

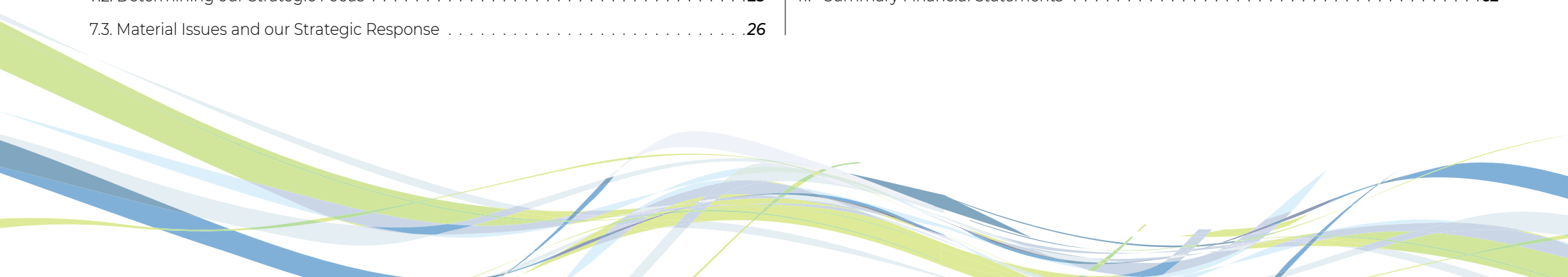
Abraham Kriel



Bambanani
NPC

Table of Contents

1. Strategic Statement, Values and Governance Arrangements	7	8. Performance Review	
2. About this Report	2	8.1. Report by the outgoing CEO	34
3. Chairperson's Message	4	8.2. Report by the incoming CEO	35
4. Performance Features	6	8.3. Financial Sustainability	36
5. Organisational Overview and Business Model		8.4. Attraction and Retention of Critical skills	37
5.1. Our History	7	8.5. Sustainability of Service Offering	38
5.2. Our Corporate Identity	7	8.6. Standard of Child Care	39
5.3. What we do and how we do it	8	8.7. Brand Awareness	45
5.4. External environment	14	8.8. Business Structures	46
5.5. Inputs	15	9. Corporate Governance	
5.6. Activities	19	9.1. Ethical Culture	47
5.7. Outputs	21	9.2. Responsible Corporate Citizenship	48
5.8. Outcomes	21	9.3. Value Creation	49
5.9. Capital wish list	21	9.4. Board Composition and Report	49
6. Abraham Kriel Bambanani in context		9.5. Board Committees	53
6.1. Stakeholder Engagement	22	9.6. Technology and information	59
6.2. Our Top Donors	24	9.7. Regulatory Compliance	59
7. Our Focus Areas		9.8. Remuneration	60
7.1. Materiality	25	10. Glossary	61
7.2. Determining our Strategic Focus	25	11. Summary Financial Statements	62
7.3. Material Issues and our Strategic Response	26		



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 structures, kindly refer to page 47 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.

 Integrated Report	 Annual Financial Statements	Website (www.abrahamkriel.com)
<p>Contents, Audience & Distribution</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>Primary audience:</p> <ul style="list-style-type: none"> ● South African Revenue Service ● National and Gauteng Department of Social Development ● Non-Profit Organisation Directorate ● Highveld Synod of the Dutch Reformed Church ● Tutela ● Current and prospective donors and funding partners <p>Our complete annual financial statements are available on our website: www.abrahamkriel.org</p>	<p>The website focuses on services, opportunities, events and information relevant to people who wish to become involved or invest in the wellbeing of our beneficiaries.</p> <p>The audience consists of all stakeholders of AKB, with emphasis on donors and supporters.</p>
<p>Codes and frameworks applied in preparation of reports</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</p> <p>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 Audit Committee assisted the Board to lead in the arrangements for assurance services and functions. The Board delegated the responsibility of overseeing the effectivity of those arrangements to the Audit Committee. The objective is to enable an effective internal control environment, to support the integrity of information used for internal decision-making by management, the Board and its committees, and to support the integrity of external reports. The Board ensured that the combined assurance model effectively covers the organisation's significant risks and material matters.

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

The Board and its committees assessed the output of 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

2.4 FORWARD LOOKING STATEMENTS

Certain statements in this report are interpretations about the future that AKB 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 the 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 25 August 2025.

Chairperson's message

THE YEAR 2024/25 was shaped by global political realignments, escalating conflicts, and widening economic disparities. Voters in more than 70 countries went to the polls, reshaping political landscapes and fuelling uncertainty around trade, climate policy, and international relations. In South Africa, the national elections marked a historic turning point – ending three decades of single-party dominance and introducing a new era of coalition governance. Meanwhile, global conflicts deepened: the Russia–Ukraine war entered its third year with shifting frontlines and rising casualties, and the Israel–Gaza conflict intensified, causing widespread devastation.

With the above in mind and considering the following statistics, one can add that this has been an incredibly



**Mr Vusi Dlamini –
Chairperson**

challenging year for the people of South Africa, and above all, its children. In 2024/25, over 1,100 children were murdered – an average of three per day. Many of these tragedies occurred in the home, underscoring the painful intersection of domestic violence, poverty, and trauma. Reported cases of sexual abuse, trafficking, and abandonment also rose sharply.

South Africa's children continue to bear the weight of staggering socio-economic inequalities. Every aspect of their lives, from education to safety, is shaped by the burdens of poverty, unemployment, and systemic failure. This silent crisis is not only about financial hardship – it's about dignity, justice, and the fundamental right to be cared for.

Children exposed to these realities urgently require external support from organisations like AKB. I am humbled to be part of an organisation that allocates resources to children and youth in need, investing in a healthy, functional society.

I would like to express my sincere appreciation to the management and staff across all AKB programmes for their unwavering commitment, resilience, and compassion in the face of such challenging circumstances. It takes truly exceptional individuals with remarkable patience and empathy to work with children who have been affected by harm in its many

forms. Despite overwhelming adversity, you continued to provide holistic care, protection, and development opportunities to young lives most impacted by societal ills.

Our dedication to building a functional society is evident in the journey of those who once came to us as abused, abandoned, or neglected children and left our care as grounded young adults, equipped to contribute meaningfully to their communities and our nation's future. Likewise, many young people previously counted among the unemployed have acquired skills through our Skills Development Centre, enabling them to enter the job market with confidence and purpose.

A key driver of our strategic success was AKB's exceptional management team. Their resilience and foresight enabled the organisation to navigate significant challenges, especially in relation to funding constraints from the Gauteng Department of Social Development. By using this crisis as a catalyst to refocus our strategy, the team emphasised sustainability, governance, and stakeholder engagement, ensuring that even with fewer resources, we continued to serve vulnerable children and youth. Their adaptive approach not only preserved vital services but reaffirmed AKB's commitment to long-term impact and excellence.

On behalf of the Board of Directors, I would like to extend our sincere gratitude to every donor for your

generosity and unwavering support throughout the past year. Your contributions have been instrumental in advancing our mission and delivering a meaningful impact where it is most needed. Your commitment inspires us to continue striving for excellence in our care for children and youth.

I would also like to thank my colleagues on both the Board and Advisory Committees for their invaluable input throughout the year. Your strategic insight and guidance have helped the organisation navigate both opportunities and challenges with vision and clarity. Finally, it would be remiss of me not to acknowledge our CEO, Mr Paul Momsen, who will retire at the end of August 2025. Paul's name has become synonymous with AKB's mission, and his leadership exemplifies purpose-driven stewardship grounded in faith, gratitude, and service. Thank you, Paul, for your integrity, compassion, and strategic vision over the past 38 years. You have left an indelible mark on this organisation and the thousands of lives it has touched.

As we look ahead, our strategic goal remains clear: to provide high-quality, values-based care and support to children and youth most in need, while ensuring long-term sustainability. I look forward to a new chapter of growth, impact, and collaboration under new leadership.

FV Dlamini
Chairperson of the Board

“As we look ahead, our strategic goal remains clear: to provide high-quality, values-based care and support to children and youth most in need, while ensuring long-term sustainability.”



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, services and sites in the Soweto and Westbury Family Care programmes, due to DSD funding cuts. The number of beneficiaries trained at the Skills Development Centre is almost at the same level as previous year. The slight decrease is indicative of a slightly higher drop-out rate. The number of beneficiaries at Johanna Malan ECDC increases marginally.

Beneficiaries in Residential Care programmes: Beneficiary numbers are significantly lower than the target set for the 24/25 financial year. Due to operational difficulties such as child and youth worker vacancies and the inability to secure appropriate school placements for beneficiaries, some residential care units did not operate at full capacity. A decrease in the number of new admissions as well as a decrease in reunification, adoption and foster care placements, contributed to the planned targets not being met.

Total Income: Total income increased substantially due to the reinstatement of funding from the Department of Social Development for the programs that were not funded in the prior financial year. The accreditation of the student accommodation enabled a larger intake of students, which contributed to the increase in income.

Surplus/Deficit: The aforementioned factors in conjunction with steady donor income and curtailing expenditure lead to a surplus for the 2025 financial year.

Number of employees: The increase in the number of employees can be attributed to the reinstatement of funding from the Department of Social Development and the reinstatement of staff in the community service programmes.

Total donors donating during the year: These figures exclude donors that gave donations in kind, as well as many anonymous donors. Collaboration with organisations and corporates as well as an increase in the number of events hosted during the year, contributed to the increase in the number of donors.

Electricity consumption savings: The inefficiencies of the older solar geysers drove up maintenance costs and electricity consumption, ultimately impacting AKB's savings. Accommodating more students and reinstating staff for the Soweto and Westbury family care programs also contributed to increased usage. Future savings will be attributed to savings from solar installations at various sites running efficiently for a full year, as well as concerted efforts to conserve energy.

Water consumption savings: The reinstatement of staff and increased beneficiaries at JMECDC likely led to increased operational costs, resulting in decreased savings. The issues with underground water leaks at the Maria Kloppers Campus and satellite homes have been resolved. Implementing water-saving campaigns as part of the environmental plan is planned for future savings.

Number of employees trained and training spend: A slight decrease in the number of employees trained during the financial year has been recorded. This was mainly due to financial constraints. Three staff members received study assistance for tertiary training, through donor funding.

KPI	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25	Target 2025/26
Beneficiaries in Community Care programmes	4 786	1 642	1 549	1 293*	1 100	1 119*	900
Beneficiaries in Residential Care programmes	216	242	231	243	242	204*	210
Total Income	R45.98m	R46,6m	R47.2m	R45.5m	R44.3m	R49.60m*	R51.34
Total Surplus/Deficit	R1.23m	-R0,6m	-R4.6m	-R4m	-R3.3m	R0.71m*	R0.71m
Number of employees	230	226	221	151	156	192*	180
Total donors donating during the year	1 617	1 609	1 590	1 575	1 600	1 640	1 650
New donors	625	407	220	200	200	250	230
Per capita subsidy residential care (p/m)	R4 000	R4 000	R4 120	R4 120	R4 140	R4 120	R4 120
Per capita donor contribute all programmes (p/m)	R1 335	R1 309	R1 304	R1 637	R1 500	R1 640	R1 500
Electricity consumption (% increase/decrease)	-8%	-23%	-13%	-19%	-25%	-5%*	-8%
Water consumption (% increase/decrease)	-3%	-3%	0%	0%	0%	4%*	0%
Number of employees trained	11	62	30	93	36	24*	61
Training spend	R78 330	R520 491	R397 394	R227 931	R260 000	R114 000	R120 000
B-BBEE contributor level	1	1	1	1	1	1	1

Organisational Overview and Business Model

5.1 OUR HISTORY

The history of AKB begins in 1902 when Reverend Abraham Kriel founded the Langlaagte Orphanage in Johannesburg to care for children orphaned by the South African War. Over the next century, AKB navigated the challenges of two world wars and several epidemics, solidifying its role as a vital refuge for orphaned children. During this period, Maria Kloppers, driven by the same compassion, opened a haven for abandoned babies in Melville and later established the Maria Kloppers Children's Haven in Yeoville, which she led until her death in the 1950s.

By the early 1950s, the large orphanage, which housed nearly 900 children, had become unsustainable. Decentralisation followed, and independent homes were opened in Potchefstroom, Modimole (formerly Nylstroom), and Pretoria. These branches, though eventually autonomous, preserved their close connection to the original mission.

In the 1990s, AKB began diversifying its services to respond more effectively to rising poverty, abuse, and neglect. Residential care services expanded in 1994 and 1995 by incorporating the Maria Kloppers Children's Haven in Observatory and the Emdeni Children's Home in Soweto.

A new strategy focused on minimising institutionalisation by promoting stronger bonds

between caregivers and children. This led to the transformation of large dormitory-style homes into smaller units, each with house parents caring for 10 to 12 children. Later, AKB introduced satellite homes within residential neighbourhoods to better mimic family life. The first satellite home was established in 1995, and today AKB manages seven satellite homes across the East Rand, Johannesburg and Randburg.

In response to the evolving needs of children in South Africa, AKB expanded its services to include Community Care services. In 2003, it launched a home-based care programme for children affected by HIV/AIDS, enabling them to remain within their family environments while receiving essential support. In 2006, a similar initiative was introduced in the Westbury community to address the impact of gang violence and substance abuse. With support from a funding partner, AKB opened Drop-in Centres in Zola and Emdeni, broadening access to care. That same year, the Johanna Malan Early Childhood Development Centre was also added to AKB's portfolio of services.

In 2009, the Emdeni Children's Home was converted into a Skills Development Centre, empowering young people to break the cycle of poverty through skills training.

As the needs of children in care continued to shift, AKB established a trauma-focused residential facility at

Langlaagte to support those with complex emotional challenges.

Facing reduced state funding, AKB initiated strategies to generate additional income streams. The Talitha Kumi Residence was repurposed in 2018 to accommodate 60 female tertiary students, followed by the conversion of two more houses in 2020 for student accommodation.

To further strengthen its residential care service, the Langlaagte Campus was converted into a haven for traumatised girls in 2021/22.

Despite significant changes and challenges over its 123-year history, 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

The name "Abraham Kriel" very clearly references the roots of this organisation and acknowledges what our predecessors had built. With the inclusion of the word "Bambanani," which means unite, we express and strive to work in unity within our organisation and the many communities we serve. "Bambanani" further

represents the extensive nature and inclusivity of the care services provided.

The anchor and cross remained prominent in the logo's imagery, 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 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.

Abraham Kriel



Bamabanani
NPC

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 with authority 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 regulations under which the organisation operates.

Our operations are based in the heart of Gauteng, a densely populated region estimated to house 15.9 million people, representing approximately 25.3% of South Africa's estimated 63 million population, according to Statistics South Africa (StatsSA). The Metro area population of Johannesburg increased by 1.16% to 6 444 580 according to the Macro Trends website. A significant portion of the population is under 25, which increases demand for education, early childhood development, and youth services.

Our footprint extends from the East Rand, across Johannesburg to the far western edge of Soweto. Gauteng experiences significant in-migration, especially from other provinces, which contributes to its population growth. As expected, this puts the province's services and resources under strain.

In the first quarter of 2025, South Africa's unemployment rate rose to 32.9%, with youth unemployment at a staggering 64.2% for job seekers aged 15–24 (Trading Economics).

South Africa's child poverty rate remains alarmingly high. Over 60% of children live in households earning below the poverty line, with many enduring hunger daily. Malnutrition affects both cognitive development and academic performance, perpetuating a cycle that's difficult to break.

Although antiretroviral treatment has reduced HIV-related orphaning, thousands of children remain affected by chronic illness, both directly and through infected caregivers. Mental health services for children are severely limited, leaving trauma unaddressed and compounding behavioural problems, learning difficulties, and depression. The impact of childhood trauma can echo through a person's entire life, shaping how they think, feel, relate and even how their body functions.

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 providing basic needs where required, our work with children within the communities focuses

on development and finding sustainable solutions for issues such as malnutrition, dependency, child-headed households, poor education, and a lack of skills to access the economy. This work is focused in Emdeni 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, providing a wide range of suitable care options.

The services of an organisation such as AKB remain vitally important to the many children and young people who are increasingly marginalised and isolated from any real chance of accessing opportunities and a successful life.

