



Abraham Kriel



*Bambanani*  
NPC

# INTEGRATED REPORT **2023/24**

[www.abrahamkriel.org](http://www.abrahamkriel.org)

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# 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 achieving greater sustainability and growth to have a meaningful impact on communities and their children and young people, building a better South Africa.

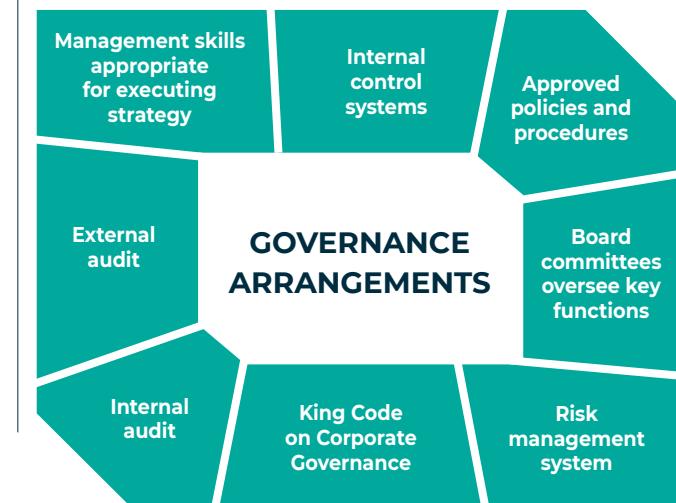
## VALUES

**Preamble:** We honour the Christian values as 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.

# 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 NPC (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 are 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 ( <a href="http://www.abrahamkriel.org">www.abrahamkriel.org</a> )
<p><b>Contents, Audience &amp; Distribution</b></p> <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 AKB, 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>This report contains our financial statements, our financial performance and position, as well as cash flows.</p> <p><b>Primary audience:</b></p> <ul style="list-style-type: none"> <li>South African Revenue Service</li> <li>National and Gauteng Department of Social Development</li> <li>Non-Profit Organisation Directorate</li> <li>Highveld Synod of the Dutch Reformed Church</li> <li>Tutela</li> <li>Current and prospective donors and funding partners</li> </ul> <p>Our complete annual financial statements are available on our website: <a href="http://www.abrahamkriel.org">www.abrahamkriel.org</a></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 AKB, with emphasis on donors and supporters.</p>
<p><b>Codes and frameworks applied in preparation of reports</b></p> <p>King IV Governance Code 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 Jan 2008)</p>	<p>IFRS – International Financial Reporting Standards Companies Act</p>	<p>AKB communication policy.</p> <p>The website Privacy Policy.</p> <p>The website information is selected and published in order of its relevance to AKB stakeholders.</p>

the effectiveness 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 the combined assurance of AKB 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 the AKB 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](mailto:ers@abrahamkriel.org).

### 2.4 FORWARD LOOKING STATEMENTS

Certain statements in this report are interpretations about the future which Abraham Kriel Bambanani 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 Committee and Financial and Risk Committee, 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 following 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 26 August 2024.

# ► Chairperson's Message

In August 2023 I was honoured to be elected Chairperson of the Board of Directors of Abraham Kriel Bambanani NPC (AKB). Therefore, I experienced a part of the financial year as a Board member and the remainder as Chair.

It was truly a tumultuous year in which to assume this greater responsibility. In South Africa, the period was dominated by preparation for a general election, while the country continued to struggle to balance its books due to a severe reduction of national income in the form of government revenues, an energy crisis, and stubborn unemployment levels.

The Social Welfare industry remained under pressure as the need for services and support to vulnerable members of society is greater than ever.

A report released by Statistics South Africa, indicates 6 out of 10 (62.1%) of South African children aged 0-17 years are considered to be multidimensionally poor. These children are deprived of at least three out of seven dimensions of poverty (health, housing, nutrition, protection, education, information, water and sanitation.) UNICEF reported around 3000 children are murdered on average every three months, with another 2000 suffering the horrific impact of attempted murder and assault.

Some of these trends are particularly concerning and seem to be growing exponentially. Substantial investment must be made in the children and youth of our beautiful country. I am proud of AKB's humble contribution to building a better South Africa.

Over the past year AKB has served as an anchor of hope

for thousands of traumatised, orphaned and vulnerable children and youth. AKB provided a safe place to stay, food to nourish their bodies and minds, clothes to protect them from the elements and the confidence to move into different social environments.

Despite the challenging environment we operate in, the organisation successfully executed several impactful programs and initiatives. Beneficiaries had access to appropriate education and health care as well as people who care and are qualified to guide them. Opportunities were created for beneficiaries to experience life beyond the narrow confines of the poverty-stricken neighbourhoods so many have experienced.

I was deeply touched by the sincere testimony of one of our beneficiaries "Abraham Kriel taught me how to dream about my future and now I have hope for a happy and productive life." The organisation has remained steadfast in its commitment to responding to the individual needs of each beneficiary in our care and developing our children and youth to their full potential.

I commend our management team for capably executing business strategy in a turbulent year. The organisation faced a uniquely challenging time following the decision by the Department of Social Development to cease funding for two of AKB's programmes. How the management and staff dealt with this challenge, speaks of resilience, dedication and remarkable adaptability. Driven by their purpose and values, they took control of



**Mr Vusi Dlamini – Chairperson**

the situation, interpreted change and sought advantage, rather than run from the perceived threats.

Many of the accomplishments of the past year can be attributed to the passion and commitment of AKB employees and I extend my heartfelt gratitude to every employee for their exceptional dedication.

The sustainability of our organisation largely depends on financial stability. As Chairperson of the Board, I would like to express my

sincere gratitude to all our loyal donors and sponsors for ensuring that we continue to provide the services we do to vulnerable children in poor communities. Your generous contributions made it possible for us to enhance our services and invest in a better future for our children.

AKB as an organisation can attest to its success due to embracing corporate governance principles. I wish to express my appreciation for the care the members of the Board have taken to ensure that due diligence is applied to decisions that have an impact on the future of AKB. Accountability is key to the way the organisation conducts its business.

In closing, I would like to thank all our stakeholders for their unwavering support, dedication, and belief in our mission. We look forward to another year of growth and impact.

Let's do it now! May God be with us in this quest!

**FV Dlamini – Chairperson**

# Performance Features

\*Notes in respect of figures marked with asterisks

**Beneficiaries in Community Care programmes:** This number includes beneficiaries in all community care programmes and reflects the reduction in the number of beneficiaries, service sites and staff in the Soweto and Westbury Family care programmes due to DSD funding cuts. The number of beneficiaries trained at the Skills Development Centre also decreased. Despite an increase in the number of beneficiaries at Johanna Malan ECDC, the total number of beneficiaries in Community Care Programmes is significantly lower than in previous years.

**Beneficiaries in Residential Care programmes:** Beneficiary numbers are on par with the target set for the 23/24 financial year. Most of the residential care units operated at full capacity. An increase in the demand for placements in residential care was noted but an equal increase in reunification, adoption and foster care placements, contributed to the planned targets being met.

**Gross Revenue:** Revenue from Income from Ventures as well as Fees for Services are lower than expected due to the delay in accreditation approval by the University of Johannesburg. The funding cuts in respect of Community Services Programmes and less than expected income for foreign funding sources contributed to the decline in Gross revenue.

**Surplus/Deficit:** The deficit can be ascribed mainly to a decrease in revenue. No increase in state revenue for residential care programmes and a loss of state revenue in respect of two of the community services programmes contributed to the deficit. The second contributing factor is the loss of income from student accommodation due to the delay in accreditation approval from the University of Johannesburg.

**Number of employees:** the decrease in the number of employees can be attributed to retrenchments in community service programmes.

**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. The installation of solar energy systems at some of the units contributed to a further decrease in electricity consumption.

**Number of employees trained and training spend:** A slight decrease in the number of employees trained during the financial year has been recorded. Five staff members received study assistance, through donor funding in the year under review.

KPI	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24	Target 2024/25
Beneficiaries in Community Care programmes	1 201	4 786	1 642	1 549	1 364	1 293*	1 100
Beneficiaries in Residential Care programmes	236	216	242	231*	242	243*	242
Gross Revenue	R46.1m	R45.98m	R46.6m	R47.2m	<b>R53.1m</b>	R45.5m	R44.3m
Total Surplus/Deficit	R0.246m	R1.23m	-R0.6m	-R4.6m	<b>-R0.2m</b>	-R4m	-R3.3m
Number of employees	237	230	226	221	<b>237</b>	151	156
Total donors donating during the year	1 776	1 617	1 609	1 590	<b>1 600</b>	1 575	1 600
New donors	603	625	407	220	<b>350</b>	200	200
Per capita subsidy residential care (p/m)	R4 000	R4 000	R4 000	R4 140	<b>R4 140</b>	R4 140	R4 140
Per capita donor contribute all programmes (p/m)	R1 059	R1 335	R1 309	R1 304	<b>R1 180</b>	R1 637	R1 700
Electricity consumption (% increase/decrease)	0%	-8%	-23%*	-13%	<b>-10%</b>	-19%	-25%
Water consumption (% increase/decrease)	-8%	-3%	-3%	0%	<b>-5%</b>	0%	0%
Number of employees trained	77	11	62	30	<b>100</b>	93	36
Training spend	R69 967	R78 330	R520 491	R397 394	<b>R121 900</b>	R227 931	R260 000
B-BBEE contributor level	1	1	1	1	<b>1</b>	1	1

# Organisational Overview and Business Model

## 5.1 OUR HISTORY

In 1902, at the very site of today's Langlaagte Campus, Rev. Abraham Kriel opened his heart and home to seven children orphaned by the South African War. This modest act of compassion marked the birth of an orphanage that would evolve into Abraham Kriel Bambanani NPC (AKB), an anchor of hope for children and youth in need for over 122 years.

The first decade of the 20th century was marred by poverty and hardship. Thousands, having lost their farms, flocked to Johannesburg, drawn by the promise

of work in the mines. Amid this societal upheaval, children and babies bore the brunt. By 1908, Maria Kloppers, a former matron at Langlaagte orphanage, felt compelled to open a refuge for unwanted babies in Melville. As the need grew, the Maria Kloppers Children's Haven was established in Observatory, alongside an Early Childhood Development Centre named after Johanna Malan, a steadfast supporter of Kloppers.

By the 1950s, the single large children's home in Johannesburg, accommodating around 900 children, was unsustainable. A decentralisation policy was

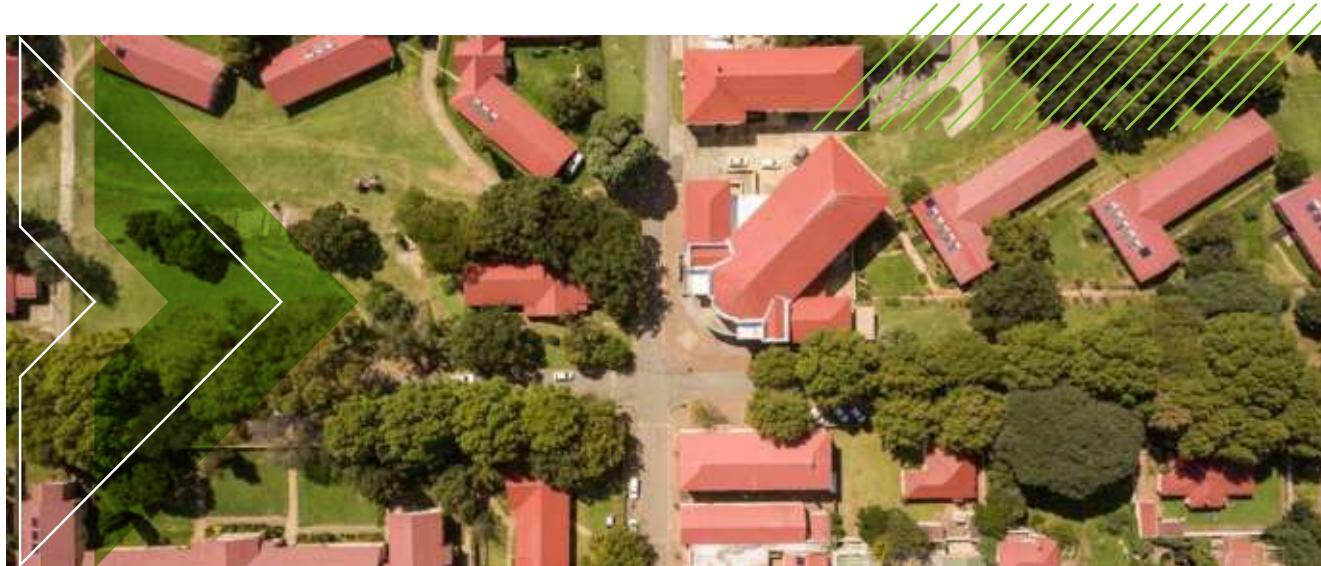
adopted, leading to the establishment of independent divisions in Potchefstroom (1956), Modimole (Nylstroom) (1959), and later Pretoria. While these institutions later became autonomous, they maintained friendly ties, united by their shared heritage.

In 1994, Langlaagte Campus and Maria Kloppers Children's Haven, amalgamated and in 1995, Abraham Kriel Childcare incorporated Emdeni Children's Home in Soweto to ensure its sustainability. The management of Johanna Malan Early Childhood Development Centre was taken over in 2003. Today, these facilities operate collectively under the name Abraham Kriel Bambanani NPC (AKB).

The approach to residential care shifted from traditional dormitories to cottage-style living, fostering family-like environments. In 1995, AKB opened its first satellite home in Linden, Johannesburg, emulating foster care with appointed house parents, a manager, and full-time social worker support. This model, proven effective in integrating children into local communities, now includes seven satellite homes.

