ENABLING COMMUNITIES

Annual Report 2021/22

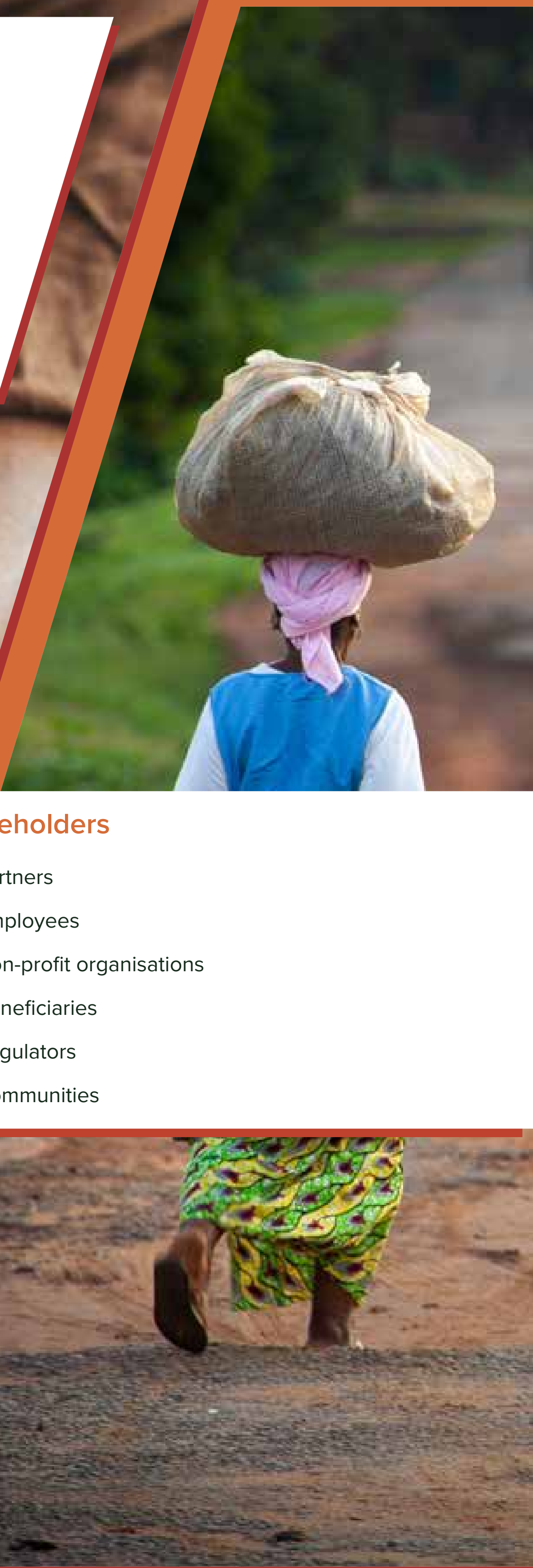
KAGISO TRUST
Overcoming poverty

KAGISO TRUST

Overcoming poverty

Strategic Focus Areas

- KAGISO TRUST | Education Development
- KAGISO TRUST | Socio-economic Development
- KAGISO TRUST | Institutional Capacity Building
- KAGISO TRUST | Financial Sustainability
- KAGISO TRUST | Special Projects



Stakeholders

- Partners
- Employees
- Non-profit organisations
- Beneficiaries
- Regulators
- Communities

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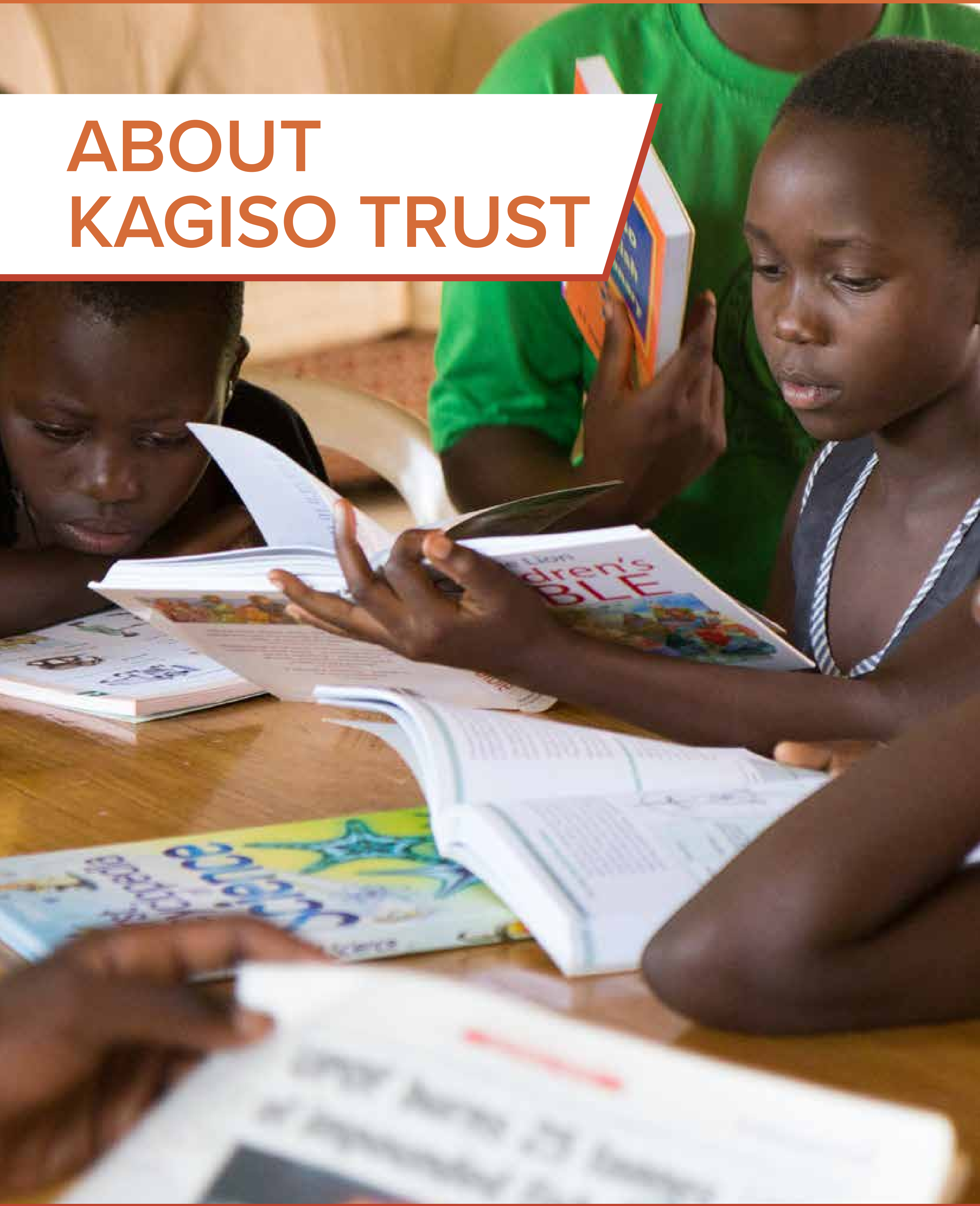
ABOUT KAGISO TRUST



This report covers the period 1 July 2021 to 30 June 2022 and sets out to communicate the development climate within which we find ourselves and detail our response and initiatives to address these.

OUR IDENTITY

OUR VISION

A prosperous, peaceful, equitable and just society

OUR MISSION

To contribute to development through sustainable funding, with like-minded partnerships and innovative scalable development models

OUR VALUES

- Integrity
- Accountability
- Passion for Development
- Hands On, Bottom Up Approach

4IR

Committed to developing and implementing technological innovation

OUR STRATEGIC GOALS:

- EDUCATION DEVELOPMENT PILLAR
  To extend educational development programmes
- SOCIO-ECONOMIC DEVELOPMENT PILLAR
  To promote and support socio-economic development
- INSTITUTIONAL CAPACITY BUILDING PILLAR
  To support strategic institutional capability development for sustainability
- FINANCIAL SUSTAINABILITY PILLAR
  To ensure financial sustainability of Kagiso Charitable Trust

KAGISO TRUST
Overcoming poverty

OUR FOOTPRINT

Gauteng

Leadership Conference
- Faculty of Education, UJ
- National Education Collaboration Trust (NECT)

Kagiso Trust Consulting:
- CoGTA

PMO:
- Thabo Mbeki Foundation
- Human Science Research Council
- South African Human Rights Commission
- Africa Beyond 4IR
- Council of Scientific and Industrial Research

SED:
- PROPreneurX

Limpopo

KST:
- 60 Anglo American Schools Project

PMO:
- University of Limpopo Research partnership

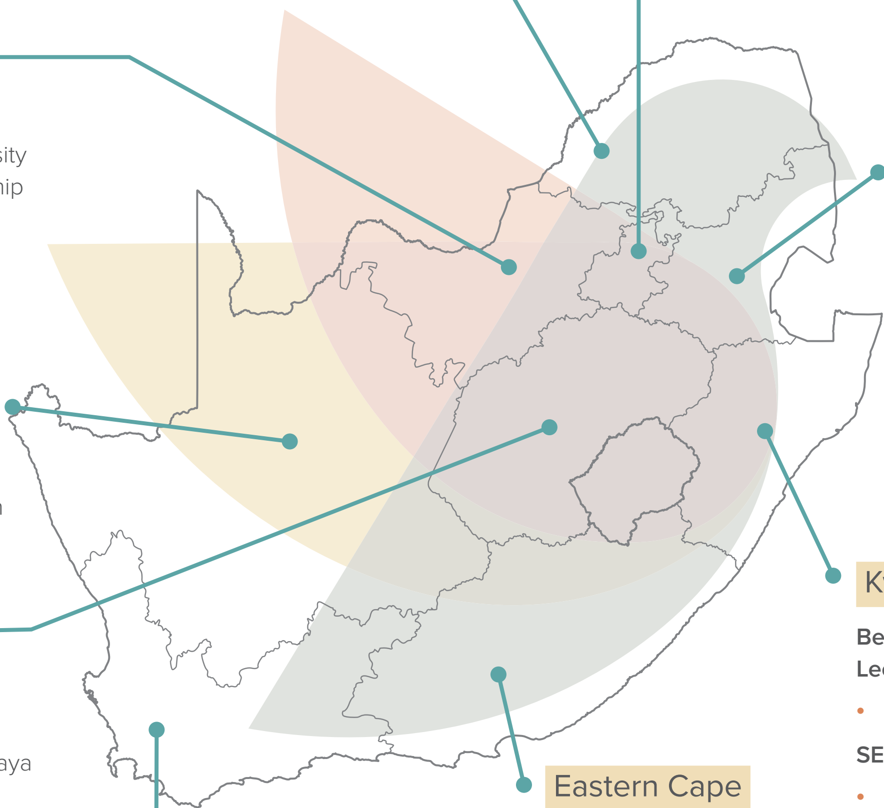
BNSDP:
- 243 schools in Sekhukhune East

SED:
- Spar Mopani Rural Hub Initiative

North West

PMO:
- North West University Research Partnership

SED:
- BPI Funding



Mpumalanga

KST:
- 25 Anglo American Schools Project

Northern Cape

KST:
- 25 Anglo American Schools Project

Free State

BNSDP:
- 166 schools in Thabo Mofantsanyaya

KST:
- 323 schools in Motheo & Fezile Dabi

EMSP:
- 51 Students, including 2018 intake of 15 students

PMO:
- UFS Research partnership

KwaZulu-Natal

Beyers Naude Memorial Lecture:
- University of Zululand

SED:
- Funding through – For Farmers East for yellow maize crops and Sebenzangamandla Pty (Ltd)

Eastern Cape

KTC:
- CoGTA

Local Government Support Programme:
- Makana Municipality

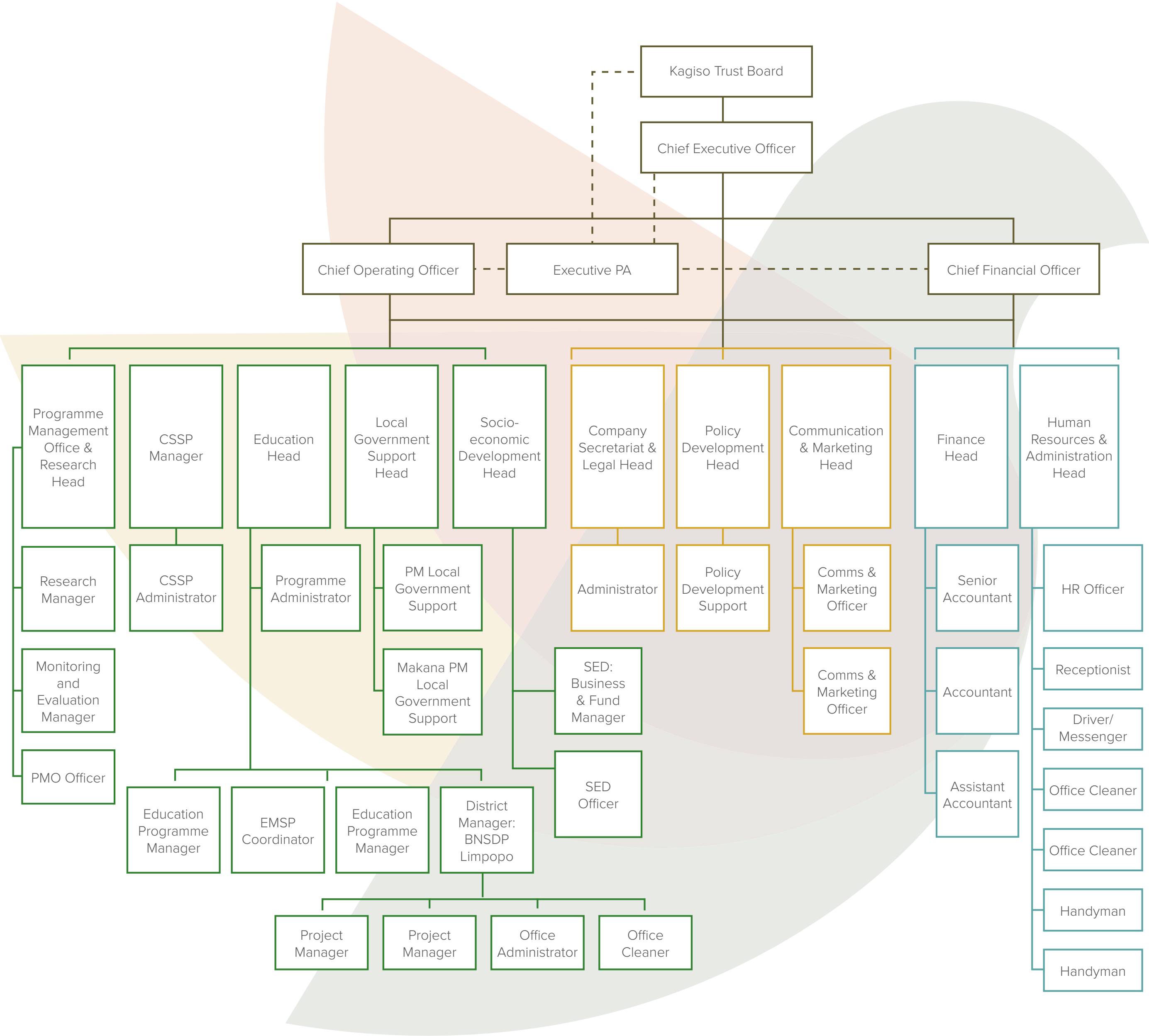
SED:
- Groendal Workers Trust

Western Cape

PMO:
- Stellenbosch and Western Cape Universities Research partnerships

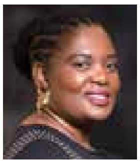
OUR ORGANISATION

Note: As at 30 June 2022



OUR FAMILY

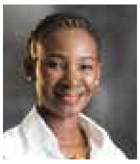
Note: As of 30 June 2022



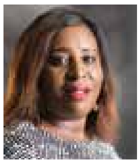
Mankodi Moitse
Chief Executive Officer

Themba Mola
Chief Operating Officer

Mzomhle Nyenjana
Chief Financial Officer



Modjadji Seabi
Programme Management & Research Head



Sizakele Mphatsoe
Education & Civil Society Head

Paul Smith
Local Government Support Head

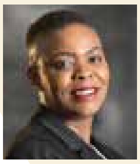
Phila Moremi
Company Secretariat & Legal Head

Silindokuhle Chamane
Finance Head

Isabella Liba
Human Resources & Administration Head

Mandisa Tselane
Communications & Marketing Head

Ella Bouwer
Executive Assistant



Angelinah Mdakane
Education Programme Manager

Zandile Magutywa
Education Programme Manager

Tebogo Mokgoadi
SED Head

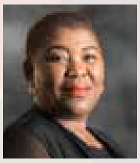
Kabelo Mothusi
Local Government Support: On-site Manager

Phasha Dilakane
District Manager: BNSDP Limpopo

Boichoko Ditlhake
Programme Manager: Civil Society

Nyeleti Mlambo
PM Local Government Support

Patrick Mthimunye
BNSDP: Project Manager



Joan Masemeng
Accountant

Phathutshedzo Munyai
Accountant

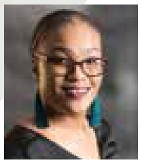
Lorna Mafa
Communications & Marketing Officer

Temoso Lekhuleni
Human Resources Officer

Nomvula Masole
SED Officer

Palesa Jivhuho
Programme Management Officer

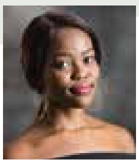
Nicolene Phaho
Corporate Governance and Legal Administrator



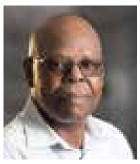
Mothusi Boikhutso
Education Programmes Administrator

Linkie Tshabalala
Receptionist

Faith Letsoalo
Limpopo Office Administrator

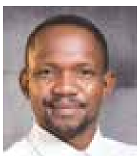


Nothile Jiyane
Assistant Accountant



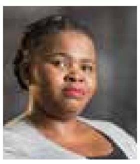
Tsietsie Thakalekoala
Transport Coordinator

Amos Nkomontle
Handyman



Hendrick Phalama
Handyman

Nozipho Shabalala
Office Cleaner



Victoria Maqhosha
Office Cleaner

Lina Mohlatlole
Limpopo Office Cleaner

OUR HISTORY

Kagiso Trust (KT) was founded in 1985 after a process of dialogue between, amongst others, the European Community and the South African Council of Churches. KT came into being in order to operate as a conduit for international aid money, directed towards the assistance and upliftment of marginalised South Africans during the apartheid era. This was a period of intense struggle in South Africa, where many individuals, communities and organisations desperately needed financial assistance.

Kagiso Trust Investments

With the advent of South Africa's first democratic elections in 1994, the international aid funds, which KT and many other similar organisations had relied upon, dried up, necessitating that KT look to new ways of financing its still much needed upliftment programmes. KT took advantage of the Broad-Based Economic Empowerment initiative and developed its own investment company (Kagiso Trust Investments) from which it would build capital and dividends to fund the organisation. This move was a crucial factor in securing KT's future.

Kagiso Tiso Holdings

KT's investment base was strengthened in 2011 with the merger of Kagiso Trust Investments and the Tiso Group, creating Kagiso Tiso Holdings. This merger created a sizeable investment company of critical mass, with access to larger transactions and increased investment portfolio diversification.

Kagiso Capital

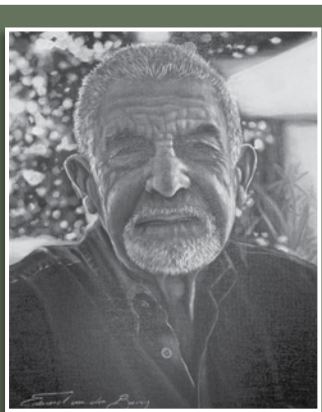
KT's financial underpinning was further diversified and secured with the establishment of Kagiso Capital in 2014. KC is an investment holding company wholly owned by Kagiso Trust. The primary purpose of Kagiso Capital was to ensure the longevity of the Kagiso Trust and to diversify the investment asset base of the Trust beyond its existing investments.

37 years as one of SA's leading development organisations

37 years after its formation, KT is today a R7.7 billion organisation and one of South Africa's leading development thought leaders and organisations. Importantly, KT's beneficiaries, those who KT came into existence to aid, are the ones who benefit most from KT's success.

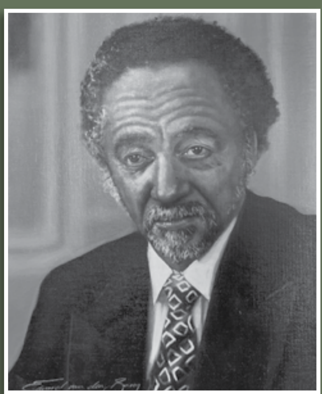
The patrons of Kagiso Trust are acknowledged and honoured for their contribution, support and dedication to the goals of the Trust. They provide a remarkable example for their successors and leave a legacy that has changed the lives of many people in South Africa.

The Late Dr. Beyers Naude
Patron

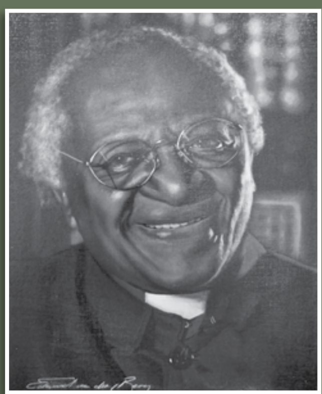


The Late Dr Max Coleman
Patron

Father Smangaliso Mkhatshwa
Patron



The Late Professor Jakes Gerwel
Patron



The Late Archbishop Emeritus Desmond Tutu
Patron

The Legacy Display area at the Kagiso Trust head office in Johannesburg.

The Late Dr. Abe Nkomo
Patron

Dr. Allan Boesak
Patron

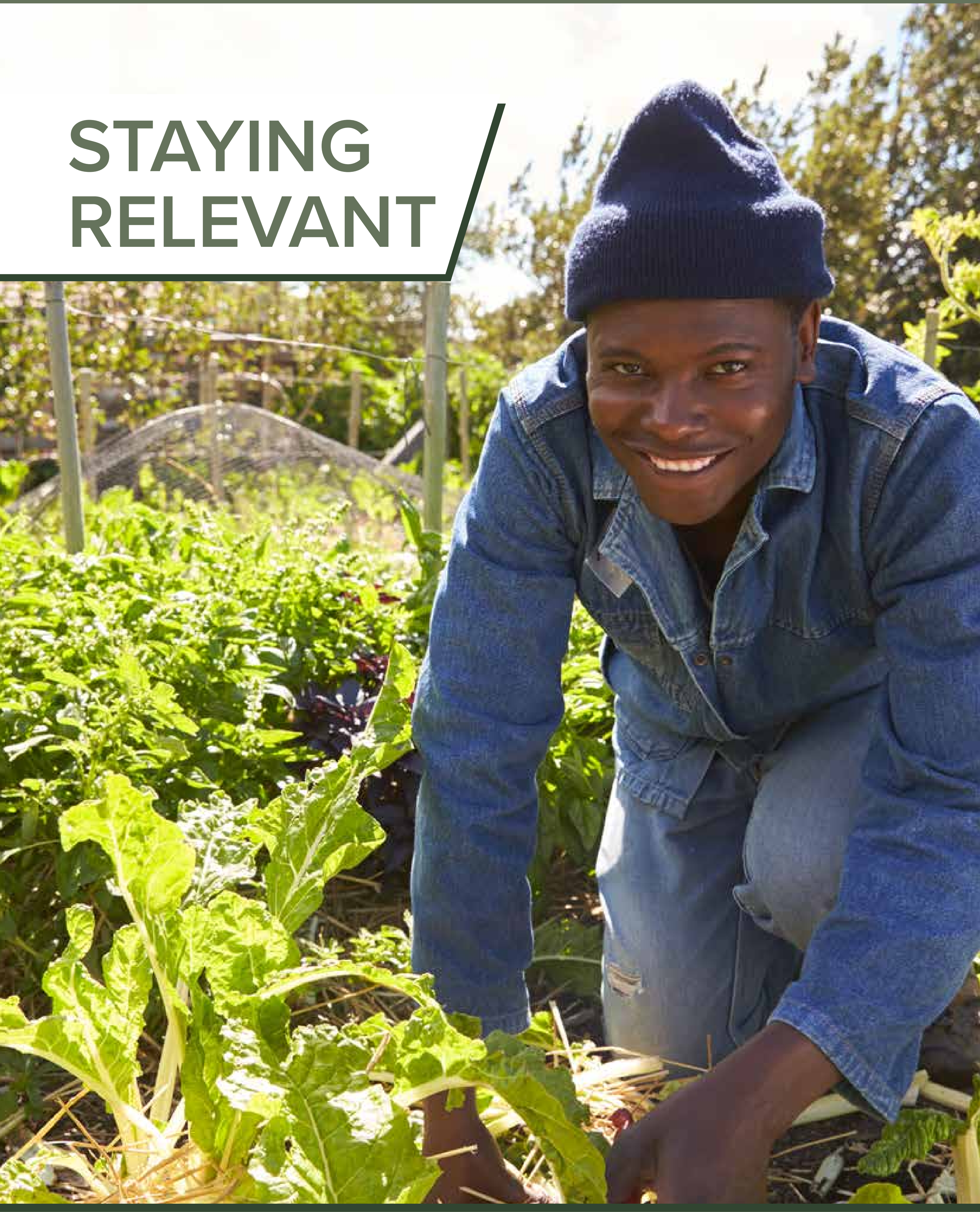
The Late Mr. Yunus Mohamed
Patron

Mrs Zanele Mbeki
Patron

Girlie Silinda
Patron

Bongiwe Njobe
Patron

STAYING RELEVANT



“The need for civil society and development organisations in the role of assisting the disadvantaged has not seen this kind of pressure since the apartheid era.”

– Mankone Nstaba

CHAIRPERSON'S REVIEW

Mankone Ntsaba
Chairperson

It is my view that anti-corruption is one of the most important factors to be addressed currently and I see KT taking a leading role in leading the conversation.

The heritage of Kagiso Trust dates back 37 years. Throughout its existence, KT has played a role of agitating for social and economic justice for the broader society. KT has navigated together with the South African public, a transition from the apartheid dispensation to a new democratic order.

Background and Overview 2021/22

The last two years were challenging for business, government and the non-profit sector in South Africa and throughout the world because of COVID-19 restrictions. KT has however, shown excellent financial and operational resilience and successfully proven its agility and ability to adapt to change under pressure. With the lockdowns and restrictions behind us, we are back on an even keel, operating in the post-COVID-19 'new normal'. This 'new normal' is continually being re-shaped, not only by the aftermath of the pandemic but also by other significant global and local events.

The Ukraine/Russia conflict has impacted South Africa through significant increases in energy prices with the knock-on effect of higher consumer prices across the board. ESKOM's national loadshedding together with water cuts is putting further pressure on the economy. Added to this is the systemic corruption, lack of accountability and maladministration in both government and the private sector. The impact of these factors, and others, exacerbated by climate change is placing a growing pressure on all sectors of society, but none more so than the poor and disadvantaged communities we aim to serve. KT and its role as a leader in both development and Civil Society has its work cut out. KT is part of the broader societal ecosystem, it is aware and affected by the social ills that plague the country and its people. The need for civil society and development organisations in the role of assisting the disadvantaged, and holding those in power to account, has not seen this kind of pressure since the apartheid era.