5.3.2 Profiling our Beneficiaries

The beneficiaries served by AKB are all vulnerable and in need of care and protection. The organisation provides prevention, early intervention, and statutory services through suitable care models.

The Johanna Malan Early Childhood Development Centre (JMECDC) provides a prevention service for young children aged two to seven. This programme offers a solid educational foundation essential for success in future education for children from the disadvantaged Yeoville community.

Community Care Services programmes offer an early intervention service focused on specific areas



in Soweto and Westbury, where the most vulnerable individuals reside. 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, including nutritional support, psychosocial services, and, where possible, material and educational support, are provided through 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



reunification with biological families, adoption, or foster care, can be secured.

The Emdeni Skills Development Centre, situated in Emdeni, Soweto, provides various skills training courses for unemployed young men and women aged 18 to 35. The programme aims to equip young people from disadvantaged communities with skills to enable them to become self-sustainable or enter the employment market. Some beneficiaries of the skills training programme, particularly those from the vegetable cultivation projects, exceed the age of 35.

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.

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 initially 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 supported 189 beneficiaries, while 168 beneficiaries received services through the Westbury Family Care programme. Additionally, 367 beneficiaries benefited indirectly from the services offered by AKB. Despite budgetary

constraints and the consequent reduction in the number of beneficiaries in the Drop-in and Home-based Care Programmes, AKB still provided services and support to 724 individuals in the Westbury and Soweto communities. These beneficiaries are African and Coloured people.

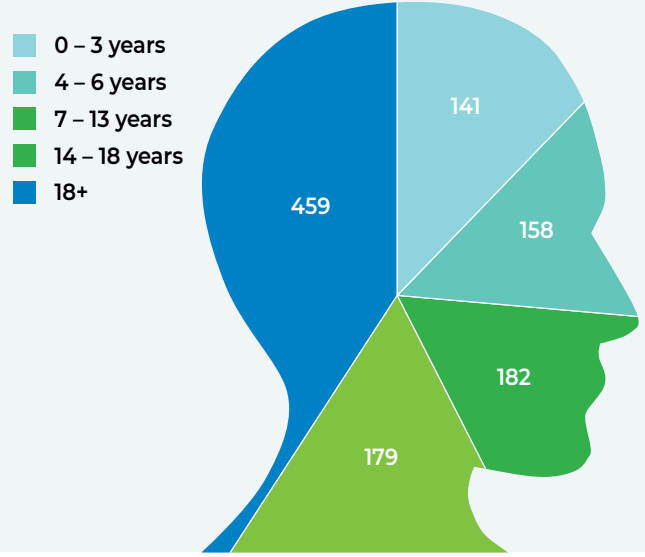
The Skills Development Centre served 267 youth during this period, comprising 95 males and 171 females.

At Johanna Malan ECDC, 128 children aged between two and seven years were prepared for formal schooling. Of these beneficiaries, 56 were boys and 72 were girls.

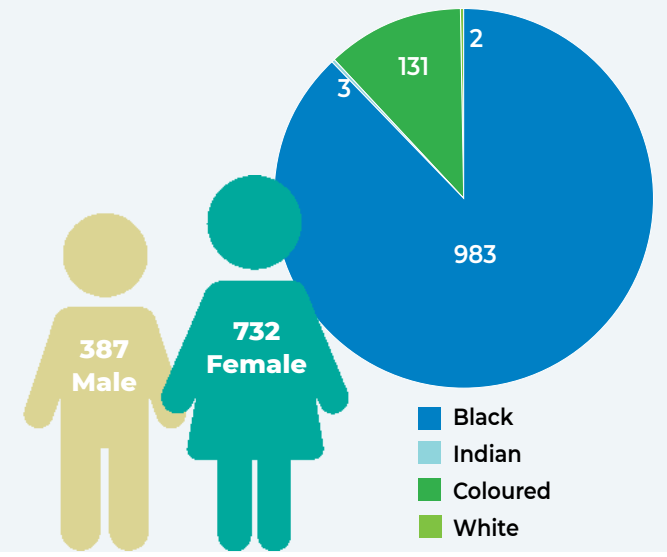
AKB provided services to a total of 1119 beneficiaries through its community care services programmes. 59 per cent of beneficiaries are under 18, with 37 per cent between 18 and 35 years, and 4 per cent (45) of beneficiaries are older than 35.

The **Residential Care Services beneficiary profile** encompasses individuals of all ages, from birth to 18 years and older. It reflects diverse cultures and a broad range of abilities. Most of these children are severely traumatised and struggle to function in various ways. A total of 204 children and youth received holistic care through one of AKB's residential care programmes. Of these beneficiaries, 74% were female and 26% were male. By ethnicity, 41% were African, 16% were Coloured, and 43% were White beneficiaries who received services through the Residential Care programme. The Langlaagte Campus now specialises in caring for traumatised girls. One Asian beneficiary received specialised services at the Langlaagte Campus.

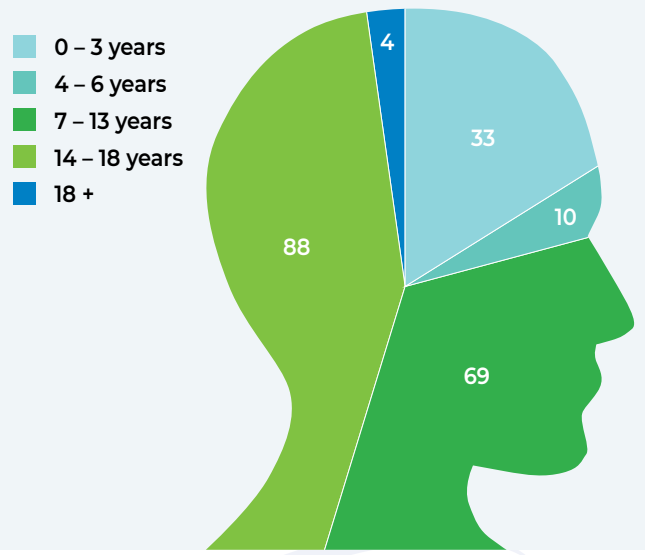
Community Care profile:



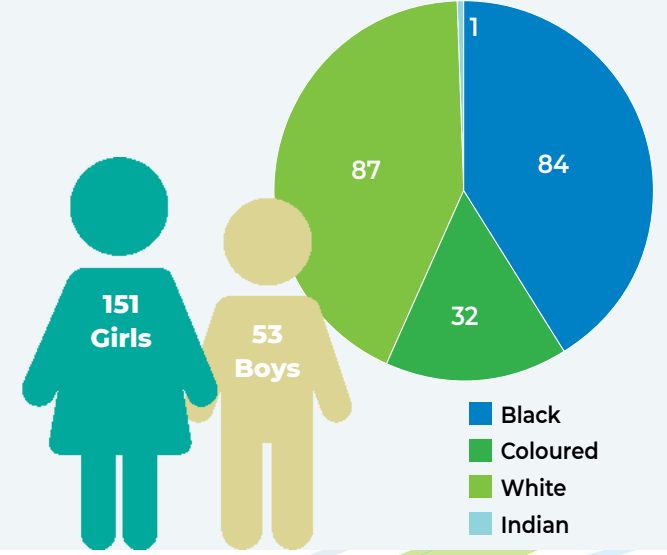
Community Care Services racial profile



Residential Care profile:



Residential Care Services racial profile



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

R

FINANCIAL CAPITAL

- Donors and Funding partners – **64.57%**
 - State Funding – **28.15%**
 - Church Funding – **1.45%**
 - Fees and Ventures – **4.47%**
 - Other Income – **1.13%**



SOCIAL & RELATIONSHIP CAPITAL

- Communities where we operate
 - Gauteng DSD
 - Partners i.e. Siemens
- Donors: Please refer to list of **Top Donors** on page 24
- Christian denominations



NATURAL CAPITAL

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



HUMAN CAPITAL

- 192 full-time employees
- 11 non-executive directors contributing **198 hours** pro bono service



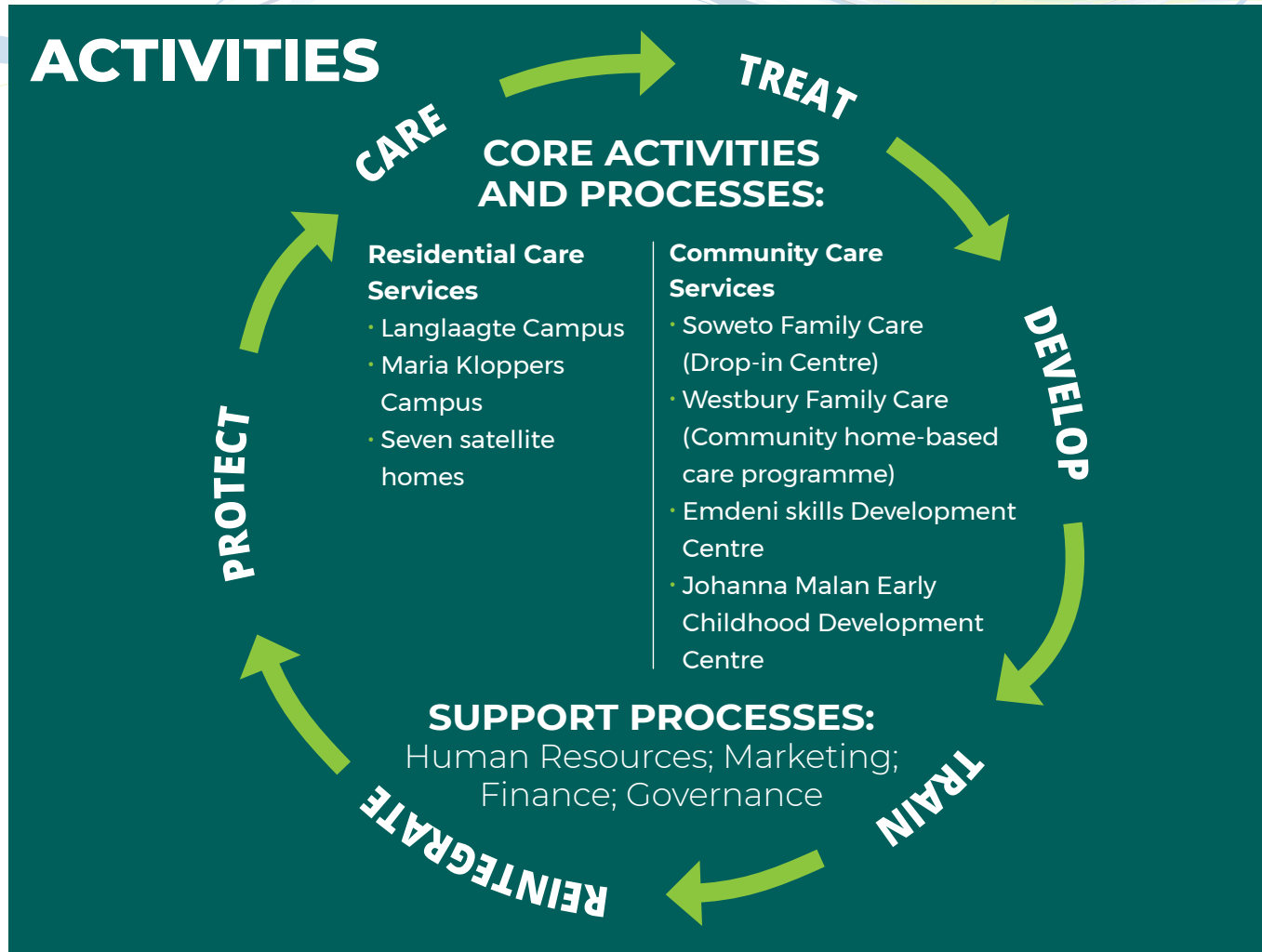
MANUFACTURED CAPITAL

- 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



OUTCOMES

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

OUTPUTS

PREVENTION SERVICES

Early Childhood Development Service (128 children)

EARLY INTERVENTION SERVICES

- Soweto Family Care (265 children and 131 people older than 18)
- Westbury Family Care (267 children and 61 people older than 18)
- Skills Development (253 young people between 18 and 35 years, and 14 people older than 36)
 - Material support
 - Access to grants

STATUTORY SERVICES

- Holistic residential care (204 children)
- Development programmes (20 tertiary students in 2024/25)
 - Therapeutic programmes
 - Recreational programmes

INTERNAL FACTORS IMPACTING ABRAHAM KRIEL BAMBANANI:

Organisational values • Faith base • Dedicated employees • Governance structures
• Policies • Profile of beneficiaries

5.4 EXTERNAL ENVIRONMENT

To state the obvious, AKB does not function in a vacuum, but is directly and indirectly affected by political and economic events and trends sculpting the world at large.

Over the past five years, the world has faced significant challenges. The effects of the COVID-19 pandemic were still lingering when the Russia-Ukraine war erupted, significantly impacting the appetite and ability of European countries to provide support for social service organisations in countries like South Africa. Subsequently, the Middle Eastern conflict erupted, intensified and spread to neighbouring countries in the Middle East, igniting fears of oil shortages and nuclear war. Very soon after President Donald Trump was inaugurated in January 2025 as president of the United States of America, it was clear that he and his administration are not afraid of disrupting the worldwide economy by initiating what many refer to as a full-blown trade war on a host of countries all over the world, inclusive of South Africa.

Needless to say, the aforementioned events have had a negative impact on South African economic growth, which has been and remains sluggish over the last decade. The poor-performing South African economy has resulted in ever-increasing unemployment and poverty, which in turn exacerbate social dysfunction and the need for effective social services.

Deteriorating South African
infrastructure, notably in



respect of water and sanitation, roads, the rail system, and freight handling ports, as well as dysfunctional provincial and local government services, and widespread corruption, unfortunately, continue to erode the prospects of a return to healthy economic growth. The one positive element worth noting is the reduction in electricity load shedding, resulting from household and private sector investment in electricity generation, as well as an apparent improvement in Eskom's capacity.

The latest South African national elections took place in May 2024 and saw the ruling party lose its parliamentary majority for the first time since 1994, leading to the formation of the Government of National Unity (GNU). A year later, the GNU still appears to be very fragile, seemingly stumbling from one crisis to the

next, sabotaging effective governance of the country and, consequently, business confidence and economic stability.

The poorly performing national economy and political climate are replicated in the province of Gauteng. The Department of Social Development continues to implement the Institutional Realignment Project (IRP), a policy with a key objective of reducing funding to non-profit organisations in the province. Coupled with very poor administration, the non-performance of the Department of Social Development and other parastatal entities is having a devastating effect on the sustainability of non-profit organisations, wholly or partially dependent on state funding in the delivery of much-needed services to vulnerable people, especially children in need of care.

