



Abraham Kriel



Bambanani
NPC

INTEGRATED REPORT 2022/23

www.abrahamkriel.org

Table of Contents

1. Strategic Statement, Values, Statement of Commitment, Governance Structures . . .	1
2. About this Report	2
3. Chairperson's Message.	3
4. Performance Features	4
5. Organisational Overview and Business Model	
5.1. Our History	6
5.2. Our Corporate Identity	7
5.3. What we do and how we do it	8
5.4. External environment.	13
5.5. Inputs.	13
5.6. Activities.	18
5.7. Outputs	19
5.8. Outcomes.	20
5.9. Capital wish list	20
6. Abraham Kriel Bambanani in context	
6.1. Stakeholder Engagement	21
6.2. Our Top Donors	23
7. Our Focus Areas	
7.1. Materiality	24
7.2. Determining our Strategic Focus	24
8. Performance Review	
8.1. Report by the CEO	32
8.2. Financial Sustainability	33
8.3. Attraction and Retention of Critical skills	34
8.4. Sustainability of Service Offering	34
8.5. Standard of Child Care	36
8.6. Brand Awareness.	40
8.7. Business Structures	41
9. Corporate Governance	
9.1. Ethical Culture	42
9.2. Responsible Corporate Citizenship	42
9.3. Value Creation	43
9.4. Board Composition and Report	43
9.5. Board Committees.	47
9.6. Technology and information	52
9.7. Regulatory Compliance.	52
9.8. Remuneration.	53
10. Glossary	53
11. Summary Financial Statements	54

1. Strategic Statement, Values, and Governance Arrangements

STRATEGIC STATEMENT

Our passion is to care for, protect and empower children and youth at risk. Our residential and community programmes provide an enabling environment in which they can develop to their fullest potential.

We strive to live Christian values, to provide a high standard of service and to maintain the highest level of good governance.

We are committed to achieve greater sustainability and growth in order to have meaningful impact on communities and their children and young people, building a better South Africa.

VALUES

Preamble: We honour the Christian values as is set out in the Bible as the Word of God and we communicate our love, faith and hope to the children placed in our care.

Therefore our values are:

- The best interest of the child
- Pride in our organisation
- Respect for different cultures
- Positive attitude towards our work and people
- Acknowledgement of human worth and potential
- Effective communication
- Teamwork
- Integrity

For further information on our governance arrangements, kindly refer to section 9 of this report.



STATEMENT OF COMMITMENT

“Our commitment to you, our funders and stakeholders, is to:

- Maintain appropriate governance arrangements to support best practice in respect of childcare and development.
- Ensure that resources entrusted to us as custodians thereof are used in the most cost-effective way for the purpose they were meant for and in the best interest of the children entrusted to our care. **”**

2. About this Report

2.1 REPORTING APPROACH

We strive to deliver this report in line with the principles set out in the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework.

2.2 ASSURANCE, COMPARABILITY AND RESTATEMENTS

The Board of Abraham Kriel Bambanani (AKB), in line with King IV practices, ensures independent assurance by retaining the services of both PricewaterhouseCoopers Inc. and KPMG Services Proprietary Limited to conduct the annual independent external financial audit and ongoing internal audits of all operational functions and systems respectively. KPMG also assists the organisation to prevent and detect possible fraud by providing an ethics hotline service. All of these services are provided on a pro bono basis. Furthermore, the combined assurance model of AKB includes its own internal controls approved by the Board, monitored by its Audit Committee and Financial and Risk Committee and implemented and maintained by management.

The Board is of the opinion that the current assurance services and functions is effective and that they support the integrity of information for decision-making internally and to report externally.

The Audit Committee assisted the Board to lead in the arrangements for assurance services and functions. The Board delegated the responsibility of overseeing

Integrated Report		Annual Financial Statements	 Website (www.abrahamkriel.org)
Contents, Audience & Distribution	<p>This report focuses on material issues that drive our business strategy, how we have performed against the strategy, and the future outlook that we are striving to achieve. In the strategy, which responds to the material focus areas for Abraham Kriel Bambanani, we considered feedback from stakeholders, as well as risks and opportunities identified through our risk management system.</p> <p>The report is aimed at all stakeholders.</p> <p>Our integrated report is available on our website and hard copies are available on request.</p>	<p>Distribution</p> <p>This report contains our financial statements, our financial performance and position, as well as cash flows.</p> <p>Primary audience:</p> <ul style="list-style-type: none"> • South African Revenue Service • National and Gauteng Department of Social Development • Non-Profit Organisation Directorate • Highveld Synod of the Dutch Reformed Church • Tutela • Current and prospective donors and funding partners <p>Our complete annual financial statements are available on our website: www.abrahamkriel.org</p>	<p>The website focuses on services, opportunities, events and information relevant to people who wish to become involved or invest in the wellbeing of our beneficiaries.</p> <p>The audience consists of all stakeholders of Abraham Kriel Bambanani, with emphasis on donors and supporters.</p>
Codes and frameworks applied in preparation of reports	<p>King IV Governance Code</p> <p>IIRC International Integrated Reporting Framework V1.0</p> <p>The summary financial statements included in this Integrated Report have been compiled in accordance with IAS 34, Interim Financial Reporting (Updated January 2008)</p>	<p>IFRS – International Financial Reporting Standards</p> <p>Companies Act 71 of 2008</p>	<p>Abraham Kriel Bambanani communication policy.</p> <p>The website Privacy Policy</p> <p>The website information is selected and published in order of its relevance to Abraham Kriel Bambanani stakeholders.</p>

the effectivity of those arrangements to the Audit Committee. The objective is to enable an effective internal control environment; to support the integrity of information used for internal decision-making by management, the Board and its committees; and to support the integrity of external reports. The Board ensured that the combined assurance model effectively covers the organisation's significant risks and material matters.

The Board approved and reviewed an internal audit charter that defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards. The Board, through its Audit Committee, monitored that internal audit follows an approved risk-based internal audit plan; reviews the organisational risk profile periodically; and proposes adaptations to the internal audit plan accordingly.

The Board and its committees assessed the output of AKB's combined assurance with objectivity and formed their own opinion on the integrity of information and reports and the degree to which an effective control environment has been achieved. The Board therefore assumes responsibility for the integrity of external reports issued by AKB.

In respect of this integrated report, non-financial information, such as key performance information and statistics in respect of beneficiaries, were extracted from the AKB beneficiary database. This database was previously subjected to an internal audit through a review of our IT Function conducted by KPMG.



There were no restatements in the current financial period.

2.3 CONTACT POINT FOR THE REPORT

For any questions or feedback regarding this integrated report or its contents, contact Ms Ernesta Teessen, Senior Manager: Marketing at +27 11 839 3058 or email ers@abrahamkriel.org

2.4 FORWARD LOOKING STATEMENTS

Certain statements in this report are interpretations about the future which Abraham Kriel Bamabani believes are reasonable and are based on information available at the date of the report. Outcomes could differ materially as a result of factors such as economic and market conditions, as well as the regulatory environment, including evolving interpretation and application of welfare service and funding policies.

These statements should therefore not be regarded as guarantees for future performance.

2.5 RESPONSIBILITY OF THE BOARD AND APPROVAL OF THE INTEGRATED REPORT

The Board, assisted by the Audit and Risk Committees, is ultimately responsible for overseeing the integrity of the integrated report. The Directors confirm that they have applied their collective mind to the preparation and presentation of the integrated report, which has been compiled in accordance with the International Integrated Reporting Council (IIRC) framework.

The Board believes the integrated report addresses the material issues and is a fair presentation of the integrated performance of the organisation. The Board approved this integrated report on 28 August 2023.

3. Chairperson's Message

I am delighted to present this report as an interim chairperson of Abraham Kriel Bambanani for the financial year ended March 2023, after the retirement of Mr Mlotshwa. I wish to thank Mr Mlotshwa for leading the board for the past 8 years, leaving a legacy of a well-structured board that can take on the challenges the future will bring. Mr Mlotshwa's wisdom, insight and valuable contributions will be missed.

It is with great pride that I reflect on the accomplishments and progress we have made together in advancing our mission and serving our beneficiaries. Over the past year, Abraham Kriel Bambanani has remained steadfast in its commitment to respond to the need of each beneficiary in our care. Despite economic challenges affecting donor funding, intermittent electricity supply causing disruptions, amongst other obstacles, we have persistently adapted and innovated to achieve our objectives. Every unprecedented moment was met with devoted commitment to respond to the need of each beneficiary in our care.

Throughout the year, our organization has successfully executed several impactful programs and initiatives. These initiatives have directly benefited the lives of countless individuals in our community, fostering positive change and empowerment.

Abraham Kriel Bambanani remains committed to developing the children and youth in our care to their



Mathukana Mokoka
Interim Chairperson

full potential. As long as we work with children and youth, we work with hope, for they are the hope of this nation and of the world. In this context, I wish to acknowledge each and every child and youth care worker. These workers are the backbone of the organisation. In an organisation where care is the central mission, the care workers are invaluable. These workers live the values of the organisation and model that to the children they care for. They provide loving discipline and a safe space. They are the ones to teach children to respect one another as they model respectful behaviour.

Financial stability is crucial for the sustainability of our organization, and I am pleased to report that our fundraising efforts have been blessed richly in many respects. Through strategic fundraising events, grant applications, and generous contributions from our supporters our marketing team sourced an amount of R 28 062 964 and in addition to that also in-kind contributions to the value of R 2 096 667. These funds have enabled us to enhance our services and invest in the professional development of our staff. We are grateful that our loyal donors are part of the community that makes this work possible. We are deeply grateful for the ability of Abraham Kriel Bambanani to translate our sponsors' passion into meaningful impact.

Many of the accomplishments in the financial year 2023 connect directly to the passionate and

committed employees who embody the Abraham Kriel Bambanani culture. I extend my heartfelt gratitude to every employee, led by Mr. Momsen, for their exceptional dedication and remarkable adaptability in overcoming the numerous challenges of the past year.

I also thank my colleagues, both the board and advisory members, for contributing their business expertise and industry knowledge. Every single one of them is a volunteer, who gives their time and expertise willingly.

As we move forward, it is essential to remain focused on our mission and adapt to the evolving needs of our community. Abraham Kriel Bambanani will continue to explore innovative ways to address challenges, seek new partnerships, and expand our impact. We will also invest in strategic planning to ensure our programs remain relevant, effective, and aligned with our long-term goals.

In conclusion, I am tremendously proud of the accomplishments we have achieved together as an organization. It is through our collective efforts and shared vision that we have made a positive difference in the lives of those we serve. I want to express my deepest gratitude to all our stakeholders for their unwavering support, dedication, and belief in our mission.

Thank you to my colleagues on the board for entrusting me with the role of an interim chairperson. I look forward to another successful year of growth, impact, and collaboration under new leadership.

Mathukana Mokoka
Interim Chairperson

4. Performance Features

*Notes in respect of figures marked with asterisks

Beneficiaries in Community care programmes: This number includes direct and indirect beneficiaries in all community care programmes and reflects the return to normal service delivery practices. The increase in the actual number can be ascribed to the increase in the number of beneficiaries at Johanna Malan ECDC compared to previous years.

Beneficiaries in Residential care programmes: Beneficiary numbers increased slightly as a result of a high turnover particularly babies and very young children, who could be placed out with their own families, foster parents or adoptive parents.

Gross Revenue: Revenue from income from Ventures and fees for services decreased. Failure to replace a significant funding partner as well as less than expected income from foreign funding sources attributed to the decrease in income from donor funding.

Surplus/Deficit: The deficit can be ascribed mainly to a decrease in revenue. Corporate funding both in SA and abroad declined. No increase in state revenue for residential care programmes and a reduction in the number of funded beneficiaries in some programmes. Loss of revenue from ventures further contributed to the deficit.

Number of employees: Staff members were not retained at an acceptable level and the inability to fill certain roles contributed to the decrease in the number of employees.

Total donors donating during the year: These figures exclude donors that gave donations in kind, as well as many anonymous donors. Although a slight decrease in the number of donors is noted, the monetary value of donations increased.

Electricity consumption savings: The sharp downturn in electricity usage can be ascribed largely to extended periods of load shedding and power outages.

Number of employees trained and training spend: Four staff members received study assistance in the year under review.

KPI	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2022/23	Actual 2022/23	Target 2023/24
Beneficiaries in Community Care programmes	1 018	1 201	4 950	1642	918	1 549*	1 364
Beneficiaries in Residential Care programmes	280	236	236	242	185	231*	242
Gross Revenue	R44.9m	R46.1m	R49.31m	R46,6m	R50,3m	R47.2m	R53.1m
Total Surplus/Deficit	R2.69m	R0.246m	R1.259m	-R0,6m	-R0,2m	-R4.6m*	-R0.2m
Number of employees	238	237	237	226	226	221*	237
Total donors donating during the year	1 428	1 776	1 800	1 809	1 800	1 790*	1 820
New donors	461	603	600	407	450	420	450
Per capita subsidy residential care (p/m)	R2 889	R4 000	R4 000	R4 000	R4 140	R4 140	R4 140
Per capita donor contribute all programmes (p/m)	R1 462	R1 059	R1 300	R1 309	R1 297	R1 304	R 1 180
Electricity consumption (% increase/decrease)	+1%	0%	-1%	-23%*	-4%	-13%*	-10%
Water consumption (% increase/decrease)	0%	-8%	-10%	-3%	-4%	0%	-5%
Number of employees trained	101	77	126	62	94	30	100
Training spend	R166 012	R69 967	R260 000	R520 491	R141 800	R397 394*	R121 900
B-BBEE contributor level	1	1	1	1	1	1	1

5. Organisational Overview and Business Model

5.1 OUR HISTORY

The founder, Rev Abraham Kriel was a modest, beloved and God-fearing man, who gratefully acknowledged the hand of God in every bit of progress the orphanage made. He opened the doors to a corrugated iron structure on 4 September 1902, providing refuge to seven children orphaned by the South African war. The devastating effect of the war was evident in widespread poverty and the thousands of orphans, left behind. By December 1902, the Langlaagte orphanage was home to more than 200 children.

Throughout the 121-year history of Abraham Kriel Bambanani (AKB) the leaders remained true to their calling and committed to the cause.

In the 1890's Rev Kriel recruited Maria Kloppers from the Cape to assist him with missionary work. She served as matron of the Langlaagte Orphanage until 1908, when she submitted to her calling to open a refuge for unwanted babies. Years later the Maria Kloppers Children's Haven amalgamated with Abraham Kriel Children's home, and was known as Abraham Kriel Maria Kloppers Children's Home.

Rev HJ de Vos served as Assistant Director to Rev Kriel and was appointed as Director of the Orphanage in 1928, following the passing of Rev Kriel. He steered the organisation through the great depression and the 2nd World War. Under his leadership the orphanage has seen its greatest growth and the number of

children exceeded 900. Rev Vos was known for his exceptional financial management and initiated the decentralization to Nylstroom and Potchefstroom

Dr Venter assumed this important leadership role for a short period from 1954 to 1958. His focus was on specialized therapeutic services for children in orphanages. The policy of decentralisation and the house system began to take shape in his time with the building of houses and the establishment of two large subdivisions in the 1950's en 1960's.

Ds Horak was appointed as Director in 1966. He enforced a further round of decentralization which saw the two subdivisions Nylstroom and Potchefstroom become independent of the mother organisation in Langlaagte in the 1970's.

Paul Momsen has been heading up the Abraham Kriel operation in Johannesburg since 1987. Under his committed leadership, the organisation has undergone profound transformation. He gave life to his predecessor's dreams for the organisation but also planned and executed many strategies to answer to the needs of the most vulnerable and to ensure the sustainability of the organisation.

First the Maria Kloppers Children's Haven amalgamated with the Abraham Kriel facility in Langlaagte and soon after the Emdeni Children's



Home in Soweto also came under its management.

A further round of decentralisation of the big Langlaagte Campus was announced. This was in line with the strategy to create a homelier environment for the traumatized child in care. In 1995 the first Satellite home was established as a result of this initiative.

Major expansion of services came with the turn of the century and in answer to the need of thousands of orphaned and vulnerable children affected by the HIV/AIDS pandemic. Together with the Department of Social Development, Abraham Kriel Bambanani implements two additional care models. One a home-based care model, where children were cared for in their homes and the other a Drop-in Centre for children close to their home. The home-based care mode was also launched in Westbury. These services grew beyond the provision of daily meals to include psycho-social support, educational support, support to access health care services and recreational activities. Basic material support such as household goods, school clothing and toiletries were offered.

In 2009 Abraham Kriel Bambanani provided an opportunity for the beneficiaries of the community to escape the poverty cycle by establishing a Skills Development Centre where youth can acquire a skill which will enable them to access the economy. Today this centre offers 5 skills training courses.

The strategy to decentralize the Langlaagte Campus continued in 2010, with the objective to mobilized the facility to generate income. The Talitha Kumi

Residence on the Langlaagte Campus was redeployed to accommodate sixty female tertiary students at a fee.

The transformation process continued and in 2020 Abraham Kriel Bambanani took another step towards sustainability by converting a further two houses on the Northern section of the campus into student accommodation.

Amidst all the transformation and development Abraham Kriel Bambanani remained relevant in the industry and acted in the best interest of the beneficiaries in its care. The long term strategy included a specialized campus for traumatized girls. In 2021/22 the Langlaagte Campus was converted into a safe haven for traumatized girls where programmes were structured around their specific needs in order for these vulnerable girls to heal and develop to their full potential.

Diminishing funding from the state makes it imperative for AKB to generate third stream income, in order to supplement donor funding. There is a strong indication that the state funding is channeled away from institutionalised care and more towards community-based care programmes.

Whilst we understand this policy, it is clear that South Africa's children are in greater need than ever before. It therefore remains the commitment of AKB to provide and expand its care to both children in the communities as well as children in residential care to address the dire need of these vulnerable children.

Abraham Kriel



Bambanani

NPC

5.2 OUR CORPORATE IDENTITY

Along with historic changes to the organisation, services and leadership the branding and logo of the company also changed over time. It remained in line with the company's core values and is representative of its role in society.

The name Abraham Kriel very clearly references the roots of this organisation and acknowledges that which our predecessors had built. With the inclusion of the word Bambanani, which means unite, we express and strive to work in unity within our organisation and the many communities we serve. Bambanani further represents the extensive nature and inclusivity of the care services provided.

The anchor and cross remained prominent in the imagery of the logo, making a clear statement that our Hope is anchored in faith.

The branding and logo introduced in 2019 are now well-established and widely recognised by beneficiaries and stakeholders.

It clearly speaks to the achievements in respect of the transformation of our services and its relevance to the current needs and priorities in South Africa.

The Abraham Kriel Bambanani brand continues to be a well-trusted brand, offering inclusive services within a safe environment where beneficiaries can emerge into an independent future, anchored in Hope and Faith.

5.3 WHAT WE DO AND HOW WE DO IT

5.3.1 What we do

Abraham Kriel Bambanani (AKB) is registered as:

- a Non-Profit Company (NPC) with the Companies and Intellectual Property Commission (CIPC),
- a Public Benefit Organisation (PBO) with tax exempt status with the South African Revenue Service (SARS) and license to issue 18A receipts for bona fide donations.
- a Non-Profit Organisation (NPO) with the Department of Social Development (DSD). The Children's Amendment Act, Act 41 of 2007 provides the framework and regulation under which the organisation operates.

Our operations are based in the heart of the most populous province, Gauteng, with an estimated

population of 16.1 million persons (26.5%)(Bureau of Market Research, mid-2022). The City of Johannesburg Metropolitan Municipality accounts for 6 034 678 persons and rank number one in terms of population size. The influx of people from neighbouring provinces and countries continues to feed this growth and, as can be expected, brings the services under strain.

According to a report released by Statistics South Africa in July 2020, Child poverty in South Africa: A Multiple Overlapping Deprivation Analysis, more than 6 out of 10 (62,1%) children aged 0–17 years were multidimensionally poor. A multidimensionally poor child is defined as a child living in households where they are deprived of at least three out of seven dimensions of poverty (Health, Housing, Nutrition, Protection, Education, Information, Water and Sanitation).

