans due to related parties	1 224	-	-	1 224
Trade and other payables	1 532	-	-	1 532
	2 756	-	-	2 756

Foreign currency risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has an investment in Kenya Community Development Foundation ("KCDF") which is dominated by South African Rands. There is no risk associated with foreign currency as the value of shares is presented in Rands.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate.

Interest rate risk arises from the repricing of the Group's floating rate debt, incremental funding or new borrowings, the refinancing of existing and the magnitude of the significant cash balances which exist. Cash and cash equivalents and financial liabilities measured at amortised cost carry interest at variable interest rate.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

3. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The Group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of an instantaneous prior year increase of 5% and a decrease of 3% (300 basis points) in current year market interest rates, from the rate applicable at 30 June, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only as, in practice, market rates rarely change in isolation.

The Group is exposed mainly to fluctuations in the prime lending rate. Changes in market interest rates affect the interest income or expense of floating rate financial instruments, and the fair value gain or loss in respect of interest rate derivatives. Changes in market interest rates affect profit or loss only in relation to financial instruments with fixed interest rates if these financial instruments are recognised at their fair value.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

	Consolidated		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Cash and cash equivalents	(4 086)	(6 463)	(2 867)	(4 762)
Borrowings	41 749	31 904	-	-
	37 663	25 441	(2 867)	(4 762)

Price risk

Price risk is the risk that the fair value will fluctuate because of changes in the market price.

The Group's investments in equity of other entities that are publicly traded are limited to the JSE All Share Index.

Other components of other comprehensive income would increase / (decrease) as a result of gains / (losses) on equity securities classified as fair value through other comprehensive income.

4. Fair value information

Fair value hierarchy

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The fair value of financial instruments may require some judgement or may be derived from readily available sources. The degree of judgement involved is reflected in the fair value measurements section below. Although this does not necessarily indicate that the fair value is more or less likely to be realised.

For investments that are actively traded in financial markets, fair value is determined by reference to official quoted market bid prices. For investments that are not actively traded, fair value is determined by using quoted prices from third parties such as brokers, market makers and pricing agencies for equity investments where there is no quoted market price, fair value is determined by independent professional valuers.

Each instrument has been categorised using a fair value hierarchy that reflects the extent of judgements used in the valuation. These levels are based on the degree to which the fair value is observable and are defined as follows. See note 5 for further information on fair value estimation.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

4. Fair value information (continued)

Level 1 fair value measurements are those derived from quoted prices unadjusted in active markets for identical assets or liabilities and principally comprise investments in quoted equities, daily prices funds, gifts and exchange traded derivatives.

Level 2 fair value measurements are those derived from prices that are not traded in an active market but are determined using valuation techniques, which make maximum use of observable market data included within Level 1 for the asset or liability and principally comprise corporate bonds and foreign exchange contracts. Valuation techniques may include using a broker quote in an active market, an evaluated price based on a compilation of primarily observable market information or industry standard calculations, using vendor feed data and information readily available via external sources for funds not priced on a daily basis e.g. property funds, the net asset value which is issued monthly or quarterly is used; and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data and principally comprise investments in private equity and hedge funds. These funds are managed by third parties and are measured at the values provided by the relevant fund managers, Venture capital funds are valued based on the best available 'International Private Equity and Venture Capital Valuation Guidelines' The most recent available valuation data is used and adjusted for known events such as calls or distributions. The valuation review is continual process throughout the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transaction on an arm's-length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs requested to fair value an instrument are observable, the instruments included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value finance instruments include:

- quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves, and
- other techniques, these include the use of recent arm's length transactions, reference to other instruments that are substantially maximum use of market inputs and relying as little as possible on entity-specific inputs.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

4. Fair value information (continued)

2021 Consolidated Assets	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets at fair value through other comprehensive income	5 173 168	-	-	5 173 168
Financial assets at fair value through profit or loss	-	417 678	150 521	568 199
	5 173 168	417 678	150 521	5 741 367

2020 Consolidated Assets	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets at fair value through other comprehensive income	3 719 186	-	-	3 719 186
Financial assets at fair value through profit or loss	-	395 848	138 994	534 842
	3 719 186	395 848	138 994	4 254 028

2021 Trust Assets	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets at fair value through other comprehensive income	4 763 586	-	-	4 763 586
Financial assets at fair value through profit or loss	-	-	138 829	138 829
	4 763 586	-	138 829	4 902 415

2020 Trust Assets	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets at fair value through other comprehensive income	3 494 578	-	-	3 494 578
Financial assets at fair value through profit or loss	-	-	127 302	127 302
	3 494 578	-	127 302	3 621 880

Refer to Note 8 for reconciliation of level 1 financial assets and note 10 for reconciliation level 2 and 3 financial assets.

5. Critical accounting estimates and judgements

Estimates, judgements and assumptions are made that could affect the reported amounts of assets and liabilities within the next financial year. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investment in associates

Associates with different year ends

Part of the equity-accounted earnings from some associates are based on reviewed financial information and the actual results may differ.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

5. Critical accounting estimates and judgements (continued)

The group exercises judgement in classifying investment as associated companies rather than investment carried at fair value (through profit or loss and/or other comprehensive income). There are some investments over which the group is believed to have significant influence although it has an interest of less than 20% in these companies. This is due to the group being provided with at least one seat on the board of directors of the investee company. This gives the group influence over the financial and operational policies of the investee company, which is seen as significant. These investments are accordingly accounted for as associated companies using the equity method and not as the financial instruments at fair value.

Refer to note 6 for year-ends of associates.

6. Investments in associates

6.1 Shareholding of associates:

The following table lists all of the associates in the group:

Consolidated	Year end	Number of shares held		% of ownership interest	
		2021	2020	2021	2020
Kagiso Tiso Holdings Proprietary Limited	30 June	422 599	380 343	55,71 %	42,37 %
Kenya Community Development Fund Investment Holding Limited	31 December	40	40	40,00 %	40,00 %
OneLogix Group Limited	31 May	28 086 585	28 086 585	12,40 %	12,30 %
Alphawave Holdings	30 April	101 517 157	49 646 501	26,90 %	17,24 %
Zigraph Proprietary Limited	28 February	32	32	26,00 %	26,00 %
Open Learning Holdings	30 June	14 608 339	14 608 339	29,16 %	29,16 %
Extra Lessons Proprietary Limited (Trading as 'Tenfold Education')	31 December	-	450	- %	50,00 %
		144 634 752	92 722 290		

Kagiso Tiso Holdings Proprietary Limited

In the current financial year, the shareholding in KTH has increased from 42.37% to 55.70%. This was executed through two step approach including a sale of shares agreement by a current shareholder to Kagiso Capital Proprietary Limited for a cash consideration of R200 million as well as a share buyback by KTH for R644 million in exchange for a wholly owned subsidiary of KTH. The group assessed the shareholder voting rights and the board composition and voting in relation to the relevant decisions of the business, the group concluded that based on the contractual arrangements and the factors considered in IAS 28 par 6, it does not have control over KTH however it exerts significant influence. The change in shareholding was effective on 13 November 2020. The fair value of the identifiable assets and liabilities (additional 13.33%) of KTH on the date of the transaction was R651 million, the consideration for the additional interest was R473 million (including a deemed cost of R273 million and a cash consideration of R200 million). This resulted in a gain on bargain purchase of R179 million.