Our Strategy

Our five-year strategy reflects our transition from piloting our development models to implementing and scaling our interventions that we believe should address the social ills and challenges mentioned already. In doing so, we had to introduce changes to the way we operate. This strategy responds to what our stakeholders state as their priorities. With all the uncertainties brought by local and global events, we have taken a decision to future-proof the organisation, to ensure readiness for any eventuality.

Modernisation, digital technologies, standards, and corporate governance

One of the key changes instituted in the last year has been to modernise KT and its operations. Whilst KT is registered as an NGO under the NPO Act, KT never-the-less holds investments that run into billions and is one of the country's leading development NGOs. We owe it to our partners, stakeholders, and the greater community within which we serve, that we operate to the highest possible governance standards and ethics. In this respect, it is incumbent upon us that we adopt technologies, practices and standards that reflect this reality.

We follow the *King IV Code of Governance*, and we have undertaken to embrace the ISO 3700 standards on governance of organisations. We are also setting up an ESG framework. It is still early days in this journey, but I believe that we are on track. KT board has taken a conscious decision to bring in independent directors to some of the governing structures. This has been specially

KT Chairperson Mankone Ntsaba & KT CEO Mankodi Moitse with Monica Newton CEO of the National Arts Festival at the CSSP Makana Roundtable.

so in the Finance and Investment Committee, and in the Audit and Risk Committee.

We are also embracing digitisation, to keep up with global trends and ensure our relevance in a rapidly changing world. The adoption of digital technologies was accelerated by the pandemic and lockdown restrictions. We continue to embrace relevant digital technologies within the organisation to improve communication and efficiencies but beyond this is the importance of embracing and applying digital technologies in achieving our development goals. Our development programmes and models must apply the latest digital technologies in order that they remain relevant for our stakeholders.

As part of our drive towards modernisation, we have upgraded our cyber security to ensure our digital assets are secure and we have also upgraded our internal and financial audit.

Change Management for a productive workforce

In this second year of implementation of our 5-year strategy, we are seeing change management taking traction within the organisation. There is a huge effort being made at change management, both with our internal processes and with the way we are implementing our programs. This is something that will continue into the foreseeable future as we move the organisation into operating with new frameworks and modernisation.

Stakeholder engagement for building trust among our partners and society at large

Our stakeholders are part of the KT ecosystem and need to be engaged on a regular basis. We recognise stakeholders who are our implementing partners, while some are beneficiaries of our programmes, others are like-minded organisations that work in the same environment where we work. The board took a strategic decision to hold an Annual General Meeting, which is not necessarily a requirement in the non-profit sector. The purpose of the meeting would be to enhance transparency and inform stakeholders about our operations and how we manage resources held in Trust.

Financial sustainability

KT remains financially sustainable and independent of donor funding due to a financial sustainability model adopted in the mid-nineties when donor funding for NGOs dried up. A decision to establish an investment company, and use dividends to fund our programmes has proved to be key in sustaining our finances. Outside the investment companies, KT also holds direct investments, mainly with First Rand. A major achievement of the past financial year was the diversification of our investment portfolio. We see diversification as a strategy to de-risk our portfolio In an environment of uncertainty.

Our Programmes

The adoption of digital technologies and the building of partnerships are a central focus in all our pillar programmes.

KT Change Management communication banner.

This is particularly so in our education and agricultural interventions where the application of digital technologies is vital, in terms of ensuring we deliver development programmes and models that are future facing and relevant. In this respect, we are actively engaging technology partners. Our work over the past year demonstrates our commitment to working with partners in an effort to scale our programmes.

Our education support programme remains a flagship programme, while we are bringing other programmes to the fore, with the hope that the other programmes will reach the same level of maturity and impact. The education programme continues to support education in rural areas of the Free State and Limpopo. Our Local Government support pillar has been a ground-breaking project. Through our involvement in working with the Makana Municipality, it became clear that what really needed to be addressed was local governance, which importantly, included the participation of the whole community. The collaboration model we have been developing together with the citizens in Makana, has enabled the community to embrace public participation. If this intervention is ultimately successful, which we believe it will be, the model can then be applied throughout the country.

KT's Civil Society pillar is playing a much more active and important role in recent times owing to the current breakdown of our society on so many levels. Kagiso Trust, with its Civil Society Support Programme, is needed to play a leadership role by using its advocacy voice and rallying those civil society organisations that represent the indigent. There are good people in civil society who want to do good work, but they are struggling without structures to channel their support. Hence our civil society programme is now highly relevant and much needed.

Our Social and Economic Development (SED) pillar focusses on agriculture and property development. This has been the most difficult and challenging part of our work. Both sectors are among the most untransformed in the country, and our programmes intend to contribute towards transformation and inclusion in both sectors. Our implementation models are still in their infant stages and have produced a mixed bag of outcomes. We are learning from those who have been there before us, while we are also bringing new innovative models of funding for emerging entrepreneurs in the aforementioned sectors.

Looking ahead

Despite all the challenges already mentioned, I would like to see our models being adopted or adapted, and utilised in the implementation of development programmes, by government, fellow NGOs, or the private sector. We have proven ourselves to be adept at developing workable, effective development models but we need broad partnerships to scale these models.

Also noteworthy, is that we bring to the fore, South Africa's understanding of what Kagiso Trust is about and the work that we are doing. This is not only for the sake of Kagiso Trust but to rally support from all sectors, and to say to our fellow citizens, "things need to be fixed, let's fix them together."

Mankone Ntsaba
Chairperson

E S G

ENVIRONMENT SOCIAL GOVERNANCE

TOWARDS ESG ADOPTION

ENVIRONMENT

- Recycling
- Energy Efficiency
- Water Conservation

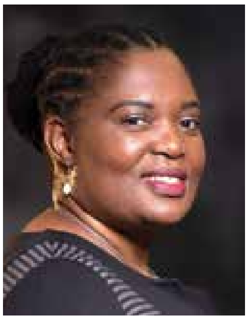
SOCIAL

- Staff well being
- Education Development
- Agricultural Skills Development
- Community Collaboration
- Capacity Building
- Financial Sustainability

GOVERNANCE

- BBBEE
- King Code
- Annual Reporting
- Anti Corruption
- Risk Management
- Board structure; diversity and independence

CHIEF EXECUTIVE OFFICER'S REVIEW



Mankodi Moitse
Chief Executive Officer

> We are looking to scale interventions through partnerships rather than looking to carry programmes solely through our own means.

Background and Overview 2021/22

The year under review saw the Kagiso Trust taking positive strides in reorientating the organisational practices and introducing new ways of operating for maximum impact. It has been about change management and thinking differently.

Change Management

We had completed a period of developing pilot programmes and moved to a period of testing what we believe to be the ideal intervention models. This has required people to think and work differently as new competencies have been required. Almost every area of the organisation was seeing such intense change that we needed to help people find a new way of doing things and aid individuals to identify tools to assist them in managing the changes.

Modernisation and Standards

We have moved towards modernising the organisation and improving the standard of how we do things. In this respect, we are looking to apply changes that would make the organisation ISO compliant in the future. The idea is to apply sets of frameworks and standards across the organisation that are clear and that are followed across the board. I see it as the right way to move towards and scale the next 25 years of strategy. By creating standards it will enable efficiency, consistency and standardisation in the scoping and movement towards ESG. We believe ESG could pull the organisation in the right direction and guide how we do business.

Partnerships

Another crucially important aspect the organisation has been grappling with is, how do we work with communities and civil society differently going forward? Who do we partner with? To date, Government has been our biggest stakeholder and partner, however, with the current social/economic/political climate, it looks likely that partnerships with NGOs and the private sector are likely to play a much more significant role. Our view is that the role of Civil Society has become as important now as it was pre-democracy – we need to be partnering with and working with civil society organisations that share our vision in order to magnify civil society's voice.

Advocacy and Policy

We have been testing the waters with policy as a tool for advocating for change and development. We have undertaken a process of assessing our capability and capacity to efficiently integrate policy influence in effecting legislation and policies at local, provincial and national level. This is one of the factors that has also inspired change management within the organisation as we challenge ourselves to embrace the work of policy articulation.

In this respect, we have contributed towards the amendments of the Basic Education Laws Amendment Bill (BELA Bill), Regulations relating to Norms and Standards on Public Schools Infrastructure, National Integrated Small Enterprise Development (NISED) Master Plan and the SMMEs and Cooperatives Funding Policy. The Unit delivered an oral briefing to the Portfolio Committee on Basic Education and an oral submission to the Portfolio Committee on COGTA.

We have also participated in the Small Enterprise and Co-operatives Policy Dialogue hosted by the Department of Social Development and looks forward to the setting up of the National Advisory Council, the Inaugural SMME Summit as well as the

TOWARDS ISO9001 ADOPTION

Implementing a Quality Management System | *Develop consistent monitoring* | *Enhance stakeholder Satisfaction* numerous legislative amendments and reforms to create an enabling environment for SMMEs and Co-operatives in the country.

Communications and Marketing

Communications and marketing is another facet of the organisation that is changing shape and playing a more significant role within the organisation. We don't market and communicate for commercial purposes but rather we communicate to change perceptions, raise awareness of important development issues and establish KT as a thought leader in the development space. It's a powerful tool for our advocacy and policy voice.

Finance

This reporting period has seen the organisation viewing the financial aspect of programme delivery in a more holistic manner. We are clear that KT's role is one of model development and stewardship in partnership with all stakeholders, including beneficiaries. We are looking to scale interventions through partnerships rather than looking to carry programmes solely through our own means. By following this strategy, it has allowed KT to better manage and grow our investments in the short to medium term without incurring undue financial pressures. This has allowed both our investment companies, KTH and KC the time to complete their turnaround strategies. By 2026 we envisage that both will be balance sheet independent.

YOUTH DEVELOPMENT FRAMEWORK

The Youth Development Framework focuses on three components that include youth's sense of purpose, access to participation, environment and wellness cutting across multiple age groups. The foundation of KT's of youth development framework is schooling.

Age Group: 2-18
ECD, THS, Primary, FET (academic, sports and arts)

Age Group: 14 – 25
THS, Primary, FET (academic, sports and arts)
SED – agri college and SMEs • EMSP

Age Group: 14 – 35
THS, EMSP, FET, SME, labour market and active citizenry.

Also, with an eye on the longer term, we have invested funds in endowments that seeks to secure the financial future of the programmes for years to come. So, we are happy that we are doing what we can to ensure the financial sustainability of the organisation in the short, medium and long term.

Looking ahead

In terms of future direction and development, there are a few key areas:

Digitalisation

I believe that digitalisation is going to play an ever-increasing role in terms of how we operate and how we increase our development reach. The digital space will allow us to scale our interventions more effectively and efficiently. Technical innovation will play a big part our development work.

Youth Development

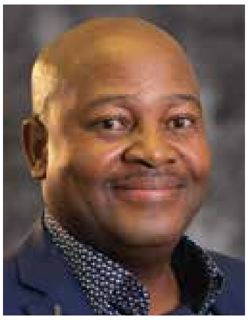
I see the youth becoming central in our efforts to scale into the future. Youth unemployment in South Africa is a huge issue. We're obviously tackling this issue, as best we can, through our development pillars but further to this, we're wanting to bring youth involvement and participation into the development sector. They have an understanding and insight into the issues that they face that needs to be utilised and amplified in youth development. In this respect, KT has introduced a youth internship programme within the organisation.

Policy Development

We hope to see the realisation of instruments such as the Agro-processing and Agriculture Master Plan (AAMP); the popularisation of the Municipal Systems Act 2022, the amplification of the National Framework on the Professionalisation of the Public Service as well as the amendment of related public service laws. We will also be looking towards cementing our efforts towards influencing policy changes through igniting policy-orientated dialogues that will lead to legislative reforms, systemic transformation and removal of structural impediments and barriers that inhibit the implementation of our core-programmes and the overall ambition of eradicating poverty.

Mankodi Moitse
Chief Executive Officer

CHIEF OPERATIONS OFFICER'S REVIEW



Themba Mola
Chief Operating Officer

The year ending 30 June 2022 has seen KT and its programme initiatives recover well from the challenges of COVID-19, adapting operations to the new normal, and importantly, the past 12 months has seen the organisation aligning operations to the reviewed 5-year (2022-2026) strategic plan.

One of the key aspects of the new strategy is the development of partnerships – at all levels. Partnerships have become a cornerstone of KT going forward. The scope of what needs to be achieved is well beyond the agency of a single organisation and KT sees its role in the development landscape as one of a thought leader, an agent and facilitator of change. Therefore, partnerships are crucial. From the point of view of enabling the development and implementation of the organisation's programmes, partnerships will play a role in the financing and introduction of a wider set of skills and resources. From the point of view of the programme beneficiaries, partnerships, with the various stakeholders, will ensure buy-in, ownership and active participation.

KT sees itself playing a more significant role in advocacy and as leader in the development community and civil society.

2021/22 in Review

Education

In line with the new strategic plan, the focus in our Education Pillar has shifted to scaling our education models in order that they can be implemented on a wider scale. This has necessitated the formation of strategic partnerships in key areas:

ICT partnerships: With the move towards blended learning in education, enabling the use of technology in the underprivileged communities in which we operate, is necessary. Therefore partnerships with various ICT organisations are being investigated.

Corporate partnerships: Anglo-American expressed its interest in introducing BNSDP into their mining schools. Further to this, KT has partnered with Sasol in cultivating alternative career pathways through the technical high schools programme. This is an initiative to direct those students, who would normally exit the education pipeline owing to not being academically suited to higher academic study, into technical study and vocations.

KT & Sasol Interprovincial Skills Competition.

Delegates at the KT CSSP Anti-Corruption Dialogue joined by Lechesa, Deputy Speaker of the National Assembly (far left); Prof Thuli Madonsela, former Public Protector of South Africa (3rd from left); Prof Mantzaris, Researcher at the Inclusive Society Institute (centre); Mankodi, KT CEO (3rd from right) and Adv Kholeka Gcaleka, Deputy Public Protector of South Africa.

Socio-Economic Development

The KT SED Pillar focus remains on social enterprise and entrepreneurship as transformation drivers, with the agriculture and property sectors being the two key sectors identified for transformation.

Agriculture

Lack of funding, lack of technical expertise and lack of access to markets are some of the significant challenges faced by South Africa's black farmers. KT set out to address these challenges through the establishment of the Tyala Impact Fund (Pty) Ltd. Tyala is an instrument through which the Trust can facilitate the development of informal black farmers into commercialisation – creating 'Agripreneurs.'

This solution has enabled low-cost, de-risked co-funding structures and assisted beneficiaries through training, mentoring and access to markets. Within the few short years that the programme has been running, KT has established a number of extremely beneficial partnerships, producing some outstanding results. The partnerships established to date include AFGRI Agri Services, Potatoes SA, Spar Enterprise Development Programme and Tiger Brands' Dipuno Fund.

The Tyala portfolio is currently involved in a number of projects. Key amongst these are the Spar Mopani Rural Hub initiative, which provides support to rural farmers in the region, For Farmers East Kwa-Zulu-Natal is a yellow maize farming enterprise and the Baphuduchwana Production Incubator which operates as an aggregator for a collective of rural farmers growing lucerne.

Significantly, some of these initiatives have led to export opportunities opening up for these rural farmers. A powerful example of how rural farmers, with the necessary support and infrastructure, can start playing a meaningful role in the commercial agricultural sector.

Agriculture Policy and Advocacy

KT sees itself playing a more significant role in advocacy and as leader in the development community and civil society. In light of this, KT has taken an active role in **The Fresh Produce Market Inquiry** – the Commission has reason to believe that there may exist market features which impede, distort or restrict competitiveness of the South African Fresh Produce Food Market. KT has submitted a request to contribute to the inquiry when it takes form of a submission.

Agriculture and Agro-processing Master Plan (AAMP) – The Department of Agriculture initiated the drafting of the Agriculture and Agro-processing Master Plan in June 2020. To establish KT's alignment and engagement on the AAMP, the organisation initiated a preliminary interaction with Prof. Mzukisi Qobo, and he has referred the organisation to the National Agriculture Marketing Council (NAMC). The intent is to integrate the AAMP into KT's 'scaling up' implementation plans of the Socio-Economic Development Pillar.

Local Government

KTC was contracted by the Gauteng CoGTA in January 2022 to provide revenue and data management services to all six small municipalities in Gauteng.

One of our key observations when working with revenue recovery, is that unless the programme addresses the local economic development space, there is little chance of success. Community participation in local government is an important dynamic that needs to be addressed and we are

CSSP Youth Roundtable at The 1820 Settles Monument in Makhanda.

therefore facilitating processes that ensure greater community participation in local government. Our work with the Makana Municipality in the Eastern Cape has shown how, when communities, local government and businesses work together with a common goal, much can be achieved.

The work with Makana Municipality is in its third year and has highlighted some significant insights and results, enabling KTC to develop a scalable collaboration model. The MCU (Makana Circle of Unity) has been one of the outstanding outcomes of the Makana Project. The Makana Circle of Unity is a collective that represents all the stakeholders in the community, working collectively to address challenges such as education inequality, food security, local economic development and community engagement etc. In fact, the term 'radical collaboration' has emerged as a result of this process.

The year ahead

With the current social, economic and political challenges facing South Africa, civil society has an important role play through its potential to contribute to socio-economic transformation; the strengthening of democracy; and the empowerment of communities to ensure governance accountability. We will be looking to create greater mobilisation and strengthening of civil society activism as a change-agent.

Through our SED work in the agricultural sector, we have identified a shortage of skills amongst black farmers. It so happens that through our Education pillar, we are looking to create a pipeline for technical skills education for students who are not necessarily suited to academic studies. Therefore, we will be looking to partner with selected agricultural colleges to address this skills shortage.

education
Department of Education
FREE STATE PROVINCE

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF
EDUCATION

kst
Partnering for Excellence in Education

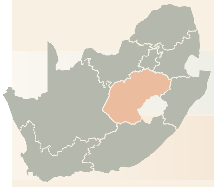
KAGISO
TRUST
Overcoming poverty

Matric Results of Kagiso Trust's District Whole School Development Programmes in Free State & Limpopo

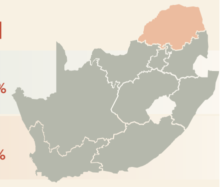
Top 3 Performing Provinces

1	FREE STATE	85,7%
2	GAUTENG	82,8%
3	WESTERN CAPE	81,2%

Matric Performance by Year



	FREE STATE					LIMPOPO				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
NATIONAL PASS RATE	76.5%	78.2%	81.3%	76.2%	76.4%	75.6%	78.2%	81.3%	76.2%	76.4%
FREE STATE PASS RATE / LIMPOPO PASS RATE	86%	87.5%	88.4%	85.1%	85.7%	65.6%	69.4%	73.2%	68.2%	66.7%



Overall Free State Impact

Including the BNSDP Sports Tournament, Debate, Storytelling, Learner Camps, Learner Leadership, Motivation Sessions, Career Guidance and Reading Competitions.

Beneficiaries are black, previously disadvantaged from rural areas and marginalised communities, from Grade R to University level, between the ages of 7 and 25 years.

600+ SCHOOLS

806 511 LEARNERS

More than **1,4 MILLION** people directly benefited from the programme

5 501 EDUCATORS DEVELOPED

12 000+ EDUCATORS ATTENDED ETW

INFRASTRUCTURE DEVELOPMENT

- **594** CONSTRUCTED AND RESOURCED FACILITIES
- **285** RENOVATED SCHOOLS
- **2 472** AD-HOC JOBS CREATED
- **975** SMMEs SUPPORTED

186 EMSP STUDENTS

BNSDP learners who were awarded Kagiso Trust's full bursary under the Eric Molobi Scholarship Programme to study at a university of their choice.

LEADERSHIP DEVELOPMENT

- **1 077** SMT TRAINED IN LEADERSHIP DEVELOPMENT
- **60** LEARNERS TRAINED IN YOUTH DEVELOPMENT

EYE TESTING

- **116 824** EYESIGHT TESTS CONDUCTED
- **7 795** SPECTACLES DONATED

Overall Limpopo Impact

Including the BNSDP Sports Tournament, Debate, Storytelling, Learner Camps, Learner Leadership, Motivation Sessions, Career Guidance and Reading Competitions.

Beneficiaries are black, previously disadvantaged from rural areas and marginalised communities, from Grade R to University level, between the ages of 7 and 25 years.

252 SCHOOLS

12 081 LEARNERS

More than **120 000** people directly benefited from the programme

291 EDUCATORS DEVELOPED

67 SCHOOLS ATTENDED ETW

INFRASTRUCTURE DEVELOPMENT

- **1** CONSTRUCTED AND RESOURCED FACILITIES
- **4** RENOVATED SCHOOLS
- **4** AD-HOC JOBS CREATED
- **52** SMMEs SUPPORTED

102 125 GRADE R - 12 LEARNERS RECEIVED RADIO LESSONS CONDUCTED VIA TUBATSE AND CAPRICORN FM

LEADERSHIP DEVELOPMENT

- **157** SMT TRAINED IN LEADERSHIP DEVELOPMENT
- **330** LEARNERS TRAINED IN YOUTH DEVELOPMENT
- **45** EDUCATORS WERE TRAINED FOR FIRST AID ON A COURSE IN 2022
- **2 231** LEARNERS FROM 77 SCHOOLS RECEIVED STUDY GUIDES FOR MATHEMATICS AND PHYSICAL SCIENCES

CHIEF FINANCIAL OFFICER'S REVIEW

Mzomhle Nyenjana
Chief Financial Officer

The 2021/22 financial year saw Kagiso Trust's (KT) overall financial position improving significantly and normalise post the COVID-19 lockdowns and restrictions.

The 2021/22 financial year saw Kagiso Trust's (KT) overall financial position improving significantly and normalise post the COVID-19 lockdowns and restrictions.

KT received good dividends during the year of circa R241 million, with FirstRand being the significant contributor at R231 million, Momentum Metropolitan Holdings (MOMMET) at R5 million and an additional dividend from Kagiso Tiso Holdings (KTH) of R5 million. These dividends were significantly higher than the previous year's dividends received of R85 million (due to restrictions in dividend payments through COVID-19 brought about by the SARB PA guidance note).

KT's overall investment portfolio has grown at around 10%.

KTH's Net Asset Value (NAV) declined slightly by 3.5%, although the underlying assets, particularly Kagiso Media, which contributes a significant dividend, performed well with a value increase of circa 14%. MOMMET value has declined by 30% and non-core assets declined by 33%. The negative NAV outcome was also affected by a higher risk adjustment used in the current year versus the previous year in the valuation, due to higher risk. Therefore, there are higher expected returns emanating from the tougher current economic conditions in South Africa and Globally. It is worth noting that, although the overall NAV has declined, KTH is in a growth trajectory and the turnaround strategy is progressing well. KTH has resumed payment of dividends from sustainable free cash flows.

The FirstRand Empowerment Trust (FRET) portfolio which consist of FirstRand, MOMMET and Discovery increased by 12% overall, broken down as follows:

- FirstRand increased by 16%, MOMMET declined by 27% and Discovery increased by 1%.
- Kagiso Capital (KC) has seen its NAV increase by circa 50%, which has been a great performance.

Our financial sustainability continues to be achieved through the application of the model below:

- Setting robust budgets
- Maximise investment returns
- Actively monitor expenditure
- Solicit partnerships and alternative funding
- Diversify our investment portfolio
- Maintain cash reserves at adequate levels

Highlights

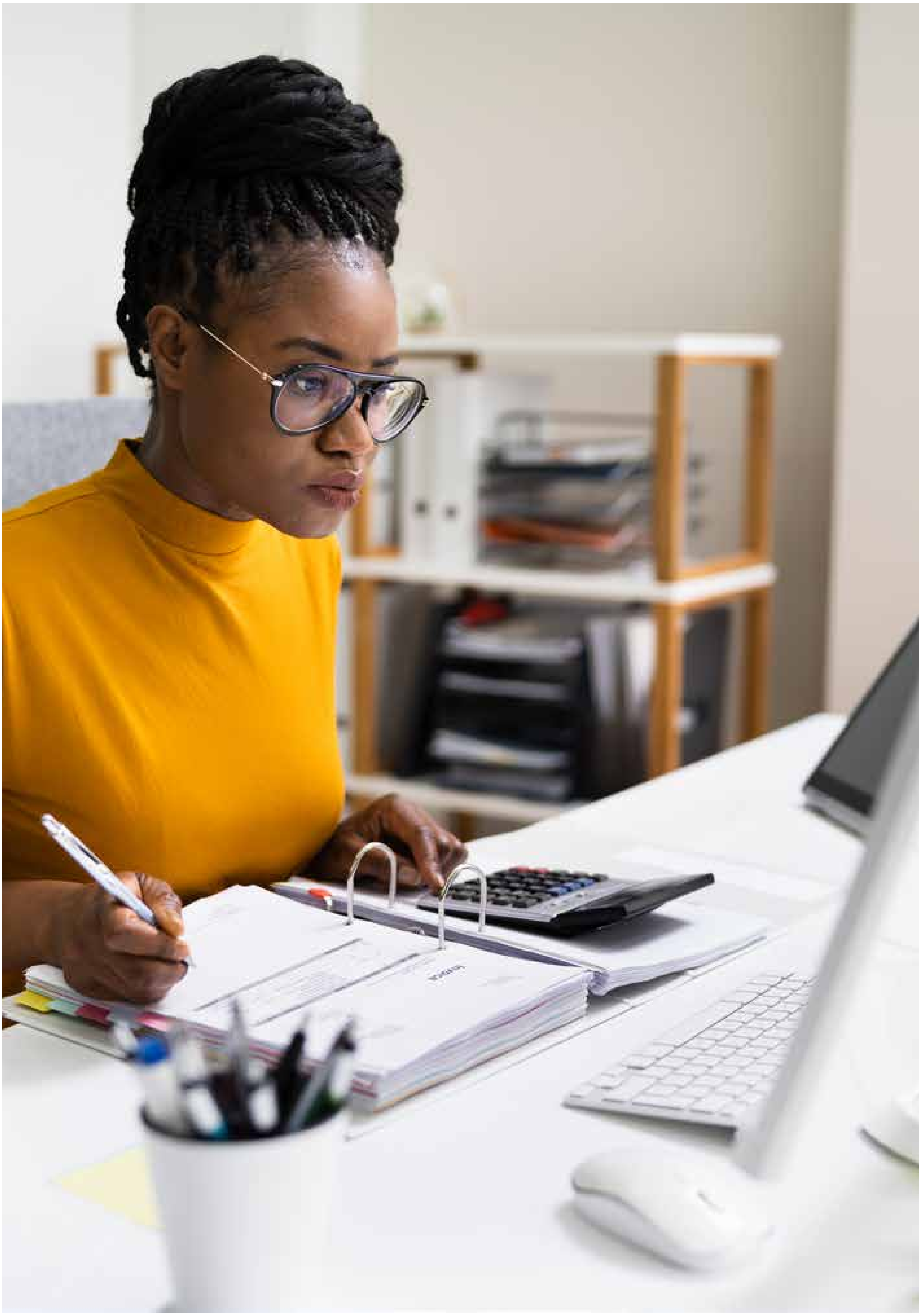
KT Group's NAV increased by 10% during the financial year 2021/22.

KT received dividends of circa R240 million.

Future funding for the 5-year strategy

The financial challenges the organisation experienced through the COVID-19 restrictions highlighted the need to investigate alternative options for programme funding other than relying solely on dividends from investments. Further to this, it has become clear that in order for KT to achieve its development objectives, partnerships, both financial and non-financial, are necessary to tackle the huge scope of what needs to be achieved.