Child poverty and deprivation hinder the physical, psychological and social development of a child. Abraham Kriel Bambanani plays its small part to address the situation by providing protection, care, therapeutic and developmental intervention to some of the most vulnerable children in Gauteng. These services are structured to ensure that orphaned and vulnerable children do not miss out on key aspects of their life, necessary for them to develop and reach their full potential.

Besides the provision of basic needs where required, our work with children within the communities is focused on development and finding sustainable solutions for issues such as malnutrition, dependency, child-or youth-headed households, poor education



and lack of skills to access the economy. The work takes place in Emdeni and Zola on the far west of Soweto and Westbury, a suburb of Johannesburg known for gang violence.

Our work with children and youth in residential care starts with providing safety from harm. It is also focused on development and healing. It takes place at nine different facilities and provides a wide range of suitable care options.

5.3.2 Profiling our beneficiaries

The beneficiaries served by Abraham Kriel Bambanani are all disadvantaged and in need of care and protection. Our services are tailored to provide appropriate care to all beneficiaries and are structured to intervene on different levels.

Johanna Malan Early Childhood Development Centre is regarded as preventative care and provides vital educational services for young children between two and seven years. This service provides a sound educational foundation, necessary for success in later education, to young children from poor families in the vicinity of Yeoville.

There are hundreds of orphaned and vulnerable children of all ages and genders in the care of the organisation. Many affected by the HIV/AIDS pandemic, others by the high unemployment rate, and others are victims of the social evils of the communities they live in.

Community care services are regarded as an early intervention service focused on specific areas in Soweto and Westbury where the poorest of the



poor find themselves. These beneficiaries receive nutritional, basic material support, psychosocial services as well as educational support provided by the organisation without being removed from their homes and community.

Abraham Kriel Bambanani is home to abused, abandoned, neglected and otherwise vulnerable children from birth to 18 years and beyond, in nine residential care facilities. Beneficiaries are placed in these uniquely structured facilities by the Children's Court.

Many babies and young children are only temporarily placed in the care of Abraham Kriel Bambanani until a more permanent placement such as re-unification with biological families, adoption or foster care can be secured.

The Emdeni Skills Development centre, situated on the Emdeni campus offers several skills training

courses to unemployed young men and women. The aim of the programme is to equip young men and women from the community with a skill to enable them to become self-sustainable or enter the employment market. Many beneficiaries of the skills training, particularly for the vegetable cultivation projects, exceed the age of 35 years.

The broad range in age of beneficiaries, cared for in the different programmes is clear, but it is worth noting that Abraham Kriel Bambanani also caters to a broad spectrum of intellectual ability for the children and youth in its care. Children and youth with physical disabilities or chronic illnesses also benefit from the services of Abraham Kriel Bambanani.

Abraham Kriel Bambanani strives to enable beneficiaries to develop to their fullest potential. In spite of constraints, many children and youth excel academically, culturally and on the sports field.

EXTERNAL FACTORS IMPACTING ABRAHAM KRIEL BAMBANANI:
 Government policy • Economic climate • Scarce skills • Unemployment •
 Poverty • Substance abuse • Disintegration of family values • Crime • HIV/AIDS

5.3.3 Business Model

Every child has the right to...

- Appropriate alternative care.
- Basic nutrition, shelter, health care and social services.
- Be protected from maltreatment, neglect, abuse or degradation.

Extracted from the RSA constitution.



INPUTS

R

FINANCIAL CAPITAL

- ▮ Donors and Funding partners **59,40%**
- ▮ State **33,03%**
- ▮ Third stream Income **2,98%**
- ▮ Church Funding **1,80%**
- ▮ Other income **2,79%**



SOCIAL & RELATIONSHIP CAPITAL

- ▮ Communities where we operate
- ▮ Gauteng DSD
- ▮ Partners i.e. Steinhoff International and Siemens
- ▮ Donors: Please refer to list of top donors (Pg 23)
- ▮ Christian denominations



NATURAL CAPITAL

- ▮ Environmental protection strategy
- ▮ Solar geyser installations
- ▮ Land ownership



HUMAN CAPITAL

- ▮ 221 full time employees
- ▮ 200 volunteers
- ▮ 11 non-executive directors contributing **280** hours pro-bono service



MANUFACTURED CAPITAL

- ▮ Two campuses and seven satellite homes
- ▮ A Skills Development Centre
- ▮ An Early Childhood Development Centre
- ▮ Three Drop-in Centres



INTELLECTUAL CAPITAL

- ▮ Accredited training for childcare workers
- ▮ Decades of collective experience in childcare, marketing and financial management
- ▮ Data collected
- ▮ Governance expertise



OUTCOMES

To care for, develop, empower and re-integrate traumatised children and young people in need of care and where needed, their families through appropriate care models and therapeutic programmes to enable them to function independently and to contribute to society.

OUTPUTS

PREVENTION SERVICES

Early Childhood Development Service (124 children)

EARLY INTERVENTION SERVICES

Soweto Family Care (325 children and 244 people older than 18) • Emdeni Drop-in centre (81 children and 79 people older than 18) • Westbury Family care (243 children and 136 people older than 18) • Skills Development (281 young people between 18 and 35 years and 36 people older than 36) • Material support • Access to grants

STATUTORY SERVICES

Holistic residential care (231 children) • Development programmes (17 tertiary students in 2022/23) • Therapeutic programmes • Recreational programmes

INTERNAL FACTORS IMPACTING ABRAHAM KRIEL BAMBANANI:
Organisational values • Faith base • Dedicated employees • Governance structures • Policies • Profile of beneficiaries

The **Community Care Services beneficiary profile** is one of orphaned and vulnerable children and young adults from a poverty-stricken urban background. The home-based care and Drop-in centre programmes were originally developed to assist children infected or affected by the HIV/AIDS pandemic, but now include children and youth severely affected by poverty and family dysfunction.

These beneficiaries are African or Coloured people with the exception of five Asian females. Abraham Kriel Bambanani provided holistic care, via the Soweto Family Care and Westbury programmes to 656 orphaned and vulnerable children and youth. A further 452 beneficiaries, not registered in the programme benefitted from the services of Abraham Kriel Bambanani. The total number of beneficiaries returned to more normal levels with 1108 people receiving services and support.

The Skills Development Centre served 317 youth during this period. 35.8 Percent of registered beneficiaries in our community service programmes are over the

age of 18 with 36 beneficiaries older than 35.

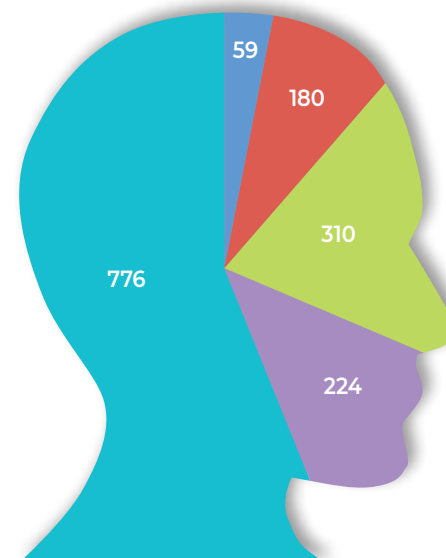
At Johanna Malan ECDC, 124 children between the ages of two and seven years were prepared for formal schooling. Of these beneficiaries, 60 were boys and 64 were girls.

A total of 1 549 beneficiaries, benefited from the Community Care Services programmes.

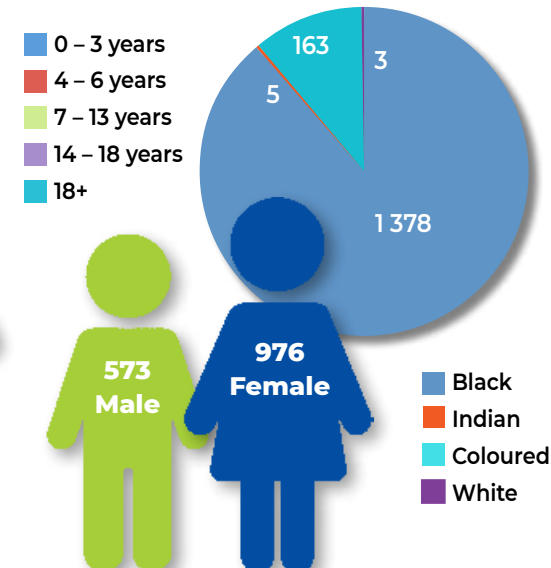
The **Residential Care Services beneficiary profile** covers all ages from birth to 18+ years of age. It represents all cultures and a wide spectrum of abilities. Most of these children are severely traumatised and have difficulty functioning in a variety of ways. A total of 231 children and youth received residential care services and of these 62% are female and 38% are male. 42% African, 12% Coloured and 46% white beneficiaries, received services through the Residential care programme.

The Langlaagte Campus now specialises in the care of traumatised girls and one Asian beneficiary received specialised services at the Langlaagte Campus.

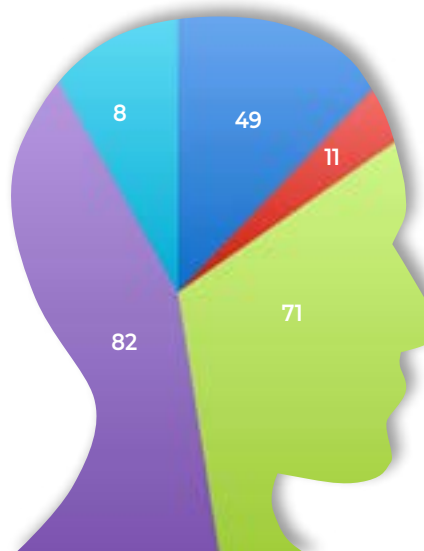
Community Care profile:



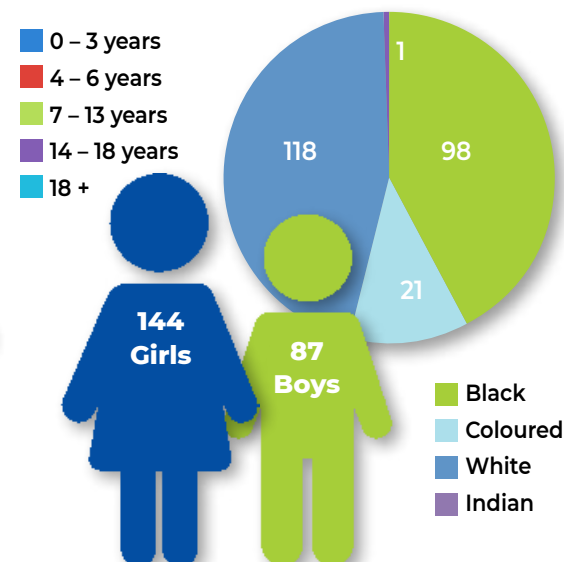
Community Care Services racial profile



Residential Care profile:



Residential Care Services racial profile



5.4 EXTERNAL ENVIRONMENT

On a macro scale the world was still recovering from the Covid-19 pandemic, when the Ukraine/Russia war erupted in 2022. Economic consequences in the form of exorbitant fuel and food prices set in immediately, not only in the two countries at war, but also in Western Europe and the rest of the world. The political consequences are also unfolding as the parties at war compete for alliances and support. South Africa, more than ever, has been under pressure to maintain its declared impartiality, whilst at the same time under pressure to prove its allegiance to the BRICS formation. Only time will tell how this will develop, but it is safe to say that the current situation adds to the economic pressures and uncertainties our country is facing.

The South African economy remained sluggish throughout the reporting period. Although certain sectors of the economy recovered well post Covid-19, internal business confidence levels and growth prospects remained low. The shortage of electricity in the country continued to affect the economy adversely, not only in the form of additional operational costs, but also at the high cost of business and investor confidence.

The non-government organisation (NGO) sector is by now used to the negative effect of a poorly performing economy on the contributions by the donor community. What is alarming currently, is that the prevailing economic realities are leading to moderate reductions in funding of provincial budgets, which in turn is leading to disproportionate cuts in funding of NGOs. In September 2022, the Gauteng provincial government announced an Institutional Realignment



Project (IRP) policy of which the main objective is to reduce funding to NGOs in order to strengthen the capacity of the province to provide social services previously carried out by NGOs. Needless to say, the NGO sector is opposing the implementation of the IRP, leading to the reversal of certain funding cuts. Only time will tell to what extent the IRP will be implemented and what the long-term consequences of that will be.

It would be disingenuous to comment on the external environment in which AKB operates, without a reference to the negative impact of poorly performing state and parastatal entities. In the reporting period the implementation of the long-term strategy of AKB to generate additional revenue through the expansion of private student accommodation, was impacted severely by inefficiencies of parastatals, to such an extent that the venture suffered a significant loss. Continuing certainty remains a serious threat to the future implementation of the strategy.

In spite of the negative outlook presented above, there are many reasons to retain a positive mindset and to work actively towards a better future. One of these is that in spite of uncertainties and the poor economic outlook, the donor community continues its support of the work of AKB. In particular the response of charitable trusts and foundations to the plight of NGOs remains a source of inspiration, as it stepped in where other entities had to reduce its contributions.

5.5 INPUTS

Financial Capital:

R Abraham Kriel Bamabanani is dependent upon grants from the state and contributions from individuals, companies and corporates to fund its operations.

Once again, contributions by donors were by far the primary source of funding for all the operations of AKB at 59.40% of income. A slight decrease in the percentage contribution of 0.72% were noted.

Donations in kind are not reflected in these figures.

The state remains the biggest single contributor with a 33.63% contribution of all income, with a slight increase in the percentage contribution of 1.16%. Per capita funding was received for children in residential care and several grants in respect of community services programmes. No income was received from the National Lottery.

Income from congregations and churches showed a 7.36% increase in contributions. Members of congregations contributed in various other ways that could not be directly linked to the congregation. Donations in kind received from congregations and their members are not reflected in these figures.

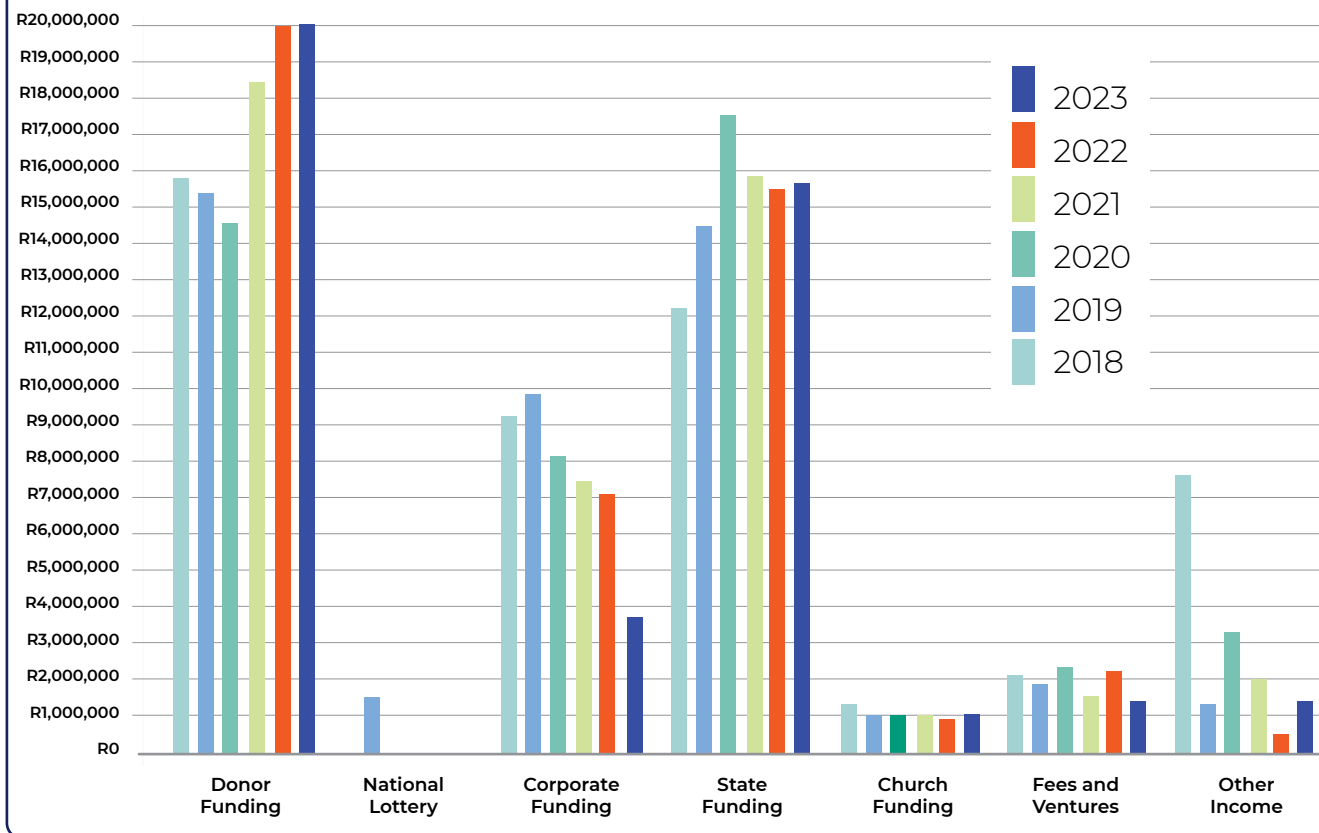
Despite a concerted effort to increase donor funding from the South African corporate sector, income from corporate donors decreased by 48.57%. This is indicative of the fact that corporate funding in South Africa remains under pressure. The inability to replace the loss of a major donor has seen the income from this income source at its lowest in 9 years.

Income from Trusts and Foundations compensated somewhat for the losses from corporate donors and funds from outside of South Africa.

The R1.4 million loss to outstanding funds from the National Student Financial Aid Scheme (NSFAS) contributed to the 32.33% decrease in income from fees and ventures. Progress has been made in respect of recovering these outstanding funds in the subsequent reporting period.

INCOME STREAMS 2018 – 2023

Our income streams were as follows:



Manufactured Capital:



Abraham Kriel Bamabanani operated at 12 different sites across Greater Johannesburg and Ekurhuleni during this year. AKB owns, rents or uses the properties by way of right of use granted to the organisation.

The residential care services operate on two campuses

and in seven satellite homes. Of these, AKB owns the Langlaagte Campus and four of the seven satellite homes, namely the houses in Linden, Risidale, Benoni and Fontainebleau. AKB has right of use at the Maria Kloppers Campus as well as the Bermuda 5 and Kempton East satellite homes.

Siemens owns the satellite home situated in Mayfair West and Abraham Kriel Bamabanani manages it in a

formalised partnership agreement. The entire Youth Space household was moved to a vacant house on the Langlaagte Campus due to security concerns in the Mayfair West area. This remains a temporary measure. Siemens identified a suitable property for the boys and will finalise the purchase in due course.

The Johanna Malan Early Childhood Development Centre also operates from a facility where AKB has right of use in perpetuity.

The Uniting Reformed Church in Southern Africa (URCSA) still owns the Emdeni campus, but are resolved to sell the property. First right of refusal was granted to AKB. This property currently houses a Skills Development Centre and a Drop-in Centre. AKB rents the facility, but intends to purchase the property, once sufficient funding is secured. Other facilities in Soweto and Westbury are also rented. Efforts to obtain more suitable premises in Westbury have not yet been successful.

Langlaagte Campus accommodates shared services, the administrative offices for community services and satellite home management. A well-equipped kitchen that provides the bulk of the meals for the community service programmes and a basic medical facility are also situated there.

In addition to the Talitha Kumi student residence, AKB developed a further two houses on the Langlaagte campus to accommodate female tertiary students from UJ. This is part of the strategy to generate third-stream income by optimising the use of the facilities at Langlaagte.

Planned developments on the Langlaagte campus in respect of the repurposing of the buildings on the northern half of the campus, to accommodate students did not materialise. The expansion of the three houses for children on the southern side of the campus, was placed on hold. The process is ongoing and is expected to take three years to complete.