OneLogix Group Limited

A 9.69% interest in OneLogix Group Limited, Niche Logistics business was acquired on the 28th of January 2015 for an amount of R101 111 706. During April and December 2020, OneLogix Group Limited undertook a share buyback with certain of its shareholders. This resulted in Kagiso Capital percentage shareholding increasing to 12.4% as at year end.

Open Learning Holdings Proprietary Limited

Shareholding of 29.16% interest in Open Learning Holdings Proprietary Limited was acquired on the 31st of July 2015. During the year, OLH shareholders invested in the form of shareholder loans to support Open Learning Group's operations, and Kagiso Capital invested a further R 15,3m in the current period.

Subsequent to year end, 100% of Open Learning Group ("OLG") which was previously a subsidiary of Open Learning holdings, was acquired on 1 July 2021. Transaction costs of R1 million incurred in acquisition of 100% interest of Open Learning Group have been capitalised refer to the subsequent event note.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000

6.1 Shareholding of associates: (continued)

Alphawave Holdings

A 17.24% interest in Alphawave Holdings was acquired on the 30th of March 2020. There was a further undertaking to acquire more equity to the value of R50 million, subject to Competition Commission approval. The further undertaking qualified to be recognised as a derivative forward contract (FEC) as per IFRS 9 and had a fair value of R3.1 million. In the current year, the Competition Commission approved the transaction and the percentage increase in Alphawave increased to 26.9%.

6.2. Equity accounting of associates

Associate companies

Reconciliation of carrying value	Consolidated		Trust	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000
Beginning of the year	2 433 094	3 249 788	1 888 269	2 637 422
Additions in associates for cash	255 738	64 124	-	-
Gain on bargain purchase	179 000	-	-	-
Interest capitalised to loans to associates	2 166	978	-	-
Share of losses after tax	(189 985)	(244 234)	(154 162)	(196 564)
Impairment of investments	(2 400)	(652 765)	-	(563 579)
Share of movements in reserves of associates	(25 599)	15 203	(18 775)	10 990
End of year	2 652 014	2 433 094	1 715 332	1 888 269

Reconciliation of carrying value – Group	Book value		Consolidated share in profit/(loss)	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000
Kagiso Tiso Holdings Proprietary Limited	2 446 683	2 293 201	(200 185)	(238 705)
Alphawave Holdings	105 172	53 455	1 296	947
OneLogix Group Limited	61 790	60 948	3 510	3 073
Open Learning Holdings Proprietary Limited	38 369	25 490	5 394	(9 549)
Total consolidated associated companies	2 652 014	2 433 094	(189 985)	(244 234)

Reconciliation of carrying value – Trust	Book value		Share in profit/(loss)	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000
Kagiso Tiso Holdings Proprietary Limited	1 715 332	1 888 269	(154 162)	(196 564)
	1 715 332	1 888 269	(154 162)	(196 564)

Associate companies	Fair value hierarchy	Consolidated		Trust	
		2021	2020	2021	2020
		R'000	R'000	R'000	R'000
Trustees' valuation of investment in associate					
Kagiso Tiso Holdings Proprietary Limited	3	2 651 075	2 293 201	1 713 945	1 888 269
Open Learning Holdings Proprietary Limited	3	38 369	60 948	-	-
Alphawave Holdings	3	109 449	53 455	-	-
Onelogix Limited	1	61 790	25 490	-	-
		2 860 683	2 433 094	1 713 945	1 888 269

The trustees's valuation of unlisted associates is based on various valuation techniques, which include EBIT and EBITDA multiples, price-earnings multiples, net asset value as well as discounted cash flow.

The shares in Kagiso Tiso Holdings Proprietary Limited serve as security to Kagiso Capital preference shares as per note 18.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000

Summary of financial information of the associates

2021 R'000	Kagiso Tiso Holdings	OneLogix	Alphawave Holdings	Open Learnings Holding	Total
Capital and reserves	3 763 792	971 894	242 115	104 134	5 081 935
Non current assets	4 310 426	1 617 400	244 113	192 879	6 364 818
Current assets	1 908 058	1 041 607	54 556	19 861	3 024 082
Non current assets held for sale	125 206	-	-	-	125 206
Non current liabilities	1 194 044	887 238	28 540	88 220	2 198 042
Current liabilities	1 342 795	799 875	28 014	20 386	2 191 070
Revenue	1 419 500	2 462 880	200 211	182 613	4 265 204
Profit/(loss) for the year	(399 205)	42 495	20 718	18 499	(317 493)

2020 R'000	Kagiso Tiso Holdings	OneLogix	Open Learnings Holdings	Extra Lessons Academy	Total
Capital and reserves	4 887 880	961 605	199 071	(17 689)	6 030 867
Non current assets	4 911 552	1 638 024	185 533	11 356	6 746 465
Current assets	2 256 109	507 157	67 090	6 219	2 836 575
Non current assets held for sale	730 210	-	-	272	730 482
Non current liabilities	1 482 414	712 862	15 416	22 496	2 233 188
Current liabilities	1 527 263	470 714	38 136	13 040	2 049 153
Revenue	1 456 156	2 622 382	165 677	19 676	4 263 891
Profit/(loss) for the year	(563 383)	46 784	56 640	(29 905)	(489 864)

Reconciliation of carrying values 30 June 2021 – Group

	Investments in associates R'000
Balance at the beginning of the year	2 433 094
Additions for cash	255 738
Gain on bargain purchase	179 000
Interest capitalised to loans to associates	2 166
Share of losses in associates	(189 985)
Impairment of investment	(2 400)
Share of movements in reserves of associates	(25 599)
	2 652 014

30 June 2020 – Group

	Investments in associates R'000
Balance at the beginning of the year	3 249 788
Additions for cash	64 124
Interest capitalised	978
Share of losses in associates	(244 234)
Impairment of investments	(652 765)
Share of movements in reserves of associates	15 203
	2 433 094

The following inputs, assumptions, and valuation methodologies were used in determining the fair value of the investment:

Inputs, assumptions, and valuation methodologies – 2021	Methodology	Minority discount	Marketability discount	Unit Price (cents)
OneLogix Limited	Quoted	0,00 %	10,00 %	217
Open Learning Holdings	NAV	11,00 %	0,00 %	-
Alphawave Holdings	NAV	17,40 %	16,50 %	-
Kagiso Tiso Holdings	NAV	0,00 %	10,00 %	-

