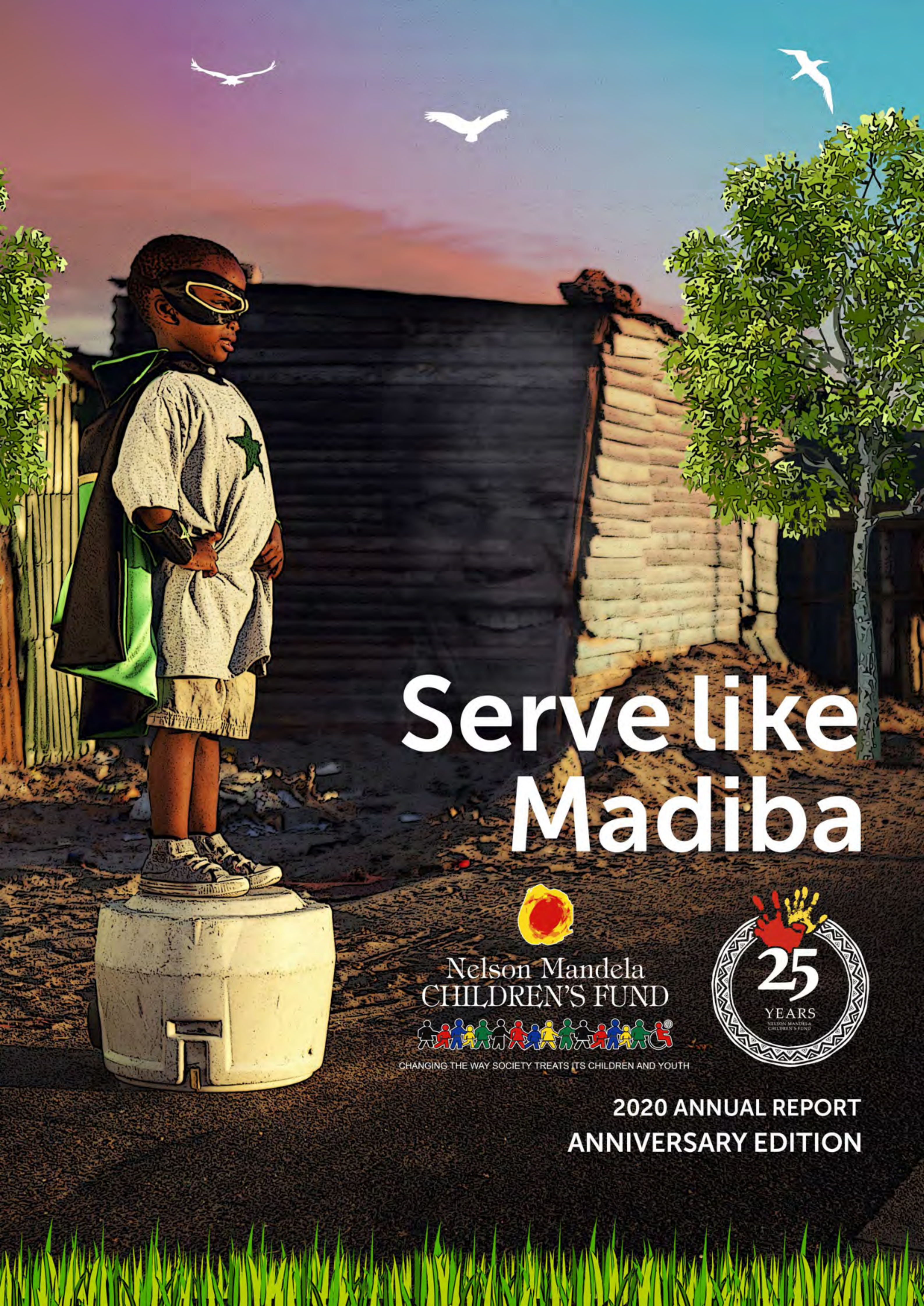

Serve like Madiba

Nelson Mandela
CHILDREN'S FUND

CHANGING THE WAY SOCIETY TREATS ITS CHILDREN AND YOUTH

25 YEARS NELSON MANDELA CHILDREN'S FUND

2020 ANNUAL REPORT
ANNIVERSARY EDITION

SERVE LIKE MADIBA

Help us ensure that the legacy of our founder, Nelson R. Mandela, is secured in perpetuity, by donating to his vision of Changing the Way Society Treats Its Children and Youth.

The Fund works with partners throughout South Africa in addressing issues pertaining to children with the aim of strengthening families and communities and triggering a response from government.

HOW CAN YOU SERVE LIKE MADIBA?

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INDEX

VISION, MISSION AND ORGANISATIONAL VALUES

Vision

Changing the way society treats its children and youth

Mission

Give voice and dignity to the African child by building a rights-based movement

Organisational Values

- The absolute belief that all children should enjoy the absence of hunger, abuse, exploitation and homelessness, underpinned by a clear notion that the eradication of poverty and its systemic causes are the ultimate desired change as opposed to ameliorating difficult circumstances in which targeted beneficiaries find themselves.

- The belief that it is possible to have a world where children live with dignity, are safe, nurtured and their voices heard and that the transformation needed to create such a world needs every part of society to play its role.

- A commitment to applying holistic and integrated approaches that recognise and treat children as part of families and communities, with institutional placements applied as the exception.

- Children, youth and communities must participate in making decisions that affect their lives.

- The viable application of service delivery approaches that are informed by children's constitutional rights and, specifically with reference to the notion that all children have dreams and aspirations and should thus be afforded the opportunity to reach their full potential.

- The promotion of a culture of best practices, innovation and openness to new learning and professionalism in achieving targeted, measurable results.

MESSAGE FROM THE CHAIRPERSON

At the birth of our democracy and the establishment of the Nelson Mandela Children's Fund (the Fund) in 1995, our founder, President Mr Nelson Mandela, delivered a poignant speech at Mahlamba Ndlopfu, the official residence of the president, in Pretoria. Mr Mandela's message, highlighting the plight of children and youth in our country and the need for the existence of this organisation, largely resonates today.

To quote a portion of his speech, Madiba said: "As we set about building a new South Africa, one of our highest priorities must therefore be our children. The vision of a new society that guides us should already be manifest in the steps we take to address the wrong done to our youth and to prepare for their future. Our actions and policies, and the institutions we create, should be eloquent with care, respect and love."

Twenty-five years later, this legacy organisation - the first to be established by Madiba in his capacity as the first democratically elected president of our country - has made many strides in advancing the rights of our most vulnerable citizens.

Yet, at this peak and at the sight of the setting sun of the past two-and-a-half decades, the morning brings the day's challenges and successes.

The past financial year has been a sombre one for women and children in our country. Gender-based violence, including brutal killings and violent sexual assaults against women persist at alarming rates in South Africa. Children also continue to bear the brunt of this violence, threatening their safety within their families and communities.

In his State of the Nation Address on 13 February 2020, President Cyril Ramaphosa rightly acknowledged this crisis announcing an emergency action plan to address the scourge.

As civil society, our role has never been more pertinent. We must continue to collaborate across our sector and in partnership with government to end the pattern of violence and abuse in our society.

We are immensely proud of the work of the management and staff at our organisation whose daily mission is to further this agenda and improve the realities of women and children with the greatest of urgencies and considerable dedication.

This year also coincided with the advent of the novel Coronavirus which has devastated communities across the country and the globe. This deadly virus has brought our world to a standstill with mandatory isolation and limited activities in efforts to curb its spread and save human life. This halt in its varied measures to preserve life unfortunately, also meant that our economies and social welfare would fall subject to further vulnerability.

More than ever, children far and wide need the continued support of organisations such as the Fund to mitigate the effects of the pandemic. To achieve this, we must in earnest revisit Madiba's words and let his vision for a better world for our children guide us in these times.

As part of our 25th year anniversary, we have therefore adopted the theme of #ServeLikeMadiba. Inspired by Madiba's life of selflessness and servitude. This theme begs all of us to examine our own lives and behaviours and how we are using our time to be of service to others. This applies across individuals, communities, civil society, government and corporates. We all have the capacity to adopt this message across our various sectors.

At this important milestone for our organisation, a new dawn is also upon us as we bid farewell to the Chief Executive Officer of the Fund and the Nelson Mandela Children's Hospital Trust (the Trust), Ms Sibongile (Bongi) Mkhabela. Bongi hands the baton over to her successor, Ms Konehali Gugushe, who joined us at the beginning of March 2020.

I would therefore also like to take this opportunity to thank Bongi for her service spanning two decades at the helm of these two organisations. Bongi's leadership role in growing the Fund's endowment over the years is commendable and gives us hope that the organisation can continue its work for many years to come.

Thanks to her contribution as a visionary, and her staff, the heart of the organisation, our role as a social development agency in the region remains relevant. Perhaps one of Bongi's greatest accolades was fulfilling our mandate as the board of the Fund to lead the establishment and the operations of the Trust with its mandate to raise the capital funds required to design, build and equip only the second dedicated paediatric facility in Southern Africa, the Nelson Mandela Children's Hospital (NMCH).

Bongi remains an active part of our family. Building on her remarkable life journey to date, she will continue to fight for the most vulnerable in our society and impact on the lives of children by remaining a trustee of the Fund and a member of the board of Nelson Mandela Children's Hospital.

NMCH marked three years of its operations on 21 June 2020. We are proud of the work that the hospital teams continue to do in providing services to families at this state-of-the-art facility where no child is turned away due to an inability to pay. This is particularly so, during this global healthcare crisis where healthcare workers remain on the frontlines in the fight against the Coronavirus whilst continuing to provide critical health services. We are hugely indebted to them.

We welcome Ms Gugushe to our family and have the utmost confidence in her wealth of experience, her reputable leadership qualities and her big heart which we can rely on to guide the Fund's strategic focus at this critical juncture, whilst building on Bongi's legacy. This will include strengthening Madiba's vision for his legacy organisations for children (the Fund, the Trust and NMCH) by promoting synergies, collaboration, sustainability and alignment.

I would also like to take this opportunity to thank the board of Trustees at the Fund, who all give of their time voluntarily to serve Madiba's vision.

As we begin this new chapter and look ahead to a promising future, we also cannot forget friends and champions of our cause. We pay tribute to all those who have supported us on our journey and welcome those new friends who are joining us along the way.

We also pay tribute to the friends we have lost including our valued Trustee Dr Richard Maponya, Ambassador Zindziswa (Zindzi) Mandela and supporter Mr William S. White. We commemorate the life of Mr Achmat Dangor who led the Fund as the CEO during a difficult time in the history of our country. Their contribution and commitment will forever remain endeared in our hearts.

The work of our organisation remains ambitious but achievable. It will take us to work more and more as a community to bring us closer to the desired and safer world where our children can truly thrive.

How will you #ServeLikeMadiba?

Judge Yvonne Mokgoro
Chairperson
Nelson Mandela Children's Fund

MESSAGE FROM OUTGOING CEO

The past year was my last in my capacity as the Chief Executive Officer of the Nelson Mandela Children's Fund (the Fund). This is an organisation that I hold dear to my heart and one that I have had the honour to serve for the past two decades.

Whilst difficult to make, the timing of my decision felt most opportune. The Fund is nearing the end of its 2016 – 2021 strategy and this year, the organisation celebrates 25 years since its establishment.

We have much to fondly look back upon including the incredible impact of our programmes in communities across the country and celebrating three years of operations at the Fund's flagship project, the Nelson Mandela Children's Hospital (NMCH) in Parktown, Johannesburg.

This is a cause that we had championed when the board of the Fund had honoured the mandate from President Mr Nelson Mandela to build a dedicated children's hospital in Gauteng to treat sick children on our continent. Madiba had said, "Children of Southern Africa too, have a right to be cared for and to receive the best medical care available when they are ill and to receive treatment that compares with the best in the world. The children's hospital will be a credible demonstration of African leaders to place the rights of children at the forefront."

Most importantly, Madiba wanted to ensure that at this facility, no child would be turned away due to an inability to pay, which to this day remains the hospital's ethos.

This journey, spearheaded by the Nelson Mandela Children's Hospital Trust (the Trust), an organisation established by the board of the Fund and chaired by Mrs Graca Machel, took a decade to realise. At the request of the board, it was my honour to lead these two organisations (the Fund and the Trust) in my dual capacity as Chief Executive Officer.

Madiba is surely smiling down on how far we have come from the capital campaign to raise funds to build and equip the hospital, through to the construction, design and commissioning phases which ultimately led to the commencement of operations on 21 June 2017.

As an organisation, we can proudly say that our focus now stems from primary healthcare to tertiary and quaternary care for children in the region. While NMCH provides specialist care for patients at a tertiary level, our Child Survival, Development and Thriving Programme (CSDT) continues to make inroads in primary healthcare.

Child vaccinations remain a key strategy in the fight against child mortality for children under the age of five. In line with the Sustainable Development Goals and through the support of donors such as Nedbank, the #VaxtheNationCampaign implemented by CDST continues to provide life-saving vaccinations to children across the country.

This approach as a component of critical intervention of the first 1000 days of a child's life, is providing invaluable support to local communities to promote optimal health and development.

As it is important to also provide support to a child before they are born, CSDT has been instrumental in bridging the gap in our health system to bring its services closer to mothers from as early as conception. Through the training of community healthcare workers, CSDT is also imparting skills to communities to foster their independence as key role players in the value chain.

Youth Development and promoting the right to freedom of expression have also informed our activities resulting in the establishment of the Youth Leadership Secretariat at the Fund. This dynamic group of young women is tasked with reimagining our Youth Leadership Programme by actively engaging our youth cohort otherwise known as Efeng Bacha. In so doing, our youth will reclaim their space and set the agenda for dialogue on youth policy and related issues.

The Nelson Mandela Children's Parliament remains a vital platform for our youth through which our youth highlight relevant issues to the national legislature. We are extremely proud of their commitment to strengthening youth advocacy and consistently speaking truth to power.