Human capital:

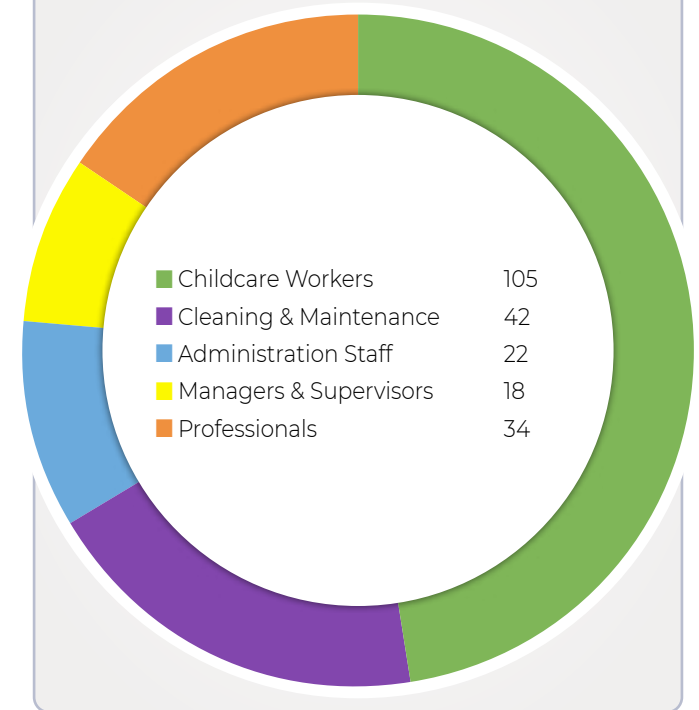


Abraham Kriel Bambanani ended the financial year with a staff compliment 221. Of these 105 are child and youth care workers, working in both residential care and in community care programmes. These people form the core of our services. They are supported by 34 professionals, amongst whom are counted eight social workers, eight social auxiliary workers and six social funding developers. The organisation employs ten managers and four supervisors, one youth worker and one training coordinator, three teachers, one nurse and two social media marketing practitioners. Two poverty alleviation co-ordinators as well as two OVC co-ordinators are included in the count.

The Department of Social Development (DSD) provides part sponsorship for the posts for six social workers, seven social auxiliary workers and 33 childcare workers in community services and residential care.

The state's employment creation programmes complement the work with orphaned and vulnerable children in communities. This, in turn, requires AKB to provide in-service training to these young people.

STAFF COMPOSITION MARCH 2023



A small group of five highly dedicated people is responsible for financial management. The organisation employs 22 administrative staff members and one human resource management assistant. They work under great pressure and perform well in these circumstances.

Many of the staff members regard their work as a calling and they are devoted to the cause of children in need. This is true at all levels of the organisation and for this the organisation remains deeply grateful.

Many volunteers support the work of AKB, from

people serving on the board and board committees, to house committees for satellite homes, to host families and people presenting extramural activities and extra classes to children. A number of people with expertise in certain areas do pro bono work for the organisation.

AKB accommodated 3 interns to assist with support services.

Five senior managers support the CEO and serve as the executive committee.

Other staff include 11 drivers, and a total of 42 office cleaners, general assistants, groundsmen and maintenance workers.

The Soweto and Westbury programmes employ 48 temporary employees.

Intellectual capital:



Acknowledgment of human worth and potential are one of the values AKB lives by. In order to remain relevant and to compete for scarce resources in a very difficult environment, it is essential for AKB to learn and adapt constantly. Trained Child and Youth Care Workers are a rarity in South Africa. Yet, it is a requirement for the registration of Child and Youth Care Centres that workers are trained and registered with the SA Council for Social Service Professions.

The accredited training, to an NQF level 4, offered by AKB continued internally as well as for other institutions. This compels us to remain abreast of

new developments in the field. The training is highly regarded in the sector.

Personal development is a key performance area in the performance assessment of every staff member, which ensures that both supervisors and employees pay attention to this aspect of the work. The number of employees trained or still in training, reduced to 30 with the actual spent of R397 394. Four employees received study assistance.

The organisation is highly respected in the NPO sector in respect of fundraising, marketing and brand management, excellence in governance systems and the utilisation of appropriate technology. Ongoing skills development i.r.o. Fundraising has been achieved through networking and online learning.

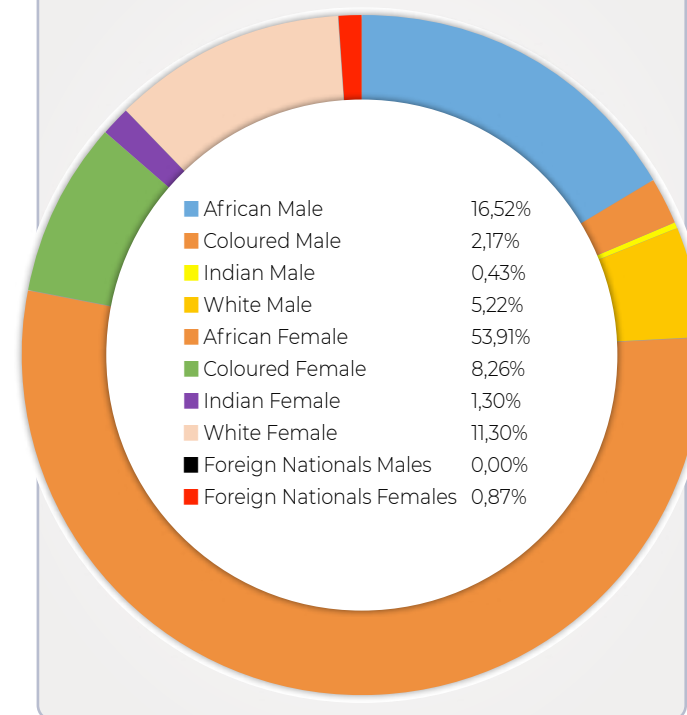
The organisation benefits greatly from the pro bono work of auditors and other experts in their field, which improves its management capacity and ability to function on a high level of accountability.

Social and Relationship Capital:



Abraham Kriel Bambanani executes its responsibility in respect of the care and development of children and young people on behalf of society, with the purpose to improve societal health. Therefore, although it is vulnerable children in need of care who benefit directly, we believe that our services benefit society at large. Abraham Kriel Bambanani is contracted by the state to execute some of these responsibilities. However, without the involvement

EMPLOYEE DISTRIBUTION MARCH 2023



and investment of society, beyond that which the state provides, it will not be possible to execute our responsibilities satisfactorily.

It is goodwill that forms the basis of the social and relationship capital on which Abraham Kriel Bambanani relies. There is real love and care flowing from ordinary people, whether in their personal capacity or as representatives of corporate SA, Trusts and foundations or religious institutions.

Our Board consists of voluntary members who contribute their skills and expertise on a pro-bono

basis in the furtherance of the objective of Abraham Kriel Bambanani.

Relationships with a wide array of stakeholder are of great importance to the organisation. Among these stakeholders are a number of communities, churches, foundation, funding partners, corporates and small businesses and individuals, that support our service in a multitude of ways, but notably in providing the financial resources to operate. Please note a list of top donors that contribute to our cause on page 23.

AKB is a member of the Tutela group, responsible for the Ministry of Caring of the Dutch Reformed Church in the Highveld. A number of congregations work in partnership with AKB in order to operate satellite homes while other congregations support our services in the community and at individual houses on our campuses. The Uniting reformed Church owns two properties where we provide services and we have a close relationship with them as well as the Zola Methodist Church from where we run a drop-in centre.

Committees in communities form a valuable resource for our widespread operations. We network with local organisations, churches, clinics and schools in order to be accepted and effective where we operate. Within the communities of Soweto and Westbury, where we provide services to children and youth, we need excellent relationships with community-based organisations in order to identify the greatest needs and to facilitate access.

We rely on other NGOs and Child Welfare

organisations to provide the full spectrum of services as required by the Children's Act in partnership with us. Our networking with other NGOs, such as Child and Youth Care organisations in Gauteng, the Gauteng Welfare Forum and the Child and Youth Care Forum is important to keep track of trends and developments as well as for benchmarking. It is also a vital vehicle for collective negotiation and lobbying.

The Gauteng Department of Social Development grants us our license to operate and as such is a vital stakeholder. The Department also contributes substantially to our revenue. They oversee operations and determine compliance to the Children's Act and the Public Finance Management Act.

Natural Capital:



Abraham Kriel Bambanani (AKB) is very grateful to have a number of natural resources at its disposal, such as boreholes at Langlaagte, Maria Kloppers and Emdeni Campus. This helps to supplement the water resources for which it relies on the respective municipalities. We actively practice and promote the conservation of natural resources and teach this to our beneficiaries.

Water and electricity saving continues to be prioritised by all staff using these resources. We ensure that it remains top of mind, particularly for residential staff and beneficiaries, through the ongoing monitoring of usage of both water and electricity.

The improvement of water saving measures has slowed down as we are starting to measure against a



period where the reticulation system has already been replaced. The monitoring identified new problem areas, which were resolved in good time. We still aim to reduce our water consumption in the coming year.

Our electricity savings increased by 13 percent and we aim to reduce it by a further ten percent in the coming year. The solar geyser installation, now in its 11th year, continues to grow our saving for electricity. The project has to date saved the organisation in excess of R10,5m.

The execution of the environmental protection plan are closely monitored. Drivers attended master driving courses in an attempt to improve driving skills and ultimately reduce fuel consumption and our carbon footprint.

The organisation owns the land on which the Langlaagte Campus and four of the satellite homes are situated, namely House Aasvoëlkop, House Benoni, House Mouton and 91 Martha Street. The Maria Kloppers Campus and Johanna Malan ECDC operate from land owned by Pro-Ekklesia Utility Company, an entity of the Dutch Reformed Church. On this property we have indefinite right of use. The Emdeni Skills Development Centre and Emdeni Drop-in Centre in Emdeni, Soweto are situated on land owned by the Uniting Reformed Church in SA. We are currently renting the property whilst URCSA intends to sell it.

5.6 ACTIVITIES

Our passion is to care for, protect and empower children and youth in need of care. Our residential and community-based models enable young people to develop to their full potential.

This essentially means that we protect children from the effects of social dysfunction, abject poverty, neglect and all forms of emotional, physical, as well as sexual abuse.

Where possible we provide services to children within their families and communities, but when factors

that threaten their safety are detected and the situation becomes so severe that removal is indicated, alternative care becomes an option via the processes of the children's court.

The first priority is to ensure that children and youth are protected from harm. For children in residential care this means providing a safe living environment, which includes well-maintained houses and a caring adult to look after the child. Creating a safe space for healing and a secure relationship with a primary caregiver is essential.

Once safety and security are established we proceed to provide physical care, including food, shelter, appropriate clothing, sanitation and healthcare. For many of our Community Service beneficiaries, the lack of food and appalling living conditions are some of the greatest stumbling blocks, standing in the way of them achieving their full potential. Meeting the basic needs of the beneficiaries often empowers them to grow and develop beyond their circumstances.

In the treatment phase, emotional care is of primary importance. Most children in our care have been traumatised or are suffering from the effects of severe trauma. Abraham Kriel Bamabanani provides a range of therapeutic treatment options through our own social workers and external service providers, via private and state-run treatment services.

Once trauma has been addressed, children and youth are receptive to the many development opportunities offered by Abraham Kriel Bamabanani. These include schooling, recreation, discovery and development



of talent and potential as well as social and spiritual development. As a result of their background and circumstances that brought them to our care, many of the children and youth have educational and developmental backlogs. The extent to which they can be assisted to overcome these will determine their success in the future. Apart from ensuring the attendance of appropriate public schools, and accommodating the specific educational need of each beneficiary, Abraham Kriel Bambanani directly contributes to the developmental needs of children and youth through the Johanna Malan Early Childhood Development Centre as well as the Emdeni Skills Development Centre.

Ultimately it remains our objective to either unite our beneficiaries with their biological families or with substitute families, or to re-integrate young people into the community as contributing members of society.

Regardless of whether children and youth are removed from their homes, those in our care have been severely disadvantaged and will struggle to gain access to the economy and escape the poverty cycle without the development, training and re-integration activities made available to them.

Many unemployed young adults are not suitably prepared to access the economy and are at risk of becoming part of the statistic of unemployed youth. The Emdeni Skills Development Centre provides a bridging opportunity where they can access marketable skills and guidance on ways to proceed from there to employment, further study or their own micro-enterprises.



The shared services function of the organisation provides a range of support activities. Sound administrative and financial management, good record keeping and regulatory compliance ensure good stewardship of our resources. The coordination of recruitment and training and the administration of remuneration is the responsibility of our human resources function.

Our marketing and fundraising activities ensure that the integrity of our donor database is maintained and resources are found and applied in line with donor requirements. The department further takes responsibility for compliance with legal requirements in respect of donations. Finally, our assets in the form

of land, buildings, facilities, IT infrastructure, vehicles and equipment are maintained to ensure efficient operations.

5.7 OUTPUTS

Abraham Kriel Bambanani provides prevention-, early intervention- and statutory services.

Prevention level services is provided by Johanna Malan Early Childhood Development Centre. It refers to services where social dysfunction is not evident in the families of beneficiaries.

Early intervention level services are provided by way of home-based care services and drop-in centres to orphaned and vulnerable children in Westbury



and Soweto. The families are under severe stress, but their functionality does not pose a dire threat to the children in that family. Our community care programmes function on this level. It includes material support to beneficiaries and assistance to access grants administered by the state. Skills development to alleviate poverty is another instance of this level of service.

Statutory level services refer to children placed in substitute care such as residential child and youth care centres. These services are comprehensive and include housing, nutritional, recreational, therapeutic and developmental services.

5.8 OUTCOMES

Abraham Kriel Bambanani cares for, develops, empowers and reintegrates traumatised children and youth in need of care and, where needed, their families through appropriate care models and therapeutic programmes to enable them to function independently and to contribute to society. We make a real and life-changing impact on the lives of these children and youth from the moment they come into our care and experience protection from harm or deprivation.

In carrying out this mandate, Abraham Kriel Bambanani contributes meaningfully towards the constitutional rights of children as described in the Constitution of the Republic of South Africa to include "... basic nutrition and shelter; ... basic healthcare and social services; ... to be protected from maltreatment, neglect, abuse or degradation; and ... appropriate alternative care."



5.9 CAPITAL WISH LIST

Capital needs in an operational context

Solar electricity installations at Emdeni Campus	R1 200 000
Solar electricity installations at Abraham Kriel Campus	R1 500 000
Solar electricity installations at Maria Kloppers Campus	R1 100 000
Solar electricity installations at Satellite Homes	R1 400 000
Replacement of bus of Community Services	R1 000 000
Land and Facilities Emdeni Skills Development Centre and Drop-in Centre	R6 000 000
Land and Facilities for Abraham Kriel Family Care in Westbury	R5 000 000

Capital needs in respect of implementation of long-term strategy

Renovations to beneficiary housing on Langlaagte Campus	R9 000 000
Renovations to expand student housing to increase third stream revenue	R10 000 000

6. Abraham Kriel Bambanani In Context

Stakeholder	Methods of engagement	What matters to them
DSD, Regions Johannesburg, Ekurhuleni and Gauteng Province	<ul style="list-style-type: none"> Monthly, quarterly and annual reporting Ad hoc meetings Ad hoc panel discussions Ad hoc monitoring and evaluation inspections 	<ul style="list-style-type: none"> Assistance to government to execute its mandate in accordance with the Children's Act Compliance to PFMA regulations Meeting targets in respect of services provided and beneficiaries Compliance to funding SLA conditions and procedures
Department of Justice Southern Gauteng & regional children's courts	<ul style="list-style-type: none"> Children's court cases Criminal investigations Reports and court appearances in children's court i.r.o extension of court orders 	<ul style="list-style-type: none"> Best interest of the child Child's participation Involvement of parents in proceedings Compliance to the Children's Act of 2005 Procedural compliance
Donors <ul style="list-style-type: none"> Corporate SA, CSI and B-BBEE managers Church communities Individuals Trusts and Foundations Foreign government agencies, trusts and foundations 	<ul style="list-style-type: none"> Funding proposals Campaigns via media and online platforms Personal appointments Telephone calls Written media e.g. post or e-mail Social media interaction Monthly electronic newsletter Website Press releases and public service announcements 	<ul style="list-style-type: none"> Making an impact that matters Gratitude and appreciation Impacting social ills that affect society adversely Wellbeing of children Preparation of children for independence Accountability Cost-effectiveness Tax and B-BBEE benefits Monitoring and evaluation

6.1 STAKEHOLDER MANAGEMENT

Abraham Kriel Bambanani (AKB) works with people, and for people and society. It relies heavily on favourable relationships with a variety of stakeholders. Although every stakeholder is important to us, we present in this integrated report only the information that is critical to the viability of AKB.

The AKB Board follows a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders with the best interests of the organisation and its beneficiaries over time. The Board, congruent with King IV recommended practices, took responsibility for the governance of stakeholder relationships by giving direction for the way in which AKB conducts stakeholder relationships.

The Board approves policies that give effect to its direction on stakeholder relationships. These policies include the Code of Conduct; Conduct concerning the community and beneficiaries; Key Financial Policies and Procedures; a Section 18A Policy guiding relationships with donors and the Dispute Resolution Policy and Procedures.

Management assumed the responsibility for implementation and execution of effective stakeholder relationship management. The Board exercises ongoing oversight in this regard and considers the engagement methodology annually as part of the integrated reporting process. Engagement takes place at different intervals, depending on the requirements of each stakeholder, as stated in the table on the left.

Stakeholder	Methods of engagement	What matters to them
The broad church The Highveld Synod of the DRC The S. Transvaal Synod of the URCSA	<ul style="list-style-type: none"> Meetings Inclusion in committees Annual reporting Visits to congregations 	<ul style="list-style-type: none"> Kingdom expansion Spiritual development of beneficiaries Opportunities to serve Accountability The best interest of the child
Children and youth	<ul style="list-style-type: none"> Daily care services Daily educational services Therapeutic interventions Developmental activities and opportunities Ad hoc one on one interviews Ad hoc group work 	<ul style="list-style-type: none"> Social, behavioural and life skills Recreational opportunities Obtaining an education Physical care, including health and protection Psycho-social care/therapy Skills development in order to access employment Support to access grants Spiritual development
Children's parents	<ul style="list-style-type: none"> Ad hoc visits to centres Ad hoc interviews Annual planning panels Ad hoc telephone calls Ad hoc correspondence Ad hoc interaction with social workers 	<ul style="list-style-type: none"> Safety of their children Good physical and emotional care Contact with and access to their children Feedback i.r.o. their children Support with challenging children
Communities	<ul style="list-style-type: none"> Inclusion in committees Continuous committee activities Continuous volunteer work Ad hoc meetings Ad hoc visits Annual report Press releases 	<ul style="list-style-type: none"> Access to information Quality care for children Transparency Involvement in services Stewardship of resources Opportunity to serve
Long term funding partners	<ul style="list-style-type: none"> Personal appointments Annual proposals Ad hoc visits Reports as per agreement 	<ul style="list-style-type: none"> Accountability Wellbeing of beneficiaries Preparation of children and youth to be independent and contributing members of society Monitoring and evaluation Contact with beneficiaries and some level of commitment Cost-effectiveness Tax and B-BBEE benefits

Stakeholder	Methods of engagement	What matters to them
Media <ul style="list-style-type: none"> Print media Radio Television Online media 	<ul style="list-style-type: none"> Press releases Publication of industry specific articles in appropriate media Television and radio appearances and exposure via events Public service announcements 	<ul style="list-style-type: none"> Newsworthiness Accuracy and verifiability Relevance Timeliness Trustworthiness
Employees Volunteers	<ul style="list-style-type: none"> Daily interaction Continuous supervision Six monthly performance assessments Quarterly staff meetings Staff newsletter Guidance and coaching Training Multi-professional team meetings 	<ul style="list-style-type: none"> Remuneration Acknowledgement Recognition The opportunity to do meaningful work Access to training Work life balance Empowerment Guidance Good communication

6.2 OUR TOP DONORS

The Rachel du Toit Charitable Trust administered by Investec Wealth & Investment



INCORPORATING
KIETI LAW LLP, KENYA

AJ Heyns Charitable Trust

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

VULA (PTY) LTD



The top 100 donors donated a total of **R17 287 497** of income for the year.
Pro bono work from KPMG and PwC have not been included in this calculation.