Therefore, in addition to seeking partnerships with like-minded stakeholders, KT remains committed to seeking alternative funding alternatives, which might include investment tools such as crowdfunding, social impact bonds, and philanthropic funding.



CORPORATE GOVERNANCE

Kagiso Trust (the Trust) aims towards the highest possible governance standards. It achieves this through compliance with relevant legislation, regulations, and voluntary codes, thereby ensuring the sustainability of the Trust.

The Trust applies principles of the King IV Code which are relevant to its operations and continues to identify areas where its application can be enhanced in the best interests of the Trust.

The Trust subscribes to the highest levels of professionalism and integrity. The Board and the Trust's employees are committed to the Trust's code of conduct. This prescribes the Trust's approach to ethical business practices and its obligations to beneficiaries, employees, suppliers, and authorities.

The Board and the Trust's employees are committed to the Trust's code of conduct. This prescribes the Trust's approach to ethical business practices and its obligations to beneficiaries, employees, suppliers, and authorities.

Governance processes are regularly reviewed to align with the relevant legislative and regulatory changes and to reflect best practices.

Board of Trustees

Kagiso Trust has a unitary board structure with nine non-executive Trustees. The powers and duties of the Trustees are stipulated in the Trust Deed, which is the founding document of the Trust.

The Board of Trustees is the highest decision-making body. Day-to-day responsibilities for the organisation's management are overseen by the Executives who regularly report to the Board. The Chairperson of the Board and the Chairpersons of the Committees of the Board play an active role in all corporate governance matters and regularly interact with the Company Secretary, Executives, and Management.

The Board has a formal charter that, among other things, sets out its roles and responsibilities in areas such as ethical leadership, strategy, financial management, risk management, compliance, sustainability, and governance in general. The charter also addresses essential matters such as the separate roles of the Chairperson of the Board and the Chief Executive Officer.

The Trustees have extensive development, sustainability, governance, and finance skills in both the public and private sectors. This enables them to provide balanced, independent advice and judgement in decision-making processes.

The Board consists of people drawn from diverse backgrounds across the country.

The Board consists of the following members:

- Ms Mankone Ntsaba (Chairperson)
- Mr Goolam Aboobaker
- Ms Nthobakae Angel
- Mr Hylton Appelbaum
- Rev Frank Chikane
- Ms Tessa Dooms
- Mr Andrew Maralack
- Dean Zwoitwaho Nevhutalu
- Mr Thabiso Ratsomo

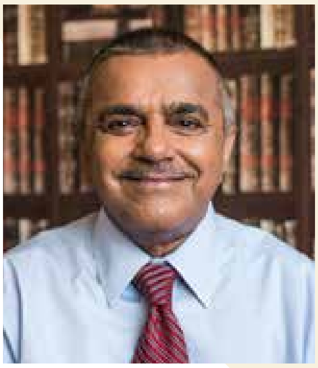
The Board meets at least four times a year. Additional meetings can be convened to consider specific business issues which may arise between scheduled meetings.

OUR TRUSTEES

Note: As at 30 June 2022

Mankone Ntsaba
Chairperson

Thabiso Ratsomo
Deputy Chairperson



Goolam Aboobaker

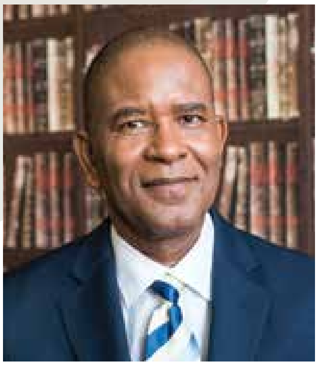
Nthobakae Angel

Hylton Appelbaum

Rev Frank Chikane

Tessa Dooms

Andrew Maralack



Dean Zwoitwaho Nevhutalu

The Board transacts its business through the following committees:

Executive Committee

Executive management and the Board work closely in determining the strategic objectives of the Trust. The Board has delegated authority to the Chief Executive Officer and Executive Committee to implement the strategy and the ongoing management of the Trust.

The Executive Committee comprises three executives: the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer. The Board is apprised of progress by reporting at Board and Committee meetings and regular communications with Management.

The responsibilities of the Executive Committee include the following:

- Ensuring proper governance of the Trust.
- Developing and implementing strategic plans.
- Preparing budgets and monitoring expenditure.
- Monitoring operational performance against agreed targets.
- Adhering to financial and capital management policies.
- Ensuring that strategic planning, development, investments, staffing, and related areas are coordinated to deliver programmatic work effectively.
- Monitoring and managing risk.
- Communicating with stakeholders.

Board Committees

The Board transacts its business through the following committees:

Programmes Committee

The Programmes Committee has an independent role, operating as an overseer and a producer of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the Executives and other members of management. The role of the Committee is to review the Trust's programmes and report to the Board appropriately.

The responsibilities of the Committee include the following:

- Investigating and recommending projects or other project opportunities to the Board.
- Ensuring that the Trust's projects align with the Trust's objectives.
- Ensuring that the projects are considered in the best interests of the Trust and the beneficiaries.
- Monitoring the Trust's stakeholder relations.
- Ensuring that the Committee members and employees do not have conflicts of interest about the projects of the Trust.

The Committee meets at least four times per year.

The Committee consists of the following members:

- Rev Zwoitwaho Nevhutalu (Chairperson)
- Mr Goolam Aboobaker
- Ms Tessa Dooms
- Ms Mankone Ntsaba
- Mr Thabiso Ratsomo

Audit and Risk Committee

The role of the Audit and Risk Committee is to:

- Review the principles, policies, and practices adopted in the preparation of the accounts of the Trust and ensure that the annual financial statements of the Trust and any other formal announcements relating to its financial performance comply with all statutory requirements.
- Review the work of the Trust's auditors to ensure the adequacy and effectiveness of the Trust's financial management controls.
- Assist the Board to ensure that: -
  - the Trust has implemented an effective policy and plan for risk management that will enhance the Trust's ability to achieve its strategic objectives; and
  - The disclosure regarding risk is comprehensive, timely, and relevant.

The responsibilities of the Committee include the following:

- Providing oversight to external audit and Management.
- Ensuring the integrity of the integrated reporting and internal controls.
- Overseeing the Trust's risk management.

The Committee meets at least four times per year.

The Committee consists of the following members:

- Mr Andrew Maralack (Chairperson)
- Mr Goolam Aboobaker
- Rev Zwoitwaho Nevhutalu
- Mr Thabiso Ratsomo

Remuneration Committee

The Remuneration Committee ensures that the Trust has a competitive remuneration policy to attract, retain and reward quality staff.

The responsibilities of the Committee include the following:

- Ensuring that the Trust has a remuneration policy that is aligned with the Trust's strategy and performance goals.
- Assessing and reviewing remuneration policies, employees' long-term and short-term incentive schemes.
- Approving remuneration of Executive Management.
- Proposing Trustees' fees for approval by the Board.
- Assisting the Board in the recruitment of Executives and the Company Secretary.
- Determining Executive and staff participation in the long-term incentive scheme.
- Developing effective succession planning for senior management.
- Ensuring that the performance of the Executives and staff is reviewed annually.

The Committee meets at least two times per year.

The Committee consists of the following members:

- Ms Nthobakae Angel (Chairperson)
- Rev Frank Chikane
- Ms Mankone Ntsaba
- Rev Zwoitwaho Nevhutalu

Corporate Governance and Nominations Committee

The role of the Corporate Governance Committee is to assist the Board in ensuring that the Trust is governed by relevant laws, regulations, and policies.

The Committee's functions include the following:

- Effective monitoring of the Trust's governance and compliance with relevant laws, policies, rules, and regulations.
- Ensuring that relevant policies, procedures, and structures are in place to ensure proper governance of the Trust.
- Ensuring that Management has adequate controls and resources to comply with applicable laws.
- Overseeing the development and implementation of continuing professional development programmes for Trustees.
- Overseeing the Trust's social and ethical matters.
- The Board has the appropriate composition to execute its duties effectively.
- Trustees and Directors of subsidiaries are appointed through a formal process.
- Overseeing annual assessment of the Board and Committees.
- Ensuring the performance of the Board, individual Board members, and Committees is reviewed regularly.
- Ensuring a formal process for appointing Trustees and Directors of subsidiaries.

The Committee meets at least four times per annum.

The Committee consists of the following members:

- Ms Mankone Ntsaba (Chairperson)
- Rev Frank Chikane
- Ms Nthobakae Angel
- Mr Andrew Maralack
- Rev Zwoitwaho Nevhutalu

Finance and Investment Committee

The role of the Finance and Investment Committee is to review and evaluate the Trust's investments and report to the Board appropriately on these matters.

The Committee also reviews the principles, policies, and practices adopted in the preparation of the accounts of the Trust and ensures that the annual financial statements of the Trust and any other matters relating to its financial performance comply with all statutory requirements.

The Committee's functions include:

- Monitoring and reviewing budget and expenditure
- Approval of budget
- Approval of Annual Financial Statements
- Investigating and making recommendations to the Board in respect of investment matters.
- Ensuring that the investment companies of the Trust have a clear and proper investment mandate
- Reviewing Investment policy and philosophy.
- Monitoring the performance of investments.

The Committee meets at least four times per annum.

The Committee consists of the following members:

- Mr J N Njeke (Chairperson)
- Mr Hylton Appelbaum
- Ms Tessa Dooms
- Mr Thabiso Ratsomo

Risk management

The Board is responsible for the oversight of risk and has delegated the responsibility of the risk management process to the Audit and Risk Committee. This Committee ensures that the Trust has implemented an effective policy and plan for risk and that disclosure regarding risk is comprehensive, timely, and relevant.

Management is responsible for designing and implementing risk management processes and monitoring ongoing progress. Management regularly reviews the Trust's risks to ensure that the organisation implements mitigation strategies. Management monitors the progress and reports on that to the Audit and Risk Committee bi-annually.

Conflict of interests

The Board of Trustees has the approved policy on conflict of interests which applies to the Board members, Management, and staff. The policy is reviewed annually.

The Trustees, Management, and staff must disclose their financial interests upon appointment to the Board or the organisation.

The Board members and employees must declare any conflict of interests during the Board or Committee meetings.

APPLICATION OF KING IV PRINCIPLES **AT KAGISO TRUST**

Principle	Description	Extent of application
1	LEADERSHIP The governing body should lead ethically and effectively. Members of the governing body should individually and collectively cultivate the following characteristics: • Integrity, Competence, Responsibility, Accountability, Fairness, and Transparency (ICRAFT)	• KT has a Board of Trustees that leads ethically and effectively. The Board has set up a Code of Conduct and Ethics and the Conflict of Interests Policy for KT Group. The Board members seek to adhere to the highest standards of ethical conduct.
2	ORGANISATIONAL ETHICS The governing body should govern the organisation in a way that supports establishing an ethical culture.	• The organisation has approved the Code of Conduct and Ethics. Workshops were organised to ensure that staff understood the Code and the implications of non-compliance with the policy. • The Code is published on the organisation's website. • The Board approved the Whistle Blowing Policy.
3	RESPONSIBLE CORPORATE CITIZENSHIP The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen. This principle requires the governing body to oversee and monitor on an ongoing basis how the consequences of the organisation's activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all the following areas: **This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas:** • **Workplace** – employment equity, fair remuneration, safety & health, dignity, and development of employees. • **Economy** – economic transformation; prevention, detection, and response to fraud and corruption; including responsible and transparent policies. • **Society** – public health and safety; consumer protection; community development; protection of human rights. • **Environment** – responsibilities in respect of pollution, waste disposal, and protection of biodiversity.	• This is part of the duties of the Social & Ethics Committee. The responsibilities of this Committee are distributed to all relevant Committees but are monitored by the Corporate Governance Committee, as it is the custodian of the organisation's governance. • The Corporate Governance and Nominations Committee has included monitoring the organisation's social and ethics matters in its terms of reference.
4	STRATEGY AND PERFORMANCE The governing body should appreciate that the organisation's core purpose, risks and opportunities, strategy, business model, performance, and sustainable development are all inseparable elements of the value creation process.	• The Board and management developed and approved a strategy for KT operations, and the Board oversees implementing that strategy. • The Board of KT, through its Programmes Committee, ensures that KT programmes meet its beneficiaries' needs when implementing the organisation's strategy. • A reliable support base has been established to fulfill the needs of the beneficiaries. • There are also measures and procedures to ensure the careful and accountable handling of all the organisation's resources and programmes.

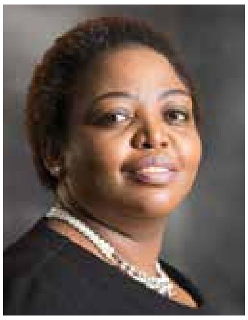
Principle	Description	Extent of application
5	REPORTING The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium, and long-term prospects.	• An annual report is issued and published for all stakeholders. The Programmes, Operations, Corporate Governance, and audited annual financial statements are always included in the annual report.
6	PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY The governing body should serve as the focal point and custodian of corporate governance in the organisation. **The governing body should exercise its leadership by:** • steering the organisation and setting the strategic direction; • approving policy and planning that gives effect to the direction provided; • overseeing the monitoring of implementation and execution by management; and • ensuring accountability of organisational performance using, among others, reporting and disclosure.	• The organisation has an effective governing body that has delegated some of its duties to the Committees to ensure that its responsibilities are discharged effectively. The Board Charter and the Committee Terms of Reference state the mandate of the Board and Committees. These documents are reviewed annually by the Board and Committees.
7	COMPOSITION OF THE GOVERNING BODY The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its governance role and responsibilities objectively and effectively.	• The KT Board has a mix of skills, but concerns have been raised about the legal and investment skills shortage. The Board decided and set a criterion to appoint more board members to close gaps regarding the identified skills shortage. The process has been started, and the Corporate Governance and Nominations Committee is currently looking at that. Additional Board members will be appointed.
8	COMMITTEES OF THE GOVERNING BODY The governing body should ensure that its arrangements for delegation within its structures promote independent judgment and assist with the balance of power and the effective discharge of its duties.	• The Board delegated some of its duties to various Committees. That delegation is recorded using formal terms of reference that are reviewed annually by the respective Committees and approved by the Board. • **The following are the Committees established by the Board:** - Programmes Committee - Audit and Risk Committee - Finance and Investment Committee - Corporate Governance and Nominations Committee - Remuneration Committee

APPLICATION OF KING IV PRINCIPLES **AT KAGISO TRUST**

Principle	Description	Extent of application
9	**EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY** The Board should ensure that the evaluation of its performance and that of its committees, its chair, and its members support continued improvement in its performance and effectiveness.	• The evaluation of the Board and Committees is conducted once in two years. During the year under review, the evaluations were done and the Board will implement the recommendations from the assessment in the next financial year.
10	**APPOINTMENT AND DELEGATION TO MANAGEMENT** The governing body should ensure that the appointment and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.	• The Board is not involved in the day-to-day management of the organisation. Daily responsibilities for the organisation's direction are overseen by the Executives who regularly report to the Board. The Board approved the Delegation of Authority, published to the organisation and reviewed annually. • The Chairperson of the Board and the Chairpersons of the Committees of the Board play an active role in all corporate governance matters and regularly interact with the Company Secretary, Executives, and Management.
11	**RISK GOVERNANCE** The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	• The Board is responsible for risk oversight and has delegated this responsibility to the Audit and Risk Committee. This Committee ensures that the Trust has implemented an effective policy and plan for risk and that disclosure regarding risk is comprehensive, timely, and relevant. • Management is responsible for designing and implementing risk management policies and monitoring ongoing progress. Management regularly reviews the Trust's risks to ensure that the organisation implements mitigation strategies. Management monitors the progress and reports on that to the Audit and Risk Committee bi-annually.
12	**TECHNOLOGY AND INFORMATION GOVERNANCE** The Board should govern technology and information in a way that supports the organisation's setting and achieving its strategic objectives.	• The Board has considered the governance of information and technology. • IT Governance is part of the Corporate Governance and Nominations Committee's mandate. • Management submits quarterly reports to the Committee on how the organisation deals with Technology and Information Management and how they intend to monitor this. • The organisation has the IT governance framework, Information Security, and Disaster recovery plan, which ensure governance and security of information.

Principle	Description	Extent of application
13	**COMPLIANCE GOVERNANCE** The Board should govern compliance with applicable laws and adopt non-binding rules, codes, and standards in a way that supports the organisation being ethical and a good corporate citizen.	• The Board has delegated this responsibility to the Corporate Governance and Nominations Committee. Compliance with the law is monitored, and quarterly reports are submitted to the Committee.
14	**REMUNERATION GOVERNANCE** The Board should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term.	• The Board has allocated oversight of the remuneration to the Remuneration Committee (Remco). • The Remco has approved the remuneration policy for the organisation. • The policy sets out how remuneration is approached. • The Remco also sets out the basic fees for board members.
15	**ASSURANCE** The Board should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and external reports.	• The Board has delegated this responsibility to the Audit and Risk Committee. The Committee assures the Board in respect of the effectiveness of internal controls.
16	**STAKEHOLDERS** In executing its governance role and responsibilities, the Board should adopt stake-inclusive stakeholders that balance the needs, interests, and expectations of material stakeholders in the organisation's best interest over time. • The governing body should assume responsibility for the governance of stakeholder relationships by setting direction for how stakeholder relationships will be approached and conducted in the organisation. • The governing body should approve a policy that articulates and gives effect to its direction on stakeholder relationships. • The governing body should delegate to management the responsibility for implementing and executing effective stakeholder relationship management.	• The stakeholder relations include relationships with subsidiaries. • Mandating and governing documents for subsidiaries had been drafted and approved by the Board. • KT approved the governing documents for subsidiaries as a shareholder. • A policy on stakeholder relations was drafted and approved by the Board. • Stakeholder relations had been included in the Programmes Committee mandate.

HUMAN RESOURCES REVIEW



Isabella Liba
Human Resurces &
Administration Head

The Trust seeks to protect its legacy by attracting and retaining employees who are not only highly competent but possess the values which are treasured by the organisation.

Our approach

Our staff are at the core of delivering Kagiso Trust's (KT, the Trust) programmes across South Africa. Having built up credibility and integrity over the past 37 years, The Trust seeks to protect its legacy by attracting and retaining employees who are not only highly competent but possess the values which are treasured by the organisation.

2021/2022 Highlights

Internship Programme

This past year has seen the development, approval and implementation of the first KT Internship Programme.

The first cohort of interns will be welcomed in July 2022. The interns will be fulfilling different roles within Kagiso Trust, in the areas of Civil Society, Local Government, Legal, Programmes Management, Social Economic Development, Communication & Marketing, Education, Finance, Policy Development and Human Resources. It is intended to continue this programme yearly going forward.

Further highlights:

- Acquired and retained the necessary talent needed to meet KT's strategy and operational needs.
- Vacancies and new positions were filled timeously, including providing the necessary induction and onboarding processes.
- Successfully conducted a salary benchmarking exercise.
- Coordinated an effective performance management programme.
- Ensured that employees have been upskilled where necessary.

Key Projects for 2022/2023

- Implementation of Change Management.
- Development of a Succession Plan framework.
- Review and relaunch of KT values.

Staff Demographic

The statistical analysis reported hereunder is for the period ended 30 June 2022.

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management	2	0	0	0	1	0	0	0	**3**
Senior management	1	0	0	1	6	0	0	0	**8**
Professionally qualified and experienced specialists and mid-management	2	0	0	0	2	0	0	0	**4**
Skilled technical and academically qualified workers, supervisors, foremen, and superintendents	0	0	0	0	8	1	0	1	**10**
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	**1**
Unskilled and defined decision making	2	0	0	0	2	0	0	0	**4**
TOTAL PERMANENT	**7**	**0**	**0**	**1**	**20**	**1**	**0**	**1**	**30**
TOTAL FIXED TERM CONTRACT	6	1	0	0	5	0	0	0	**12**
GRAND TOTAL	**13**	**1**	**0**	**1**	**25**	**1**	**0**	**1**	**42**

Recruitment

During the period under review, KT made the following appointments:

NAME AND SURNAME	DEPARTMENT	POSITION
Zingisa Nteyi	Finance	Senior Accountant
Ella Bouwer	EXCO	Executive PA
Sakhile Ncala	BNSDP Education	Project Manager
Genius Mokgoadi	SED	SED Head
Buhle Ndhlovu	CSSP	CSSP Administrator
Glenn Farred	CSSP	CSSP Specialist
Zanele Mabaso	Policy Development	Policy Development Expert
Salthiel Sekgobela	Human Resources	Transport Coordinator
Luvuyo Sandi	SED	Business and Fund Manager

During the period under review, KT had the following Terminations

NAME AND SURNAME	POSITION	REASON FOR TERMINATION
Tsietsi Thakalekoala	Transport Coordinator	Retirement

Training

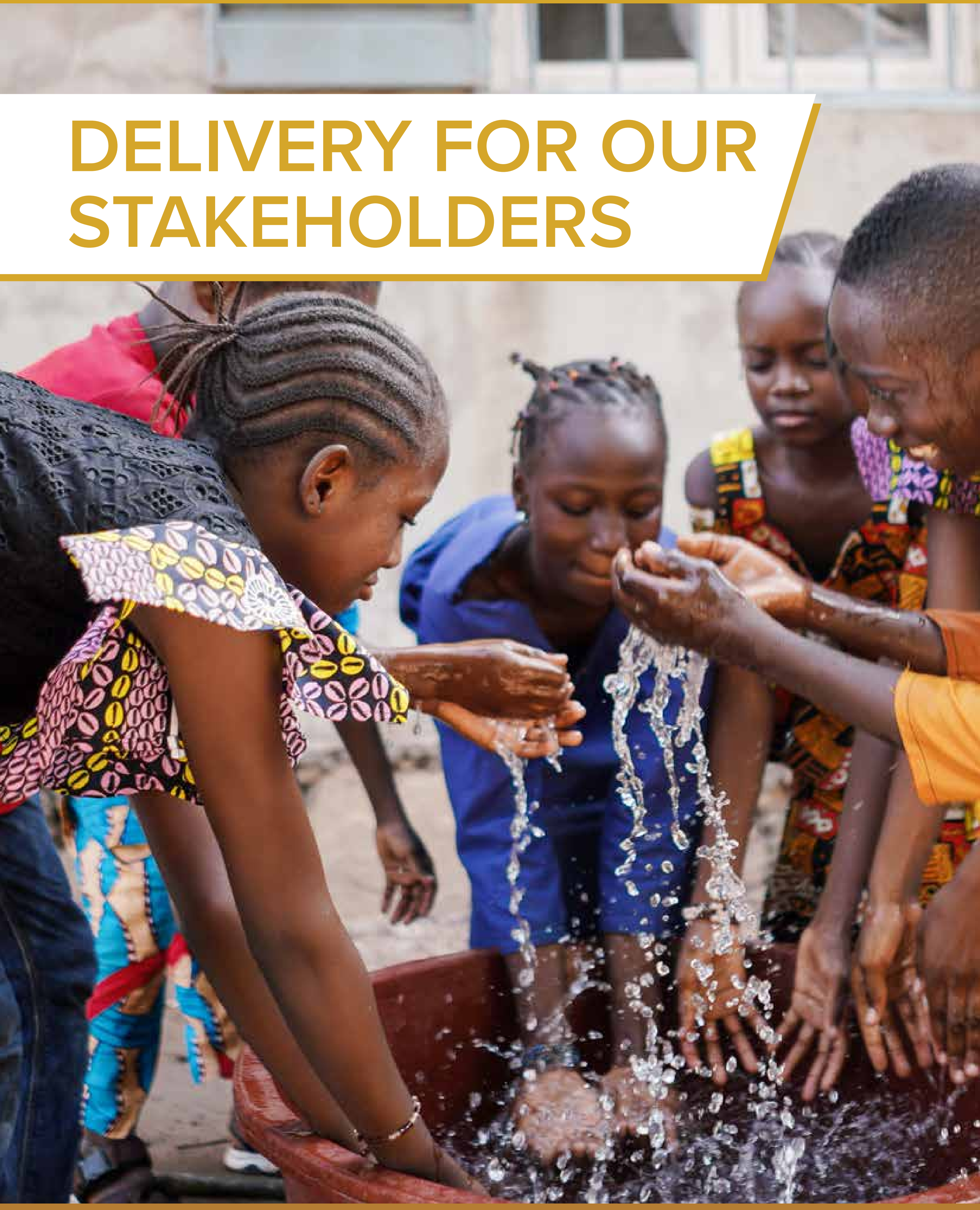
All KT's training and development programmes are aligned with the organisation's strategic and operational needs. The following courses and bursaries were offered.

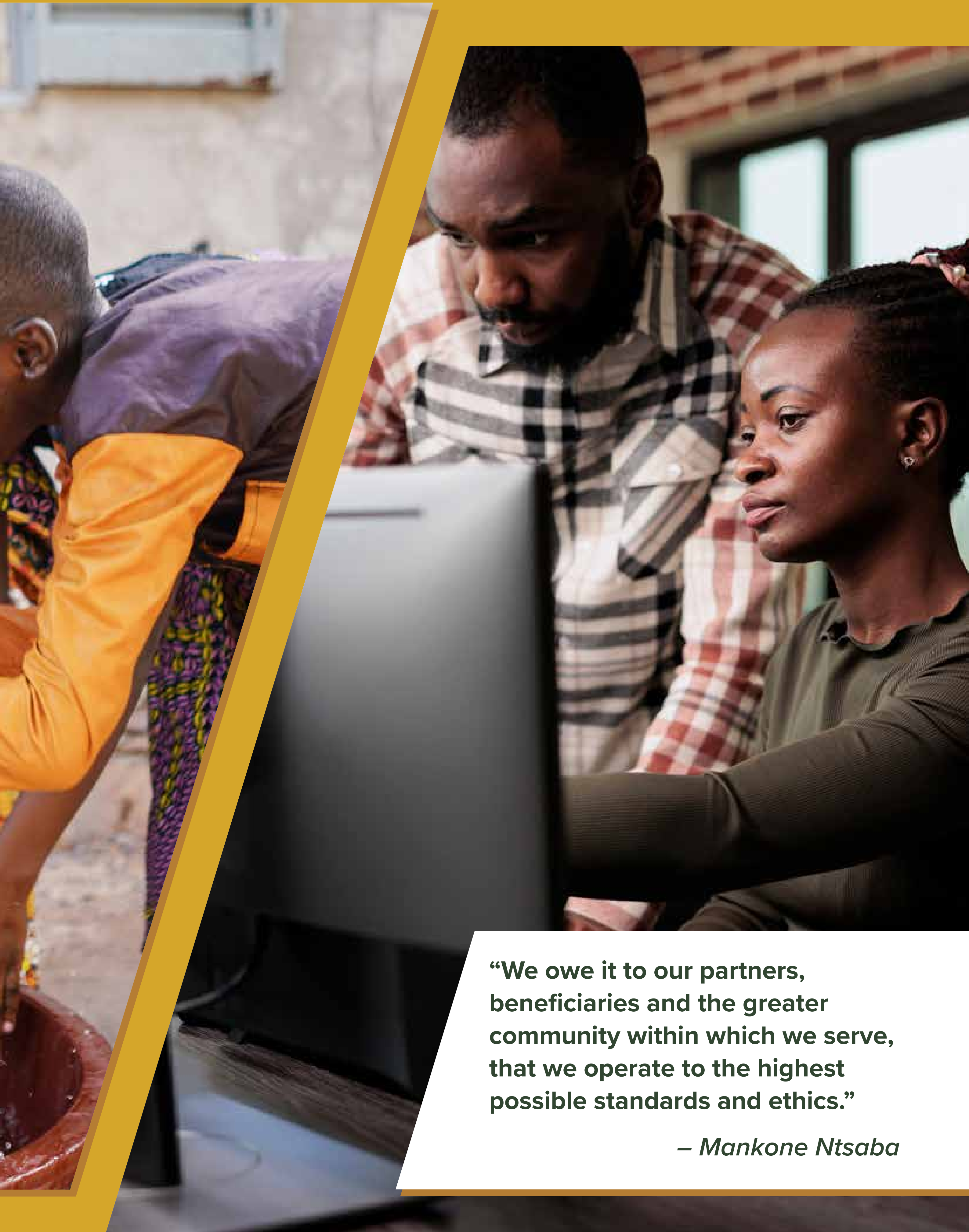
SHORT COURSES ATTENDED	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Governance Course	2	0	0	0	3	1	0	0	**6**
Risk Management Training	3	0	0	1	11	0	0	0	**15**
BBBEE Training	0	0	0	0	2	0	0	0	**2**
Commercial Enterprise	0	0	0	0	1	0	0	0	**1**
ESG Investing	0	0	0	0	1	0	0	0	**1**
Voice and Pronunciation: Power-speaking Programme	0	0	0	0	3	0	0	0	**3**
Performance Management Training	2	0	0	0	3	0	0	0	**5**
GRAND TOTAL	**7**	**0**	**0**	**1**	**24**	**1**	**0**	**0**	**33**

Study Assistance/Bursaries

NAME AND SURNAME	POSITION	REASON FOR TERMINATION
Boichoko Ditlhake	CSSP Manager	Master of Business Leadership (MBL) – with UNISA
Nothile Sebe	Assistant Accountant	Postgraduate Diploma in Accounting – Regent Business School

DELIVERY FOR OUR STAKEHOLDERS





"We owe it to our partners, beneficiaries and the greater community within which we serve, that we operate to the highest possible standards and ethics."