5.5 INPUTS

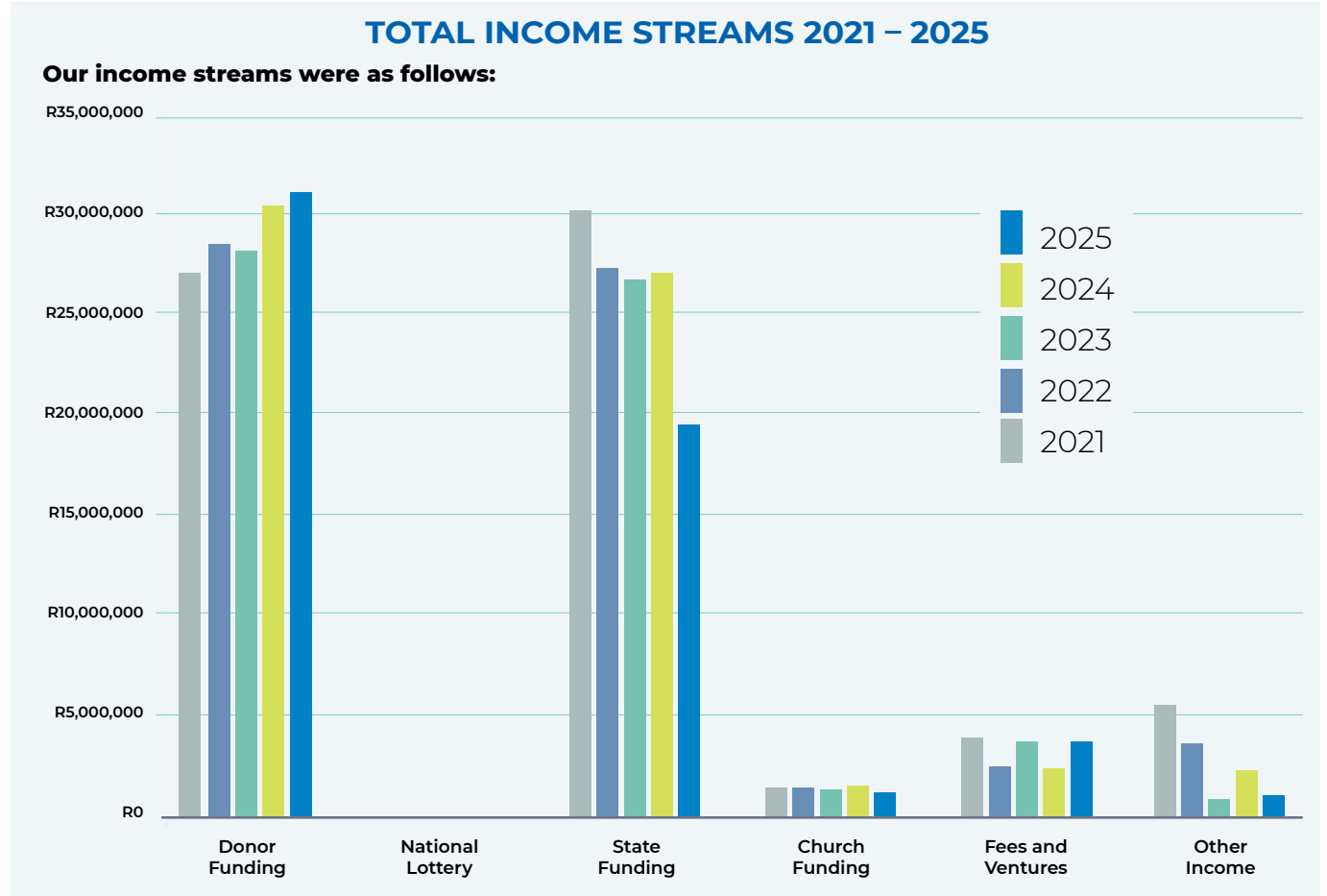
R Financial Capital

AKB relies on a diverse portfolio of income sources to sustain its operations, which include, but are not limited to, state funding, donor funding (including income from corporate and individual donors), trusts and foundations, as well as income from ventures. This diversification helps ensure sustainability and reduces reliance on a single source.

Donor contributions make up the majority of funding received for operations in the 2025 financial year. Donor funding increased by 4.3% in 2025, accounting for 64.57% of total income. Income from individual and corporate donors plays a vital role in enabling AKB to continue its services to beneficiaries. Income from charitable trusts and foundations compensated for the reduction in income from abroad, accounting for 24% of donor income.

A 3.36% increase in the contribution percentage by the state is observed. This is primarily due to funding received for programmes not funded in the previous financial year. State funding now accounts for 28.15% of total income. This growth reinforces the state's position as AKB's single largest source of income. Given this dependence, any changes in state funding could significantly impact AKB's financial stability. Per capita funding for beneficiaries in residential care was received, with no increase in per capita amounts.

The Skills Development Centre and Johanna Malan ECDC received grants for the entire financial year. Service level agreements were signed for nine months



concerning the Soweto Family Care and Westbury Family Care programmes. Although an application was submitted to the National Lottery, no funding was obtained from this source.

Congregations and churches continue to put significant effort into supporting AKB. Contributions directly associated with this income stream rose by

8.52%. In-kind donations, although not reflected in the financial figures, remain essential to AKB's operations and services.

AKB's strategy focuses on establishing partnerships with corporates, trusts, and foundations, and aligning funding with

specific programmes. Through this targeted approach, AKB aims to attract more dedicated funding partners, potentially leading to multiyear funding agreements and long-term commitments.

Student accommodation generated a profit of R759k for the year, representing 65% of total income from ventures. Accreditation received from the University of Johannesburg in 2024 led to an increase in student intakes for the financial year.

Income from the Child and Youth Care Worker training fell by 61%. The number of training groups and learners declined following the introduction of an NQF level 5 training programme. AKB will cease the current NQF level 4 training programme for Child and Youth Care Workers in June 2025.

Manufactured Capital



The operations of AKB are spread over ten different sites across Greater Johannesburg and Ekurhuleni. AKB owns, rents, or uses the properties through rights of use granted to the organisation.

The residential care services operate across two campuses and seven satellite homes. Among these, AKB owns the Langlaagte Campus and four of the satellite homes located in Linden, Risidale, Benoni, and Fontainebleau. AKB also has right of use at the Maria Kloppers Campus, as well as Bermuda 5 and Kempton East satellite homes.

The Mayfair West property (Youth Space satellite home), previously owned by Siemens and managed by AKB through a formal partnership agreement, was donated to AKB. This property was sold, and the proceeds will be used to purchase a more suitable property for the boys. The Youth Space household is currently operating from a vacant house on the Langlaagte Campus until a proper property is identified and purchased.

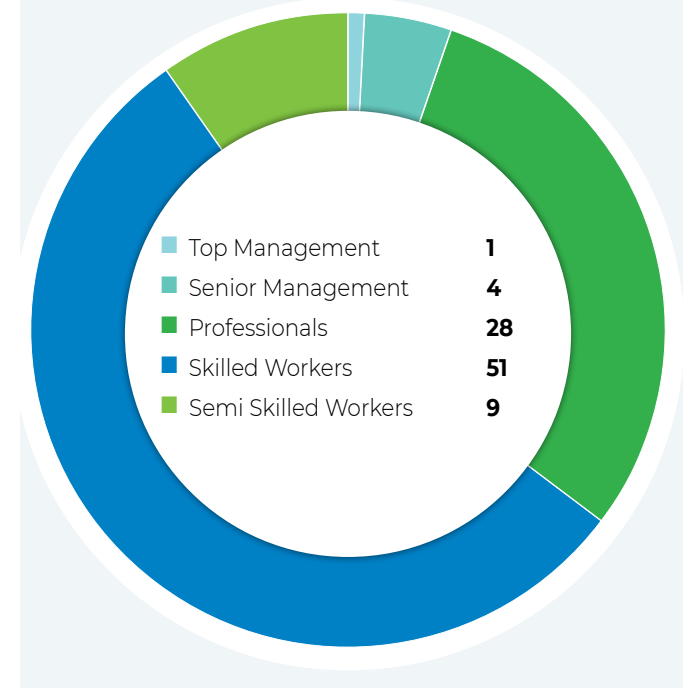
The Johanna Malan Early Childhood Development Centre also operates from a facility where AKB has the right of use in perpetuity.

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 the property is subdivided.

Langlaagte Campus houses shared services, the administrative offices for community services, and satellite home management. It also features a well-equipped kitchen that supplies most of the meals for community service programmes and a basic medical facility. The Westbury Family Care administrative office operates from Langlaagte Campus.

The Talitha Kumi student residence and two houses on the Langlaagte Campus house female tertiary students of UJ. This forms part of the strategy to generate third-stream income by optimising the use of the facilities at Langlaagte.

STAFF COMPOSITION MARCH 2025



Planned developments on the Langlaagte Campus regarding the repurposing of buildings on the northern half of the campus to accommodate students were placed on hold. Challenges in renewing accreditation for the accommodation, as well as the ineffective administration of funding for student housing by the University of Johannesburg and the National Student Financial Aid Scheme, continued. The aforementioned prompted a review of the long-term strategy concerning the optimisation of the facilities at the Langlaagte Campus. Additionally, the expansion of the three houses for children on the southern side of the campus was also postponed.

Human Capital



AKB concluded the financial year with 192 staff members, the majority of whom are child and youth care workers.

They form the core of our services in both residential and community care programmes and are supported by 28 professionals, including six social workers and five social funding developers. The organisation employs six managers, three supervisors, one computer facilitator, one training coordinator, three teachers, one nurse, and two social media marketing practitioners.

The Department of Social Development (DSD) offers partial sponsorship for six social worker positions.

A small group of four highly dedicated individuals is responsible for financial management. The organisation employs 17 administrative staff members and one human resource management assistant. They work under significant pressure and perform well in these circumstances.

Many staff members consider their work a calling and are dedicated to helping children in need. This is true across all levels of the organisation, and for this, the organisation remains deeply grateful.

Many volunteers support AKB's work, from those serving on the board and its committees to house committees for satellite homes and host families, as well as individuals providing extracurricular activities and academic support services to children. Several people with specialised expertise offer pro bono work for the organisation.

Five senior managers assist the CEO and act as the executive committee.

Other staff members include nine drivers, a total of 30 cleaners and general assistants, as well as eight groundsman and maintenance workers.

The DSD reinstated funding previously terminated for Child and Youth care workers in Community Care Services programmes.

Intellectual Capital

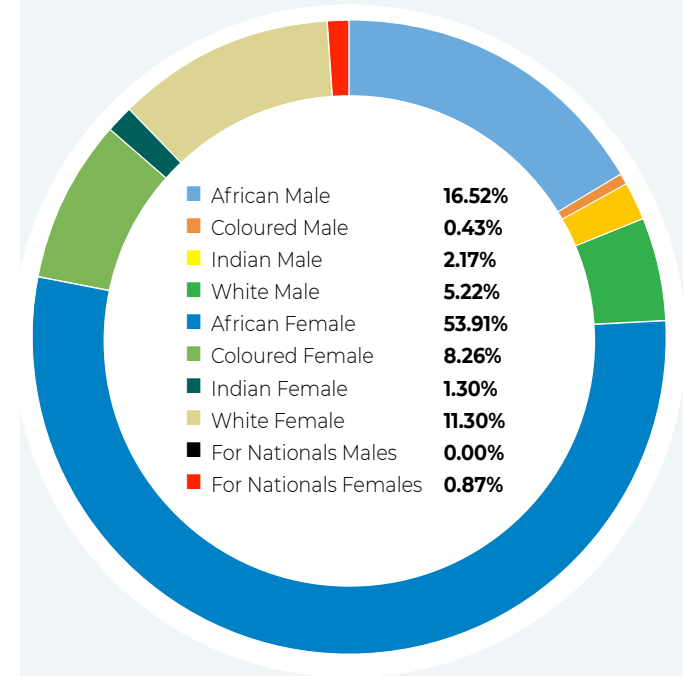


Acknowledgement of human worth and potential is a core value that AKB upholds. To stay relevant and compete for limited resources in a very tough environment, AKB must continually learn and adapt. Trained Child and Youth Care Workers are rare in South Africa. However, it is a requirement for the registration of Child and Youth Care Centres that workers are trained and registered with the SA Council for Social Service Professions.

The accredited training at NQF level 4, offered by AKB, continued both internally and for other institutions. Although AKB's training is highly respected in the sector, training for other institutions will cease at the end of June 2025. This is mainly due to the introduction of an NQF level 5 training programme.

Personal development is a key performance area in the performance assessment of every staff member, ensuring that both supervisors and employees focus on this aspect of work. Twenty-four employees received training, with an actual expenditure of R114,000. Three

EMPLOYEE DISTRIBUTION MARCH 2025



employees received financial study assistance.

The organisation is highly respected in the NPO sector for its fundraising, marketing, and brand management, as well as excellence in governance systems and the use of appropriate technology. Ongoing skills development in fundraising has been achieved through networking and online learning.

The organisation greatly benefits from the pro bono work of auditors and other

experts in their field, which enhances its management capacity and its ability to operate with a high level of accountability.

Social and Relationship Capital



AKB fulfils its responsibility for the care and development of children and young people on behalf of society, aiming to improve societal health.

Therefore, although it is vulnerable children in need of care who benefit directly, we believe that our services benefit society as a whole. The state contracts AKB to carry out some of these responsibilities. However, without the involvement and investment of society, beyond what the state provides, it will not be possible to perform our responsibilities effectively.

It is goodwill that underpins the social and relationship capital on which AKB depends. Genuine love and care flow from ordinary people, whether in their personal capacity or as representatives of corporate SA, trusts, foundations, or religious institutions.

Our Board is made up of voluntary members who contribute their skills and expertise on a pro bono basis to support the objectives of AKB.

Relationships with a wide range of stakeholders are highly important to the organisation. These stakeholders include various communities, churches, foundations, funding partners, corporations, small businesses,

and individuals who support our service in many ways, especially by providing the financial resources needed to operate. Please refer to the list of top donors contributing to our cause on page 24.

AKB is part of the Tutela group, responsible for the Ministry of Caring of the Dutch Reformed Church in the Highveld. Several congregations collaborate with AKB to operate satellite homes, while others support our services within the community and at individual houses on our campuses. AKB offered services from a property owned by The Uniting Reformed Church in Emdeni, Soweto.

Committees in communities serve as a valuable resource for our widespread operations. We network with local organisations, churches, clinics, and schools to maintain relationships and be effective where we work. Within the communities of Soweto and Westbury, where we provide services to children and youth, building strong relationships with community-based organisations is essential to identify the greatest needs and facilitate access.

We depend on other NGOs and child welfare organisations to deliver the full range of services as mandated by the Children's Act. Our networking with organisations such as child and youth care services in Gauteng, the Gauteng Welfare Forum, the Child and Youth Care Forum, and the Gauteng Care Crisis Committee is vital for monitoring trends, staying informed about developments, and for benchmarking purposes. It also serves as a crucial platform for collective negotiation and advocacy.

The Gauteng Department of Social Development grants us our licence to operate and is therefore a vital stakeholder. The Department also significantly contributes to our revenue. They oversee operations and ensure compliance with the Children's Act and the Public Finance Management Act.

Natural Capital



AKB is very grateful to have several natural resources available, such as boreholes at Langlaagte, Maria Kloppers, Emdeni Campus and two satellite homes. This helps to supplement the water resources it relies on from the respective municipalities. We actively practice and promote the conservation of natural resources, teaching this to our beneficiaries.

Water and electricity saving continue to be a priority for all staff using these resources. We ensure it remains foremost in their minds, especially for residential staff and beneficiaries, through continuous monitoring of water and electricity consumption.

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 has seen an increase in water consumption for the current year. Problems such as underground leaks will be resolved in good time.

Our electricity savings reduced. The solar geyser installations, now in its 15th year, can no longer be considered as a factor contributing to savings. The

project has to date saved the organisation in excess of R14m cumulatively.

Progress was made regarding the installation of photovoltaic (solar) energy systems. A solar energy system was installed at a fifth satellite home, Maria Kloppers Campus, Johanna Malan ECDC, as well as the Shared Services building on the Langlaagte Campus. These installations align with AKB's environmental protection plan and objective to reduce the high costs of running generators to ensure business continuity. The installations are also expected to contribute to long-term electricity savings. A saving of 40% at the Emdeni Campus and a reduction of 9% at Mouton Satellite home was noted.

The implementation of the environmental protection plan is closely monitored. Drivers attend master driving courses to improve their driving skills and ultimately reduce fuel consumption and our carbon footprint.

The organisation owns the land where the Langlaagte Campus and four satellite homes are located, namely House Aasvoëlkop, House Benoni, House Mouton, and 91 Martha Street. The Maria Kloppers Campus and Johanna Malan ECDC operate on land owned by Pro-Ekklesia Utility Company, an entity of the Dutch Reformed Church. On this land, we have indefinite rights of use. The Emdeni Skills Development Centre and Emdeni Drop-in Centre in Emdeni, Soweto are located on land owned by the Uniting Reformed Church in South Africa. We are currently leasing the property while URCSA plans to subdivide and sell it.



5.6 ACTIVITIES

Our passion is to care for, protect, and empower children and young people in need of care. Our residential and community-based approaches enable children and youth to reach their full potential. This mainly involves safeguarding children from the effects of social dysfunction, extreme poverty, neglect, and all forms of emotional, physical, and sexual abuse.

Where possible, we provide services to children within their families and communities. However, if factors threatening their safety are identified and the situation becomes so serious that removal is necessary, alternative care options are considered through the processes of the children's court.

