SITHANDA UPLIFTMENT PROJECTS

ANNUAL REPORT

W W W . S I T H A N D A . O R G



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Letter from the Directors By Gareth Ruttell JHB DIRECTOR

2020 Proved to be a challenging year for Sithanda. Covid severely impacted our ability to raise funds as our model has always been centred around bringing good people together. Midmar, which took place in Q1 of 2020, is testament to this as the event proved to be our largest in terms of funds raised as well as participation. With lockdown starting on the 27th of May, our annual golf days, weekly running clubs and all other events had to be cancelled for the remainder of the year.

Ekuthuleni provides so much good to the Inanda community. It provides jobs, clothes the community, educates the community - parents and children - and most importantly teaches the community how to uplift itself.

With our school having to legally close, and our funding pulled from under our feet we were faced with a dilemma.

Here's what we did:

We paid full salaries throughout the year,

We kept all staff on board,

We opened a food kitchen - feeding 1000's of people on a weekly basis,

We sourced alternate means for funding and partnerships, We turned to social media and our loyal supporters for assistance, We found ways to educate and stimulate the children from their homes,

We kept faith in our mission.

On paper, 2020 resulted in far more expenditure than income, however our team lifts their heads proudly knowing Covid did not dampen our ability to make a difference and uplift the communities around us who, more than ever, needed help.

As the old adage goes, "diamonds are formed under pressure".

We find solace in the fact that our greatest assets are our faith and our inherent desire to do good in this world.

Sithanda will need to adapt to find its place in the 'new normal' and we look forward to the challenge.

Bring on 2021.

Much Love, Gareth Ruttell





SITHANDA OVERVIEW

Sithanda Upliftment Projects NPC ("Sithanda") is a registered Non-Profit Organisation set to champion Early Childhood Development (ECD) Projects in underprivileged communities. Driven by passion and purpose with the common interest of giving back to the community, and are dedicated to making a difference to the lives of those less fortunate.

To date, we have successfully built our first all inclusive ECD facility in the Kwamashu Valley - Kwazulu Natal. This facility currently provides an education and the correct nutrition to 40 young children who previously did not have access to this love and support.

Sithanda predominantly serves, but is not limited to, the less fortunate communities in South Africa. Sithanda strives to provide all-inclusive ECD centres, which are environmentally friendly and includes formal educational curricula, safe buildings and sanitation facilities as well as unique approved subsistence opportunities and feeding programs. Each facility must have the means to be sustainably operated and managed.

The aim is to remain relevant, energy efficient, sustainable and to continuously progress in various industries in providing the best environment possible to the young children learning in our schools. It is important that we meet the all-inclusive aspect of our model in order to effectively bridge the gap between traditional vs. modern methods of education.

SITHANDA OVERVIEW

Early Childhood Development

There are approximately 8 million children from birth to 6 years old according to the 2014 Mid-Year Population estimates. The largest number is in Kwa-Zulu Natal (23%), Gauteng (20%) and lowest in Northern Cape (2%) and Free State (5%).

Whilst poverty levels have fallen by 15% since 2004 using the lower bound poverty level of R604.00 per person per month, about 58% of children are still deemed poor. The burden of poverty is distributed unequally across provinces; the majority of poor children are black, living predominantly in rural provinces such as Limpopo (76%), Eastern Cape (75%) and Kwa-Zulu Natal (67%).

Service provision is poor and affected by a combination of factors i.e. legislation that is not harmonised, insufficient funding, poor governance, including institutional arrangements, leadership and coordination National Treasury, 2017). Building institutional capacity of ECD centre management, particularly in the areas of governance, management, financial management, fundraising, human resource management, report-writing is well supported by the NDA and the provincial Departments of Social Development.

THE CHILDREN OF EKUTHULENI

Each year we are extremely blessed to journey and grow with the children who attend school at Ekuthuleni.It goes without saying that the year

2020 was a very different year!

What would usually be an energy filled safe space for 40 young learners, aged 18 months to 5 years old, was instead a much more quiet environment that remain closed for a significant period of time due to government lockdown regulations. While we knew that this was best for the health and well-being of the children, their families and the community we serve it was nonetheless a challenging reality to accept. The priority at Ekuthuleni is always to give each child the best opportunity to grow and develop as this is critical in the first 1000 days of any individuals life.

Once school was able to reopen again in 2021, it was full steam ahead as the children returned to their 'Place of Peace' where they could continue to receive a formal education, healthy meals and the love that all children deserve!