– Mankone Ntsaba

YEAR IN REVIEW HIGHLIGHTS

2021

SEPTEMBER

Limpopo Learner Camps

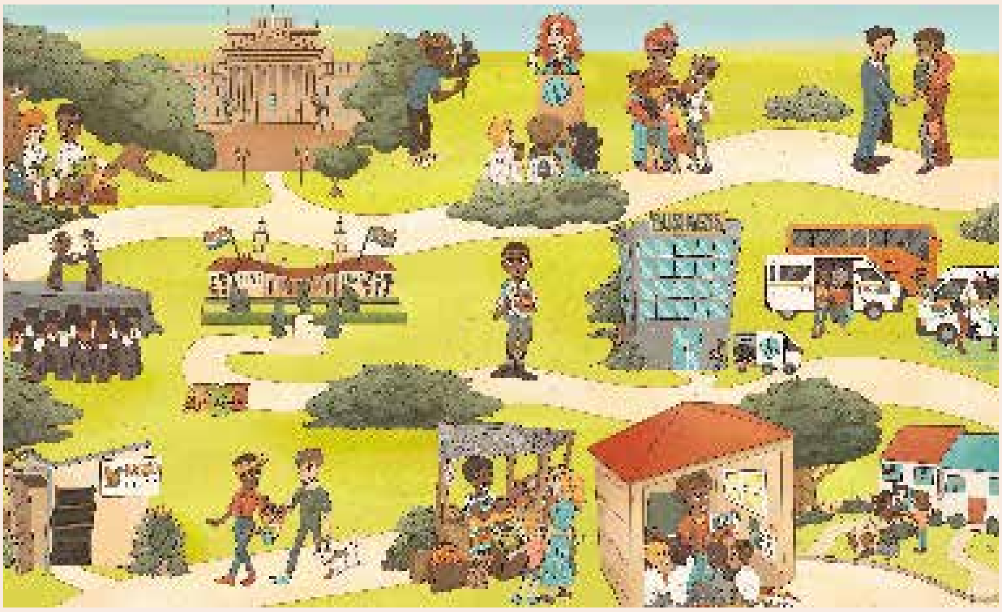
SEPTEMBER/ OCTOBER

Free State School Halls Handover

2022

JANUARY

It Takes a Village Campaign

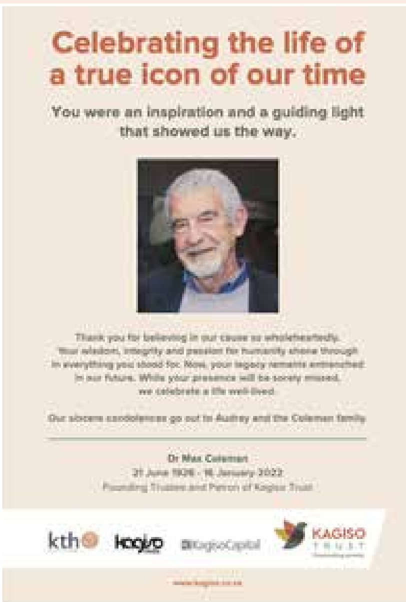


FEBRUARY

Stakeholder Engagement with Rhodes University and the office of the mayor from Makana Municipality.

FEBRUARY

Celebrating the life of Dr Max Coleman.



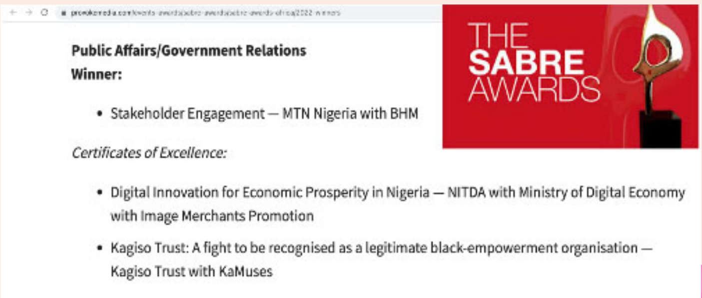
2022

APRIL

Youth Roundtable in Sekhukhune, Limpopo & Makhanda, Eastern Cape.

MAY

KT was awarded a Certificate of Excellence at the SABRE Awards



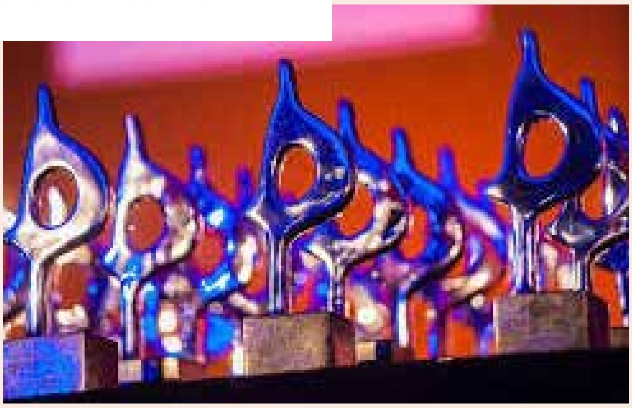
THE SABRE AWARDS

Public Affairs/Government Relations
Winner:

- Stakeholder Engagement – MTN Nigeria with BHM

Certificates of Excellence:

- Digital Innovation for Economic Prosperity in Nigeria – NITDA with Ministry of Digital Economy with Image Merchants Promotion
- Kagiso Trust: A fight to be recognised as a legitimate black-empowerment organisation – Kagiso Trust with KaMuses



JUNE

CSSP
Anti-Corruption
Dialogue

JUNE

KT & AB4IR partnered to bring the Career & Technology Expo to the region of Sekhukhune to be attended by BNSDP learners.

EDUCATION DEVELOPMENT

“Education is for improving the lives of others and for leaving your community and world better than you found it.”

– Marian Wright Edelman

BEYERS NAUDE SCHOOLS DEVELOPMENT PROGRAMME

The BNSDP works to improve education standards through providing infrastructure to rural schools, teacher skills training and learner mentorship.

The BNSDP works to improve education standards through providing infrastructure to rural schools, teacher skills training and learner mentorship.

Kagiso Trust implemented its first pilot programme in Limpopo, Vhembe district in 2004. The programme was extended in various provinces including 10 schools in the Free State's Thabo Mofutsanyana district in 2007. The Free State Department of Education was receptive to the partnership which later had 166 schools participating in the programme. By the end of the partnership, the programme had shaped the intervention into a District Whole School Development (DWSD) model that could be replicable and scalable by prospective partners and education development role-players.

The success of the programme in the Free State led to it gaining traction from new partners and collaborators in adopting the DWSDP model to improve education. In 2013, Kagiso Trust was able to upscale the model with the partnership formed between Kagiso Trust and the Cyril Ramaphosa Foundation (CRF) to form (KST). KST entered into partnership with the Free State Department of Education in 320 schools in the Fezile Dabi and Motheo districts. In December 2017, FirstRand Foundation joined the collaboration for improved education outcomes, impacting 320 school in the two districts.

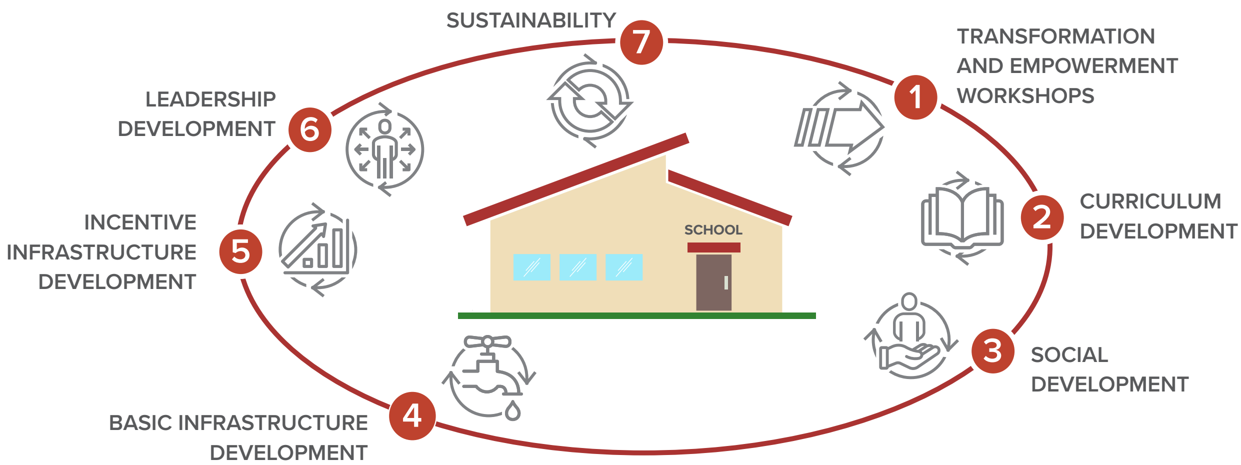
In March 2019, the BNSDP commenced in the Sekhukhune and Riba Cross districts in Limpopo, a province that has been struggling with a consistently poor matric pass rate.

The year that was

Owing to the pandemic, the school academic year started later than usual, however, full time schooling was resumed with the rotational schedule being discontinued. The 2021/22 cohort across all grades has accumulated a 2-year gap due to the pandemic, which has led to curriculum trimming and rotations. The majority of those in Grade 12 are progressed learners.

Kagiso Trust, in its Five-Year Strategic Plan (2022-2026), has shifted its focus to scaling its models, following a rigorous process of testing and validation. The year saw the pillar forming strategic partnerships in new areas, such as the ICT integration in teaching and learning, cultivating alternative career pathways through

DISTRICT WHOLE SCHOOL DEVELOPMENT PROGRAMME MODEL



Learners in Sekhukhune learning about career options available within technology at the KT & AB4IR Career & Technology Expo.

THE INVESTMENT KT HAS MADE ON PROGRAMME SPENDING IN THE **QUEST TO IMPROVE EDUCATION**

YEAR	EMSP	BNSDP	School Halls & Infrastructure
2009	R1 873 380	R21 200 000	-
2010	R2 260 000	R23 540 000	-
2011	R2 839 100	R28 660 900	-
2012	R2 450 000	R27 850 000	-
2013	R2 500 000	R76 450 000	-
2014	R3 364 224	R64 843 483	R65 186 515
2015	R3 782 954	R53 003 422	R51 403 701
2016	R3 829 021	R27 994 888	R69 592 106
2017	R4 380 173	R8 986 519	R29 096 302
2018	R4 892 879	R7 627 318	R2 156 033
2019	R5 387 362	R7 450 259	-
2020	R5 963 932	R2 389 726	R16 725 724
2021	R2 823 632	R8 365 625	R 63 152 347
2022	R1 162 873	R1 502 827	R21 170 635
TOTAL	R47 509 530	R359 864 967	R318 483 363

the technical high schools program, in partnership with Sasol foundation.

Highlights

Embracing ICT

Noting the ICT infrastructure and resource challenges, especially in Sekhukhune, it is intended to incorporate ICT capabilities to facilitate teaching and learning, using the hybrid approach to improve delivery. KT collaborated with Eutelsat, a French satellite operator, to conduct a proof-of-concept in 5 schools, testing the viability of using satellite broadband.

Motivation session at the Learner Camps 2021 in Limpopo for BNSDP schools.

BEYERS NAUDE SCHOOLS DEVELOPMENT PROGRAMME (CONTINUED)

Sizakele Mphatsoe KT Education Pillar head motivating learners at the Learner Camps 2021 in Limpopo.

Drones, gaming and animation were part of the technology demonstration at the Career and Technology Expo with AB4IR.

Scaling the BNSDP programme

In advocating for the scaling and adoption of the BNSDP programme, the model presentation was conducted to the Portfolio Committee.

Youth Month

In celebrating youth month, the program hosted a 4IR entrepreneurship development event to create awareness around the opportunities relating to 4IR. The event included exercises that provided an opportunity for attendees to collaborate in problem solving.

Mining Sector Partnerships

The mining sector has been approached with a view to possible collaborations and partnership opportunities.

Achievements

Development workshops

KT hosted teacher development workshops for the district through the 1+9 departmental initiative.

Learners from Sekhukhune East attending the 2021 Learner Camps for the last academic support before Matric exam finals.

Career and Technology Expo in partnership with AB4IR.

Mentorship Programme

The Mentorship Programme assisted teachers in planning for the beginning of the 1st quarter. The programme included resource packs developed in collaboration with Subject Advisors.

Skills Competitions

The Provincial Teacher Skills Competition was held in partnership with Sasol Foundation.

District Management Workshops

KT hosted a district management workshop with the purpose of ensuring that district plans are aligned and that there is available capacity to support the schools.

A Mentoring Programme was introduced in 2021 that will assist both the educators and learners within the BNSDP Schools in Sekhukhune, Limpopo..

Challenges

- Capacity gaps in the districts.
- Lack of ICT infrastructure.
- Poor connectivity in rural areas.

Looking ahead

Technical teachers conference

The aim of this is to enable a Professional Learning Community (PLC) of technical schools' professionals, through a facilitated discourse, to document best practices that contribute towards achieving excellence in technical-vocational education.

Technical teachers' skills competitions

These competitions are designed to harness teacher skills so they can better support learners in performing quality practicals.

Maths campaigns and competition

The purpose of these will be to advocate for the subject of Math with the intention of increasing the number of learners taking pure mathematics.

Career EXPO

This will be an event designed to provide learners with information on different career paths.

Model Advocacy

KT will participate with education platforms to advocate for the education model and share the programme's work.

Career Support

KT will be looking to implement a broad career support programme in line with the 3-stream model.

ERIC MOLOBI SCHOLARSHIP PROGRAMME

> The objective of the programme was to develop a cohort of businessmen and women who will go on to have a positive impact on their communities, breaking the chains of intergenerational poverty and becoming active players in the economy.

The EMSP was established in 2007 to provide scholarships for learners from rural and disadvantaged schools affiliated with the Trust's Beyers Naude Schools Development Programme.

The original goal of EMSP was to create a viable, vibrant network of young leaders in the business and engineering sectors through supporting learners as they advance their education. The objective of the programme was to develop a cohort of businessmen and women who will go on to have a positive impact on their communities, breaking the chains of intergenerational poverty and becoming active players in the economy. The programme funded selected students from BNSDP schools who are enrolled in the science stream subjects. Funding was granted based on an individual's unique needs and circumstances.

2021/22 in review

This reporting period saw KT halting the offering of new bursaries, with no new intake in 2021. This is owing to there being a review of the EMSP offering in light of the organisation's new 5-year strategy (FY2022-2026). During the reporting period, efforts were focused on supporting the existing intakes from 2018 to 2020, whilst undertaking a reconceptualisation and validation of the new programme offering. The intent going forward, is to broaden alternative career pathways.

2021/22 Highlights

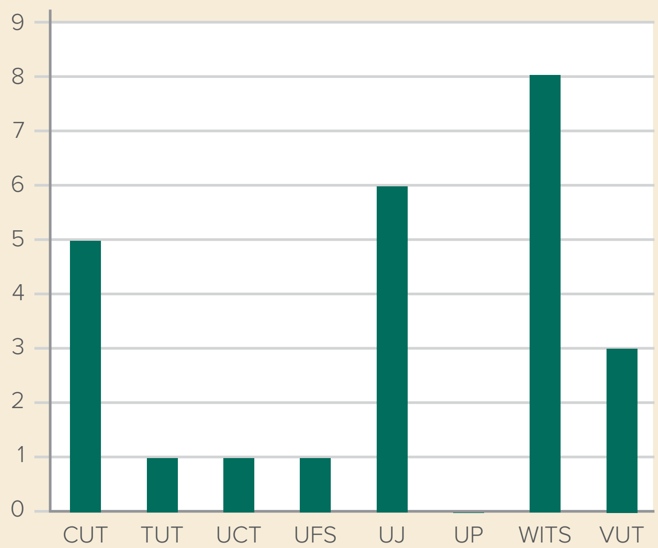
Post COVID-19 Bursar Review

KT hosted a post COVID-19 catch-up and review workshop held with bursars to better understand how they managed through the lockdown and restrictions, additionally, it was opportunity to reconnect with the students on a face-to-face basis.

SAICA Partnership

The strategic partnership with SAICA (South African Institute of Chartered Accountants) resulted in ten additional bursars being recruited in January 2022. The total number of students currently supported is thirty-three. Of these, six will be completing their final year in 2022.

Total EMSP Students = 25



CUT - Central University of Technology

TUT - Tshwane University of Technology

UCT - University of Cape Town

UFS - University of the Free State

UJ - University of Johannesburg

UP - University of Pretoria

Wits - University of Witwatersrand

VUT - Vaal University of Technology

Achievements

KT Alumni Network

The Alumni Network is being established with the aim of adding value to society, via EMSP graduates, through leadership and acting as change agents in their families and communities.

It is envisaged that the Alumni Network will comprise of four streams:

Community: Build and strengthen a community of Scholars who are socially conscious and work collaboratively in supporting the realisation of the vision of the Eric Molobi Scholarship Programme which seeks to create a viable, vibrant network of young leaders.

Leadership: Nurture and inculcate the Trust's values in Scholars as part of cultivating them to pursue a journey of purpose as vibrant young leaders.

Pay It Forward: Educate and enable the Alumni Network community about making a difference by creating a ripple effect of kindness by paying it forward. In addition, the Pay It Forward initiative is a movement towards individual and social change, making a difference by turning barriers into positive life lessons to be shared within the network.

Mentorship: Help empowering EMSP Alumni as young leaders that create a social impact. The initiative will provide a platform for alumni to share their knowledge by pairing with EMSP undergraduates to mentor them, provide career advice, and help leverage workplace opportunities.

A call has gone out requesting EMSP beneficiaries to register for the network, with a very positive response to date.

Graduations

Three Bursars graduated in April and May 2022.

Post COVID 19 Bursar Review Lunch.

Looking forward to the next FY

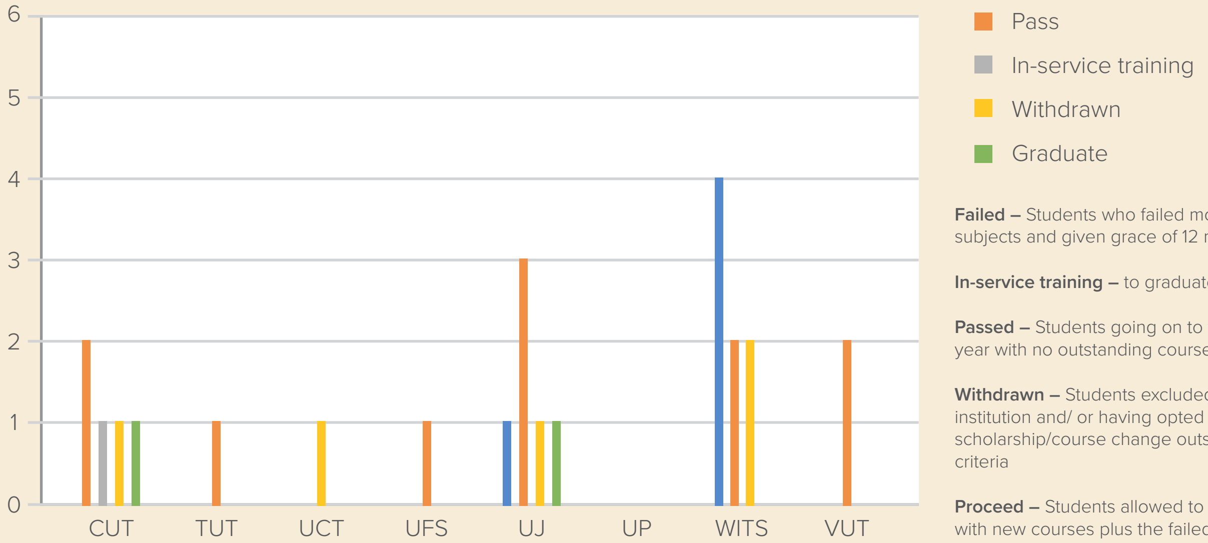
Realigning EMSP to include Technical Abilities

The next year will see the scaling of the EMSP offering not only to academics but to students with technical abilities. This is in order to broaden and improve exit opportunities for school leavers. The skills pipeline involves critical strategic stakeholders working together to collaborate in bridging the disconnect between required technical skills qualifications in line with that of industry requirements. It is in light of this that the EMSP is being reviewed and revised.

Exam and Work Readiness Workshop

In preparation for sitting their final examinations, bursary holders will be empowered through a two-day workshop covering exam preparation, and a graduate work readiness programme, including, skills requirements and competencies and the qualities that employers typically seeks in a newly recruited graduate.

Reported end October 2021 by tertiary institution:



Failed – Students who failed most of their subjects and given grace of 12 months

In-service training – to graduate end 2020

Passed – Students going on to the next year with no outstanding courses

Withdrawn – Students excluded by the institution and/ or having opted for another scholarship/course change outside KT criteria

Proceed – Students allowed to proceed with new courses plus the failed ones

KST REPORT

Kagiso Shanduka Trust (KST) is a collaboration between Kagiso Trust and the Cyril Ramaphosa Foundation. Originally established as a hybrid delivery programme of the Kagiso Trust (KT) and the Cyril Ramaphosa Foundation (CRF).

The mentor programme helped to develop educator capacity in curriculum knowledge.

KST soon developed an identity of its own as a formidable collaborating partner in the field of education and school improvement. With both organisations making enormous strides in their respective fields in education development, the idea was to draw on the learnings and best practices of each, to create a powerhouse with their experience and methodologies to effect real change in the field of education.

KST has reached an important milestone in its programmatic interventions in the Free State, spanning over eight years. Its contracted relationship with the Free State Department of Education (FSDOE) as an equal partner, collectively working towards whole school development and systemic change in the two participating district offices via its proven District Whole School Development (DWSD) model, has been the inspiration of many who are active in the field.

Grade 12 learners at Barnard Molokwane Seconday School making use of the new Computer Lab during the official hand over by MEC for Education, Dr PHI Makgoe and a KST representative. Schools that perform above the target that has been set by the Free State Department of Education, qualify for incentive infrastructure projects.

What was initially conceived of as a five-year pilot for the period 2013 – 2018, was given a further extension by three years (2018 – 2021), by the subsequent incorporation of the FirstRand Empowerment Foundation (FREF) as partner. This allowed for a successful partnership and blended financial model, cohering business, NGO and government financial contributions in excess of R500 million over the last eight years.

KST has, by all accounts, delivered against all programmatic elements as per its DWSD model and theory of change, and has now reached a moment of conclusion. The efficacy of its model has been fully tested, and the proof of concept is clear to all stakeholders. The programme has run its course, guided over the last two years by its sustainability roadmap that calls for the responsible exiting of its interventions from the Fezile Dabi and Motheo districts. KST has in the last year, worked towards ensuring that all benefits accomplished through the programme, will endure long after it has exited the schools and districts.

KST 2021/22 Review

The KST model has extended beyond proof of concept, demonstrating its ability to deliver a holistic and inclusive education development solution. KST ensured that learners and teachers experience the power of education at its fullest so that they can reach their utmost potential and make a valuable contribution to society.

The 12 months saw upgraded infrastructure, improved capacity of educators, system improvements in district offices, and consistent improvement of learner results.

The mentor programme helped to develop educator capacity in curriculum knowledge. The most noticeable impact of this programme was evident in the transfer of knowledge to the department officials of the Free

Sediti Intermediate School learners attending a demonstration lecture inside the newly built Life and Physical Sciences Laboratory.

State Department of Education (FSDoE). Mentors monitored curriculum coverage and ensured that learner outcomes improved. All educators supported had covered the curriculum according to the Annual Teaching Plans.

The programme used a blended approach that included in-person and virtual sessions. This helped to save the Grade 12 academic year, despite the challenges presented by the COVID-19 pandemic.

2021/22 Highlights

- Launch of Phase Two Schools in De Beers, Kumba Iron Ore, Platinum and Northwest Business Units.
- Programme sustainability was on track through the Lead Teacher and professional learning communities of practice programme.
- All service providers have selected and trained their Lead Teachers in the first quarter.
- All service providers delivered a differentiated approach.
- Teachers who were struggling with subject content knowledge and pedagogy received additional support over teachers who are more confident in their ability to deliver.
- Mathematics and Physical Sciences teachers in the coal business unit attended the Grade 12 learner support classes during weekdays and weekends.
- Empowerment workshops for system leaders in all business units

2021/22 Achievements

- Handover of a multi-million-rand pilot project for Phuleng Primary School.
- Launched the ICT Programme in the De Beers, Kumba Iron Ore, and Platinum Business Units.
- Facilitated workshops for non-project teachers offered by TEN based on recommendations made by GET and FET Subject Advisors.
- Launched an After Care Programme (ACP) for foundation phase red schools.
- Trained Lead teachers and provided teaching material.
- Improved the ability to develop broad and balanced lesson plans addressing the diverse needs of learners.
- The facilitation of workshops and cluster- based subject forums.
- Capacitation of system leaders

Challenges

- Systemic challenges across all business units threatens short-term impact.
- Delays in infrastructure project initiations due to community expectations/protests on the project.
- Lack of qualified local contractors for infrastructure projects.
- Most connectivity for ICT is restricted to the administration blocks. In very few instances are the learners allowed to access the internet or connect their personal devices.
- Most schools carry the cost of their own connectivity.
- Very few schools have strong, dependable, uncapped and unthrottled connections. Some schools reported topping up with data often when it runs out before month end, or they buy data only when SA SAMS information needs to be uploaded.