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

Inputs, assumptions, and valuation methodologies – 2020	Methodology	Minority discount	Marketability discount	Unit Price (cents)
OneLogix Limited	Quoted	0,00 %	10,00 %	217
Open Learning Holdings	NAV	11,00 %	0,00 %	-
Extra Lessons Academy	NAV	0,00 %	0,00 %	-
Kagiso Tiso Holdings	NAV	0,00 %	10,00 %	-

Level 3 sensitivity analysis

2021	Open Learning Holdings	Extra Lessons academy	Kagiso Tiso Holdings
Input	Discount rate	Discount rate	Discount rate
Base rate	- %	10 %	22 %
Change in rate	- %	5 %	1 %
Base value (R'000)	-	2 651 075	109 449
High value (R'000)	-	2 798 357	110 543
Low value (R'000)	-	2 503 733	108 355
Change in value (R'000)	-	147 282	1 052
2020	Open Learning Holdings	Extra Lessons academy	Kagiso Tiso Holdings
Input	Discount rate	Discount rate	Discount rate
Base rate	21 %	18 %	10 %
Change in rate	5 %	5 %	5 %
Base value (R'000)	25 490	40 245	2 293 201
High value (R'000)	27 038	42 600	2 420 601
Low value (R'000)	23 941	37 889	2 165 801
Change in value (R'000)	1 549	2 355	127 400

7. Financial assets at fair value through other comprehensive income

Level 1 financial assets

Beginning of the year	3 719 186	5 964 218	3 494 578	5 964 218
Acquisition during the year	98 896	175 256	-	-
Net gains / (loss) through other comprehensive income	1 355 086	(2 420 288)	1 269 008	(2 469 640)
End of the year	5 173 168	3 719 186	4 763 586	3 494 578

Listed securities

First Rand Limited	3 975 929	2 823 733	3 975 929	2 823 733
MMH Holdings Limited	248 710	224 604	248 710	224 604
Discovery Holdings Limited	538 947	446 241	538 947	446 241
Phuthuma Nathi Investments RF Limited	409 582	224 608	-	-
	5 173 168	3 719 186	4 763 586	3 494 578

Fair value through other comprehensive financial assets are denominated in South African Rands only.

1 895 425 ordinary shares, representing 3.5% of the equity of Phuthuma Nathi Investments (RF) Limited, were acquired in the 2020 financial year. An additional 988 958 ordinary shares were acquired in the 2021 financial year increasing the equity share to 4.3%.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

8. Investments in subsidiaries

Unlisted securities	Holding	Consolidated 2021 (R'000)	Consolidated 2020 (R'000)	Trust 2021 (R'000)	Trust 2020 (R'000)
5000 ordinary shares of R1 each in Kagiso Trust Strategic Investments Proprietary Limited (2020: 5000)*	100,00 %	-	-	-	-
1000 ordinary shares of R1 in Kagiso Trust Consultancy Proprietary Limited	100,00 %	-	-	1	1
Kagiso Enterprise Rural Private Equity Fund Proprietary Limited*	100,00 %	-	-	-	-
Kagiso Africa Investments Proprietary Limited	100,00 %	-	-	1	1
6139 ordinary shares in Kagiso Capital Proprietary Limited (2020 :5886)	100,00 %	-	-	788 137	737 233
Impairment in value of Kagiso Capital Proprietary Limited	0,00 %	-	-	(602 894)	(602 894)
Kagiso Capital Health Investments (RF Proprietary Limited)	100,00 %	-	-	-	-
Kagiso Venture Capital Proprietary Limited	100,00 %	-	-	-	-
Tyala Impact Fund Proprietary Limited	100,00 %	-	-	-	-
		-	-	185 245	134 341

* Amounts less than R1 thousand

During the year ended 30 June 2021, 253 ordinary shares were issued by Kagiso Capital Proprietary Limited in favour of Kagiso Charitable Trust for a consideration of R 50 904 204.

9. Financial assets at fair value through profit and loss

Current assets

Level 3 financial assets

Investment with Kagiso Asset Management Proprietary Limited

	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Beginning of the year	127 303	133 065	127 303	133 065
Fair value adjustment through profit or loss 3	1 527	(5 762)	31 527	(5 762)
Withdrawals during the year	(20 000)	-	(20 000)	-
End of the year	138 830	127 303	138 830	127 303

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

Non-current assets

Investment in Growthpoint Healthcare Property Holdings (RF) Limited

9 625 972 ordinary shares, representing 4.3% of the equity of Growthpoint Healthcare Property Holdings (RF) Limited, were acquired in the 2019 financial year. A further acquisition of 27 363 611 ordinary shares, was acquired in the prior year, representing 15% of the equity in Growthpoint Healthcare Property Holdings (RF) Limited.

	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Beginning of the year	395 848	1 053 95	-	-
Acquisition cost	-	287 912	-	-
Fair value adjustment through profit or loss	11 330	2 541	-	-
End of the year	407 178	395 848	-	-

Level 2 sensitivity analysis – 2021

The following sensitivity analysis is done as the fair value of the investment is determined with reference to level 2 inputs and is significant for the group.

Growthpoint Healthcare Property Holdings (RF)

Input	2021		2020	
	Discount rate	Discount rate	Discount rate	Discount rate
Base rate	15 %	15 %		
Change in rate	5 %	5 %		
Base value (R'000)	407 178	395 848		
High value (R'000)	428 351	419 133		
Low value (R'000)	386 004	372 563		

Investment in KCDF Investment Company Limited

1 600 000 redeemable preference shares of 50 Kenyan Shillings (KSH50) each representing 40% of these shares in the Company. The shares were acquired during the 2014 financial year.