In 2003, AKB expanded into Soweto, launching home-based care services for children affected by HIV/AIDS, supporting them without removing them from their homes. In 2006, a similar service was launched in Westbury, addressing gang violence and substance abuse. In 2009, the Emdeni Children's Home was





transformed into a Skills Development Centre, offering courses to equip unemployed youth with marketable skills.

Facing reduced state funding, AKB developed a sustainability strategy to generate income. In 2010, the Talitha Kumi Residence was repurposed for female tertiary students, and in 2020, additional student accommodations were created. In 2021/22, the Langlaagte Campus was converted into a specialised facility for traumatised girls, offering healing and development programs.

Despite a shift in funding priorities by the Gauteng Department of Social Development towards community-based care, AKB received no funding for its Soweto and Westbury programs in 2023. This forced a reduction in beneficiaries, operational sites, and staff. However, AKB's commitment to serving South Africa's vulnerable children remains unwavering. The

legacy of AKB stands as a testament to enduring compassion and the relentless pursuit of better futures for South Africa's children.

## 5.2 OUR CORPORATE IDENTITY

Along with historic changes to the organisation, services and leadership, the branding and logo of the organisation also changed over time. It remained in line with the organisation'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.

# Abraham Kriel



**Bambanani**  
NPC

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 are 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 AKB 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 a densely populated Gauteng, estimated to house 15.4 million people (Bureau of Market Research (BMR) report), which represents about 24.3% of South Africa's 62 million population (Census 2022, published by Statistics South Africa).

Our footprint extends from the East Rand, across Johannesburg to the far western edge of Soweto. The Metro area population of Johannesburg increased by 2.19% in 2023 to 6 198 000, according to the Macro Trends website. The influx of people from neighbouring provinces and countries continues to feed the growth and, as can be expected, brings the

services and resources of the province under strain.

Child poverty and deprivation hinder the physical, psychological and social development of a child. AKB plays its small part in addressing 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. This 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 in and around Johannesburg and provides a wide range of suitable care options.

#### 5.3.2 Profiling our beneficiaries

The beneficiaries served by AKB are all disadvantaged and in need of care and protection. The organisation offers prevention services, early intervention services and statutory services through appropriate care models.

Johanna Malan Early Childhood Development Centre (JMECDC) offers a prevention service to young children between two and seven years old. This service provides a sound educational foundation vital for success in later education, to young children from the disadvantaged community of Yeoville.

Community Care Services programmes offer an early intervention service focused on specific areas in Soweto and Westbury, where the poorest of the poor find themselves. Many of these beneficiaries are 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. Early intervention services such as nutritional support, psychosocial services, and where possible material and educational support are provided via a Drop-in Centre and home-based care model. Hundreds of orphaned and vulnerable children of all ages and both genders have access to support services without being removed from their homes and communities.

AKB offers statutory services through holistic residential care to abused, abandoned, neglected, and otherwise vulnerable children, in need of care and protection. AKB provides alternative care to beneficiaries from birth to 18 years and beyond in nine residential care facilities. Beneficiaries come from all over Gauteng and sometimes further afield and 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 AKB 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 in Emdeni, Soweto offers several skills training courses to unemployed young men and women between the age of 18 and 35 years. The programme aims to equip young people from disadvantaged communities with a skill to enable them to become self-sustainable or enter the employment market. Some beneficiaries of the skills training programme, particularly from 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 AKB also caters to a broad spectrum of intellectual abilities for the children and youth in its care. Children and youth with physical disabilities or chronic illnesses also benefit from the services of AKB.

**EXTERNAL FACTORS IMPACTING ABRAHAM KRIEL BAMBANANI:**

- Government policy
- Economic climate
- Scarce skills
- Unemployment
- Poverty
- Substance abuse
- Disintegration of family values
- Crime
- HIV/AIDS



# 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



## FINANCIAL CAPITAL

- Donors and Funding partners – **69.28%**
  - State Funding – **24.82%**
  - Third Stream Income – **4.49%**
  - Church Funding – **1.47%**
  - Other Income – **1.21%**



## SOCIAL & RELATIONSHIP CAPITAL

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



## NATURAL CAPITAL

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



## HUMAN CAPITAL

- 151 full-time employees
- 11 non-executive directors contributing
- 214 hours** pro bono service



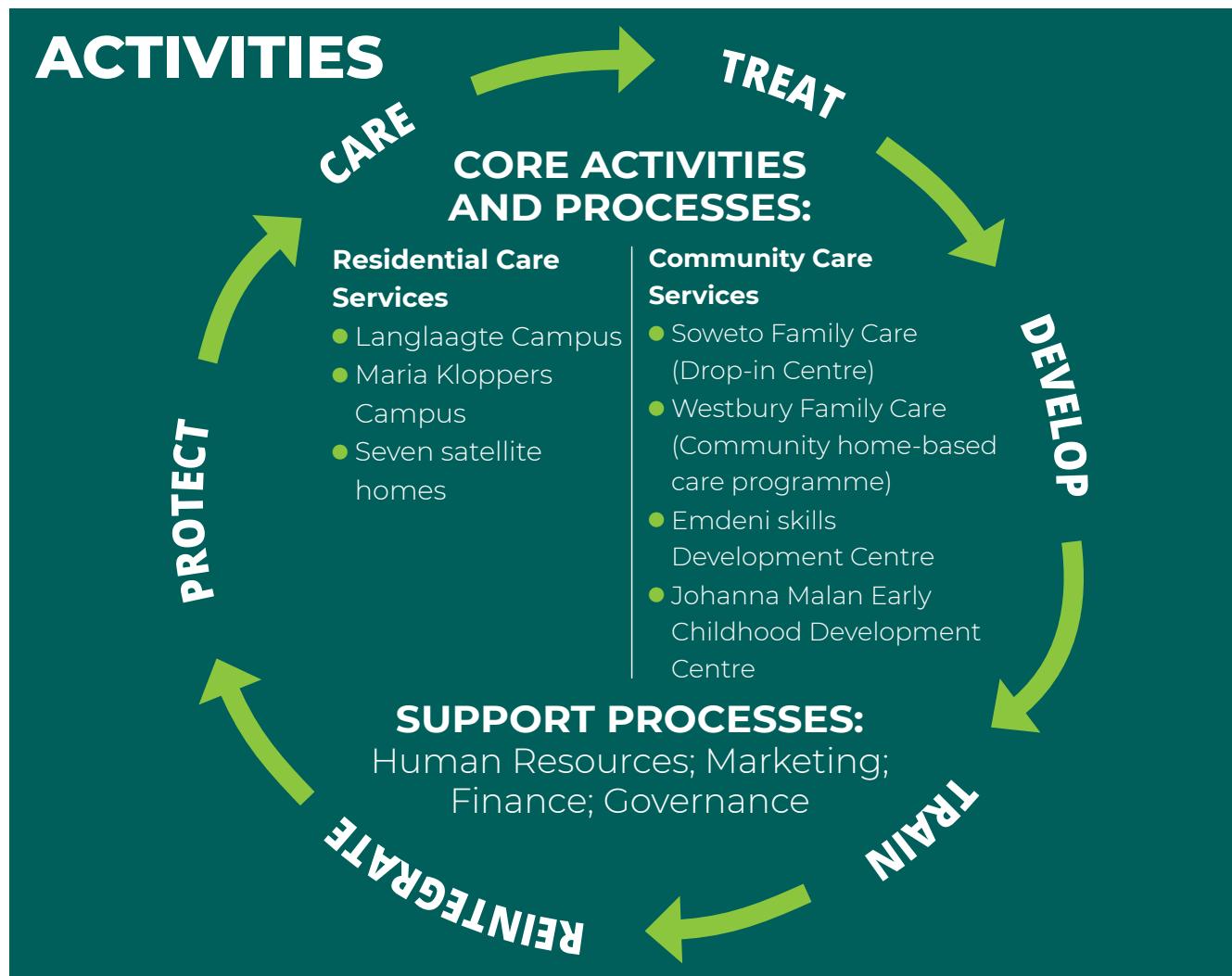
## MANUFACTURED CAPITAL

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



## INTELLECTUAL CAPITAL

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



Our **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 in Soweto and Westbury 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.

The Soweto Family Care Programme served 422 beneficiaries and 193 beneficiaries received services through the Westbury Family Care program. A further 294 beneficiaries benefitted indirectly from the services provided by AKB. Despite, budgetary constraints and the subsequent reduction in the number of beneficiaries in the Drop-in and Home-based Care Programmes, AKB provided services and support to 909 people in the Westbury and Soweto communities. These beneficiaries are African and Coloured people.

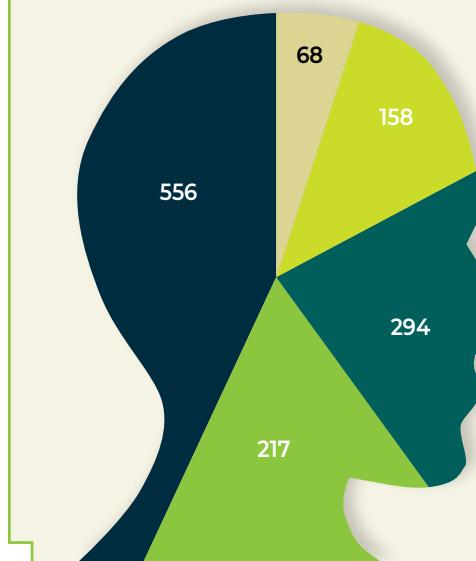
The Skills Development Centre served 271 youth during this period, of which 75 were males and 196 were females.

At Johanna Malan ECDC, 113 children between the ages of two and seven years were prepared for formal schooling. Of these beneficiaries, 47 were boys and 66 were girls.

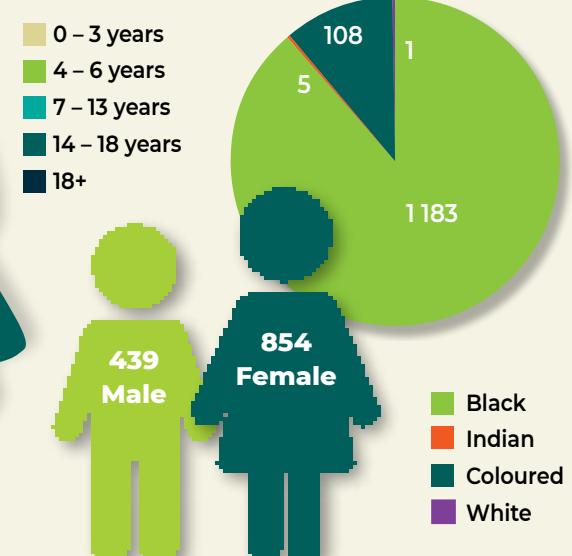
AKB provided services to a total of 1293 beneficiaries through its community care services programmes. 56.9 Percent of beneficiaries are under the age of 18 with 31.6% between 18 and 35 years and 11% (148) beneficiaries older than 35.

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 243 children and youth received holistic care through one of AKB's residential care services. Of these beneficiaries 70% were female and 30% were 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. One Asian beneficiary received specialised services at the Langlaagte Campus.

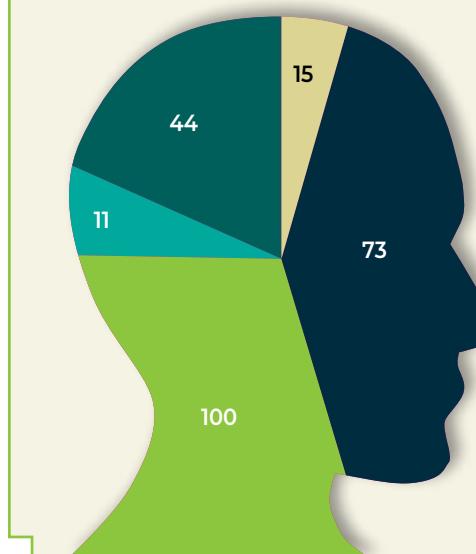
Community Care profile:



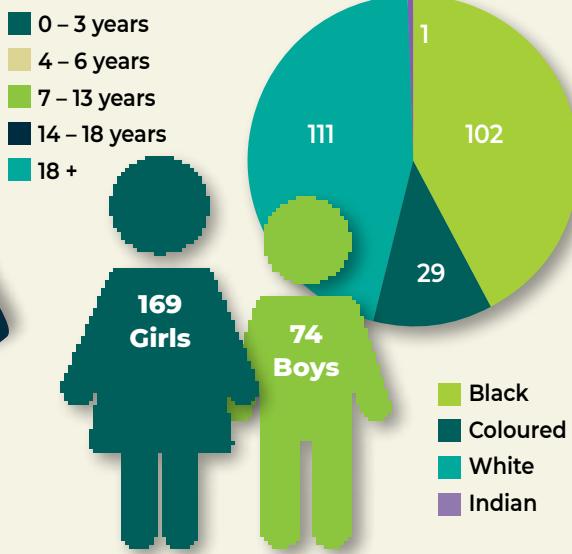
Community Care Services racial profile



Residential Care profile:



Residential Care Services racial profile



#### 5.4 EXTERNAL ENVIRONMENT

Similar to all business entities for-profit as well as not-for-profit, all over the world, AKB is affected by political and economic events and trends shaping the world at large. With the effects of the Covid-19 pandemic largely negated, the Russia/Ukraine war erupted, followed in late 2023 by the latest Middle Eastern conflict, causing renewed political and economic challenges. Notably the resulting spikes in oil prices lead to very high fuel prices.

Although certain sectors of the South African economy recovered post Covid-19, the growth of the South African economy remains poor. According to the RSA National Treasury, growth of the GDP averaged 0,8 per cent since 2012, leading to ever-increasing unemployment and poverty. Throughout the reporting period the country has been plagued with insufficient electricity supply and deteriorating infrastructure, notably in respect of water and sanitation, roads, the rail system and freight handling at South African ports. Internal business confidence levels and growth prospects remained low. A positive development towards the end of the reporting period was the reduction of electricity load shedding as a result of household and private sector investment in the generation of electricity, as well as seemingly improved capacity at Eskom.