As we had adopted the theme of a "A Child First, A Child Always," our focus centred on placing children's needs at the core and across multi-facets of their lives. While the 2019/2020 financial year has posed some challenges, we continue to seek solutions to respond particularly to those social ills that continue to persist in our society.

News reports have once again highlighted the scourge of gender-based violence in our country accompanied by unrelenting abuse and killings of our children.

Aimed at reducing incidents of violence and sexual abuse, our Child Safety and Protection Programme continues to work with community-based organisations to implement interventions to alleviate threats to the safety of children including within the school and family structure. This includes prevention strategies and creating dialogue targeted to male figures in our communities.

As such, the programme continues to facilitate men's dialogues which also include the involvement of young males as a mechanism to conscientise them from an early age regarding their role in the fight against gender-based violence.

We continue to marvel at the significant impact of this programme which provides support to victims including through the justice system to ensure that through our partners on the ground, the Fund can change the trajectory of these children's lives. This work that continues to reinforce agency and dignity to young survivors of abuse across the country.

Evidence-based research continues to suggest that poverty alleviation sits at the core of effective mitigation strategies to minimise the vulnerability of children and their families. As such, the Sustainable Livelihoods Programme has provided much needed capacity to families to withstand issues of poverty and hunger.

Partnerships with local government also continue to play a key role to ensure that various stakeholder can join hands across the state and civil society to support communities.

This model has empowered communities to generate income and food through diverse projects involving agriculture and entrepreneurship. So effective is this strategy, it also forms a common thread through our programmatic areas, imparting skills to those beneficiaries such as breastfeeding mothers in our CSDT programme.

The impact of Covid-19 has reverberated throughout our work and has created a challenging environment for our beneficiaries. The national government lockdown which we endorsed as the Fund to curb the spread of the Coronavirus saw the inevitable consequences of slow economic and social activities which placed a burden on many vulnerable communities.

More than ever children need civil society to shelter them and their families from the adverse consequences of the pandemic.

I would like to take this opportunity to thank our programme staff, partners and donors who have, in the midst of this crisis, gone beyond the call of duty to respond to the needs of our communities.

The end is still not in sight. Therefore, sustained intervention is required to ensure that children will continue to have access to safe spaces as well as healthcare services and facilities to support their wellbeing during this crisis and beyond.

As we adjust our response as an organisation, it is with the great pride that I handover the baton to newly appointed Chief Executive Officer, Ms Konehali (Kone) Gugushe who took over the reins at the beginning of March 2020. I worked closely with Kone leading up to the end of March to ensure a seamless handover process.

Having spent time with Kone during this period, I am confident her wealth of experience and formidable leadership qualities will guide the Fund's strategic focus in the organisation's new chapter.

Kone has a deep passion for African development and youth empowerment. Much of her career thus far has been dedicated to developing corporate governance and social responsibility for the benefit of children and communities across the region. She is the ideal fit to reenergise our brand and lead it to its ultimate sustainability.

It is also a great honour for me to continue giving of my time towards Madiba's vision for his children's legacy organisation in my capacity as director on the board of NMCH as well as trustee on the board of the Fund.

We have much to look forward to in our 25-year celebrations which have inspired the theme, #ServeLikeMadiba. This is a call for us all to follow in Madiba's footsteps by doing the bit we can to change our society one action and one child at a time.

I will forever remain grateful to the community of donors, partners, staff, management and board of the Fund who have made it a pleasure to work for this organisation.

This is only the beginning.

Sibongingile Mkhabela
Chief Executive Officer
Nelson Mandela Children's Fund

MESSAGE FROM INCOMING CEO

It is my most humble honour to join the Nelson Mandela Children's Fund (the Fund) in my capacity as the new Chief Executive Officer.

It feels more auspicious an occasion to join this remarkable organisation during its 25-year celebration and especially to be accepting the baton from a formidable and exemplary leader such as Ms Sibongile (Bongi) Mkhabela.

I would like to thank Bongi for being generous with her time when I joined the Fund in early March 2020. Her institutional knowledge, passion for her staff and commitment to the work of the Fund has inspired me.

There is much to draw from her experience at the helm of the Fund and the Nelson Mandela Children's Hospital Trust (the Trust) and her personal life story.

It is with the greatest pride that we can claim her as one our champions particularly in her new role as trustee of the board of the Fund and continued role as director on the board of the Nelson Mandela Children's Hospital (NMCH).

At the Fund and the Trust, Bongi focused her efforts on building independent and self-sustaining African institutions, working cohesively to put the rights and the wellbeing of children first.

In 2018, Bongi joined a long list of illustrious South Africans who dedicated themselves to a better world when President Cyril Ramaphosa bestowed on her the Order of Luthuli for her extraordinary contributions.

The following year, the Nelson Mandela University (NMU) in Port Elizabeth in the Eastern Cape, conferred an honorary doctorate on Bongi, further acknowledging her role as a social activist. Chairperson of the Governing Council at NMU, Ambassador Nozipho January Bardill, best described Bongi's journey stating, "Her first steps as an activist were intuitive rather than political. As a child, she recognised and questioned the banal and common indignities that shaped black lives."

Restoring dignity to the African child has remained a guiding force in Bongi's life. It is further evidenced in her work in leading policy development in South Africa and the vigour in which she led the establishment of a dedicated children's hospital in Southern Africa. It was under her leadership, driven by civil society, that led to one of the most extensive capital campaigns in the country in the form of the Trust.

As we mark our 25th anniversary in 2020, we adopted the theme to #ServeLikeMadiba, which begs of us all to examine how we can follow in Madiba's footsteps to improve the lives of those who are most vulnerable in our society.

Bongi is the pinnacle of what it means to #ServeLikeMadiba, and it is with great gratitude to her that I can take the helm and drive these organisations from the strong foundation that she has laid.

Having joined the organisation just before the Covid-19 lockdown, this meant that I had to change gears and find the most effective ways to integrate myself into the organisation using the remote channels we have since become accustomed to. I have found a highly experienced and energised team, and our discussions have been most engaging.

In 2016 the Fund adopted a five-year strategy (2016 – 2021) focusing on the areas of child safety, child survival, youth development and creating sustainable livelihoods for families. While the teams and partners are steadfast in the implementation of this strategy, Covid-19 posed some challenges and laid bare some of the most critical issues within our society. Children remain the most vulnerable members of society, severely affected by poverty and inequality, while living in a society that is unable to guarantee their safety. We remain committed to ensuring that the voices of children are always elevated and that society responds to the needs of children appropriately.

The Fund operates within a complex ecosystem that functions optimally through collaborations. However, because of the limitations that were introduced by Covid-19 and the lockdown protocols, I am yet to meet some of the partners that we work with on the ground. I look forward to travelling across the country and abroad, to hear the various stories firsthand, of how our partners and donors have adapted to the conditions, and how we can together deal with the aftermath of one of the most disruptive years we have had.

Financial sustainability remains a key focus, and while the financial statements for the year ended 31 March 2020 indicate prudent management of our finances, we certainly felt the impact of Covid-19 had on the financial markets, which adversely affected the value of our endowment. While this has recovered over the year, we need to continue to focus our efforts on fundraising for designated funding for our programmes.

We look ahead to the unfolding of various activities that will take place to mark the celebration of our 25th anniversary. While the Covid-19 pandemic did pose multiple challenges, it has also sparked innovative trains of thought that we hope will inspire our supporters in celebrating and supporting the work of the Fund.

We also commit ourselves to build on our past successes, to strengthen our work and, where possible, expand our reach and impact as an organisation.

This includes working in close collaboration with various organisations in our region and across the globe who share our vision for improving the lives of children.

We hope that along the way, we will continue the journey with our long-standing and valued supporters while gaining new friends and patrons who will take us to new heights in our goal to truly Change the Way Society Treats its Children and Youth.

Konehali Gugushe
Chief Executive Officer
Nelson Mandela Children's Fund

RESULTS AT A GLANCE

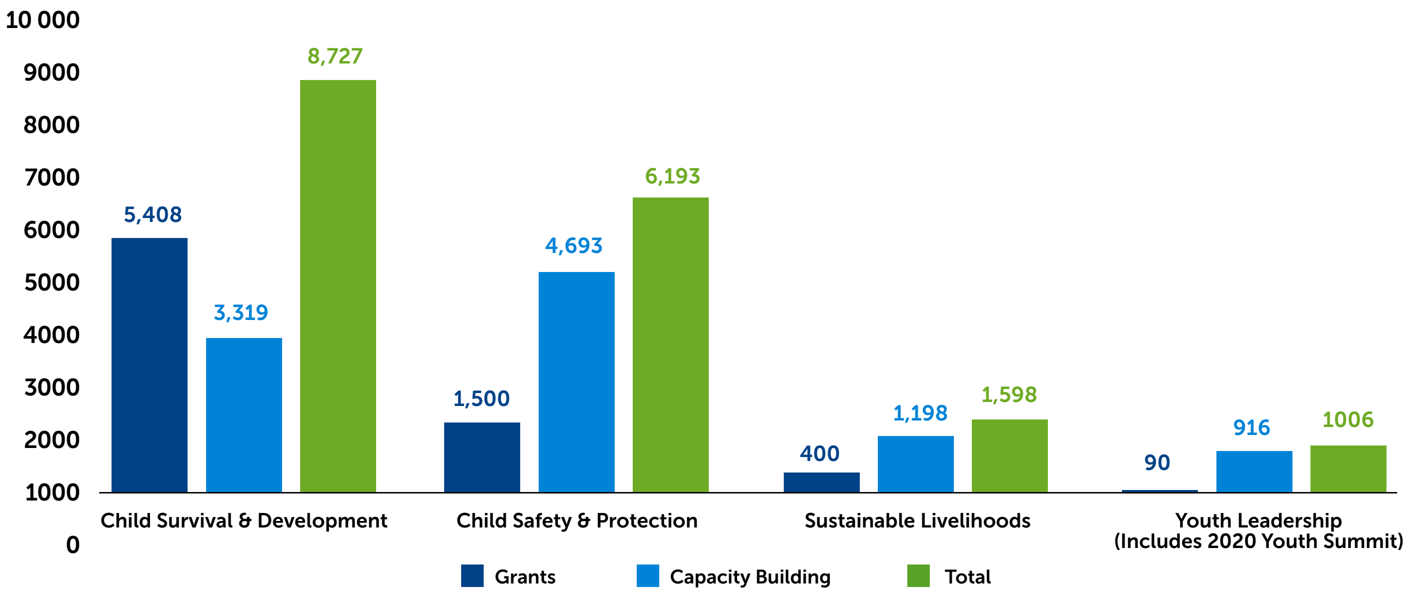
RESULTS AT A GLANCE

R'000	**1995-2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Cumulatives**
Income	772,880	37,534	26,935	34,715	15,369	22,150	24,985	**934,568**
Children's Hospital Project Income	30,899	-	-	-	-	-	-	**30,899**
Mott Foundation Endowment*	17,055	-	-	-	-	-	-	**17,055**
Investment Income / (Loss)	550,500	63,517	115,322	80,268	49,994	52,401	(32,114)	**879,888**
Total Income	**1,371,334**	**101,051**	**142,257**	**114,983**	**65,363**	**74,551**	**(7,129)**	**1,862,410**
Less								
Programme Development expenditure	(107,996)	(12,445)	(10,508)	(6,366)	(7,403)	(12,116)	(9,583)	**(166,417)**
Operation & Administration expenditure	(123,289)	(13,218)	(15,172)	(14,302)	(14,108)	(14,043)	(15,668)	**(209,800)**
Operation & Admin Recovery from Designated Funds	(23,834)	(554)	(396)	(15)	-	-	-	**(24,799)**
Special Projects	-							**-**
Annual Children's Celebration	(2,050)	(221)	(195)	(108)	(124)	(160)	(224)	**(3,082)**
Advancement of the Status of Women	(529)	-	-	-				**(529)**
Children's Hospital Project	(30,898)	-	(250,000)	-				**(280,898)**
Story of the Fund	(604)	-	(110)	-				**(714)**
Youth Parliaments	(2,673)	(598)	(335)	(36)	(90)	(170)	(543)	**(4,445)**
Total Expenditure	**(291,873)**	**(27,036)**	**(276,716)**	**(20,827)**	**(21,725)**	**(26,489)**	**(26,018)**	**(690,684)**
Grants Approved	(475,799)	(20,296)	(8,557)	(15,436)	(6,677)	(10,038)	(7,398)	**(544,201)**
Net Funds Received	**603,662**	**53,719**	**(143,016)**	**78,720**	**36,961**	**38,024**	**(40,545)**	**627,525**