The children of Ekuthuleni are provided with 2 healthy meals per day. These wholesome meals are cooked at the school in accordance with an approved meal plan and this is made possible by our awesome partners who continue to choose to support our feeding program. The focus of the food program is to provide the children with the correct nourishment for their development and aims to adhere to the standards of the World Health Organisation Guidelines.



FOOD SUSTAINABILITY



Gateway SuperSpar

In June 2019 Gateway SuperSpar came forward and put up their hand to take on majority of the responsibility of the Ekuthuleni feeding program, which was specifically designed by a registered dietician. They graciously took on our list of monthly grocery requirements and not only did they met those requirements but made sure that we had extras to accommodate for both staff and children at the school. A partnership which thrived in the 6months of 2019 lead to the extension of our partnership into the 2020 year which lay ahead.

Leading up to the Lockdown period at the end of March 2020 the partnership was in full swing however with the Lockdown restrictions Ekuthuleni had to close our doors, which meant our partnership had to come to a pause until the school re-opened. Gateway SuperSpar have always prided themselves on the importance of caring for not only their valued customers but for all South Africans as well. With this partnership with Gateway SuperSpar we strive to get our children at Ekuthuleni to meet the WHO Standards and we believe this is possible.

We are happy to announce that Gateway SuperSpar are committed to continue supporting Sithanda Upliftment Projects leading in to the 2021 year.

FOOD SUSTAINABILITY



Rise Against Hunger

Rise Against Hunger is an international hunger relief organization that distributes food and life-changing aid to the world's most vulnerable, mobilizing the necessary resources to end hunger by 2030. Once Sithanda met the evaluation process,

Rise Against Hunger provided additional food sources to aid in feeding our kids.

They have volunteers who package millions of nutritious meal packs and who help distribute to partners worldwide.



Just Flour Mills

This past year has seen our partnership with Just Flour start to bloom. During the Lockdown period Just Flour came forward and wanted to assist us in supporting the families of Ekuthuleni as well as the greater community surrounding the school. They committed to an average of 100+ loaves of bread a week, which we used to create a weekly feeding scheme. This feeding scheme aimed at providing meals to the community during lockdown whilst various restrictions were still in place, with any of the loaves of bread in excess distributed to families who experienced financial difficulty.

As restrictions eased and Ekuthuleni opened its doors our partnership continued and developed into weekly bread deliveries used for the children's lunches. Excess loaves were still used to aid the immediate families of the school who were still financially affected by the effects of COVID-19 Lockdown a commitment that will continue into the 2021 year.

SCHOOL & COMMUNITY UPLIFTMENT





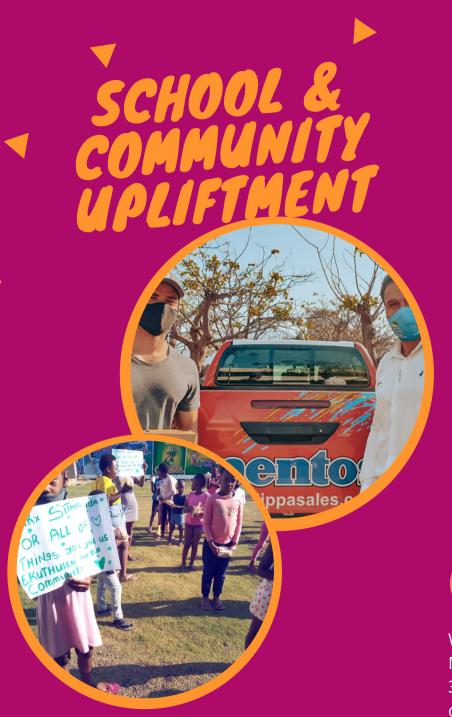
Just Flour Community Feeding Scheme

It was an incredibly difficult year for all, communities likely felt the most uncertainty, with little to no help from the government and all left to fend for themselves. We were forced to close school and be patient while level 3, 4 and 5 lockdowns ensued for months.

We were unable to continue the drive of annuity revenue through our successful sporting and cultural events, this meant we had to get creative and find new means to support the school.

We provided a feeding the community weekly program with the help of Spar and Just Flour – who made this incredible effort possible. This was provided to whomever needed food and was able to collect, we did parcels and drove this feeding scheme from Ekuthuleni school in Kwa-Mashu.

Dorris and Bongani were active in engaging the community and ensuring we did what we could and where we could to give back and support those in desperate situations.