The year ahead 2022/23

With the eight-year successful partnership with FSDoE, KST will continue working towards the holistic development of schools and systemic change in the delivery of education. We look forward to yet another successful story to tell with Anglo-America, South Africa as the implementing agent. KST is in a process of partnering with an independent power supplier in the Eastern Cape and Northern Cape to implement the whole school's development programme in their business units. The efficacy of the KST model has been tested, with a proof of concept clear to all stakeholders. We wish to invite like-minded organisations to partner with us.

SOCIO-ECONOMIC DEVELOPMENT

SED's Objective is to transform the agriculture and property sectors across the value chain and increase the number of black entrepreneurs in the market economy.

SOCIO-ECONOMIC DEVELOPMENT

SED's agricultural strategic goal is borne out of the insight that the contribution of black farmers in the sector is currently insignificant, and this is due in part to lack of access to funding, market opportunities and technical support.

Kagiso Trust's SED (Socio-Economic Development) pillar, focusses on social enterprise and entrepreneurship as being the critical transformation drivers in a South African context.

Background

The stated goal of the KT SED pillar is to: Transform the agriculture and property sectors across the value chain and increase the number of black entrepreneurs in the market economy.

The period under review focussed on implementing and optimising resources to scale the Socio-Economic Development (SED) programme's operational plan.

The Socio-Economic Development focuses on these strategic objectives in delivering the programme:

- To strengthen sector coordination, collaboration, and policy
- Expand institutional partnerships to scale the programme
- Financial sustainability to scale the programme
- Creating financially sustainable SMEs
- To foster increased black entrepreneurship & participation in the economy
- To foster value chain integration
- To foster increased black entrepreneurship & participation in the economy

Partnerships, Policy and Legislation Influence

Partnerships

Embassy of Netherlands

The Netherlands is a global leader in the field of innovative agricultural solutions and food security. There is a focus on intensive, but sustainable farming, achieving great efficiency with socially responsible practices.

In light of this, the Netherlands was selected as a potential knowledge sharing and leveraging partner. The SED team has subsequently met with the Embassy of Netherlands' Agricultural

Advisor to discuss the SED agriculture programme. As a result of this meeting, the SED team has been introduced to NEAD, an initiative working with small-scale or emerging farmers in Limpopo. It is hoped that this strategic relationship will enable future access to knowledge, technology and opportunities for beneficiaries of the KT Agricultural development programme.

Policy Influence

The Fresh Produce Market Inquiry

The Competition Commission is conducting a market inquiry into the South African Fresh Produce Market (the "Fresh Produce Market Inquiry"). The Commission has reason to believe that there may exist market features which impede, distort or restrict competitiveness of the South African Fresh Produce Food Market. KT has submitted a request to contribute to the inquiry when it takes the form of a submission.

Small, Micro, Medium Enterprise and Cooperatives Funding Policy

Government has identified small, medium, and micro-enterprises (SMMEs) and cooperatives as potential catalysts of inclusive growth and local economic development. Kagiso Trust has made a commentary submission to the Small Micro Medium Enterprise and Cooperatives Funding Policy issued by the Department of Small Business.

Agriculture and Agro-processing master plan (AAMP)

The Department of Agriculture initiated the drafting of the Agriculture and Agro-processing Master Plan in June 2020. Its development involved various sector stakeholder negotiations and consensus building, which resulted in the co-creation of a balanced social compact by government, business, labour, and civil society organisations in the agriculture and Agro-processing sectors. Its overall drafting was coordinated by the Ministry, facilitated by Prof. Mzukisi Qobo and the National Agricultural Marketing Council (NAMC), Bureau for Food and Agricultural Policy (BFAP), and the Centre for Competition, Regulation and Economic Development (CCRED). In an effort to establish KT's alignment and engagement on the AAMP, the organisation initiated a preliminary interaction with Prof. Mzukisi Qobo, and he has referred the organisation to NAMC.

Additionally, KT plans to host a roundtable discussion with critical stakeholders in the 2022/2023 financial year to achieve alignment, promote cooperation, influence common understanding as well as pave the way for the development sector's adoption of the AAMP. The intent is to integrate the AAMP into KT's ''scaling up'' implementation plans of the Socio-Economic Development Pillar.

Agriculture

SED's agricultural strategic goal is borne out of the insight that the contribution of black farmers in the sector is currently insignificant, and this is due in part to lack of access to funding, market opportunities and technical support.

The Tyala Impact Fund (Pty) Ltd ('Tyala') was established as an instrument through which the Trust can facilitate the development of informal black farmers into commercialisation. The long-term goal is to grow and establish Tyala as the fund of choice for black farmers, providing them with wholistic support on their journey to becoming Agripreneurs.

SED, through Tyala aims to:

- Become a black Agri-intermediary (promoting Agri entrepreneurship) which is aimed at the commercialisation of black small/emerging/growing farmers.
- Create transformation in the agriculture sector.
- Support sustainable job creation.
- Contribute to food security, inclusive food systems and equitable ownership.

SOCIO-ECONOMIC DEVELOPMENT (CONTINUED)

Tyala Investment Portfolio

Tyala Impact Fund uses a model approach that segments beneficiaries into semi/commercial and small-scale farmers. This approach was deliberate to ensure tailor-made solutions for each beneficiary segment. To achieve this, collaboration is key in harnessing the SED approach.

Investment			Total Amount	Tyala Investments	Unlocked Funds				
Current	**Approved**	**Settled**	**Rm**	**Rm**	**Rm**	**Province**	**Crop**	**Employment**	**Hectares**
		FFE	R25,5	R7,5	R18,3	KZN	Maize	226	2003
BPI			R14,3	R6,9	R7,4	NW	Lucerne	93	660
Sebenza-ngamandla			R1,5	R1,5		KZN	Potatoes	134	110
Groendal			R22	R3,	R19	EC	Fruits	192	157
FFE			R40	R10,	R30	KZN	Maize	224	2251
SPAR			R10,7	R4,8	R5,9	Limpopo	Cash Crops	181	78
			R114	**R33,7**	**R80,6**			**1050**	**5259**

Tyala Impact Fund

Funding

SED's Strategy is to use the Tyala Impact Fund as leverage to access and influence traditional financing models of existing institutions such as banks and intermediary financiers. Our approach to blended funding is a hybrid solution that allows for low-cost finance, de-risked co-funding structures, and guaranteed offtakes for farmers.

Technical Support

Tyala Impact Fund's agriculture solution is integrated with business support to ensure that the beneficiaries are not only trained in the latest farming techniques but are also mentored and given relevant business skills. Tyala's strategy for leveraging and collaborating with already established entities that possess the industry expertise was deliberate to ensure that not only are funds extended to the beneficiaries, but this is matched with upskilling programmes that ensure the long-term sustainability of beneficiary businesses.

Tyala partnerships spans across industry experts and contributors, the likes of AFGRI Agri Services, Potatoes SA, Spar Enterprise Development Programme and Tiger Brands' Dipuno Fund. These institutions signed an MOU with Tyala, which ensures support is provided to each beneficiary.

Market Access

Tyala has established relationships with AFGRI Agri Services, Potatoes SA, Tiger Brands and SPAR. These institutions have access to networks that include suppliers and technical partners which will help ensure the long-term sustainability of emerging farmers.

Tyala Portfolio 2021/2022

For Farmers East (Pty) Ltd (FFE)

Company Profile

FFE is a farming enterprise situated in Kwa-Zulu-Natal, funded by Tyala and other co-funders. The company was incorporated in 2019 and had its first production during the 2019/2020 summer production season. FFE is a conglomerate of 33 farmers who benefit by working together cooperatively.

Development Impact

Farm Details	2020	2021
Farmer:	For Farmers East	For Farmers East
Form	Aggregator	Aggregator
Number of Farmers	33	33
Crop	Yellow Maize	Yellow Maize
Location	Rural Area-KZN	Rural Area-KZN
Loan Type	Production Input	Production Input
Term	1 year	1 year
Loan Amount	R7 500 000 (Settled)	R10 000 000
Repayment Start Date	01 August 2020	31 September 2021

**2022: The loan taken out the previous FY is yet to be settled.*

Funding

FFE approached Tyala to finance the cultivation of 1600 hectares of yellow maize for the 2019/20 summer production season. Tyala collaborated with FNB to make these funds available through de-risking and reducing the finance costs. Without Tyala's involvement, these funds would not have been granted to FFE.

Conditional to FFE repaying all Tyala loans in the 2020/21 summer season, Tyala refinanced FFE for the second time for production loan of R10m and unlocked R30m of funds from FNB/ABSA in December 2020. Tyala's involvement in the FFE transaction unlocked a total of R38.8 million of funds.

Sustainable Job Creation

FFE was able to create 226 jobs for the 2019/2020 summer season and 224 for 20202/21 summer production with an average wage of R150 per day for seasonal workers.

Type of employment	2019/20	2020/21
Permanent	34	42
Seasonal	192	182
Total	**226**	**224**

**2021/22 Stats for the FY have not been collated due to KZN region having experienced heavy flooding.*

Sustainable Farm Production

There are currently 10 active farming entities within the FFE that cultivated a total of 4 600 hectares during the 2019/20 summer production season, which produced 24 700 tons of yellow maize, 4 900 tons of white maize and 4 700 tons of sorghum. This was followed by the cultivation of 5 000 hectares of grains during the 2020/21 summer production season.

Baphuduchwana Production Incubator (Pty) Ltd (BPI)

Company Profile

BPI was incorporated in 2014, with the initial objective of establishing an agricultural production incubator in Taung for black owned farms. BPI aims to operate as an aggregator to benefit from economies of scale.

Development Impact

Funding

BPI approached Tyala in an application for production funding to cultivate Lucerne. Tyala, along with Anglo American Zenzele, successfully co-funded the cultivation. Tyala unlocked an interest-free loan from Zenzele for R7m, with Tyala funding R7.3m for a total funding of R14.3m.

Farm Details	2020
Farmer:	BPI
Form	Aggregator
Crop	Lucerne
Number of Farmers	93
Location	Rural Area – North-West
Loan Type	Production Input
Term	1 year
Loan Amount	R7 043 708

**2022: The loan taken out the previous FY is yet to be settled.*

Sustainable Job Creation

BPI was able to create 99 jobs for the 2019/2020 summer season and 93 for 20202/21 summer production with an average salary of R1750 per month for permanent workers.

Sustainable Farm Production

The company initially started on 80 hectares, with four shareholders in 2018 and today has 94 shareholders/farmers, collectively cultivating 1 005 hectares of irrigated land.

Spar Mopani Rural Hub

Company Profile
The Mopani Rural Hub is a SPAR Group Enterprise Development Programme. The SPAR Mopani Rural Hub initiative provides financial and non-financial support to small emerging farmers. The initiative also enables farmers to acquire local and global GAP certificates.

The SPAR Mopani Rural Hub focuses on small-scale farmers who operate on farmland between 0,5 to 50 ha in the Limpopo province with funding requirements ranging from R250k to R1.5m. Identified beneficiaries are taken through a development programme focused on funding, technical support, and guaranteed off-take (market access) for all grades of the crops.

Development Impact

Funding (Infrastructure Funding)
Tyala has invested R3,4m in this project, to date the following has been achieved:

Job Creation
The farmers on the programme employ 326 community members (composition of permanent and temporary employees).

Type of employment	2021/22
Permanent	85
Seasonal	96
Total	**181**

Skills Transfer
SPAR ESDP has also put a skills transfer programme, which includes formal food safety training and implementation, financial and non-financial business skills.

The farmers are certified in local G.A.P programme for full global G.A.P. accreditation.

Market Access
SPAR Rural Hub procures the entire yield from the farmers and distributes from packhouses to different off-takers.

In this collaboration, Tyala managed to tap into SPAR's already existing systems that allows the providing of:

- Production loans
- Long/medium term capital infrastructure
- Unlocking grant funding from FNB for technical support costs (training costs) for each farmer according to their differing business needs.

2022
SPAR Mopani Rural Hub

Farmer:	All Farmers	Leyda Farming Projects	Maamadulo Farming	MNM Mabuza & Sons	Sam Mokgadi Farming	Maswele Farming
Form	Aggregator					
Crop	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops
Location	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo	Rural-Limpopo
Hectares		15ha	5ha	10ha	35ha	50ha
Loan Type	Production Input	Production Input		Production Input	Production Input	Production Input
Term	1 year	1 year		1 year	1 year	1 year
Loan Amount	R1 380 300	R215 039		R93 813	R365 746	R536 056
Loan Type	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan
Term	6 years	6 years	6 years	6 years	6 years	6 years
Loan Amount	R3 400 000	R550 000	R500 000	R300 000	R650 000	R1 400 000

SOCIO-ECONOMIC DEVELOPMENT (CONTINUED)

Sebenzangamandla (Pty) Ltd

Company Profile

Sebenzangamandla (Pty) Ltd is an agricultural business with operations in Mooi River. It commenced its operations in 2018, on a 79-ha land portion leased from the Gugulethu Trust. The land was not in use until the community grouped themselves and formed the Sebenzangamandla (Pty) Ltd.

Farm Details	2021
Farmer:	**Sebenzangamandla Pty Ltd**
Form	Non-Aggregator
Crop	Potato
Location	Rural-KZN
Hectares	79ha
Expected/Actual Revenue	R3 911 909
Loan Type	Production Input
Term	1 Year
Loan Amount	R856 000 (disbursed)

**2022: The loan taken out the previous FY is yet to be settled.*

Funding

The business is envisaging expanding the current scale of the potato enterprise which is currently at 18ha to 30ha.

Sustainable Job Creation

The operation employs 134 community members, with a view to expand this to 170.

Skills Transfer

Potato SA has established a skills transfer programme for the directors via mentorship with a local Potato SA member, covering aspects such as technical advice, marketing of produce, financial management, human resource management and farming production.

Rixon Investments ('Groendal')

Company Profile

Groendal is a pome and stone fruit enterprise situated in the Langkloof (Eastern Cape), which is 50% owned by a Workers Trust (60 employees of Groendal).

Workers Trust Ownership

50% Groendal farm is owned as a BEE transformational workers trust which consist currently of 60 members.

Farm Details	2021
Farmer:	**Groendal Workers Trust**
Form	Workers Trust
Crop	Pears/Apples/Stone Fruit
Location	Rural-Easter cape
Hectares	380ha
Expected/Actual Revenue	R33 906 428
Loan Type	Term Loan
Term	10 Years
Loan Amount	R3 000 000

**2022: The loan taken out the previous FY is yet to be settled.*

Funding

Tyala collaborated with FNB to secure R19million for Rixon Investments. This also provided a capital moratorium to assist Groendal to recover from the drought and match increased production cashflows.

Sustainable Job Creation

Groendal employs a large seasonal labour force for harvesting and packaging.

Type of employment	2020/21	2021/22
Permanent	60	82
Seasonal	104	110
Total	**164**	**192**

Market Access

There is an existing marketing agreement with Dutoit Agri, part of the Dutoit Family Group. Fruit that is not suited for packing and distribution to both the local and export markets is sold to vendors and to Granor Passi for processing into fruit juice.

Property

The South African listed-property sector is worth about R500bn (including investments in overseas markets). Despite its size, participation by black individuals and enterprises in the property sector is still considered insignificant. SED identified lack of skills as one of the major impediments for black SMEs to access opportunities in the sector. To address this, KT developed the property development strategy. The Trust, in collaboration with Motseng Investment Holdings ('Motseng') and the South African Supplier Diversity Council ('SASDC') have identified the commercial property sector as a suitable platform to support entrepreneurs servicing the property sector.

PROPreneurX – The Property Entrepreneur Accelerator

The PROPreneurX – The Property Entrepreneur Accelerator is a skills development programme conceptualised by Kagiso Trust and its property partners. The aim of PROPreneurX was to upskill property entrepreneurs through an intensive 6-month course, covering a range of topics. PROPreneurX was launched in November 2019. The second cohort was welcomed into the programme in November 2020.

The 2021/22 financial year saw KT taking a new strategic direction with the programme, which was initiated by appointing a new service provider, namely Atharii, to assist the organisation with redeveloping the property strategy. SED assessing the impact of the first and second PROPreneurX intakes and validating the proof of concept for the new property solution.

Highlights

BITOPHUTHI from the first cohort intake was approached by the KT Human Resources in their need to make changes in the office setting and BITOPHUTI managed to secure the contract and deliver to the organisation as tasked.

Despite its size, participation by black individuals and enterprises in the property sector is still insignificant.

INSTITUTIONAL CAPACITY BUILDING

KT is calling on the Civil Society and Development sector to re-mobilise for further advancement of social transformation, given the perilous state of our nation and the multiple challenges it faces.

CIVIL SOCIETY SUPPORT PROGRAMME

Our capacity building programmes unlock the potential of communities, government and non-governmental organisations.

Background

Kagiso Trust recognises the remarkable role that civil society plays, both in opposing apartheid and contributing to development and functioning of a post-1994 democracy.

While the sector is challenged on many fronts, it has the potential to contribute to socio-economic transformation; the strengthening of democracy; and the empowerment of communities to ensure governance accountability. Kagiso Trust is well-placed, given its vast knowledge and experience, to play a strategic role in strengthening the non-profit sector in South Africa. Against this backdrop, the Civil Society Support Programme (CSSP) was conceived.

Kagiso Trust finalised its 5-year strategic plan (2022-2026) in October 2021, and the CSSP strategic plans for the period are structured around seven mutually reinforcing strategic elements:

(i) NPO capacity building

(ii) Leveraging private sector contributions

(iii) Civil Society sector coordination and collaboration

(iv) Civil Society agenda-setting national dialogues

(v) Government-CSO engagement through social compacting

(vi) Knowledge generation through research

(vii) Pan-African collaboration.

Powered by these strategic interventions, CSSP issued a 'Call to Action' in January 2022, calling on the sector to re-mobilise for further advancement of social transformation, given the perilous state of our nation and the multiple challenges it faces. This call was positively received and engaged with by CSOs, and the expressed desire for the convening of a deliberatively national space was widely shared. As a result, a civil society consultative conference will be held during the 2021/22 financial year, the second year of our 5-year strategic plan.

Context

The key contextual issues that impacted on the CSSP's scope of work, during the period under review (2021/22FY), included:

- the socio economic impact of the ongoing COVID-19 pandemic
- the roll out of the State of Disaster protocol
- the July 2021 "riots/ uprising" that revealed the crisis in political leadership and governance
- the implications and recommendations of The Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector, including Organs of State (The Zondo Commission) Reports
- the global economic impact of the Russian invasion of Ukraine since March 2022
- as well as the KZN flood disaster that washed away infrastructure, land, houses, schools, and impacted on livelihoods.

Key Highlights

- **The COVID-19 pandemic** that exacerbated the systemic socio-economic challenges and fault lines such as inequality, poverty, unemployment (under 50% of the working population), gender-based violence and patriarchy, lack of service delivery, corruption, and xenophobia.

Physical attendees of the hybrid Anti-Corruption Dialogue held at the Constitutional Hill, Johannesburg.

- **The July 2021 "riots/ uprising"** was the most prominent example of the crisis in political leadership and governance. The riots exacerbated the already vulnerable and declining economy, unemployment, and poverty. It resulted in the destruction of property and infrastructure, loss of life and the erosion of our constitutional democracy with our security clusters overwhelmed. It exposed the vulnerabilities of South Africans, not only with regard to poverty, but also the security of its citizens.

- **The local government elections** held on 1 November 2021, which led to the ruling party representation dropping below 50% for the first time. Many local governments across the country are struggling to obtain clean audits.[1.]

- **The Zondo Commission** published several volumes of the State of Capture Report, focussing on governance and accountability. Neither the 2022 State of the Nation nor the Budget speech dealt with these recommendations.

- **The impact of the Russian invasion of Ukraine** in March 2022 and the ongoing war has increased fuel, food, and commodity prices in general. These pose a major threat to global political and economic stability and COVID-19 recovery efforts. The recent economic data remains negative, impacting youth unemployment, increasing fuel prices, creating stresses on the global supply chain.

- **KZN flood disaster:** KwaZulu-Natal Province floods washed away infrastructure, land, houses, and livelihoods. Thousands of communities remain in evacuation shelters with an uncertain future. The hardest-hit areas were informal settlements built close to the rivers, below flood lines and rural areas especially on steep hillsides with little or no infrastructure to protect them from the elements. It is estimated that more than 8,000 houses were destroyed by the floods[2.]. While families have been moved to over 206 temporary shelters, more than 6,000 people remain homeless. The death toll rose to over 461, with 23 unidentified bodies. There was extensive damage to community infrastructure, including schools, health facilities. 270,000 learners have been affected and over 600 schools have been damaged. 66 public healthcare facilities were also negatively impacted by the floods. The President of South Africa declared KZN floods as a national state of disaster to maximise national and provincial coordination to respond to the urgent crisis in affected communities. The KZN provincial government made an application to the national disaster management centre to access a total of R17 billion in relief funds for KZN sector departments and municipal damages, which must still be approved.

  Once more, South Africans from all walks of life showed great compassion and humanity in giving generously to the affected communities and families. Kagiso Trust contributed R2m in partnership with KwaZulu-Natal Christian Council of Churches to support communities impacted by the floods.

- **The electricity challenges** related to Eskom's perennial loadshedding continue to cause deeper economic disruptions to many businesses, organisational operations, schools, and households, with little indication that the situation in energy supply will be stabilised soon.

[1.] https://www.iol.co.za/news/politics/auditor-general-report-the-good-the-bad-and-the-ugly-for-municipalities-40037629-b671-42f7-85bb-a531daac2db3; Cape Town - Auditor-General Tsakani Maluleke this week painted a worrying picture of municipalities whose audit outcomes remained poor. In her 2019/20 report, she said 27 municipalities obtained clean audits, 89 unqualified audits, 66 qualified audits, six adverse opinions and 12 disclaimers.

[2.] https://ewn.co.za/2022/06/13/kwazulu-natal-floods-death-toll-rises-to-461

[3.] https://reliefweb.int/report/south-africa/south-africa-kwazulu-natal-floods-emergency-appeal-no-mdrza012-operational-strategy

[4.] https://reliefweb.int/report/south-africa/south-africa-kwazulu-natal-floods-emergency-appeal-no-mdrza012-operational-strategy

[5.] https://ewn.co.za/2022/06/13/kwazulu-natal-floods-death-toll-rises-to-461

CIVIL SOCIETY SUPPORT PROGRAMME (CONTINUED)

CSSP 5-Year Strategic Plan

This report is informed by CSSP approaches towards enabling the emergence of a unifying model/s to be replicated and scaled to enhance Kagiso Trust's impact. As per the CSSP strategic goal we are embedding mobilisation and the strengthening of civil society activism as an anchor and change-agent for deepening social transformation and accountability.

Elements of the advocacy approach

- Action research (evidence gathering)
- Policy position (evidence-based policy brief/proposal)
- Advocacy strategy development and alliance-building (mapping relevant stakeholders)
- Advocacy (engaging stakeholders – communities of interest & policyholders / influencers)
- Building advocacy momentum (review, reflect and re-planning)
- Advocacy closure (impact assessment and reporting)

Progress has been made on the following areas:

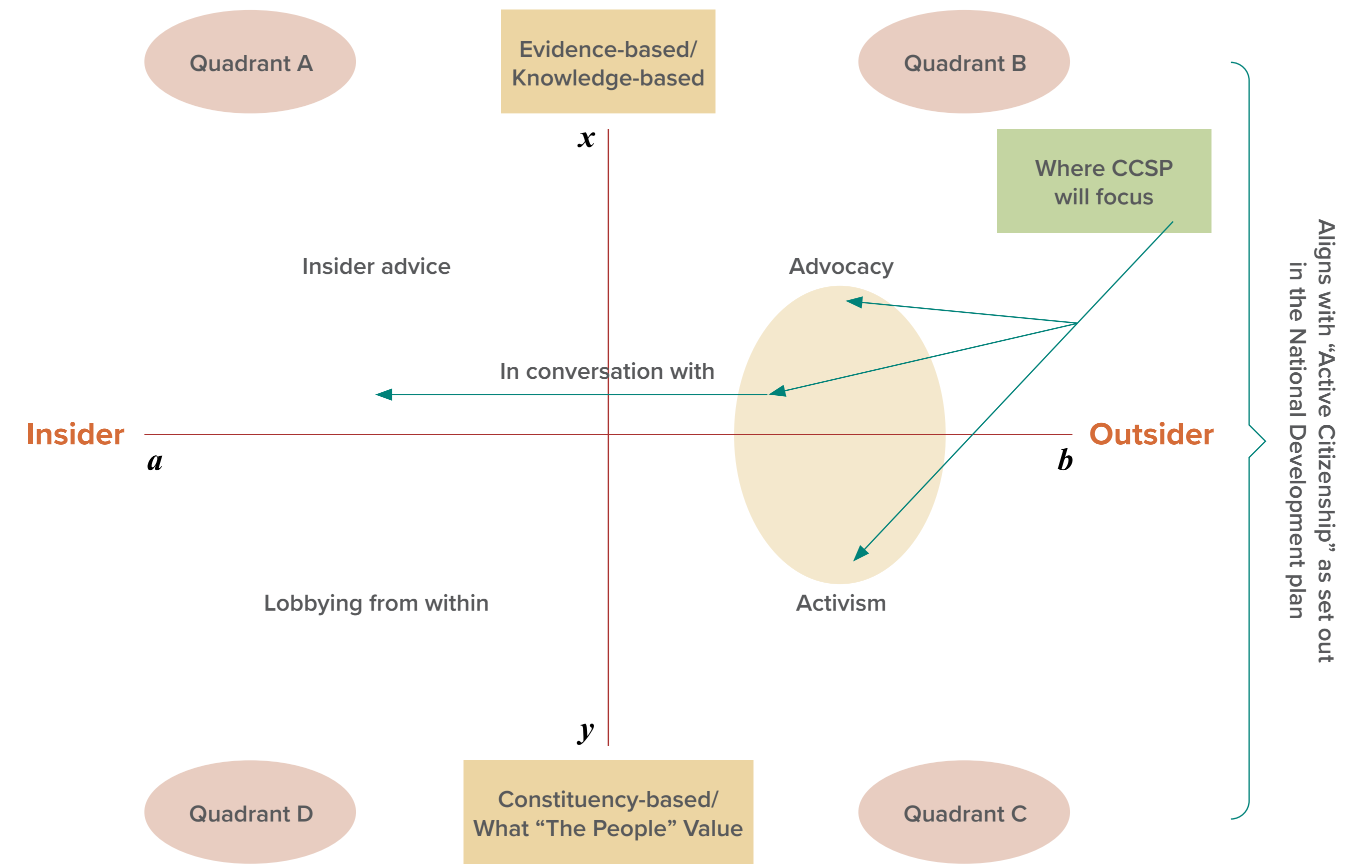
2021/22 Year in Review – highlights

Capacity building for NPOs and leverage Private Sector contributions to CS

- CSSP has commissioned research on the NPO Capacity Building Framework, and this will be finalised during the first quarter of the 2022/23 FY and will lead to the development of an NPO training manual, which is to be piloted in the Makana East-based civil society organisations.
- The Nikela Trust Implementation Strategy session hosted at Kagiso Trust with representatives of NEDLAC Community Constituency, DSD, Department of Small Business, the National School of Government, and the Presidency. This session worked towards the launching of the rounder initiative to support civil society through leveraging private sector contribution. Kagiso Trust has invested R2 million in Nikela Trust, and currently holds the chairpersonship.
- Stakeholder engagement and management: KT engaged and participated in four philanthropy platforms and eight

CSSP Advocacy Approach

Influencing Policy Change and Ensuring Impact:



An adaptation of a model from Start and Hovland, 2004.