Income vs grants made 1995-2020

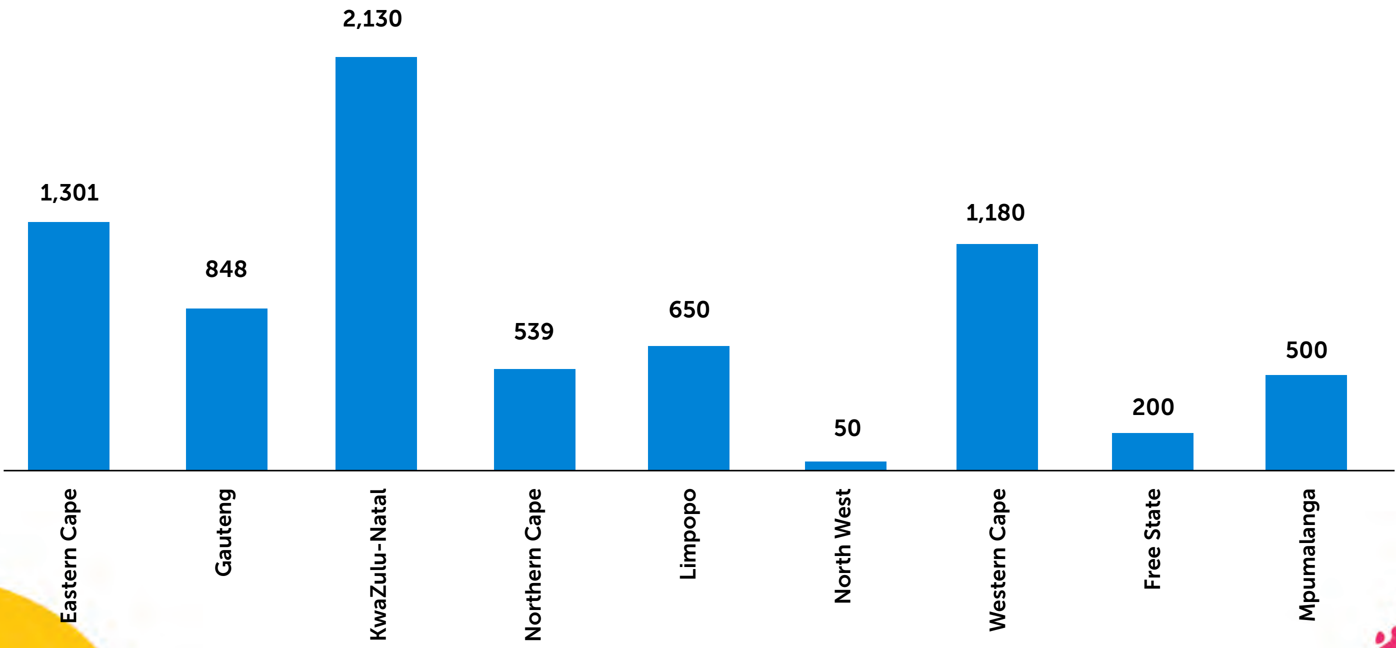
R'000	**1995-2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Cumulative**
Income	772,880	37,534	26,935	34,715	15,369	22,150	24,985	**934,568**
Grants	475,799	20,296	8,557	15,436	6,677	10,038	7,398	**544,201**
Grants approved as a % of income received	**62%**	**54%**	**32%**	**44%**	**43%**	**45%**	**30%**	**58%**

Spend per programme 31 March 2020

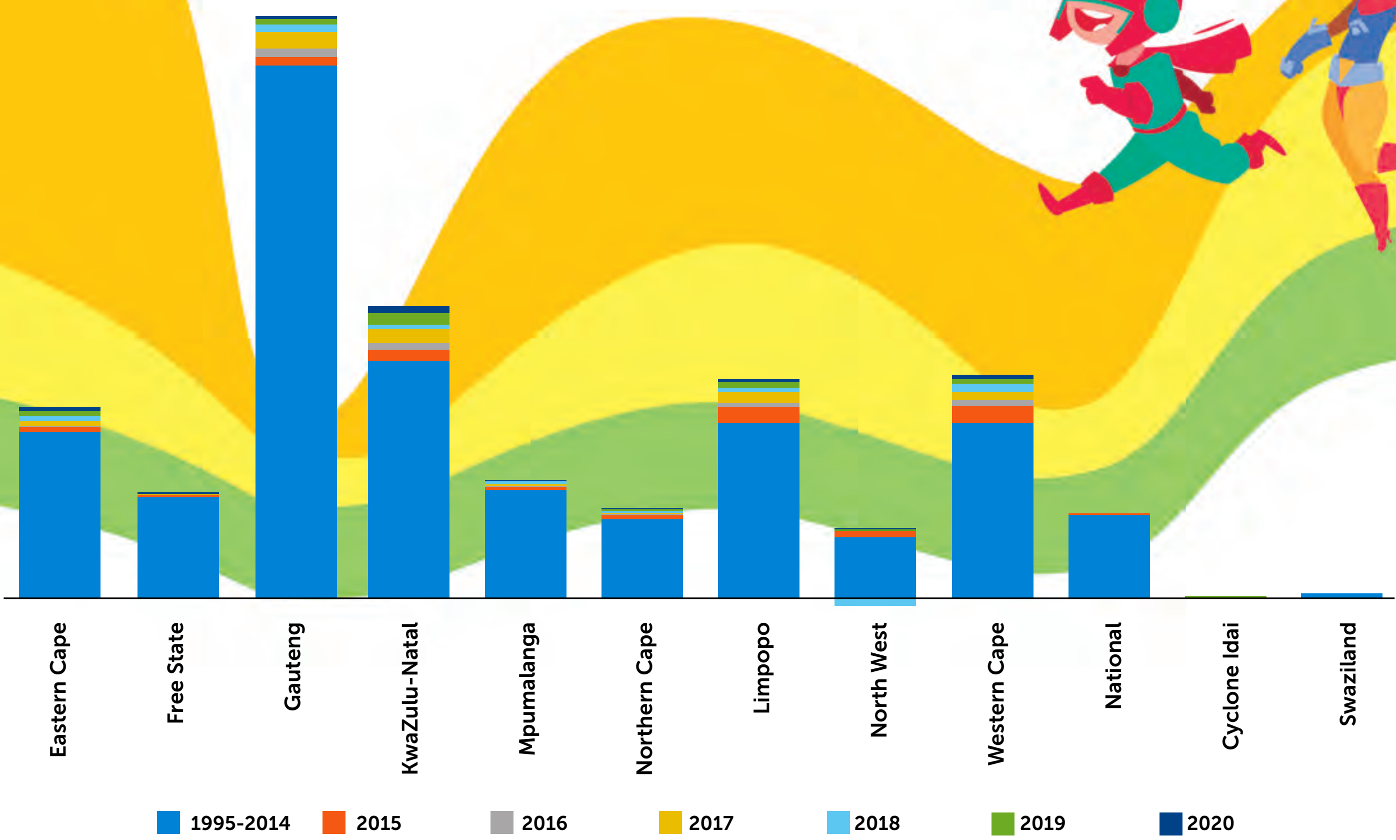


* Mott Foundation Endowment - Principal Amount

Grants per province 31 March 2020



Cumulative grants per region: 20 June 1995 - 31 March 2020



PLACING THE SAFETY OF CHILDREN FIRST AND ALWAYS IN THEIR FAMILY AND COMMUNITIES

A child, only 12 years of age, is molested and impregnated by a 38-year-old man. Take a moment to let that sink in.

At her most violated and vulnerable state, *Nomakhwezi (not her real name) was further cast into abandonment. Following the incident, the young girl was thrown out by her parents, with no one to care for her.

As often seen in these cases, the victim was re-victimised. In this instance by her own family, with little options for survival, safety or justice.

For the Fund's Child Safety and Protection Programme (CSP), "A Child First, A Child Always" means actively responding to such cases, protecting the rights of children while ensuring they live in safe families and communities. The CSP Programme focuses on the following key pillars: school awareness activities on child safety; introducing independent reporting of abuse; research on corporal punishment and sexual abuse; public school awareness activities to change attitudes and behaviour.

Through the support of the Fund and Khula Development Centre, a community organisation based in Peddie, in the rural parts of the Eastern Cape, Nomakhwezi was placed in a home of safety. In this haven, she found shelter and protection from the time she reported her case to the police and through her trial, which eventually resulted in life imprisonment for the perpetrator.

Across the country, children suffer various forms of abuse, sometimes at home and other times within the broader community. Spaces which are meant to be safe for children can be turned into spaces of trauma and horror. Such was the case for the Orlando East Community in Johannesburg, where a primary school turned into a place where several children allegedly suffered sexual assault. CSP supported this community in Orlando East, Johannesburg, to make it a safer environment for children. Here, a group of children were allegedly sexually molested by security personnel at their school. Failed by the justice system, the alleged perpetrator in this instance was not convicted due to a lack of evidence.

In response and to ensure that such incidences do not happen again; the Fund together with Orlando East community and religious leaders, police officers, community police forums, patrons, elderly men and women; came together to work on the root of the problem through prevention strategies.

In partnership with the Regional Psychosocial Support Initiative (REPSSI); South African Human Rights Commission (SAHRC) and the June 16 Development Foundation, this coalition identified unsafe areas within the community and developed strategies to make them safer for its residents. This included the marking of playgrounds as well as dumpsites in the vicinity.

For Programme Manager, Mampe Ntsedi, it was essential to engage the community directly. "Considering that the community inhabits this environment daily, it was important to reinforce their agency and work together with the community to reclaim these spaces."

As such, community dialogues with close to 150 community members (including children) were held. All interventions are aligned with a rights-based approach, especially as regards children. The programme has delivered 12484 child beneficiaries over the last five year who now have an understanding of their rights and how to exercise them (against a target of 11968).

Ntsedi explains, "The area posed a high risk for the children and the community members due to criminal activities that happen there. The team in response organised a cleaning day which was attended by roughly 120 children, educators, members of the community. To date, the community patron is liaising with relevant stakeholders to revamp the ground into a better recreational place for children and the community."

Such programmes are currently implemented in five (5) provinces namely Gauteng, Limpopo, Eastern Cape Western Cape and Kwa-Zulu Natal and presently have 13 implementing partners. Over the last six years, these programmes had 29968 registered beneficiaries, almost 60% higher than the initial target of 18809 beneficiaries.

Similarly in Worcester in the Western Cape, CSP collaborated to tackle challenges linked to teenage pregnancy. Working with a community-based organisation, FASFacts, CSP worked to turn the tide for teenage mothers, giving them hope and a possibility of a better future.

Ntsedi clarifies, "Teenage pregnancy is considered as one of the contributing factors of school dropouts for girls, leaving them with no high school education and possibly a life of poverty. Teenage mothers are thus vulnerable to a perpetual cycle of abuse and violence, which has the potential to be passed down to their children."

To mitigate this, the programme together with FASFacts assisted young mothers in the community to stay and finish school, bringing balance to their lives, including supporting them to give birth to healthy babies. Ntsedi says this is done through mentorship which includes parental skills. "This helps them to have someone who supports them during pregnancy, who encourages them to stay in school, who empowers them to deal with the stigma of being pregnant in school as well as providing them with psychosocial support."

According to Ntsedi, young mothers learn dual skills of being a learner and a parent. "More than anything, we want them to envisage a better future for themselves and not give up hope in achieving their dreams."

A testament to this, is Ambrozior's story, a young mother who was raped by her boyfriend whilst in Grade 11, leaving her pregnant. Ambrozior experienced many challenges and stigma, particularly at school, for falling pregnant at such a young age. Ambrozior was recruited by FASFacts mentors who supported her throughout her ordeal. Through the intervention, Ambrozior was able to rise against the odds and persevered to complete Grade 12. Amazingly, Ambrozior even started a hair salon to generate income for herself and her baby. She is currently studying towards a nursing qualification and is excited by the prospect that she can build a future for herself and her child without depending on anyone.

Ambrozior is but one of the 2520 women and girls who have been supported over the last five years in taking up leadership roles and responsibilities in their schools and communities. This was a tremendous 117% of the original target of 1163 over the period.

Outcomes like this were only possible through the increase in the skill level amongst women and girls who were provided with training and support to be leaders of social change. 1708 women and girls were trained and supported over the last five years against a target of 392. Also, 9083 girls and women have accessed psychosocial support and life skills for in schools and in the community – this was against a five year target of 2586. The virtuous cycle between training, psychosocial support and increases in the take up of leadership roles cannot be denied.

PLACING THE SAFETY OF CHILDREN FIRST AND ALWAYS IN THEIR FAMILY AND COMMUNITIES

Ntsedi affirms that the right intervention at the right moment in a child's life can bring about a significant change in their lives. "Ambrozior's story is a great example of how important targeted intervention can be. This includes finding partners that can bring our programme closer to communities across the country at crucial times when children are most vulnerable. By providing support at this point, we can steer a child's life in a positive direction, at times, in the greatest and unforeseen manner."

The CSP programme through interventions with its partners in five provinces is also working to mitigate gender-based violence by shifting the focus to men and boys as a central agent to the solution. Over the last five years, this strategy has paid off immensely with 9332 registered male beneficiaries (against a target of 3753).

In December 2019, CSP hosted a dialogue at the Fund's premises with the involvement of boys and men as crucial role players in protecting children and women. A total of 81 people attended the dialogue.

Ntsedi says the focus on men has long been neglected and will be essential in strategies to combat this scourge.

"Our programme partnered with stakeholders such as the Canadian Embassy, Sanlam, South African Football Association, Gauteng Department of Social Development Victim Empowerment Programme, to name few. The dialogue aimed to give space for men and boys to be part of the solution and pledge their commitment to action."

According to Ntsedi, the dialogue will be followed by a campaign which will run throughout the year, with men and boys as ambassadors of change in their communities. Partners representing men's forums in the Free State, North West, KwaZulu Natal, Limpopo and Gauteng also pledged their commitment to making a difference in their communities to fight against violence on children and women.

"Moving forward, young men in targeted areas will host awareness campaigns among their peers and also get trained on how to advocate for peace instead of violence. These are sorely needed actions as our country continues to battle the pandemic of brutal violence against children and women" said Ntsedi.

Critical to achieving the CSP mandate is making sure that the work being done is of the highest standard. The CSP unit embarked on researching and hosting a Best Practise Market on the 25th and 26th September 2019. This event showcased intervention achievements of the Sexual Violence against women and girls in and out of School in South Africa (SeVISSA) Pilot, which was funded by Comic Relief for five years. Ntsedi shared that, "we are indebted to Comic Relief's investment in the work we do because it allowed us to create SeVISSA awareness and refine the programme so that it can be scalable for hard to reach places." The Market session managed to reach +-120 participants consisting of partners, beneficiaries, stakeholders, potential donors and government department. Under the theme "Against all odds" the beneficiaries were able to attest to their experiences of how the programme impacted their lives.

The CSP team participated in the Regional Psycho Social Support (PSS) Forum for the Children and Youth which was hosted in Windhoek, Namibia from the 24 to 26th August 2019. The forum was attended by 70 children and youth from 13 African countries who shared their experiences on children's parliaments, lessons learned and innovative ways of addressing challenges they face in line with the theme "Breaking Barriers and Creating Connections".