7. OUR FOCUS AREAS

7.1 MATERIALITY

For the purposes of this report a matter is considered material if it is of such relevance and importance that it could substantively affect the strategy of Abraham Kriel Bambanani (AKB), its business model, or one or more of the capitals it uses in the short- medium- and long term.

7.2 DETERMINING OUR STRATEGIC FOCUS

Management assessed risks that were identified in the strategic planning process and a risk analysis workshop facilitated by KPMG. These risks were measured in terms of inherent risk exposure, perceived control effectiveness and residual risk exposure. Through these assessments, material risks were identified and ranked for future actions to reduce the residual risk exposure. These actions are

approved by the Financial and Risk Committee and the Board. Management reports are submitted to the Financial and Risk Committee and the Strategic Committee on a monthly basis and to the Board on a quarterly basis, in respect of progress with the execution of the action plans.

The Board and management made progress with the implementation of the long-term strategy for Abraham Kriel Bambanani to ensure continued relevance, sustainability and growth. Six strategic initiatives were identified and progress has been made with research, due diligence assessments and implementation. The objectives in respect of the strategic initiative “Brand awareness” have been met. Progress was made in respect of strategic

initiative “Attraction and retention of critical skills”. However, financial constraints continue to hamper recruitment in certain key roles. We made progress with the strategic initiative “Optimisation of the Langlaagte Property” as an income generator, in that two additional student tenant residences were renovated and taken into use. However, the expansion of additional facilities had to be put on hold due to continued uncertainties in respect of the funding of private off-campus student accommodation accredited by the University of Johannesburg and funded by the National Student Financial Aid Scheme (NSFAS). The actions in respect of strategic initiative “Business Structures” were also attended to in that a broad-based ownership scheme entity has been established.



The management and Board continuously interact with external stakeholders such as other NPOs, the Department of Social Development, opinion leaders in the donor community, experts in the field of B-BBEE, accounting, social development funding and childcare, in order to source information and identify risks and opportunities that might shape the sustainability and future of Abraham Kriel Bambanani.

The focus areas discussed in the following sections represent the major risks in need of continuous strategic focus, as they have high potential to impact on the implementation of our long-term strategy towards higher levels of sustainability, profitability and growth.

7.3 MATERIAL ISSUES AND OUR STRATEGIC RESPONSE

FOCUS AREA 1 Financial sustainability						
<p>In context</p> <p>* Procurement of funds is dependent on grants from the public sector and private sector donations. Most of the latter is reportedly under continuous pressure, exacerbated by the Covid-19 pandemic, to contribute more to increasing numbers of NPOs.</p> <p>* In the period under review, increases lower than the CPI were awarded for state per capita funding and for community service programmes</p> <p>* All of the above pose a sustainability risk for Abraham Kriel Bambanani, increasing the need to identify and tap into new sources of sustainable revenue.</p>						
Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
<ul style="list-style-type: none"> Government Donors Churches Employees Beneficiaries 	<ul style="list-style-type: none"> Financial sustainability that will maximise long term availability of our services to children in need of care 	<ul style="list-style-type: none"> Structural improvement of governmental funding 	<ul style="list-style-type: none"> Per capita & programme grants by Department of Social Development 	<ul style="list-style-type: none"> State grants to cover 32,42% of operational costs Per capita funding of at least R4 140 	<ul style="list-style-type: none"> State grants covered 30,46% of operational costs Per capita funding was R4 140 	<ul style="list-style-type: none"> State grants to cover 29,46% of operational costs Per capita funding to be at R4 140
		<ul style="list-style-type: none"> Formation of quality funding partnerships in private sector, meaning: <ul style="list-style-type: none"> - Three- year to long term commitment - Percentage of total costs funded, minimum 25% - Mutual association with funded programme 	<ul style="list-style-type: none"> Successful conclusion of long term (>3 years) partnership agreements 	<ul style="list-style-type: none"> Five programmes to be covered by 10 funding partners 	<ul style="list-style-type: none"> Four programmes were substantially covered by three funding partners and on grant agreement. Four grant agreements covered aspects of five programmes. 	<ul style="list-style-type: none"> Five programmes to be covered by 10 funding partners
		<ul style="list-style-type: none"> Optimisation of revenue potential of TK Residence 	<ul style="list-style-type: none"> Available room capacity (60) taken up by students 	<ul style="list-style-type: none"> Room capacity to be 150 students Surplus to be at R1 585 623 	<ul style="list-style-type: none"> Room capacity was increased to 94 Loss was R1 495 757 	<ul style="list-style-type: none"> Room capacity to be at 150 students Surplus to be at R2 522 025

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
		<ul style="list-style-type: none"> Optimisation of training services as source of revenue. 	<ul style="list-style-type: none"> Successful accreditation Training services provided to NPO Child & Youth Care Centres. 	<ul style="list-style-type: none"> 25 Learners Revenue to be R300 000 	<ul style="list-style-type: none"> There were 52 paying learners. Revenue was R598 442 	<ul style="list-style-type: none"> Number of learners to be 45 Revenue to be R500 000
		<ul style="list-style-type: none"> Attaining financial objectives. 	<ul style="list-style-type: none"> Exceeding approved revenue budget and meeting expenditure budget. 	<ul style="list-style-type: none"> Total income R50 983 148 Total expenditure R51 188 356 Deficit R205 207 	<ul style="list-style-type: none"> Total income was R47 246 782 Total expenditure was R51 638 867 Deficit was R4 387 800 	<ul style="list-style-type: none"> Total income to be R53 123 400 Total expenditure to be R53 310 064 Deficit to be R186 664
<ul style="list-style-type: none"> Board Management Beneficiaries Funding partners and donors DR Church Department of Social Development (DSD) Potential partners South African Revenue Services (SARS) 	<ul style="list-style-type: none"> To establish new surplus generating commercial activities to ensure the financial sustainability of AKB. 	<ul style="list-style-type: none"> Focused due diligence studies Dependable partnerships Sound management. 	<ul style="list-style-type: none"> Successful implementation of additional profitable commercial activities. 	<ul style="list-style-type: none"> Prepare three houses for accommodation to increase tenant number to 150. Complete UJ accreditation by July 2022. 	<ul style="list-style-type: none"> Two houses were completed and occupied in February 2022. Accreditation not complete. Occupancy certificate submitted. Awaiting appeals committee outcome. 	<ul style="list-style-type: none"> Prepare three houses for accommodation to increase tenant number to 150 for occupation in 2024, dependent on finalisation of accreditation for the 2022 and 2023 years. Complete UJ accreditation with NSFAS by August 2023.

FOCUS AREA 2

Attraction and retention

In context

- NPO welfare organisations are not able to compete with the state on remuneration, as they offer very generous remuneration to their employees, resulting in a situation of NPOs losing staff to the state
- AKB is under increasing financial pressure
- It is increasingly difficult to attract and retain critical skills such as social workers, childcare workers and managers because AKB does not have the financial resources to compete with the state and open market on remuneration
- Employment Equity requirements contributes to remuneration inflation

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
<ul style="list-style-type: none"> · Employees · Beneficiaries 	<ul style="list-style-type: none"> · To ensure uninterrupted services of appropriate standard for the optimal development of our beneficiaries 	<ul style="list-style-type: none"> · Attraction of scarce skills 	<ul style="list-style-type: none"> · Competitive remuneration iro scarce skills based on reliable benchmarking 	<ul style="list-style-type: none"> · 100% of social workers to be remunerated above lower quartile of Averyle Ryder NPO salary survey report. · 100% of Child care workers to be remunerated above lower quartile of Averyle Ryder NPO salary survey report. 	<ul style="list-style-type: none"> · 100% of social workers remunerated at lower quartile · The objective was not achieved 	<ul style="list-style-type: none"> · Ensure Social workers are remunerated on the median quartile of Averyle Ryder NPO salary survey report for 2023/24 · 25% of Child Care Workers to be placed on the median quartile of Averyle Ryder NPO salary survey report, funds allowing.
		<ul style="list-style-type: none"> · Effective recruitment platform 	<ul style="list-style-type: none"> · Period to fill vacancies 	<ul style="list-style-type: none"> · Childcare worker roles to be filled within five months · Social worker and managers roles to be filled within three months 	<ul style="list-style-type: none"> · Target has been achieved at Langlaagte and Maria Kloppers but not at the Satellite Homes · Target has been achieved 	<ul style="list-style-type: none"> · Childcare roles at Satellite Homes to be filled within three months · Social worker and manager roles to be filled within two months
		<ul style="list-style-type: none"> · Reliable selection and screening tools 	<ul style="list-style-type: none"> · Refined psychometric selection battery for CCW's 	<ul style="list-style-type: none"> · Maintain psychometric tests and apply according to approved policy 	<ul style="list-style-type: none"> · Objective was achieved 	<ul style="list-style-type: none"> · Revise psychometric tests to find suitable instruments for all genders and races · 100% of candidates to undergo G4S vetting procedure
		<ul style="list-style-type: none"> · All vacancies filled 	<ul style="list-style-type: none"> · Efficient recruitment processes 	<ul style="list-style-type: none"> · 226 employees 	<ul style="list-style-type: none"> · 220 employees, due to recruitment and affordability challenges 	<ul style="list-style-type: none"> · 225 employees

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
		<ul style="list-style-type: none"> Satisfied employees 	<ul style="list-style-type: none"> Annual Employee satisfaction survey 	<ul style="list-style-type: none"> 75% employees to be satisfied Implement remuneration benchmark goals 	<ul style="list-style-type: none"> 67% employees were satisfied, remuneration and recognition remain areas of dissatisfaction Remuneration benchmark goals could not be implemented, due to austerity measures 	<ul style="list-style-type: none"> 77% employees satisfied Implement at least 50% of remuneration benchmark goals
		<ul style="list-style-type: none"> Diversified recruitment channels used 	<ul style="list-style-type: none"> Talent review sessions focussing on both internal and external available talent Encourage employee referral 	<ul style="list-style-type: none"> Continue engagement of individuals in leadership positions in Coloured and Indian communities to identify potential candidates Utilise social media in addition to other digital platforms already in use to recruit 	<ul style="list-style-type: none"> Done, yielded positive results Done, yielded positive results 	<ul style="list-style-type: none"> 2% disabled employees and African males to be appointed in line with recruitment targets required by the Department of Labour. All positions to be advertised through social media in addition to other digital platforms.



FOCUS AREA 3
Sustainability of
key services

In context

- Financial pressure presents a risk to AKB's ability to sustainably maintain the following:
- A broad spectrum of services
- Services to children with special needs, for which there is a dire and increasing need in society
- Services to the increasing number of traumatised children with challenging behaviour as a result of dysfunctional families on the increase and disintegration of healthy family and interpersonal values in society

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
<ul style="list-style-type: none"> • Beneficiaries • Employees • Donors • Community • Department of Social Development 	<ul style="list-style-type: none"> • To address the real needs existing amongst children in need of care in a sustainable manner. 	<ul style="list-style-type: none"> • Special funding dispensation for specialised services to traumatised children. 	<ul style="list-style-type: none"> • A realistic funding model for specialist services to traumatised children developed and adopted by Department of Social Development (DSD). 	<ul style="list-style-type: none"> • 41 beneficiaries with special needs to be funded. 	<ul style="list-style-type: none"> • 13 children with cognitive and physical special needs were accommodated • 27 severely traumatized children with the need for specialized services. 	<ul style="list-style-type: none"> • 41 beneficiaries with special needs to be funded.
		<ul style="list-style-type: none"> • Appropriate facilities for delivery of services to children with challenging behaviour. 	<ul style="list-style-type: none"> • Single gender campus model developed and ready for implementation. 	<ul style="list-style-type: none"> • Renovations to prepare six houses for 60 girls to be completed by December 2022. 	<ul style="list-style-type: none"> • Renovations were not initiated due to uncertainty re future of accreditation and funding of student accommodation. 	<ul style="list-style-type: none"> • Re-assess strategy once more clarity has been reached re accreditation and funding for student accommodation.
		<ul style="list-style-type: none"> • Recruit funders who are willing to invest in services to children with special needs. 	<ul style="list-style-type: none"> • Percentage of operational cost covered. 	<ul style="list-style-type: none"> • Convert at least one short-term donor into long-term funding partner. 	<ul style="list-style-type: none"> • Specific objective was not achieved as no commitment was obtained. Four of the five short-term donors identified, increased their contributions and one also increased the frequency of their donations. 	<ul style="list-style-type: none"> • Convert at least one short-term donor into long-term funding partner.
		<ul style="list-style-type: none"> • Revenue earned via state funding maximised. 	<ul style="list-style-type: none"> • Service rendered to full capacity of facilities and human resources. 	<ul style="list-style-type: none"> • Maintain number of beneficiaries in residential care at 200 • Maintain number of beneficiaries in community care above 1 000. 	<ul style="list-style-type: none"> • Target has been achieved at 230. • Target has been achieved. 	<ul style="list-style-type: none"> • Maintain number of beneficiaries in residential care at 200 • Maintain number of beneficiaries in community care above 1 000.

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
<ul style="list-style-type: none"> Board Management Beneficiaries Partners and Donors DR Church Department of Social Development Development Community 	<ul style="list-style-type: none"> To expand community service programmes to ensure appropriate care services for orphaned and vulnerable children and skills transfer opportunities for youth at risk 	<ul style="list-style-type: none"> Quality partnerships in target communities Support of DSD Support of donors Sufficient capital 	<ul style="list-style-type: none"> Successful partnership formation and conclusion of MOI's Negotiations with DSD and donors translate into R22m for Capex phased over 15 years New Drop-in Centres for 600 children and Skills Development centres for 900 young people are established and operating 	<ul style="list-style-type: none"> Delay process until funding has been sourced Expedite transfer of funding already approved, by end of June 2022 	<ul style="list-style-type: none"> Funding has been sourced for purchase of Emdeni property Owner of Emdeni property has initiated subdivision of property in order to sell relevant portion to AKB 	<ul style="list-style-type: none"> Conclude purchase of Emdeni property once subdivision process conducted by URCSA has been concluded

FOCUS AREA 4 Standard of Childcare

In context

- The responsibilities of childcare workers (CCWs) have become increasingly complex as a result of the increase in family dysfunction, deterioration in the societal value system, as well as the misinterpretation and abuse of children's rights
- Therefore a more sophisticated skills set is required from childcare workers
- Appropriate external training does not exist, as available training is very basic in nature
- At graduate level social workers are not sufficiently equipped with appropriate therapeutic skills, as training is directed at more basic interventions and community development in order to serve basic developmental needs in society

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
<ul style="list-style-type: none"> Childcare workers Beneficiaries HWSETA Council for Social Service Professions Department of Social Development 	<ul style="list-style-type: none"> To have well- trained childcare workers and social workers sufficiently capable of providing the care, developmental and therapeutic needs of children in need of care 	<ul style="list-style-type: none"> Accreditation of training material and continuation of already implemented training programmes in order to provide appropriate accredited training 	<ul style="list-style-type: none"> Percentage CCW's and social workers appropriately trained 	<ul style="list-style-type: none"> 100% of CCWs to be trained 80% CYCW learners to receive certificates from HWSETSA 50% of social workers to receive trauma training 	<ul style="list-style-type: none"> 100% of CCWs completed training Re-accreditation delayed process, has now been received, certificates are in process 100% of social workers received trauma training 	<ul style="list-style-type: none"> 100 % of new CCW's to be trained 80 % of learners to receive certificates from HWSETA

FOCUS AREA 5
Brand awareness

In context

- Due to its long history the brand is fairly widely known throughout South Africa, despite it being operational in Gauteng only
- As the social and economic environment in South Africa changed, so did the beneficiaries served by AKB and along with that the need to build a wider support base among the English and African communities to source revenue from a larger audience

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
<ul style="list-style-type: none"> · Board · Management · Beneficiaries · Partners and Donors · DR Church · Department of Social Development · Development Community 	<ul style="list-style-type: none"> · To reposition the AKB brand to develop support among all communities served by AKB 	<ul style="list-style-type: none"> · Sound research, risk analysis and objective decision making 	<ul style="list-style-type: none"> · Brand adoption by stakeholders reflected into continuous growth in support from all communities in which AKB operates 	<ul style="list-style-type: none"> · Increase donor recognition and positive media exposure · Pursue positive brand exposure on websites and social media platforms 	<ul style="list-style-type: none"> · Planned actions in respect of increased donor recognition and positive media exposure were executed · Positive Brand awareness were maintained on all social media platforms. · Little progress made in respect of planned, increased brand awareness due to vacancy. 	<ul style="list-style-type: none"> · Increase donor recognition and positive media exposure · Pursue positive brand exposure on websites and social media platforms

FOCUS AREA 6
Business Structures

In context

- Well-established NPOs are increasingly struggling to achieve and maintain sufficient levels of sustainability
- DSD officials communicate that NPOs should be less dependent on the state and source more support from the private sector
- Subsidy levels have decreased from 66% of revenue of NPOs in the 1990s, to the current level of around 35% of revenue of NPO's
- The donor market is inundated with NPOs seeking support from them, therefore it is increasingly challenging to access substantial grants from them
- To mitigate the risk resultant from the above, it is an AKB strategy to increase commercial activity, creating the need to establish the most tax-efficient business structure, while simultaneously protecting potential reserves needed for sustainability and expansion of services

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2022/23	Progress i.r.o. 2022/23 target	Target 2023/24
<ul style="list-style-type: none"> · Board · Management · Beneficiaries · Partners and Donors · DR Church · Department of Social Development · SARS 	<ul style="list-style-type: none"> · To restructure existing and to create new legal entities in order to provide vehicles for effective and compliant operational governance and commercial activities 	<ul style="list-style-type: none"> · Decision on rebranding has been taken · Access to experts in the NPO, Income Tax and Companies Acts 	<ul style="list-style-type: none"> · Operational structures meets statutory prescripts and DSD requirements · Surpluses are optimised · Full compliance to tax regulations 	<ul style="list-style-type: none"> · Establish and complete registration of Bambanani B-BOS NPC by September 2022 	<ul style="list-style-type: none"> · Bambanani B-Bos NPC established, awaiting tax exemption status finalization from SARS 	<ul style="list-style-type: none"> · Attain tax exemption status by October 2023.

8. Performance Review

8.1 REPORT BY THE CEO

At the end of the past financial year I look back in gratitude and some wonder at the changes and the blessings that we at Abraham Kriel Bambanani (AKB) have experienced, this in spite of concerns and pessimism around us.

We had to face the retirement of Mr Lawrence Mlotshwa, chairperson of our Board for the past 8 years. He had made a very significant leadership contribution over these years. His wisdom will be sorely missed. Mr Mlotshwa was a member of our board since 2003.

It would be a case of denial not to acknowledge that we are dealing with serious challenges brought on by the electricity shortage in our country, the prevailing poor economic outlook, changes in governmental policies and legislation, and unpredictable implementation of policies by officials in state and parastatal bodies. Our response to these is to search for opportunities, emerging as a result of the challenges. Furthermore, Abraham Kriel Bambanani responded to the economic impacts and operational setbacks with strong governance and oversight.

As always, I can attest to the provision of God. By way of example I can point to the loss of a major and



Mr Paul Momsen
Chief Executive

longstanding donor. The impact thereof we really felt in the past financial year. However, a timely donation from a Trust was forthcoming and we could continue the service previously sponsored by the ex-donor.