The primary priority is to safeguard children and young people from harm. For children in residential care, this involves providing a secure living environment, which includes well-maintained homes and a caring adult to supervise the child. Establishing a safe space for healing and fostering a strong relationship with a primary caregiver is vital.

Once safety and security are assured, we proceed to provide physical care, including food, shelter, suitable clothing, sanitation, and healthcare. For many of our Community Care Service beneficiaries, the lack of food and poor living conditions are some of the biggest obstacles,

preventing them from reaching their full potential. Meeting their basic needs often enables beneficiaries to grow and develop beyond their current circumstances.

In the treatment phase, emotional care is of utmost importance. Most children in our care have been traumatised or suffer from the effects of severe trauma. AKB offers a variety of therapeutic options through our own social workers and external service providers, including both private and state-run treatment services.

Once trauma has been addressed, children and youth become receptive to the many development opportunities offered by AKB. These include schooling, recreation, discovery and the development of talent and potential, as well as social and spiritual growth. Due to their background and circumstances that led them to our care, many of the children and youth have educational and developmental delays. The degree to which they can be supported to overcome these delays will influence their future success. In addition to ensuring attendance at suitable public schools and

catering to the specific educational needs of each beneficiary, AKB directly supports the developmental needs of children and youth through the Johanna Malan Early Childhood Development Centre and the Emdeni Skills Development Centre.

Ultimately, our aim remains to either reunite 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 adequately prepared to enter the economy and risk becoming part of the statistics of unemployed youth. The Emdeni Skills Development Centre offers a bridging opportunity where they can acquire marketable skills and receive guidance on how to progress towards employment, further education, or their own micro-enterprises.

The organisation's shared services function offers a variety of support activities. Sound administrative and financial management, accurate record keeping, and regulatory compliance ensure responsible stewardship of resources. The coordination of recruitment, training, and the administration of remuneration fall under our human resources department. Our marketing and fundraising efforts also ensure the integrity of our donor database is maintained, and resources are identified and utilised in accordance with donor requirements. Additionally, the department oversees compliance with legal obligations related to donations. Finally, our assets, such as land, buildings, facilities, IT infrastructure, vehicles, and equipment, are maintained to support efficient operations.



5.7 OUTPUTS

AKB provides prevention, early intervention, and statutory services.

Prevention level services are those provided when social dysfunction is not apparent in the families of beneficiaries. Johanna Malan Early Childhood Development Centre offers prevention-level services to children in disadvantaged communities.

Early intervention services are offered through home-based care and a drop-in centre for orphaned and vulnerable children in Westbury and Soweto. The families are under significant stress, but their functioning does not pose an immediate danger to the children. Our community care programmes operate at this level and include material support to beneficiaries as well as help in accessing government grants. Additionally, skills development training aimed at reducing poverty and tackling youth unemployment is part 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 encompass housing, nutritional, recreational, therapeutic, and developmental support.

5.8 OUTCOMES

AKB cares for, develops, empowers and reintegrates traumatised children and youth in need of care, and where necessary, their families through suitable 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

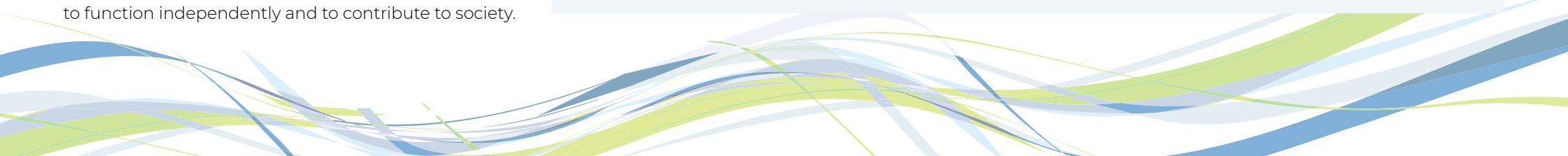


significantly towards the constitutional rights of children as outlined in the Constitution of the Republic of South Africa, which include” ... basic nutrition and shelter; ... basic healthcare and social services; ... to be protected from maltreatment, neglect, abuse or degradation; and ... appropriate 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
Replacement of Langlaagte Campus busesR1 200 000
Land and Facilities Emdeni Skills Development Centre and Drop-in Centre	R6 000 000
Computer software and hardware to maintain Windows 11 compatibility	R500 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"> ● Monthly, quarterly and annual reporting ● Ad hoc meetings ● Ad hoc panel discussions ● Ad hoc monitoring and evaluation inspections 	<ul style="list-style-type: none"> ● Assistance to government to execute its mandate in accordance with the Children’s Act ● Compliance to PFMA regulations ● Meeting targets in respect of services provided and beneficiaries ● Compliance to funding SLA conditions and procedures ● Compliance with local authority regulations
Department of Justice Southern Gauteng & regional children’s courts	<ul style="list-style-type: none"> ● Children’s court cases ● Criminal investigations ● Reports and court appearances in children’s courts in respect of the extension of court orders 	<ul style="list-style-type: none"> ● Best interest of the child ● Child’s participation ● Involvement of parents in proceedings ● Compliance to the Children’s Act of 2005 ● Procedural compliance
Donors <ul style="list-style-type: none"> ● Donors ● Corporate SA, CSI and B-BBEE managers ● Church communities ● Individuals ● Trusts and foundations ● Foreign government agencies, trusts and foundations 	<ul style="list-style-type: none"> ● Funding proposals ● Campaigns via media and online platforms ● Personal appointments ● Telephone calls ● Written media e.g. post or e-mail ● Social media interaction ● Monthly electronic newsletter ● Website ● Press releases and public service announcements 	<ul style="list-style-type: none"> ● Making an impact that matters ● Gratitude and appreciation ● Impacting social ills that affect society adversely ● Wellbeing of children ● Preparation of children for independence ● Accountability ● Cost-effectiveness ● Tax and B-BBEE benefits ● Monitoring and evaluation

6.1 STAKEHOLDER ENGAGEMENT

AKB works with people, for people and society. It depends heavily on positive relationships with a range of stakeholders. While every stakeholder is important to us, this integrated report includes only the information that is vital to AKB’s sustainability.

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 underneath.

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

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

6.2 OUR TOP DONORS



The top 100 donors donated a total of R18 440 540 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 substantially affect the strategy of AKB, its business model, or one or more of the capitals it utilises in the short, medium, and long term.

7.2 DETERMINING OUR STRATEGIC RESPONSE

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 to inform future actions aimed at reducing 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, regarding progress in executing the action plans.

The Board and management made progress in implementing 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. Little progress was made with the strategic initiative “Optimisation of the Langlaagte Property” as an income generator. 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

- Procurement of funds is dependent on grants from the public sector and private sector donations. Most of the latter is reportedly under continuous pressure to contribute more to increasing numbers of NPOs.
- In the period under review, no increases were awarded for state per capita funding and for community service programmes, whilst funding for some community service programmes was terminated.
- All of the above pose a sustainability risk for AKB, increasing the need to identify and tap into new sources of sustainable revenue.

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
<ul style="list-style-type: none"> ● Government ● Donors ● Churches ● Employees ● Beneficiaries 	<ul style="list-style-type: none"> ● Financial sustainability that will maximise long term availability of our services to children in need of care. 	<ul style="list-style-type: none"> ● Structural improvement of governmental funding. 	<ul style="list-style-type: none"> ● Per capita & programme grants by Department of Social Development. 	<ul style="list-style-type: none"> ● State grants to cover 23,46% of operational costs ● Per capita funding of at least R4 120 	<ul style="list-style-type: none"> ● State grants covered 28,81% of operational costs ● Per capita funding was R4 120 	<ul style="list-style-type: none"> ● State grants to cover 28,57% of operational costs ● Per capita funding to be at R4 120
		<ul style="list-style-type: none"> ● Formation of quality funding partnerships in private sector, meaning: <ul style="list-style-type: none"> – Three- year to long term commitment – Percentage of total costs funded, minimum 25% – Mutual association with funded programme. 	<ul style="list-style-type: none"> ● Successful conclusion of long term (>3 years) partnership agreements. 	<ul style="list-style-type: none"> ● Three programmes to be covered by three funding partners. ● Five funders/ grant agreements to cover six programmes. 	<ul style="list-style-type: none"> ● Two programmes were substantially covered by two funding partners. ● One grant agreement covered aspects of six programmes. ● Aspects of a further two programmes were substantially covered by three funders. ● A further six funders contributed substantially to five programmes. 	<ul style="list-style-type: none"> ● Three programmes to be covered by three funding partners. ● Aspects of a further three programmes substantially covered by four funders. ● Six funders/grant agreements to substantially cover six programmes
		<ul style="list-style-type: none"> ● Optimisation of revenue potential of TK Residence. 	<ul style="list-style-type: none"> ● Available room capacity (60) taken up by students. 	<ul style="list-style-type: none"> ● Room capacity to be 94 students ● Surplus to be at R1 874 166 	<ul style="list-style-type: none"> ● Room capacity was increased to 94 ● Loss was R759 816 	<ul style="list-style-type: none"> ● Room capacity to be 94 students ● Surplus to be at R1 168 546

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
		<ul style="list-style-type: none"> Optimisation of training services as source of revenue. 	<ul style="list-style-type: none"> Successful accreditation Training services provided to NPO Child & Youth Care Centres. 	<ul style="list-style-type: none"> The number of learners to be 30 Revenue to be R360 000 	<ul style="list-style-type: none"> The number of learners were 58 Revenue was R660 000 	<ul style="list-style-type: none"> Terminate the training programme in August 2025, due to FET Level 4 qualification in Child and Youth Care Work no longer acknowledged.
	<ul style="list-style-type: none"> Attaining financial objectives. 	<ul style="list-style-type: none"> Exceeding approved revenue budget and meeting expenditure budget. 	<ul style="list-style-type: none"> Total income to be R44 342 467 Total expenditure to be R47 652 413 Deficit to be R3 309 946 	<ul style="list-style-type: none"> Total income was R49 990 671 Total expenditure was R48 846 605 Surplus was R717 029 	<ul style="list-style-type: none"> Total income to be R51 348 446 Total expenditure to be R50 717 710 Surplus to be R630 736 	
<ul style="list-style-type: none"> Board Management Beneficiaries Funding partners and donors DR Church Department of Social Development (DSD) Potential partners South African Revenue Services (SARS) 	<ul style="list-style-type: none"> To establish new surplus generating commercial activities to ensure the financial sustainability of AKB. 	<ul style="list-style-type: none"> Focused due diligence studies Dependable partnerships Sound management. 	<ul style="list-style-type: none"> Successful implementation of additional profitable commercial activities. 	<ul style="list-style-type: none"> The future of student accommodation and the AKB strategy will be reviewed in Aug 2024 Obtain renewal of accreditation for UJ student accommodation 	<ul style="list-style-type: none"> The student accommodation and the AKB strategy were reviewed in January 2025 UJ accreditation was extended to December 2026. 	<ul style="list-style-type: none"> The future of student accommodation and the AKB strategy will be reviewed in January 2026 Dual accreditation by UJ and NSFAS until 2026

FOCUS AREA 2
Attraction and retention

In context

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

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
<ul style="list-style-type: none"> ● Employees ● Beneficiaries 	<ul style="list-style-type: none"> ● To ensure uninterrupted services of appropriate standard for the optimal development of our beneficiaries. 	<ul style="list-style-type: none"> ● Attraction of scarce skills. 	<ul style="list-style-type: none"> ● Competitive remuneration iro scarce skills based on reliable benchmarking. 	<ul style="list-style-type: none"> ● Ensure 50% of Social workers remuneration is on the median of Averile Ryder NPO salary benchmark survey. ● Funds allowing ensure 30% of Child and Youth Care workers remuneration is on the median of Averile Ryder NPO salary survey. 	<ul style="list-style-type: none"> ● Objective of social workers remunerated on the median quartile was not implemented due to lack of funding from Department of Social Development. ● Child and Youth care workers remuneration has improved, but not all are on the lower quartile of the Averile Ryder NPO salary survey yet. 	<ul style="list-style-type: none"> ● Ensure all social workers remuneration is at least on the lower quartile of Averile Ryder NPO remuneration benchmark. ● Funds allowing ensure all Child and Youth Care Workers remuneration is at least on the lower quartile of Averile Ryder NPO remuneration benchmark.
		<ul style="list-style-type: none"> ● Effective recruitment platform 	<ul style="list-style-type: none"> ● Period to fill vacancies 	<ul style="list-style-type: none"> ● Continue implementation of strategy to appoint single Child and Youth Care Workers to ensure filling of vacancies within three months. 	<ul style="list-style-type: none"> ● The new strategy was implemented with the appointment of single Child and Youth Care workers in Satellite homes, with positive results yielded. 	<ul style="list-style-type: none"> ● Continue to implement the strategy to appoint single Child and youth care workers in satellite homes where needed

Continued on next page ...

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
				<ul style="list-style-type: none"> • Prioritise appointment of disabled employees and African males by using appropriate social media platforms for recruitment. 	<ul style="list-style-type: none"> • Recruitment of African males by using appropriate social media platforms for recruitment have been pursued and yielded positive results. The appointment of people with disabilities is still a challenge despite using all these channels and employment agencies. 	<ul style="list-style-type: none"> • Continue to prioritise the recruitment of African males and disabled people by using appropriate social media platforms.
		<ul style="list-style-type: none"> • Reliable selection and screening tools 	<ul style="list-style-type: none"> • Refined psychometric selection battery for CCW's 	<ul style="list-style-type: none"> • 100% of candidates to do G4S vetting before psychometric assessment. 	<ul style="list-style-type: none"> • All candidates were vetted before assessment. 	<ul style="list-style-type: none"> • Continue to vet all shortlisted candidates before the assessment of candidates.
		<ul style="list-style-type: none"> • All vacancies filled 	<ul style="list-style-type: none"> • Efficient recruitment processes 	<ul style="list-style-type: none"> • 151 employees 	<ul style="list-style-type: none"> • 192 employees 	<ul style="list-style-type: none"> • 176 employees
		<ul style="list-style-type: none"> • Satisfied employees 	<ul style="list-style-type: none"> • Annual Employee satisfaction survey 	<ul style="list-style-type: none"> • 75% employees satisfied • Implement at least 30% first phase of remuneration benchmark for Child and Youth Care workers. 	<ul style="list-style-type: none"> • An 81.7% satisfaction rate was measured. • Remuneration is still the main cause of dissatisfaction. Implemented the first phase of remuneration benchmark for professional employees, who were below the lower quartile. 	<ul style="list-style-type: none"> • An 80% employee satisfaction rate. • Continue to advance all employees in critical roles to lower quartile of Averile Ryder remuneration benchmark.

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
		<ul style="list-style-type: none"> Diversified recruitment channels used 	<ul style="list-style-type: none"> Talent review sessions focussing on both internal and external available talent Encourage employee referral 	<ul style="list-style-type: none"> Implement the Gauteng EAP profile by appointment of disabled employees and African males in appropriate roles in line with EE plan. 	<ul style="list-style-type: none"> Objective not achieved due to retrenchments 	Implement the Economically Active Population requirement for Gauteng by appointment of more disabled employees and African males, subsequent to clarity on the implementation of the EE Amendment Act.