The last quarter of the reporting period and months following was overshadowed by the South African national and provincial elections. In the period leading up to the elections, high levels of political posturing and the formation of new political groupings were experienced. The ruling party lost its majority for the first time since 1994, leading to the formation of the



Government of National Unity (GNU). Only time will tell whether the GNU will survive the divisive forces inherently embedded in its very fibre, but more importantly whether it will be able to provide the stable leadership, governance and policy frameworks conducive to peace and economic growth required for a better South Africa.

The aforementioned poorly performing economy and political climate in the country was mirrored in the province of Gauteng. Economic realities, coupled with ambitions of key political figures, resulted in the adoption by the Department of Social Development of the Institutional Realignment Project (IRP), a policy which has as a key objective the reduction of funding to non-profit organisations in the province. The 2024/25 funding cycle was marred by the introduction of a new funding application adjudication and award system, characterised by centralisation of functions, influenced by politicians, implemented by inexperienced leadership in key positions and administered by temporary staff lacking the most basic of competencies required to roll out the

funding process successfully. Needless to say, the new adjudication and award system failed and had to be abandoned. This caused endless misery and multiple crisis in the non-profit organisation community, forcing the Department of Social Development to issue temporary, short term service level agreements, based on 2023/24 funding, to non-profit organisations. It remains to be seen to what extent the IRP will be implemented and what the long-term consequences of that will be.

Unfortunately, the negative impact of poorly performing state and parastatal entities continued during the reporting period. This still has a direct negative impact on the execution of the long-term strategy of AKB, with specific reference to the operation and expansion of student accommodation as income generator towards higher levels of sustainability.

In summary, AKB operates in a very challenging external environment, requiring resourcefulness, determination, tenacity, and above all faith.

## 5.5 INPUTS

### Financial Capital:

AKB 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 69% of income, a significant increase in the percentage contribution of 8.30%. Donations in kind are not reflected in these figures.

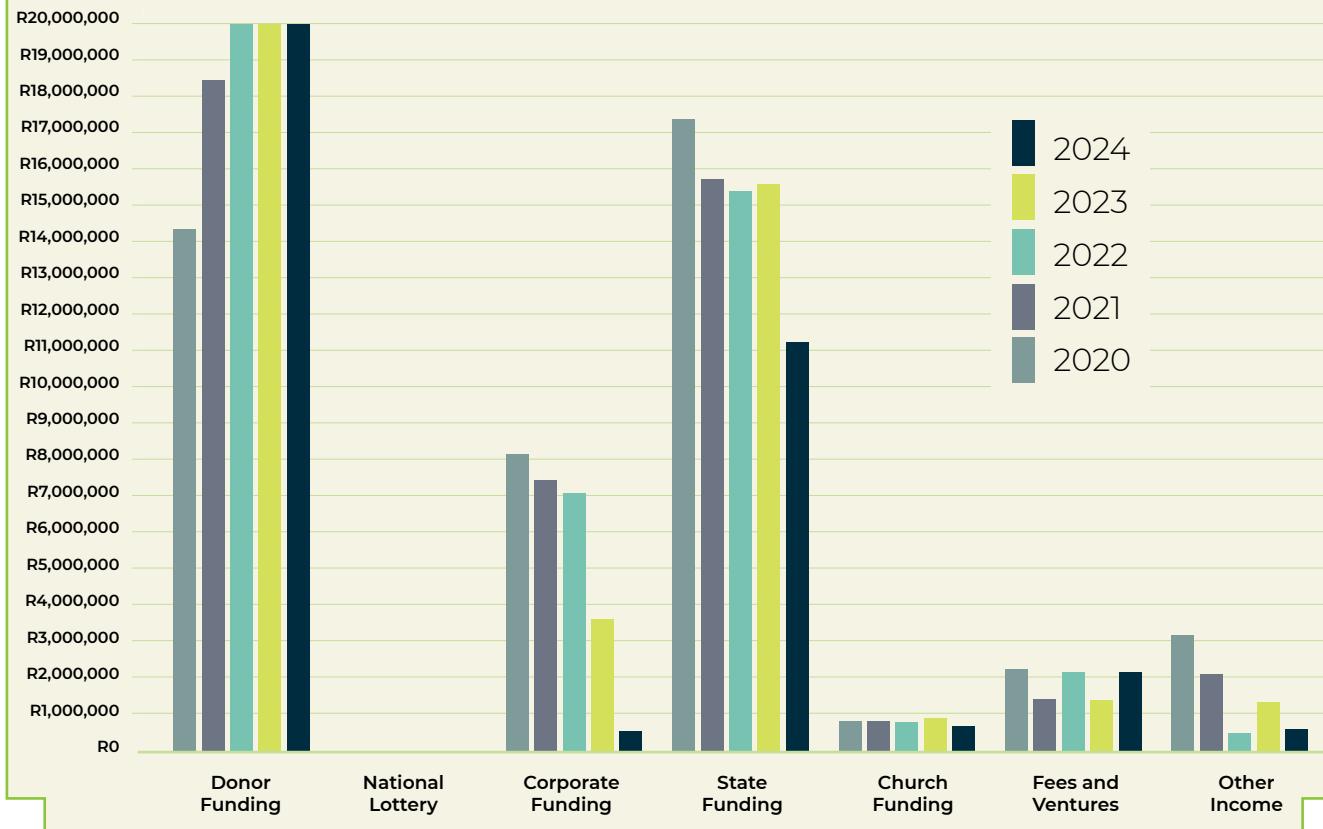
In contrast, a decrease of 8.81% in the percentage contribution by the state is noted. The state remains the biggest single contributor with a 24.82% contribution of total income. Per capita funding was received for children in residential care and the Skills Development Centre as well as for Johanna Malan ECDC. No grants were received in respect of the Soweto Family Care and Westbury Family Care programmes. Although an application to the National Lottery was submitted, no funding was received from this income source.

The percentage contributions by congregations and churches decreased by 21.12%. We recognise the 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.

Economic uncertainty and instability are preventing corporates from committing to a long-term funding partnership with AKB. Income from corporate funders accounts for 1.28 percent of total income. Although

## INCOME STREAMS 2020 – 2024

Our income streams were as follows:



corporate funding in South Africa remained under pressure, income from corporates via Corporate Social Investment (CSI) initiatives performed better than expected.

Income from charitable Trusts and Foundations compensated for the loss of income from the state and accounted for 25.2% of donor income.

The R355 527 loss due to outstanding funds from the National Student Financial Aid Scheme (NSFAS) contributed to the 45.21% decrease in income from fees and ventures. The intake of students increased following the accreditation of the facility. The Child and Youth Care Worker Training income increased by 73.77% for the 2024 financial year.



### Manufactured Capital:

AKB operated from 11 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.

The Mayfair West property (Youth Space satellite home), owned by Siemens and managed by AKB through a formalised partnership agreement, was donated to AKB and is in a process of being sold in order to purchase a more suitable property for the boys. The Youth Space household is operating from a vacant house on the Langlaagte Campus until a suitable property is identified and purchased.

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) owns the Emdeni Campus but has 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.

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. The Westbury Family Care administrative office also operates from the Langlaagte Campus.

In addition to the Talitha Kumi student residence, AKB developed an additional 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.

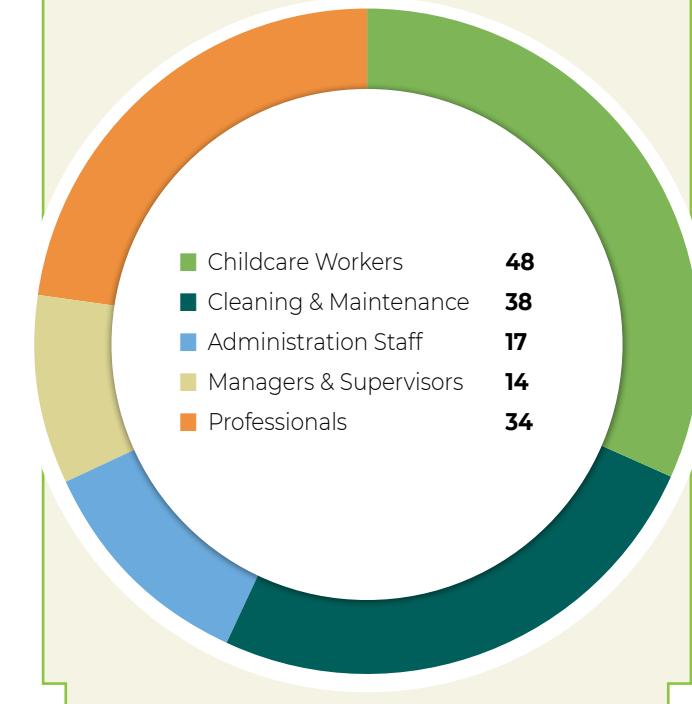
Planned developments on the Langlaagte Campus in respect of the repurposing of the buildings on the northern half of the campus, to accommodate students did not materialise, due to challenges to renew accreditation of the accommodation as well as the ineffective administration of funding for student accommodation by the University of Johannesburg and the National Student Financial Aid Scheme. The expansion of the three houses for children on the southern side of the campus was placed on hold.



### Human Capital:

AKB ended the financial year with a staff compliment of 151 of whom the majority are child and youth care workers. Totalling 48, this forms the core of the services we offer, both in residential and community care programmes. They are supported

### STAFF COMPOSITION MARCH 2024



by 34 professionals, amongst whom are counted six social workers, and six social fund developers. The organisation employs six managers and four supervisors, one computer facilitator and one training coordinator, three teachers, one nurse and two social media marketing practitioners.

The Department of Social Development (DSD) provides partial sponsorship for the posts for six social workers.

A small group of five highly dedicated people is responsible for financial management. The

organisation employs 17 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. Several people with expertise in certain areas do pro bono work for the organisation.

AKB accommodated three interns to assist with support services.

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

Other staff include nine drivers and a total of 30 cleaners and general assistants as well as nine groundsmen and maintenance workers.

AKB had to retrench 56 employees, following the restructuring of the Community Services programmes in response to funding cuts by the Department of Social Development. Thirty of these employees were part of the state's employment creation programme aimed at assisting organisations with the work amongst orphaned and vulnerable children in the community.



### Intellectual Capital:

Acknowledgement of human worth and potential is one of the values AKB lives by.

To remain relevant and to compete for scarce resources in a very difficult environment, AKB needs 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.

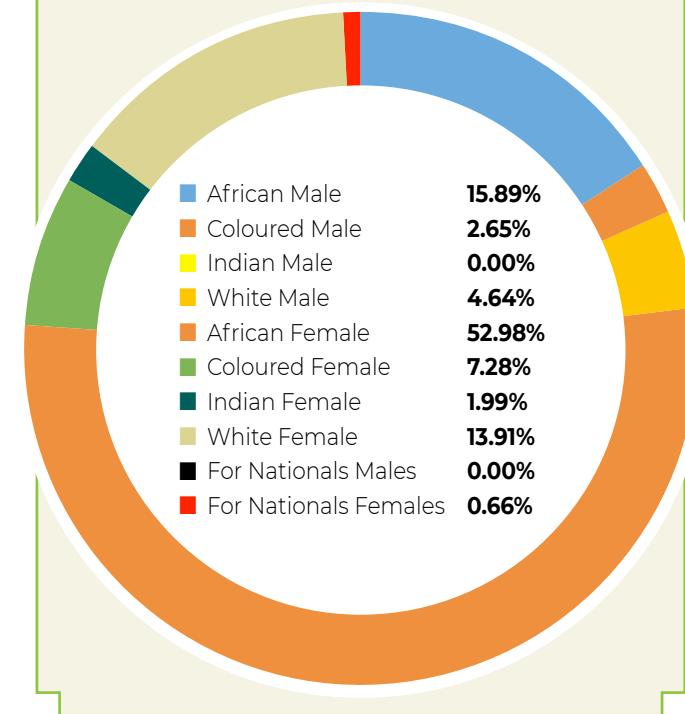
The accredited training, to an NQF level 4, offered by AKB continued internally as well as for other institutions. This compels us to remain abreast of new developments in the field. The training provided by AKB is highly regarded in the sector.

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. 90 Employees received training, with an actual spend of R227 931. Five employees received financial 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 in respect of 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

### EMPLOYEE DISTRIBUTION MARCH 2024



function on a high level of accountability.



### Social and Relationship Capital:

AKB 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. AKB is contracted by the state to execute some of these responsibilities. However,

without the involvement 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 AKB 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 AKB.

Relationships with a wide array of stakeholders are of great importance to the organisation. Among these stakeholders are a number of communities, churches, foundations, 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. AKB provided services from two properties owned by The Uniting Reformed Church as well as one owned by the Zola Methodist Church. Although we still maintain a positive relationship with these entities, services from two of these properties were

ceased due to funding restrictions.

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 child and youth care organisations in Gauteng, the Gauteng Welfare Forum, the Child and Youth Care Forum and the Gauteng Care Crisis Committee 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 is as such 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:**

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 on which it relies from 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 systems have already been replaced. The monitoring identified new problem areas, which were resolved in good time.

Our electricity savings increased by 19 percent and we aim to reduce it by a further twenty-five percent in the coming year. The solar geyser installations, now in its 14th year, continue to grow our saving for electricity. The project has to date saved the organisation in excess of R14m cumulatively.

Progress was made in respect of the installation of photo-voltaic (solar) energy systems. A system was installed at the computer centre at the Emdeni Skills Development Centre as well as at four of the seven satellite homes at which AKB operates. A successful funding application will soon see the installation of a further system at Maria Kloppers Campus and Johanna Malan ECDC. Funding applications were submitted for solar energy systems for the six houses at the Langlaagte Campus, the main building as well as the remainder of the Emdeni Campus. This is not

only in line with the environmental protection policy of AKB, but also in pursuit of mitigating the high costs of generating electricity with generators in use to ensure business continuity. Installations will also affect long-term electricity savings.