From Left to right: Prof Thuli Madonsela former Public Protector of South Africa, Lechesa Tsenoli – Deputy Speaker of the National Assembly Parliament of RSA, Wenzile Msimanga, Boichoko Ditlhake KT CSSP Project Manager, Glen Farred KT CSSP Consultant.

webinars aimed at strengthening CSOs through institutional and financial support. The webinars focused on emerging trends within the philanthropy space, and how the sector is being influenced by, and adapting to the impact of the COVID-19 disruption. They also explored how the NPO sector could be strengthened, and intervention areas supported. These initiatives consolidated the groundwork for CSSP's 5-year strategic implementation plan through the NPO Capacity Building & Training Manual.

Key webinars are highlighted below:

- Participated in NEDLAC's National Skills Conference, exploring how civil society can benefit and support the national skills frameworks via various sector SETAs.

- Methodology Asset Based Community-led Development (ABCD), Skills Development: COGTA Gauteng PlanAct convened an ABCD Workshop in September 2021 in Watville, Benoni in Ekurhuleni. This enabled Kagiso Trust to develop a relationship with CoGTA and PlanAct to test and understand community participatory methodologies. In addition, we participated in an ABCD webinar International Conference to further glean experiences from other countries.

Sector coordination & collaboration within civil society

- Non-Profit Organisations (NPO) Act: DSD (NPO Directorate) is responsible for legislation that facilitates the creation of an optimum environment within which civil society organisations in South Africa could operate and carry out their responsibilities. The Non-Profit Organisations (NPO) Act, (71 of 1997) developed during the Reconstruction and Development Plan, replaced the Fundraising Act 107 of 1978. The Department of Social Development (DSD) proposed amendments to the Act. These were opposed by civil society as they were deemed to be regressive, and counter to the spirit of participatory democracy. A civil society working group was established to coordinate their response to the amendments. Kagiso Trust was represented by CSSP in the working group which has representation from over 180 organisations. A media campaign on the proposed amendments to the NPO Act has been widely shared by the working group, this included an open letter to the Minister of Social Development outlining the discontent of the sector.

- Philanthropy Sector: NASCEE and IPASA Deep Collaboration for Deep Change Dialogue in June 2021 and IPASA Social Justice Philanthropy Funders Seminar, titled Scaling Impact Through Social Justice Philanthropy. Kagiso Trust participated and contributed to both seminars, focussing on ways to access financial resources for the Social Justice sector. Issues dealt with included, holding the state to account with regard to corruption/state capture and learning about the different philanthropy fund resources available to the sector.

- CSSP hosted the Youth Round Table in April 2022 to explore how youth formations can coordinate their efforts on employment and economic participation.

- Kagiso Trust supported flood victims in KZN in partnership with the KZNCC, contributing R2 million in targeted relief to victims and communities.

CIVIL SOCIETY SUPPORT PROGRAMME (CONTINUED)

Agenda-setting dialogues to develop common positions and amplify voice

- CSSP participated in a Gauteng Provincial Government civil society dialogue with Premier David Makhura, titled ‘Defend our Democracy’. The dialogue focused on the provincial government’s understanding of the July 2021 ‘Zuma’ uprising and how civil society can contribute to SA’s development and deal with the threat to our constitutional democracy.

- Catalysing community-led responses: CSSP convened a successful webinar in June 2021 where it shared findings from the Community Resilience Survey. The learnings and insights of community-level resilience and participation in the face of the COVID-19 pandemic were shared with stakeholders.

- An Anti-Corruption Dialogue was convened by CSSP in June 2022 to reflect on the state of corruption, Zondo Commission report, and exploration of what civil society needs to do to address corruption in South Africa. An action plan was agreed upon and will further be presented to the Civil Society Consultative Conference in November 2022.

- CSSP is engaging with Global Philanthropy Foundations (GPF) in order to strengthen KT’s philanthropic engagement at a global level. Areas covered include: the Pan-African Programme on COVID-19 Vaccination equity and Economic Recovery plan. Engagement with the Global Alliance of Foundations (GAF) represents an important opportunity and space for coordination, learning and sharing as well as improving engagement with global institutions such as World Bank/IMF, W.H.O, United Nations as well as regional and continental inter-governmental organisations such as AU CDC.

The Year Ahead

- CSSP INTERVENTION LOGIC: It is recognised that a healthy democracy is the product of many factors, a critical one being a dynamic civil society capable of mobilising people and citizens to contribute positively to social change. SA pre-1994 had strong, highly organised NGO/CBO and civil society sectors. In its initial period, Kagiso Trust played a pivotal role in supporting, fostering, and nurturing the sector. The current CSSP approach is based on reviving this pivotal role, supported by the refined Kagiso Trust Leverage Fund.

- The CSSP plan recognises and builds on the unique history, brand identity, positionality, social and political capital that Kagiso Trust has built over its decades of existence.

- These qualities and attributes will be fostered and maintained via: Trustees as custodians of the organisation, Executive Management as the stewards and leaders and Staff who role-model and implement our values and programmes.

- COVID-19 has exposed the systemic weaknesses we have inherited from our Apartheid past, namely the triple problem of unemployment, poverty, and inequality. These burdens have their roots in our history but have been exacerbated by societal and governance failures since 1994. Corruption within state and private sector, political instability and violence, slow pace of service delivery of basic needs,

Anti-Corruption Dialogue panel discussion on ‘Understanding the root cause of corruption in South Africa and what is to be done?

CSSP Youth Round Table which was a hybrid event held in Sekhukhune (Limpopo) and in Makhanda (Grahamstown) Eastern Cape.

economic contraction, demobilisation of Civil Society and Non-state Actors, etc. have all contributed to the challenges we face as a society today.

- Flowing from CSSP Research (Typology & Community Resilience) a call to action for Civil Society was issued and widely supported by stakeholders in the sector.
- Building on this call to action, the roadmap includes value-adding knowledge products which inform and link to the various dialogue spaces.
- CSSP is undertaking deep studies on Developmental Civil Society, New Paradigms for State-Civil Society Relations and Proposals for a New Developmental Social Compact, Review of NPO Policy and Act. The outcomes of these studies will set the groundwork for the CS Consultative Conference and result in a plan of action.
- CSSP will also continue to facilitate dialogue with government and state institutions, private sector as well form strategic alliances.
- CSSP will accelerate Capacity Development for the NPO sector.
- CSSP will be convening a Civil Society Consultative Conference in November 2022, titled: *#Civil Society Unmuted: Building common ground For an agenda for Social change.* The conference seeks to find a united way forward for civil society through:

  (a) a response to the immediate challenges facing the nation

  (b) better institutionalising civil society and its voice as part of the urgent tasks of strengthening democracy and working more decisively towards eradicating poverty and inequality.

LOCAL GOVERNMENT

KTC has supported the development of municipal leadership to think differently about integrated account management through the various municipal war rooms that have been created.

The year in review

It has been a dynamic and interesting period as Kagiso Trust Consultancy (KTC) continued to tackle the complex issues associated with underperforming local government, the strengthening of civil society and reigniting the relationship between local government and the community.

KTC will take significant lessons from this experience, strengthening our future value proposition to the sector. KTC work can be divided into two work streams:

- Consulting services to government clients.
- Developmental services in partnership with government and community stakeholders.

KTC's consulting work includes providing revenue and data management support to municipalities through contracting with government clients. Consulting work requires KTC to participate in the conventional competitive procurement processes of Government. The government procurement process is unpredictable and unreliable at best. However, this important work has provided KTC with the opportunity to remain current in our understanding of the challenges that local government is faced with.

Despite widespread underperformance, local government remains an important development agent that requires continued support to deliver on its intended community centric mandate. In addition to local government consulting works, KTC's second workstream is developmental in nature and focuses on strengthening local governance and creating an enabling environment for development through radical collaboration between all local stakeholders

2021/2022 Highlights

Revenue and Data Management Contract Work

KTC was contracted by the Gauteng CoGTA in January 2022 to provide revenue and data management services to all six small municipalities in Gauteng. The scope of the work is to rehabilitate large water and electricity consumers and to secure revenue streams that are critical to local government sustainability. The contract is due to end in December 2023, however due to delays caused by COVID-19 the contract period may be extended.

The contract has been running for fifteen months in two of the designated municipalities, Mogale City and Rand West municipality. With the COVID-19 regulations and the associated

CSSP Youth Roundtable at The 1820 Settles Monument in Makhanda.

constraints, digital engagement became necessary. For many of our clients, this was a difficult adjustment to make. Despite these challenges, the project has delivered on all stakeholder expectations, and this is thanks to our dedicated project team and our partners, M22Z and Baker Street Data Analytics.

Achievements

During this phase of the project KTC has reengineered revenue and data management processes and procedures, cleaned targeted customer, and billing data, and built municipal capacity to manage key accounts effectively. In addition to the above, KTC has supported the development of municipal leadership to think differently about integrated account management through the various municipal war rooms that have been created.

KTC's data management tool "KDOS" is a key element of our revenue management solution, providing KTC and our clients with analytics and enriched data integration. KDOS continues to improve as KTC strives to provide municipalities and provinces with a relevant management tool. It is also anticipated that KDOS functionality will be expanded to support other Kagiso Trust Pillars.

Challenges

The key project challenges faced are:

- Inappropriate municipal organisational culture for effective customer service and effective service delivery.
- Disengaged leadership.

Both negatively impact municipal sustainability, and this has been compounded by the weakening economy, growing unemployment and escalating poverty - all affecting the municipality's ability to collect revenue effectively and remain sustainable. Future municipal support initiatives need to address these issues before considering building technical capacity.

Looking forward to the next FY

It will be critical to support the rejuvenation of effective local government. KTC must continue to ensure we remain relevant and impactful.

KT will be hosting Gauteng government green space dialogues to discuss support challenges and to co-create new solutions and approaches that deliver improved sustainable impact for municipalities and communities.

In the 22/23 FY the Gauteng CoGTA project will also expand to include additional Gauteng municipalities. We anticipate a smoother implementation process as lessons learnt in the 21/22 FY will be applied to the new sites. In addition, we will be sharing our learning in Gauteng with other provinces and municipalities to increase our consulting footprint.

KTC's 'Radical Collaboration' Model – Makana Test Site

While implementing revenue management projects in several municipalities, KTC realised that socio-economic development in marginalised communities is a key factor that needs addressing, to create an environment that is conducive to development. One of our biggest challenges is the quality of thinking used to solve local issues. Communities, politicians, CBO and a depleted civil society are generally extremely polarised and egocentric in behaviour – ineffective when trying to solve challenges and seek solutions. This debilitating environment needs to be rectified before development is possible. For this reason, KTC embarked on a Makana test project to promote 'radical collaboration' as an approach to breaking down barriers and mending previously stressed relationships between municipal stakeholders.

Community polarisation and the depleted roll of civil society needs to be rectified to ensure public servants are held accountable and communities are suitably enabled to participate and strengthen local governance. Both enabling local government and strengthening governance structures requires behavioural change – this takes time and

Kagiso Trust Consultancy's 'Radical Collaboration' Model.

A picture moment with the Makhanda Youth at the CSSP Youth Roundtable.

perseverance. People both in the municipality and community need to be empowered to move from ego-centric thinking to eco-centric thinking.

Highlights

The Makana test site has completed its third year and has delivered some significant insights and results, enabling KTC to develop a scalable collaboration model. The 2022 FY focused on deepening local non-government stakeholder collaboration within the Makana Circle of Unity (MCU) and promoting better government community collaboration. To achieve this, KTC has partnered with like-minded organisations.

KTC's strategic relationships, coupled with the growing MCU civic coalition, enables enhanced local ownership, improved ideation, co-creation of solutions, all of which have resulted in more impactful implementation of projects. The Makana Circle of Unity (MCU) continues to gain momentum in addressing local challenges such as education inequality, food security, local economic development and community engagement, to name a few. The food security, health, and communication clusters were very effective in combating the unintended consequences of COVID-19 regulations within marginalised communities.

The positive outcomes of the project have also provided KTC with significant content to share with other interested parties through webinars, thought leadership articles, media interviews and focused stakeholder dialogues.

Achievements

The collaboration model is sufficiently generic for scaling as it focusses on creating an enabling environment for development and does not focus on unique local issues. The MCU has delivered some significant benefit for the local community as stakeholders own local issues and start building meaningful solutions. The following list includes some of the more notable results of radical collaboration and civic coalition:

- MCU is a registered NGO and PBO which enables the MCU to raise funds for investments, projects, and administration.
- A municipal precinct plan for Makana East has been completed and provides the region with a structured enabler and platform for investment and development.
- An Education Economy research project is in the process of completion, providing all stakeholders with a better understanding of the importance and impact of the local education economy and is providing insight into how this economy can be protected and grown.
- Makana is the first SA municipality to become a member of the Open Government Partnership (OGP). This collaborative commitment between civil society and the municipality illustrates positive intent from both parties and the potential willingness to navigate this new collaborative approach in addressing local problems.
- The several MCU clusters remain active, meeting monthly to address local issues.
- KTC has introduced a "Township Robotic Project". 12 Makana East trainers have been trained and 5 employed trainers currently provide 75 Makana East learners with robotic instruction and coding skills weekly.
- Indigent management policies have been reviewed and adopted by council, which will enable better management of the indigent community and improve collaboration between the municipal LED department, local jobseekers and the MCU LED cluster.

- A communication and community engagement policy has been adopted by council to promote more community centred engagement.

- All schools have free WiFi, enabling teaches to access internet services and websites for instruction purposes. This was achieved through collaboration with a local service provider and the MCU.

- Community Kitchens are being supported to provide much need meals to marginalised communities. In addition, ongoing research is being conducted by stakeholders to improve food security in a more sustainable manner.

- Psycho-Social support has been implemented for Makana East youth, providing marginalised communities with much needed access to support in dealing with difficult socio-economic times.

- Several youth dialogues have been hosted to include and empower the youth to participate in all MCU structures and to contribute to development dialogue and planning.

KTC is convinced that 'radical collaboration', if embedded in the DNA of a community and government can enable meaningful solutions for local issues. 'Radical collaboration' has enabled Makana stakeholders to harness local intellect and talent to ideate new creative solutions that benefit the community.

Challenges

Being realistic, not every community leader, politicians, or CBO embraces collaboration. Some stakeholders prefer polarised and chaotic environments as this enables personal and egocentric benefit for individuals. KTC has experienced several incidences of resistance to 'radical collaboration', both within the Makana Municipality and the community. Despite this, there are many adopters, and we believe that as 'radical collaboration' begins to deliver results, more stakeholders will embrace to the approach.

A key concern is a municipality's ability to change its focus from an inward and upward focused organisation to a downward and outward focused organisation that is customer centric. Until this happens the municipality will remain dysfunctional and not community centric.

Looking ahead

The 22/23 FY remains exciting for KTC as we focus on grounding and refining the collaboration model in Makana with strategic partners and look for opportunities to scale the 'radical collaboration' mindset to other communities and municipalities. We intend documenting the Makana process and outcomes to bridge the gap between theory and practice and to share the learning.

Conclusion

KTC realises that sustainable socio-economic development is dependent on radical stakeholder collaboration. The adoption of 'radical collaboration' by municipalities will require a different type of municipal leader, a leader that is innovative and creative, collaborative and who holds municipal staff accountable for service delivery. Without this fundamental leadership mindset, we can expect much of the same, leaving marginalised communities to fend for themselves.

Communities need to build stronger coalitions and collectively hold municipal leaders to account. Protest action and conflict with the municipality has made very little difference to service delivery in South Africa. Communities need to bury the hatchet, join hands and collectively solve local issues for the benefit of all.

Makhanda Youth at the second live location of the hybrid CSSP Youth Round table.

PROGRAMME MANAGEMENT OFFICE

The Programme Management Office provides the organisation with insights, through research, and that enables strategic planning and decision making.

PROGRAMME MANAGEMENT OFFICE

The Programme Management Office provides the organisation with insights, through research, and that enables strategic planning and decision making.

The unit leads and coordinates the development and implementation of research, whilst keeping abreast of emerging developments in areas of interest to KT.

This necessarily involves strategically partnering with universities, research entities and other knowledge producing institutions in line with KT pillars. The results of this research and acquired knowledge are shared with both stakeholders and a broader spectrum of interested parties, thereby helping to cement KT's position as a thought leader in the developmental sector space.

2021/2022 highlights

Research

- A comparative study was compiled on the Department of Basic Education (DBE) and Kagiso Trust schools funding and budget allocations. This study provided an understanding on the value add of Kagiso Trust's contribution to creating access to quality education for learners in rural and township areas.

- An organisational Research Agenda was developed to align with the 2026 Strategic Plan which will contribute to the information that will enhance the implementation of the organisational 2026 Five-Year Strategic Plan.

- The state of Winterveld agricultural land ownership and productivity: a case study. This researched is aimed at establishing the extent to which farming areas where black communities have full ownership of land, are performing.

- Completed a desktop study on the Landscape of Mathematics in South Africa.

- Further research findings were gathered through a partnership with In On Africa's, Voices Unite, on Youth Development, Youth Finance, Media and Technology.

Research and programmes partnerships

PMO coordinated KT's leveraging through partnerships with like-minded organisations to enhance KT's development agenda. Joint activities have been identified for consideration as follows:

- Schools' access to connectivity, in partnership with the Council for Scientific Industrial Research (CSIR) and AdNotes entrepreneur on the TVWS technology.

- Advocacy of a local governance collaboration model to enhance municipality performance and community participation. This is being done in partnership with Impact Catalyst, a subsidiary company of the CSIR.

- The Masters' degree student from the University of Limpopo (UL) whom KT awarded with a scholarship, completed his degree and graduated in May 2022. His research topic was 'Water Irrigation Costs and Farm Outputs: Case of Selected Crops in Limpopo Province.'

- KT supported a master's level student at North-West University (NWU) with a scholarship for her research topic: 'An analysis of barriers and access to local economic development opportunities: The case of Mahikeng Region.'

KT in partnership with UWC to host the Maths Competition.

- A Service Level Agreement (SLA) and Research Proposal was signed off with the University of Limpopo for the implementation of a longitudinal study of the BNSDP district whole school development (DWSD) education model implementation in Sekhukhune.

- A new partnership was established with the Africa Beyond Fourth Industrial Revolution (AB4IR), in order to leverage on their expertise and knowledge on digital technologies and skills, such as robotics, drone piloting, coding, programming and gaming.

Information sharing:

- The second Annual KT Mathematics Symposium in partnership with the University of the Western Cape was convened. This platform is meant to raise awareness of and share lessons for improving schools' mathematics teaching and learning.

- The following factsheets on KT Programmes were compiled, which tracked emerging issues of interest and relevance to our developmental agenda:

    1. "The future of Agriculture in South Africa 2035"

    2. "The quarterly labour force survey Q3"

    3. "School drop-out rates"

Strategy, Policy and Frameworks:

- Compiled a draft digital strategy for the organisation, which includes an implementation plan and budget. This strategy is designed to mainstream technology in order to scale our programme model designs and increase our impact.

- The Knowledge Management Policy Framework was reviewed in order to capture programmes' knowledge and align with the Five-Year (2026) Strategic Plan

- A Partnership Policy was compiled in order to guide mutually beneficial partnerships for programmes that we enter into with external stakeholders.

- An organisational Monitoring and Evaluation, Research and Learning (MERL) Framework was compiled. The MERL Framework will introduce and formalise the monitoring and evaluation of our programmes.

Programme Management:

- Coordinated the development of the financial year (FY) 22/23 Annual Performance Plan.

- Coordinated the collation of quarterly reports and compilation of Consolidated Quarterly presentations for Programmes Committee in line with the FY 21/22 APP

- Compiled Programmes Committee Chair's and CEO's Reports for Board.

Looking ahead

- Institutionalise and operationalise electronic monitoring and evaluation as part of the implementation the KT MERL Framework through design of data collection instruments and computerised dashboard.

- Implement the KT Pan African Strategy through information sharing with counterparts on the African continent.

- Lead and support the implementation of the Digital Strategy across the organisation.

- Convene strategic planning session to compile the FY23/24 APP.

- Complete the first edition of the KT Programme Knowledge Report on the Local Government support programme.

- Oversee the completion and implementation of 4IR projects such as schools' connectivity, schools' access to 4IR technology infrastructure in partnership with various stakeholders.

- Present a desktop study on the Landscape of Mathematics in South Africa to Programmes Committee, share widely and publish the research paper/ article.

- Convene the third and reimagined KT Mathematics Symposium.

- Continue compiling thought leadership articles on sectors related to KT programmes for insight.

- Continue to report on and compile factsheets relating to the impact of COVID-19 and other social and environmental megatrends that impact our developmental agenda and programmes.

- Revamp SharePoint for improved documentation of programmes' information, easier navigation and promote its use within the organisation.

- Approve and source funds for the research proposal on food security and participation of black farmers in partnership with our research partners.

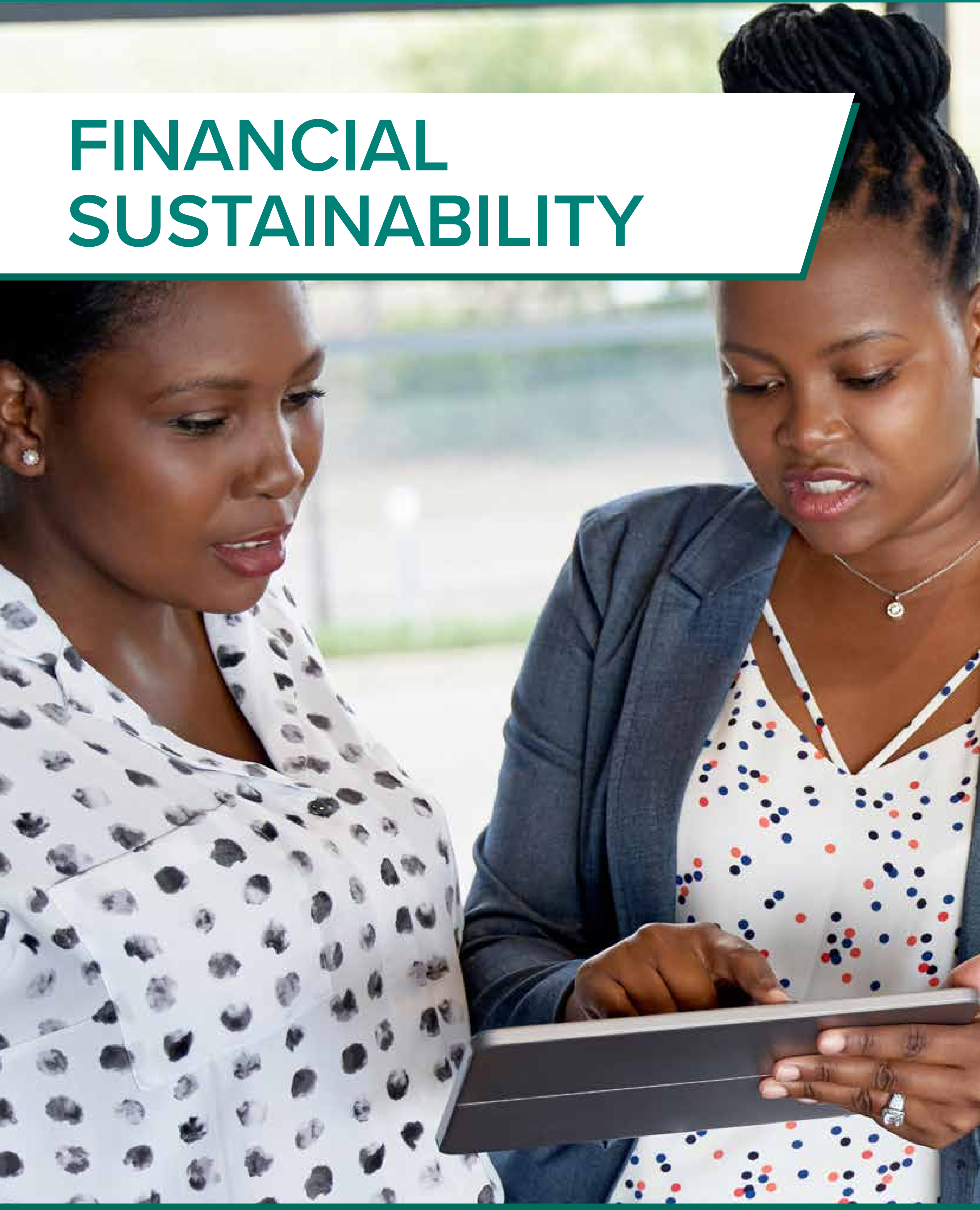
- Implement new research initiatives linked to KT programmes parallel to the following currently running research activities:

    - The State of Sports, Art and Culture activities in South Africa to establish an understanding on the state of learners' access to recreational opportunities and alternative career pathways.

    - Contextual challenges for farming enterprises, the effects on and the socio-economic status of surrounding communities.

    - Continuation and progress on the Longitudinal Study of the BNSDP in Sekhukhune East.

FINANCIAL SUSTAINABILITY



As a self-funding development organisation, financial sustainability is fundamental to Kagiso Trust's operations and future.

KAGISO CAPITAL

Kagiso Capital (Pty) Ltd (KC) is an investment holding company established in 2014 with its primary purpose being to diversify the KCT investment portfolio away from its investments in KTH, MMH Limited, Discovery Limited and FirstRand Limited.

2021/22 highlights

In the year under review, KC was happy to have acquired 100% of the Open Learning Group. The Open Learning Group companies include a South African and a Namibian private education institution, together with a technology business that delivers a learning management system and an academic management system used by various institutions.

Additionally, KC acquired additional Phuthuma Nathi ordinary shares for circa R 74m, this acquisition was made to increase the portfolio's exposure in dividend yielding assets.

KC took the decision to invest in Growthpoint's REIT for Purpose Built Student Accommodation, which is in line with KT's education strategy.

The impact of COVID-19 on the economy was disruptive, however, KC was fortunate to increase its equity value by circa 50%.

KC's long-run strategy remains one of delivering sustainable growth for Kagiso Trust.

KC'S INVESTMENT STRATEGY FOCUSES ON A NUMBER OF PREFERRED SECTORS:

EDUCATION	FINANCIAL	LOGISTICS	HEALTH
The Open Learning Group, which is a natural fit with the work that Kagiso Trust does in the education sector	Currently with MMI Holdings, FirstRand Limited and Discovery Limited	OneLogix Group	Kagiso Capital Health Investments

The Kagiso Capital Team

Note: As at 30 June 2022.

Kgotso Schoeman
Chief Executive Officer

Lebogang Mosiane
Chief Operations Officer

Rose Mahlophe
Personal Assistant

Nthobakae Angel
Non-Executive Chairperson

Frank Chikane (Rev)
Non-Executive Director

Hylton Appelbaum
Non-Executive Director

Andrew Maralack
Non-Executive Director

Mankodi Moitse
Non-Executive Director

Mzomhle Nyenjana
Non-Executive Director

STAKEHOLDER ENGAGEMENT

Kagiso Trust actively looks to engage, in meaningful ways, with it’s stakeholders at all levels.