Level 3 financial assets	2021	2020	2021	2020
	R'000	R'000	R'000	R'000
Beginning of the year	11 692	11 692	-	-
Fair value gain / (loss)	-	-	-	-
End of the year	11 692	11 692	-	-

Changes in fair values of financial assets at fair value through profit and loss are recognised in other gains net, in the income statement.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

Inputs, assumptions and valuation methodologies – 2021

Level 3 Financial assets	Methodology	Minority discount	Marketability discount
KCDF Investment Company Limited	NAV	5 %	6 %

The following sensitivity analysis is done as the fair value of the investment is determined with reference to level 2 inputs and is significant for the group:

Level 3 sensitivity analysis

KCDF Investment Company Limited

Input	2020	2019
	Discount rate	Discount rate
Base rate	6 %	6 %
Change in rate	5 %	5 %
Base value (R'000)	11 692	11 692
High value (R'000)	12 314	12 314
Low value (R'000)	11 070	11 070
Change in value (R'000)	622	622

Summary of other financial assets at fair value through profit or loss (non-current assets)

	2021	2020	2021	2020
Growthpoint Healthcare Property Holdings (RF) Limited (level 2 financial assets)	407 178	395 848	-	-
KCDF Investment Company Limited (level 3 financial assets)	1 692	11 692	-	-
	418 870	407 540	-	-

Investment in Growthpoint Healthcare Property Holdings Limited serve as security for financial liabilities.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

10. Loans receivable

Loans receivables are presented at amortised cost, which is net of loss allowance, as follows:

Loans receivables non current portion	5 551	-	-	-
Loans receivables current portion	19 379	13 705	-	-
	24 930	13 705	-	-

Details of movement

For Farmers East Proprietary Limited

Opening balance	7 654	-	-	-
Advanced during the year	10 000	7 500	-	-
Repayment	(7 654)	-	-	-
Interest accrued	264	154	-	-
Provision for impairment loss	(36)	-	-	-
	10 228	7 654	-	-

The loans are unsecured. Interest is compounded monthly at prime rate minus 200 (two hundred basis points) and is payable in an earlier of 12 months or sale of harvest.

Baphuduhuchwana Production Incubator Proprietary Limited (BPI)

Opening balance	6 051	-	-	-
Advanced during the year	770	5 933	-	-
Legal fees	-	162	-	-
Interest accrued	252	23	-	-
Provision for impairment loss	(587)	(67)	-	-
	6 486	6 051	-	-

The loans are unsecured. Interest is compounded monthly at prime rate minus 300 (three hundred basis points) and is payable after year end.

Sebenzangamandla Proprietary Limited

Opening balance	-	-	-	-
Advanced during the year	1 264	-	-	-
Legal fees	22	-	-	-
Interest accrued	19	-	-	-
Loan repayment	(800)	-	-	-
Provision for impairment loss	(2)	-	-	-
	503	-	-	-

The loan is unsecured. Interest is compounded monthly at prime rate minus 300 (three hundred basis points) and is payable in an earlier of 12 months or sale of harvest.

Spar

Opening balance	-	-	-	-
Advanced during the year	4 780	-	-	-
Interest accrued	66	-	-	-
Provision for impairment loss	(17)	-	-	-
	4 829	-	-	-
Non Current	3 016	-	-	-
Current	1 813	-	-	-

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

10. Loans receivable (continued)

Infrastructure loan (non current portion)

The loan is unsecured. Interest is compounded monthly at prime rate minus 300 (three hundred basis points) and is payable biannually for a period of six years.

Input Loan (Current portion)

The loan is unsecured. Interest is compounded monthly at a greater of 3% of prime rate minus 300 (three hundred basis points) or 5%.

Groendal

Opening balance	-	-	-	-
Advanced during the year	3 000	-	-	-
Legal fees	26	-	-	-
Interest accrued	36	-	-	-
Loan repayment	(168)	-	-	-
Provision for impairment loss	(10)	-	-	-
	2 884	-	-	-
Non current	2 534	-	-	-
Current	350	-	-	-

Loan is unsecured. Interest is compounded monthly at a prime rate minus 300 basis points is payable in monthly instalments of R30 000 for a period of ten years.

Total loans receivables

For Farmers East Proprietary Limited (FFE)	10 228	7 654	-	-
Baphuduhuchwana Production Incubator Proprietary Limited (BPI)	6 486	6 051	-	-
Sebenzangamandla	503	-	-	-
Spar Mohopane Rural Hub	4 829	-	-	-
Groendal	2 884	-	-	-
	24 930	13 705	-	-

Split between non current and current assets

Non-current	5 551	-	-	-
Current	19 379	13 705	-	-
	24 930	13 705	-	-

Exposure to credit risk

Loans receivables inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivables is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

The group does not hold collateral or other credit enhancements against loans receivables.

These loans receivables are fully performing and have not been renegotiated.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

10. Loans receivable (continued)

Exposure to currency risk

Rand amount

Rand	24 930	13 705	-	-
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11. Non-current assets held for sale

Kagiso Capital Proprietary Limited had entered into a sale agreement in February 2019 in order to dispose of its 50% equity holding in Extra Lessons Academy Proprietary Limited for a consideration of R12 353 427 of which R 8 235 619 has been settled as at 30 June 2019 resulting in an outstanding amount payable of R5 673 893.

The investment was equity accounted until February 2019 and subsequently, the investment has been classified as a noncurrent asset held for sale and is remeasured to its fair value as at 30 June 2020.

Assets and liabilities

Non-current assets held for sale

Investment in associates	-	5 674	-	-
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12. Property, plant and equipment

Group Figures in R'000	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	36 330	(7 581)	28 749	36 330	(6 795)	29 535
Furniture and fixtures	2 107	(1 504)	603	2 107	(1 316)	791
Motor vehicles	1 522	(1 229)	293	1 522	(977)	545
Office equipment	1 395	(1 127)	268	1 211	(1 032)	179
IT equipment	2 325	(1 723)	602	2 343	(1 644)	699
Legacy wall	411	(393)	18	411	(389)	22
Total	44 090	(13 557)	30 533	43 924	(12 153)	31 771

Trust Figures in R'000	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	36 330	(7 581)	28 749	36 330	(6 795)	29 535
Furniture and fixtures	1 260	(904)	356	1 260	(822)	438
Motor vehicles	1 522	(1 229)	293	1 522	(977)	545
Office equipment	820	(661)	159	693	(629)	64
IT equipment	1 074	(936)	138	1 101	(953)	148
Other property, plant and equipment	380	(376)	4	380	(375)	5
Total	41 386	(11 687)	29 699	41 286	(10 551)	30 735

Notes to the Group Annual Financial Statements (continued)

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Group – 2021

Figures in R'000	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	29 535	-	-	(786)	28 749
Furniture and fixtures	791	-	-	(188)	603
Motor vehicles	545	-	-	(252)	293
Office equipment	179	177	-	(88)	268
IT equipment	699	329	(12)	(414)	602
Legacy wall	22	-	-	(4)	18
	31 771	506	(12)	(1 732)	30 533

Reconciliation of property, plant and equipment – Group – 2020

Figures in R'000	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Land and buildings	35 488	-	-	(5 167)	(786)	29 535
Furniture and fixtures	958	34	-	-	(201)	791
Motor vehicles	798	-	-	-	(253)	545
Office equipment	309	8	-	-	(138)	179
IT equipment	544	535	(6)	-	(374)	699
Legacy wall	63	-	-	-	(41)	22
	38 160	577	(6)	(5 167)	(1 793)	31 771

Reconciliation of property, plant and equipment – Trust – 2021

Figures in R'000	Opening balance	Additions	Depreciation	Total
Land and buildings	29 535	-	(786)	28 749
Furniture and fixtures	438	-	(82)	356
Motor vehicles	545	-	(252)	293
Office equipment	64	127	(32)	159
IT equipment	148	102	(112)	138
Legacy wall	5	-	(1)	4
	30 735	229	(1 265)	29 699

The market value of the land and buildings on 27 Scott Street Waverly is R17 100 000.