The execution of the environmental protection plan is 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 children and 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 suffer from the effects of severe



trauma. AKB 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 AKB. 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, AKB 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, and to re-integrate young people into the community as contributing members of society.

Many unemployed young adults are not suitably prepared to access the economy and are at risk of becoming part of the statistics 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 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

AKB provides prevention-, early intervention- and statutory services.

**Prevention level services** refer to services where social dysfunction is not evident in the families of beneficiaries. Johanna Malan Early Childhood Development Centre offers prevention level services to the children of disadvantaged communities.

**Early intervention level services** are provided by way of home-based care services and a drop-in centre for

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 the 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 training to alleviate poverty and address youth unemployment 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

AKB 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, AKB contributes meaningfully towards the constitutional rights of children as described in the Constitution of the Republic of South Africa which 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 000 000
Solar electricity installations at Abraham Kriel Campus . . . . .	R2 000 000
Solar electricity installations at Satellite Homes . . . . .	R500 000
Replacement of bus of Community Services . . . . .	R1 000 000
Land and Facilities Emdeni Skills Development Centre and Drop-in Centre . . . . .	R6 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

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

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

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

## 6.2 OUR TOP DONORS

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



### AJ Heyns Charitable Trust

VULA (PTY) LTD



WESSEL AND  
LUANI JOUBERT



Gokaldas Family

Andrew  
Pienaar



Hanru Nienaber



Hendrik Adriaan Cloete Meintjes



Coenraad  
Richardson



The top 100 donors donated a total of R17 992 129 of income for the year.  
Pro bono work from KPMG and PwC have not been included in this calculation.

# 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 NPC (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 AKB 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 AKB.

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	In context					
Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
<ul style="list-style-type: none"> <li>• Government</li> <li>• Donors</li> <li>• Churches</li> <li>• Employees</li> <li>• Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Financial sustainability that will maximise long term availability of our services to children in need of care.</li> </ul>	<ul style="list-style-type: none"> <li>• Structural improvement of governmental funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Per capita &amp; programme grants by Department of Social Development.</li> </ul>	<ul style="list-style-type: none"> <li>• State grants to cover 29,46% of operational costs</li> <li>• Per capita funding of at least R4 140</li> </ul>	<ul style="list-style-type: none"> <li>• State grants covered 22,95% of operational costs</li> <li>• Per capita funding was R4 120</li> </ul>	<ul style="list-style-type: none"> <li>• State grants to cover 23,46% of operational costs</li> <li>• Per capita funding to be at R4 120</li> </ul>
		<ul style="list-style-type: none"> <li>• Formation of quality funding partnerships in private sector, meaning:           <ul style="list-style-type: none"> <li>– Three- year to long term commitment</li> <li>– Percentage of total costs funded, minimum 25%</li> <li>– Mutual association with funded programme.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Successful conclusion of long term (&gt;3 years) partnership agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• Five programmes to be covered by 10 funding partners.</li> </ul>	<ul style="list-style-type: none"> <li>• Three programmes were substantially covered by two funding partners and one grant agreement. Four funders covered aspects of a further five programmes, although not guaranteed long term funders.</li> </ul>	<ul style="list-style-type: none"> <li>• Three programmes to be covered by three funding partners.</li> <li>• Five funders/ grant agreements to cover six programmes.</li> </ul>
		<ul style="list-style-type: none"> <li>• Optimisation of revenue potential of TK Residence.</li> </ul>	<ul style="list-style-type: none"> <li>• Available room capacity (60) taken up by students.</li> </ul>	<ul style="list-style-type: none"> <li>• Room capacity to be 150 students</li> <li>• Surplus to be at R2 522 025</li> </ul>	<ul style="list-style-type: none"> <li>• Room capacity was increased to 94</li> <li>• Loss was R355 527</li> </ul>	<ul style="list-style-type: none"> <li>• Room capacity to be 94 students</li> <li>• Surplus to be at R1 874 166</li> </ul>

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
<ul style="list-style-type: none"> <li>Board</li> <li>Management</li> <li>Beneficiaries</li> <li>Funding partners and donors</li> <li>DR Church</li> <li>Department of Social Development (DSD)</li> <li>Potential partners</li> <li>South African Revenue Services (SARS)</li> </ul>		<ul style="list-style-type: none"> <li>Optimisation of training services as source of revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Successful accreditation</li> <li>Training services provided to NPO Child &amp; Youth Care Centres.</li> </ul>	<ul style="list-style-type: none"> <li>The number of learners to be 45</li> <li>Revenue to be R500 000</li> </ul>	<ul style="list-style-type: none"> <li>The number of learners were 76</li> <li>Revenue was R1 039 906</li> </ul>	<ul style="list-style-type: none"> <li>The number of learners to be 30</li> <li>Revenue to be R360 000</li> </ul>
		<ul style="list-style-type: none"> <li>Attaining financial objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Exceeding approved revenue budget and meeting expenditure budget.</li> </ul>	<ul style="list-style-type: none"> <li>Total income to be R53 123 400</li> <li>Total expenditure to be R53 310 064</li> <li>Deficit to be R186 664</li> </ul>	<ul style="list-style-type: none"> <li>Total income was R45 511 227</li> <li>Total expenditure was R49 560 411</li> <li>Deficit was R4 049 184</li> </ul>	<ul style="list-style-type: none"> <li>Total income to be R44 342 467</li> <li>Total expenditure to be R47 652 413</li> <li>Deficit to be R3 309 946</li> </ul>
	<ul style="list-style-type: none"> <li>To establish new surplus generating commercial activities to ensure the financial sustainability of AKB.</li> </ul>	<ul style="list-style-type: none"> <li>Focused due diligence studies</li> <li>Dependable partnerships</li> <li>Sound management.</li> </ul>	<ul style="list-style-type: none"> <li>Successful implementation of additional profitable commercial activities.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Complete UJ accreditation with NSFAS by August 2023.</li> </ul>	<ul style="list-style-type: none"> <li>The preparation of houses and expansion of student accommodation was put on hold due to delayed accreditation and recovery of the outstanding rental fees from UJ.</li> <li>UJ accreditation and NSFAS accreditation was completed in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>The future of student accommodation and the AKB strategy will be reviewed in Aug 2024.</li> <li>UJ accreditation was extended to December 2024. Applications for 2025 will open in September 2024.</li> </ul>

FOCUS AREA 2 <b>Attraction and retention</b>	<b>In context</b> <ul style="list-style-type: none"><li>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.</li><li>AKB is under increasing financial pressure.</li><li>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.</li><li>Employment Equity requirements contribute to remuneration inflation.</li></ul>					
Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
<ul style="list-style-type: none"> <li>Employees</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>To ensure uninterrupted services of appropriate standard for the optimal development of our beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>Attraction of scarce skills.</li> </ul>	<ul style="list-style-type: none"> <li>Competitive remuneration i.r.o scarce skills based on reliable benchmarking.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure Social workers are remunerated on the median quartile of Averile Ryder NPO salary survey report for 2023/24.</li> <li>25% of Child Care Workers to be placed on the median quartile of Averile Ryder NPO salary survey report, funds allowing.</li> </ul>	<ul style="list-style-type: none"> <li>Objective was not implemented due to austerity measures, due to reduction in funding by Department of Social Development.</li> <li>Objective was not implemented fully due to lack of funding from the Department of Social Development.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure 50% of Social workers remuneration is on the median of Averile Ryder NPO salary benchmark survey.</li> <li>Funds allowing ensure 30% of Child and Youth Care workers remuneration is on the median of Averile Ryder NPO salary survey.</li> </ul>
		<ul style="list-style-type: none"> <li>Effective recruitment platform</li> </ul>	<ul style="list-style-type: none"> <li>Period to fill vacancies</li> </ul>	<ul style="list-style-type: none"> <li>Childcare roles at Satellite Homes to be filled within 3 months.</li> <li>Social worker and managers roles to be filled within 2 months.</li> </ul>	<ul style="list-style-type: none"> <li>The new strategy was implemented, single child and youth care workers in Satellite homes yielded positive results.</li> <li>Targeting respective media platforms and respective communities in sourcing suitable candidates has yielded positive results.</li> </ul>	<ul style="list-style-type: none"> <li>Continue implementation of strategy to appoint single Child and Youth Care Workers to ensure filling of vacancies within three months.</li> <li>Prioritise appointment of disabled employees and African males by using appropriate social media platforms for recruitment.</li> </ul>

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
		<ul style="list-style-type: none"> <li>Reliable selection and screening tools</li> </ul>	<ul style="list-style-type: none"> <li>Refined psychometric selection battery for CCW's</li> </ul>	<ul style="list-style-type: none"> <li>100% of candidates to undergo G4S vetting procedure</li> </ul>	<ul style="list-style-type: none"> <li>The objective was achieved and resulted in savings for the organisation by vetting prior to psychometric testing</li> </ul>	<ul style="list-style-type: none"> <li>100% of candidates to do G4S vetting before psychometric assessment</li> </ul>
		<ul style="list-style-type: none"> <li>All vacancies filled</li> </ul>	<ul style="list-style-type: none"> <li>Efficient recruitment processes</li> </ul>	<ul style="list-style-type: none"> <li>225 employees</li> </ul>	<ul style="list-style-type: none"> <li>The number of employees was decreased to 151, due to retrenchments in community services</li> </ul>	<ul style="list-style-type: none"> <li>156 employees</li> </ul>
		<ul style="list-style-type: none"> <li>Satisfied employees</li> </ul>	<ul style="list-style-type: none"> <li>Annual Employee satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>70% employees satisfied</li> <li>Implement at least 50% of remuneration benchmark goals</li> </ul>	<ul style="list-style-type: none"> <li>72% employees were satisfied</li> <li>Remuneration is still the main cause of dissatisfaction</li> </ul>	<ul style="list-style-type: none"> <li>75% Employees satisfied</li> <li>Implement 30% first phase of remuneration benchmark for Child &amp; Youth Care workers</li> </ul>
		<ul style="list-style-type: none"> <li>Diversified recruitment channels used</li> </ul>	<ul style="list-style-type: none"> <li>Talent review sessions focussing on both internal and external available talent</li> <li>Encourage employee referral</li> </ul>	<ul style="list-style-type: none"> <li>2% disabled employees and African males to be appointed in line with recruitment targets required by the Department of Labour</li> <li>All positions to be advertised through social media in addition to other digital platforms.</li> </ul>	<ul style="list-style-type: none"> <li>Objective not achieved due to retrenchments and non-availability of African males for child care roles</li> <li>Appropriate positions were advertised through social media.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the Gauteng EAP profile by appointment of disabled employees and African males in appropriate roles in line with EE Plan</li> </ul>

FOCUS AREA 3 <b>Sustainability of key services</b>	<b>In context</b>					
	Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target
<ul style="list-style-type: none"> <li>● Beneficiaries</li> <li>● Employees</li> <li>● Donors</li> <li>● Community</li> <li>● Department of Social Development (DSD)</li> </ul>	<ul style="list-style-type: none"> <li>● To address the real needs existing amongst children in need of care in a sustainable manner</li> </ul>	<ul style="list-style-type: none"> <li>● Special funding dispensation for specialised services to traumatised children</li> </ul>	<ul style="list-style-type: none"> <li>● A realistic funding model for specialist services to traumatised children developed and adopted by the DSD</li> </ul>	<ul style="list-style-type: none"> <li>● 41 beneficiaries with special needs to be funded</li> </ul>	<ul style="list-style-type: none"> <li>● 41 beneficiaries with special needs were funded</li> </ul>	<ul style="list-style-type: none"> <li>● 41 beneficiaries with special needs to be funded</li> </ul>
		<ul style="list-style-type: none"> <li>● Appropriate facilities for delivery of services to children with challenging behaviour</li> </ul>	<ul style="list-style-type: none"> <li>● Single gender campus model developed and ready for implementation</li> </ul>	<ul style="list-style-type: none"> <li>● Re-assess strategy once more clarity has been reached re accreditation and funding for student accommodation</li> </ul>	<ul style="list-style-type: none"> <li>● Single gender model was implemented with great success. Facilities are suitable for handling of girls with challenging behaviour</li> </ul>	<ul style="list-style-type: none"> <li>● Objective achieved, not to be repeated</li> </ul>
		<ul style="list-style-type: none"> <li>● Recruit funders who are willing to invest in services to children with special needs</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of operational cost covered</li> </ul>	<ul style="list-style-type: none"> <li>● Convert at least one short-term donor into long-term funding partner</li> </ul>	<ul style="list-style-type: none"> <li>● Three donors, repeated substantial donations although they are not committed to long term partnering</li> </ul>	<ul style="list-style-type: none"> <li>● Convince at least one first time contributor to increase and repeat the contribution</li> </ul>
		<ul style="list-style-type: none"> <li>● Revenue earned via state funding maximised</li> </ul>	<ul style="list-style-type: none"> <li>● Service rendered to full capacity of facilities and human resources</li> </ul>	<ul style="list-style-type: none"> <li>● Maintain number of beneficiaries in residential care at 200</li> <li>● Maintain number of beneficiaries in community care above 1 000</li> </ul>	<ul style="list-style-type: none"> <li>● Number of beneficiaries serviced were 243.</li> <li>● The number of beneficiaries in community care was 1 293</li> </ul>	<ul style="list-style-type: none"> <li>● Service at least 208 beneficiaries in residential care programmes.</li> <li>● Maintain the number of beneficiaries in community care above 900 beneficiaries</li> </ul>