School a Child Campaign

We ran a campaign to "school a child" which provided much needed funds post the strict lockdowns and helped alleviate parents from having to worry about school fees when their children were allowed to return Ekuthuleni for the first few months of reopening. This was an incredible gesture from friends, family, supporters and strangers trying to do their bit and give the opportunity to learn back to others whom were potentially unable to cover the costs of returning to school.



Edelman Grant

We were fortunate to receive a grant from Edelman which covered our school repairs during COVID, repairs to the roof of rondavel, new insulation, repairs of leaks and electrical wiring to be compliant and ensure health and safety criteria were of the correct standard.



Mentos Partnership

We were lucky enough for Mentos South Africa and Perfetti van Melle to make a generous donation of 150 goodie bags that had 3ply reusable masks and a special treat for each of our children during Lockdown.

SCHOOL & COMMUNITY UPLIFTMENT





Social Media & Covid regulations

We managed to keep paying full salaries to our teaching and management staff and never reduced this salary contribution during the tenure of COVID to date – this was also achieved through virtual social media online auctions that we ran monthly with the help of OCGP "Off Course Golf Promotions", who are normally supporters and suppliers of our annual golf day auctioneering.

Selling "getaway holidays" and gave those interested in travel an opportunity to support the school indirectly through buying a package and having something to look forward to post lockdown.

During this time we learnt a lot - We crafted new policies and questionnaires about COVID and followed a new set of strictly adhered to protocols for the staff and management onsite.

This was a trying time for the kids at Ekuthuleni as they weren't able to attend school for a long period of time and then also subjected to following social distancing upon return which is against all natural instincts for children and deeply affects the core learning which happens through hands on teaching and not through terrifying 2meter social distancing.



• ECD CURRICULUM •



We continue to share a powerful partnership with The Unlimited Child (TUC) in order to educate each child in line with a government approved learning program. This provides an invaluable learning opportunity for every child at Ekuthuleni!

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

Teachers at Ekuthuleni have received training directly from TUC and make use of an easy to follow layout provided in the TUC Practitioners Guide where each day has its own page and all 200 days of the school year are included. Sections are divided into life skills, mathematics, life science and language and each day ends with a story that the caregiver can share with the children. Regular visits from the TUC team ensures that teachers are maintaining and adhering to the required program standards. Maintaining these standards is of the utmost importance to the long term success of The Unlimited Child, their programmes and the partnership we share.



FINANCIAL STATEMENTS



Chartered Accountants (South Africa)

18, Calypso Centre 2, Kruger Rand Richards Bay

PO Bax 10491 Mecrensee 3901

Tel no: 035 789 1257 Fax no: 035 789 3274

REPORT OF THE ACCOUNTING OFFICER TO THE DIRECTORS OF SITHANDA UPLIFTMENT PROJECTS NPC FOR THE YEAR ENDED 29 FEBRUARY 2020

We have performed the duties of Accounting Officer to Sithanda Upliftment Projects NPC as required by regulation 29 (4)(b)(ii) of the Companies Act, 2008 for the year ended 29 February 2020.

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

The annual financial statements set out on pages 4 to 10 are the responsibility of the directors.

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

Maller.

N M Waller

Date: 3/04/2021.

SITHANDA UPLIFTMENT PROJECTS NPC

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors have pleasure in submitting their report on the annual financial statements for the year ended 29 February 2020.

Business and Operations

The organisation's business and operations and the results thereof are clearly reflected in the attached financial statements. The Republic of South Africa initiated a COVID-19 national lock down. This has not affected the company's ability to conduct daily operations. It has however hindered fundraising activities.

The directors are not aware of any specific reason arising from the COVID-19 pandemic or the consequent lock down that might materially affect the collection of donation.

The objective of this NPC is:

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

Directors

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

G Ruttell M J Wickham N M Braby R Tyack

Accounting officer

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

FINANCIAL STATEMENTS

SITHANDA UPLIFTMENT PROJECTS NPC

STATEMENT OF FINANCIAL POSITION AT 29 FEBRUARY 2020

| Notes | 2020 R | 2019 R |
|-------|-----------------------------|---|
| | | |
| 2 | 391 034 391 034 | 414 049 414 049 |
| 3 | 174 047 174 047 | 148 934 148 934 |
| | 565 081 | 562 983 |
| | 553 260 553 260 | 519 089 519 089 |
| 4 | | 37 394 37 394 |
| 5 | 11 821 11 821 565 081 | 6 500 6 500 562 983 |
| | 3 | Notes R 391 034 2 391 034 3 174 047 3 174 047 565 081 553 260 553 260 553 260 4 4 5 11 821 5 11 821 |