COMMUNICATIONS AND MARKETING REVIEW

Mandisa Tselane
Communications
& Marketing Head

> We will continue to tell stories and produce thought leadership pieces on our proof points across the pillars to keep us top of mind.

The year 2021/22 has been a rewarding one for the Marketing and Communications Unit following the approval of the five-year business strategy for 2021-26.

The year was characterised by planning, retreats, brainstorming and detailed reviews of the Marketing and Communications strategy to ensure we properly addressed not only strategic partnerships but also engagements.

We spent a substantial amount of time reviewing the Kagiso Trust brand positioning so that we can move into a bolder and more vocal space. A focus was placed on thought leadership via various published pieces, such as the role of education post the pandemic, the infrastructure backlog in education, as well as the gender inequalities in the agriculture sector.

Our bolder approach about vital topics extended to events such as the Anti-Corruption Dialogue, with keynote speaker Thuli Madonsela, as well as the Civil Society Consultative Conference, with 500 delegates attending in person and virtually to develop a National Action Plan to entrench the role NGOs play in building the "South Africa We Want".

The community engagement campaigns included a call for Kagiso Trust's new army of advocates "Remember Me" campaign and our matric results "It takes a Village" campaign, both of which have enjoyed extended legs.

"Remember Me" campaign

The Kagiso Trust Alumni Network was created to encourage current and previous beneficiaries to register and be a part of Kagiso Trust's ongoing journey by acting as change agents in their communities. The call to action was well received, and we have had a substantial spike in registrations. We look forward to activating this vital new army of advocates in 22/23 FY.

"It takes a Village" campaign

The matric results gave us the opportunity to create a beautiful campaign to show that partnerships require all to embrace the model to make it work. If all sides bring their strengths and capabilities to the partnership, success is possible. "It takes a Village" showcased the strength of partnerships in the implementation of sustainable models that have not only seen a marked rise in successful matric results, but also in the building of development excellence that will leave a legacy that will endure. It has been heartening to see the pay offline being used in various articles and initiatives by other stakeholders this year, showing that its relevance has resonated.

Stakeholder engagement

KT stakeholder relations are robust and ongoing, whether they be with civil society, media, academia or like-minded organisations such as NECT, the University of Johannesburg and Rhodes University.

www.kagiso.co.za	Kagiso Trust	Kagiso_Trust	Kagiso Trust	Kagiso Trust
Total Page Views	Page Reach	Impressions	Impressions	Impressions
56 122	20/21 = 164 980	20/21 = 303 216	20/21 = 17 345	20/21 = 755
	21/22 = 892 500	21/22 = 231 273	21/22 = 118 839	21/22 = 10 000

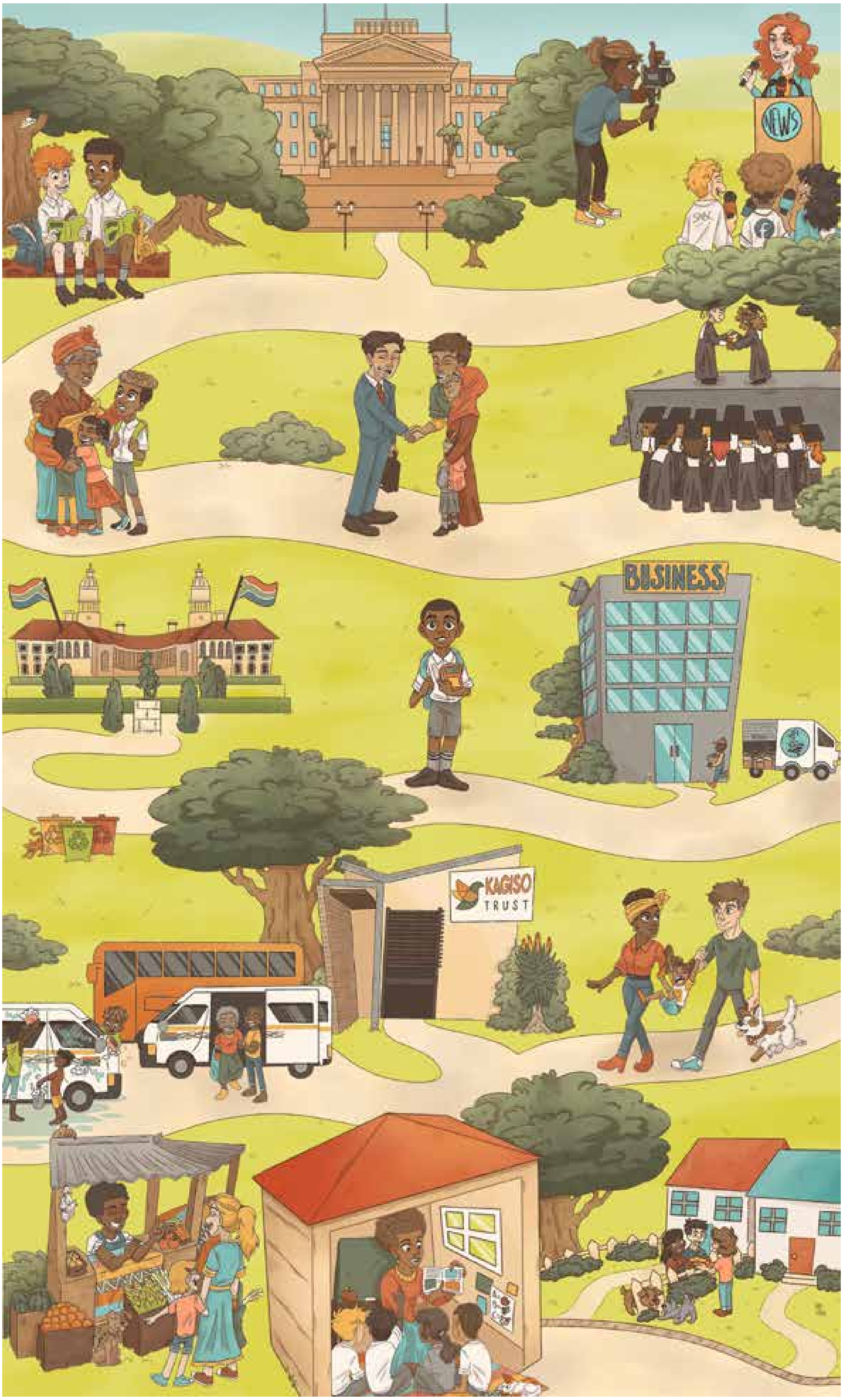


Illustration of the personas depicted in the 'It takes a village campaign' to know more please visit our Instagram account @kagiso_trust.

COMMUNICATIONS AND MARKETING (CONTINUED)

Kagiso Trust continues to work on interventions in Sekhukhune that address teacher development, curriculum support, psycho-social support and leadership, among other factors.

There were also collaborative organised events such as the virtual Annual Technical-Vocational Teachers Conference (ATTC) with the Sasol Foundation. As part of the KASA project, the Kagiso Trust and Sasol Foundation partnership carries out technical vocational education interventions, including the transformation of ordinary schools into technical schools of excellence, and the production of vocational-occupation textbooks for years 1-4 and grades 8-9. We also collaborated on the Career Expo with AB4IR, a Leadership Conference with NECT and UJ, Education conversations webinars with UJ, and the Maths Symposium with the University of Western Cape.

Corporate Communications

Communications to our stakeholders has improved in terms of reach, with our publications reaching more than 5,000 recipients. This is a great improvement compared to last year's total of just over 3,000. This is over and above what is communicated on mainstream media and social media. Communications continue to ensure that Kagiso Trust staff are engaged, understand the business, and continue to be brand advocates (this includes having KT staff represent KT in community radio interviews). Six learning circles were conducted on the newly developed frameworks. These are emphasised in the bi-monthly newsletter, which has shown growth in terms of reach and content clicks.

Media coverage

We continue to exercise our voice via press releases, thought leadership pieces and interviews on radio and at forums such as the Zero Dropout Twitter spaces discussing scholar dropout intervention strategies. Opinion pieces and engaging on platforms where key issues on KT programmes are being discussed. The successful "It takes a Village" campaign also garnered large media coverage. Our earned media value for the financial year 2021/22 totals R9,399,750.00 (1:1) which gives us a PR value of R27-million.

Recognition

Highlights include being awarded a certificate of excellence for public affairs/government relations by the global SABRE EMEA (Europe, Middle East, Africa) awards in 2022.

Way forward

In the 2022/23 financial year we look forward to welcoming interns as part of the KT youth framework for unemployed graduates entering the workspace to gain necessary skills and experience. We also look forward to the development of the Environmental, Social, and Governance (ESG) frameworks to formulate a baseline view of current practices and ambitions, which will lay a solid foundation for embedding ESG principles and procedures throughout the organisation's programmes and operations. This will assist in entrenching a sustainability culture into the KT strategy, objectives and operating model.

We will continue to tell stories and produce thought leadership pieces on our proof points across the pillars to keep us top of mind. We can be more distinctive by being bolder in our words and actions, being consistent in our messaging and constantly building new, refreshing and existing memory points to make us stand out with media and stakeholders.

Thus, we will promote:

- Our legacy work that is self-sustaining
- Our sustainability in being self-funded
- Our long-term partnerships
- Working in rural areas
- Our commitment to overcoming poverty
- Sharing learnings from campaigns and distributing them through various platforms
- Strengthening Kagiso Trust's voice to be bold and be heard on major South African issues and challenges through platforms and conversations
- Behavioural change in the sectors in which KT operates.

We look forward to another impactful year.

TOPICS COVERED BY EDUCATION CONVERSATIONS INCLUDED:

APRIL 2022
Education post the Covid-19 pandemic

MAY 2022
Africa Day – Year of Nutrition

AUGUST 2021
Covid-19 and the catalysing of a 4IR driven culture of learning

OCTOBER 2021
World Teacher's Day – Teacher's at the Heart of Education Recovery

HOW TO JOIN US IN OVERCOMING POVERTY

Kagiso Trust is one of South Africa's leading development agencies working to achieve freedom from poverty.

YOU CAN JOIN US IN OVERCOMING POVERTY BY **CONTRIBUTING IN THE FOLLOWING WAYS:**

ONCE-OFF DONATIONS OR SPONSORSHIPS

PARTNER FOR A SPECIFIC PROGRAMME WITHIN EDUCATION DEVELOPMENT:

- Education
- Socio-Economic Development
- Local Government
- Civil Society Support Programme

We promise transparency, action, delivery and measurable results for our social investment programmes in education, socioeconomic development and institutional capacity building.

Our tried and tested development models have a track record of success.

We utilise our own investment dividends to fund our programmes and, as such, have a vested interest in the outcome.

Value of being a partner:

Greater Impact

Support programmes that transform lives in measurable ways in some of South Africa's most impoverished areas.

Sustainability

Invest in our poverty alleviation focused programmes with tried and tested, replicable and sustainable models from an organisation with over 30 years' experience in development.

Public recognition

Gain visibility as a leader in social responsibility through joint public relations and marketing campaigns.

KAGISO TRUST
Overcoming poverty

For more information on Kagiso Trust partnership and contribution opportunities contact us on 011 566 1900 or info@kagiso.co.za

STAKEHOLDER ENGAGEMENT

Stakeholder engagement plays an integral role in ensuring KT's successful delivery of its initiatives and programmes given that in almost all cases, stakeholder and partner contributions make KTs various initiatives and programmes possible.

Through the KT CEO's office, stakeholders are continually engaged through activities such as meetings, events, KT publications and online platforms.

Stakeholder Description	Engagement Activities In 2021/2022
Government The government stakeholders include primarily, the National Department of Education, Minister of Basic Education, provinces and districts, Department of Agriculture, Department of Small Businesses, South African Local Government Association (SALGA), and Department of Cooperative Governance and Traditional Affairs (COGTA).	Government is engaged through meetings, conferences and workshops, CSI project events and through social media platforms. **Highlights:** • National DEPT of Basic Education and Provincial (Free State & Limpopo) Matric Results announcements • COGTA meetings • SALGA meetings • Education Parliamentary Meetings (Portfolio Committee) • FSDoE & LDoE & National Well Done functions
Beneficiaries Beneficiaries include community members located in areas within which we operate, youth, local and small businesses, teachers and learners from basic and tertiary institutions.	Beneficiaries were engaged through events, media and social media. **Highlights:** • Limpopo Learner Camps • Education Conversations • Leadership Conference • Beyers Naude Memorial Lecture • Learner & Teacher support workshops
Civil Society & Partners Partners include registered non-profit or non-governmental organisations working in the country particularly those who work in the education and enterprise development sector.	The NGO community are engaged through In-Brief magazine, meetings, round tables and events.. **Highlights**: • Civil Society Youth Roundtable • Civil Society Event: Anti-Corruption Dialogue • DSD webinar: Strengthening NPO Board Governance to Promote Compliance on NGO/NPO governance/boards
Media This includes editors, journalists, and online influencers on social media platforms.	• Sekhukhune FM • Mail & Guardian • Sunday World • Capricorn FM • Tubatse FM
Employees This group includes permanent and contract staff of Kagiso Trust.	Our employees are engaged through, internal newsletters, learning circles, staff events and meetings **Highlights**: • Year-end Function

KT Chairperson Mankone Ntsaba with the Coleman Family as they celebrated the life of Dr Coleman during his memorial.

Mankone Ntsaba, (KT Chairperson) with Prof Sizwe Mabizela (Rhodes University Vice Chancellor) at the Makana Stakeholder Dinner.

KT Chairperson Mankone Ntsaba and Sekhukhune East District Director, Dr Papi Makola convening for a partnership framework between KT & LDoE.

MEC of Limpopo Basic Education Polly Boshielo with KT Chairperson Mankone Ntsaba at the Limpopo Matric Announcement.

Stakeholder presentation by Mankodi Moitse (KT CEO) with Polly Boshielo (MEC of Limpopo Basic Education).

KAGISO TRUST
IN THE MEDIA

JULY 2021

Publication: Mail & Guardian
Date: Friday, July 16, 2021
Page: 9

KAGISO TRUST
Overcoming poverty

A TRIBUTE TO OUR GREAT PATRON DR ABE NKOMO

It is with deep sadness and a sense of collective loss that we announce the passing of one of our patrons, Dr Abe Nkomo. Dr Nkomo was a founding member of Kagiso Trust and succeeded the late Dr Beyers Naude as Chairperson of the board until 1994, when he joined the National Assembly.

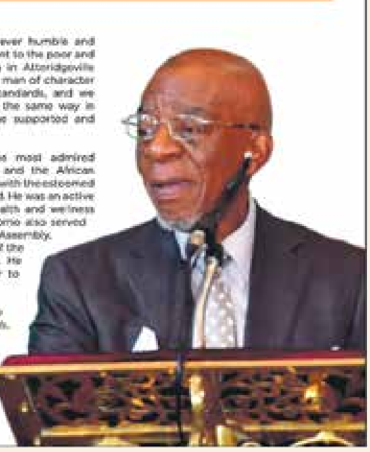
A passionate and tireless champion for social change, Dr Nkomo played an enormous role in deepening democracy. His resilience in fighting the injustices of the apartheid government will forever remain in our hearts and Kagiso Trust's history.

His support was manifold – both intellectual and personal. As we celebrate our 35th year milestone achievements, Dr Nkomo was, in every sense of the word, our patron, devotedly sharing his wisdom and providing a light to guide Kagiso Trust's growth and success.

His belief in building a prosperous, peaceful, equitable and just society saw us through many tough days. Dr Nkomo was larger than life. We remember him as ever humble and always gentle. His commitment to the poor and marginalised saw him living in Atteridgeville until the very end. He was a man of character who lived by high moral standards, and we know that his loss is felt in the same way in many other organisations he supported and worked with.

Dr Nkomo was one of the most admired physicians in South Africa and the African continent, and was honoured with the esteemed Nelson Mandela Health Award. He was an active community leader in the health and wellness field. The honourable Dr Nkomo also served as a Member of the National Assembly, where he was Chairperson of the Health Portfolio Committee. He also served as Ambassador to Malaysia and Canada.

Our heartfelt condolences to the Nkomo family and friends. His generous spirit will be missed.



Publication: Dealmakers, Supplement
Date: Thursday, July 01, 2021
Page: 1

DealMaker OF THE YEAR PAST NOMINEES

In 2008, DealMakers introduced the DealMaker of the Year award, a subjective award made to the person judged by his/her peers and the Independent Selection Panel, to have provided an exemplary and outstanding service. Any person whose work is involved with corporate finance or the provision of services to deal making in South Africa may be nominated. While aware that this award may be controversial, DealMakers concluded that individuals are entitled to be recognised for the services they provide to an expanding and vital element of the South African economy.

The nominations received for this award over the past 13 years speaks to the point made previously in the Feature's introduction. Just three women have been shortlisted over this period.

DealMakers is fortunate to have on its current **Independent Selection Panel**, two successful and inspirational women – Phuthi Mahanyele-Dabengwa co-founder of Sigma Capital, former CEO of Shanduka and current CEO of Naspers SA (who shares her own experiences on page 63) and Funke Ighodaro, former CFO of Tiger Brands and Primedia, and founder of Kagiso Trust Investments.

Basani Maluleke

In 2008, while still at Rand Merchant Bank, Basani Maluleke was nominated. Having studied law at the University of Cape Town, she served her articles at Edward Nathan & Friedland (now ENSafrica) before moving on to RMB. At the time of her nomination, Basani was noted as being "clearly one of the new breed of up-and-coming corporate finance executives". She went on to become the first black female Chief Executive Officer of a commercial bank in South Africa, playing an instrumental role in the reconstitution of African Bank.

Angela Simpson

Webber Wentzel's Angela Simpson (page 61), whose special focus is on the private equity industry, was a finalist for the award in 2010. At the time of her nomination, she was described as "… a go-getter, wastes no time and is constantly aware that the clock imposes its own constraints. She is a good communicator who carries her clients with her."

Lydia Shadrach-Razzino

Lydia Shadrach-Razzino (page 44), who heads up ENSafrica's Private Equity team and co-leads a large team within the Corporate Commercial department, was, in 2020, the third nominee to be shortlisted. The Independent Panel commented that "she is a pragmatic problem solver, with a stellar and rising credibility … a young, rising star to watch as a potential future winner."

Publication: Financial Mail
Date: Thursday, July 22, 2021
Page: 5

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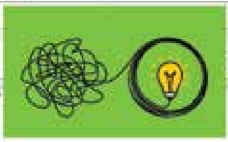


editor's note by Rob Rose

DISBELIEF, ANXIETY RATTLE BUSINESS

Investec CEO Fani Titi says many in the ANC still see business as the enemy. This hostility has to stop, since it is local investors that will have to lead the recovery

Titi says foreign investors will wait, wary of how rapidly SA's stability can evolve

Publication: Saturday Citizen (Gauteng)
Date: Saturday, July 03, 2021
Page: 11

Tapping into SA's pride

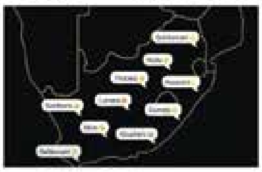
SAVANNA: BRAND BRINGS HUMOUR, 'DECOLONISES' TECHNOLOGY

TOP-CLASS: A Kagiso Trust project for aspirant farmers.

→ South African advertising creativity back on the international stage.

ORCHIDS AND ONIONS

Brendan Seery



Publication: Citizen (Gauteng), Buy in Bulk
Date: Thursday, July 22, 2021
Page: 1

Property for the people

The candidates at the inaugural Property Entrepreneur Accelerator (PROPreneurS) Programme graduation ceremony at the end of June were urged to use what they had learnt and the networks they had established to play their part in creating opportunities in what is a heavily monopolised property sector.

The 94 graduates of PROPreneurS, a socio-economic development programme by Kagiso Trust in partnership with Motseng Investment Holdings and the South African Supplier Diversity Council, were taught business development skills and capabilities in a six-month programme.

Because of the restrictions of the pandemic, the first two cohorts of students, the 2020 and 2021 classes, had a joint, virtual graduation ceremony at the end of June.

They were lauded by Deputy Minister of Public Works Noxolo Kiviet who said the programme "produces more job creators than job seekers, enabling the historically disadvantaged to make strides into areas previously dominated by white males".

"These women and men are catalysts of economic transformation. Your effort, as much as it is in the property sector, contributes to the overall transformation of the economy. We need inclusive economic growth."

The graduates own and run businesses across the property value chain, including architecture, construction, maintenance, water management, cleaning and hygiene, real estate, facilities management, fencing, heating and cooling, electrical and carpentry.

In a property sector worth an estimated R5.8 trillion, SMEs have to work smarter, harder and use the power of collaboration to grow.

Ditpo Phakathi, a graduate from the first cohort, owner of Desio Cabinets which designs, manufactures and installs cupboards mainly for the residential market, said she learnt three important things from the programme: the value of strategy and skills, and, most importantly, collaboration.

Phakathi has now managed to secure contracts with Eskom, her big first corporate client.

Kagiso Trust chief executive Mankodi Moitse called on the graduates "to build organisations that will outgrow them, that will build this country".

– Citizen reporter

AUGUST 2021

WOMEN IN ACADEMIA & EDUCATION

KAGISO TRUST

KAGISO TRUST PUSHES WOMEN TO THE FORE

Other interventions measures

Other interventions to empower women

A legacy of development and women empowerment

Advice to young women

No more pandemic have-nots

KROONSTAD PRIMARY SCHOOL UPGRADE PROJECT CREATES JOB OPPORTUNITIES FOR THE COMMUNITY

PHOTO: Themba Mola, CEO of KST

❑ constructionsafety.co.za

KROONSTAD: According to the Department of Basic Education, the government needs R35 billion to provide optimally functioning schools across the country. The MEC for Education in the Free State, Dr Tate Makgoe, approached KST and the De Beers Trust to partner with the Free State Department of Education to fund the construction of a new school for Phuleng Primary in the community of Maokeng, in Kroonstad, Free State. The new school will be a pilot for the teaching of robotics and coding in the Kroonstad area. This is the Department of Basic Education's commitment to increasing skills development and competencies to prepare learners for the fourth industrial revolution. The curriculum forms part of the department's education priorities and is envisaged to equip learners in all public schools with skills and competencies for a changing world. KST has been committed to implementing the District Whole School Development (DWSD)model and school infrastructure development in the Fezile Dabi and Motheo districts. The construction of the new school has been an opportunity for KST to make use of their infrastructure model that ensures the local community is upskilled and employed during the construction. This process has ensured that the local community and parents of learners take ownership of the new school. Public partnerships in education development are most effective when the beneficiaries of the partnership also participate in the process. "It was important that the community of Maokeng participate in this project from the onset to ensure that it empowers the community to participate and ultimately own and protect the facilities for the benefit of the current land future learners in the community. This project has seen various empowerment opportunities, particularly for the local community. Almost 50% of this project's labour force has been sourced from the local community and empowered through our EPWP work opportunities; local sub-contractors and suppliers were used to carry out essential work during the project, and on-site training was provided for students of the built environment," said Themba Mola, CEO of KST. The project is also an opportunity to test KST's infrastructure model on a large scale and speaks to KST's Theory of Change that if a school has adequate infrastructure, and is well resourced, it creates an environment conducive for effective teaching and learning. "This upgrading of our school benefits our learners and the community of Maokeng greatly. The addition of the computer laboratory means we are able to enhance our teaching of STEM school subjects. The new school will continue to benefit the community for years to come," said Mr Motloung, Principal of Phuleng Primary School. The previous Phuleng school structure was old and not in a condition conducive for effective teaching and learning. The new school will cater for Grade R to 7, it has 28 classrooms, a computer and science laboratory, a multimedia centre, an administration block, a hall, a nutrition centre, two toilet blocks, and space for sport and netball fields. The school's capacity can now accommodate 900 learners. The school will have a security system to protect the school from incidents of theft and vandalism.

New school hall handed over

Grade 12 learners at Vulamasango Secondary School in Bloemfontein will write their final examinations in a new, state-of-the-art hall built by the Free State Department of Education in partnership with the Kagiso Trust.

The new school hall was officially handed over to the school on 23 October in Bloemfontein by the MEC for Education, Tate Makgoe and Kagiso Trust Chairperson, Mankone Ntsaba.

The hall was handed over to the school as a co-funding partnership between the Free State Department of Education and Kagiso Trust.

Through the partnership, both institutions (the Kagiso Trust and Free State Department of Education) aim to build 10 halls in the Free State Province for identified Secondary Schools. Six of the school halls have already been handed over, while construction of the last three school halls will commence in January 2022.

The partnership aims to provide essential facilities and deal with the infrastructure backlogs which were brought about by the disparities before the dawn of democracy. These halls are not tied to results or performance but to address infrastructure backlog at Secondary schools that don't have school halls.

The Free State Department of Education said that together with their partners, they are committed to providing infrastructure facilities in township schools, creating a conducive learning and teaching environment, and also providing learners and teacher support programmes to improve schools' performance.

The hall, which has a capacity for 1100 people, will be used for school activities, community events and development programmes.

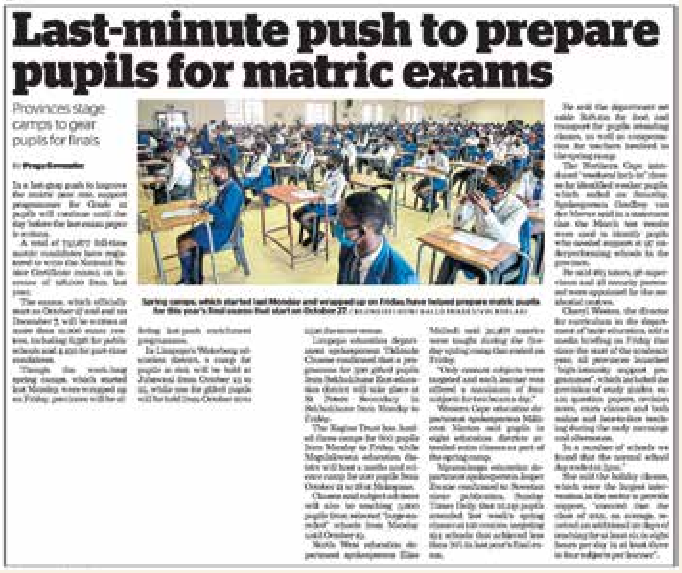
Left photo: Education MEC Tate Makgoe unveiling Vulamasango School Hall.

Right photo: The new Vulamasango School Hall.

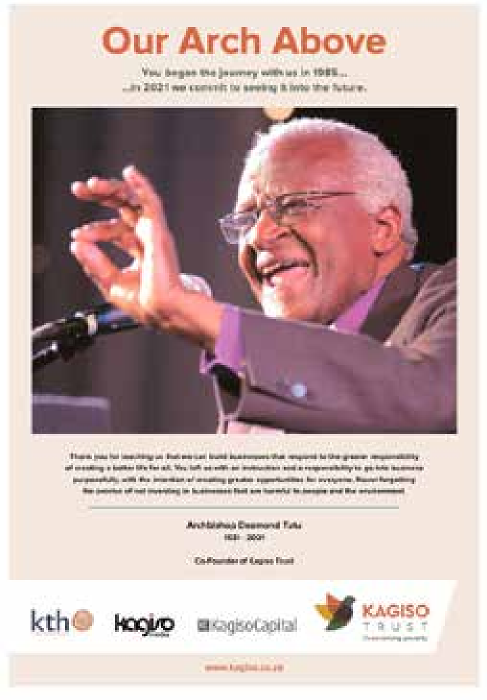
By Teboho Masakala

KAGISO TRUST IN THE MEDIA (CONTINUED)

OCTOBER, NOVEMBER 2021



JANUARY 2022



Our Arch Above

You began the journey with us in 1985...
...in 2021 we commit to seeing it into the future.