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
<ul style="list-style-type: none"> <li>• Board</li> <li>• Management</li> <li>• Beneficiaries</li> <li>• Partners and Donors</li> <li>• DR Church</li> <li>• Department of Social Development (DSD)</li> <li>• Development Community</li> </ul>	<ul style="list-style-type: none"> <li>• To expand community service programmes to ensure appropriate care services for orphaned and vulnerable children and skills transfer opportunities for youth at risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality partnerships in target communities</li> <li>• Support of DSD</li> <li>• Support of donors</li> <li>• Sufficient capital</li> </ul>	<ul style="list-style-type: none"> <li>• Successful partnership formation and conclusion of MOI's</li> <li>• Negotiations with DSD and donors translate into R22m for Capex phased over 15 years</li> <li>• New Drop-in Centres for 600 children and Skills Development centres for 900 young people are established and operating.</li> </ul>	<ul style="list-style-type: none"> <li>• Conclude purchase of Emdeni property once subdivision process conducted by URCSA has been concluded.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase transaction could not be completed due to non-completion of subdivision by URCSA.</li> </ul>	<ul style="list-style-type: none"> <li>• Conclude purchase of Emdeni property once subdivision process conducted by URCSA has been concluded.</li> </ul>



<b>FOCUS AREA 4</b> <b>Standard of Childcare</b>	<b>In context</b> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Therefore a more sophisticated skills set is required from childcare workers.</li> <li>• Appropriate external training does not exist, as available training is very basic in nature.</li> <li>• 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.</li> </ul>
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Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
<ul style="list-style-type: none"> <li>• Childcare workers</li> <li>• Beneficiaries</li> <li>• HWSETA</li> <li>• Council for Social Service Professions</li> <li>• Department of Social Development (DSD)</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Accreditation of training material and continuation of already implemented training programmes in order to provide appropriate accredited training.</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage CCW's and social workers appropriately trained.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of CCW's to be trained.</li> <li>• 80% CYCW learners to receive certificates from HWSETA.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of new CCWs were trained.</li> <li>• No certificates have been received yet due to HWSETA backlog.</li> </ul>	<ul style="list-style-type: none"> <li>• 100 % of new CCW's to be trained.</li> <li>• 100% to receive their certificates from HWSETA.</li> </ul>

FOCUS AREA 5 <b>Brand awareness</b>	<b>In context</b> <ul style="list-style-type: none"> <li>Due to its long history the brand is fairly widely known throughout South Africa, despite it being operational in Gauteng only.</li> <li>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.</li> </ul>					
Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
<ul style="list-style-type: none"> <li>Board</li> <li>Management</li> <li>Beneficiaries</li> <li>Partners and Donors</li> <li>DR Church</li> <li>Department of Social Development</li> <li>Development Community</li> </ul>	<ul style="list-style-type: none"> <li>To reposition the AKB brand to develop support among all communities served by AKB.</li> </ul>	<ul style="list-style-type: none"> <li>Sound research, risk analysis and objective decision making.</li> </ul>	<ul style="list-style-type: none"> <li>Brand adoption by stakeholders reflected into continuous growth in support from all communities in which AKB operates.</li> </ul>	<ul style="list-style-type: none"> <li>Increase donor recognition and positive media exposure.</li> <li>Pursue positive brand exposure on websites and social media platforms.</li> </ul>	<ul style="list-style-type: none"> <li>Planned actions in respect of increased donor recognition and positive media exposure were executed.</li> <li>Progress made i.r.o positive brand exposure on website and social media.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to manage the brand and guard the use and application of the brand through the corporate identity guideline document.</li> <li>Increase positive brand awareness across all media and social media platforms as well as websites.</li> </ul>

FOCUS AREA 6 <b>Business Structures</b>	<b>In context</b> <ul style="list-style-type: none"> <li>Well-established NPOs are increasingly struggling to achieve and maintain sufficient levels of sustainability.</li> <li>DSD officials communicate that NPOs should be less dependent on the state and source more support from the private sector.</li> <li>Subsidy levels have decreased from 66% of revenue of NPOs in the 1990s, to the current level of around 30% of revenue of NPO's.</li> <li>The donor market is inundated with NPOs seeking support from them, therefore it is increasingly challenging to access substantial grants from them.</li> <li>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.</li> </ul>					
Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2023/24	Progress i.r.o. 2023/24 target	Target 2024/25
<ul style="list-style-type: none"> <li>Board</li> <li>Management</li> <li>Beneficiaries</li> <li>Partners and Donors</li> <li>DR Church</li> <li>Department of Social Development (DSD)</li> <li>SARS</li> </ul>	<ul style="list-style-type: none"> <li>To restructure existing and to create new legal entities in order to provide vehicles for effective and compliant operational governance and commercial activities.</li> </ul>	<ul style="list-style-type: none"> <li>Decision on rebranding has been taken</li> <li>Access to experts in the NPO, Income Tax and Companies Acts.</li> </ul>	<ul style="list-style-type: none"> <li>Operational structures meets statutory prescripts and DSD requirements</li> <li>Surpluses are optimised</li> <li>Full compliance to tax regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Attain tax exemption status by October 2023.</li> </ul>	<ul style="list-style-type: none"> <li>The objective was not achieved, but is being attended to.</li> </ul>	<ul style="list-style-type: none"> <li>Attain tax exemption status by October 2024</li> </ul>

# ▶ Performance Review

## 8.1 REPORT BY THE CEO

Year after year I am astounded by both the difficulty of the challenges that Abraham Kriel Bambanani NPC (AKB) has to face and the Grace of God that sees these challenges met. I can truly say, we are exposed in equal measure to the kindness and caring of our fellow South Africans and the callousness with which others approach the well-being of vulnerable children. In this, I prefer to focus on people's kindness, as this is where the positive difference is made in the lives of children.

I would be at fault if I did not acknowledge the societal ills that make our work with children and youth essential. The demand for services to traumatised, orphaned, and vulnerable children and youth is increasing and the support and resources to assist this vulnerable group of citizens are decreasing. For many the task of rebuilding seems impossibly daunting and for the affected children and youth, the future is a landscape without hope and opportunity.

It is in this space that the services of AKB remain vitally important to those many children and young people who are increasingly marginalised and isolated from any real chance of access to opportunities and a successful life. Most importantly, we at AKB are honoured to be able to live our calling to protect, care for, and develop children and young people in need of care. What a privilege to be able to serve despite challenges and uncertainties!

It should be no surprise to our donors and supporters that AKB, like many of its fellow non-profit organisations in Gauteng and beyond, have been struggling with major changes in the funding philosophy and practices of the Department of Social Development. These changes were first implemented from April 2023 and were rolled out further in 2024. Sadly, some of our programmes did not survive these changes. Cuts were inevitable to preserve the core of AKB's services.

At the end of December 2023 fifty-six staff members had to be retrenched. By that time the available reserves to sustain the programmes where they worked, were exhausted. This was a very painful process. Many of these people had a very long history of loyal service to AKB. I was deeply saddened to see them go.

Yet, I remain grateful to our loyal donor community, volunteers and staff who continued their unstinting work for the benefit of children and youth in need. The Board of Directors need to be mentioned here in particular, as they provide the wisdom and the guidance to lead this organisation. They do this free of charge, although they carry the same responsibility as directors of major for-profit companies.

As is so often the case, the need of children increases



**Mr Paul Momsen**  
**Chief Executive**

dramatically, just when the means to address the need reduces. This drives new and innovative thinking, so that young children and young adults are not completely abandoned, just when they need help most. Despite the decline in income and the cuts to services and the number of beneficiaries, AKB was still able to provide services to more than 1500 beneficiaries.

This leads me to express my deep gratitude to our loyal donors and supporters, who kept their trust in this organisation, to continue to do all they can to serve the most vulnerable children and youth in society. When AKB lost the financial contributions from the Department of Social Development for some of our community services programmes, YOU stepped up and enabled us to continue with our services to orphaned and vulnerable children and youth for another year. You are the blessing that we pray for every day.

May God in His infinite mercy bless you and keep you through challenging times. Together, and with the Provision, Grace and Mercy of God we will overcome and remain to serve Him by serving His children.

**Paul Momsen**  
**Chief Executive Officer**

## 8.2 FINANCIAL SUSTAINABILITY

**R** The financial sustainability of AKB was a pivotal focus area throughout the year. An economic downturn, increased living costs, political uncertainties and intermittent electricity supply were some of the aspects that threatened the financial sustainability of AKB.

The loss of R4.5 million in state income following the implementation of the Gauteng Department of Social Development's reprioritisation of funding project, was by far the greatest setback in the period under review.

Amidst increased financial pressure the donors of

AKB showed their continued, unwavering support during the 2024 financial year. The appreciation for our donors is unmeasurable. Income from donors increased by 10.28% compared to the previous financial year. 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 R45 511 227, by 3.67% compared to 2023, primarily due to the loss in income from state funding. State revenue represents 24.82% of income, at R11 297 728, a decrease of 8.52% compared to 2023. No funding increase was received for residential care programmes. An intensified

focus on skills development was evident in the slight increase in state funding towards skills development.

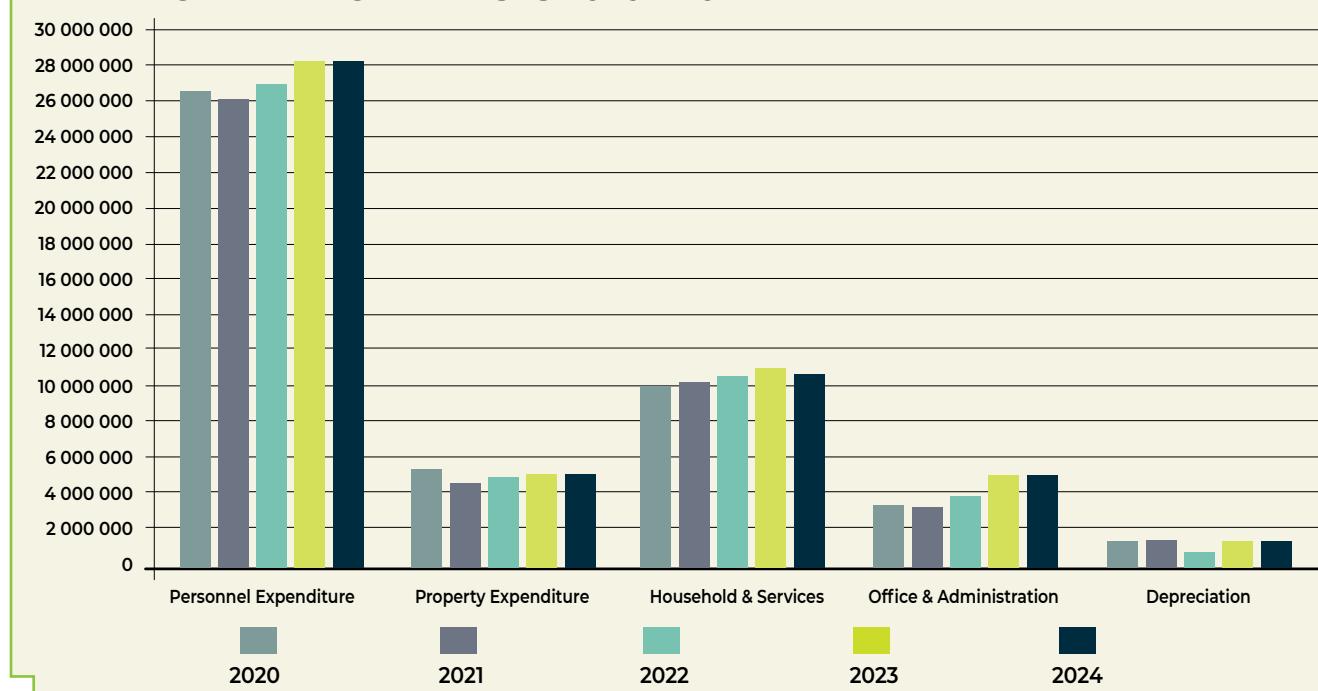
AKB prepared and submitted a funding application to the National Lotteries Commission (NLC). The application is still in the final phase of the adjudication process and to date no funding has been received from this income source.

The operational expenditure decreased by 4.10% to R49 236 525 in 2024 from R51 343 671 in 2023. Staff remuneration increases were negatively affected at the beginning of the financial year. Retrenchments took place in December 2023 as part of the austerity measures implemented. Five staff members received study assistance in the year under review. Employee cost remains the highest expense, at R28 117 943 (57.1% of costs).

Property expenditure, comprising municipal services and maintenance of the various properties decreased by 16.55% to R4 852 770. Expenditure related to household services decreased by 5.38% to R11 061 534. The overall decrease in operational expenditure can be ascribed to the reduction of the number of beneficiaries, as well as the content of the community care programmes in Westbury and Soweto, as well as the implementation of austerity measures.

The combined revenue from Income from Ventures and Fees for Services increased by 45.21% to R2 044 715. A pleasing R1 039 906 of the revenue resulted from the Child and Youth Care Worker Training. A 36.69% increase in the JMECDC fees income was noted for 2024.

### OPERATING EXPENSES 2020 – 2024



The Talitha Kumi Student Residence accommodated 8 students for the 2023 calendar year, and 41 students for February and March 2024. The funds from the National Student Financial Aid Scheme (NSFAS) remains outstanding at year-end.

The accreditation appeal for the 2022 and 2023 was finalised in August 2023. The accreditation was extended to 2024 enabling us to recruit students, which reduced the loss to R355 000 for the 2024 financial year. The strategic expansion of the student village will be reviewed in August 2024, following

difficulties experienced in recovering outstanding debt from the University of Johannesburg and the administration of the National Student Financial Aid Scheme.