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2020

| | 2020 R | 2019 R |
|------------------------------------|-----------|-----------|
| Revenue | 561 828 | 622 596 |
| Donations received | 103 629 | 67 460 |
| 94.7 Cycle race - fundraiser | 103 625 | 33 745 |
| Golf day - fundraiser | 234 377 | 144 762 |
| Midmar swim - fundraiser | 185 073 | 262 505 |
| MySchool organisation funds | 3 377 | 7 616 |
| Roll Egoli - fundraiser | 33// | 16 433 |
| Second-hand clothing income | 1 11 | 30 135 |
| Warrior race - fundraiser | 35 372 | 59 940 |
| Wallot face Foliaraise | 33 372 | 39 940 |
| Other income | 3 580 | |
| Interest received | 3 580 | |
| Total Income | 565 408 | 622 596 |
| Operating expenses | (527 341) | (498 220) |
| Accounting fees | 6 695 | 9 875 |
| Advertising | 11 266 | 3 759 |
| Bank charges | 3 066 | 3 783 |
| Computer expenses | 747 | |
| Courier and postage | 270 | 260 |
| Curriculum | | 16 924 |
| Depreciation | 51 323 | 47 778 |
| Donations | | 4 000 |
| Electricity and water | 4 130 | 7 400 |
| Fuel | 8 907 | 2 908 |
| Fundraiser costs - 94.7 Cycle race | - | 8 787 |
| Fundraiser costs - Golf day | 158 729 | 95 496 |
| Fundraiser costs - Midmar swim | 60 901 | 67 464 |
| Fundraiser costs - Roll Egoli | | 6 410 |
| Fundraiser costs - Warrior race | 16 682 | 22 055 |
| Gifts | | 370 |
| Insurance | 2 781 | |
| Legal Fees | 335 | 9 434 |
| Loss due to theft | | 3 254 |
| Printing and stationery | 912 | 1 244 |
| Subscriptions | 1 992 | 2 988 |
| Supplies for the Ekuthuleni school | 5 579 | 29 583 |
| Telephone and fax | 325 | 913 |
| Training | 500 | 25 391 |
| Travel - local | 24 021 | 26 347 |
| Wages | 168 180 | 101 797 |
| Finance expenses | (3 896) | (5 727) |
| Interest paid - directors | 3 896 | 5 727 |
| Net surplus for the period | 34 171 | 118 649 |

FINANCIAL STATEMENTS

SITHANDA UPLIFTMENT PROJECTS NPC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2020

| | Note | Revaluation reserve R | Accumulated surplus | Total R |
|-----------------------------|------|-----------------------------|---------------------|------------|
| Balance at 28 February 2018 | | | 400 440 | 400 440 |
| Net surplus for the year | | | 118 649 | 118 649 |
| Balance at 28 February 2019 | | - | 519 089 | 519 089 |
| Net surplus for the year | | | 34 171 | 34 171 |
| Balance at 29 February 2020 | | | 553 260 | 553 260 |

SITHANDA UPLIFTMENT PROJECTS NPC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2020

| | Notes | 2020 R | 2019 R |
|--|-------|----------------------|------------------------|
| Net cash retained in operating activities | _ | 90 815 | 188 217 |
| Cash receipts from customers | Γ | 561 828 | 577 845 |
| Cash paid to suppliers and employees | | (470 697) | (383 901) |
| Cash generated from operating activities | 7.1 | 91 131 | 193 944 |
| Interest paid | | (316) | (5 727) |
| Cash flows from investing activities Purchase of property, plant and equipment | 7.2 | (28 308) (28 308) | (131 247) (131 247) |
| Cash flows from financing activities | | (37 394) | 37 394 |
| Repayment of / advances of loans from members | | (37 394) | 37 394 |
| Net increase in cash and cash equivalents | | 25 113 | 94 365 |
| Cash and cash equivalents at beginning of year | | 148 934 | 54 569 |
| Cash and cash equivalents at end of year | 7.3 | 174 047 | 148 934 |

SITHANDA UPLIFTMENT PROJECTS NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the close corporation, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Property, plant and equipment

Property, plant and equipment are tangible assets that:
(a) are held for use in the production or supply of goods or services, for

rental to others, or for administrative purposes, and

(b) are expected to be used during more than one period.

| | Useful life / Rate |
|------------------------|--------------------|
| Leasehold improvements | 10 |
| Office equipment | 3 |

Revenue

Revenue comprises the invoiced value of sales, recorded in the financial statements at the date goods are delivered to customers or services provided.