The market value of the land and buildings on 35 Scott Street Waverly is R14 300 000.

The properties were last valued in 2020 financial year, and the next valuation will be in 2022 financial year.

Reconciliation of property, plant and equipment – Trust – 2020

Figures in R'000	Opening balance	Additions	Revaluations	Depreciation	Total
Land and buildings	35 488	-	(5 167)	(786)	29 535
Furniture and fixtures	520	-	-	(82)	438
Motor vehicles	798	-	-	(253)	545
Office equipment	123	-	-	(59)	64
IT equipment	202	72	-	(126)	148
Legacy Wall	43	-	-	(38)	5
	37 174	72	(5 167)	(1 344)	30 735

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
13. Trade and other receivables				
Financial instruments:				
Trade receivables	307	304	104	104
Non-financial instruments:				
VAT	1 214	3 665	-	-
Total trade and other receivables	1 521	3 969	104	104

All the trade and other receivables are fully performing. The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or to historical information about counterparty default rates. None of the trade and other receivables, that are fully performing have been renegotiated.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1	2	-	-
Bank balances	136 206	215 422	95 558	158 735
	136 207	215 424	95 558	158 735

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (Per Moody's Rating Agency).

Cash is held with FirstRand Bank Limited and Rand Merchant Bank, which has a credit rating of Ba2 per Moody's Rating Agency. Long term deposit credit ratings were moved from Ba1 in 2020 to Ba2 in 2021. Short term deposits ratings remained unchanged at P-3.

Credit ratings				
Rand Machant Bank	1 074	5 958	283	274
First National Bank	135 132	209 466	95 275	158 461
	136 206	215 424	95 558	158 735

Impact of ECL Assessment

As required by IFRS 9, cash balances have been assessed for credit expected losses. This has been performed through assessment of the counter party risk in related financial institutions where the cash is held, though adjusted credit risk factor (including the impact of COVID-19 on these institutions). The majority of cash in the group is held with financial institutions guaranteed by the local reserve bank which reduces credit risk further. Expected credit losses in this regard have been determined to be immaterial.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
15. Deferred tax				
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:				
Deferred tax liability	(44 821)	(11 055)	-	-
Deferred tax asset	-	15 726	-	-
Total net deferred tax (liability) asset	(44 821)	4 671	-	-

Reconciliation of deferred tax movement

Opening balance	4 671	(555)	-	-
Charged for the year	(49 492)	5 226	-	-
	(44 821)	4 671	-	-

Deferred tax asset / (Liability)

Fair value gain on Phuthuma Nathi Investments	(30 254)	(11 055)	-	-
Fair value loss on KTH investment	(10 251)	15 311	-	-
Kagiso Capital Health Investments	(4 316)	415	-	-
	(44 821)	4 671	-	-

16. Other reserves

Onelogix Limited	5 521	5 787	-	-
Kagiso Tiso Holdings Proprietary Limited	(42 479)	(17 146)	18 303	472
	(36 958)	(11 359)	18 303	472
Contribution from trustees	10 889	10 889	-	-
	(26 069)	(470)	18 303	472

For quoted investments, fair values are based on bid prices at statement of financial position date. For unquoted investments valuation techniques have been used to determine fair values. These include EBIT and EBITDA multiples, discounted cash flow, net asset value as well as discounted market prices.

Reconciliation of carrying value 2021 Group

	Opening balance	Movement during the year	Closing Balance
One logix Limited	5 787	(266)	5 521
Kagiso Tiso Holdings Proprietary Limited	(17 146)	(25 333)	(42 479)
Contribution from trustees	10 889	-	10 889
	(470)	(25 599)	(26 069)

Reconciliation of carrying value 2021 Trust

	Opening balance	Movement during the year	Closing Balance
Kagiso Tiso Holdings Proprietary Limited	472	(18 775)	(18 303)
	472	(18 775)	(18 303)

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
17. Financial liabilities at fair value				
At fair value through profit (loss)				
RMB Bank loan	3 879	114 915	-	-
Split between non-current and current portions				
Non-current liabilities	3 879	114 915	-	-
Details of the loan				
A loan of R 113 571 722 was obtained from RMB on the 15 th of June 2020. This loan is a bridge facility, which was repaid on the 7 th of August 2020, through an issuance of preference share debt instrument, post year end. The bridge loan facility is priced at JIBAR plus a margin of 380 basis points. The loan is secured by an investment held in Phuthuma Nathi Investments (RF) Limited.				
Opening balance	114 915	1 000	-	-
Loan obtained during the year	-	113 571	-	-
Interest	-	344	-	-
Loan repayment	(111 036)	-	-	-
	3 879	114 915	-	-
Exposure to currency risk				
The carrying amounts of financial liabilities at fair value, are denominated in the following currencies.				
Rand amount				
Rand	3 879	114 915	-	-

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
18. Financial liabilities measured at amortised cost				
Preference share liabilities				
Issued preference share liabilities				
Balance beginning of the year	709 958	663 275	-	-
Finance costs capitalised	57 658	46 768	-	-
Preference share issued for the year	464 350	71 000	-	-
Repayment of finance costs	(41 951)	(23 468)	-	-
Capital Redemption	(28 140)	(34 000)	-	-
Capitalisation of transaction costs	(1 704)	(13 617)	-	-
	1 160 171	709 958	-	-
The maturity of the preference shares liabilities is as follows				
Payable within 1 year or on demand	-	-	-	-
More than 2 years but not exceeding 5 years	1 160 171	709 958	-	-
More than five years	-	-	-	-

The entity refinanced its R1,5 billion preference share facility on the 20th of September 2019, the proceeds thereof, being R676 million, were used to repay the preference share facility raised on the 7th of October 2015.

The same three financial institutions namely ABSA, Nedbank (through its Depfin division) and FirstRand (through its Rand Merchant Bank division) subscribed for R676 million of preference shares.

The preference shares are secured by the shares held by KCT in FirstRand Limited, MMH Limited, Discovery Limited, and Kagiso Tiso Holdings Proprietary Limited

The preference shares are redeemable after a period of four years and one day which is on 19 September 2023. The preference dividends are at 68% of the prime interest rate.

The entity is still in compliance with covenants and there has not been any breach nor default in accordance with the terms of the preference share agreement.

The entity redeemed R34 million of the capital amount in October 2020. In June 2020, an additional R71 million was drawn in order to subscribe for ordinary shares in Kagiso Venture Capital, a wholly owned subsidiary, incorporated to acquire shares in Phuthuma Nathi Investments Limited.