### 8.3 ATTRACTION AND RETENTION OF CRITICAL SKILLS



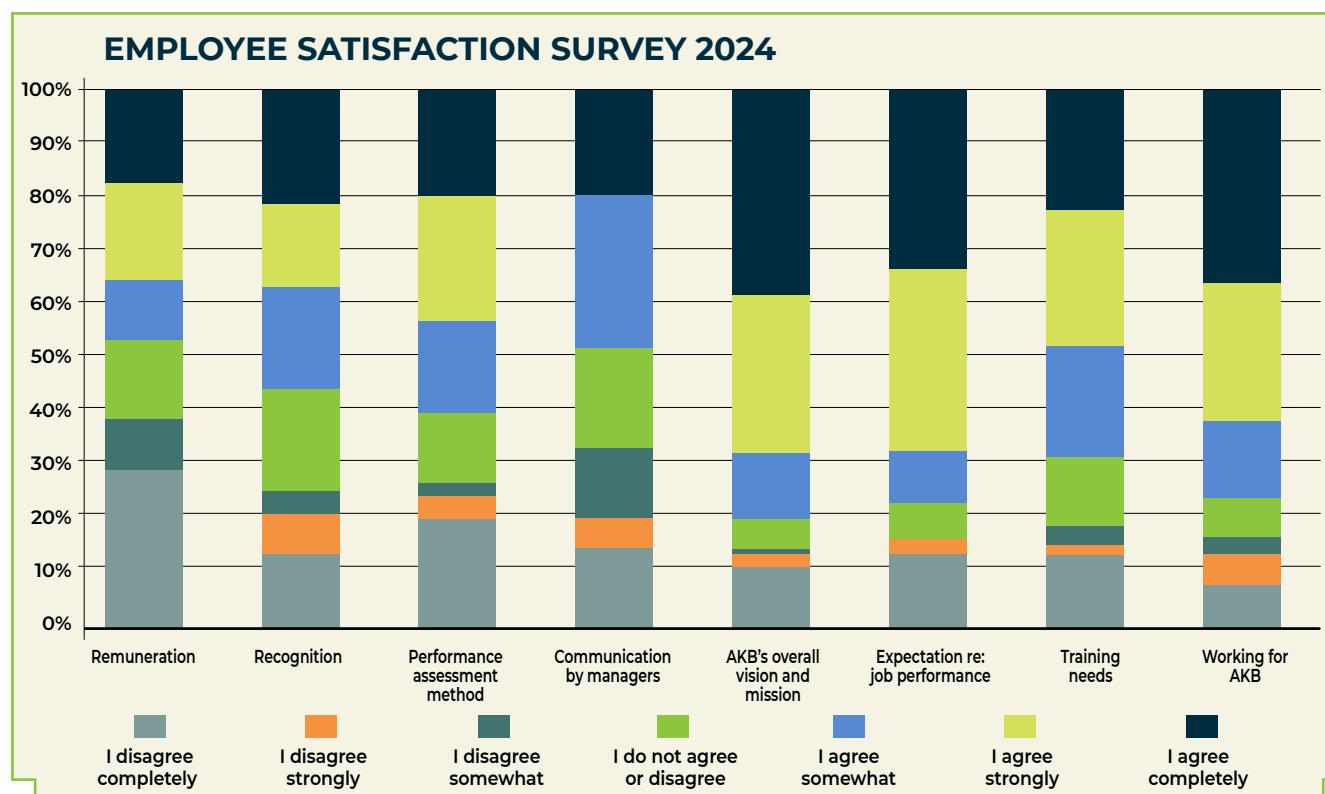
Critical skills were retained at acceptable levels, however the retention of staff in the Community Care Services Programmes were affected by funding cuts announced by the Department of Social Development. In order to

ensure the sustainability of services and in line with the reduced services offerings to beneficiaries in the Community Care programmes, 56 employees were retrenched. Thirty of these employees formed part of the Expanded Public Works Programme (EPWP), a government initiative designed to create job opportunities, sustainable livelihoods and skills development for poor and unemployed people. The retrenchment process was fair and in line with policies and procedures and no disputes followed.

Attracting and appointing suitable candidates for the Maintenance and Facilities Coordinator at Maria Kloppers campus as well as Child and Youth Care Workers for the satellite homes remained a challenge. Recruitment for these and other critical positions is ongoing.

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.

As a result of the retrenchments the total number of employees (151) decreased, compared to the previous year (220). 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. The over-representation of African females continued and the progress made in respect of African males was affected by retrenchments. The shortfall in African male representation can be ascribed to the social services



industry attracting predominantly female candidates and both the industry and the organisation being unable to attract and retain African male employees.

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 117 employees responding to the survey. The overall employee satisfaction rate increased to 72% compared to 67.1% in the previous financial year. Remuneration, recognition and the performance assessment method were elements of the greatest dissatisfaction. Employees were more satisfied with the communication by managers compared to the previous period. AKB's overall vision and mission, the meeting of training needs, and working for AKB measured as elements of greatest employee satisfaction.

#### 8.4 SUSTAINABILITY OF SERVICE OFFERING

**S** AKB pride itself in the diversified services offered to traumatised, orphaned and vulnerable children and youth across the province of Gauteng. The need for the services offered by AKB has been proven beyond any doubt and 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 from the state of the South African economy and the attitudes of the South African population.

The sustainability of service offering of AKB is further inextricably linked to the funding policies and priorities of the Department of Social Development. The announcement of reprioritisation of funding by the Gauteng Department of Social Development took full effect in 2023. A loss of income from the state to the value of R4.5 million forced AKB to reduce service offerings and realign the community care services programme in the Soweto and Westbury communities. Reserve funds and generous support from loyal donors enabled reduced services to direct and indirect beneficiaries to continue until the end of the calendar year. At the end of December 2023, the number of beneficiaries served, content of services, locations operated from and the number of employees had to be reduced.

Johanna Malan ECDC received increased financial support from the Department of Basic Education as well as international funders. Changes to the fee structure and the expansion of service offerings have seen the number of beneficiaries increase for the second consecutive year.

NPOs are required to re-register its child and youth care centres every five years in order to retain its licence to operate legally. AKB is currently in the process of preparing for re-registration of all its residential facilities in 2025. A new requirement has lately been

added to the already long list of requirements to re-register successfully, in that organisations are obliged to submit occupation certificates. The process to obtain occupation certificates involves in some cases consolidation of stands, re-zoning applications, the development of site development plans and building plans and a complete set of compliance certificates. Not only are these processes arduous and time-consuming, it is also very costly. In spite of these challenges, good progress has already been made in this regard.

The implementation of the long-term strategy to expand the student village as a third-stream income source was placed on hold. Accreditation as privately-owned student accommodation service provider has been secured from both the National Student Financial Aid Scheme and the University of Johannesburg. However, AKB has to date not been able to recover outstanding fees carried over from the previous financial years. This unfortunately perpetuates the uncertainty in respect of the viability of student accommodation as reliable source of revenue towards increased levels of sustainability.

More than ever AKB will need to ensure that its services remain in line with the priorities of society and the state in addressing social needs. Diversification of income streams, alignment with corporate donor's funding priorities and full compliance with applicable regulations will remain crucial to ensure the sustainability of services.

The services offered remain relevant and vital for the future of hundreds of disadvantaged babies, children and youth.

## RESIDENTIAL CARE SERVICES: BENEFICIARY PROFILE (1 APRIL 2023 TO 31 MARCH 2024)

	Langlaagte Campus	Maria Kloppers Campus	Satalite Homes	Total: Residential Care
<b>Total Number of beneficiaries</b>	<b>67</b>	<b>82</b>	<b>94</b>	<b>243</b>
Males African	–	20	15	35
Females African	18	33	16	67
Total African	18	53	31	102
Males Coloured	–	4	2	6
Females Coloured	12	7	4	23
Total coloured	12	11	6	29
Males Asian	–	0	0	0
Females Asian	1	0	0	1
Total Asian	1	0	0	1
Males white	–	11	22	33
Females white	36	7	35	78
Total white	36	18	57	111
<b>Age Distribution</b>				
0 – 3 years	0	44	0	44
4 – 6 years	0	12	3	15
7 – 13 years	20	16	37	73
14 – 18 years	47	8	45	100
18 +	–	2	9	11
<b>School Distribution</b>				
Grade 1 – 7 Public school	23	14	42	79
Grade 8 –12 Public school	16	6	30	52
Education for handicapped children	4	0	1	5
Special Education	20	4	2	26
Remedial education	3	4	9	16
Students	0	1	7	8
Pre-school	0	15	2	17
Not in school	1	38	1	40
<b>Total new admissions</b>	<b>10</b>	<b>22</b>	<b>32</b>	<b>64</b>
<b>Total discharged</b>	<b>6</b>	<b>24</b>	<b>26</b>	<b>56</b>

## 8.5. STANDARD OF CHILDCARE



In a world filled with uncertainty, AKB has remained a steadfast source of hope for traumatised, orphaned and vulnerable children. Ray Boltz once proclaimed, *The anchor holds despite the storm*. This sentiment perfectly encapsulates the essence of AKB's services, which is grounded in the unwavering belief in the potential of each beneficiary and the provision of God.

Dedicated staff upholds the values of AKB, with *the best interest of the child* at the forefront of every intervention and decision. Beneficiaries are placed in programmes, best suited to ensure optimal development and intervention programmes are tailored to meet the unique needs of each beneficiary.

The most difficult task we had to face was the reduction in the number of beneficiaries enrolled in our community care services programmes. The thought that we equipped each of the beneficiaries leaving the programme with the necessary skills to withstand the storms of life, brought some comfort. We are thankful for the wonderful opportunity AKB and all of the staff had to be an anchor of hope for these beneficiaries when they needed it most.

Through dedicated efforts, faith and perseverance, AKB empowers its beneficiaries to overcome adversity and build a brighter future for themselves.

## 8.5.1 MARIA KLOPPERS CAMPUS

**Maria Kloppers** provided vital services to 82 beneficiaries, including healthcare, social work services, and therapeutic interventions tailored

to each child's needs. The steadfast belief in the beneficiaries encouraged the staff to enroll 15 children into various forms of therapy, such as occupational therapy, attachment therapy, speech therapy, play therapy, and psychosocial therapy. The success of these interventions is evident in stories like that of Christiaan.

Christiaan's journey is a powerful testament to the impact of stability and belief in every child's potential. Despite enduring severe physical trauma and a tumultuous upbringing on the streets, Christiaan's innate intelligence and resilience shone through. Upon arrival at Maria Kloppers, he was enrolled in a remedial school where teachers and childcare workers invested significant time and effort into helping him learn to read and write. Adapting to routine, structure, and discipline was initially challenging, as was adjusting to regular meals.

However, after eight months of dedicated support and guidance, Christiaan showed remarkable growth. His reading and writing skills improved significantly, and he adapted well to his environment and routine. He is developing a strong moral compass and learning about right and wrong. Additionally, Christiaan has taken up swimming and is excelling in it.

His academic performance has shown great improvement, and he was promoted to grade 2 at the end of the school year. He is also attending therapy to heal from his trauma and aspires to become a police officer to ensure that those who harm children are brought to justice.



### 8.5.2 SATELLITE HOMES

In addition to individual success stories, the **satellite homes** at AKB have also yielded excellent outcomes. Carin and Martha are two beneficiaries whose lives have been transformed by the support and guidance they received at AKB.

Lebo struggled with anger management issues and lost her place at school due to her behaviour. However, after undergoing internal therapy at AKB, her behaviour improved significantly. She is now an eager helper in the home and offers support to the housemother and other children, advising them on anger management techniques.

Ntombi arrived with little hope for her future. However, the unconditional love and support she received inspired her to concentrate and put in a lot of effort to accomplish her goals. She is currently focused on completing her matric and aspires to pursue a career as a care worker or nurse.



Lynda is another beneficiary who has thrived under the care of AKB. Despite the challenges of growing up in a home with children from diverse backgrounds and being separated from her family, Lynda has excelled academically with the support of internal therapy and dedicated staff members who firmly believe in God as their Saviour.

Frikkie's journey is perhaps one of the most inspiring. Placed at AKB at the age of 4 with behaviour problems, Frikkie struggled initially but received therapy that dramatically improved his behaviour. He continued to cope in mainstream school until grade 10 when it was recommended that he be enrolled in a college to alleviate the pressure. However, Frikkie decided to continue studying in mainstream school and is currently in grade 12, looking forward to receiving his grade 12 certificate and pursuing a dance career.

### 8.5.3 LANGLAAGTE CAMPUS

The **Langlaagte campus** saw significant achievements among its beneficiaries. Five children participated in athletics, with one reaching provincial level. Additionally, five girls engaged in karate, demonstrating remarkable diligence, with grading conducted once a term. The childcare workers at Langlaagte have been instrumental in building the self-esteem of the girls, fostering a sense of hope for a brighter future.

Overall, there has been a vast improvement in the academic results of the beneficiaries. Social workers and management focused on building and maintaining family relationships, advocating for children to maintain contact with their families whenever possible. This effort has resulted in numerous success stories, one of which is particularly notable.



Christine's story highlights the transformative impact of stable support. After the loss of her mother and her father's incarceration, Christine was left in the care of a neglectful relative before being placed at AKB. Since coming to the campus, Christine has flourished into a fine young lady. She was chosen as a prefect at school, and recognised for her natural leadership abilities, and her behaviour has significantly improved. She receives consistent care, support, and love from all staff members, which has contributed to her positive development and outlook for the future.

### 8.5.4 COMMUNITY CARE SERVICES TO VULNERABLE CHILDREN

To meet the basic needs of beneficiaries, 622 children were served nutritious cooked meals every weekday. Clothing, toiletries, blankets, and other essential items were provided to those in need. During weekends and part of the December holidays, 704 food parcels

were distributed, and 15 families received additional grocery and vegetable packs.

Committed to ensuring a bright future for beneficiaries, AKB offered homework and research assistance, mentorship, and educational resources such as stationery and school uniforms.