The increasing complexity of social issues is placing a greater burden not only on government, but also on individuals. In spite of this, more people want to do something to help solve society's problems, and are showing increased

interest in activities that make a social contribution. In this context, I remain grateful that Abraham Kriel Bambanani is in a position to provide a basket of services ranging from preventative services to developmental programmes in an attempt to address these complex social issues. The aforementioned was evident in the increased demand for services at our Johanna Malan Early Childhood Development Centre, the increase in admissions in our Residential Care facilities and the waiting lists for Community Services programmes.

The execution of the strategic plan of Abraham Kriel Bambanani remains challenging, particularly when forces beyond our control create barriers hampering our progress. This is of real concern, as the strategy focusses on the sustainability, growth and expansion

of services to vulnerable children and youth in need. We are grateful for positive developments that hold the potential for overcoming barriers that delayed our strategy execution, subsequent to the reporting period.

In response to the energy crisis we were compelled to invest in a large generator for the Langlaagte campus so that children can continue to live and do schoolwork at home. As has been our practice for many years now, we continue to monitor the electricity and water consumption at all of the thirteen sites where we operate. Problems are addressed as they arise. We are very much aware of the fact that generators are not sustainable in the long term, due to the very high cost of fuel. Seeking a longer-term solution, we are well advanced in investigating solar alternatives in support of a reduced energy spend that is also eco-friendly and consistent with our environmental protection strategy.

The announcement in April of this year by the Department of Social Development to reduce or cease the co-funding of certain services provided by non-profit organisations, had a serious impact on the entire social services sector in Gauteng, including Abraham Kriel Bambanani. It has led to the closure of many social service programmes and a number of social service organisations. It has also led to the realignment of services offered by Abraham Kriel Bambanani.

Abraham Kriel Bambanani survived the challenge because of prudent financial policy, practices and management over many years. I owe a debt of gratitude to the board, who, over many years, insisted on the building of reserves for times of crisis. Once again, they have been proven right. Our gratitude to our Board for their indispensable pro-bono service to Abraham Kriel Bambanani is beyond words.

However, none of this would have been possible without the generosity of our donor community. It is a wondrous thing to see how kindness multiplies in response to need, despite people's own hardship. Apart from services to our beneficiaries, donor funding also made it possible for Abraham Kriel Bambanani to invest in staff development, such as the two members of the management team who completed post-graduate diplomas in Business Management.

I thank God for His provision and for providing people to do His work with children in need. I am grateful for the people who came before and very grateful for the people He sent our way in the past year.

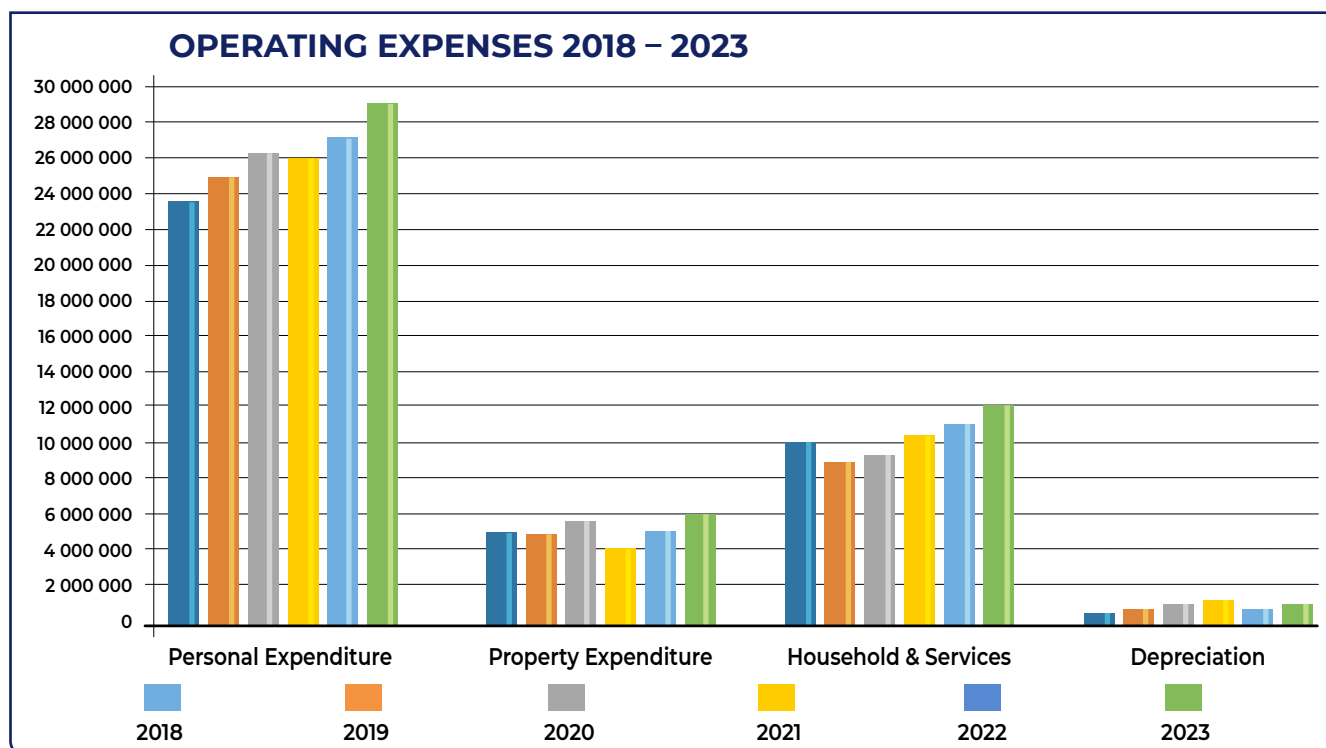
Paul Momsen
Chief Executive

8.2 FINANCIAL SUSTAINABILITY

R Amidst the financial difficulties experienced in the 2022/2023 financial year, Abraham Kriel Bambanani delivered services to all intended beneficiaries with the backing of donors. The appreciation for our donors is unmeasurable. We are indeed blessed to receive ongoing support, despite the economic challenges South Africans are facing. Every year the need to find inventive ways to sustain AKB becomes more crucial. We continue to drive this goal with a positive attitude.

The total operating revenue decreased to R46 407 3650, by 0.46% compared to 2022, primarily due to losing a significant funding partner, which caused partnership funding to decrease by 48.57% compared to 2022. The emphasis remains on engaging donors to enter into partnership with AKB. Five programmes are currently partially funded in this manner.

State revenue represents 33.63% of revenue, at R15 607 315. No increase for residential care



programmes was received in 2023, with a reduction of beneficiaries for some programmes. An intensified focus on skills development was evident in the state funding allocation.

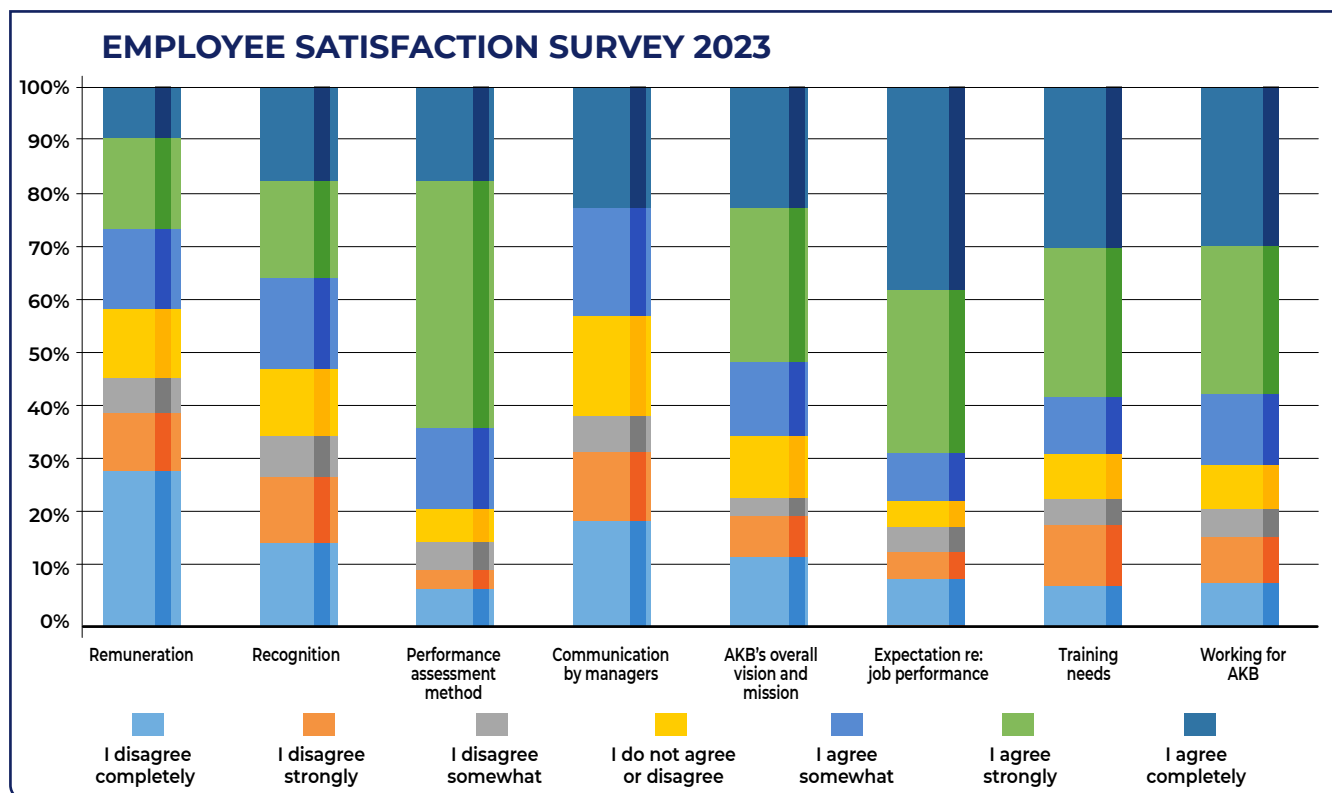
Abraham Kriel Bambanani did not receive any funding from the National Lotteries for the year. We are in the process of preparing our new application for funding. The operational expenditure increased by 8.23% to R51 343 671 in 2023 from R47 437 708 in 2022. Staff remuneration increases were negatively affected at the beginning of the financial year. Four staff

members received study assistance in the year under review. Employee cost remains the highest expense, at R28 845 134.

Property expenditure, comprising of municipal services and maintenance of the various properties, increased by 21.97% to R5 815 119. The increase includes elevated fuel charges used for generators as well as more frequent outages. Expenditure related to household services increased by 7.17% with R781 886, in line with inflation.

The combined revenue from Income from Ventures and Fees for Services decreased by 31.33% to R1 405 143. The Child and Youth Care Worker training is budding, growing by 14.58% in 2023 financial year.

The Talitha Kumi Student Residence accommodated 72 students for the year, however, the funds from National Student Financial Aid Scheme (NSFAS) remains outstanding at year-end, due to an outstanding accreditation appeal with the University of Johannesburg. The outstanding accreditation resulted in an R1.4 million loss for this venture in the 2023 financial year. The strategic expansion of the student village is currently on hold due to uncertainty regarding the University of Johannesburg's accreditation.



8.3 ATTRACTION AND RETENTION OF CRITICAL SKILLS



In the past year staff members were not retained at acceptable levels. It proved to be very hard to fill roles such as the Marketing Media Specialist, Assistant Manager: Facilities, Child and Youth Care Workers for satellite homes, as well as the Manager: Skills Development Centre. The filling of these roles remained a challenge for months, and some of these are still vacant.

Roles that were filled, were filled with suitably qualified candidates, recruited both internally and externally. The succession plan in terms of critical skills is in place. Training and development of employees is implemented in line with the Workplace Skills Development plan.

We had 221 employees at year end compared to 230 in the previous year. In respect of our employment equity targets, African, Indian and Coloured males are lagging behind due to low staff turnover across occupational categories, especially at senior management level. We have a significant over-representation of African females and a shortfall of African males. The shortfall is due to the social services industry attracting predominantly female candidates.

The objective of finding suitable candidates for vacant roles had been pursued by, in addition to conventional recruitment, advertising in appropriate social media targeting the respective communities. We have made progress in terms of sourcing suitable candidates. On the whole the organisation remains committed to transformation as far as employment equity is concerned.

The Employee satisfaction Survey was conducted, with 181 employees responding to the survey. The overall employee satisfaction rate is at 67.1 % and dissatisfaction rate is at 32.9%. Remuneration and recognition remain the elements of greatest dissatisfaction, whereas AKB's overall vision and mission, the meeting of training needs, and working for AKB measured as the elements of greatest employee satisfaction.

8.4 SUSTAINABILITY OF SERVICE OFFERING



The need for the services offered by Abraham Kriel Bambanani has been proven beyond any doubt. The impact on the lives of individuals who benefit from these services have been demonstrated time and again. However, the undeniable

need for the services does not guarantee that services will remain in place and appropriate. The service offering is directly linked to the financial sustainability of the organisation and this cannot be separated entirely from the state of the South African economy and the attitudes of the South African population.

Most services returned to normal level of operation following the Covid-19 pandemic. The Johanna Malan ECDC struggled to build up the number of learners to earlier levels. Changes to the fee structure as well as the expansion of the service offering, to include an afterschool care programme, saw a significant increase in the number of learners during the 2022/23 financial year.

The conversion of the Langlaagte Campus to a specialised campus for girls only, did not only prove to be a more sustainable option, but also saw an increase in the quality of services provided to the girls on the campus.

Abraham Kriel Bambanani continues to provide holistic services to both direct and indirect beneficiaries in the community. The reprioritisation of services announced by the Department of Social Development poses a risk to the sustainability of the service offering. The realignment of community service programmes will receive serious attention in the months to come.

Little progress was made in terms of the execution of the long-term strategy to optimise the Langlaagte Campus in order to generate third stream income. The strategic expansion of the student village was placed

on hold. If the uncertainty regarding accreditation of private student accommodation with NSFAS and the University of Johannesburg persists, Abraham Kriel Bambanani might have to revisit the sustainability plan.

The Marketing Department was not able to secure a funding partner following the loss of a major donor. Although fundraising events resumed in the year under review, the events were not supported as expected.

AKB still aims to achieve its core objective to place children and youth back into society as contributing members. The implementation of the monitoring and evaluation tool, Wellbi, empowered Child Care Givers to measure the impact of their interventions and to make changes accordingly. With increasing focus on monitoring and evaluation by funders across the world, this is a major step forward to ensure sustainable donor funding.

Despite the decline in income, AKB concluded the last financial year having sustained its income, its staff and its programmes and is ready to continue into another year with the necessary plans and resources. The services offered remain relevant and vital for the future of hundreds of disadvantaged babies, children and youth.

8.5. STANDARD OF CHILDCARE



Commitment is more than just a word. It is the state of being actively dedicated to a cause. In child and youth care, commitment may ask from staff to apply themselves often with amazing stamina, in order to support each and every beneficiary's optimal social, emotional, intellectual

RESIDENTIAL CARE SERVICES: BENEFICIARY PROFILE (1 APRIL 2022 TO 31 MARCH 2023)

	Langlaagte Campus	Maria Kloppers Campus	Satalite Homes	Total: Residential Care
Total Number of beneficiaries	71	83	77	231
Males African	0	29	18	47
Females African	18	29	4	51
Males Coloured	1	3	2	6
Females Coloured	12	7	2	21
Males Asian	0	0	0	0
Females Asian	1	0	0	1
Males white	6	10	18	34
Females white	33	5	33	71
Age Distribution				
0 – 3 years	0	49	0	49
4 – 6 years	0	10	1	11
7-13 years	30	14	27	71
14 – 18 years	40	8	34	82
18 +	1	2	5	8
School Distribution				
Grade 1 – 7 Public school	25	10	32	67
Grade 8 – 12 Public school	16	6	25	47
Education for handicapped children	10	0	0	10
Special Education	16	4	3	23
Remedial education	4	0	8	12
Students	0	1	5	6
Pre-school	0	15	2	17
Not in school	0	47	2	49
Total new admissions	20	28	12	60
Total discharged	16	18	18	52

and physical development. This all takes place within a safe, healthy and enriched environment. Commitment is also asking from beneficiaries to rise above adversity and failures and to make use of the opportunities provided by AKB.

8.5.1 MARIA KLOPPERS CAMPUS

At **Maria Kloppers Campus** 83 children were supported by a dedicated team in various ways. The team of childcare workers, volunteers, and staff worked tirelessly to ensure physical care, emotional support, educational guidance, and opportunities for personal growth.

Regarding educational guidance the beneficiaries achieved a 100% pass rate and two children were rated within the Top 10 of their schools. One example of the extraordinary efforts made by the child and youth care workers was their involvement in helping the grade 8 learners late into the night to make sculptures of Mr. Nelson Mandela.

Regarding physical and health care, the commitment of the child and youth care workers and an occupational therapist led to major improvement of a 3-year-old toddler. The little girl overcame a delay in walking and can now walk independently and play with the other children without any limitations.

The team is also committed to the emotional healing journey of the children under their care. This includes accompanying them to various therapies such as occupational therapy, attachment therapy, speech therapy, play therapy, and psycho-social therapy. Children who previously exhibited aggressive and

anti-social behaviour have found passion and purpose in extracurricular activities like rugby and boxing.

One significant example of the commitment to supporting the beneficiaries is when a girl faced a conflict between her faith and her culture. The staff at Maria Kloppers rallied together to provide her with support and guidance. They took her to meet different individuals, allowing her to consult, explore, and be exposed to a variety of perspectives and information. After months of tears, love, warmth, and consultation with different pastors, our beneficiary ultimately found solace and a sense of self in her faith in Jesus.

Regarding recreation, the commitment and generosity of donors made it possible for the beneficiaries to enjoy trips to places such as the zoo, a bounce facility, parks, a rhino sanctuary, cinemas, Jozi X, and many more.

The dedication and commitment of several volunteers have also made a significant impact on the lives of the beneficiaries. A week of spiritual fun at a Holiday club, attendance of many Youth evenings and church events contributed to the spiritual and personal growth of the children.

8.5.2 SATELLITE HOMES

At the **Satellite homes** 77 beneficiaries received dedicated care and support from the staff.

There are many examples of commitment from the child and youth care workers in the different satellite homes. The child and youth care worker of Fontainebleau worked diligently beside her husband until his death in 2021. She went on to work another year



before her retirement. Due to her commitment and perseverance to travel everywhere at early and very late hours, she accommodated a talented beneficiary to play all his rugby and cricket matches. The beneficiary was able to follow his dream of participating, and be good at, in cricket and rugby. The beneficiary played for Gauteng West Provincial team and won several medals for this.

The child and youth care worker at House Mouton in Linden showed determination and commitment. Since she started at house Mouton, one of the beneficiaries challenged her in the sense that he was not prepared to trust her. Throughout the years she showed him unconditional love and eventually his hardened heart turned soft and he was able to experience a loving relationship with a mother figure. This also had an impact on his education. The recommendation at the time was that he should attend a special school. Nevertheless, with his hard work and the assistance of his child and youth care worker he is still in a mainstream school and is preparing for matric next year.

From the side of the beneficiaries two students showed perseverance with their studies. Both girls are studying at NWU and both of them make use of the student accommodation at Fontainebleau and Benoni respectively, during some weekends and holidays. One entered her second year studying social work and the other one entered her third year studying Psychology.

At Kempton East satellite house, the child and youth care worker took initiative to find sponsors for one of the school leavers at the house, to study hairdressing. The beneficiary completed her school year at a Special School and she passed well beyond expectation. She started 2023 with her studies and is showing determination and courage.

8.5.3 LANGLAAGTE CAMPUS

At the **Langlaagte Campus** the team showed their commitment in caring and supporting 77 beneficiaries.

The dedication of one of the child and youth care workers over many years can be illustrated by the following example: This child and youth care worker decided to accommodate a girl that had difficulties in studying when the household was busy. She adjusted the house routine so that the specific child could be accommodated to study late at night. The child and youth care worker kept the girl company through many late nights.