FOCUS AREA 3
Sustainability of
key services

In context

Financial pressure presents a risk to AKB's ability to sustainably maintain the following:

- A broad spectrum of services
- Services to children with special needs, for which there is a dire and increasing need in society
- Services to the increasing number of traumatised children with challenging behaviour as a result of dysfunctional families on the increase and disintegration of healthy family and interpersonal values in society

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
<ul style="list-style-type: none"> • Beneficiaries • Employees • Donors • Community • Department of Social Development (DSD) 	<ul style="list-style-type: none"> • To address the real needs existing amongst children in need of care in a sustainable manner 	<ul style="list-style-type: none"> • Special funding dispensation for specialised services to traumatised children 	<ul style="list-style-type: none"> • A realistic funding model for specialist services to traumatised children developed and adopted by the DSD 	<ul style="list-style-type: none"> • 41 beneficiaries with special needs to be funded 	<ul style="list-style-type: none"> • 41 beneficiaries with special needs were funded 	<ul style="list-style-type: none"> • 41 beneficiaries with special needs to be funded
		<ul style="list-style-type: none"> • Appropriate facilities for delivery of services to children with challenging behaviour 	<ul style="list-style-type: none"> • Single gender campus model developed and ready for implementation 	<ul style="list-style-type: none"> • Re-assess strategy once more clarity has been reached re accreditation and funding for student accommodation 	<ul style="list-style-type: none"> • Single gender model was implemented with great success. Facilities are suitable for handling of girls with challenging behaviour 	<ul style="list-style-type: none"> • Objective achieved, not to be repeated
		<ul style="list-style-type: none"> • Recruit funders who are willing to invest in services to children with special needs 	<ul style="list-style-type: none"> • Percentage of operational cost covered 	<ul style="list-style-type: none"> • Convince at least one first time contributor to increase and repeat the contribution. 	<ul style="list-style-type: none"> • Two first time contributors repeated their contribution and one increased the contribution 	<ul style="list-style-type: none"> • Convince at least two first time contributors to repeat the contribution and increase the contribution
		<ul style="list-style-type: none"> • Revenue earned via state funding maximised 	<ul style="list-style-type: none"> • Service rendered to full capacity of facilities and human resources 	<ul style="list-style-type: none"> • Service at least 208 beneficiaries in residential care programmes. • Maintain the number of beneficiaries in community care above 900 beneficiaries. 	<ul style="list-style-type: none"> • 204 beneficiaries were serviced in residential care programmes. • 991 beneficiaries were served in community care programmes. 	<ul style="list-style-type: none"> • 200 beneficiaries should be served. • Maintain the number of beneficiaries in community care above 900 beneficiaries

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
<ul style="list-style-type: none"> Board Management Beneficiaries Partners and Donors DR Church Department of Social Development (DSD) Development Community 	<ul style="list-style-type: none"> To expand community service programmes to ensure appropriate care services for orphaned and vulnerable children and skills transfer opportunities for youth at risk. 	<ul style="list-style-type: none"> Quality partnerships in target communities Support of DSD Support of donors Sufficient capital 	<ul style="list-style-type: none"> Successful partnership formation and conclusion of MOI's Negotiations with DSD and donors translate into R22m for Capex phased over 15 years New Drop-in Centres for 600 children and Skills Development centres for 900 young people are established and operating. 	<ul style="list-style-type: none"> Conclude purchase of Emdeni property once subdivision process conducted by URCSA has been concluded. 	<ul style="list-style-type: none"> The subdivision of the property by the current owner, URCSA, has not been concluded 	<ul style="list-style-type: none"> Conclude purchase of Emdeni property once subdivision process conducted by URCSA has been concluded.

FOCUS AREA 4
Standard of
Childcare

In context

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

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
<ul style="list-style-type: none"> Childcare workers Beneficiaries HWSETA Council for Social Service Professions Department of Social Development (DSD) 	<ul style="list-style-type: none"> To have well- trained childcare workers and social workers sufficiently capable of providing the care, developmental and therapeutic needs of children in need of care. 	<ul style="list-style-type: none"> Accreditation of training material and continuation of already implemented training programmes in order to provide appropriate accredited training. 	<ul style="list-style-type: none"> Percentage CCW's and social workers appropriately trained. 	<ul style="list-style-type: none"> 100 % of newly appointed CCWs to be trained 100% of CCWs who successfully complete the course to receive their certificates from HWSETA 	<ul style="list-style-type: none"> The target has been achieved All CCWs who successfully completed the course received their certificates 	<ul style="list-style-type: none"> 100 % of newly appointed CCWs to be trained. 100% of CCWs who successfully complete the course to receive their certificates from HWSETA

FOCUS AREA 5
Brand awareness

In context

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

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
<ul style="list-style-type: none"> • Board • Management • Beneficiaries • Partners and Donors • DR Church • Department of Social Development • Development Community 	<ul style="list-style-type: none"> • To reposition the AKB brand to develop support among all communities served by AKB. 	<ul style="list-style-type: none"> • Sound research, risk analysis and objective decision making. 	<ul style="list-style-type: none"> • Brand adoption by stakeholders reflected into continuous growth in support from all communities in which AKB operates. 	<ul style="list-style-type: none"> • Continue to manage the brand and guard the use and application of the brand through the corporate identity guideline document. • Increase positive brand awareness across all media and social media platforms as well as websites. 	<ul style="list-style-type: none"> • Planned action in respect of brand management were executed in line with the corporate identity guideline document. • Brand awareness increased across all media and social media platforms in line with brand awareness and social media strategy. 	<ul style="list-style-type: none"> • Increase donor recognition and positive media exposure in identified communities served by AKB. • Pursue positive brand exposure on websites and social media platforms as well as printed media.

FOCUS AREA 6
Business Structures

In context

- Well-established NPOs are increasingly struggling to achieve and maintain sufficient levels of sustainability.
- DSD officials communicate that NPOs should be less dependent on the state and source more support from the private sector.
- Subsidy levels have decreased from 66% of revenue of NPOs in the 1990s, to the current level of around 30% of revenue of NPO's.
- The donor market is inundated with NPOs seeking support from them, therefore it is increasingly challenging to access substantial grants from them.
- To mitigate the risk resultant from the above, it is an AKB strategy to increase commercial activity, creating the need to establish the most tax-efficient business structure, while simultaneously protecting potential reserves needed for sustainability and expansion of services.

Stakeholders	Strategic objective	Strategic enabler	Key performance measure	Target 2024/25	Progress i.r.o. 2024/25 target	Target 2025/26
<ul style="list-style-type: none"> • Board • Management • Beneficiaries • Partners and Donors • DR Church • Department of Social Development (DSD) • SARS 	<ul style="list-style-type: none"> • To restructure existing and to create new legal entities in order to provide vehicles for effective and compliant operational governance and commercial activities. 	<ul style="list-style-type: none"> • Decision on rebranding has been taken • Access to experts in the NPO, Income Tax and Companies Acts. 	<ul style="list-style-type: none"> • Operational structures meets statutory prescripts and DSD requirements • Surpluses are optimised • Full compliance to tax regulations. 	<ul style="list-style-type: none"> • Attain tax exemption status by October 2024. 	<ul style="list-style-type: none"> • The objective was not achieved, but is being attended to. 	<ul style="list-style-type: none"> • Attain tax exemption status by October 2025

Performance Review

8.1 REPORT BY THE OUTGOING CEO

It is with conflict in my heart that I deliver this message for the last time.

It is very sad to retire from service at Abraham Kriel Bambanani, but on the other hand my wife Betsie and I am ready to embark on the new phase of our life together and are looking forward with expectation to a simpler and less-stressed lifestyle.

I have been exceptionally privileged to serve AKB and its beneficiaries since 1987. I treasure the fact that I was in the wonderful position to live my calling and passion to promote the protection, care and development of children and young people in need of care for most of my professional career.

During this time our country transitioned into a democratic society for all of its citizens. This transition impacted profoundly on the transformation of AKB into an organisation now not only serving children of all communities, but also serving children and young people outside of the confines of its residential care facilities. The expansion of the traditional children's home services to an array of diverse services, included the establishment of satellite homes, early childhood development

services, home based care services, drop-in centres and skills development services. To strengthen the sustainability of AKB, the AKB team also established child and youth care worker training and student accommodation, as new revenue streams.

One of the treasures of AKB is the quality of its people. One will have to go far to find the same calibre of people dedicated to the calling to serve God through their service to the children and young people entrusted to AKB. The staff and the management team of AKB evolved in its composition over time, but they remained people working in the firm knowledge that we are mere stewards of the resources provided by God and people sharing our passion for the wellbeing of children. I am profoundly grateful for the privilege to have known and worked with the people of AKB, whose dedication and willingness to sacrifice knows very little boundaries.

I have been extremely blessed to work under the guidance of many board members, people willing to share their precious time, vast knowledge and exceptional skill with the management of AKB, at no compensation. Under their guidance the AKB team developed a governance system that supported not



Mr Paul Momsen

only the operations and service delivery, but also the reputation of AKB in the eyes and experience of all of its external stakeholders, including the donor community and the state.

My gratitude extends to the thousands of donors and supporters of the work of AKB. These include individuals, corporates, foundations, trusts, the church's leadership and its congregations, committee members

and volunteers, too many to single out. The generosity with which you gave and supported is truly inspiring. I am convinced the fruit of your generosity will be visible for many decades in the lives and families of our beneficiaries.

In closing I want to honour God for his grace in providing in all of the needs of AKB. For a hundred and twenty-three years He has been providing in exceptional ways in the needs of AKB, its staff and its beneficiaries. He deserves all of our gratitude, our praise and our honour, for now and forever. Thank you, God.

Paul Momsen
Outgoing Chief Executive Officer

8.2 REPORT BY INCOMING CEO

It is both an honour and a profound responsibility to step into the role of Chief Executive Officer at Abraham Kriel Bambanani NPC. Having served as Senior Manager: Finance and Administration and as part of the Exco team, I have had the privilege of working alongside a committed management team and dedicated staff who share in our vision of protecting and empowering vulnerable children and youth.

I am especially grateful for the abundant blessings God has shown us and continues to show us. It is through His mercy and grace that we are able to flourish, even in the face of adversity. His provision has sustained this organisation for more than a century, and it is in that same faith that we move forward.

I am committed to leading Abraham Kriel Bambanani with transparency, compassion, and vision. My focus will be on strengthening our operational foundations, securing the necessary resources, and building strategic partnerships that can help us weather this



**Ms Yolandé
Fredericks**

season and emerge stronger. Exploring strategies to expand commercial ventures is paramount to improving financial sustainability. I aspire to guide the organisation to not only improve on our current service but also be in a position to expand these services in the future.

As we look ahead, we do so knowing that the road will not be without its challenges. Yet, despite these difficulties, I remain deeply optimistic. Our organisation's resilience

is built on a legacy of adaptability, innovation, and purpose. We will continue to find strength in our shared values, the unwavering commitment of our teams, and the trust of our donors. Together, we will work to safeguard our mission and strive to ensure that every child in our care is given the opportunity to thrive. I thank the Board and leadership for the confidence in me, and I look forward to walking this journey together with courage, integrity, faith, and hope.

*Yolandé Fredericks
Incoming Chief Executive Officer*



8.3 FINANCIAL SUSTAINABILITY

R AKB faced significant challenges, including economic downturn, rising living costs, political uncertainties, and increased compliance requirements from stakeholders. Despite these issues, AKB remains confident in its ability to adapt and overcome them to achieve financial sustainability.

A decision by the Gauteng Department of Social Development (GDSD) to reinstate funding for AKB’s Soweto Family Care programme and Westbury Family Care programme significantly contributed to the R717 000 surplus at the end of the financial year.

The loyal and ongoing support from our donors demonstrates the strong relationships AKB has built over many decades. The reputation of AKB is clear in its ability to attract new donors based on the performance of the income stream. Income from donors increased by 4.3% compared to the previous financial year. AKB is continually seeking innovative ways to position the brand to stay ahead in the competitive donor market.

The total operating income increased to R49 990 671, a 10.25% rise compared to 2024. This growth is mainly attributable to government funding for two programmes that were not funded in the previous financial year. State revenue increased by 28.15%, totalling R14 072 540. No funding increase was received for any programmes in 2025. The SLA agreements for the Soweto and Westbury family care programmes were signed for a period of nine months,

covering stipends for child and youth care workers. This enabled AKB to rehire staff who had been retrenched during the restructuring of these programmes.

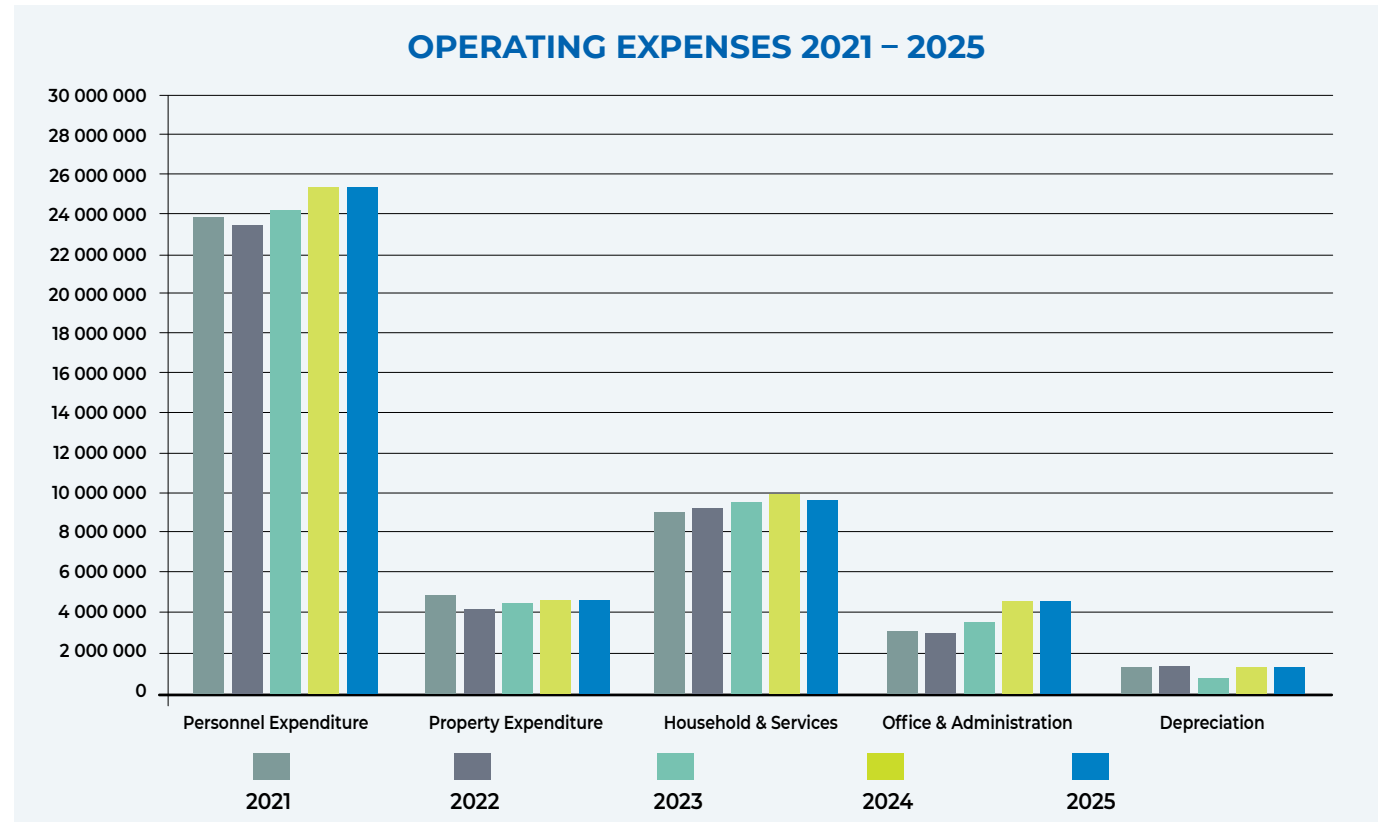
AKB prepared and submitted a funding application to the National Lotteries Commission (NLC). The application remains in the final stage of the adjudication process, but to date, no funding has been received from this source.

A reduction of 0.79% in operating expenditure to

R48 846 605 was recorded in 2025, down from R49 236 525 in 2024. The uncertainty surrounding the DSD service level agreements led AKB to take a cautious approach to staff remuneration increases. We are thankful to the donor who enabled AKB to invest in human capital. Three staff members received study assistance during the year under review. Employee costs remain the largest expenditure, amounting to R25 820 205 (54.17% of costs).