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

Comparative figures

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

2020

2. Property, plant and equipment

| | Cost R | Accumulated depreciation/ impairments R | Carrying value | Cost R | Accumulated depreciation/ impairments R | Carrying value |
|--|------------------|--|------------------|-----------|--|----------------|
| Leasehold improvements Office equipment | 493 977 7 558 | (109 031) (1 470) | 384 946 | 473 227 | (59 178) | 414 049 |
| Once equipment | 501 535 | (110 501) | 6 088 391 034 | 473 227 | (59 178) | 414 049 |
| | | | | | | |

2019

SITHANDA UPLIFTMENT PROJECTS NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

The carrying amounts for 2020 can be reconciled as follows:

| | Carrying value at beginning of | | | | | Carrying value |
|------------------------|--------------------------------------|-----------|-----------|-------|--------------|----------------|
| | year | Additions | Disposals | Other | Depreciation | at end of year |
| | R | R | R | R | R | R |
| Leasehold improvements | 414 049 | 20 750 | | | (49 853) | 384 946 |
| Office equipment | - | 7 558 | | | (1 470) | 6 088 |
| | 414 049 | 28 308 | | | (51 323) | 391 034 |

| | | | | | 4 | |
|----|-------------------------|----------------|-----------|------|-----------|-----------|
| | Office equipment | | 7 558 | | (1 470) | 6 088 |
| | | 414 049 | 28 308 | | (51 323) | 391 034 |
| 3. | Bank, cash and cash e | aulyalents | | | 2020 R | 2019 R |
| ٥. | | • | | | | |
| | Bank and cash balance | s at year end | comprise: | | | |
| | Current account : Fir | st National Ba | ink | | 110 467 | 148 934 |
| | Funds on call : First N | National Bank | | | 63 580 | |
| | | | | _ | 174 047 | 148 934 |

4. Loans from directors

| G Ruttel | | |
|------------------------------|----------|--------|
| Balance at beginning of year | 21 371 | |
| Advances / repayments | (21 371) | 21 371 |
| Balance at end of year | | 21 371 |
| N M Braby | | |
| Balance at beginning of year | 16 023 | |
| Advances / repayments | (16 023) | 16 023 |
| Balance at end of year | | 16 023 |
| | | 37 394 |

The above loans are unsecured, bear interest linked to prime and have no fixed terms in repayment.

5. Trade and other payables

| Accruals | 11 821 | 6 500 |
|----------|--------|-------|
| | 44 044 | 0 500 |

6. Taxation

In terms of section 10(1)(cN) of the Income Tax act, the public benefit organisation is exempt from all receipts and accruals other than receipts and accruals derived from certain business undertakings or trading activities.

SITHANDA UPLIFTMENT PROJECTS NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

| 7. Notes to the cash flow statement 7.1 Reconciliation of net profit before taxation to cashflows from operations | 2020 R | 2019 R |
|---|-----------|-----------|
| Net surplus before taxation Adjustments for : | 34 171 | 118 649 |
| Depreciation | 51 323 | 47 778 |
| Finance expenses - net | 316 | 5 727 |
| Operating surplus before working capital changes | 85 810 | 172 154 |
| Working capital changes | | |
| Decrease in prepayments and other receivables | - | 21 290 |
| Increase in trade and other payables | 5 321 | 500 |
| Cash generated from operations | 91 131 | 193 944 |

7.2 Property, plant and equipment

During the year, the close corporation acquired property, plant and equipment with a cost of R 28 308, of which R Nil was acquired by means of finance leases. Cash payments of R 28 308 were made to purchase property, plant and equipment.

7.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following amounts:

| Bank, cash and cash equivalents | 174 047 | 148 934 |
|---------------------------------|---------|---------|
| | 174 047 | 148 934 |



• PARTNERS •

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



- Kusini Water
- Mentos
- Rainmaker
- OCGP Auctioneers
- Myako
- The Unlimited Child
- Geochem
- Shaves Paint
- Simplicity Internet Solutions
- Just Flour
- Lego Foundation
- Livclean
- TTT (Tax Team)
- Edelman
- Lifeco
- Individual partners
- Superspar Gateway













PURPOSE IN EVERY DROP









SUPERSPAR(4)
GATEWAY







SITHANDA UPLIFTMENT PROJECTS

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For more information please email: info@sithanda.org