The PSS Forum adopts the approach of broad participation of partners in the region and internationally, representatives from the regional economic blocks, national governments, civil society, academia, international cooperating partners, media, local leaders, community caregivers and Youths all sharing their scientific and practical experiences. The Child and Youth Forum was attended by 70 children and youth from eastern and southern African regions representing 13 countries. Ntsedi shares that, "It brings us confidence to know that the future of South Africa is in great hands, as the South Africa was represented by the 2017 NMCP President and 2018 NMCP Child Ambassador and the Department of Social Development representative (Mrs. Elsinah Mhlongo)."

For CSP, "Serving like Madiba", means continuing with this mission, thus changing the way society treats its children and youth. This will inform the programme's strategy in the programme's activities for the following year.

WORKING TOGETHER SO CHILDREN CAN THRIVE

For the Child Survival, Development and Thriving (CSDT) Programme, "A Child First, A Child Always" means collaboration and consultation achieve meaningful impact for children. The collaborative approach in the execution of the CSDT programme is also guided by the African idiom: "It takes a village to raise a child".

According to Programme Manager, Shadi Nyokong, this approach cuts across sectors with every stakeholder playing a vital role in the process. "The village in this context references families, mothers, community healthcare workers, communities, clinics, government, private sector and implementing partners. It even includes systems, processes, governance, coaching and mentorship."

Nyokong continues, "Extreme vigilance and effective stakeholder consultation are required as well as communication and management throughout the first 1000 days of a child's life. This is essential to reducing rates of child mortality."

This integrated approach does not only benefit the primary healthcare service system; it is a way of ensuring sustainable community-led healthcare initiatives.

In the past year, significant progress has been made by the CSDT programme to enhance the health system. This included providing community-based support for pregnant mothers, implementing strategies to improve nutrition, building knowledge and developing robust data-handling systems.

Nyokong says that an ambitious collaboration with Nedbank to vaccinate young children is a prime example of the importance of partnerships with corporates with a shared vision to support children's health by filling gaps in the health system. "This was one of Global Citizen's 5.2 million actions in South Africa. We are proud to say that the Fund implemented the #VaxTheNation campaign with the support of Nedbank. This initiative amplified our efforts to support community healthcare workers and improve compliance with immunisation."

According to Nyokong, the programme intends to continue with its focus on holistic development. "Community healthcare workers play a vital role in ensuring that services reach vulnerable and disadvantaged communities. As such, we also want to empower them as far as possible by ensuring that they have the required skills, capabilities and competencies to provide quality health services."

Early stimulation and learning are also central to the programme's focus on child development. With the support of The Foschini Group, the CSDT programme increased access to quality early childhood development services for children under the ages of two. The programme was active in Western Cape and North West and has been expanded to Gauteng, bringing the total number of sites implementing early childhood development to three. In total CSDT is operational at 11 locations.

WORKING TOGETHER SO CHILDREN CAN THRIVE

Looking at the Family Context and Nutrition

Community healthcare workers (CHW)

Core to the mandate of the CHWs is to visit families to encourage mothers and pregnant women to attend antenatal care. In ensuring that children are immunised to practice good nutrition as well as to encourage mothers to breastfeed exclusively. "Our community healthcare workers were also able to establish community-based support structures called "mentor moms", which provides continuous support to mothers and pregnant women. This offers key support to mothers to ensure that both mother and baby receive adequate care from conception," shares Nyokong.

Synergies within the Fund's programmes are also equally vital in identifying areas of collaboration and support. As a result, the CSDT programme, through its outlook of the first 1000 days of a child's life, was integrated into the Fund's Sustainable Livelihood Programme (SLP). Nyokong elaborates, "From this process, 250 household vegetable gardens were established to address nutrition needs and healthy eating, especially for children between 6 and 24 months. Health talks are also now a formal activity of the SLP's Self Help groups."

Community outreach

Community dialogues are an important platform to educate communities about the importance of child health and care. This is an engagement tool that the CSDT programme continues to employ, with a particular focus on encouraging men to play an active part in the Care and Development of their children. This resulted in the formation of two men's forums (one each in the Free State and KwaZulu Natal province) initiated to encourage men's participation. Roadshows were also used to encourage parents and caregivers to actively participate in the wellbeing, growth and development of their children.

The baby competition event is another activity that was used as community outreach to educate and encourage parents/caregivers to actively participate in the wellbeing, growth and development of their children. The competition is for parents with babies who are not older than 24 months (2 years). These are parents who adhere to their babies' clinic appointments. The winner is judged based on knowledge about their baby's health, knowledge about the Road to Health Booklet (children's clinic cards), compliance and adherence to immunisation expectations. Through these interventions, there has been an increase in the number of children who are brought in for vaccination daily.

Expanding advocacy to advance children's health

The Fund truly lived out the theme of "A Child First, A Child Always" when it branched into unchartered territory by implementing a campaign to raise awareness about the impact of environmental pollution on child health. The ultimate goal achieved was to ensure that duty-bearers were made aware of the plight of these communities, especially its effects on child survival. A part of the campaign included special consideration for children. According to Nyokong, the emphasis was placed on creating a safe space for children to voice their concerns and challenges. "We wanted them to dream and talk about what they would like to see happening in their community and to hold those in positions of authority accountable.

Six young people were then identified, and they formed a task team that was responsible for planning and managing a children's dialogue that was held on the 6th December 2019."

On the day of the event, 70 children, ages between 13 and 18 participated. In their child and youth only session, the groups discussed what they saw happening in their communities and the impacts on the environment due to mining. In line with the Fund's 25th anniversary and theme to #ServelikeMadiba, the CSDT plans to expand on these activities. "Beyond the campaign, the plan is to continue to sensitise communities about the importance of environmental conservation and its impact on child wellbeing, survival and development," says Nyokong.

Programme Highlights:

- **221** community health workers (CHW) received refresher training on prevention of HIV mother to child transmission, first aid, neonatal care, nutrition, growth monitoring, exclusive breastfeeding as well as maternal mental health. Last year this total was 158 (year-on-year growth of 63 CHW).
- **150** clinic committee members were trained on the role and expectations of a clinic committee and to enhance the capacity of clinic committees to operate effectively for their communities. Last year this total was 100 (year-on-year growth of 50 clinic committee members).
- **10** clinics in the Eastern Cape received assistance with data management and capturing systems for better understanding of profiling of services being provided and patient data management.
- As part of data management, the Fund is also working on digitalizing the monitoring and evaluation system for CSDT programme.
- To date, **29** mentor mom's clubs have been formed with a membership base of **1551** mothers and pregnant women who are well informed on child health. Last year this total was **1221** (year-on-year growth of **330** moms and pregnant women). **1617** children under the age of 3 were enrolled, supported and followed-up on the programme.
- **2449** children were supported with early childhood development services. This was coupled with a range of health and social services
- **8437** Community members were reached through community dialogues.

Summary of Immunisation Coverage

Activities / services provided	Reach
Antenatal	
Total women attending ante- natal	1 007
Postnatal	
Total women attending post-natal clinic	1 341
Breastfeeding	
Number of mothers who breastfeed	46
Number of mothers exclusively breastfeeding	1 104
Child health and Development	
Number of children 0-2 years	128
Number of Immunization up to date	5 638
Under 5 death past 12 months	10
HIV & AIDS mother to child transmission average per month	61
Children stunted under 2 years	18
Children with acute malnutrition	18
Coaching and mentoring of clinics	25

RESTORING DIGNITY TO FAMILIES THROUGH SUSTAINABLE INTERVENTIONS

For the Sustainable Livelihoods Programme (SLP), "A Child First, A Child Always" means restoring dignity, security and comfort to a home. The sustainable livelihoods programme is designed to strengthen families economically and assist them to deal with any situations of vulnerability, in so doing, creating a good and healthy environment in which their children live. SLP aims to bring communities together in the form of Self Help Groups, to create the opportunity to unlock the latent potential of its members to inspire self-generated solutions whether dealing with issues of poverty or creating income-generating opportunities. The programme has created a platform where those affected by poverty can be armed with the necessary tools to restore their dignity.

For the last 11 years, the Self Help Groups have managed to maintain consistency in the SLP's Savings Mobilisation Programme that helped them to build savings as financial reserves for the families and children of its members. The Self Help Groups meet once a week to save from R2 to R5 per group member. They also operate a Rotating Savings and Credit Association (ROSCAS) programme, where their collective savings are leveraged as a lending facility for members (at an effective interest rate of 10%) which, in turn, bolsters the groups' return on savings. The second approach is that each Self Help Group is required to establish an income-generating activity using collective savings as working capital. Groups are also required to discuss their social challenges and generate their own solutions. Where they cannot provide this solution, they are encouraged to seek professional help.

The Covid-19 pandemic had a significant impact on the SLP activities in 2020, most notably, this included its effects on Self Help Groups who were unable to attend their regular meetings due to lockdown regulations and social distancing guidelines. In addition, field visits by staff and community facilitators could not be conducted as expected. However, due to their commitment, the staff worked hard to provide support within the imposed limitations. Programme Manager Mapule Cheela says, "Our team has worked very hard to ensure that the situation of our groups, individual members and their families were not adversely compromised during the lockdown period."

Indeed, SLP even tried to take advantage of emerging trends during the lockdown period. Admits Cheela, "Even during the current pandemic, some of our sewing groups were contracted to produce Face Masks during this lockdown period."

Cheela says that despite the challenges, the programme continued to make progress at a time when they were needed most by vulnerable communities. "We have seen that this programme attracts other community members with interest in advancing their welfare. During this Covid-19 period, our groups demonstrated strength in solidarity – especially with the feeding of the needy families. They were able to supply the families with the surplus from their vegetable gardens. We are proud to say that we have made strides in remote areas, where the impact of Covid-19 has been disproportionately felt," Cheela explains.

Youth empowerment also remains a key priority for the programme. As a result, activities geared at skills development including entrepreneurship, filming and documentation have been rolled out in the past year.

In November 2019 a Self-Help Youth Group called New Mind Made Innovation from KwaZulu Natal visited Brazil to film and document the tour of the second generation of award-winning acapella group, Ladysmith Black Mambazo – now simply known as Mbazo. "We are so proud of their achievements this year. We hope that this experience will benefit this group and build their confidence in what they can do with their lives for a better future," acknowledges Cheela.

Notably, SLP's influence is further evidenced in the innovation by Self Help Groups who are diversifying their businesses. For example, the Masakhane Group in Eshowe whose business is to produce building blocks has now diversified to produce mushrooms, which are supplied to a local Chinese restaurant.

Cheela explains, "We have another group in Eshowe known as The Makhune Youth Group that has been producing eggs to supply Spur in Eshowe and another restaurant in Richards Bay. The same group has started a project on goat farming."

Partnerships with the government also play a crucial role in providing local support to communities through programme interventions. "Our Self-Help Groups in North West and the Free State have been receiving support from their provincial Department of Agriculture through their extension officers. Groups have received implements, seeds, solar panels and plants to work on their gardens,'' reveals Cheela.

Some of the groups have also received invitations to exhibit their products in the local economic activities organised by business and government. This is to showcase their work in agriculture, sewing and artefacts. In February 2020, the Thaba Nchu Men's Forum located in the Free State ran Self-Help Groups targeting their peers with the express aim for promoting family strengthening, good health, love and responsibility among South African men.

Cheela also emphatically speaks of the significant changes she observes in working with youth in this area. "This youth group, based in deep rural Free State in a village called Motlatla in Thaba Nchu – where there is little hope for a better future for young people, especially young men, comes to mind," she recounts. "These young people came up with this project to do something about their lives and created an environment where they can impart their filming and video skills to other youth in their village. They took a deliberate decision that they will only film and document positive stories about rural South Africa, and I salute them for this work – with our support, they will go far."

Looking into the next year, SLP will adopt the Fund's theme of #ServeLikeMadiba to mark its 25th anniversary. Additionally, SLP will establish a pilot fish farming project for a targeted community in the Moruleng area in North West and work with local community-based organisations to execute this task.

SLP continues to build trust with communities and strengthening partnership with community-based and non-governmental organisations to ensure that families can thrive even in the most adverse conditions.

SLP in Numbers:

- **253** Active Self-Help Groups
- **13** Youth groups engaged in entrepreneurship, filming and documentation. Five youth group members compose a group.
- **50** households with backyard food gardens mainly in the Free State and KwAZulu-Natal.
- **32** Cooperatives registered that will run independently.

PROMOTING YOUTH VOICES FIRST AND ALWAYS

Since the inception of the Youth Leadership Program in 2002, it has identified and cultivated young leaders who have become agents of their own change and advocate for their own rights. The, "A Child First, A Child Always", theme steered the Fund into uncharted territory where there was a need to have the Youth Leadership Programme championed by a youth group. The rationale for this was that, in its current format, the Youth Leadership Programme was established premised on how the current state of the programme showed immense potential, but would likely benefit from being formally structured and becoming semi-independent.

Konehali Gugushe, the Fund's CEO, explains, "The Youth Leadership Programme is an initiative designed to develop and empower children and youth to be leaders in their communities and society, by providing them with the necessary skills and platform to be heard on critical issues affecting them."

A Steering Committee of 8 advisors was therefore established to develop the structure and mandate of the Youth Advisory Board and Youth Leadership Secretariat (YLS).

An extensive recruitment process was conducted to appoint four young people that would form the YLS. Thirty (30) applications were received and sourced through partner organisations, networks and digital media advertising. Twelve (12) candidates were interviewed. Four dynamic young ladies were awarded the privilege to form the YLS cohort for 2019/2020, namely:

1. Unathi Mabukane,
2. Bonolo Pule,
3. Chumani Nkwinti, and
4. Zamajozi Sithole.

"This has been a great honour for me personally. To know that the team at the Fund saw something in me from all the candidates that were interviewed is a great motivation for the task ahead," shares Unathi.

"This experience has already allowed us to engage with youngsters, like myself, who have great potential and want to change our country for the better. We hope that this will be a platform that amplifies their voices," adds Bonolo.

In rolling out their activities, the YLS was requested to take into account critical factors like building on the existing foundation with what has been achieved in the programme thus far. Crucially as well, the adoption of an unreserved child and youth-driven vision in a program that unleashes the full potential of children and young people to live out the Mandela legacy.