Property expenditure, covering municipal services and

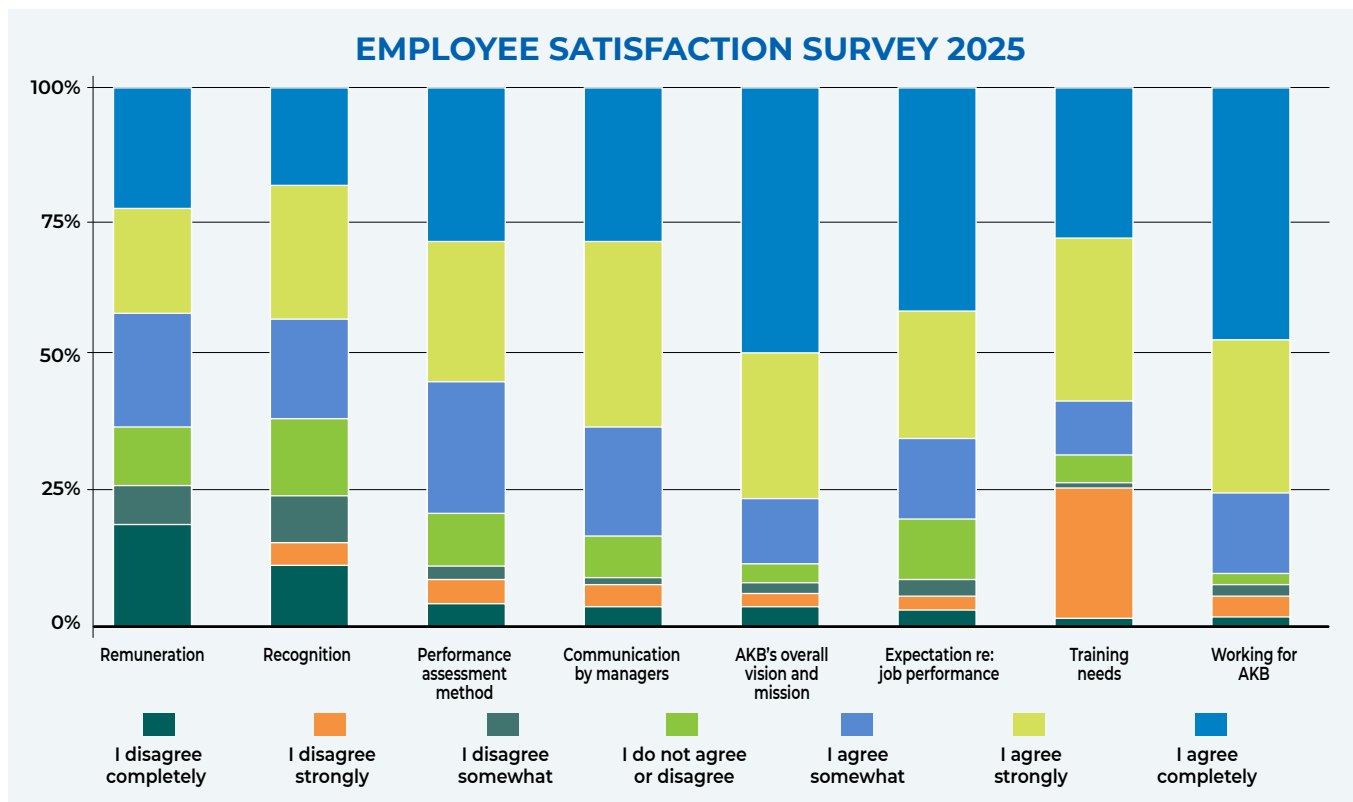
OPERATING EXPENSES 2021 – 2025



the maintenance of various properties, rose by 17.83% to R5 718 238. The significant increase is directly linked to the re-registration of residential care facilities. Included in the expenditure are costs for compliance certificates and consultations with engineers and architects. Expenditure related to household services grew modestly by 1.4% to R11 216 184. The overall decrease in operational expenditure is due to the restructuring of community care programmes in January 2024.

Revenue from income from ventures and fees for services increased by 9.33% to R2 235 461. The JMECDC income rose by 7%, demonstrating the successful implementation of the after-school programme. The planned discontinuation of the CYCW training resulted in a decline in revenue from this source, decreasing from R1 039 906 in 2024 to R401 414 in 2025. The student accommodation saw a substantial turnaround, with an increase of 314%, shifting from a loss of R355 527 in 2024 to a profit of R759 816.

The Talitha Kumi Student Residence accommodated 41 students in the 2024 calendar year and 54 students in February and March 2025. Outstanding income related to the 2023 financial year remains unpaid at year-end. A potential credit loss provision was raised for the outstanding rental income related to the 2023 financial year. AKB is a fully accredited service provider with NSFAS and the University of Johannesburg to offer private off-campus student accommodation until December 2026. The continuation of the student accommodation is under review due to difficulties in recovering debt and the challenge of filling the residence to capacity each year.



8.4 ATTRACTION AND RETENTION OF CRITICAL SKILLS



AKB was successful in retaining existing staff members at acceptable levels; however, attracting suitable candidates for some key positions, such as Child and Youth Care Workers in satellite homes, remains challenging.

Management reviewed the recruitment strategy for satellite homes to facilitate the appointment of single individuals as Child and Youth Care Workers at these locations. Three successful appointments were made

during the year under review. The recruitment of single individuals with the required skills and qualifications will continue.

All other positions were filled within a reasonable timeframe with suitably qualified candidates, recruited both internally and externally. Diversified recruitment channels, including recruitment agencies, were utilised to attract suitable candidates, and advertisements on relevant social media platforms yielded positive results.

AKB embarked on an industry remuneration benchmarking exercise to ensure that we stay abreast and relevant in respect of factors relating to remuneration and leave provision amongst other non-profit organisations. Compared to the 2024 benchmarking report, 75% of AKB's employees are remunerated within the lower quartile of the Averile Ryder NPO remuneration survey report, with 15% earning slightly more. While some adjustments were made to ensure that all Child and Youth Care Workers' remuneration is on the lower quartile of the Averile Ryder NPO salary benchmark report, targets were not achieved fully, due to financial constraints.

The number of employees increased from 151 to 192 compared to the previous year. This is the result of the reinstatement of funding for Child and Youth Care Workers in community service programmes of AKB, that was previously terminated by the DSD.

AKB remains committed to employment equity transformation. Despite concerted efforts to meet proposed targets, African, Coloured, and Indian males are still lagging behind, with an over representation of African, Coloured and White females. This is indicative of the reality that males are less interested in a career related to the care of children and the welfare sector.

As a result of the above, the implementation of the new Employment Equity Amendment Act presents unique challenges for AKB and other NPOs alike. Target setting aims to increase the representation of African males at

senior management, professional, skilled, technical, and semi-skilled levels. This will have operational and funding implications for AKB. State funding may depend on EE compliance, and if AKB fails to meet targets, the organisation risks losing state funding. This could further affect donor funding, as donors value diversity and adherence to national laws.

The annual Employee Satisfaction Survey showed an 81.7% satisfaction rate among the 101 employees who responded. Compared to the previous year, there is an increase in both the response rate and the satisfaction level. Remuneration and recognition continue to be the aspects of greatest dissatisfaction, while AKB's provision of training needs and employment at AKB are regarded as the elements of greatest employee satisfaction.

8.5 SUSTAINABILITY OF SERVICE OFFERING

S AKB prides itself on the diverse services it provides to traumatised, orphaned, and vulnerable children and youth across Gauteng province. The need for AKB's services has been proven beyond doubt, and their positive impact on the lives of beneficiaries has been demonstrated repeatedly. However, the undeniable demand for these services does not ensure they will always be available or suitable. The continuation of these services depends directly on the organisation's financial sustainability, which is influenced by the state of the South African economy and the attitudes of the South African population.

The sustainability of AKB's service offerings is closely linked to the funding policies and priorities of the Department of Social Development. The Soweto

Family Care and Westbury Family Care programmes received funding for only nine months. This included the reinstatement of funding for Child and Youth Care Workers in AKB's community service programmes, which had been previously terminated by the DSD. Despite the funding received, the content of the services remained unchanged from the previous financial year.

Johanna Malan ECDC received increased financial support from the Department of Basic Education and international funders. Changes to the fee structure and the expansion of service offerings have resulted in the number of beneficiaries rising for the third consecutive year.

NPOs are required to re-register their child and youth care centres every five years to maintain their licences to operate legally. Although AKB began preparing for the re-registration of all its residential facilities in 2023, the process is still ongoing. Obtaining occupation certificates, one of the requirements for re-registration, sometimes involves consolidating stands, submitting re-zoning applications, and developing site development and building plans. These processes are not only arduous and time-consuming but also very costly. Despite these challenges, good progress has been made in this regard.

The Marketing Department successfully secured funding from donors to cover the costs of the re-registration and compliance project.

The implementation of the long-term strategy to

expand the student village as a third-stream income source has been delayed once more. Accreditation as a privately-owned student accommodation service provider has been obtained from both the National Student Financial Aid Scheme and the University of Johannesburg. Although a 314% increase in income has been reported, AKB has yet to recover outstanding fees carried over from previous financial years. The challenges in recovering debt and the difficulty in filling the residence to capacity continue to cast doubt on the viability of student accommodation as a dependable revenue source for enhancing sustainability.

More than ever, AKB must ensure its services align with societal and government priorities in addressing social needs. Diversifying income sources, aligning with corporate donor funding priorities, and fully complying with relevant regulations will be essential to maintaining service sustainability.

The services provided continue to be essential and pertinent for the future of hundreds of disadvantaged babies, children, and young people.

8.6 STANDARD OF CHILDCARE



South Africa's child poverty rate remains alarmingly high. Over 60% of children live in households earning below the poverty line. While the country's youth unemployment rate continues to rise, many families suffer from multi-generational joblessness. The economic pressure leads to unstable households, absent caregivers and increased exposure to emotional and physical neglect. South Africa reports some of the highest rates of

“There can be no keener revelation of a society's soul than the way in which it treats its children.”

– Nelson Mandela

child homicide and abuse worldwide. NGOs mention increasing cases of sexual abuse, trafficking, and abandonment.

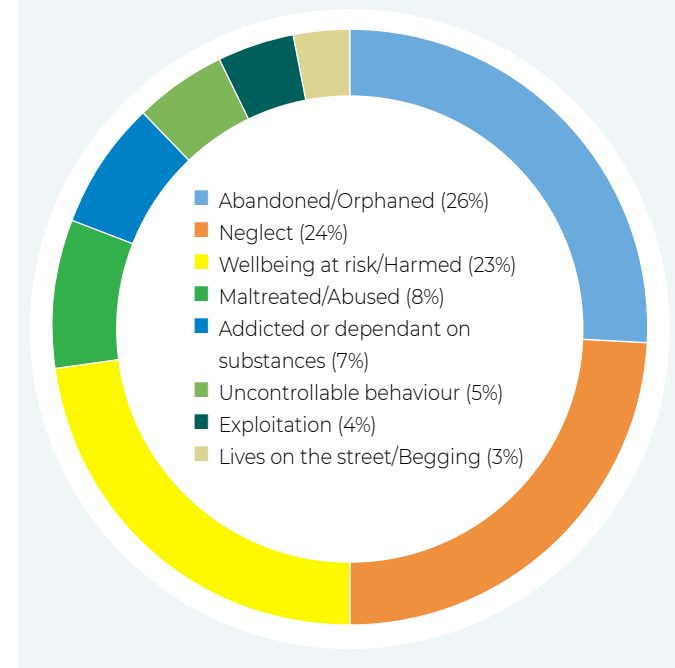
The effect of childhood trauma can resonate throughout a person's entire life, influencing how they think, feel, and connect with others. South Africa's future relies on how it cares for its children.

During 2024/25, AKB continued its mission of providing care, safety and healing for vulnerable children in desperate need of protection, love and therapeutic support.

Two hundred and four children were accommodated in AKB's residential care programmes. All these children were found to be “in need of care and protection” by the Children's Court, as per the Children's Act (No. 38 of 2005). This number is not just a statistic but represents the many individual journeys touched by the support services that AKB offer, each child carrying a story of resilience, heartbreak, and hope. They are stories waiting to be rewritten.

The trauma or harm that brought the two hundred and four children into residential care is illustrated below.

RESIDENTIAL CARE SERVICES BENEFICIARY TRAUMA PROFILE



8.6.1 Maria Kloppers Campus

Maria Kloppers cared for 64 children. Of the 64 children in our care, 22 were babies and toddlers abandoned by their parents, either left at hospitals or rejected at birth. In many cases, the children's mothers were unable or unwilling to take responsibility for them, often due to complex socio-economic challenges, mental health issues, or lack of support networks. All these babies received prompt and consistent medical attention, developmental stimulation, and nurturing from caregivers

RESIDENTIAL CARE SERVICES: BENEFICIARY PROFILE (1 APRIL 2024 TO 31 MARCH 2025)

	Langlaagte Campus	Maria Kloppers Campus	Satalite Homes	Total: Residential Care
Total Number of beneficiaries	68	64	72	204
Males African	0	15	8	23
Females African	20	27	14	61
Total African	20	42	22	84
Males Coloured	0	5	4	9
Females Coloured	15	5	3	25
Total coloured	15	10	7	32
Males Asian	0	0	0	0
Females Asian	1	0	0	1
Total Asian	1	0	0	1
Males white	0	6	15	21
Females white	32	6	28	66
Total white	32	12	43	87
Age Distribution				
0 - 3 years	0	33	0	33
4 - 6 years	0	9	1	10
7 - 13 years	27	16	26	69
14 - 18 years	40	6	42	88
18 +	1	0	3	4
School Distribution				
Grade 1 - 7 Public school	23	16	30	69
Grade 8 -12 Public school	14	6	30	50
Education for handicapped children	0	0	1	1
Special Education	28	1	1	30
Remedial education	2	0	8	10
Students	1	0	4	5
Pre-school	0	13	1	14
Not in school	0	28	0	28
Total new admissions	9	9	19	28
Total discharged	15	13	8	36

trained to address both their physical and emotional needs.

This year, 31 beneficiaries were identified as being at significant risk while still in the care of their parents or relatives. They were exposed to neglect, abuse, or environments toxic to the child's well-being. These cases included severe forms of physical, emotional, and even sexual abuse. These children were stabilised and provided with consistent routines, education, nutritious meals, and therapeutic services. Educational services, including enrolment in nine suitable schools, extra classes, and Kumon Maths programs, were provided. Additionally, recreational and developmental programs, such as the "Fight with Insight" skills programme for ten boys, and various enjoyable outings, were provided.

To address the emotional impact on the children who had all experienced trauma before admission, 66% of the children at Maria Kloppers attended therapy during the year under review. Therapies included:

- Play therapy, to help children express emotions and process trauma in a safe environment.
- Occupational therapy, for those with sensory integration challenges or developmental delays.
- Speech therapy for language development impacted by neglect or emotional withdrawal.
- Trauma counselling, to help children work through grief, loss, and fear.

Despite the trauma that brings children into residential care, the ultimate goal is always to ensure every child has the opportunity to grow up in a permanent, loving family environment, whether through adoption, foster

care, or reunification with extended family.

- Six children were adopted, both locally and internationally. Adoption gives these children a new beginning and the possibility of growing up in a stable family.
- Seven children were reunited with family, in most cases extended family such as grandparents, aunts, or older siblings.

8.6.2 Satellite Homes

A total of 72 children were accommodated across seven satellite homes. Each child's admission was based on varying circumstances: 25% had experienced neglect, 28% were abandoned, 10% had suffered physical or sexual abuse, 5% displayed uncontrollable behavior, another 5% had been living on the streets, while 4% were subjected to exploitation and 4% were affected by substance abuse. A further 19% came from environments where they were at serious risk or harm at home.

In response to these challenges, services such as the recruitment of suitable host parents helped provide abandoned and neglected children with the opportunity to join new families. Combined with the nurturing environment of a satellite home, this gave many children the sense of belonging and acceptance they desperately needed. That sense of belonging is fundamental, as it forms the bedrock upon which children begin to develop the vital life skills necessary to thrive.

For a child who has endured neglect, simple provisions such as having their own bed, access to nutritious



meals, sufficient clothing, and a place in school can be transformative. The seven satellite homes collectively support learners at 13 high schools, 13 primary schools, four remedial institutions, and two special schools. With the assistance of study funds and various partners, AKB has also enabled seven students to pursue tertiary education following matric. School attendance, participation in sport, and engagement in developmental programmes have all contributed to building the children's independence and skill sets.

Local communities surrounding the satellite homes have played a significant role in the children's development, offering recreational and enriching

experiences such as camping, hiking, resort holidays, and other adventures that bring joy and build resilience.