The girl's marks improved drastically and that led to a positive change in her attitude and behaviour. This girl has now moved to a satellite house and is working towards sufficient marks to enroll for law studies. This example illustrates that potential can be unlocked when there is commitment from the care worker as well as the child in need of care.

Another beneficiary found it difficult at first to accept

the rejection from her family and it showed in her behaviour and her lack of motivation to do well in school. Once she realized that her family is still there for her and that the staff of AKB has her wellbeing at heart, she committed herself to a better attitude and harder work. Although she could only pass in a special school, she managed to pass the acceptance examination for a Chef school. With the commitment of a donor she is now studying and is doing her utmost in attending every class and doing what is expected from her.

A third beneficiary joined AKB as a little girl because of serious abuse. She coped academically but emotionally she had a hard time to adjust. For many years her emotional functioning was delayed and she played dress up and with dolls up until her teenage years. She however reached an emotional maturity level around 17 years old through the unconditional

safety and love she received from staff members, therapeutic intervention and many development programmes throughout the years.

The commitment of the team of adults at Langlaagte, that give their lives to the care and development of the beneficiaries, made their growth possible. It also teaches the beneficiaries to take responsibility for their own actions and to develop a strong sense of self-discipline and responsibility.

8.5.4 COMMUNITY CARE SERVICES TO VULNERABLE CHILDREN

The **Community Services Department** strives to ensure that the African proverb *"it takes a village to raise a child"* is realized, as our beneficiaries stay with their respective families in their communities. The services were provided to selected communities in Soweto at Zola and Emdeni, as well as in Westbury and surrounding communities.

Through the commitment of the management and staff of AKB it was possible to assist 656 direct beneficiaries with daily meals and many other services. Poverty continues to be a challenge in these communities. Through poverty alleviation programmes the families of the direct beneficiaries, as well as 452 indirect beneficiaries are now able to live in dignity. Assistance with identity document applications and other sustainable services were rendered. During this period 35 beneficiaries were assisted to apply for identity documents, 45 applied for different social grants and 38 indirect beneficiaries were assisted to apply for employment.



It is also worth noting that 56 indirect beneficiaries were referred to the Skills Centre for skills training and 20 community members continue with subsistence farming on an allocated space at Emdeni campus.

Through loyal and committed donors more than 20 families in dire need for food, but not registered in the programme, were assisted with emergency food parcels and immediately referred to other service providers for sustainable intervention.

As AKB is committed to embrace the dignity of beneficiaries, not only food, but basic material needs were met. All 656 beneficiaries received basic toiletry packs and over 136 teens also received sanitary towels monthly. Beneficiaries also benefited from donations such as clothing, school uniforms and stationery.

Commitment to education saw 517 beneficiaries registered at respective schools from grade R to tertiary institutions, with an achievement of 91.68% pass rate. The commitment of some beneficiaries was seen when 55 beneficiaries received awards for achieving above 75% in academics.

8.5.5 EMDENI SKILLS DEVELOPMENT CENTRE

The **Emdeni Skills Development Centre** is committed to youth development, which is realised through skills training. Accredited training for Assistant Chef, Tiling, Painting, International Computer Driving License and Business Administration, as well as non-accredited training in Tunnel Farming, IT Coding and Sewing were provided to 281 youth and 36 adults.

COMMUNITY SERVICES: BENEFICIARIES' PROFILE (01 APRIL 2022 TO 31 MARCH 2023)						
	AKB Soweto Family Care	AKB Emdeni Drop-in Centre	AKB Westbury Family Care	Emdeni Skills Dev Centre	Johanna Malan ECDC	Total
Total Number of beneficiaries	569	160	379	317	124	1 549
Males African	177	48	87	124	56	492
Females African	392	112	127	193	62	886
Males Coloured	0	0	77	0	2	79
Females Coloured	0	0	83	0	1	84
Males Asian	0	0	0	0	0	0
Females Asian	0	0	5	0	0	5
Males white	0	0	0	0	2	2
Females white	0	0	0	0	1	1
Age Distribution	569	160	379	317	124	1 549
0 - 3 years	5	5	9	0	40	59
4 - 6 years	40	5	51	0	84	180
7 - 13 years	157	35	118	0	0	310
14 - 18 years	123	36	65	0	0	224
18 - 35	160	27	54	281	0	522
36 +	84	52	82	36	0	254
School Distribution	437	160	227	317	124	1 265
Grade 1 - 4	85	12	57	0	0	154
Grade 5 - 7	71	28	49	0	0	148
Grade 8 - 12	149	42	81	0	0	272
Skills Training	26	0	0	317	0	343
Special Education	5	2	3	0	0	10
Remedial Education	0	0	0	0	0	0
Students/ tertiary	11	2	4	0	0	17
Pre-School	14	2	14	0	124	154
Not in school	76	72	19	0	0	167
Total New Admissions	95	0	23	317	61	496
Males	53	0	13	124	29	219
Females	42	0	14	193	32	281
Total Exits & Employed/ Own Business	66	23	23	41	32	185
Males	24	15	12	13	19	83
Females	42	16	14	28	13	113
Beneficiaries with Disabilities/ Chronic Illness	47	71	75	2	2	197
Males	2	9	8	1	1	21
Females	45	62	67	1	1	176

Through the Ann Read Information Centre, an internet café, the centre assisted 1524 community members of which 547 were youth. The centre provided services such as binding, photocopying, internet access to apply for work, career guidance, referrals to other service providers and so forth.

During the period under review three companies were assisted through enterprise development activities and one company was assisted through supplier development activities.

8.5.6 JOHANNA MALAN EARLY CHILDHOOD DEVELOPMENT CENTRE

C.S Lewis said: *"There are far better things ahead than any we leave behind"*.

The year 2022 was a challenging year and one of many changes for Johanna Malan ECDC and its staff. We had to leave old, comfortable ways of doing things behind and embrace the new!

We started the year in April 2022 with only 38 children registered at the Centre, which was a concern, as we were funded for 70 children. With commitment and dedication, a positive attitude and constant prayer, we worked towards recruiting more children.

Eventually longer hours, lower school fees and the inclusion of lunch, were approved. In August 2022 we started with a full day service. This meant changes in our staff working hours and preparing not only breakfast and a snack, but also lunch for all our children. All our staff accepted the change with a positive attitude and committed to make it work. We

immediately experienced the impact it had on the number of children that enrolled at the Centre. In September 2022 we had 46 children, in November 2022 we had 50 children, and at the end of March 2023 the number of children enrolled at the Centre was 65.

Our children also had to get used to the change in their routine with the longer hours. Most of them enjoyed the more time they could spend at the Centre playing on the jungle gyms or with their friends. However, for some of our little ones it was difficult to adjust and to get used to another teacher in the afternoon.

The other change we experienced was the transfer of early childhood development centres from the Department of Social Development to the Department of Basic Education. This created much more administration and cumbersome processes.

After all these changes, we are convinced that it was all worthwhile and better than anything we left behind. It is good to see full classes and a playground filled with the noise and laughter of so many children!

8.6 BRAND AWARENESS AND FUNDRAISING



The 2022-2023 financial year kicked off with a successful, virtual donor function. The event was held in celebration of the 120 years of existence of Abraham Kriel Bambanani. At the same time the event created an opportunity for us to thank our loyal donors who have given us immense support throughout the years. This was a wonderful platform to showcase our brand, introduce our beneficiaries and services and share achievements.

The Abraham Kriel Bambanani brand was further promoted and maintained by the following communication tools.

- The website and social media platforms, including Facebook, Instagram, Twitter and LinkedIn
- Electronic Newsletters
- Awareness campaigns and funding appeals included a BBBEE campaign during June 2022; A Mandela Day and winter campaign during July/August 2022; a 120th Birthday campaign during September 2022; a Year-end appeal during December 2022; a CEO letter of appreciation during January 2023; A BBBEE appeal during February 2022; and a summarised report of the funded activities of 2022, at the end of March 2023. Abraham Kriel Bambanani supported and leveraged from industry campaigns such as National Child Protection week, Youth day celebrations, literacy week and wills week.
- The Google Ads campaign aimed at growing our social media following and driving traffic to the website continued throughout 2022. The campaign was expanded to include more regions in the UK, including London. Articles relevant to campaigns and projects were published in an attempt to create brand awareness outside the borders of South Africa.
- In addition to the above AKB was also introduced to foreign funders through peer-to-peer and crowdfunding campaigns. AKB partnered with additional online giving platforms such as Global Giving and Charity Saver to drive these campaigns abroad.
- Increased engagement of platforms such as GivenGain UK Funds for Charities and ForGood increased brand awareness and resulted in donor

engagement and contributions.

With the return of in-person events ample opportunities were created for socialising and networking. Donor visits to programmes and services yielded great results.

Fundraising events such as the annual Golf Day and the 947 Ride4Hope cycle challenge provided great opportunities to create awareness and promote the AKB brand. Both of the aforementioned events turned out to be successful fundraising events.

The Stars for Charity event had to be cancelled due to the lack of sufficient sponsorship for the event. Although the planned income could be recovered partially through the education campaign, a valuable opportunity for promoting the Abraham Kriel brand was lost, as this glamorous event normally receives extensive media coverage and exposure.

AKB received airtime on a local online radio station and local newspapers covered AKB events. Good news stories were published in corporate donors' in-house newsletters providing feedback on the utilisation of contributions received.

Results from attempts to secure funding outside the borders of South Africa were disappointing. However, all efforts were not in vain as various opportunities were created to introduce the AKB brand to potential international funders. The implementation of an active volunteering drive made little traction and needs to be investigated further.

The competition in the market is fierce and brand awareness and exposure are more important than ever



before, hence active brand management must remain a top priority of the marketing strategy.

Fundraising will be a challenge, but innovative thinking and pro-active outreaches to potential funding partners are still likely to bring positive results.

8.7 BUSINESS STRUCTURES

It is a strategic objective of Abraham Kriel Bambanani (AKB) to ensure that the existing legal entities of the organisation are effective and compliant with legislation in respect of operational, governance and commercial trading activities. Furthermore, the objective is to ensure compliance to the requirements of the Department of Social Development and to preserve financial reserves required for future

sustainability and growth. The AKB business structure also has to ensure that revenue by way of commercial activities, or the potential sale of assets, are optimised. Furthermore, the structure has to be in full compliance with tax regulations.

In addition to the main operational legal entity, Abraham Kriel Bambanani NPC, the Abraham Kriel Enterprises Trust, and the AKB Endowment Fund NPC, the Board established the Bambanani B-Bos NPC to provide a steady stream of funds to promote and sustain the growth of Abraham Kriel Bambanani NPC, so that it can continue to provide care, support, shelter and health services to children and young people who come from abusive, neglected, or damaging circumstances.

9. Corporate Governance

Abraham Kriel Bambanani (AKB) subscribes to the principles of King IV. The Board of Directors considered the King IV NPO supplement and applied the concept of proportionality when considering the governance arrangements of AKB. The Board regards the following as critical elements of AKB governance:

Laws/Regulation Codes

Children's Act, Companies Act, Non-profit Organisations Act, Lotteries Act, Income Tax Act, Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, Skills Development Act, Social Service Professions Bill, Criminal Procedures Amendment Act, Occupational Health and Safety Act, King IV Report on Corporate Governance, B-BBEE Codes, Protection of Personal Information Act

Policies/Guidelines

Board Charter, Committee Charters, Code of Ethics, Board Induction, Conditions of Service, Disciplinary Code, Recruitment Policy, Performance Management Policy, Remuneration Policy, Employment Equity Policy, Harassment Policy, Key Financial Policies and Procedures, Anti-Fraud and Corruption Policy.

Stakeholder Engagement

Staff meetings, Children's forums, Newsletters, Donor meetings, Donor tours, Reporting, Court appearances, Panel discussions, Presentations, Social and public media, Therapeutic interventions, Volunteer Committees.

9.1 ETHICAL CULTURE

The continuous promotion of a high level of good corporate governance is critically important to the integrity and reputation of AKB as well as its operational effectiveness. Furthermore, the Board regards itself and management as stewards of resources entrusted to the organisation. This approach instils confidence and trust with donors and funding partners that resources are applied in the best interest of the beneficiaries of AKB. This confidence and trust are held in the highest regard, as we believe it is an indispensable component of the organisation's sustainability.

It is the express policy of the AKB Board to lead ethically and effectively. Members of the Board are committed to act in good faith and in the best interests of AKB and its beneficiaries. The Code of Conduct and Ethics, Board Charter, the Confidentiality and Conflict of Interest Agreement, and Policy for the Prevention of Theft, Fraud and Corruption provide the basis for ethical leadership in AKB. The Social and Ethics Committee assists the Board with the promotion of the ethical culture.

The Board holds its members and management accountable for ethical and effective leadership by way of the AKB Code of Conduct and Ethics, the Disciplinary Code and performance evaluations of the Board and its members. The AKB Code of Conduct and Ethics was discussed continuously and in various

forums in the reporting period to promote the ethical culture of the organisation. Both the Board and management received training in respect of ethics management. The Code is included in employee contracts and induction programmes. The Code is published on the AKB website.

The Board collectively holds its individual members accountable to act with due care, skill and diligence and furthermore to take reasonable steps to inform themselves about matters for decision. Each Board member serves on committees working together with executive management, not only to give guidance to management, but also to promote the understanding of the Board members of the inner workings of the organisation. The members of the Board understand that they owe the legal duties of the Board to the organisation, and not to any other party or constituency. The fact that members of the Board of AKB act pro-bono does not negate any of the legal duties of the Board. To this end, the Board Charter, the induction of Board members, and regular policy reviews provide guidance to individual Board members.

9.2 RESPONSIBLE CORPORATE CITIZENSHIP

The Board, through its different committees working closely with management, ensures that AKB complies with the Constitution of South Africa, the Bill of Rights, relevant legislation and adherence to the AKB Codes of Conduct and Ethics as well as Board-approved

policies and procedures. This flows from the conviction that Abraham Kriel Bambanani is a responsible corporate citizen.

The Board, together with management, took the lead in formulating the core purpose, values and strategy of AKB. The Board is satisfied that these are congruent with responsible corporate citizenship.

AKB implements responsible fundraising practices and exercises professional fundraising behaviour. The Board adopted or reviewed a Marketing Policy, Key Financial Policies and Procedures, a Website Privacy Policy, a Social Media Policy, a Section 18A Policy and a Stakeholder Management Policy to promote the aforementioned. The Board endorsed a Donor Bill of Rights.

The Board oversees workplace issues such as employment equity, fair remuneration, and the safety, health, dignity and development of employees. The Remuneration and Human Resources Committee and Social and Ethics Committee of the Board exercise oversight in this regard.

The Board requires management to preserve and protect the environment. To this end, the Financial and Risk Committee inter alia monitors the continued effective use of solar energy to heat water, as well as responsible water consumption. The acquisition of solar electricity generation equipment is being pursued in order to contribute to the protection of our environment and to reduce operational costs. The Social and Ethics Committee oversees the implementation of the Environmental Protection Strategy executed by management.

The Board approved and implemented an array of policies and codes to promote the responsible citizenship of AKB. These include:

- Code of Conduct and Ethics
- Disciplinary Code
- Confidentiality and Conflict of Interest Agreements
- Policy for the Prevention of Theft, Fraud and Corruption
- Minimum Standards of Childcare
- Policy on Monitoring and Evaluation
- Policy on the Rights of Children in Residential Care
- Strategies for Behaviour Management
- Directives for Prohibited Behaviour Management
- Child Protection Policy
- Key Financial Policies and Procedures, and Limits of Expenditure
- HR policies such as Occupational Health and Safety Policy and Harassment Policy
- Environmental Protection Policy
- Privacy Policy
- Legislation Register reviewed by the Audit Committee

9.3 VALUE CREATION

The Board sets the direction to realise the core purpose and values of AKB through its strategy, thereby promoting the performance of the organisation.

The Board operates from the premise that the purpose, management of risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the manner in which AKB contributes to its beneficiaries and society.

The Board delegates the formulation and development of the organisation's short-, medium- and long-term strategy to the Strategic Committee, management and work groups. The Board approves the policies and operational plans developed by management to give effect to the approved strategy. The Strategic Committee of the Board and the Board

exercises ongoing oversight of the implementation of strategy and operational plans by management against agreed performance targets. The Strategic Committee reports regularly to the Board on the progress with implementation of the strategy.

The Board remains alert to the sustainability of AKB with regard to its solvency and liquidity, and its status as a going concern.

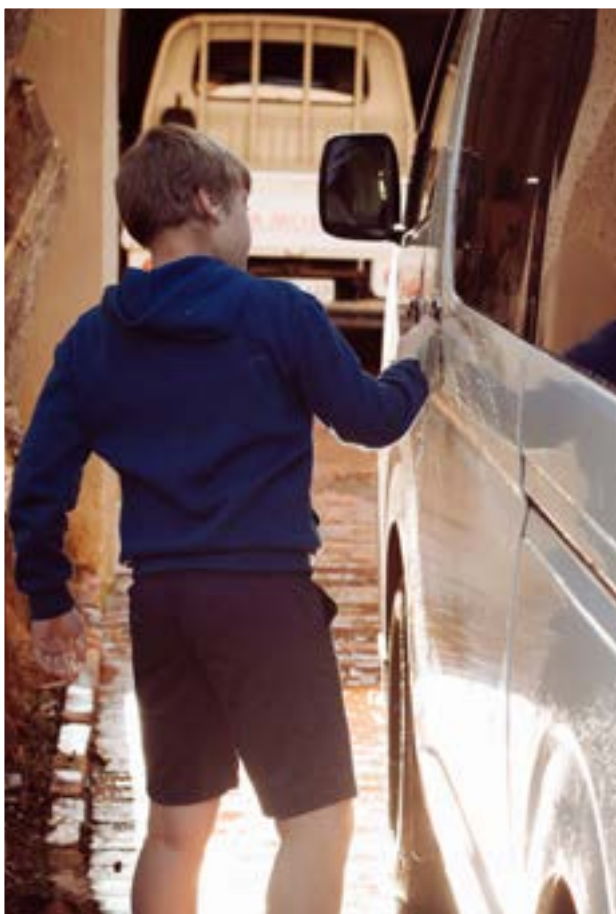
9.4 BOARD COMPOSITION AND REPORT

The Memorandum of Incorporation of the company as well as the Board Charter governs the Abraham Kriel Bambanani (AKB) Board. The Board appoints members of Board committees and these committees are governed by their respective charters, also approved and reviewed periodically by the Board.

The Board exercises leadership, enterprise, integrity and judgment in directing AKB, at all times acting in

the best interests of AKB in a manner based on the principles of good corporate governance and core values of the organisation.

The Board serves as the focal point and custodian of corporate governance in AKB. The Board exercises its leadership role by steering the organisation and setting its strategic direction, approving policy and planning that give effect to the direction provided,



overseeing and monitoring of implementation by management, and ensuring accountability for organisational performance by means of reporting and disclosure.

The Board expresses its role, responsibilities, membership requirements and procedural conduct in the Board Charter. The Board reviews the Charter every three years, or as needed. The Charter provides inter alia for situations where any director who is in doubt as to whether an action or proposed course of action is consistent with his or her fiduciary duties and responsibilities, for him or her to take independent professional advice at the expense of AKB. Directors have unrestricted access to all company information, records, documents and property to enable them to discharge their responsibilities effectively. The Board is satisfied that it has fulfilled its responsibilities in accordance with its Charter for the reporting period.

The Board conducts Board meetings at least quarterly, with additional meetings convened when circumstances necessitate. The Board had four Board meetings and the annual general meeting in the period under review. The average attendance was 83% (2021: 85,2%).

The Board consists of eleven Independent Non-executive Directors and one Executive Director. This composition of the Board ensures that there is an appropriate balance of power and authority on the Board in order that no single individual or block of individuals can dominate its decisions. The Directors are individuals of calibre and proven credibility and have the necessary skills and experience to bring

judgment to bear, independent of management, on issues of strategy, performance, resources, transformation, diversity and employment equity, standards of conduct and evaluation of performance.