The entity redeemed R8 million of the capital amount in April 2021. In July 2020 and August 2020, an additional R16 million and R23 million was drawn down respectively in order to subscribe for ordinary shares in Kagiso Venture Capital, incorporated to acquire additional share in Phuthuma Nathi Investment Limited. In November 2020, an additional R250 million was drawn down in order to subscribe for additional shares in KTH and Alphawave Holdings.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
18. Financial liabilities measured at amortised cost (continued)				
Long Term Loan				
RMB Loan				
Opening balance	238 585	61 146	-	-
Loan obtained during the year	-	171 595	-	-
Interest capitalised	18 535	14 947	-	-
Repayment	(29 525)	(9 103)	-	-
	227 595	238 585	-	-
Maturity of long term liability is as follows:				
More than two years but not exceeding five years	227 595	238 585	-	-
Total liabilities at amortised cost				
Preference shares	1 160 171	709 958	-	-
Long term loan	227 595	238 585	-	-
	1 387 766	948 543	-	-
Split between current and non current liabilities				
Non current liabilities	1 387 766	948 543	-	-

A loan of R 60,000,000 was obtained from RMB on the 12th of September 2018. A further loan of R171,595,503 was raised on the 15th of January 2020. The loan attracts an interest rate of a three month Jibar plus margin of 4,08%. The loan is repayable within five year tenor. The loan is secured by the investment in Growthpoint Healthcare REIT.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
19. Funds available for projects				
Freestate school halls				
Balance at beginning of the year	23 275	-	23 275	-
Received from donors during the year	40 000	40 000	40 000	40 000
Utilised for projects expenses	(63 153)	(16 725)	(63 153)	(16 725)
	122	23 275	122	23 275
Funds available for the Eric Molobi Schools Programme				
Balance at beginning of the year	89	89	89	89
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	89	89	89	89
Funds available for the Beyers Naudé Schools Development Programme				
Balance at beginning of the year	1 125	1 125	1 125	1 125
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	1 125	1 125	1 125	1 125
Funds available for the Rantsane Hall				
Balance at beginning of the year	31 906	31 906	31 906	31 906
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	31 906	31 906	31 906	31 906
Funds available for projects from ABSA Bank for Madikwe Resource Centre				
Balance at beginning of the year	69	69	69	69
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	69	69	69	69
Funds available for projects from National Lotteries Board				
Balance at beginning of the year	1 879	1 879	1 879	1 879
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	1 879	1 879	1 879	1 879
Funds available for projects from Eskom				
Balance at beginning of the year	287	775	287	775
Received from donors during the year	1 208	-	1 208	-
Utilised for projects expenses	-	(488)	-	(488)
	1 495	287	1 495	287
Total funds available for projects	36 685	58 630	36 685	58 630

Funds available for projects are funds received from donor organisations for charitable activities. These funds are yet to be disbursed to charitable projects.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
20. Trade and other payables				
Financial instruments:				
Trade payables	1 282	5 826	2 192	648
Employee related payables	849	903	260	159
Accrual for audit fees	2 149	2 237	706	725
Amounts received in advance	-	8 236	-	-
	4 280	17 202	3 158	1 532
Non-financial instruments:				
VAT	5 212	5 253	5 192	5 192
	9 492	22 455	8 350	6 724

21. Provisions

Reconciliation of provisions – Group – 2021

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	7 016	30 631	(14 956)	22 691
Leave pay provision	3 186	1 871	(1 181)	3 876
	10 202	32 502	(16 137)	26 567

Reconciliation of provisions – Group – 2020

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	20 931	13 973	(27 888)	7 016
Leave pay provision	2 068	3 717	(2 599)	3 186
	22 999	17 690	(30 487)	10 202

Reconciliation of provisions – Trust – 2021

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	1 585	5 404	(3 347)	3 642
Leave pay provision	529	426	(236)	719
	2 114	5 830	(3 583)	4 361

Reconciliation of provisions – Trust – 2020

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	3 201	4 424	(6 040)	1 585
Leave pay provision	423	488	(382)	529
	3 624	4 912	(6 422)	2 114

The leave pay provision consists of potential liability due to employees on resignation or retirement. It is not the policy of the Group to allow its employees to convert outstanding leave to cash.

The bonus provision consists of a performance-based bonus, which is determined by reference to the overall Group performance with regard to a set of pre-determined key-performance measures. Bonuses are payable annually after the Group annual results have been approved.

Notes to the Group Annual Financial Statements (continued)

	Notes	Group		Trust	
		2021 R'000	2020 R'000	2021 R'000	2020 R'000

22. Forward exchange assets

FEC Contract – Alphawave Holdings		-	3 173	-	-
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Reconciliation of contract assets

Opening balance		3 173	-	-	-
Sale of contract		(3 173)	3 173	-	-
		-	3 173	-	-

Split between non-current and current portions

Non-current assets		-	3 173	-	-
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A 17.24% interest in Alphawave Holdings was acquired on the 30th of March 2020. There is a further undertaking to acquire more equity to the value of R50 million subject to competition commission approval. The further undertaking qualifies to be recognised as derivative forward exchange contract (FEC) as per IFRS 9 and has a fair value of R3.1 million.

23. Revenue

Revenue from contracts with customers		957	7 191	-	-
Donations received		-	55	-	55
		957	7 246	-	55

24. Other income

Sundry income		70 920	19 412	63 845	17 233
Dividend income		135 562	247 289	84 799	239 985
Rental income		-	-	646	611
Bad debts recovered		-	595	-	-
Gain on bargain purchase in associates		179 000	-	-	-
		385 482	267 296	149 290	257 829

25. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements

Property, plant and equipment	12	(11)	(3)	-	-
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Fair value gains (losses)

Fair value gain / (loss) on Kagiso Asset Management Proprietary Limited		31 528	(5 762)	31 528	(5 762)
Fair value gain/(loss) on FEC contract		(3 173)	3 173	-	-
Fair value gain on GrowthPoint Investment		11 329	2 541	-	-
		39 684	(48)	31 528	(5 762)

Total other operating gains / (losses)		39 673	(51)	31 528	(5 762)
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Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

26. Reconciliation of fair value through other comprehensive income

Reconciliation of carrying value 2021 – Group	Opening Balance	Additions during the year	Fair value gain / (loss)	Closing balance
Listed securities				
First Rand Limited	2 823 733	-	1 152 196	3 975 929
MMH Holdings Limited	224 604	-	24 106	248 710
Discovery Holdings Limited	446 241	-	92 706	538 947
Phuthuma Nathi Investments RF Limited	224 608	98 896	86 078	409 582
	3 719 186	98 896	1 355 086	5 173 168