"This is a rare opportunity and one that I really cherish as a young South African change-maker. We hope to instil values and shape the legacy of our country and continent through our work," relays Chumani. Zamajozi admits, "Coming into this role I think we are all aware of the great legacy of the institution we represent and the dream for this programme. We want to turn it into a massive youth movement based on youth and children empowerment."

The YLS commenced its term of a one-year internship on 1 November 2019 in a phased approach towards achieving their mandate.

Phase 1 focused on understanding the context of the Fund by conducting market research. Phase 2 focused on a framework of development of programmes which was designed and a list of various programmes proposed.

1. The Nelson Mandela Children's Parliament
2. Efeng Batsha
3. Advocacy Programme
4. The Alumni Programme

The YLS are currently on Phase 3 which focuses on the strategic planning and execution while also finalising the project management, monitoring and evaluation plans.

The cohort assisted with two big projects within the Fund in December 2019, namely, the Nelson Mandela Children's Parliament and Mtubatuba Children's Dialogue through the Child Survival and Development and Thriving (CSDT) Programme.

The process leading to the first activity, the Nelson Mandela Children's Parliament, began with the facilitation of the Children's Manifesto where children from the nine provinces were consulted and came together to reflect, engage and comment on the 25 years of democracy in South Africa.

Over the years, children have presented their declarations to government and leaders of civil society on issues that affect them with little response to their concerns. As a result, the provincial ambassadors, speakers, presidents and Efeng Bacha advisory committee, came together to develop the first South African Children's Manifesto. Efeng Bacha, in particular, is a Youth Think Tank for young people between the ages of 12 and 22 who are passionate about social change and social justice.

The Children's Manifesto is a call to all political parties, government at all levels, private sector, Chapter 9 institutions, labour movements, state-owned enterprises and broader civil society organisations to engage, adopt, commit and implement the priorities outlined by children.

The Children's Manifesto highlighted four key thematic areas of focus as recommended in the United Nations Convention on the Rights of the Child (UNCRC), The Constitution of the Republic of South Africa and The African Charter on the Rights and Welfare of Children.

According to Unathi, these are vital instruments that underscore the rights of children and civic participation. "Article 12 of the UNCRC, for instance, states that every child has the right to participate in decision-making about his or her life. This is the cardinal rule of the progressive children's rights approach."

Nine provincial ambassadors and the 2018 presiding officers of the Nelson Mandela Children's Parliament attended the presentation to parliament. Bonolo elaborates, "This included the chairpersons of the portfolio committees of parliament presided by the Deputy Chairperson of National Council Of Provinces Honorable Sylvia Lucas. The highlight of the presentation from the ambassadors focused on the response from parliament in deciding the allocation of children's issues in South Africa."

The presentation to parliament celebrated the ratification of the United Nations Convention on the Rights of the Child where considerable achievement that ratified the progress that has been made thus far.

The YLS was also invited to work along with the Fund's CSDT Programme. According to Chumani, the purpose of the event was to give children and youth a safe platform to speak about how the environment impacts on their well-being. "This was particularly concerning the challenges they face due to mining that takes place in their communities. We are grateful that the Child Survival and Development team with NMCF partners handed the event to the hands of the youth, which led to the formation of a task team."

The task team comprised two Youth Leadership Secretariat members with KwaZulu Regional Christian Council Youth and Morningstar Pentecostal Church Youth.

The event was attended by children between the ages of 13 to 18. According to Zamajozi, the group raised pertinent issues affecting their lives. "This includes how air pollution, contaminated water and chemicals in their environment are threatening their development as they subsequently face serious health conditions such as asthma."

Damage to infrastructure and property due to the drilling action from the mines were among the other issues raised. "These force families to live in crowded conditions as many members end up sharing one house," explains Zamajozi.

A Youth Advisory Board was established and appointed, made up of:
1. Rorisang Tshabalala (Chair),
2. Robin Bleekers (Deputy Chair),
3. Nozizwe Vundla,
4. Obenewa Amponsah,
5. Nomthi Mnisi,
6. Lindiwe Mazibuko, and
7. Mampe Ntsedi.
8. NMCF CEO

The YLS finalised its first significant output in line with its action plan, which was the approval of their Youth Leadership Programme design. In keeping with the Fund's 25-year celebration theme to #ServeLikeMadiba, the YLS will work to implement these activities and continue to engage youth and children across the country to enhance their voices in South Africa.

"To #ServeLikeMadiba for the children and youth means to stand up and stand out for your rights and the rights of others. It means to be unapologetic in driving the agenda of equality and Ubuntu within our society." – Youth Leadership Secretariat.

ORGANOGRAM

- Board of Trustees
  - Chief Executive Officer (CEO) (Sibongile Mkhabela / Konehali Gugushe)
    - Office Administrator (Eunice Motsepa)
    - Youth Leadership Secretariat (Bonolo Pule) (Chumani Nkwunti) (Unathi Mabukane) (Zamajozi Sithole)
    - Manager: Child Survival & Development (Shadi Nyokong)
      - Project Officer (Eunice Seleke)
      - Project Officer (Phumla Dyantyi)
    - Manager: Child Safety & Protection (Mampe Ntsedi)
      - Project Officer (Charity Nsah)
      - Project Officer (Bontle Lekgoathi)
      - Project Officer (Tsietsi Lakajoe)
    - Director: Finance & Sustainability (Sinikiwe Makumbirofa)
      - Programmes Finance Manager (Vincent Kgomo)
        - Finance Officer (Kholiswa Ramokadi)
          - Finance Administrator (Charity Xaba)

Director: Business Development & Resource Mobilisation (Sydney Hadebe)

Director: Communications & Marketing (Nomthi Mnisi)

- Communications Officer Media, Communications, Website and Social Media - Programmes Support (Vacant)

Manager : CASS -Operations Management -Legal and Governance -Information Technology -Human Resources Management (Tshidi Kwela)

- Manager Sustainable Livelihoods Project (Mapule Cheela)
- Officer 1 -Human Resource Admin - Office Admin - Safety & Security - Facilities Admin - Travel & Logostics (Georginah Modise)
- Front Office/ Receptionist (Zandile Tshabalala)
- Driver/ Messenger (Bongani Mbelle)

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TRUSTEES

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Chief Executive Officer:	Konehali Gugushe
Registered office:	21 Eastwold Way Saxonwold Johannesburg 2196
Trust registration number:	IT 2801/95 (Discretionary intervivos trust)
Non-profit organisation registration number:	004-638 NPO
Auditor:	PricewaterhouseCoopers Inc. Johannesburg
Income tax number:	0720/090/84/4
Section 18A PBO registration number:	18/11/13/694
VAT registration number:	4110179175

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REPORT OF THE FINANCE AND AUDIT COMMITTEE
for the year ended 31 March 2020

We are pleased to present our report for the financial year ended 31 March 2020.

1. Finance and Audit Committee members and attendance

Finance and Audit Committee consists of non-executive Trustees listed hereunder.

- Dr Warren Clewlow (Chairman)
- Mr Jacob Modise
- Judge Kathy Satchwell
- Mr Sakhile Masuku

All members act independently. During the current year, three Finance and Audit Committee meetings were held.

2. Finance and Audit Committee responsibility

The committee reports that it has:

- complied with its responsibilities arising from the Fund's Deed of Trust;
- adopted appropriate formal terms of reference as its audit committee charter;
- regulated its affairs in compliance with this charter; and
- discharged all its responsibilities as contained therein.

3. The effectiveness of internal control and risk management

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with King IV Report on Corporate Governance requirements, the Finance and Audit Committee has discharged the functions in terms of its charter and ascribed to it in terms of the Deed of Trust as follows:

- Reviewed the year-end financial statements, culminating in a recommendation to the Board of Trustees to adopt them. In the course of its review the committee:
  - took appropriate steps to ensure the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS);
  - considered and, where appropriate, made recommendations on internal financial controls;
  - dealt with concerns or complaints relating to accounting policies, the auditing or content of annual financial statements, and internal financial controls; and
  - reviewed legal matters that could have a significant impact on the Fund's financial statements.

4. External audit

The committee has satisfied itself that the external auditor of the Fund is independent. The committee, in consultation with management, agreed to an audit fee for the financial year ended 31 March 2020. The fee is considered appropriate. Meetings were held with the auditor where management was not present, and also with management where the auditor was not present. The committee has recommended, for approval at the annual general meeting, PricewaterhouseCoopers Inc, as the external auditor for the year ending 31 March 2021.

5. Annual financial statements

The committee has recommended the annual financial statements as set out on pages 06 to 31 for approval of the Board. The Board has subsequently approved the annual financial statements.

WARREN CLEWLOW
Chairman of the Finance and Audit Committee

STATEMENT OF THE MANAGEMENT TRUSTEES' RESPONSIBILITY for the year ended 31 March 2020

The Management Trustees are responsible for the preparation, integrity and fair presentation of the annual financial statements of Nelson Mandela Children's Fund. The annual financial statements, for the year ended 31 March 2020, presented on pages 06 to 31 have been prepared in accordance with International Financial Reporting Standards (IFRS), and include amounts based on judgements and estimates made by management.

The Management Trustees consider that in preparing the annual financial statements, they have used the most appropriate policies, consistently applied and supported by reasonable prudent judgments and estimates, and that all IFRS that they consider to be applicable, have been followed. The annual financial statements fairly present the results of operations for the year and the financial position of the Fund at year end in accordance with IFRS.

The Management Trustees have a responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy, the financial position and results of the Fund to enable the Management Trustees to ensure that the annual financial statements comply with relevant legislation.

The Fund operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the operations are being controlled. Nothing has come to the attention of the Management Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Management Trustees have reviewed the Fund's budget and cash flow forecast for the financial year to 31 March 2021. On the basis of this review, and in light of the current financial position, the Management Trustees are satisfied that the Fund has access to adequate resources to continue in operational existence for the foreseeable future and is a going concern and have continued to adopt the going concern basis in preparing the annual financial statements. These annual financial statements support the viability of the Fund.

The annual financial statements have been audited by the independent auditor, PricewaterhouseCoopers Inc., who was given unrestricted access to all financial records and related data, including minutes of all meetings of management, Board of Trustees and Committees of the Board. The audit report of PricewaterhouseCoopers Inc. is presented on pages 27 - 28.

The annual financial statements were approved by the Management Trustees on 22 October 2020 and are signed on their behalf by:

YVONNE MOKGORO
Chairperson

KONEHALI GUGUSHE
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NELSON MANDELA CHILDREN'S FUND

pwc

Independent auditor's report

To the Trustees of Nelson Mandela Children's Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nelson Mandela Children's Fund (the Trust) as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Nelson Mandela Children's Fund's financial statements set out on pages 06 to 31 comprise:

- the statement of financial position as at 31 March 2020;
- the statement of (deficit)/surplus and other comprehensive income for the year then ended;
- the statement of changes in reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

We are independent of the Trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Nelson Mandela Children's Fund 2020 Annual Report Anniversary Edition". The other information does not include the financial statements and our auditor's report thereon.

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NELSON MANDELA CHILDREN'S FUND

Responsibilities of the trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: MM Mokone
Registered Auditor
Johannesburg
22 October 2020

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2020

	Notes	2020 R'000	2019 R'000
ASSETS			
Non-current assets		**724 822**	774 182
Property, plant and equipment	3	**4 572**	4 614
Financial assets at fair value through profit or loss (FVPL)	5	**720 250**	769 568
Current assets		**68 073**	59 646
Other receivables	6	**1 093**	405
Receivables due from related parties	18.1	**127**	1 054
Cash and cash equivalents	7	**66 853**	58 187
TOTAL ASSETS		**792 895**	833 828
RESERVES AND LIABILITIES			
Reserves		**775 807**	816 352
Income resources		**754 235**	791 577
Mott endowment reserve	16	**21 572**	24 775
Current liabilities		**17 088**	17 476
Trade and other payables	8	**3 448**	3 290
Grants payable	9	**3 897**	4 470
Contract liabilities - Unutilised designated programme funding	10	**9 743**	9 716
TOTAL RESERVES AND LIABILITIES		**792 895**	833 828

STATEMENT OF (DEFICIT)/SURPLUS AND OTHER COMPREHENSIVE INCOME for the year ended 31 March 2020

	Notes	2020 R'000	2019 R'000
Donations			
Programme designated funds		**17 383**	18 312
Unutilised prior year funds		**9 716**	12 154
Funds received during the year		**7 667**	6 158
Programme designated funds carried forward to the following year	10	**(9 743)**	(9 716)
Designated programme funds		**7 640**	8 596
Non-designated funds		**6 254**	5 746
Net donations received		**13 894**	14 342
Investment Income			
Finance income on cash and cash equivalents	13	**3 296**	2 099
Finance income on financial assets at FVPL	13	**27 952**	22 742
Realised surplus on financial assets at FVPL	5	**5 112**	12 316
Fair value (losses)/gains on financial assets at FVPL		**(78 853)**	2 093
Dividends received	14	**10 379**	13 151
		(32 114)	52 401
Other income		**11 091**	7 808
Fund-raising initiatives		**11 091**	7 808
Total income resources	11	**(7 129)**	74 551
Resources utilised			
Grants made		**7 398**	10 038
Programme development expenses		**10 126**	12 286
Special projects		**224**	160
Operating and administration expenses	22	**15 668**	14 043
Total resources utilised		**33 416**	36 527
Surplus for the year		**(40 545)**	38 024
Other comprehensive income			
Item that will be reclassified into surplus		**-**	-
Total comprehensive (deficit)/surplus for the year		**(40 545)**	38 024

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2020

	Income resources R'000	Mott endowment R'000	Total R'000
Balance at 1 April 2018	754 652	23 676	778 328
Total comprehensive surplus for the year	36 925	1 099	38 024
Balance at 31 March 2019	791 577	24 775	816 352
Total comprehensive deficit for the year	(37 342)	(3 203)	(40 545)
Balance at 31 March 2020	754 235	21 572	775 807

STATEMENT OF CASH FLOWS
for the year ended 31 March 2020

	Notes	2020 R'000	2019 R'000
Cash flow from operating activities			
Net (deficit)/surplus for the year		**(40 545)**	38 024
Adjusted for:			
- Depreciation		**283**	265
- Loss on scrapped assets		**-**	7
- Investment portfolio management costs		**754**	508
- Finance income		**(3 296)**	(2 099)
- Finance income on financial assets at FVPL		**(27 952)**	(22 742)
- Realised surplus on financial assets at FVPL		**(5 112)**	(12 316)
- Fair value gains/(losses) on financial assets at FVPL		**78 853**	(2 093)
- Dividends received		**(10 379)**	(13 151)
Net cash outflow before working capital changes		**(7 394)**	(13 597)
Decrease in other receivables		**239**	12 049
Increase/(decrease) in trade and other payables		**158**	(4)
(Decrease)/increase in approved grants payable		**(573)**	897
Increase/(decrease) in unutilised designated programme funds		**27**	(2 438)
Cash utilised by operating activities		**(7 543)**	(3 093)
Finance income	13	**3 296**	2 099
Net cash utilised by operating activities		**(4 247)**	(994)
Cash generated from investing activities		**12 913**	12 827
Purchase of property, plant and equipment	3	**(241)**	(235)
Investment portfolio management fees		**(668)**	(398)
Drawdown from investments	5	**13 822**	13 460
Net increase/(decrease) in cash and cash equivalents		**8 666**	11 833
Cash and cash equivalents at the beginning of the year		**58 187**	46 354
Cash and cash equivalents at the end of the year	7	**66 853**	58 187

ACCOUNTING POLICIES
for the year ended 31 March 2020

1 **General information**

Nelson Mandela Children's Fund (the Fund) is a discretionary intervivos trust and is registered in terms of the Non-Profit Organisations Act, 1997 (Act 71 of 1997). The primary aim of the Fund is to change the way society treats its children and youth.