Twelve tertiary students received support in pursuing their careers. A testament to these efforts is Ayanda who, despite many challenges, graduated from the University of Johannesburg with a postgraduate degree in LLB Law.

In terms of psychosocial support, 212 beneficiaries received continuous services, and over 50 were referred to organisations like SANCA, Home Affairs, SAVF, SASSA, and FAMSA to ensure holistic care. Social behavioural change programmes included awareness campaigns on bullying, teenage pregnancy and STIs, reaching over 450 individuals. Lastly, spiritual support was provided through workshops, counselling and mentorship. The bible study and devotional sessions fostered a sense of community and belonging among beneficiaries.

### 8.5.5 EMDENI SKILLS DEVELOPMENT CENTRE

The **Emdeni Skills Development Centre** serves as a vital resource for youth and adults in Emdeni and surrounding communities, offering accredited training programmes in fields such as Assistant Chef, Tiling, Painting, International Computer Driving License, and Business Administration, along with non-accredited training in Hydroponic Tunnel Farming and Sewing. To aid with unemployment,

the centre has trained 271 individuals, equipping them with qualifications to pursue further education or job opportunities in their chosen fields.

The Ann Read Information Centre provided a range of services to 1,481 community members, including free youth services. These services include binding, photocopying, internet access, typing, career guidance, and assistance with applications for IDs and birth certificates.

The Enterprise Development (ED) program supported local businesses Ama-Munchies and Ekasi Food by supplying a mobile kitchen, internet access, registration certificates, capital funds for stationery, email domains, and assistance with opening bank accounts, thereby fostering entrepreneurship and business growth.

#### 8.5.6 JOHANNA MALAN EARLY CHILDHOOD DEVELOPMENT CENTRE

**Johanna Malan ECDC** provided hope for 113 beneficiaries and began the year with an unexpected increase in funding from the Department of Basic Education. This additional support enabled educational assessments for beneficiaries struggling in Grade R, conducted by Sophia Town Community Psychological Services, along with occupational and speech assessments at various hospitals.

The aspirations of ECD educators were also realised, as teachers achieved accredited NQF level 4 and level 5 qualifications and class assistants began their journey towards an ECD NQF Level 4 qualification. Furthermore, ten families received bursaries,

#### COMMUNITY SERVICES: BENEFICIARIES' PROFILE (01 APRIL 2023 TO 31 MARCH 2024)

	AKB Soweto Family Care	AKB Westbury Family Care	Emdeni Skills Dev Centre	Johanna Malan ECDC	Total
<b>Total Number of beneficiaries</b>	<b>651</b>	<b>258</b>	<b>271</b>	<b>113</b>	<b>1 293</b>
Males African	216	54	75	45	390
Females African	435	100	196	62	793
Males Coloured	0	47	–	1	48
Females Coloured	0	57	–	3	60
Males Asian	0	0	–	–	0
Females Asian	0	0	–	–	0
Males white	0	0	–	1	1
Females white	0	0	–	1	1
<b>Age Distribution</b>	<b>651</b>	<b>258</b>	<b>271</b>	<b>113</b>	<b>1 293</b>
0 - 3 years	11	16	–	41	68
4 - 6 years	58	28	–	72	158
7 - 13 years	204	90	–	–	294
14 - 18 years	164	53	–	–	217
18 - 35	137	16	255	–	408
36 +	77	55	16	–	148
<b>School Distribution</b>	<b>651</b>	<b>258</b>	<b>271</b>	<b>113</b>	<b>1 293</b>
Grade 1 - 4	106	57	–	–	163
Grade 5 - 7	121	44	–	–	165
Grade 8 - 12	141	54	–	–	195
Skills Training	3	0	271	–	274
Special Education	8	2	–	–	10
Remedial Education	0	0	–	–	0
Students/tertiary	5	4	–	–	9
Pre-School	44	13	–	113	170
Not in school	223	84	–	–	307
<b>Total New Admissions</b>	<b>179</b>	<b>21</b>	<b>271</b>	<b>44</b>	<b>515</b>
Males	44	8	75	16	143
Females	135	13	196	28	372
Total Exits & Employed/ Own Business	608	50	50	28	736
Males	202	28	19	15	264
Females	406	22	31	13	472
<b>Beneficiaries with Disabilities/ Chronic Illness</b>	<b>64</b>	<b>67</b>	<b>2</b>	<b>3</b>	<b>136</b>
Males	10	3	2	1	16
Females	54	64	0	2	120

ensuring their children could complete the school year. Johanna Malan ECDC also provided daily meals to all beneficiaries, further supporting their well-being and development.

#### 8.6 BRAND AWARENESS AND FUNDRAISING

**B** It is with enormous gratitude that we acknowledge the support of donors and friends during the period under review.

The credibility of AKB was good and the public was prepared to trust the organisation to reach out and help children and youth in distress.

The above was evident in the unwavering support received from loyal donors following the loss of state revenue in excess of R 4.5 million. Generous contributions from donors allowed the work with orphaned and vulnerable children in Soweto and Westbury communities to continue until the end of December 2023. In this, the contributions from loyal longstanding donors, trusts and foundations were undoubtedly critical. In particular, the response of charitable trusts and foundations to the plight of AKB, remains a source of inspiration as it stepped in where other entities reduced contributions.

Sustainability intervention sessions, held with individual and corporate donors during November 2023, provided loyal donors with some insight into the dilemmas and challenges the organisation is confronted with. AKB had an opportunity to prepare donors for the changes to affected programmes, but mainly reassured donors of AKB's commitment to serving orphaned and vulnerable children and youth in the communities. Donors are hesitant to commit



to long-term partnerships due to the economic downturn and uncertainty, but the learning we took from the session was the trust donors had in the brand, the appreciation for the work we do and that they will continue to grow their support and involvement based on the transparency, compliance and integrity of the organisation. Excellent corporate governance and donor relationship management were also highlighted.

Fundraising initiatives through campaigns, projects, and events proved to be very successful. This income stream accounted for 10.5 percent of donor income. Amongst these initiatives can be counted a #MOM, Mother's Day event, #Pamper4Purpose spa event, a very successful annual Golf Day, and a #Ride4Hope cycle event that exceeded the planned income target.

Individual and corporate donors responded positively to the Winter Campaign in July/August 2023, and the Christmas Campaign in November/December 2023. The B-BBEE and financial year-end e-mail campaigns were amongst the most successful initiatives. The latter can be ascribed to the fact that AKB complies with tax regulations and B-BBEE certificates are up to date to ensure donors receive the full benefit for donations.

Although a decline in the number of corporate donors was noted, corporate donors accounted for the majority of new donors. These donors wanted more control over their giving to account for economic uncertainty. The fundraising team had to gain insight into the core business of corporate funders, and aligned proposals with the corporate funders' values and funding focus area, demonstrating direct

relevance and impact. The value of corporate funding increased by more than a million rand and accounted for 23.2% of total donor income. Corporate funders, contributing for the first time during the 2022/23 period, repeated and increased their contributions during the 2023/2024. This is once again indicative of the trust, corporates have in the AKB brand.

The number as well as the value of donations in kind increased. The younger generation is becoming more and more concerned about their own contribution to positively impacting society. In this we have seen an increase in volunteers. The positive experience of volunteers and the increased engagement of the younger generation on the new volunteerism formats assisted in building a positive brand awareness amongst young people and will hopefully result in future contributions.

The AKB brand was further promoted and maintained by the following communication tools.

- The website (average of 1200 visits per month) and social media platforms, including Facebook (5886 followers), Instagram (603 followers), "X" (1028 followers) and LinkedIn (712 followers).
- Electronic and printed newsletters (5737 subscribers)
- AKB supported and leveraged 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 lost some traction during 2023 but picked up again in early 2024.
- Engagement on platforms such as Global Giving, GivenGain, ForGood and UK Funds for Charities

increased brand awareness and resulted in positive donor engagement and contributions.

In the period under review, AKB received positive media attention. The KykNet programme 'Fiesta', covered a music event and included an insert featuring AKB. Airtime on a local online radio station and local newspapers covered some of AKB's events and fundraising initiatives. Good news stories were published in corporate donors' in-house newsletters, providing feedback on the utilisation of contributions received.

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 proactive outreaches to potential funding partners are still likely to bring positive results.

## 8.7 BUSINESS STRUCTURES

It is a strategic objective of 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 potentially provide a 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. The process of application with SARS for tax exemption for the entity Bambanani B-Bos NPC is underway.

# Corporate Governance

Abraham Kriel Bambanani NPC (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 the Foundations 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 AKB Board and management operate from the premise that 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. 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. 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 AKB 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, affordable 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. The Social and Ethics Committee oversees the implementation of the Environmental Protection Strategy executed by management. 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. Good progress has been made in this regard, with the installation of various solar electricity systems at a variety of operational sites.

### 9.3 VALUE CREATION

The Board sets the direction to realise the core purpose

**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

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 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 77% (2022/23: 83%).

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 current chairperson of the Board was appointed in August 2023. Hence, the assessment of the Board and Chairperson was postponed to the latter part of 2024. The members of the Board had training on the Companies Act, the Non-Profit Organisations Act and the Employment Equity Act.

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 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 maintains a succession plan for the CEO to provide continuity of executive leadership. 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. In view of the fact that the CEO will reach retirement age in January 2025, the Board approved and is executing a recruitment and selection process, starting July 2024, to ensure the succession and hand-over of responsibilities to a successor in 2025.

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 considered the fact that the Company Secretary is not an independent service provider. The 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 Senior Manager: Finances and Administration serves as an advisory member on the Board ensures sufficient contact and exposure to the Board.

The previous Chairperson of the Board, 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 Strategic Committee, acting as Nominations Committee of the Board, set in motion a process to nominate candidates for the vacant roles of Chairperson of the Board as well as the role of Non-Executive Director, for consideration by the Board. The AKB Board appointed Mr. FV Dlamini as Chairperson, who assumed the role on 28 August 2023.

**9.4.1 BOARD MEMBERS**



**Mr. F V Dlamini  
(Chairperson)**

BA Law, LLB, LLM, MBL  
Diploma in HR Management  
Advanced Labour Law Diploma  
Independent Non-Executive  
Director  
Date of Appointment: 24 July 2023  
Date Appointed as Chairperson:  
28 August 2023



**Mr. W H Lategan  
(Deputy-chairperson)**

Independent Non-Executive  
Director  
Hons B Compt, CA(SA), MBL  
Date of Appointment:  
26 November 2018  
Date Appointed as Deputy-  
chairperson:  
10 November 2023



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

Independent Non-Executive  
Director  
CA (SA)  
Date of Appointment: 11 March 2019  
Date assuming role of Interim  
Chairperson: 6 April 2023  
Date of Resignation:  
31 October 2023



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

Executive Director  
B.Diac, PDM Business  
Administration  
Date of Appointment:  
28 June 1994



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

Independent Non-Executive  
Director  
B Com, PDM Property  
Development Management  
Date of Appointment:  
1 October 2014



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

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



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

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



**Mr. D J Deysel**

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



**Ms. J D Jeftha**

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



**Ms. B G L Mthembu**

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



**Rev. P M Strydom**

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



**Ms. R Surajlall**

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

## 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 56 (2022/23: 63) 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

Mr Vusi Dlamini (Chairperson), Mr. WH Lategan (Deputy Chairperson), Ms. MG Mokoka (Interim-Chair, resigned 31 October 2023), Mr. JD de Villiers (Board member), Ms. NN Mokhobo (Board member), Mr. PS Momsen (Board member), Ms. YL Fredericks (Advisory member)

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 future

Name of Committee	Average Percentage Present
Strategic Committee	89%
Remuneration and HR Committee	100%
Information Technology Committee	100%
Financial and Risk Committee	95%
Marketing Committee	100%
Beneficiary Services Committee	100%
Audit Committee	92%
Social and Ethics Committee	100%
Soweto Services Management Advisory Committee	75%
Secretariat Committee	75%
Johanna Malan / Maria Kloppers Governing Body Committee	100%

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 seven meetings with an average attendance of 89% 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), Permanent Invitees: Ms. A Govender, Ms. MM Retsuri (Resigned), Ms. MM van Zyl

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 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.

#### **9.5.3 SOCIAL AND ETHICS COMMITTEE**

Ms. MG Mokoka (Chair, resigned), Mr. WH Lategan (Chair, appointed 19 March 2024), Prof L van Vuuren (Member). Permanent Invitee: Mr. PS Momsen

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 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.

#### **9.5.4 MARKETING COMMITTEE**

Ms. BGL Mthembu (Chair), Mr PS Momsen (Board member), Prof. M Roberts-Lombard (Member). Permanent Invitees: Ms. B Kruger, Ms. N Nkosi, Ms. M Madiba, Ms. E Snyman-Teessen

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 INFORMATION TECHNOLOGY COMMITTEE**

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

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 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 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.

#### **9.5.6 REMUNERATION AND HR COMMITTEE**

Ms. JD Jeftha (Chair), Mr. H Adler (Resigned 1 August 2023), Ms. SN Nkwanyana (Member), Ms. R Surajlall (Member). Permanent Invitees: Mr. PS Momsen, Ms. N Riba

The Board delegated oversight of remuneration to the Remuneration and Human Resources Committee. A non-executive Board member chairs the Committee. The other members were 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 as permanent invitees.

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 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 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

### 9.5.7 FINANCIAL & RISK COMMITTEE

Mr. JD de Villiers (Chair / Treasurer), Mr. PS Momsen (Deputy Chair), Mr. JA Thomas (Member). Permanent Invitees: Ms. YL Fredericks, Ms. A Govender, Ms. N Riba, Ms. E Snyman-Teessen, Ms. MM van Zyl, Ms. MM Retsuri (Resigned)

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 95% 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.