Reconciliation of carrying value 2021 – Trust	Opening Balance	Fair value gain / (loss)	Closing balance
Listed securities			
First Rand Limited	2 823 733	1 152 196	3 975 929
MMH Holdings Limited	224 604	24 106	248 710
Discovery Holdings Limited	446 241	92 705	538 947
	3 494 578	1 269 007	4 763 586

Reconciliation of carrying value 2020 – Group	Opening Balance	Additions during the year	Fair value gain / (loss)	Closing balance
Listed securities				
First Rand Limited	5 085 835	-	(2 262 102)	2 823 733
MMH Holdingd Limited	241 950	-	(17 346)	224 604
Discovery Holdings Limited	636 433	-	(190 192)	446 241
Phutuma Nathi Investments RF Limited	-	175 256	49 352	224 608
	5 964 218	175 256	(2 420 288)	3 719 186

Reconciliation of carrying value 2020 – Trust	Opening Balance	Fair value gain / (loss)	Closing balance
Listed securities			
First Rand Limited	5 085 835	(2 262 102)	2 823 733
MMH Holdingd Limited	241 950	(17 346)	224 604
Discovery Holdings Limited	636 433	(190 192)	446 241
	5 964 218	(2 469 640)	3 494 578

27. Operating profit / (loss)

Operating income / (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration – external				
Audit fees	2 368	2 269	722	730
Leases				
Operating lease charges				
Equipment	402	437	402	437

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

27. Operating profit (loss) (continued)

Depreciation and amortisation				
Depreciation of property, plant and equipment	1 732	1 793	1 266	1 344
Other				
Research and development costs	-	702	-	52
Legal	200	656	-	345
Employee costs	70 405	48 033	12 367	9 789
Trustee fees and other trustees expenses	5 451	5 740	3 054	3 512
Funds distributed to Kagiso Shanduka Trust	5 000	5 000	5 000	5 000
Programme expenses EMSP, BNSDP and School Halls	77 528	31 926	113 215	71 366
Advertising	1 961	2 317	1 688	1 831
Consulting and professional fees	6 596	11 175	1 625	1 566
Other operating expenses	15 038	28 465	8 544	17 436
	182 179	134 014	145 493	110 897

28. Investment income

Interest income				
Investments in financial assets:				
Interest received- Bank and short term investments	7 438	19 134	3 940	9 958

29. Finance costs

Interest on long term loans	18 535	14 947	-	-
Preference Shares	57 657	46 767	-	-
Interest Expense	878	354	-	-
Total finance costs	77 070	62 068	-	-

30. Impairment of assets

Material impairment losses				
Kenya Community Development Foundation	-	15	-	-
Kagiso Capital Proprietary Limited	-	-	-	148 732
Onelogix Group Limited	2 400	19 589	-	-
Open Learning Holdings	-	38 749	-	-
For Farmers East (FFE)	36	-	-	-
Baphuhuduchwana Production Incubator Proprietary Limited	587	67	-	-
Sebenzangamandla	2	-	-	-
Spar Mohopani Rural Hub	17	-	-	-
Groendal	10	-	-	-
Kagiso Africa Investments Proprietary Limited	-	-	96	121
Kagiso Trust Consultancy Proprietary Limited	-	-	1 424	(969)
Kagiso Enterprise Rural Private Equity Fund Proprietary Limited	-	-	5 228	5 123
Kagiso Tiso Holdings Proprietary Limited	-	594 427	-	563 579
	3 052	652 847	6 748	716 586

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

31. Taxation

Major components of the tax expense

	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Current				
Local income tax - current period	462	973	-	-
Deferred				
Current year	49 491	5 226	-	-
Total	49 953	6 199	-	-

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	2021 %	2020 %	2021 %	2020 %
Applicable tax rate	28,00 %	28,00 %	28,00 %	28,00 %
Exempt income	(12,90)%	(26,88)%	(28,00)%	(28,00)%
Tax loss used	(14,10)%	(1,24)%	0,00 %	0,00 %
Total	1,00 %	(0,12)%	0,00 %	0,00 %

32. Other comprehensive income

Components of other comprehensive income – Group – 2021

	Gross	Tax	Net
Equity-accounted investments			
Share of movement in reserves of associates	(25 599)	-	(25 599)
Fair value through other comprehensive income financial assets adjustments			
Gains arising during the year	1 355 086	-	1 355 086
Total	1 329 487	-	1 329 487

Components of other comprehensive income – Group – 2020

	Gross	Tax	Net
Equity-accounted investments			
Share of movement in reserves of associates	15 203	-	15 203
Fair value through other comprehensive income financial assets adjustments			
Losses arising during the year	(2 420 288)	-	(2 420 288)
Total	(2 405 085)	-	(2 405 085)

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

32. Other comprehensive income (continued)

Components of other comprehensive income – Trust – 2021

	Gross	Tax	Net
Share of movement in reserves of associates			
Share of movement in reserves of associates	(18 775)	-	(18 775)
Fair value through other comprehensive income financial assets adjustments			
Gains arising during the year	1 269 007	-	1 269 007
Total	1 250 232	-	1 250 232

Components of other comprehensive income – Trust – 2020

	Gross	Tax	Net
Share of movement in reserves of associates			
Share of movement in reserves of associates	10 990	-	10 990
Fair value through other comprehensive income financial assets adjustments			
Losses arising during the year	(2 469 640)	-	(2 469 640)
Total	(2 458 650)	-	(2 458 650)

33. Cash used in operations

Loss before taxation	(23 232)	(809 271)	(124 037)	(768 915)
Adjustments for:				
Depreciation and amortisation	1 732	1 792	1 266	1 349
Losses on disposals, scrappings and settlements of assets and liabilities	-	3	-	-
Loss from equity accounted investments	189 985	244 234	154 163	196 564
Dividend income	(135 562)	(247 289)	(84 799)	(239 985)
Interest income	(7 438)	(19 134)	(3 940)	(9 958)
Finance costs	77 070	62 068	-	-
Fair value (gains) losses	(39 684)	51	(31 527)	5 762
Gain on bargain purchase in associates	(179 000)	-	-	-
Net impairments and movements in credit loss allowances	3 063	652 847	6 748	716 586
Movements in provisions	16 365	(13 975)	2 247	(1 510)
Revaluation of property, plant and equipment	-	5 167	-	5 167
Capitalisation of transaction costs on loans receivables at amortised cost	(47)	-	-	-
Capitalised transaction costs on preference share	(1 703)	-	-	-
Changes in working capital:				
Trade and other receivables	2 448	360	-	(9)
Trade and other payables	(12 962)	7 027	1 624	(1 663)
Funds available for projects	(21 945)	22 787	(21 945)	22 787
Movement in employee incentives	-	(6 601)	-	(1 217)
Total	(130 910)	(99 934)	(100 200)	(75 042)

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
34. Tax paid				
Balance at beginning of the year	17	17	-	-
Current tax for the year recognised in profit or loss	(462)	(973)	-	-
Balance at end of the year	(221)	(17)	-	-
	(666)	(973)	-	-

35. Related parties

The following are defined as related parties of the Group:

- the trustees
- subsidiaries
- associates and joint ventures
- key management personnel
- common key personnel

Name	Country	Relationship	Portion held
Kagiso Trust Consultancy Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Enterprise Rural Private Equity Fund Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Development Trust *	South Africa		
Kagiso Africa Investments Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Capital Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Capital Health Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Shanduka Trust (KST) *	South Africa		
Tyala Impact Fund Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Venture Capital (RF) Proprietary Limited	South Africa	Subsidiary	100 %

* The entity is controlled by Kagiso Charitable Trust.