2 **Principal accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 **Basis of preparation**

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis of accounting, except for the fair value of investments classified as fair value through profit or loss (FVPL). The financial statements are presented in South African Rand, the functional currency of the Fund, and all values are rounded to the nearest thousand (R'000), except otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment, complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.16.

2.2 **Property, plant and equipment**

All property, plant and equipment are initially recorded at cost, or, in the case of donations-in-kind, at fair value, if it is probable that any future economic benefits associated with the items will flow to the Fund and the costs of the items can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the items. Land and buildings are classified as owner occupied property.

Subsequent expenditure is capitalised to carrying amount of items of property, plant and equipment if it is measurable and it is probable that it increases the future economic benefits associated with the item. All other expenses are recognised in the statement of profit or loss and other comprehensive income as an expense during the financial period in which they are incurred.

Subsequent to initial recognition, property, plant and equipment, except land, are carried at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other items of property, plant and equipment is provided on the straight-line basis which, it is estimated, will reduce the carrying amount of the items of property, plant and equipment to their residual values at the end of their useful lives. Where an item of property, plant and equipment comprises major components with different useful lives, the components are depreciated separately.

The major categories of items of property, plant and equipment are depreciated over their applicable useful lives as follows:

• Computer equipment	3 years
• Furniture and fittings	4 years
• Motor vehicles	4 years
• Plant	2 years
• Buildings	50 years

The residual values and useful lives of items of property, plant and equipment are reviewed and adjusted, if appropriate, at each statement of financial position date.

Items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses on the disposal of property, plant and equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The gain or loss on derecognition of property, plant and equipment is recognised in the statement of profit or loss and other comprehensive income.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.3 **Impairment**

The carrying amounts of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the greater of its fair value less cost to sell and its value in use. The fair value less cost to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in the statement of profit or loss and other comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows that are largely independent from those of other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in the statement of profit or loss and other comprehensive income whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

2.4 **Financial instruments**

Financial instruments, as recognised on the statement of financial position, include cash and cash equivalents, financial assets at FVPL, and trade and other payables, approved grants payable and amounts due to related parties.

2.4.1 **Financial assets**

The Fund classifies its financial assets in the following categories: cash and cash equivalents, trade receivables, and financial assets at FVPL. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are derecognised when either their value is fully amortised or when there is sufficient evidence that the financial asset is impaired.

a) Cash and cash equivalents
All classes of cash and cash equivalents as disclosed in Note 7 are carried at the amortized cost ("AC") measurement category under IFRS 9. The expected credit losses ("ECLs") for cash and cash equivalents balances are considered to be insignificant.

b) Receivable financial assets
Based on business model assessment carried out by the Fund, it was established that trade receivables have to be classified as "Hold to collect" business model. As a result, Trade receivables are carried at AC measurement category under IFRS 9. The ECLs for trade and other receivables balances were insignificant.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Fund's receivables comprise 'trade and other receivables' in the statement of financial position.

c) *Financial assets at FVPL*
The Fund classifies the following financial assets at fair value through profit and loss (FVPL).
- Debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income (FVOCI), and
- Equity investments for which the entity has not elected to recognise fair value gains and loss-es through OCI.

They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the reporting period.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.4.2 **Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Financial assets at FVPL are subsequently carried at fair value.

Receivables are initially recognised at cost and are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as financial assets at FVPL are recognised in the statement of surplus or deficit.

Interest on financial assets at FVPL calculated using the effective interest method is recognised in the statement of surplus or deficit as part of investment income. Dividends on financial assets at FVPL are recognised in the statement of surplus or deficit when the Fund's right to receive payments is established.

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

2.4.3 **Impairment of financial assets**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

The expected credit loss model:

The Fund has four types of financial assets that are subject to the expected credit loss (ECL) model:

- other receivables
- receivables due from related parties

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

(a) Impairment of other receivables and receivables from related parties
For other receivables and receivables due from related parties' category, the loss allowance is measured at initial recognition and throughout its life at an amount equal to lifetime ECL. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of surplus or deficit. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of surplus or deficit.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.4.3 **Impairment of financial assets (continued)**

(b) Assets classified as financial assets at amortised cost

The Fund recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. If the credit risk on that financial asset has increased significantly since initial recognition, at each statement of financial position date, the Fund measures the loss allowance for all financial assets at an amount equal to the lifetime expected credit losses - whether assessed on an individual or collective basis, considering all reasonable and supportable information, including that which is forward looking.

If, at the statement of financial position date, the credit risk on a financial asset has not increased significantly since the initial recognition, the Fund measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

The Fund recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the statement of financial position date, to the amount that is required to be recognised in accordance with IFRS 9.

Impairment testing of financial assets is described in note 2.16.

2.5 **Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of surplus or deficit and other comprehensive income within 'resources utilised'. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against resources utilised in the statement of surplus or deficit and other comprehensive income.

2.6 **Leases**

(a) Right-of-use assets and lease liabilities

The Fund assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Fund recognises the right-of-use assets and lease liabilities at the commencement date of the lease. During the reporting period, the Fund did not hold contracts, which qualify as leases or contains a lease.

(b) Short-term leases and leases of low-value assets

The Fund has elected not to recognise right-of-use assets and lease liabilities for short-term leases and for leases of low-value assets (e.g. office equipment).

- Short term leases are leases that at commencement date have lease terms of 12 months or less.

- In determining whether the lease contracts qualify for low-value exemption, the Fund considers the nature of the asset and that the asset is not fundamental to its operations. The following criteria is applied to assets that qualify for low-value exemption:
  - the lessee must be able to benefit from the asset on its own or together with other re-sources that are readily available, and
  - the underlying asset must not be dependent on, or highly interrelated with other assets.
  - Leases of low-value assets comprise IT equipment, furniture, fittings, appliances as well as tools and other small equipment.
  - The low-value exemption is applied on a lease-by-lease basis.

The Fund recognises the lease payments associated with short-term leases and leases of low-value assets, as an expense, on a straight-line basis, over the lease term. The amount of the lease expenses recognised is disclosed note 12.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.7 **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

2.8 **Trade and other payables**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 **Employee benefits**

(a) Post-retirement obligations
The Fund provides benefits to employees through a defined contribution plan in terms of the Pension Fund Act, 1956 (Act 24 of 1956). A defined contribution plan is a pension plan under which the Fund pays fixed contributions into a separate entity. The Fund has no legal or constructive obligations to pay further contributions beyond those already paid.

Obligations arising from the defined contribution plan are recognised as an expense when they are due.

(b) Short-term employee benefits
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

Provision for employee entitlement to annual leave represents the present obligation which the Fund has to pay as a result of employees' services provided to the statement of financial position date. The provision has been calculated at undisclosed amounts based on current salary rates.

2.10 **Current and deferred income tax**

The Fund is exempt from income tax by South African Revenue Service (SARS).

2.11 **Income**

Income comprises the fair value of the consideration received or receivable from donations, fundraising activities and investments. Income is recognised as follows:

(a) Non-designated funds (Donations)
Donations are accounted for on a cash receipt basis.

(b) Designated programme funds (Donations)
Designated programme funds received are deferred and recognised in the statement of surplus or deficit and other comprehensive income when utilised. Designated funds are those funds the use of which is restricted by the donor for specified projects.

(c) Donations in kind
Donations in kind (asset or service) are recognised at fair value on the date of receipt.

(d) Interest income (Investment income)
Interest income is recognised on a time-proportion basis using the effective interest method.

(e) Dividend income (Investment income)
Dividend income is recognised when the right to receive payment is established.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.12 **Foreign currency translation**

(a) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of surplus or deficit

Translation differences on non-monetary financial assets, such as equities classified as financial assets at FVPL, are included in surplus or deficit.

2.13 **Financial risk management**

The Fund's activities expose it to a variety of financial risks. These risks include market risk, liquidity risk and credit risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

Risk management oversight is carried out by the Finance and Audit Committee as well as by the Investment Committee under policies approved by the Board of Trustees. The Board identifies, evaluates and hedges financial risks in close co-operation with the Fund's operating units. The Fund has written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

2.13.1 **Market risk**

(a) Foreign exchange risk
The Fund's individual investments operate internationally and are exposed to foreign exchange risk arising from various currency exposures.

Below is a table illustrating the impact on the Fund's surplus for the financial year ended 31 March 2020, if the Rand to Dollar exchange rate were to increase or decrease from the closing rate of R17.7833:

	Increase in exchange rate (base points)	Sensitivity of net exchange loss	Decrease in exchange rate (base points)	Sensitivity of net exchange gains
Foreign investments, and cash and cash equivalents	100	R1 450 358	(100)	(R1 450 358)

(b) Price risk
The Fund is exposed to equity securities price risk because of listed investments held by the Fund and classified on the statement of financial position as FVPL. The Fund is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Fund.

(c) Interest rate risk
The Fund's interest rate risk arises from short-term investments. Investments issued at variable rates expose the Fund to cash flow interest rate risk. Investments issued at fixed rates expose the Fund to fair value interest rate risk.

The Fund and its Investment Portfolio Managers analyse its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Fund and its Investment Portfolio Managers calculate the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.13.1 **Market risk (continued)**

(c) Interest rate risk (continued)

Below is a table illustrating the impact on the Fund's surplus for the financial year ended 31 March 2020, if interest rates were to increase or decrease:

	Increase in exchange rate (base points)	Sensitivity of net exchange loss	Decrease in exchange rate (base points)	Sensitivity of net exchange gains
Foreign investments, and cash and cash equivalents	100	R5 929 369	(100)	(R5 929 369)

2.13.2 **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Liquidity risk exposure for the Fund arises from potential obligations related to contract liabilities (unutilised designated funding and grants payables), and other payables.

Management monitors rolling forecasts of the Fund's liquidity reserve comprised of cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the Fund in accordance with practice and limits set by the Management Trustees. These limits vary to take into account the liquidity of the market in which the Fund operates. In addition, the Fund's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these by monitoring liquidity ratios against internal requirements. Due to the management steps taken above, it is deemed that the Fund is not exposed to any significant liquidity risk.

The table below analyses the Fund's liabilities into relevant maturity groupings based on the remaining period on the statement of financial position to the contractual maturity date. The amounts disclosed in the table below are the contractually undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Amounts included in the table are the contractual undiscounted cash flows, these amounts may not reconcile to the amounts disclosed on the statement of financial position for trade and other payables.

	Less than 1 year R'000	Over 1 year R'000
At 31 March 2020		
Trade and other payables		
Approved grants payable	1 051	-
Accruals	3 897	-
	2 397	-
	7 345	-
At 31 March 2019		
Trade and other payables	1 061	-
Approved grants payable	4 470	-
Accruals	2 229	-
	7 760	-

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.13.3 **Credit risk**

Credit risk is managed by the Fund. Credit risk arises from cash and cash equivalents, financial assets at FVPL and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables (excluding VAT and prepayments) and committed transactions. For banks and financial institutions, only independently rated parties are accepted. The Fund has no significant concentration of credit risk, due to the nature of its activities. There is no independent rating, therefore management assesses the quality of the donors taking into account its financial position, past experience and other factors.

Receivables mainly consists of accrued finance income, travel advances and current input VAT. Due to the nature of these receivables, there is no risk of default. Accrued finance income is extracted from statements from financial institutions issued in periods immediately following the reporting period. Travel advances for which receipts are not submitted within the 30 days are recovered from the respective employees' remuneration. Current input VAT is recoverable for the receiver of revenue within 21 days.

Receivables from related parties are recovered within 30 days and the financial reports the related entities are handled by the same management team.

2.14 **Capital risk management**

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns to beneficiaries and to maintain an optimal reserve structure. The Fund's managed capital consists of income reserves, fair value reserves and the Mott endowment reserve. In order to maintain or adjust this reserve structure, the Fund constantly monitors this structure. Currently the required reserves are funded by the operational and investing activities of the Fund.

The Management Trustees monitor the level of reserves, which the Fund defines as its Capital. However, funding for the Fund is mostly received from grants, donations and interest and dividends earned on investments.

There were no changes to the Fund's approach to capital management during the year.