The impact of satellite homes on children who have experienced abuse has been profound. Beyond providing physical safety, these children benefit from ongoing therapeutic interventions that help them recover from deeply traumatic experiences. Over the past year alone, 358 therapy sessions were delivered internally and externally, each contributing meaningfully to the children's emotional and psychological wellbeing.

COMMUNITY SERVICES: BENEFICIARIES' PROFILE (01 APRIL 2024 TO 31 MARCH 2025)

	AKB Soweto Family Care	AKB Westbury Family Care	Emdeni Skills Dev Centre	Johanna Malan ECDC	Total
Total Number of beneficiaries	396	328	267	128	1 119
Males African	151	47	95	54	347
Females African	245	151	171	69	636
Males Coloured	0	38	0	1	39
Females Coloured	0	89	1	2	92
Males Asian	0	0	0	0	0
Females Asian	0	3	0	0	3
Males white	0	0	0	1	1
Females white	0	0	0	1	1
Age Distribution	396	328	267	128	1 119
0 - 3 years	53	36	0	52	141
4 - 6 years	33	49	0	76	158
7 - 13 years	97	85	0	0	182
14 - 18 years	82	97	0	0	179
18 - 35	113	48	253	0	414
36 +	18	13	14	0	45
School Distribution	304	243	267	128	942
Grade 1 - 4	62	52	0	0	114
Grade 5 - 7	53	68	0	0	121
Grade 8 - 12	99	67	0	0	166
Skills Training	6	0	267	0	273
Special Education	2	3	0	0	5
Remedial Education	0	0	0	0	0
Students/ tertiary	10	5	0	0	15
Pre-School	11	20	0	128	159
Not in school	61	28	0	0	89
Total New Admissions	56	25	59	48	188
Males	17	7	24	26	74
Females	39	18	35	22	114
Total Exits & Employed/Own Business	47	25	40	40	152
Males	13	2	14	22	51
Females	34	23	26	28	111
Beneficiaries with Disabilities/Chronic Illness	61	35	4	2	102
Males	6	4	3	1	14
Females	55	31	1	1	88

One powerful story stands out. Two years ago, AKB admitted a seven-year-old child under emergency circumstances, an exception to the usual process, which requires panel approval and confirmed school placement. This child had been abandoned and was found on the streets in urgent need of warmth and safety. When admitted, the child could neither speak nor understand English or Afrikaans. Today, that same child is flourishing. The child found security, made friends, and now speak English, Afrikaans, and Zulu. While initial schooling was challenging due to language barriers, thorough evaluations led to enrollment in a school tailored to the child's needs. This young soul, once lost and vulnerable, is growing into someone who extends care and compassion to others, a beautiful testimony to what a safe, healing environment can achieve.

8.6.3 Langlaagte Campus

The Langlaagte campus accommodated 68 girls, each carrying a unique story of hardship and hope. Among them, 33 had experienced physical neglect. Thanks to the care provided at the campus, they now receive proper nourishment, safe shelter, clothing, and the opportunity to attend school. Their basic needs are met, and their dignity restored.

Three girls who had endured emotional neglect now experience acceptance and unconditional love. With the guidance of trusted adults, they are beginning to form secure attachments, which are vital for emotional healing.

Four girls who had been physically abused are no

longer exposed to harm. They do not return to the families where the abuse occurred, instead, alternative host families have stepped in to support them. Langlaagte offers an environment free of violence, fostering a sense of safety and trust.

Seven girls who were sexually abused have been removed from contact with perpetrators and now live safely on campus. Specialised therapy is ongoing to support their emotional recovery and healing journey.

Two girls previously exploited have been removed from toxic environments, though they still have contact with those responsible. Nevertheless, the secure and nurturing setting at Langlaagte provides them with stability and a renewed sense of safety.

Two girls who were rejected by their primary caregivers found refuge and belonging in the Langlaagte community. They are embraced as part of a new family and are no longer made to feel unwanted or alone.

Fifteen girls who had been abandoned or orphaned now receive love and comfort from dedicated staff. Through the team's persistent efforts, five were connected with host parents, and seven were reunited with extended family members, allowing the possibility of building meaningful bonds.

Two girls with behavioral difficulties have shown improvement, thanks to consistent structure, routine, life skills training, and therapeutic support. The calm and compassionate environment encourages positive behavioral changes.

Each residential unit on campus houses 10 girls, functioning as close-knit family homes. A host parent programme also allows community members to welcome girls into their lives over weekends and holidays. With heartfelt care from both staff and host families, the girls no longer feel rejected, they feel cherished.

Therapeutic, educational, developmental, recreational, and spiritual programmes were introduced to support their healing and growth. Eleven carefully selected schools and tutoring services played an important role, while a total of 759 therapy sessions, both internal and external, were provided, made possible by generous donations and the unwavering commitment of staff.

After tragically losing their biological mother in 2019 and their father in 2023, twin sisters were left in the care of their late father's girlfriend. During this period, they endured frequent verbal rejection, including being told they were unwanted. They also faced neglect and alleged physical abuse. Reports at the time indicated that the girls exhibited significant behavioural challenges.

Since their arrival at AKB, the transformation has been remarkable. From the very beginning, the sisters expressed immense happiness and relief. They smile freely and communicate a deep sense of belonging. No behavioural difficulties have been observed during their time in our care.

They attend therapy and school regularly and consistently verbalize feelings of safety, happiness, and



love. On numerous occasions, they've described AKB as their home. Surrounded by care, support, and love, they've become enthusiastic participants in all group activities, thriving in an environment that recognizes their worth and restores their hope.

8.6.4 Community Care Services to Vulnerable Children

During the past year, the Soweto Family Care Programme operated as a Drop-in Centre from the Emdeni campus in Soweto, and the Westbury Family Care Programme provided a community home-based care service to beneficiaries in the Westbury community.

Both programmes offer vital support to individuals facing neglect, abuse, poverty, and food insecurity. Through diverse interventions, the Soweto Family Care programme directly helped 189 beneficiaries and 207 indirect beneficiaries, while the Westbury Family Care programme provided services to 168 direct beneficiaries and 160 indirect beneficiaries.

Despite funding cuts implemented by the Department of Social Development, the social work team continued to offer psychosocial support to 36 victims of abuse. Awareness campaigns were delivered at local schools, and follow-up assessments were carried out to evaluate the effectiveness of the interventions.

Social Workers and Social Auxiliary Workers conducted 313 school visits to monitor academic progress and attendance. These efforts led to a 30% increase in overall pass rates, a 100% matric pass rate in the Soweto Family Care Programme, and a 90% pass rate in the Westbury Family Care Programme.

To tackle ongoing economic hardship, 75 poverty interventions were implemented, leading to 13 individuals gaining employment and 62 families receiving food parcels. These initiatives aim to promote long-term sustainability and independence among beneficiaries.

Khanyisa*, a beneficiary since 2007, has shown remarkable perseverance. In 2021, she was moved to AKB Langlaagte Campus to provide a peaceful and secure



environment for studying, which helped her overcome challenges faced at home. It was here that she excelled academically, completing her matric with distinction. She subsequently graduated with a Diploma in Cost and Management Accounting (cum laude) from Vaal University of Technology and is now pursuing an Advanced Diploma, demonstrating academic excellence and resilience.

Similarly, Zindi* and her twin brother Thando* faced great adversity after losing their parents. Raised by their grandmother, they depended on AKB's ongoing support for nutrition and other essentials. After their grandmother's death, financial difficulties continued, but AKB remained a reliable source of help, assisting Zindi in obtaining an ID, computer training, and a

bursary to study at Boston City Campus.

Determined to succeed, Zindi* pursued employment opportunities, securing an internship as a Supervision Assistant at Credico, where she plays a vital role in consumer protection and fair business practices. Her journey illustrates the transformative impact of ongoing support, emphasising the importance of education, empowerment, and intervention for children at risk.

8.6.5 Emdeni Skills Development Centre

The Emdeni Skills Development Centre plays a vital role in addressing youth unemployment by providing individuals with practical, market-relevant skills, promoting economic independence and sustainable futures.

In 2024/25, the centre successfully trained:

- 51 Assistant Chefs (NQF Level 2)
- 33 learners in Tiling & Painting (NQF Level 3)
- 35 Agriculture students (Not yet accredited)
- 120 learners in International Computer Driving License (NQF Level 3)

Unfortunately, a 9% dropout rate persists, primarily due to financial insecurity and the availability of immediate job opportunities. Efforts are ongoing to support students in completing their training and reaching their long-term career goals.

We have seen how academic achievement can lead to success. After completing their training, 29 students were able to find employment, learnerships, or internships.

Lungi*, a graduate of our Assistant Chef course, has achieved great success in the culinary industry, contributing to major events like the South African Presidential Inauguration and DSTV Delicious Festival. She now acts as Lead Kitchen Supervisor at Woolworths in Gauteng, showcasing the programme's impact.

The Ann Read Information Centre offered a range of services to 480 community members. These include binding, photocopying, internet access, typing, career guidance, and help with applications for IDs and birth certificates. Our Enterprise Development programme continues to support aspiring entrepreneurs through training, internet access, and business registration support.

8.6.6 Johanna Malan Early Childhood Development Centre (ECDC)

Early childhood development is vital in reducing socio-economic inequality. It influences children's futures by affecting their academic achievement, social skills, and overall well-being. Johanna Malan ECDC provided early learning opportunities to 128 young children living in environments characterised by insufficient nutrition, poor living conditions, lack of security and social protection, and limited chances for early learning and stimulation.

During the year under review, 48 children enrolled at Johanna Malan for the first time, and 28 children graduated from the Grade R class. The children who were not ready to start Grade 1 were referred to relevant therapists for assessments and intervention. Applications for special needs education were submitted where necessary.

The 52 children in the Gr RR and RRR classes benefited most from the services offered at Johanna Malan ECDC. Activities such as puppet shows, visits from a mobile zoo, and arts and craft activities addressed the delays noted in these children's language development, social and emotional skills, as well as fine motor skills. The spacious playground with jungle gyms, a sandpit, and bicycle track, along with activities such as Playfit and ballet, further supported the children's physical development.

Donor funding enabled the necessary kitchen upgrades and adjustments to meet health regulations. A gas hob was installed in the kitchen, and the additional cupboards provide ample space for storing groceries and utensils separately. Staff are preparing

two cooked meals daily for 80 children. Attending to nutritional needs has also led to an increase in the activity levels of children attending Johanna Malan ECDC.

Johanna Malan ECDC plays a vital role in establishing the foundation for future learning and development, significantly influencing children's cognitive, social, and emotional growth.

8.7 BRAND AWARENESS AND FUNDRAISING

The AKB brand is more than a logo or a name, it is a symbol of hope and a living promise to the children and young people we serve. Over the past year, AKB experienced significant growth in brand visibility, donor engagement, and volunteer participation. These achievements reflect the unwavering trust and belief our donor, volunteer and stakeholder community continue to place in our mission to care for and empower vulnerable children.

Our fundraising efforts generated not only vital impact but also meaningful connections. In 2025, donor contributions increased by 4.3%, representing 64.57% of our total income. These figures are not just financial statistics, they translate into shelter that feels like home, nutritious meals, essential school supplies, psychological support, and nurturing care for orphans and vulnerable children who may otherwise have been overlooked.

We are deeply grateful for the support we received throughout the year. More than 80% of donors from 2023/24 continued

their support in 2024/25, and over 75% of those who repeated their donation increased the value of their donation. These contributions ensured that beneficiaries in our Community Care Programmes continued to receive food and other essential services, despite funding cuts from the Department of Social Development. Thanks to our donors, one girl was able to join a netball tour, another visited relatives in Cape Town for the first time, and dignity was restored to over a thousand others. These are not merely anecdotes, but reflections of transformative impact.

Collaboration with other NGOs, organisations, and businesses created valuable opportunities to amplify AKB's visibility and engage the wider community. AKB benefitted from corporate, sports, and fundraising events held in its support, many of which led to the recruitment of new donors. Campaigns, projects, and events throughout the year proved to be highly successful. Both individual and corporate donors responded positively to the Winter Campaign in July and August 2024, as well as the Christmas Campaign in November and December. The 2024/25 education campaign exceeded expectations by surpassing its income target. Initiatives such as the B-BBEE and financial year-end email campaigns, along with our annual Golf Day, emerged as some of the most impactful efforts. These events not only raised significant funds, but also attracted a remarkable number of first-time contributors.

A noteworthy increase in volunteer participation was also recorded. Volunteers provided hands-on support

“A noteworthy increase in volunteer participation was also recorded. Volunteers provided hands-on support while simultaneously contributing to positive brand perception, which in turn translated into increased public engagement and donor interest.”

while simultaneously contributing to positive brand perception, which in turn translated into increased public engagement and donor interest.

AKB sustained and expanded its digital footprint through effective use of Google Ads and organic content optimisation. Website traffic rose by 16.2%, reaching more than 37,000 users. A key highlight was the elevation of the Donation page to one of the top three most visited pages, a direct result of targeted digital marketing. Online platforms raised R704 355 in donations, underscoring the effectiveness of digital mobilisation in advancing AKB's mission.

Looking forward, we remain deeply committed to strengthening the AKB brand. In an increasingly competitive non-profit landscape, brand awareness is not optional, it is essential. We will continue to invest in storytelling, donor engagement, impact reporting, and strategic marketing. At every step, these efforts will reflect and reinforce our mission: to care for, protect, and empower children and youth in need. We extend our heartfelt thanks to every donor who contributed, every volunteer who served, every follower who shared our messages, and every partner who opened doors. Your support is the reason the AKB brand and mission continue to thrive. Even as the challenges grow, your

trust in us grows stronger still.

8.8 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

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 The Board collectively hold 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.

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 Ethics Institute assisted AKB with an ethical culture survey to measure the maturity level of the ethical culture of AKB. The survey indicated that the AKB staff currently has a developing ethical culture.

Subsequent to the survey, management developed and implemented an Ethics Strategy and Management Plan to further promote the development of the ethical culture of AKB.

9.2 RESPONSIBLE CORPORATE CITIZENSHIP

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.



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

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.

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 constantly being pursued in order to contribute to the protection of our environment and to reduce operational costs. Significant progress has been made in this regard, with the installation of various solar electricity systems at multiple operational sites.

9.3 VALUE CREATION

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

The Board delegates the formulation and development of the organisation's short-, medium- and long-term strategy to the Strategic Committee and management. 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 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 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 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 76% (2023/24: 77%).

During the reporting period the Board consisted 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.

Subsequent to the reporting period the Board conducted the required process to reduce the size of the Board to seven Independent Non-executive

Directors and one Executive Director. This reduction of the size of the Board was carried out to comply with section 208(1) of the Children's Act, 38 of 2005, as amended. The workload of the directors is shared with advisory board members who contribute their knowledge and skill on the Board and its committees.

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 carried out by KPMG, the internal audit service provider. 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 subsequent to reporting period. The members of the Board had

training on the Companies Act, the Non-Profit Organisations Act and the Employment Equity Act in 2024.

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 retire on 31 August 2025, the

Board executed a recruitment and selection process, concluding in June 2025, with the appointment of the CEO Designate, Ms Yolande Fredericks, who will assume the role of CEO on 1 September 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.