Refer to note 6 for a list of investments in associates.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
35. Related parties (continued)				
Related party balances				
Amounts due from related parties				
Kagiso Development Trust	-	-	8	15
Kagiso Capital Proprietary Limited	-	-	12 300	12 203
Kagiso Trust Consultancy Proprietary Limited	-	-	402	-
Kenya Community Development Foundation	1 372	1 372	1 372	1 372
Tyala Impact Fund Proprietary Limited	-	-	26 126	13 434
	1 372	1 372	40 208	27 024

The above non-interest bearing loans are unsecured and have no fixed repayment terms. They are payable on demand.

The Trust has subordinated its loan with Kagiso Africa Investment Proprietary Limited, Kagiso Development Trust, and Tyala Impact Fund Proprietary Limited. The trust will continue to provide support to these entities until such time as their assets, fairly valued, exceed their assets.

Loan due from related parties was impaired by R6.7 million and (2020: R4.2 million).

Amounts due to related parties – Subsidiaries

Kagiso Development Trust	-	-	254	904
Kagiso Trust Strategic Investment (RF) Proprietary Limited	-	-	320	320
	-	-	574	1 224

The above non-interest bearing loans are unsecured and have no fixed repayment terms. They are payable on demand.

The Group establishes allowances for credit losses (impairment allowances) on loans to subsidiaries, fellow subsidiaries and/or other related parties equal to the twelve month expected credit losses on these items unless there has been a significant increase in credit risk since initial recognition of these loans. Where there has been a significant increase in credit risk since initial recognition, impairment allowances are adjusted to equal the lifetime expected credit losses on these loans. At 30 June 2021, the impairment allowances relating to loans to subsidiaries, fellow subsidiaries and/or other related parties were taken into account in the above balances based on the loan counterparties' holdings of assets. These holdings by the counterparties, fairly valued exceed their obligations, including their liabilities towards the company, and accordingly mitigate the credit risk arising from these loans. Counterparties' have sufficient cash flows to repay their obligations.

IAS 24 – relate parties, requires the identification of "key management personnel" who are individuals responsible for planning, directing and controlling activities of the entity including trustees. The Group has accordingly defined key management personnel to include the Trustees as disclosed on pages 97 to 98.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
35. Related parties (continued)				
Remuneration of Key Management Personnel.				
Short term employee benefits	24 107	24 127	6 198	7 825
Trustee fees	5 451	3 924	3 054	1 813
	29 558	28 051	9 252	9 638

Related party transactions

Director's remuneration

Short-term employee benefits	1 159	1 216	-	-
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36. Unconsolidated structured entity

Kagiso Charitable Trust ("KCT") and Cyril Ramaphosa Foundation ("CRF") (Formerly Shanduka Foundation) created a structured entity called KST Trust (formerly Kagiso Shanduka Trust) with the objective of joining forces to assist in the school development in Free State province from 12 March 2016 to 11 March 2018. KST 's school development has targeted schools in in two districts in the Free State province (Motheo and Fezile Dabi). The two entities have committed R200 million together (R100 million each) with Free State Department of Education (FSDoE) committing to R200 million, resulting in R 400 million project. KCT has transferred R100 million to KST by 30 June 2018. R105 million was transferred in 2015, R37.5 million was transferred in 2014 and R5 million was transferred in 2013.

KCT provided an additional R5 million in the 2021 financial year. KCT as well as Cyril Ramaphosa Foundation may be required to contribute over and above the contractual amounts as and when is required. This will be agreed in writing before additional funding is provided.

KCT did not consolidate KST as the requirements of control as defined in IFRS 10 were not met.

37. Commitments

Lease commitments

Minimum lease payments due

- within one year	571 410	407 149	526 830	371 880
- in second to fifth year inclusive	83 636	812 135	-	526 830
	655 046	1 219 284	526 830	898 710

38. Contingencies

At year end, no contingent liabilities were noted.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

39. COVID-19 Consideration

The COVID-19 pandemic has had a dramatic impact on the economy at large, with an expected SA GDP contraction of 8%. The lock-down restrictions imposed by the South African government, had a negative impact on businesses who provided non-essential products and services.

The investment portfolio has been defensive across the healthcare, education, logistics and technology sectors. Whilst we anticipate a serious contraction in GDP, we are quite comfortable that the portfolio assets would not require follow-on capital calls, and are solvent and liquid, except for Open Learning Group, a subsidiary of Open Learning Holdings.

The debt facility being a PIK (Pay-in-kind) instrument, is only repayable when FirstRand, MMH and Discovery Limited distribute ordinary dividends. This non-mandatory debt service arrangement ameliorates any liquidity risk and being in default of the debt facility arrangement.

The trust was significantly affected by COVID-19 as its operations are mainly centred around the education sector where impact of COVID-19 is and remains substantial.

School closures, phasing of school opening, limited access to schools, curriculum trimming, and the revision of the school calendar have caused delays in activity implementation plans. There has further been uncertainty in programme implementation due to financial constraints caused by no contributions made by partners.

The Trustees, together with the Executive Committee have further reviewed the programme model, activities, implementation plans to include blended approach and they have further reviewed programme elements, piloting of new initiatives, phasing in of service providers and conducting survey needs and resources.

Given the current state of the local economic environment, the Trustees and Executive Committee believe that it would be more appropriate for the trust to conserve cash and maintain adequate debt headroom to ensure that the Trust is best place to with stand any prolonged adverse economic conditions and lack of funding.

40. Events after the reporting period

Subsequent to year end, on the 23rd of August 2021, the company concluded the purchase of 100% of the ordinary shares of Open Learning Group ("OLG"), which was a subsidiary of Open Learning Holdings (an associate in which the company holds 29.16%). The purchase is effective 1 July 2021.

A new investment in Purpose Built Student Accommodation has been approved by the board and should be finalised in October 2021.

The Healthcare REIT has a management company that KCHI management have decided to participate in. On the 24th of August 2021, the agreements and terms are still being finalised.



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