2.15 **Fair value estimation**

The fair value of financial instruments in active markets – level 1 (such as trading and financial assets at FVPL) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Fund is the current bid price.

The fair value of level 2 financial instruments is based on inputs other than level 1 inputs such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

The carrying values less impairment provision of receivables and trade and other payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments

The table below presents the Fund's financial assets and liabilities that are measured at fair value. The different levels are based on the extent that quoted prices are used in the calculation of fair value and the levels have been defined as follows:

- Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.15 **Fair value estimation (continued)**

The following table presents the Fund's financial assets and liabilities that are measured at fair value:

	Level 1 R'000	Level 2 R'000	Level 3 R'000
2020			
Assets			
Financial assets at FVPL	**374 364**	**345 886**	**720 250**
2019			
Assets			
Financial assets at FVPL	474 928	294 640	769 568

2.16 **Critical accounting estimates and judgments**

2.16.1 **Critical judgments in applying the Fund's accounting policies**

(a) Impairment of financial assets at FVPL
The Fund follows the guidance of IFRS 9 to determine when a financial asset at FVPL is impaired. This determination requires significant judgment. In making this judgment, the Fund evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

(b) Financial liabilities
Financial liabilities classified and measured according to guidance in IFRS 9, under amortised cost.

Accounts payable	**3 448**	3 290
Grants payable	**3 897**	4 470
Unutilised programme funding	**9 743**	9 716
Total	**17 088**	17 476

2.17 **Provisions**

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

2.18 **Adoption of new and revised standards**

In the current financial year, the Fund has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) that are relevant to its operations and effective for annual reporting periods beginning 1 April 2019. The adoption of these new and revised standards and interpretations has not resulted in changes to the Fund's accounting policies.

The following new standards and interpretations became effective for the Fund from 1 April 2019:

- IFRS 16, Leases

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.18 **Adoption of new and revised standards (continued)**

(a) Right-of-use assets and lease liabilities

The Fund adopted IFRS 16, Leases, from 1 April 2019. The Fund leases photocopiers/printers, whose contracts are negotiated on an individual basis. From 1 April 2019, the Fund assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Fund recognises the right-of-use assets and lease liabilities at the commencement date of the lease. During the reporting period, the Fund did not hold any contracts, which qualify as or contains a lease as defined above.

The Fund elected not to restate comparative figures and as a result there were no reclassifications and adjustments recognised on initial recognition of IFRS 16.

	R'000
Income reserves closing balance at 31 March 2019	**791 577**
Adjustments from the Fund's adoption of IFRS 16	-
Income reserves opening balance at 1 April 2019	**791 577**

(b) Short-term leases and leases of low-value assets

The Fund has elected not to recognise right-of-use assets and lease liabilities for short-term leases and for leases of low-value assets (e.g. office equipment).

- Short term leases are leases that at commencement date have lease terms of 12 months or less.
- In determining whether the lease contracts qualify for low-value exemption, the Fund considers the nature of the asset and that the asset is not fundamental to its operations. The following criteria is applied to assets that qualify for low-value exemption:
  - the lessee must be able to benefit from the asset on its own or together with other re-sources that are readily available, and
  - the underlying asset must not be dependent on, or highly interrelated with other assets.
  - Leases of low-value assets comprise IT equipment, furniture, fittings, appliances as well as tools and other small equipment.
  - The low-value exemption is applied on a lease-by-lease basis.

The Fund recognises the lease payments associated with short-term leases and leases of low-value assets, as an expense, on a straight-line basis, over the lease term. The amount of the lease expenses recognised is disclosed note 12.

In addition, the Fund used the following practical expedient as permitted by the standard, when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- not to retrospectively restate contracts that were modified before the date of initial application.
- Accounted for leases with a remaining period of less than 12 months as at 1 April 2019 as short term leases.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Fund has also elected not to reassess whether a contract is, or contains a lease, at the date of initial application. Instead for contracts entered into before the transition date, the Fund relied on the assessment made applying IAS 17 and IFRIC 4, Determining whether an Arrangement Contains a Lease (IFRIC 4).

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.18 **Adoption of new and revised standards (continued)**

(b) Short-term leases and leases of low-value assets (continued)

The measurement of lease liabilities as at 1 April 2019 is summarised as follows:

	R'000
Operating lease commitments disclosed as at 31 March 2019	**265**
Less: low-value assets not recognised as a liability	**(265)**
Lease liability recognised as at 1 April 2019	-

The significant new accounting policies applied in the current period are described in Note 2.6. Accounting policies applied prior to 1 April 2019 and applicable to the comparative information are disclosed in Note 2.

As at 1 October 2020, when these financial statements for the year ended 31 March 2020 were authorised by the Fund's Management Trustees Committee, the following standards and interpretations were effective for the first time. These pronouncements had no significant effect on the Fund's financial statements.

International Financial Reporting Standards and amendments effective for the first time for March 2020 year-end		
Number	**Effective date**	**Executive summary**
Amendments to IFRS 9 – 'Financial instruments' on prepayment features with negative compensation and modification of financial liabilities.	Annual periods beginning on or after 1 January 2019	The narrow-scope amendment covers two issues: • The amendments allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. It is likely to have the biggest impact on banks and other financial services entities. • How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under IAS 39 today and will affect all kinds of entities that have renegotiated borrowings.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.18 **Adoption of new and revised standards (continued)**

International Financial Reporting Standards and amendments effective for the first time for March 2020 year-end		
Number	**Effective date**	**Executive summary**
IFRS 16 – Leases	Annual periods beginning on or after 1 January 2019 – earlier application permitted if IFRS 15 is also applied. (published January 2016)	This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.
Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement.	Annual periods on or after 1 January 2019 (issued February 2018)	These amendments require an entity to: • Use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • Recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus (recognised or unrecognised). This reflects the substance of the transaction, because a surplus that has been used to settle an obligation or provide additional benefits is recovered. The impact on the asset ceiling is recognised in other comprehensive income, and it is not reclassified to profit or loss. The impact of the amendments is to confirm that these effects are not off-set.

ACCOUNTING POLICIES
for the year ended 31 March 2020

2.18 **Adoption of new and revised standards (continued)**

International Financial Reporting Standards, interpretations and amendments issued but not effective for March 2020 year-end		
Number	**Effective date**	**Executive summary**
Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.	Annual periods beginning on or after 1 January 2020. (Published October 2018)	These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs: • use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting; • clarify the explanation of the definition of material; and • incorporate some of the guidance in IAS 1 about immaterial information. The amended definition is: *"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."*
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2022 (following due process) Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17. (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.
Number	**Effective date**	**Executive summary**
Amendments to IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement and IFRS 7, Financial Instruments: Disclosure – Interest rate benchmark reform	Annual periods beginning on or after 1 January 2020 (early adoption is permitted) (Published September 2019)	These amendments provide certain reliefs in connection with interest rate benchmark reform (IBOR). The reliefs relate to hedge accounting and have the effect that IBOR should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

At the date of authorisation of these financial statements for the year ended 31 March 2020, the following standards and interpretations were in issue but not yet effective. The Fund continues to evaluate the effects of these standards and interpretations which have not been early adopted.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

3 Property, plant and equipment

	Computer Equipment R'000	Furniture and fittings R'000	Motor Vehicles R'000	Plant R'000	Land R'000	Buildings R'000	Total R'000
Year ended 31 March 2020							
Opening carrying amount	123	11	-	160	881	3 439	4 651
Additions	226	15	-	-	-	-	241
Disposals	(43)	-	-	-	-	-	(43)
Accumulated depreciation on disposals	43	-	-	-			43
Depreciation charge	(98)	(10)	-	(77)		(98)	(283)
Closing carrying amount	**251**	**16**	**-**	**83**	**881**	**3 341**	**4 572**
At 31 March 2020							
Cost	997	1 996	384	192	881	4 913	9 363
Accumulated depreciation	(746)	(1 980)	(384)	(109)	-	(1 572)	(4 791)
Carrying amount	**251**	**16**	**-**	**83**	**881**	**3 341**	**4 572**

Land and buildings comprise of Erf 419, Saxonwold Township measuring 4 194m^2, with office buildings thereon.

	Computer Equipment R'000	Furniture and fittings R'000	Motor Vehicles R'000	Plant R'000	Land R'000	Buildings R'000	Total R'000
Year ended 31 March 2019							
Opening carrying amount	206	27	-	-	881	3 537	4 651
Additions	43	-	-	192	-	-	235
Disposals	(336)	(284)	-	-	-	-	(620)
Accumulated depreciation on disposals	329	284	-	-	-	-	613
Depreciation charge	(119)	(16)	-	(32)	-	(98)	(265)
Closing carrying amount	**123**	**11**	**-**	**160**	**881**	**3 439**	**4 614**
At 31 March 2019							
Cost	813	1 982	384	192	881	4 913	9 165
Accumulated depreciation	(690)	(1 971)	(384)	(32)	-	(1 474)	(4 551)
Carrying amount	**123**	**11**	**-**	**160**	**881**	**3 439**	**4 614**

Land and buildings comprise of Erf 419, Saxonwold Township measuring 4 194m^2, with office buildings thereon.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	2020 R'000	2019 R'000

4 **Financial instruments by category**

The accounting policies for financial instruments have been applied to the line items below:

	2020 R'000	2019 R'000
Financial assets		
Cash and cash equivalents	**66 853**	58 187
Financial assets at FVPL	**720 250**	769 568
Other receivables (excluding statutory assets)	**1 039**	382
Amounts due from related parties	**127**	1 054
Total	**788 269**	829 191

	2020 R'000	2019 R'000
Financial liabilities		
Trade and other payables (excluding statutory liabilities)	**3 448**	3 290
Approved grants	**3 897**	4 470
Unutilised designated funding	**9 743**	9 716
	17 088	17 476

	2020 R'000	2019 R'000
Cash at bank and short-term deposits		
Nedbank	**41 904**	33 899
Standard Bank	**24 945**	24 286
Petty cash	**4**	2
Total	**66 853**	58 187

The Fund's bankers were rated by Moody's as follows:

Nedbank	**Ba1**	**Baa3**
Standard Bank	**Ba1**	**Baa3**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

		2020 R'000	2019 R'000

5 Financial assets at FVPL

Endowment

		2020 R'000	2019 R'000
Balance at the beginning of the year		**769 568**	732 836
Dividends received		**10 379**	13 151
Finance income on financial assets at FVPL		**27 952**	22 742
Realised surplus on financial assets at FVPL		**5 112**	12 316
Drawings		**(13 822)**	(13 460)
Portfolio management transaction expenses		**(86)**	(110)
Fair value gains/(losses) on financial assets at FVPL		**(78 853)**	2 093
Balance at the end of the year		**720 250**	769 568

Financial assets at FVPL were not considered to be impaired, therefore there is no impairment provision on financial assets at FVPL in 2020 and in 2019.

The endowment fund comprises of financial assets at FVPL and includes the following:

		2020 R'000	2019 R'000
Listed securities:			
Equities		**191 820**	280 726
Gilts and semi-gilts		**182 544**	194 202
Unlisted securities:			
Liquid funds		**315 426**	262 779
Mott endowment		**30 460**	31 861
Total		**720 250**	769 568

Investments are administered by Coronation Fund Managers and Melville Douglas Investment Management (Pty) Ltd.

Financial assets at FVPL are denominated in the following currencies:

		2020 R'000	2019 R'000
Rand		**575 214**	624 066
US Dollar:		**145 036**	145 502
Total		**720 250**	769 568

6 Other receivables

		2020 R'000	2019 R'000
VAT receivable		**53**	23
Sundry debtors		**22**	44
Accrued interest receivable		**973**	293
Utility deposits		**45**	45
		1 093	405
Receivables due from related parties	18.1	**127**	1 054
Total		**1 220**	1 459

These amounts are all interest free and except for amounts due from related parties, all other receivables are normally recovered within a three-month cycle. The fair value is considered equal to the carrying value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

		2019 R'000	2019 R'000
7	**Cash and cash equivalents**		
	Call deposits	**66 849**	58 185
	Cash on hand	**4**	2
	Total	**66 853**	58 187

The effective interest rate on short-term deposits was 5.27% (2019: 6.33%). These deposits have an average maturity of 30 days.

8	**Trade and other payables**		
	Accounts payable	**1 004**	809
	VAT liability	**47**	252
	Accruals	**2 397**	2 229
	Total	**3 448**	3 290

These amounts are all interest free and the fair value is considered to be equal to the carrying value. Accounts payable are normally paid within a three-month cycle.

9	**Approved grants payable**		
	Payable from designated programme funding	**2 653**	1 602
	Payable from non-designated funding	**1 244**	2 868
	Total	**3 897**	4 470
	Financial liabilities	**3 897**	4 470
		3 897	4 470

All grants payable are liabilities, for which programme contracts are in place. Programme contracts are signed between the Fund and implementing partners and are normally paid within 12 months.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

10. **Contract liabilities**

	2020 R'000	2019 R'000
10.1 **Unutilised designated programme funding**		
Opening balance	**9 716**	12 154
Funds received during the year	**7 667**	6 158
- Designated programmes	**7 667**	6 158
Funds utilised during the year	**(7 640)**	(8 596)
- Programme development expenses	**(2 040)**	(1 773)
- Programme development expenses (prior years)	**-**	(2 403)
- Grants approved in the current year	**(5 600)**	(4 420)
Designated programme funding not yet approved for programme allocation	**9 743**	9 716
Restricted for:		
- Designated programmes	**9 743**	9 716
Closing balance	**9 743**	9 716
Financial liabilities from contracts partially satisfied	**10 394**	9 716
Financial assets from contracts partially satisfied	**(651)**	-
Total	**9 743**	9 716
Revenue recognised in the current period, that was included in the opening contract liability	**2 114**	5 986

- Designated programme funding is comprised of amounts received that are restricted for building capacity and specified programmes. Any amounts unspent are treated as deferred income and classified as a current liability. The amounts relate to contracts that have been partially satisfied and amounts are still to be recognised as revenue in future when conditions of the contract are satisfied.