9.4.1 BOARD MEMBERS



Mr. F V Dlamini
(Chairperson)

BA Law, LLB, LLM, MBL
Diploma in HR Management
Advanced Labour Law Diploma
Ind Non-Executive Director
Date of Birth: 22 February 1966
Date of Appointment: 24 July 2023
Date Appointed as Chairperson:
28 August 2023



Mr. W H Lategan
(Deputy-chairperson)

Ind Non-Executive Director
Hons B Compt, CA(SA), MBL
Date of Birth: 21 April 1956
Date of Appointment:
26 November 2018
Date Appointed as
Deputy-chairperson:
10 November 2023



Mr. P S Momsen
(Chief Executive)

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



Ms. N N Mokhobo
(Board Secretary)

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



Mr. D Lefoka
(Deputy Secretary)

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



Mr. J D de Villiers
(Outgoing Treasurer)

Ind Non-Executive Director
B Com (Hons), CA(SA)
Date of Birth: 19 September 1959
Date of Appointment:
27 March 2001
Date of Resignation:
31 March 2025



Mr. J A Thomas
(Incoming Treasurer)

Ind Non-Executive Director
B Com (Hons) Actuarial Science
B Com Insurance Science
Fellow of the Actuarial
Society of SA (2006)
Date of Birth: 30 May 1977
Date of Appointment:
20 September 2024



Mr. D J Deysel

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



Ms. J D Jeftha

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



Ms. B G L Mthembu

Ind Non-Executive Director
National Diploma IT
B Com (Hons) Marketing/ Business
Management
MPhil: Business Management
Date of Birth: 15 January 1981
Date of Appointment:
7 September 2022
Date of resignation: 31 March 2025



Rev. P M Strydom

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



Ms. R Surajjall

Ind Non-Executive Director
B Com (Hons) Industrial &
Organisational Psychology,
Psychometrist
Date of Birth: 17 March 1971
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 55 (2023/24: 56) 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), Mr. JD de Villiers (Board member, resigned 31 March 2025), 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

Name of Committee	Average % Present
Strategic Committee	89%
Remuneration and HR Committee	100%
Information Technology Committee	100%
Financial and Risk Committee	97%
Marketing Committee	90%
Beneficiary Services Committee	100%
Audit Committee	92%
Social and Ethics Committee	100%
Soweto Services Management Advisory Committee	87%
Secretariat Committee	75%
Johanna Malan / Maria Kloppers Governing Body Committee	80%

Committee drives the development of future strategy. The Committee gave guidance to management in respect of all six strategic focus areas, with a strong focus on financial sustainability 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, resigned November 2024), Ms. C Leonard (Tutela Representative, appointed March 2025); Permanent Invitees: Ms. A Govender, 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

Mr. WH Lategan (Chair), Ms. MG Mokoka (Member), 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. 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 90% 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. YL Fredericks, Ms. A Govender, Mr. N du Bruyn, Ms. E Snyman-Teessen, Ms. MM van Zyl.

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 upgrading of hardware to implement Windows 11 organisation-wide, and reviews of various policies.

The Committee conducted six 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 & Human Resources Committee

Ms. JD Jeftha (Chair), Ms. R Surajlall (Member), Ms. SN Uzo (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 an independent volunteer 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 initiated and oversaw the recruitment process in respect of a successor in the CEO role.

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, resigned 20 September 2024), Mr. JA Thomas (Chair / Treasurer, appointed 20 September 2024), Mr. PS Momsen (Deputy Chair).
 Permanent Invitees: Ms. YL Fredericks, Ms. A Govender, Ms. N Riba, Ms. E Snyman-Teessen, Ms. MM van Zyl.

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 served 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 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.

9.5.8 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), Ms. P Ngxangane (Beneficiary Guardians Forum), Mr. S Nkomo (Professional: Local School), Ms. M Ranuku (Beneficiary Forum), Mr. J Sibeko (Local Librarian), Ms. S Sibiya (Beneficiary Forum), Ms. S Tshabalala (Beneficiary Forum)

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 87%.

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. MM van Zyl (Deputy Chair), Ms. P Baduza (Member), Mr. T Mabudafhasi (Community Member), Ms. E. Momsen (Member), Ms. A Motau (Community 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 80%.

9.5.11 Audit Committee

Mr. DJ Deyssel (Chair), Mr. JD de Villiers (Deputy Chair, Resigned 31 March 2025), 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 31 March 2025

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 9.5.11 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 sound 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 2025 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 2025 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 2025/2026 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 2025 to the Board for approval.

DJ Deysel
Chairperson
25 August 2025

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. The termination of Microsoft support in respect of MS Windows 10 by October 2025, is accelerating this process.

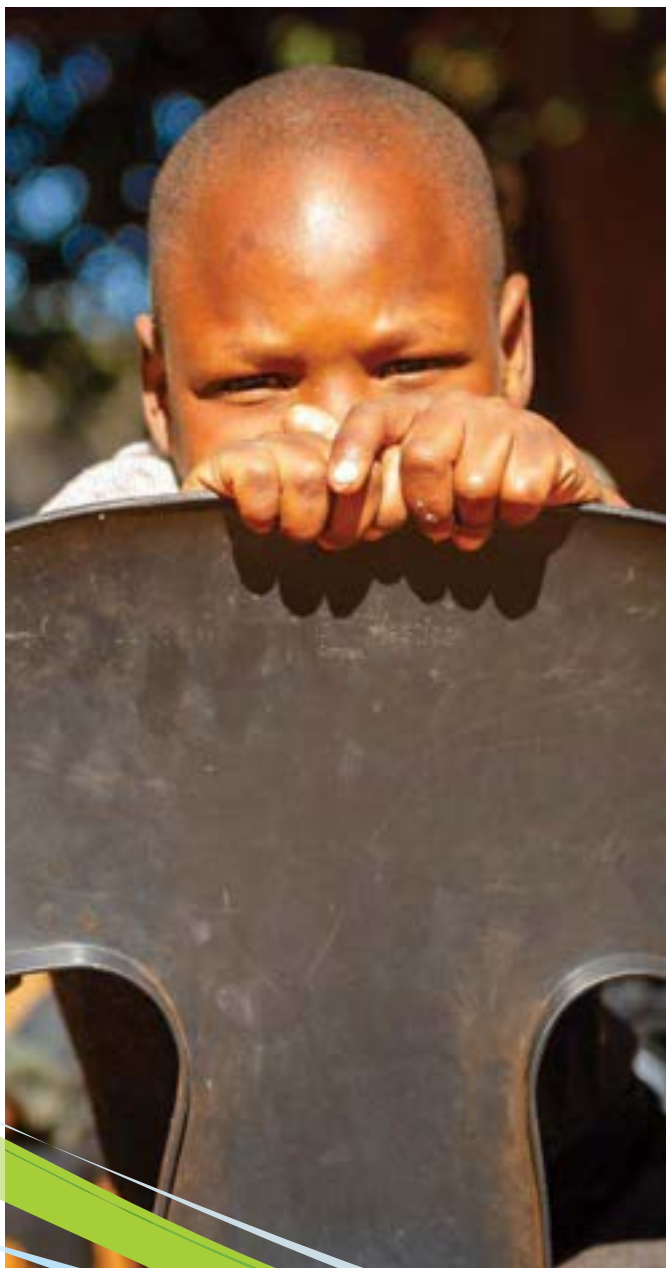
Refer to section 9.5.5 for an overview of the functioning of the Information Technology Committee of the Board.



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.

During the reporting period there was a strong focus on compliance with vetting requirements in terms of the National Register for Sex Offenders, as well as ongoing efforts to comply with local authority building regulations.

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 sets as objective. The approved remuneration objective is to remunerate at the lower quartile of the Averile 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. 4 per cent, for the 2025/26 financial year. This followed the retrenchment of a significant number of employees during the previous reporting period, due to the reduction in state funding.

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 tabled on the right.

Payments on termination of employment are compliant to the Basic Conditions of Employment Act. AKB observes the statutory minimum wage pre-scripts. 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, as well as future annual targets. They also receive a performance commission if they exceed targets.

The personnel expenditure costs of AKB as a percentage of expenditure was 54,17% (2023/24: 57,11%) for the past financial year. The total personnel cost was R25 820 205 (2023/24: R28 117 943. The cost decreased by 8,17% 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 Bamabanani NPC	B-BBEE – Broad-Based Black Economic Empowerment
CCW – Child Care Worker	C&YCW – Child and Youth Care Worker
CCG – Child Care Giver	CIPC – Companies & Intellectual Property Commission
CSI – Corporate Social Investment	DRC – Dutch Reformed Church
DSD – Department of Social Development	ECDC – Early Childhood Development Centre
HWSETA – Health & Welfare Sector Education & Training Authority	NDP – National Development Plan
NPC – Non-Profit Company	NPO – Non-Profit organisation
NSFAS – National Student Financial Aid Scheme	PBO – Public Benefit Organisation
PFMA – Public Finance Management Act	SARS – South African Revenue Service
SLA – Service Level Agreement	TK Residence – Talitha Kumi Student Residence
URCSA – Uniting Reformed Church in Southern Africa	
Third stream revenue – income from sources other than government subsidies and donors, generated by trading activities.	

Abraham Kriel



Bambanani
NPC

SUMMARY FINANCIAL STATEMENTS 2024/25

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 64 to 69, which comprise the summary separate statement of financial position as at 31 March 2025, the summary separate 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 financial statements of Abraham Kriel Bambanani for the year ended 31 March 2025.

In our opinion, the accompanying summary separate financial statements are consistent, in all material respects, with the audited separate 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 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 financial statements in our report dated 12 September 2025.

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 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
 12 September 2025

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 2025

SUMMARY SEPARATE STATEMENT OF FINANCIAL POSITION as at 31 March 2025

	Notes	2025 R	2024 R
Assets			
Non-current assets			
Property, plant and equipment		14,597,101	13,680,317
Current assets			
Inventories		4,981	77,841
Trade and other receivables		3,450,171	2,092,776
Loan to group company		2,013,649	2,840,440
Cash and cash equivalents		4,505,996	3,738,690
Total current assets		9,974,734	8,749,748
Total assets		24,571,835	22,430,065
Equity and liabilities			
Equity			
Accumulated (Loss)/Profit		(2,679,172)	(2,742,388)
Other non-distributable reserves		14,018,635	13,965,300
Total equity		11,339,463	11,222,912
Liabilities			
Non-current liabilities			
Retirement benefit obligations		2,799,644	2,951,593
Current liabilities			
Trade and other payables		2,744,054	3,058,792
Deferred income	7	7,688,673	5,196,767
Total current liabilities		10,432,727	8,255,559
Total liabilities		13,232,371	11,207,152
Total equity and liabilities		24,571,835	22,430,065

**SUMMARY SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME for the year ended 31 March 2025**

	Note	2025 R	2024 R
Revenue	3	49,597,870	44,985,619
Operating expenses	4	(48,846,605)	(49,236,525)
Operating profit / (loss)		751,265	(4,250,906)
Investment income		114,969	275,637
Finance costs		(427,038)	(323,886)
Other income		277,833	307,457
Profit / (loss) before tax		717,029	(3,991,698)
Income tax expense		–	–
Profit / (loss) for the year		717,029	(3,991,698)
Other comprehensive income:			
(To) reserves		(103,359)	(284,770)
From reserves		50,023	309,016
Total designated funds transferred		(53,336)	24,246
Items that may be reclassified to profit or loss			
Remeasurement of retirement benefit obligation		(600,477)	(81,732)
Total comprehensive income		63,216	(4,049,184)

**SUMMARY SEPARATE STATEMENT OF CASH FLOWS
for the year ended 31 March 2025**

	Note	2025 R	2024 R
Net cash flows from / (used in) operations	6	886,317	(3,586,444)
Interest paid		(427,038)	(323,886)
Interest received		114,969	275,637
Specific doner funding received (deferred income)		2,491,906	–
Net cash flows from / (used in) operating activities		3,066,154	(3,634,693)
Cash flows used in investing activities			
Proceeds from sales of donated property, plant and equipment		55,000	88,784
Purchase of property, plant and equipment		(1,995,482)	(318,808)
Loan advanced to group company		(358,366)	(912,134)
Cash flows used in investing activities		(2,298,848)	(1,142,158)
Cash flows used in financing activities			
Repayment of lease liabilities		–	(7,120)
Cash flows used in financing activities		–	(7,120)
Net decrease in cash and cash equivalents		767,306	(4,783,970)
Cash and cash equivalents at beginning of the year		3,738,690	8,522,660
Cash and cash equivalents at end of the year		4,505,996	3,738,690

SUMMARY SEPERATE STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2025

	Reserves	Retained Income	Total Equity
	R	R	R
Balance at 1 April 2023	13,989,546	1,306,786	15,296,332
Changes in equity			
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)
Balance at 31 March 2024	13,965,299	(2,742,398)	11,222,901
Changes in equity			
Profit for the year	–	717,029	717,029
Other transfers between reserves	53,336	(53,336)	–
Remeasurement of retirement benefit obligation	–	(600,477)	(600,477)
Balance at 31 March 2025	14,018,635	(2,679,172)	11,339,463

NOTES TO THE SUMMARY SEPARATE FINANCIAL STATEMENTS for the year ended 31 March 2025**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 full set of audited consolidated and separate annual financial statements is be available for inspection at the Company's 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 2025**3. Revenue**

	2025	2024
	R	R
Revenue comprises:		
Church funding	726,630	669,553
Corporate funding income	783,979	584,130
Donor fundings*	31,493,285	30,363,260
Fees for services	1,074,231	1,004,809
Income from ventures	1,161,230	1,039,906
Legacies and bequests	285,976	26,233
State funding	14,072,540	11,297,728
Total revenue	<u>49,597,870</u>	<u>44,985,619</u>

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

4. Operating expenses

	2025	2024
	R	R
Operating expenses comprise:		
Depreciation	1,078,698	1,246,633
Household and service expenditure	11,216,184	11,061,534
Office and administrative expenditure	3,828,123	3,957,645
Personnel expenditure	25,820,205	28,117,943
Provision for expected credit loss	1,185,158	–
Property expenses	5,718,238	4,852,770
Total other expenses	<u>48,846,605</u>	<u>49,236,525</u>

5. Taxation

Abraham Kriel Bamabanani 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 2025**6. Cash flows from operating activities**

	2025	2024
	R	R
Profit / (loss) for the year	717,029	(3,991,698)
Adjustments for:		
Finance income	(114,969)	(275,637)
Finance costs	427,038	323,886
Depreciation and amortisation expense	1,078,698	1,246,633
Gains and losses on disposal of assets	(55,000)	(88,784)
Expected credit loss on Loan to group company	1,185,158	–
Other non-cash items	(752,427)	188,863
Change in operating assets and liabilities:		
Adjustments for increase in inventories	72,923	(10,339)
Adjustments for increase in trade accounts receivable	(1,357,395)	(721,440)
Adjustments for decrease in trade accounts payable	(314,738)	(257,927)
Net cash flows from operations	886,317	(3,586,444)

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

	2025	2024
Donation received from Japanese Embassy	196,767	196,767
Steinhoff donations received	5,000,000	5,000,000
Rachel du Toit donations received	618,427	–
AJ Heyns Trust donations received	873,478	–
VDT Attorneys profit on sale of property	1,000,000	–
	7,688,673	5,196,767

The company benefited from donations received from the Japanese Embassy to purchase a modified vehicle.

The company benefited from donations received from Steinhoff to purchase Emdeni stand 6469 in Soweto.

The company benefited from donations received from Rachel du Toit Trust, specifically allocated for expenses associated with the re-registration of the Child and Youth Care Centres, by December 2025.

The company benefited from donations received from AJ Heyns Trust, specifically allocated for expenses associated with the re-registration of the Child and Youth Care Centres.

The company benefited from the sale of the Mayfair property donated by Siemens; the funds are designated to purchase a property for the satellite house in partnership with Siemens.

8. Going concern

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

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

The Department of Social Development (DSD) reinstated the SLA for the Soweto family care and the Westbury family care programmes for nine months of the financial year.

AKB Endowment Fund undertook to provide financial support to Abraham Kriel Bamabanani NPC for any amount that Abraham Kriel Bamabanani NPC is called upon to pay, pursuant to and/or in terms of any liability that Abraham Kriel Bamabanani NPC may have, in the foreseeable future and including over a period of 24 months.

9. Events after the reporting period

Abraham Kriel Bamabanani NPC has received Service Level Agreements (SLAs) for all its programmes from the Department of Social Development. However, there have been notable changes in funding and contract duration. The Emdeni Skills Development Centre and the Westbury Family Care programmes experienced reductions in funding allocations. The SLAs for the following programmes were signed for less than one year, pending full compliance with applicable city bylaws: Langlaagte, Maria Kloppers, Benoni, Soweto Family Care and Westbury Family Care programmes.

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.



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Johannesburg

Auditors: PwC Inc,

4 Lisbon Lane, Waterfall City, Jukskei View, Midrand

Company secretary: Y Fredericks,

Tel: +27 (0)11 839 3058

Email: ys@abrahamkriel.org

Banking Details:

ABSA

Account Name:

Abraham Kriel Bambanani

Account Number: 140941336

Branch: 632005 (universal code)

Swift code for international deposits: ABSAZAJJ

Requests for Section

18A certificates:

ers@abrahamkriel.org