### 9.5.8 SOWETO SERVICE MANAGEMENT ADVISORY COMMITTEE

Mr. D Lefoka (Chair), Mr. PS Momsen (Deputy Chair), A Govender (Acting Manager Community Services), Mr. Y Moraka (Programme Manager), Ms. T Yika (Programme Manager), Ms. I Baloyi (Social Worker), Ms. E Kunene (Beneficiary Guardians Forum), Ms. A Masilela (Beneficiary Guardians Forum), Ms. M Mphanje (Zola URCSA Church Representative), Mr. B Mpitsa (Beneficiary Forum), Mr. A Ngwaqa (Local Church Representative), Ms. P Ngxangane (Beneficiary Guardians Forum), Mr. S Nkomo (Professional: Local School), Ms. A Nkosi (Beneficiary Forum), Ms. M Ranuku (Beneficiary Forum), Mr. J Sibeko (Local Library), Ms. M Retsuri (Resigned)

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%.

### 9.5.9 SECRETARIAT COMMITTEE

Ms. NN Mokhobo (Chair), Mr. D Lefoka (Deputy Chair), Ms. Y Fredericks (Member), Permanent Invitees: Ms A Adriaanse, Ms. Z Majothi

The purpose of the Secretariat is to advise the Board on matters relating to the secretarial functions of AKB, 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 75%.

### 9.5.10 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 governing body 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 five occasions during the report period with an average attendance of 100%.

### 9.5.11 AUDIT COMMITTEE

Mr. DJ Deysel (Chair), Mr. JD de Villiers (Deputy Chair), Mr. WH Lategan (Board member). Permanent Invitees: Mr PS Momsen, YL Fredericks, Representatives of Internal and External Audit Functions

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 92%.

### 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 Deysel 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 2024 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 AKB 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 2024/2025 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 7.2 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. No cases of alleged misappropriation of company assets were brought to the attention of the Committee in the reporting period.

#### **Integrated report**

Based on processes and assurances obtained, the Committee recommends the integrated report for the year ended 31 March 2024 to the Board for approval.

DJ Deysel  
Chairperson  
16 September 2024

#### **9.6 TECHNOLOGY AND INFORMATION**

The Board delegates to management the responsibility to implement and execute effective technology and information management. The Board approves policy developed by the Information Technology Committee. 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. No significant acquisitions and remedial actions were required in the reporting period. One successful data recovery simulation was performed during the reporting period. No data losses occurred in 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. Good progress has been made in this regard.

Refer to section 9.5.5 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.

#### **9.8 REMUNERATION**

The external environment in which AKB operates has a profound influence on its financial sustainability and hence its ability to reach remuneration at the level the AKB Board set as objective. The approved remuneration objective is to remunerate at the lower quartile of the Avereile Ryder Rewards Specialist annual SA NPO remuneration survey report.

Revenue streams of AKB continuously suffer as a result of poor economic growth, compromised business confidence, lower than required social corporate investment, financially burdened households, poor administration of state funding sources to NPOs, as well as the dysfunctionality of parastatal entities impacting negatively on AKB's commercial activities in respect of student housing as a third-stream revenue generator. Limited progress has been made towards the objective to

remunerate at the above-stated lower quartile of NPO remuneration, however, there are still significant gaps to be bridged.

The most recent review of the remuneration policies yielded no significant changes. The Remuneration Committee and the Financial and Risk Committee approved lower than inflation remuneration increases, i.e. 2.5 percent, for the 2024/25 financial year. This followed the retrenchment of a significant number of employees during the reporting period, due to the reduction in state funding in 2023.

Other than the Averile Ryder Rewards Specialist SA NPO remuneration survey, the committee or management did not make use of remuneration consultants. The Committee is satisfied that it acted independently and objectively.

Being a Non-Profit company, AKB does not have the variety of remuneration elements employed by corporate entities. Remuneration components are as follows in the table on the right.

Payments on termination of employment are compliant to the Basic Conditions of Employment Act. AKB observes the statutory minimum wage prescripts. 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 AKB as a percentage of expenditure was 57.11% (2022/23: 56.00%) for the past financial year. The total personnel cost was R28 117 943 (2022/23: R28 845 134).

The cost decreased by 2.52% in the reporting period. For an overview of the functioning of the Remuneration and Human Resources Committee, refer to section 9.5.6 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

**CCW** – Child Care Worker

**CCG** – Child Care Giver

**CSI** – Corporate Social Investment

**DSD** – Department of Social Development

**HWSETA** – Health & Welfare Sector Education and Training Authority

**NPC** – Non-Profit Company

**NSFAS** – National Student Financial Aid Scheme

**PFMA** – Public Finance Management Act

**SLA** – Service Level Agreement

**URCSA** – Uniting Reformed Church in Southern Africa

**Third stream revenue** – income from sources other than government subsidies and donors, generated by trading activities.

**B-BBEE** – Broad-Based Black Economic Empowerment

**C&YCW** – Child and Youth Care Worker

**CIPC** – Companies and Intellectual Property Commission

**DRC** – Dutch Reformed Church

**ECDC** – Early Childhood Development Centre

**NDP** – National Development Plan

**NPO** – Non-Profit organisation

**PBO** – Public Benefit Organisation

**SARS** – South African Revenue Service

**TK Residence** – Talitha Kumi Student Residence



Abraham Kriel



Bambanani  
NPC

# SUMMARY FINANCIAL STATEMENTS **2023/24**

[www.abrahamkriel.org](http://www.abrahamkriel.org)



## Independent auditor's report on the summary separate 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 2024, 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 2024.

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 IFRS Accounting 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 IFRS Accounting 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 9 September 2024.

### 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 IFRS Accounting Standards 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

9 September 2024

*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.*

*Audited Summary  
Separate Financial  
Statements for the year  
ended 31 March 2024*

**SUMMARY COMPANY STATEMENT OF FINANCIAL POSITION as at 31 March 2024**

	<b>2024</b> <b>R</b>	<b>2023</b> <b>R</b>
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	<u>13,680,317</u>	<u>14,608,139</u>
<b>Current assets</b>		
Inventories	77,841	67,502
Trade and other receivables	2,092,776	1,371,176
Loan to group company	2,840,440	1,928,307
Cash and cash equivalents	3,738,690	8,522,660
<b>Total current assets</b>	<b><u>8,749,748</u></b>	<b><u>11,889,645</u></b>
<b>Total assets</b>	<b><u>22,430,065</u></b>	<b><u>26,497,784</u></b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Accumulated (Loss)/Profit	(2,742,388)	1,306,786
Other non-distributable reserves	13,965,300	13,989,546
<b>Total equity</b>	<b><u>11,222,912</u></b>	<b><u>15,296,332</u></b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Retirement benefit obligations	<u>2,951,593</u>	<u>2,680,998</u>
Current liabilities		
Trade and other payables	3,058,792	3,316,567
Lease liabilities	-	7,120
Deferred income	5,196,767	5,196,767
<b>Total current liabilities</b>	<b><u>8,255,559</u></b>	<b><u>8,520,454</u></b>
<b>Total liabilities</b>	<b><u>11,207,152</u></b>	<b><u>11,201,452</u></b>
<b>Total equity and liabilities</b>	<b><u>22,430,065</u></b>	<b><u>26,497,784</u></b>

**SUMMARY COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 March 2024**

	Note	2024	2023
		R	R
Revenue	3	44,985,619	46,407,375
Operating expenses	4	(49,236,525)	(51,343,671)
<b>Operating loss</b>		<b>(4,250,906)</b>	<b>(4,936,296)</b>
Investment income		275,637	372,025
Finance costs		(323,886)	(295,196)
Other income		307,457	234,287
<b>Loss before tax</b>		<b>(3,991,698)</b>	<b>(4,625,180)</b>
Income tax expense		—	—
<b>Loss for the year</b>		<b>(3,991,698)</b>	<b>(4,625,180)</b>
<b>Other comprehensive income:</b>			
(To) reserves		(284,770)	(698,520)
From reserves		309,016	1,092,679
<b>Total designated funds transferred</b>		<b>24,246</b>	<b>394,159</b>
<b>Items that may be reclassified to profit or loss</b>			
Remeasurement of retirement benefit obligation		(81,732)	(156,779)
<b>Total comprehensive income</b>		<b>(4,049,184)</b>	<b>(4,387,800)</b>

**SUMMARY COMPANY STATEMENT OF CASH FLOWS for the year ended 31 March 2024**

	Note	2024	2023
		R	R
<b>Net cash flows from / (used in) operations</b>	6	<b>(3,586,444)</b>	<b>1,198,069</b>
Interest paid		(323,886)	(295,196)
Interest received		275,637	372,025
<b>Net cash flows from / (used in) operating activities</b>		<b>(3,634,693)</b>	<b>1,274,898</b>
<b>Cash flows used in investing activities</b>			
Proceeds from sales of donated property, plant and equipment		88,784	25,000
Purchase of property, plant and equipment		(318,808)	(1,150,318)
Loan advanced to group company		(912,134)	(1,386,938)
<b>Cash flows used in investing activities</b>		<b>(1,142,158)</b>	<b>(2,512,256)</b>
<b>Cash flows used in financing activities</b>			
Repayment of lease liabilities		(7,120)	(79,073)
<b>Cash flows used in financing activities</b>		<b>(7,120)</b>	<b>(79,073)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,783,970)</b>	<b>(1,316,431)</b>
Cash and cash equivalents at beginning of the year		8,522,660	9,839,091
<b>Cash and cash equivalents at end of the year</b>		<b>3,738,690</b>	<b>8,522,660</b>

**SUMMARY COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2024**

	<b>Reserves</b> <b>R</b>	<b>Retained Income</b> <b>R</b>	<b>Total Equity</b> <b>R</b>
<b>Balance at 1 April 2022</b>	14,383,705	5,694,586	20,078,291
<b>Changes in equity</b>			
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)
<b>Balance at 31 March 2023</b>	<b>13,989,546</b>	<b>1,306,786</b>	<b>15,296,332</b>
<b>Balance at 1 April 2023</b>	13,989,546	1,306,786	15,296,332
<b>Changes in equity</b>			
Loss for the year	–	(3,991,698)	(3,991,698)
Other transfers between reserves	(24,246)	24,246	–
Remeasurement of retirement benefit obligation	–	(81,732)	(81,732)
<b>Balance at 31 March 2024</b>	<b>13,965,299</b>	<b>(2,742,398)</b>	<b>11,222,901</b>

**NOTES TO THE SUMMARY SEPARATE FINANCIAL STATEMENTS for the year ended 31 March 2024**

**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® Accounting Standards 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. The company is incorporated as a Non-Profit Company and domiciled in South Africa. The address of its registered office is Corner of Marais and Kamp Street, Paarlshoop, Johannesburg, 2092. The company annual financial statements will be available for inspection at the registered office.

**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 IFRS Accounting 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 2024****3. Revenue****Revenue comprises:**

	<b>2024</b>	<b>2023</b>
	R	R
Church funding	669,553	848,793
Corporate funding income	584,130	3,625,550
Donor funding *	30,363,260	24,437,414
Fees for services	1,004,809	809,701
Income from ventures	1,039,906	598,442
Legacies and bequests	26,233	480,160
State funding	11,297,728	15,607,315
<b>Total revenue</b>	<b>44,985,619</b>	<b>46,407,375</b>

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

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

Depreciation	1,246,633	1,131,812
Household and service expenditure	11,061,534	11,690,245
Office and administrative expenditure	3,957,645	3,861,361
Personnel expenditure	28,117,943	28,845,134
Property expenses	4,852,770	5,815,119
<b>Total other expenses</b>	<b>49,236,525</b>	<b>51,343,671</b>

**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 2024**
**6. Cash flows from operating activities**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>Loss for the year</b>	(3,991,698)	(4,625,180)
Adjustments for:		
Finance income	(275,637)	(372,025)
Finance costs	323,886	295,196
Depreciation and amortisation expense	1,246,633	1,131,812
Gains and losses on disposal of donated assets	(88,784)	(25,000)
Other non-cash items	188,863	(77,296)
<b>Change in operating assets and liabilities:</b>		
Adjustments for increase in inventories	(10,339)	4,769
Adjustments for increase in trade accounts receivable	(721,440)	(904,103)
Adjustments for (increase) / decrease in other operating receivables		
Adjustments for decrease in trade accounts payable	(257,927)	769,895
Adjustments for increase / (decrease) in other operating payables	–	–
Adjustments for increase / (decrease) in deferred income	–	5,000,000
<b>Net cash flows from operations</b>	<b>(3,586,444)</b>	<b>1,198,069</b>

**7. Deferred income**
**Deferred income comprise:**

Donation received from Japanese Embassy	196,767	196,767
Steinhoff donations received	5,000,000	5,000,000
	<b>5,196,767</b>	<b>5,196,767</b>

The company benefitted from donations received from Steinhoff in the 2023 financial year.

**8. Going concern**

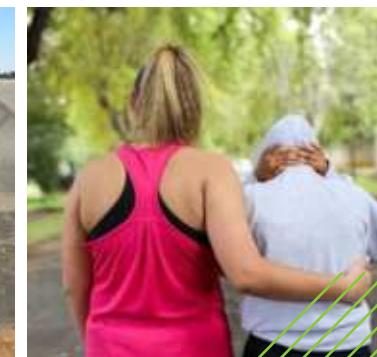
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments 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 are uncertain about the two SLAs (government grants) that were not granted in YF2024 due to the centralisation of the adjudication process of the SLAs and the delay in communication from the Department of Social Development. Developments in this regard are being closely monitored and managed by the directors.

**9. Events after reporting period**

The Department of Social Development (DSD) reinstated the SLA for the Soweto family care programme and the Westbury family care programme for quarter two. The DSD is reviewing funding for the remaining two quarters of the financial year. The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.



**Abraham Kriel Bambanani**

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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](mailto: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](mailto:ers@abrahamkriel.org)