- Financial assets from contracts partially satisfied relate to amounts owing to the Fund by a des-ignated donor for expenditure incurred on the final evaluation of the project. The donor will re-lease the final tranche of the funding upon completion of the project evaluation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

		2020 R'000	2019 R'000
11	**Total income Resources**		
	Unutilised prior year programme designated funds	**9 716**	12 154
	Funds received during the year	**7 667**	6 158
	Programme designated funds carried forward to the following year	**(9 743)**	(9 716)
	Revenue from contracts partially satisfied	**7 640**	8 596
	Non-designated funds	**6 254**	5 746
	Net donations received	**13 894**	14 342
	Investment (loss)/income	**(32 114)**	52 401
	Fund-raising initiatives	**11 091**	7 808
	Total	**(7 129)**	74 551

12 **Operating and administration expenses**

Operating and administration expenses include the following:

	2020 R'000	2019 R'000
Depreciation		
- Computer equipment	**98**	119
- Furniture and fittings	**10**	16
- Plant	**77**	32
- Buildings	**98**	98
Total	**283**	265
Lease expenses for low value assets		
- Office equipment	**209**	207
Auditor's remuneration	**897**	860

50% of the audit services is offered on a pro-bono basis. The related donation of R421 150 is included in non-designated income (2019: R403 050). The full audit fees are disclosed in the annual financial statements and the related donation for pro-bono services is realised in income.

	2020 R'000	2019 R'000
Employee benefits	**7 398**	7 080
- Key management remuneration	**5 459**	3 410
- Staff costs	**1 939**	3 670

- Key management refers to the Chief Executive Officer, Finance Director, Business Development Director and Marketing and Communications Director.

13 **Finance income**

	2020 R'000	2019 R'000
Finance income on cash balances	**3 296**	2 099
Finance income on financial assets at FVPL	**27 952**	22 742
	31 248	24 841

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

		2020 R'000	2019 R'000
14	**Dividend income**		
	Dividends received on financial assets at FVPL	**10 379**	13 151

15 **Taxation**

In terms of section 10(1)(cN) of the Income Tax Act 1962, as amended, the Fund has been approved by the Commissioner for the South African Revenue Service as a public benefit organisation. Accordingly, the Fund is exempt from income taxation.

		2020 R'000	2019 R'000
16	**Mott Endowment Reserve**		
	Balance at beginning of year	**24 775**	23 676
	Fair value gains on financial assets at FVPL	**(3 203)**	1 099
	Balance at end of year	**21 572**	24 775

In 2002 a grant amounting to US$2 million was received from the Charles Stewart Mott Foundation. This grant was recorded in accordance with the grant agreement as a permanent endowment and shown as a separate reserve. The amount has been invested in a separate portfolio with Coronation Fund Managers. If, at any time, the principal amount of this grant is not maintained in a segregated fund or should the Fund cease to exist, the Fund will be obliged to return the capital portion of this endowment to the Charles Stewart Mott Foundation forthwith. The Fund may only utilise the cash income earned on the endowment to fund its charitable activities.

The agreement with Charles Stewart Mott Foundation was renegotiated in 2017. The principal amount was changed from US$2million to a Rand denominated amount of R17.055million. Any fair value movement is retained as part of the principal amount. The fair value movement on the Mott endowment during the current financial year is a loss of R3 202 611, (2019: fair value gain of R1 098 613).

17 **Employee benefit obligations**

The Fund's employees belong to the Pension Fund administered by Alexander Forbes (Pty) Limited. This is a defined contribution fund. As at 31 March 2020, 21 (2019: 19) employees belonged to this fund.

	2020 R'000	2019 R'000
Current contributions charged to the statement of surplus or deficit and other comprehensive income	**1 635**	1 388

18 **Related party transactions**

The following related parties exist due to common Founder, Nelson Mandela: Nelson Mandela Foundation, Mandela Rhodes Foundation, Nelson Mandela Children's Hospital, 46664, Nelson Mandela Children's Fund – US (Affiliate) and Nelson Mandela Children's Fund – UK (Affiliate). No transactions or balances exist with the respective related parties as at year end other than as disclosed in Notes 18.1 and 18.2.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

18.1 **Nelson Mandela Children's Hospital Project (The Hospital Trust)**

The Nelson Mandela Children's Hospital is an initiative of Nelson Mandela Children's Fund. The primary aim of the Hospital Trust is to raise funds and accept donations to initiate, promote and support the provision of paediatric health care, training and research.

As at 31 March 2020, recorded in trade receivables was an amount of R127 263 (2019: R1 054 096) owed by Nelson Mandela Children's Hospital Trust.

The Fund invested a total of R280 898 000 towards the construction of the Hospital project and the purchase on the Hospital equipment.

18.2 **Key management remuneration**

	2020 R'000	2019 R'000
Salaries	**5 459**	**3 410**

Salaries paid to senior executive management. No salaries are paid to Trustees.

19 **Going concern**

These annual financial statements were prepared on the going concern basis. There are no plans or intentions to dispose of the business or cease operations, that may materially alter the carrying value of assets and liabilities reflected in these annual financial statements, in the foreseeable future.

20 **Events after the reporting period**

Late in 2019 news first emerged from China about COVID-19 (Coronavirus). In the first few months of 2020 the virus had spread globally, and its negative impact gained momentum. The first case of Covid-19 in South Africa was reported in March 2020 and with effect from 27 March 2020 South Africa was placed in lockdown. The news of the first Covid-19 cases in South Africa sent shock waves to the investment markets, negatively affecting the Fund's endowment at year end. The endowment balance went down from R801 million as at 31 January 2020 to R720 million as at 31 March 2020. With the South African government taking decisive measures to control the spread of the disease, the investments market regained confidence, and since the reporting date to the date of this report, the Fund's endowment has recovered significantly, with balances as at 31 August 2020 reported at R816 million, exceeding balances reported as at 31 March 2020 by R96 million. The imposition of the lockdown measures had a negative impact on fundraising efforts, however this had no material effect on these financial statements.

Management considers this outbreak to be a non-adjusting event. While this is still an evolving situation at the time of issuing these annual financial statements, to date there has been no discernible impact on these financial statements, however, the future effects cannot be predicted. Trustees are of the opinion that the Fund will continue to operate as a going concern in the foreseeable future. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

		2020 R'000	2019 R'000
21	**Operating and administration expenses**		
	Audit fees	**897**	860
	Depreciation	**283**	265
	Employee benefits	**7 398**	7 080
	Equipment, IT and services	**539**	457
	Fundraising costs	**1 727**	1 016
	Insurance	**78**	108
	Investment portfolio management fees	**754**	508
	Legal fees	**21**	9
	Loss of scrapped assets	**-**	7
	Operational costs	**2 309**	2 299
	Risk management	**-**	55
	Professional fees	**300**	828
	Publicity and communication expenses	**611**	442
	Travel and transport costs	**172**	95
	Organisational development costs	**572**	-
	Strategic plan review	**7**	14
	Total expenses	**15 668**	14 043

GOVERNANCE

In line with the King IV Report on Corporate Governance, the Management Trustees ensure that the Fund's policies continue to meet current requirements and the terms and covenants of the Trust Deed approved by the Master of the Supreme Court. These policies relate to the duties of the full Board of Trustees, and to the delegation of authority to the Management Trustees Committee (MTC) and to various sub-committees, as well as the Chief Executive Officer, and they specify responsibilities and levels of authority.

Current Financial Status

The Fund is in a sound financial position with total assets of R793million. Although this is down from the previous year as affected by the impact of Covid 19 on global financial markets at the beginning of 2020, it still provides a reasonable base to sustain and grow the Fund into the future. R720million is invested with the appointed investment managers in shares and gilts, while R67million is invested with the Fund's bankers.

Financial Policy

The financial policy is designed to achieve the twin objectives of providing a reasonable flow of funds to be available for current grant making while still creating and increasing base for future sustainability of the Fund and its grantees. Each year the MTC reviews and agrees by resolution the financial parameters of the Fund set to achieve the objective stated above. It must be noted that these parameters more than fulfil the tax exemption requirements of the South African Revenue Services in terms of note 15 of the annual financial statements.

Investment Policy

The investment policy includes detailed guidelines and parameters for the two current investment managers – Coronation Fund Managers and Melville Douglas Investment (Pty) Ltd.

Board of Trustees

The Board of Trustees is the ultimate governing body of the Fund. In implementing this responsibility, the Board of Trustees has delegated authority to MTC to act for and on behalf of the Fund in every respect, while retaining for itself the following functions:

- Approving overall policy and strategy concerning the objectives of the Fund.
- Receiving and adopting the financial statements of the Fund.
- Ratifying and confirming the resolutions passed by the MTC since the previous annual general meeting.

In addition, it is the responsibility of each and every Trustee to:

- Promote the objectives of the Fund at all times,
- Advance the general and financial well-being of the Fund, and
- Maintain and enhance the capital of the Fund.

The Board of Trustees must meet at least once in each calendar year and at intervals not exceeding 18 months.

Management Trustees Committee (MTC)

The MTC is responsible to all stakeholders in general, and the Trustees, donors and beneficiaries in particular, for the performance and therefore the overall management of the Fund.

The MTC's major responsibilities include ensuring that the Fund:

- Works towards achieving the goals and ideals set down in the founding document and agreed by the Board of Trustees, which include managing the affairs of the Fund in such a manner so as to ensure the greatest possible benefits for the beneficiaries and protection of the assets of the Fund.
- Operates within the Fund's Trust Deed.
- Operates within the confines of the Non-profit Organisation Act, Property Control Act, the Merchandising Marks Act and the Common Law.
- Operates within the resolutions passed at meetings of the Trustees and at meetings of the MTC.

In discharging its duties the MTC is responsible for:

- The overall strategy and structure of the Fund.
- The Fund's assets and distributions and therefore the Fund's operations.

In implementing this responsibility the MTC has delegated authority to the Chief Executive Officer of the Fund to manage the day-to-day operations, while retaining certain authority and responsibilities for itself.

The most important of these are:

- The development of the Fund's objectives, policies and budgets (annuals as well as long-term) and the appraisal and monitoring of performance against these.
- Taking appropriate corrective action when performance does not, after consideration of all the circumstances involved, meet these approved standards.

In addition, and without detracting from the above, the MTC has retained the responsibilities detailed below:

- Financial policies and caveats
- Investment policy
- Fundraising initiative policy and caveats
- Principles guiding the formulation of the Fund's grant making.

The MTC meets at least three times a year.

Subcommittees of the MTC

Finance and Audit Committee

The Finance and Audit Committee comprises Dr Warren Clewlow (Chair), Mr Jacob Modise, Judge Kathy Satchwell, Mr Kashan Maharaj and Mr Sakhile Masuku.

GOVERNANCE

The Committee is responsible for monitoring the adequacy of the Fund's financial controls, accounting policies and financial reporting. It provides a forum through which the external auditors report to the MTC. The mandate to the Finance and Audit Committee is in line with the provisions of The Fund's Trust Deed. The Finance and Audit Committee meets three times a year.

Human Resources, Remuneration and Nominations Committee

The Human Resources, Remuneration and Nominations Committee comprises Judge Yvonne Mokgoro (Chair), Professor Michael Katz, Advocate Kgomotso Moroka and Ms Barbara Nell. The Committee considers and approves remuneration for the management of the Fund in line with the relevant market indicators.

It is further responsible for determining the remuneration policy and employee benefits applicable to the Fund's staff. It also considers and approves senior management appointments. The mandate to this Committee is in line with The Fund's Trust Deed. The Committee meets two times a year.

Development Committee

The Development Committee comprises Ms Shirley Mabusela (Chair), Judge Dion Basson, Judge Johann Kriegler and Ms Barbara Nell. In line with the current strategy of the Fund, the mandate to this committee is to identify strategic and long term partners for the current strategic period, to approve funding to identified partners, and monitor impact made upon the lives of children within their communities. The Committee continually reviews the status of development funding philosophy, policy and criteria in terms of appropriateness and ensures the Fund operates within a restricted budget. The Committee meets at least twice a year.

Investment Committee

The Investment Committee comprises Dr Warren Clewlow (Chair), Mr Joe Maswanganyi, Mr Jacob Modise, Mr Owen Maubane, Mr Charles Priebatsch, Mr Kashan Maharaj, Ms Onkgodisitse Mokonyane and Mr Sakhile Masuku. The Committee determines, in discussion with the Fund's approved investment advisors, the overall investment strategy and structure for the Fund, within the limits of the prudent investment guidelines as set by the Registrar of Financial institutions from time to time. The Investment Committee receives reports from the Fund's advisors and fund managers, and monitors their performances on a regular basis. It has the delegated power to reduce or increase the quantum of funds under each investment advisor's control. The Committee meets three times a year.

Branding and Marketing Committee

The Branding and Marketing Committee comprises Mr Charles Priebatsch (Chair), Ms Lulama Mkhobo, Mr Mpho Makwana, Mr Maseda Ratshikuni, Mr Moss Mashishi, Mr Victor Nosi and Mr Sizwe Nzimande. The committee's mandate is to advise management on all aspects of business development, monitor management of the brand, and monitor the implementation of the Fund's communication strategy and fundraising strategy as well as the performance and compliance of affiliates in line with the signed Licensing Agreements concluded with each affiliate. The Committee meets four times a year. with each affiliate. The Committee meets twice times a year.

Trustees

The names of the Trustees appears on page 23 of this report. In terms of paragraph 6.7 of the Trust Deed, one third of the Trustees retire from office at each annual general meeting but, being eligible, may be re-elected by the remaining Trustees. In 2019, 13 Trustees retired, determined by alphabetical rotation, and they were all re-elected. We were saddened by the loss of Dr Richard Maponya in December 2019.

Thank You

The Fund would like to thank both Ms Kathi Scott and Ms Mary Zients for tirelessly keeping our United Kingdom and USA offices (respectively) running smoothly for so many years. Their efforts, time and hard work do not go unnoticed.

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Hospital Trust
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Serve like
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