The current Board size and diversity of professional expertise and demography makes it effective with regard to current strategies of AKB. The skills set of Board members include ample business and commercial experience. The Board ensures that in appointing Board members, it continues to reflect, whenever possible, a diverse set of professional and personal backgrounds. The Board is of the opinion that its current composition reflects an appropriate balance in respect of both race and gender.

The Chief Executive Officer is a member of the Board, without voting rights. The Senior Manager: Finance and Administration serves as an advisory member. This ensures that the Board has more than one point of direct interaction with management.

The processes for nomination, election and the appointment of members to the Board are determined in the Memorandum of Incorporation. The Strategic Committee carries out the role of a nominations committee. The Chief Executive does not have voting rights in respect of the nominations. The Board as a whole approves the nomination of candidates for election as members of the Board. The Highveld Synod appoints the Board every four years. In the interim, Board members are nominated by members, vetted by the Strategic Committee and elected by the Board. The election is by show of hands and the results are recorded in the minutes.

Upon election, the terms and conditions for serving as a member of the Board is formalised in a letter of appointment. The Board ensures that incoming members are inducted to enable them to make the maximum contribution within the shortest time possible.

At the beginning of each meeting of the Board or its committees, all members are required to declare whether any of them has any conflict of interest in respect of a matter on the agenda. Any such conflicts are proactively managed as determined by the Board and subject to legal provisions.

Non-executive members of the AKB Board may continue to serve in an independent capacity for longer than nine years. This is subject to an annual assessment for independence. The Board is of the opinion that members currently serving for longer than nine years are independent in their views and that they have no undeclared conflict of interest in the affairs of the organisation.

The AKB Board resolved to combine the role of a lead independent with that of Vice-chairperson.

A formal performance appraisal of the Board and the Chairperson, facilitated by KPMG, was done during the 2021/2022 reporting period. The Board implemented remedial actions in respect of its responsiveness to the external climate, induction of new members, training of members and exposure of members to operational sites of AKB. At the writing of this report preparations were underway for a subsequent Board assessment to be facilitated by KPMG.

The Board appoints the CEO and senior managers and delegate responsibilities to said managers in order to contribute to role clarity and the effective exercise of authority and responsibilities.

The CEO is responsible for leading the implementation and execution of approved strategy, policy and operational planning. The CEO serves as the main link between management and the Board. The role of the CEO is described in the Board Charter. The CEO is not a member of the Remuneration and Human Resources Committee, the Audit Committee, or the Social and Ethics Committee, but attends by invitation. The CEO is a member of the Strategic Committee, which serves as Nominations Committee, but does not have voting rights in respect of nominations.

The CEO does not have other professional positions or membership of other governing bodies outside the organisation. The Board maintains a succession plan for the CEO to provide continuity of executive leadership. The succession plan is reviewed periodically and provides for both succession in emergencies and succession over the longer term. The contract of employment of the CEO provides for a notice period of two months as well as retirement at the age of 65 years in terms of pension fund regulations. The Board delegated to the chairperson of the Board the annual formal evaluation of the performance of the CEO against agreed performance measures and targets.

The Board determines the powers reserved for itself and those delegated to management via the CEO, as

stipulated in the Board Charter and the Delegation of Authority Policy. The AKB Board is satisfied that the Board Charter, the Delegation of Authority Policy and the respective Board committee charters contribute to role clarity and the effective exercise of authority and responsibilities.

The AKB Board appoints or removes the Company Secretary to provide certain corporate governance services to the Board. Currently this responsibility rests with the Senior Manager: Finance and Administration of AKB. The CEO evaluates the performance of the Company Secretary annually. The AKB Board is of the opinion that the current arrangements in respect of the role of the Company Secretary are effective and appropriate to the needs of the organisation.

The Board considered the fact that AKB does not have a Chief Financial Officer (CFO) and decided not to appoint a CFO. The Board is of the opinion that the arrangement whereby the Manager: Finances and Administration serves as an advisory member on the Board ensures sufficient contact and exposure to the Board.

The Chairperson of the Board during the period under review, Mr. BL Mlotshwa, retired on 6 April 2023. The Vice-Chairperson of the Board, Ms. MG Mokoka, assumed the role of Interim-Chairperson as per the stipulations of the Memorandum of Incorporation and Board Charter. The Board elected Mr FV Dlamini as Chairperson to the Board. Mr Dlamini assumed the role on 28 August 2023.

9.4.1 BOARD MEMBERS



**Ms. M G Mokoka
(Interim-Chair)**

Independent Non-Executive
Director, CA (SA)
Date of Birth: 13 January 1974
Date of Appointment: 11 March 2019
Date Appointed as Vice-
chairperson: 26 July 2021
Date assuming role of Chairperson:
6 April 2023



**Mr. P S Momsen
(Chief Executive)**

B.Diac, PDM
Business Administration
Date of Birth:
12 January 1960
Date of Appointment:
28 June 1994



**Ms. N N Mokhobo
(Board Secretary)**

Independent Non-Executive
Director
B.Com, PDM Property
Development Management
Date of Birth:
22 May 1977
Date of Appointment:
1 October 2014



**Mr. J D de Villiers
(Treasurer)**

Independent Non-Executive
Director
B Com (Hons), CA(SA)
Date of Birth:
19 September 1959
Date of Appointment:
27 March 2001



**Mr. D Lefoka
(Deputy Secretary)**

Independent Non-Executive
Director
BA (Hons) Applied
Linguistics UNISA
Date of Birth:
18 July 1947
Date of Appointment:
26 June 2017



Mr. D J Deyssel

Independent Non-Executive
Director
M Com, CA(SA)
Date of Birth:
11 May 1949
Date of Appointment:
21 July 2016



Ms. J D Jetha

Independent Non-Executive
Director CD (SA)
MA: Sociology
Date of Birth:
17 September 1960
Date of Appointment:
7 September 2022



Mr. W H Lategan

Independent Non-Executive
Director
Hons B Compt, CA(SA), MBL
Date of Birth:
21 April 1956
Date of Appointment:
26 November 2018



Ms. B G L Mthembu

Independent Non-Executive
Director
National Diploma Information
Technology, B Com (Hons)
Marketing/Business Management
Date of Birth:
15 January 1981
Date of Appointment:
7 September 2022



Rev P M Strydom

Independent Non-Executive
Director
BA, BD, Dip Teol, MdiV
Date of Birth:
8 February 1949
Date of Appointment:
18 June 2002



Ms. R Surajlall

Independent Non-Executive
Director
B Com (Hons) Industrial &
Organisational Psychology,
Psychometrist
Date of Birth:
17 March 1971
Date of Appointment:
11 March 2019



**Mr. B L Mlotshwa
(Retired Chair)**

Independent Non-Executive
Director, BA (Psych) HED, MBA
Date of Birth: 7 September 1960
Date of Appointment as Director:
25 November 2003
Date Appointed as Chairperson:
24 November 2014
Date Retired as Chairperson and
Director: 6 April 2023

9.5 BOARD COMMITTEES

The Board instituted a variety of board committees to assist it to carry out its responsibilities effectively. The Board committees serve as platforms where Board members, management and advisory members meet and collaborate. The advisory members serving on committees are staff or volunteers with expertise and skills in the area of responsibility of the respective committees. The Board committees promote independent judgement of members, and assist with the balance of power and the effective discharge of board duties. The delegation of responsibilities to committees is recorded in their respective charters. The Board approves and reviews these charters periodically.

Board members led and contributed actively in all of the Board Committee meetings, which collectively conducted 63 (2022/3: 49) meetings during the year, excluding the four Board meetings and AGM. The attendance of Board committee meetings varied between 75% and 100%.

9.5.1 STRATEGIC COMMITTEE

Ms. MG Mokoka (Interim Chair), Mr. JD de Villiers (Board member), Ms. NN Mokhobo (Board member), Mr. PS Momsen (Board member), Mr. WH Lategan (Board member in advisory capacity), Ms. YL Fredericks (Advisory member), Mr. BL Mlotshwa (Retired Chair, 6 April 2023)

The Strategic Committee acts in all strategic matters concerning the organisation on behalf of the Board, when the Board is not in session. The Strategic Committee also oversees the implementation of Board and Financial and Risk Committee decisions. The Committee actively drives the development of

Name of Committee	Average Percentage Present
Remuneration and HR Committee	100%
Information Technology Committee	100%
Strategic Committee	88%
Financial and Risk Committee	87%
Marketing Committee	100%
Beneficiary Services Committee	100%
Audit Committee	100%
Social and Ethics Committee	92%
Soweto Services Management Advisory Committee	75%
Secretariat Committee	100%
Johanna Malan / Maria Kloppers Body Governing Committee	100%

future strategy. The Committee gave guidance to management in respect of all six strategic focus areas, with a strong focus on financial sustainability, business structures and the sustainability of service offerings.

The Committee oversees the implementation of key policies, inter alia in respect of Committee Charters, Code of Conduct and Ethics, Dispute Resolution and Delegation of Authority.

The Strategic Committee serves as the nominations committee of the Board. The Committee invites Board members to identify and nominate prospective candidates, followed by a process of vetting of the proposed candidates. Thereafter the Committee makes a recommendation to the Board, who elects the members. The Committee also takes responsibility for succession planning in respect of Board members, as well as the evaluation of the performance of the Board.

The Strategic Committee conducted nine meetings

with an average attendance of 88% in the reporting period. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9.5.2 BENEFICIARY SERVICES COMMITTEE

Rev. PM Strydom (Chair), Mr. PS Momsen (Board member), Ms. C Honeywill (Tutela Representative), Ms. MM Retsuri (Advisory member), Ms. MM van Zyl (Advisory member)

The Beneficiary Services Committee oversees all statutory matters and professional services to the beneficiaries. Its focus is the strategic focus areas "Standard of Childcare" and "Sustainability of our Service Offering". The Committee also serves as a direct channel of communication between beneficiaries and the Board. The Committee oversees the implementation of policies inter alia relating to Child Protection, Care Programmes, Admission, Adoption and Foster Care, and Behaviour Management.

The Committee conducted nine meetings with an average attendance of 100% in the reporting period. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9.5.3 SOCIAL AND ETHICS COMMITTEE

Ms. MG Mokoka (Chair), Mr. FV Dlamini (Board member), Mr. WH Lategan (Board member), Prof L van Vuuren (Member), Mr. P S Momsen (Advisory member)

The Social and Ethics Committee provides oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships.

The Committee organises its activities around the focus areas economy, social environment, workplace and natural environment. Refer to section 9.1 for a narrative description of the ethical culture of AKB.

The Committee conducted three meetings with an average attendance of 92% in the reporting period. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9.5.4 MARKETING COMMITTEE

Ms. BGL Mthembu (Chair), Mr. PS Momsen (Board member), Prof. M Roberts-Lombard (Member), Mr. D Kotze (Advisory member), Ms. N Nkosi (Advisory member), Ms E Snyman-Teessen (Advisory member)

The Committee oversees the marketing and communication strategy and strategy implementation.

The Committee oversees implementation of policies such as the Marketing Policy, Communication Policy, and the Website Privacy Policy.

The Committee conducted five meetings with an average attendance of 100% in the reporting period. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9.5.5 APPEALS COMMITTEE

Mr. I J de Villiers (Member), Mr. FV Dlamini (Member) Mr. BL Mlotshwa (Board member, Retired 6 April 2023)

The Committee deals with all appeals with regard to employee disciplinary hearings.

Subsequent to the retirement of Mr. BL Mlotshwa, the Committee has two members, i.e. a representative of the Board, and an independent volunteer with the required expertise. A third member will be recruited in due course. The Committee did not consider any appeals in the reporting period. The Committee fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9.5.6 INFORMATION TECHNOLOGY COMMITTEE

Dr. PJ du Toit (Chair), Prof. WS Leung (Member), Mr. PS Momsen (Board member), Mr. N du Bruyn (Advisory member), Ms. YL Fredericks (Advisory member), Ms. MM Retsuri (Advisory member), Ms. E Snyman-Teessen (Advisory member), Ms. MM van Zyl (Advisory member)

The Information Technology Committee of the Board oversees the management of risks associated with

the IT function as well as the development of policies, procedures, systems and infrastructure. The Committee oversees implementation of key policies inter alia relating to Software Licensing, Electronic Communication, Change Management, Data Backup and Social Media.

The Committee advises management on operational matters. The Committee also attends to the implementation of measures to mitigate risks identified by way of internal audits, as well as the implementation of remedial actions in respect of findings of internal audits.

During the reporting period the Committee focused inter alia on cyber security, staff development in respect of cyber security, network and server health, the management of critical security updates, the potential migration to MS Office 365, the internal audit findings and related remedial actions, the upgrading of hardware to implement Windows 10 organisation-wide, and reviews of various policies.

The Committee conducted seven meetings with an average attendance of 100 percent in the reporting period. The Strategic Committee took note that the Committee does not have three Board members currently and is attending to the matter. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Refer to section 9.6 for a narrative description of AKB's approach to technology and information.

9.5.7 REMUNERATION AND HUMAN RESOURCES COMMITTEE

Ms. JD Jefftha (Chair), Mr. H Adler (Member), Ms. R Surajlall (Member), Ms. SN Nkwanyana (Member), Mr. PS Momsen (Advisory member), Ms. N Riba (Advisory member)

The Board delegated oversight of remuneration to the Remuneration and Human Resources Committee. A non-executive Board member chairs the Committee. The other members are an independent non-executive Board member and two independent volunteers with the requisite skill. The CEO and Senior Manager Human Resources attend the meetings of the Committee in an advisory capacity.

The Committee contributed actively by providing oversight and guidance to management in respect of remuneration levels of staff and management, succession planning of senior management, employment equity and human resources transformation processes, performance management and career development. The work of the committee directly links to the strategic focus area "Recruitment and retention of critical skills". The Committee will continue to attend to the outcomes of staff satisfaction surveys. The Committee oversees key policies relating inter alia to Recruitment, Employment Equity, Conditions of Service, Disciplinary Code, Training and Development and Workplace Safety.

The Board sets remuneration policies on recommendation of the Remuneration and HR Committee. These include a Remuneration Policy and a Performance Management Policy. The Committee conducted five meetings with an average attendance

of 100% in the reporting period. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Refer to section 9.8 for a narrative description in respect of remuneration of employees.

9.5.8 FINANCIAL & RISK COMMITTEE

Mr. JD de Villiers (Chair/Treasurer), Mr. PS Momsen (Board member), Ms. YL Fredericks (Advisory member), Ms. E Haywood (Advisory member), Ms. R Marx (Advisory member), Ms. MM Retsuri (Advisory member), Ms. N Riba (Advisory member), Ms. E Snyman-Teessen (Advisory member), Mr. G van der Westhuizen (Advisory member), Ms. MM van Zyl (Advisory member), Mr. BL Mlotshwa (Board member – Retired 6 April 2023)

The Financial and Risk Committee has executive and non-executive members, with a majority being non-executive members of the Board. One of the Committee members, Mr JD de Villiers, also serves on the Audit Committee, a practice congruent with King IV recommended practices.

The Financial and Risk Committee oversees risk management, financial planning and execution, and management of company assets.

The Committee recommends the approval of the annual budget to the Board, ensures effective and appropriate financial reporting and budget control, approves unbudgeted and capital expenditure exceeding pre-determined amounts, oversees the acquisition and disposal of company assets, and oversees formulation and execution of policies with

regard to all matters pertaining to company assets. These include inter alia Key Financial Policies and Procedures, Limits of Expenditure, Anti-Fraud, -Theft and -Corruption Policy, and Preferred Suppliers Policy.

The Committee oversees the formulation and execution of the risk management plan. This plan informs the choice of key focus areas that are addressed in short-, medium- and long-term strategic plans.

The Board assumes responsibility for the governance of risk by setting the direction for how AKB address risk in the organisation. Both the opportunities and associated risks are considered when developing strategy. The Board delegates to the Financial and Risk Committee and management the responsibility to implement and execute effective risk management responses. The Committee exercises ongoing oversight of risk management.

The Board ensures an assessment of risks and opportunities, the formulation and implementation of appropriate risk responses, the establishment and implementation of business continuity arrangements, and the integration of risk management in the business activities and culture of the organisation. The Board ensures periodic independent assurance on the effectiveness of risk management by way of internal and external audits.

The risk management process includes a periodic assessment of risks, an assessment of risk mitigating responses already in place, a determination of residual risk, the formulation of additional mitigating risk responses, risk owners, action owners and target dates

for implementation. Management provides monthly progress reports to the Financial and Risk Committee and Strategic Committee, as well as quarterly reports to the Board.

Key areas of focus during the reporting period emanating from the risk assessments, including objectives and targets, are discussed in section 7.3 of this integrated report.

The Committee conducted ten meetings with an average attendance of 87% in the reporting period. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9.5.9 SOWETO SERVICE MANAGEMENT ADVISORY COMMITTEE

Mr. D Lefoka (Chair), Mr. PS Momsen (Board member), Ms. I Baloyi (Social Worker), Ms. E Kunene (Beneficiary Guardian's Forum), Ms. A Masilela (Beneficiary Guardian's Forum), Mr. A Mngomezulu (Programme Manager), Ms. M Mphanje (Zola URCSA Church Representative), Mr. B Mpitsa (Beneficiaries' Forum), Mr. A Ngwaqa (Local Church Representative), Ms. P Ngxangane (Beneficiary Guardian's Forum), Mr. S Nkomo (Professional: Local School), Ms. A Nkosi (Beneficiaries' Forum), Ms. M Retsuri (Manager: Community Services), Ms. T Yika (Programme Manager)

The purpose of the SSMAC is to oversee that Board policies are implemented and adhered to, to promote the best interest of the children, learners and community, to assess the services and practices of the AKB programmes operational in Soweto, to contribute to the formulation of policies impacting on the AKB programmes operational in Soweto, and to advise and

assist management in maintaining good relationships with the community.

The Committee met on four occasions in the reporting period with an average attendance of 75%.

9.5.10 SECRETARIAT COMMITTEE

Ms. NN Mokhobo (Chair), Mr. D Lefoka (Board member), Ms. Y Fredericks (Member)

The purpose of the Secretariat is to advise the Board on matters relating to the secretarial functions of Abraham Kriel Bambanani, to oversee the execution of company secretarial functions as required by the Companies Act, such as to schedule Board and committee meetings, to prepare appropriate venues, equipment and refreshments for Board and committee meetings, to prepare and distribute agendas and related documentation for Board and committee meetings, to prepare and distribute minutes in respect of all Board and committee meetings, and to keep record of and safeguard all agendas, minutes and resolution registers of Board and committee meetings.

The Committee met on two occasions in the reporting period with an average attendance of 100%.

9.5.11 JOHANNA MALAN AND MARIA KLOPPERS GOVERNING BODY

Rev. PM Strydom (Chair), Ms. P Baduza (Member), Mr. T Mabudafhasi (Community Member), Ms E. Momsen (Member), Ms. A Motau (Community member), Ms. MM van Zyl (Member)

The purpose of the JMMKGB is to oversee that

Board policies are implemented and adhered to, to promote the best interest of the children, learners and community, to assess the services and practices of the two programmes, to contribute to the formulation of policies impacting on the two programmes, to advise and assist management in maintaining good relationships with the community, to oversee the execution of the two programme budgets approved by the Board, to ensure that the available funds are used effectively and within the framework of the approved budgets, to recommend learner fees of the Johanna Malan ECDC to the Financial Committee of the Board, to ensure that any assets or income is used to promote the objectives of the two programmes, to oversee the maintenance and upkeep of the premises, buildings and furniture, to delegate responsibility for discipline to the Principal of Johanna Malan ECDC and Maria Kloppers Campus.

The Committee met on six occasions during the report period with an average attendance of 100%.

9.5.12 AUDIT COMMITTEE

Mr. DJ Deyssel (Chair), Mr. JD de Villiers (Board member), Mr. WH Lategan (Board member)

The primary function of the Audit Committee is to oversee the effectiveness of the assurance functions and services of AKB, with particular focus on combined assurance arrangements, internal audit and the finance function, and the integrity of the annual financial statements and, to the extent delegated by the Board, other external reports issued by the organisation. The Committee reports any forensic, fraud and ethics line information, incidents,

likely impacts, actions and outcomes to the Board.

All members of the Audit Committee are independent, non-executive members of the Board. The Chief Executive, Senior Manager Finances and Administration, as well as the Internal and External Auditors attend meetings of the Committee by invitation.

The Committee conducted three meetings in the reporting period with an average attendance of 100%.

REPORT BY THE AUDIT COMMITTEE

Terms of reference

The Audit Committee has an independent role with accountability to its members in respect of its statutory duties, and to the board in terms of the duties that the board assigned to it as detailed in its Terms of Reference. These are reviewed and updated in line with an agreed schedule. The Committee has performed its duties in accordance with the Terms of Reference in the past financial year. The Board did not assign other responsibilities to the Audit Committee.

Composition and meetings

The Committee meets at least three times per year and comprises of three independent, non-executive directors. Members of the Committee are financially literate with the requisite levels of financial expertise to execute its duties effectively.

• **D J Deyzel CA (SA)** – Chairperson –

Tenure: 2017 to current

• **J D de Villiers CA (SA)** – Board member –

Tenure: 2006 to current

• **W Lategan CA (SA)** – Board member –

Tenure: 2018 to current

Details of the meetings and attendance are included in the corporate governance report in section 9.5.12 of the Integrated Report. The Chief Executive Officer, the Senior Manager: Finance and Administration and both internal and external auditors attended meetings by invitation. The external auditor and internal auditor have unrestricted access to the Committee and meets with it, without any executives present, on an annual basis. The Audit Committee has a good relationship with the Chief Executive.

Statutory duties

The Committee performed the following duties during the year under review:

- *Considered the independence and objectivity of the external auditor and ensured that the scope of additional services provided did not impair their independence;*
- *Reviewed the external audit plan and approved the external auditor's pro-bono fee proposal for the 2023 financial year;*
- *Considered accounting treatments, significant financial transactions and other financial information;*
- *Reviewed the internal audit plan and regular feedback as provided by the internal auditor and approved the internal auditor's pro-bono fee for the 2023 financial year;*
- *Considered changes to accounting policies and the appropriateness thereof.*

The Committee is satisfied with the quality of the external audit. The Committee is satisfied with the independence and objectivity of the external auditor after consideration of the requirements set

out in section 94 of the Companies Act. There were no changes in the management of Abraham Kriel Bambanani NPC during the external audit firm's tenure which may increase the risk of familiarity between the external auditor and management.

PWC has been the external auditor in excess of ten years and rotates the external designated audit partner every five years. PWC did not provide non-audit services to Abraham Kriel Bambanani NPC in the reporting period. The Committee will recommend the re-appointment of PricewaterhouseCoopers Inc. at the next annual general meeting.

Internal financial controls

An independent service provider, KPMG, is contracted to provide an internal audit function as part of the enterprise wide risk management framework. The Audit Committee receives internal audit reports directly in line with the internal audit charter as approved by the Audit Committee and the Board. The Audit Committee also approves the internal audit plan. An informal information exchange with the external auditor ensures the efficient coverage of all internal controls. Based on control processes in place and the meticulous attention paid to their review, assurances obtained from management and the issues raised by the external auditor in their management reports, Committee members agree that the financial controls are effective.

Finance Function

The Committee has considered and has satisfied itself on the appropriateness of the expertise and adequacy of resources of the finance function of the company.

The Committee and Board considered the fact that AKB does not have a Chief Financial Officer (CFO) and decided not to appoint a CFO.

The Committee and Board are of the opinion that the arrangement whereby the Senior Manager: Finances and Administration serves as an advisory member on the Board ensures sufficient contact and exposure to the Board.

Going concern

The Committee reviewed the 2023/2024 budget and held discussions with management. It reported to the Board that it supported the view of management that the company will still be a going concern for the foreseeable future.

Risk management

An annual review and analysis of the critical risks facing the company is done. The risk analysis and the company's response to it are detailed in section 7.3 of the Integrated Report. The Committee has satisfied itself that the compensating controls in place to mitigate the identified key risks are adequate, to the extent that it is possible given the wide range of known and unknown risks facing the company.

Two cases of alleged misappropriation of company assets were brought to the attention of the Committee in the reporting period. The Committee was satisfied that the assets in question were not material, that appropriate investigations were conducted and that appropriate sanctions were meted out.

Integrated report

Based on processes and assurances obtained, the Committee recommends the integrated report for the year ended 31 March 2023 to the Board for approval.

DJ Deyzel

Chairperson

18 September 2023

9.6 TECHNOLOGY AND INFORMATION

The Board approves policy developed by the Information Technology Committee. The Board delegates to management the responsibility to implement and execute effective technology and information management. The Board receives periodic independent assurance on the effectiveness of the organisation's technology and information arrangements by way of internal audit reports prepared by an external audit firm.

The Information Technology Committee meets monthly and reports quarterly to the Board. The Senior Manager: Finances and Administration is responsible for the management of the information technology function.

The development and maintenance of the information technology system of AKB is outsourced to an external service provider. The only significant acquisition and remedial action that occurred in the reporting period was the replacement of the main server when the old main server became unserviceable. No data losses occurred as a result of this incident. One successful data recovery simulation was performed during the reporting period.

An important short-term focus area of the Committee remains the replacement of outdated personal computer operating systems and hardware incapable of operating with current operating systems.

Refer to section 9.5.6 for an overview of the functioning of the Information Technology Committee of the Board.

9.7 REGULATORY COMPLIANCE

The Board governs compliance with applicable laws. It adopted non-binding rules, codes and standards in a way that promotes AKB being ethical and a good corporate citizen. It also approves policy that gives effect to its direction on compliance.

The Board exercises ongoing oversight of compliance under guidance of the Audit Committee. Management is responsible for the continual monitoring of the regulatory environment and appropriate responses to changes. Management reports to the Audit Committee by way of a schedule of higher and lower impact assessment.

The Department of Social Development and the Auditor General conduct periodic monitoring and evaluation inspections to ensure compliance to the Children's Act and financial regulations. Management reports to the Audit Committee on material or repeated regulatory penalties, enforcements, sanctions or fines imposed on AKB. Management also reports to the Financial and Risk Committee on non-compliance with AKB financial policies and procedures.

The Board receives periodic independent assurance on the effectiveness of compliance management by way of an external audit on Annual Financial Statements, internal audits in respect of identified risk areas, commissioned investigations by the Department of Social Development on governance compliance, tax clearance certificates by SARS, internal audit on Section 18A compliance, and an annual NPO compliance certificate by the Non-profit Directorate of the Department of Social Development.

A key short-term focus area is the implementation of amendments to the Non-Profit Organisations Act, the Companies Act and the Employment Equity Act.

9.8 REMUNERATION

Being a Non-Profit company, Abraham Kriel Bambanani does not have the variety of remuneration elements employed by corporate entities. Remuneration components are as following in the table on this page.

Payments on termination of employment are compliant to the Basic Conditions of Employment Act. AKB, as employer in the welfare sector, enjoys exemption from the payment of remuneration for overtime, work on Sundays, standby and night work in terms of a Ministerial Determination, Notice 655 in Government Gazette 22466 of 2001.

The salaries of Social Funding Developers are linked directly to the achievement of targets based on their past performance. They also receive a performance commission if they exceed targets.

The remuneration costs of Abraham Kriel Bambanani as a percentage of expenditure was 56,00% (2022: 57,06%) for the past financial year. The total personnel cost was R28 845 134 (2022: R27 293 849). The cost increased by 6,95% in the reporting period.

For an overview of the functioning of the Remuneration and Human Resources Committee, refer to section 9.5.7 of this report.

Category	Remuneration components
Non-executive Board members	The non-executive Board members are not compensated for their duties which are provided entirely on a pro-bono basis
The Chief Executive Officer (CEO), an employee of the company and executive director	The Chief Executive Officer receives a salary and travel allowance, without any bonus, according to his contract of employment. Increases in remuneration are linked to an appraisal of performance against a performance contract.
Rest of employees	Remuneration increases of employees are approved by the Remuneration Committee and the Financial and Risk Committee of the Board and are based on the outcomes of performance assessments. These performance criteria are linked to key performance indicators relating to job descriptions.

GLOSSARY

AKB – Abraham Kriel Bambanani NPC	B-BBEE – Broad-Based Black Economic Empowerment
CCW – Child Care Worker	C&YCW – Child and Youth Care Worker
CCG – Child Care Giver	CIPC – Companies and Intellectual Property Commission
CSI – Corporate Social Investment	DRC – Dutch Reformed Church
DSD – Department of Social Development	ECDC – Early Childhood Development Centre
HWSETA – Health & Welfare Sector Education and Training Authority	NDP – National Development Plan
NPC – Non-Profit Company	NPO – Non-Profit organisation
NSFAS – National Student Financial Aid Scheme	PBO – Public Benefit Organisation
PFMA – Public Finance Management Act	SARS – South African Revenue Service
SLA – Service Level Agreement	TK Residence – Talitha Kumi Student Residence
URCSA – Uniting Reformed Church in Southern Africa	
Third stream revenue – income from sources other than government subsidies and donors, generated by trading activities.	



SUMMARY FINANCIAL STATEMENTS 2022/23

www.abrahamkriel.org



Independent auditor's report on the summary financial statements

To the members of Abraham Kriel Bambanani NPC

Opinion

The summary separate financial statements of Abraham Kriel Bambanani NPC, set out on pages 56 to 61, which comprise the summary company statement of financial position as at 31 March 2023, the summary company statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited separate annual financial statements of Abraham Kriel Bambanani NPC for the year ended 31 March 2023.

In our opinion, the accompanying summary separate financial statements are consistent, in all material respects, with the audited separate annual financial statements, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary separate financial statements

The summary separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate annual financial statements and the auditor's report thereon.

The audited separate annual financial statements and our report thereon

We expressed an unmodified audit opinion on the audited separate annual financial statements in our report dated 17 September 2023.

Director's responsibility for the summary separate financial statements

The directors are responsible for the preparation of the summary separate financial statements in accordance

with the International Accounting Standard 34 and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary separate financial statements are consistent, in all material respects, with the audited separate annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: D Naidoo

Registered Auditor

Johannesburg, South Africa

17 September 2023

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Summary audited
annual financial
statements for the year
ended 31 March 2023.

SUMMARY COMPANY STATEMENT OF FINANCIAL POSITION as at 31 March 2023

	2023 R	2022 R
Assets		
Non-current assets		
Property, plant and equipment	14,608,139	14,589,638
Current assets		
Inventories	67,502	72,271
Trade and other receivables	1,371,176	467,073
Loan to group company	1,928,307	541,369
Cash and cash equivalents	8,522,660	9,839,091
Total current assets	11,889,645	10,919,804
Total assets	26,497,784	25,509,442
Equity and liabilities		
Equity		
Retained income	1,306,786	5,694,586
Other non-distributable reserves	13,989,546	14,383,705
Total equity	15,296,332	20,078,291
Liabilities		
Non-current liabilities		
Retirement benefit obligations	2,680,998	2,601,519
Current liabilities		
Trade and other payables	3,316,567	2,546,672
Lease liabilities	7,120	86,193
Deferred income	5,196,767	196,767
Total current liabilities	8,520,454	2,829,632
Total liabilities	11,201,452	5,431,151
Total equity and liabilities	26,497,784	25,509,442

**SUMMARY COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME for the year ended 31 March 2023**

	Note	2023 R	2022 R
Revenue	3	46,407,375	46,620,146
Operating expenses	4	(51,343,671)	(47,437,708)
Operating loss		(4,936,296)	(817,562)
Investment income		372,025	361,544
Finance costs		(295,196)	(362,477)
Other income		234,287	273,942
Loss before tax		(4,625,180)	(544,553)
Income tax expense		–	–
Loss for the year		(4,625,180)	(544,553)
Other comprehensive income:			
(To) reserves		(698,520)	(1,110,141)
From reserves		1,092,679	1,084,121
Total designated funds transferred		394,159	(26,020)
Items that may be reclassified to profit or loss			
Remeasurement of retirement benefit obligation		(156,779)	(150,360)
Total comprehensive income		(4,387,800)	(720,933)

**SUMMARY COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2023**

	Note	2023 R	2022 R
Net cash flows from / (used in) operations		1,198,069	(1,618,014)
Interest paid		(295,196)	(362,477)
Interest received		372,025	361,544
Net cash flows from / (used in) operating activities		1,274,898	(1,618,947)
Cash flows used in investing activities			
Proceeds from sales of donated property, plant and equipment		25,000	44,263
Purchase of property, plant and equipment		(1,150,318)	(1,803,193)
Loan advanced to group company		(1,386,938)	(196,884)
Cash flows used in investing activities		(2,512,256)	(1,955,814)
Cash flows used in financing activities			
Repayment of lease liabilities		(79,073)	(129,591)
Cash flows used in financing activities		(79,073)	(129,591)
Net decrease in cash and cash equivalents		(1,316,431)	(3,704,352)
Cash and cash equivalents at beginning of the year		9,839,091	13,543,443
Cash and cash equivalents at end of the year		8,522,660	9,839,091

SUMMARY COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2023

	Reserves	Retained Income	Total Equity
	R	R	R
Balance at 1 April 2021	14,357,685	6,415,519	20,773,204
Changes in equity			
Loss for the year	–	(544,553)	(544,553)
Other transfers between reserves	26,020	(26,020)	–
Remeasurement of retirement benefit obligation	–	(150,360)	(150,360)
Balance at 31 March 2022	14,383,705	5,694,586	20,078,291
Changes in equity			
Loss for the year	–	(4,625,180)	(4,625,180)
Other transfers between reserves	(394,159)	394,159	–
Remeasurement of retirement benefit obligation	–	(156,779)	(156,779)
Balance at 31 March 2023	13,989,546	1,306,786	15,296,332

NOTES TO THE SUMMARY SEPARATE FINANCIAL STATEMENTS for the year ended 31 March 2023**1. Accounting policies**

The summary separate financial statements have been prepared under the historical cost convention. The principal accounting policies used by the Company are in terms of IFRS and are consistent with those of the previous period. The same accounting policies and methods of computation are followed in these summary separate financial statements as compared with the most recent separate annual financial statement.

2. Basis of preparation

The summary separate financial statements should be read in conjunction with the full set of audited consolidated and separate annual financial statements which is available at the Company's registered office. The summary separate financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summary financial statements. The summary separate financial statements is presented in South African Rands which is the Company's functional currency.

NOTES TO THE SUMMARY SEPARATE FINANCIAL STATEMENTS for the year ended 31 March 2023**3. Revenue**

	2023	2022
	R	R
Revenue comprises:		
Church funding	848,793	790,569
Corporate funding income	3,625,550	7,049,183
Donor funding*	24,437,414	21,227,021
Fees for services	809,701	766,914
Income from ventures	598,442	1,314,029
Legacies and bequests	480,160	43,712
State funding	15,607,315	15,428,718
Total revenue	<u>46,407,375</u>	<u>46,620,146</u>

*All donations in kind are recognised on the date of receipt at a nil value.

4. Operating expenses**Operating expenses comprise:**

Depreciation	1,131,812	1,010,448
Household and service expenditure	11,690,245	10,908,359
Office and administrative expenditure	3,861,361	3,780,744
Personnel expenditure	28,845,134	26,970,630
Property expenses	5,815,119	4,767,527
Total other expenses	<u>51,343,671</u>	<u>47,437,708</u>

5. Taxation

Abraham Kriel Bambanani NPC is approved by the Commissioner for SARS as a public benefit organization in terms of section 30 of the Income Tax Act. Its receipts and accruals are thus exempt from income tax to the extent that the tax exemption in section 10(1)(cN) of the Income Tax Act, may be applied. No provision was made for any income tax liability in the current financial year on the basis that the company did not have any taxable income.

NOTES TO THE SUMMARY SEPARATE FINANCIAL STATEMENTS for the year ended 31 March 2023

6. Cash flows from operating activities	2023 R	2022 R
Loss for the year	(4,625,180)	(544,553)
Adjustments for:		
Finance income	(372,025)	(361,544)
Finance costs	295,196	362,477
Depreciation and amortisation expense	1,131,812	1,010,448
Gains and losses on disposal of donated assets	(25,000)	(44,258)
Other non-cash items	(77,296)	17,493
Change in operating assets and liabilities:		
Adjustments for decrease in inventories	4,769	7,152
Adjustments for increase in trade accounts receivable	(904,103)	(201,629)
Adjustments for (increase) / decrease in other operating receivables	–	89,354
Adjustments for decrease in trade accounts payable	769,895	(51,379)
Adjustments for increase / (decrease) in other operating payables	–	(230,724)
Adjustments for increase / (decrease) in deferred income	5,000,000	(1,670,851)
Net cash flows from operations	1,198,069	(1,618,014)
7. Deferred income		
Deferred income comprise:		
Donation received from Japanese Embassy	196,767	196,767
Steinhoff donations received	5,000,000	–
	5,196,767	196,767

The company benefitted from donations received from Steinhoff in the current financial year.

8. Going concern

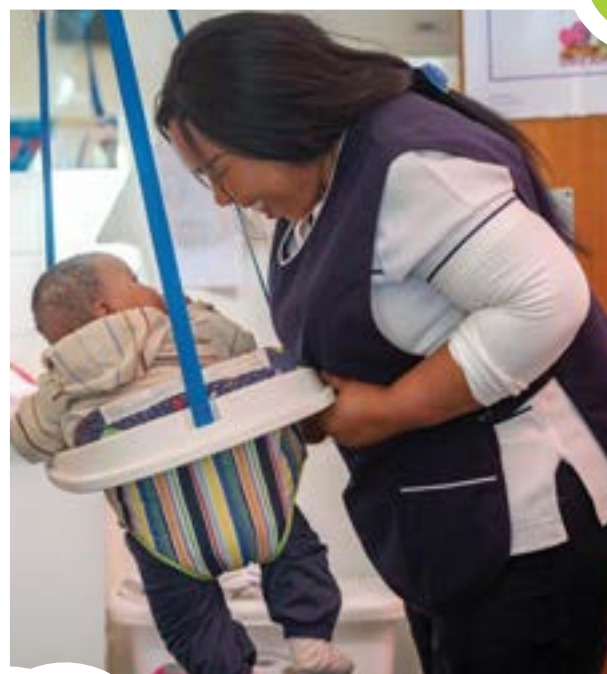
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds and donations will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The main purpose of the Abraham Kriel Bambanani NPC is to carry out public benefit activities for the Gauteng area and for protection, care, development training and treatment of committed children in residential care, the reunification of these children with their families and communities.

The directors believe that 2 of its SLAs (government grants) will not be made available from FY2024 due to a change in the registration process and preference mandates at a government level, based on preliminary feedback received. Developments in this regards are being closely monitored and managed by the directors.

9. Events after reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report which required adjustment or disclosure in the annual financial statements. The directors note that Mr BL Mlotshwa resigned as board chairperson on 06 April 2023. Mr FV Dlamini was appointed as board chairperson on the 28th of August 2023.



Abraham Kriel Bambanani

PO Box 60066
Langlaagte 2102
www.abrahamkriel.org
info@abrahamkriel.org

Tel: +27 (0)11 839-3058/60

Fax: +27 (0)11 839-1080

Registered address:

Marais Street, corner Kamp Street,
Paarlshoop,
Johannesburg

Business address:

Marais Street,
corner Kamp Street,
Paarlshoop,
Johannesburg

Auditors: PwC Inc,

4 Lisbon Lane, Waterfall City, Jukskei View, Midrand

Company secretary: Y Fredericks,

Tel: +27 (0)11 839 3058

Email: ys@abrahamkriel.org

Banking Details:

ABSA

Account Name:

Abraham Kriel Bambanani

Account Number: 140941336

Branch: 632005 (universal code)

Swift code for international deposits: ABSAZAJJ

Requests for Section

18a certificates:

ers@abrahamkriel.org