Thank you for teaching us that we can build businesses that respond to the greater responsibility of creating a better life for all. You left us with an instruction and a responsibility to go into business purposefully, with the intention of creating greater opportunities for everyone. Never forgetting the proviso of not investing in businesses that are harmful to people and the environment.

Archbishop Desmond Tutu
1931 - 2021
Co-Founder of Kagiso Trust

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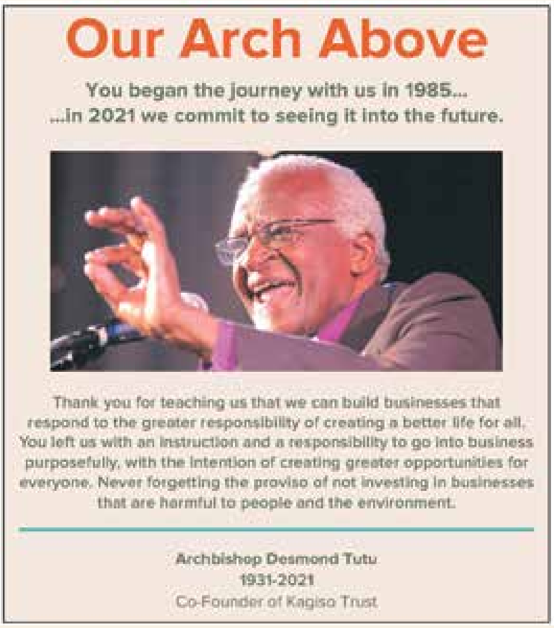
www.kagiso.co.za

SPONSORED CONTENT

Living Tutu's legacy

It is up to us to confront socioeconomic problems and end systems that perpetuate poverty, says Kagiso Trust chair



Our Arch Above

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Archbishop Desmond Tutu
1931-2021
Co-Founder of Kagiso Trust

His compassion was born of his very strong sense of justice and courage

It takes a village to educate a child

The African proverb "it takes a village to raise a child" speaks to the very core of what we as a people must embrace to create a community in which we are all involved in the education of our children. Just as it takes a village to raise a child, so, too, does it take a village to educate our children.

Mankodi Moitse
CEO, Kagiso Trust

As the recent matric results show, education is a societal issue and is the responsibility of us all. From the learner to the teacher, from the school bus driver to the groundsman, from academics to activists. We – all of us – must ask, realise and embrace how each of us contributes to give our children the best chance to break the vicious cycle of poverty so many are trapped in.

As a writer in the *Daily Maverick* said in 2020: "All South Africans should be mobilised to co-own the education system — it cannot continue to be the responsibility of officials in the school system, unions representing educators, and parents with learners in schools alone."

"At Kagiso Trust, our Beyers Naude School Development Programme (BNSDP) has shown how open partnerships between trusts and government that involve all stakeholders produce a positive result," said Kagiso Trust CEO Mankodi Moitse. "Our relationship with the Free State Department of Education has seen the province top the matric results table in the last few years, a feat it once again attained for the 2021 school year, achieving a pass rate of 87.5 %, an improvement of 0.6% on 2020. Motheo (87.9%) and Fezile Dabi (87.5%) placed second and third in the list of top-performing districts in the country for the third year in a row."

The Free State MEC of Education, his officials and parents are fully committed to the programme, which ensures its success and sustainability. Financial investment bolstered by the buy-in of communities to place education at the soul of their "education villages". Parents are part of the governance of schools. Community businesses build and service the schools. The Free State Department of Education has bought into the District Whole School Development model. Each part begets the other. Communication amongst parties involved in decision-making processes, using lessons learned from others, knowing what is working and what is not will create a great education system for all. Looking for a top-down solution ignores the power of a bottom-up community approach.

"While the overall matric rate improved to 76.4% it is heartening, seeing that 61.8% of bachelor passes came from South Africa's poorest schools – the quintile 1-3 schools – it's laudable. This was a remarkable achievement especially after two years of the pandemic, which has disrupted education to such an incredible degree," said Moitse.

"We are currently advocating the BNSDP model to every underperforming schools and district in the country. We are also working to replicate the Free State success in the Sekhukhune East District where we have partnered with the Limpopo of Education. We work in nine of the 16 circuits of Sekhukhune East District, which are clustered into Magakala and Bohlabela, and include the villages of Moroke, Alok, Phasha-Selatole, Selala, Driekop, Sookodibeng, Mandagsoek, Tubatse, Riba cross, Praktiseer, Bogwasha, Penge, Alverton, Kgautswane, Taung, Mashamthane, Sekopung and others. The pandemic and high unemployment has had a devastating effect on the area." However, we are encouraged to note a marginal improvement of 2.5% from last year's results of 56.1%.

Although some schools improved, we have identified a number of challenging issues in the district.

The Free State faced a similar situation in 2013 and it required teacher skills training, Leadership development and empowerment workshops, thus creating an effective working environment.

Education is a societal issue, and its problems cannot be a blame game nor an abdication of responsibility. It is down to each one of us to play our part. Identify your role in the education of our children. Join the dots between the different role-players and how each complements and enhances the other. Understand that many play a role and, yet don't know the importance of that role.

We are all teachers. We are all carers. How we live, what we do, how we enable the structure of the network, the knowing that knowledge and education can change a generation and shape a country.

Ask yourself this question. Education is a village.
Who are you in our village? #OvercomingPoverty

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KAGISO TRUST
Overcoming poverty

KAGISO TRUST IN THE MEDIA (CONTINUED)

FEBRUARY 2022

Top leaders pay tribute to struggle hero Max Coleman

TALI FEINBERG

Minister of public enterprises, Pravin Gordhan, pays tribute to the late Max Coleman at the memorial ceremony

President Cyril Ramaphosa, top politicians, and civil society leaders joined the Coleman family on Wednesday at a memorial to honour the life and legacy of the late Dr Max Coleman.

Coleman, who died at 95 on 16 January this year, was an anti-apartheid activist, human rights commissioner, and businessman who made an immeasurable contribution to South Africa. He was most well-known for his leadership and contribution to the Detainees' Parents Support Committee (DPSC), which he and his wife, Audrey joined when one of their four sons, Keith, was detained by the notorious security police of the 1980s. The couple devoted their hearts and souls to the needs of detainees, working tirelessly behind the scenes to provide everything from food packages to legal assistance. In September 1988, Coleman was elected chairperson of the newly established Human Rights Committee.

It was two months before his passing that he and Audrey were formally honoured by the country by being awarded the Order of Luthuli Silver Award by Ramaphosa in recognition of their contribution to the fight for liberation and promotion of human rights.

Now, weeks after his passing, Ramaphosa took time on the day before his State of the Nation Address to deliver remarks at Coleman's memorial ceremony, which was hosted by the Kagiso Trust and the Coleman family. Coleman founded the Kagiso Trust in 1985 along with other civil society leaders to overcome poverty through sustainable development programmes.

Neil Coleman said the family didn't want his father to be "lionised or hero-worshipped" and they saw his contribution as part of larger movement of people in "the darkest years of repression". He said his family's experience of detention was "like a parking ticket" compared to what other detainees and their families went through. He also noted that this year is the 40th anniversary of trade unionist Neil Aggett's death, and his murder in detention was one of the toughest moments for the Colemans.

Coleman said his father never stopped championing human rights, justice, and the voices of the voiceless. "Max wasn't interested in politics or factions. He was interested only in what the movement was doing to improve people's lives. He hated corruption and dishonesty. To honour Max and others, we need to develop a new generation of 'servant leaders', to serve society and not benefit themselves.

"He also hated injustice, inequality, and poverty, which he saw as forms of violence," Coleman said. "He showed us what it meant to live a principled life. He was a humble doer of deeds and respected people from all walks of life and engaged with their lived realities. His greatest hero was Audrey – she was a relentless dynamo who the security police dreaded. They say that the only thing necessary for evil to triumph is for good people to do nothing. Well, our dad did something."

Minister Pravin Gordhan, a close friend of Coleman, said, "Aunty Audrey and Uncle Max had a massive and indelible impact on thousands of South Africans. I remember clearly the meetings in your house where activists discussed resistance and struggle. Above all, I felt your presence in my police cells in each of my detentions, especially after the passing of Neil Aggett. We could see the impact of the work that you initiated. Those were dark and fearsome days, and were characterised by your courage and respect for others and their well-being."

He said the Colemans could have decided to "enjoy the fruits of being whites in apartheid", but instead devoted themselves to the betterment of South Africa for all. "Some would call him a man for all seasons," Gordhan

Continued on page 7>>

Top leaders pay tribute to struggle hero Max Coleman

>> Continued from page 2

said, describing the many realms in which Coleman quietly made an impact.

"It's hard for the post-1990s generation to imagine the courage it took to stand up to the security police," Gordhan said, noting that Coleman was "an organiser and a mobiliser who engaged in a struggle for a wider set of causes and organised around them until his last days." The younger generation, "who think using their thumbs to type on Twitter is enough to make a difference", could learn from the Colemans. "It's going to take much more than that to get South Africa right."

"What would the Max of the 1980s say to us today?" asked Gordhan rhetorically. "He would plead with us not to give up on the democratic dream. He would say our social contract is broken, but it's our responsibility to build a new social contract that works for the majority. He would say it's time for a new solidarity with the poor and the marginalised. He would want the spirit and boldness of the DPSC to find itself in our society and activism. He would say that the Freedom Charter and the Constitution are the lodestars that we need to follow as a nation. The most important question, which he answered in his life, was 'whom do I serve?' He served society as a whole, and the global good."

Reverend Frank Chikane addressed Coleman as "the father of detainees" and Audrey as "Mama Audrey ... because you are like a mother to all of us". The apartheid system, Chikane said, "radicalised our father and mother ... detaining children radicalised them and catapulted them to the front line of the struggle".

Addressing the place of "white comrades", he said their role was critical. "The apartheid system didn't know what to do with them. We took cover behind them at times. But the security police treated them as traitors and tortured them worst of all." He said their solidarity was invaluable.

A number of Coleman's grandchildren paid tribute to him through music. Keith's youngest son, Sam Coleman, performed his piano composition, *Elegy for Max Coleman*, while a guitar improvisation based on *What a Wonderful World* was performed by Neil's eldest son, Ruben Coleman. An opera performance was given by Denise Coleman, the eldest daughter of Colin Coleman.

Commenting on the livestream of the event, former Finance Minister Trevor Manuel wrote, "May I join with the many to extend sincerest appreciation and condolences to Audrey and the family. The life lessons from Max will live on in the best of us."

FS learners honoured for maths, science

Sazly Hartzenberg
sazly@mahareng.co.za

The winners of the Free State Maths and Science Competition were announced by the Eskom Development Foundation, in partnership with the Free State Education Department and the Kagiso Trust.

The aim of this annual competition is to increase motivation and interest in mathematics, and to provide schools and parents with information on these subjects.

Four students from the Free State were top achievers in the 2021 competition.

The Overall Competition winner and overall Grade 11 winner was Tsholofelo Kobuoe from Welkom High. Tsholofelo began studying extracurricular maths and participating in maths competitions in Grade 8. Problems involving functional equations are her favourite to solve. She recently obtained a triple prestige blazer in Grade 11 (2021) and she was placed first in the country for Life Science in the National Science Olympiad.

The overall Grade 10 winner was Andrea van der Westhuizen from Jim Fouché High School in Bloemfontein. Andrea is currently ranked under the top 10 in her grade academically and she was one of the top 10 participants in the South African Mathematics Olympiads from 2017 to 2020.

The Grade 9 winner was Kenneth Moalusi from Meloding High School in Virginia, while the Grade 8 winner was Sage Coertzen from Sand du Plessis High School in Bloemfontein.

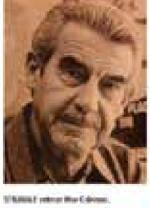
PANEL DISCUSSION

Compliance by non-profit organisations comes under the spotlight

Dropout rate and unemployment are inextricably linked, say education organisations

TRIBUTE

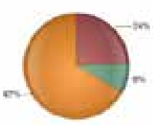
'Coleman was a true comrade'



Total combined monitoring units for Kagiso Trust

1 Jul - 9 May 2022

Print	48	24%
Broadcast	18	9%
Online	132	67%
	198	



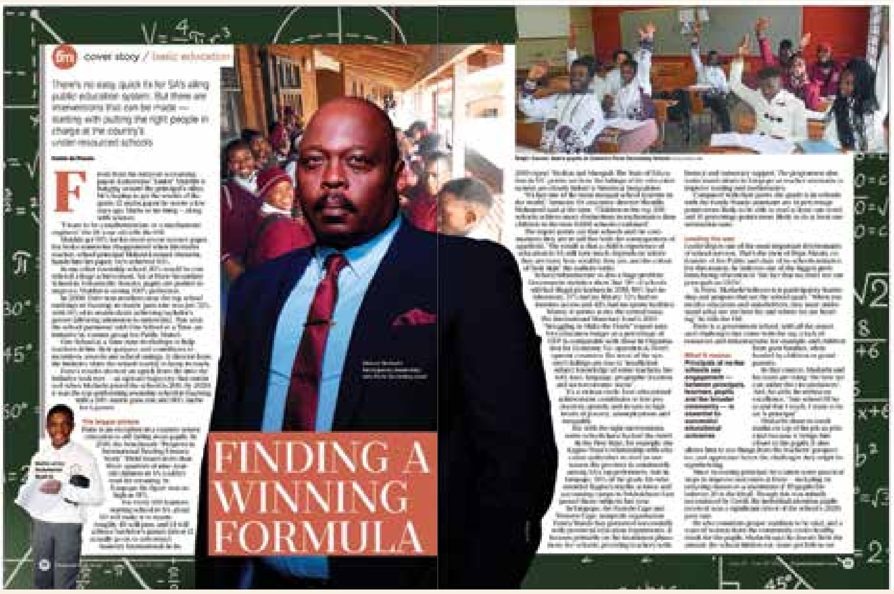
MARCH 2022

APRIL 2022

KAGISO TRUST IN THE MEDIA (CONTINUED)

MAY 2022

JUNE 2022



Education draft bill causes a stir

By **Phumla Mkize**
phumla@sundayworld.co.za

With just a few days left for the public to comment on the contentious Basic Education Law Amendment (Bela) Bill, civil society organisations have slated the portfolio committee on basic education for retaining some of the most problematic clauses, despite fierce public opposition.

Speaking at the People's Assembly's civic education forum this week to assist the public to understand the contents of the bill and the process of making submissions, Equal Education Law Centre's (EELC's) candidate attorney Ebrahiem Daniels said the portfolio committee retained a strong stance on the problematic clauses in all versions of the bill, despite substantial submissions made by civil society organisations.

The EELC and its sister organisation, Equal Education – which have praised the bill's language policies, saying it guards against language being used in exclusionary ways – are focusing on sections that deal with documents required, corporal punishment, alcohol on school premises, compulsory school attendance, language policies and suspension and expulsion in their submission.

Civil society organisations, which include the Kagiso Trust and others dealing with interests of children, have also called for the deadline, which is on Wednesday (June 15) to be extended to allow them more time to consolidate submissions.

Senior attorney at EELC Anjuli Maistry also highlighted that the bill does not align with other legislation, case law, policies and incoming amendments relating to documents that accompany a child's application for schooling.

"The law is clear that documents are not required in order [for children] to attend school," she said.

She explained that the proposed amendments create four categories of pupils, South African; permanent resident or temporary resident; asylum seeker or refugee; and children in alternative care – with each category requiring a specific set of documents, some of which have nothing to do with school administration and are in violation of the Protection of Personal Information Act.

ACKNOWLEDGEMENT OF PARTNERS

Everything we do relies on partnerships and therefore we owe it to our partners that we operate to the highest possible standards and ethics.

PARTNERS AND SPONSORS

The following partners and sponsors have contributed to the impact Kagiso Trust is making across the country.

List of Partners and Sponsors

- Co-operative Governance Traditional Affairs
- Cyril Ramaphosa Foundation
- Department of Education: Free State
- Department of Education: Limpopo
- First Rand
- Gauteng Provincial Government
- Kagiso Capital
- KTH
- Makana Circle of Unity
- Makana Municipality
- Motseng
- The South African Supplier Diversity Council
- University of Johannesburg
- University of Zululand
- Tiger Brands
- ABSA
- FNB
- Grain SA
- SPAR Goup
- Igrodeals
- Dipuno fund (under Tiger Brands)
- AFGRI
- Potato South Africa
- Unigro financial services
- Sasol Foundation
- Eskom Foundation
- LDoBE
- Answer series
- Prime Stars
- Eutalsat
- Nikela Trust
- KwaZulu Natal Christian Council
- Department of Social Development
- GAF (Global Alliance of Foundations)
- University of Limpopo
- Council for Scientific and Innovation Research
- Africa Beyond 4IR
- University of the Western Cape

cooperative governance & traditional affairs
Department: Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA

education
Department of Education
FREE STATE PROVINCE

LIMPOPO PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF EDUCATION

GAUTENG PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

social development
Department: Social Development
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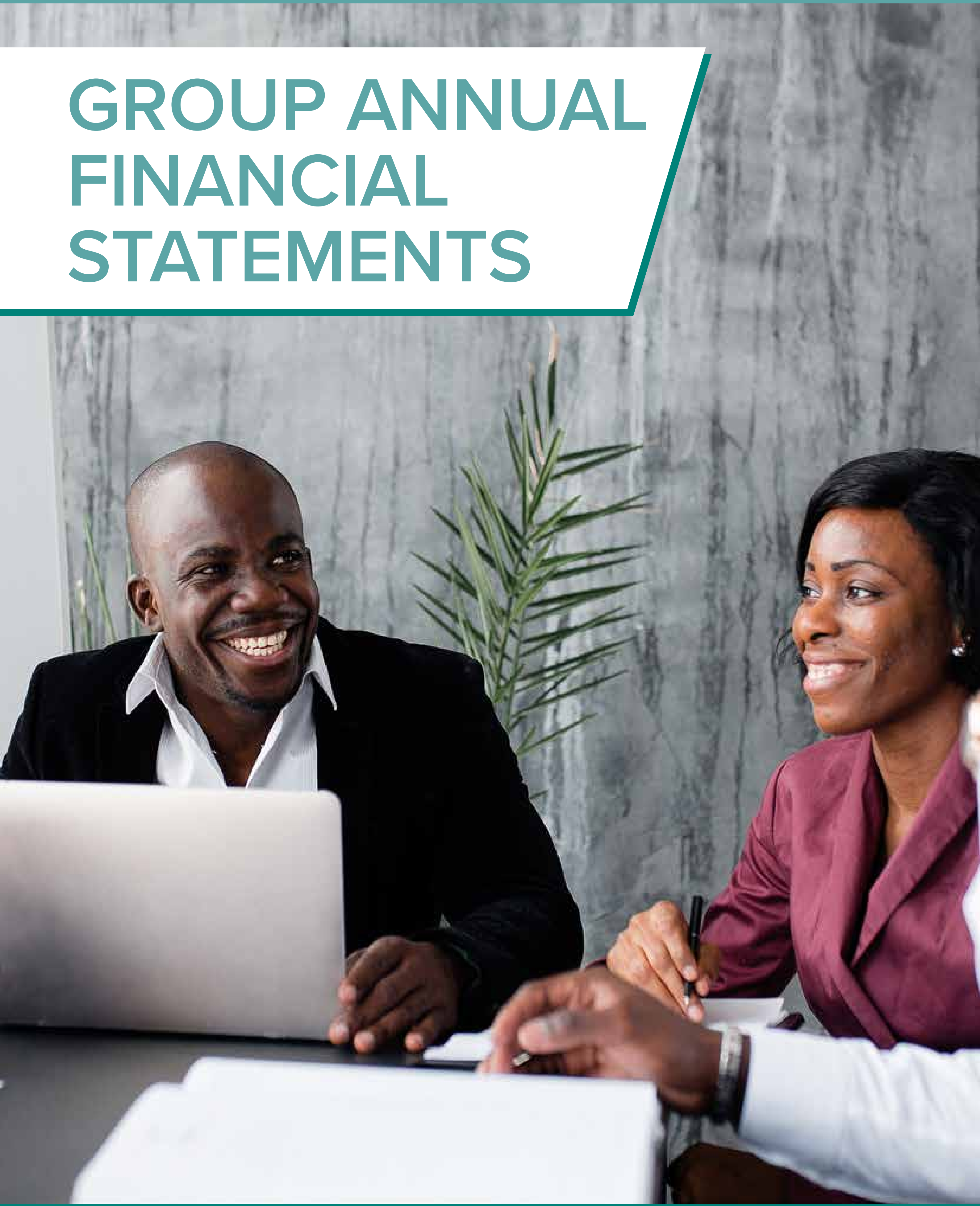
GROUP ANNUAL FINANCIAL STATEMENTS



KT aims towards the highest possible standards in its in financial management, risk management, compliance and sustainability.

GROUP ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2022
for Kagiso Charitable Trust and its Subsidiaries
(Registration number IT374/87)
Issued 15 November 2022

Trust Information

Country of incorporation and domicile	South Africa
Registered office	27 Scott Street Waverley Johannesburg 2090
Postal address	PO Box 1878 Johannesburg South Africa 2000
Bankers	First National Corporate Bank Rand Merchant Bank
Auditor	PricewaterhouseCoopers Inc. Johannesburg
Trust registration number	IT374/87
Trustees	Rev Dr Frank Chikane Dean Z Nevhutalu Mr HI Appelbaum Ms T Dooms Ms N Angel Mr T Ratsomo Ms M Ntsaba ("Chairperson") Mr G Aboobaker Mr A Maralack
Attorneys	Weber Wentzel Edward Nathan Sonnenbergs Cliffe Dekker Hofmeyr

Index

The reports and statements set out below comprise the group annual financial statements presented to the shareholder:

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The group annual financial statements are prepared in accordance with International Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the group's cash flow forecast for the year to 30 June 2023 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group annual financial statements. The group annual financial statements have been examined by the group's external auditor and their report is presented on pages 109 to 111.

The group annual financial statements set out on pages 112 to 166, which have been prepared on the going concern basis, were approved by the board of trustees on 15 December 2022 and were signed on their behalf by:

Approval of financial statements

Ms M Ntsaba ("Chairperson")

Mr A Maralack

Trustees' Report

The trustees have pleasure in submitting their report on the group annual financial statements of Kagiso Charitable Trust and its Subsidiaries for the year ended 30 June 2022.

1. Principal activities of the Trust

The principal activity of the trust (controlling entity) is to fund and implement community development programmes in the Republic of South Africa. Cash is derived mainly from donations, dividends from investments, interest and partnership funding. The group annual financial statements of the trust and its subsidiaries also incorporate the equity accounted income of associate companies.

The group has interests in the tertiary educational sector (engaged in providing end to end education and training solutions in its widest form.)

The group is also engaged in providing education and training services and products and is registered with the Department of Higher Education and Training as a Private Higher Education Institution. It also develops systems which enable operational efficiencies at educational institutions and provides a pivotal service in the management of student information and administration.

2. Basis of preparation

The group annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these group annual financial statements.

3. Trustees

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

Trustees

- Rev Dr Frank Chikane
- Dean Z Nevhutalu
- Mr HI Appelbaum
- Ms T Dooms
- Ms N Angel
- Mr T Ratsomo
- Ms M Ntsaba (" Chairperson")
- Mr G Aboobaker
- Mr A Maralack

Patrons

- Fr S Mkhatshwa
- Ms Z Mbeki
- Ms B Njobe
- Mr M Tisani

Management committee

- Mrs Mankodi Moitse - Chief Executive Officer
- Mr Themba Mola - Chief Operating Officer
- Mr Mzomhle Nyenjana - Chief Financial Officer

Trustees' Report (continued)

4. Going concern

The trustees and the directors believe that the trust and the group have adequate financial resources to continue in operation for the foreseeable future and accordingly the group annual financial statements have been prepared on a going concern basis. The trustees and the directors have satisfied themselves that the trust and the group are in a sound financial position and that they have access to sufficient borrowing facilities to meet their foreseeable cash requirements. The trustees and the directors are not aware of any new material changes that may adversely impact the trust and the group. The trustees and the directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust and the group.

5. COVID-19 Consideration

The group's investment portfolio has been defensive across the healthcare, education, logistics and technology sectors. Whilst we anticipate a serious contraction in GDP, we are quite comfortable that the portfolio assets would not require follow-on capital calls, and are solvent and liquid.

Our debt facility being a PIK (Pay-in-kind) instrument, is only repayable when FirstRand, MMH and Discovery Limited distribute ordinary dividends. This non-mandatory debt service arrangement ameliorates any liquidity risk and being in default of the debt facility arrangement.

Overall the business remains solvent and liquid, whilst adopting a prudent capital allocation strategy in defensive assets.

The Trustees together with the Executive Committee have further reviewed the programme elements, activities and implementation plans to include blended approach, piloting of new initiatives, phasing in of service providers, and conducting survey needs and resources.

Given the current state of the local economic environment, the Trustees and Executive Committee believe that it would be more appropriate for the trust to conserve cash and maintain adequate debt headroom to ensure that the Trust is best place to with stand any prolonged adverse economic conditions and lack of funding.

6. Events after the reporting period

Subsequent to year end, the trust concluded the sale of the First Rand Empowerment Trust. The trust disposed of 25% shares in each underlying investment in exchange for cash on the 9th of November 2022. The cash was reinvested in Balance funds such as Coronation and Camissa accordingly.

7. Auditors

PricewaterhouseCoopers Inc. will continue in office as auditors for the trust and its subsidiaries.

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Independent Auditor's Report

To the Trustees of Kagiso Charitable Trust

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Kagiso Charitable Trust (the Trust) and its subsidiaries (together the Group) as at 30 June 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Kagiso Charitable Trust's consolidated and separate financial statements set out on pages 112 to 166 comprise:

- the consolidated and separate statements of financial position as at 30 June 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements 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 consolidated and separate 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 Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

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Independent Auditor's Report (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Kagiso Charitable Trust and its subsidiaries Group Annual Financial Statements for the year ended 30 June 2022", which includes the Trustees' Report. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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.

Responsibilities of the trustees for the consolidated and separate financial statements

The trustees are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the trustees are responsible for assessing the Group and 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 Group and/or the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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.

Independent Auditor's Report (continued)

pwc

- 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and / or Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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: SN Madikane
Registered Auditor
Johannesburg, South Africa
15 December 2022

Statement of Financial Position as at 30 June 2022

		Group		Trust	
		2022	2021	2022	2021
	Note(s)	R '000	R '000	R '000	R '000
Assets					
Non-Current Assets					
Property, plant and equipment	12	31,361	30,533	29,867	29,699
Goodwill and intangible assets	13	28,709	-	-	-
Investment in associates	6	2,592,400	2,652,014	1,741,847	1,715,332
Amount due from related parties *	37	6,457	1,372	40,113	40,208
Loans receivables	10	3,719	5,551	-	-
Investment held in subsidiaries	8	-	-	327,110	185,245
Financial assets at fair value through other comprehensive income	7	5,875,441	5,173,168	5,355,966	4,763,586
Financial assets at fair value through profit & loss	9	848,358	418,870	-	-
		9,386,445	**8,281,508**	**7,494,903**	**6,734,070**
Current Assets					
Inventories	15	170	-	-	-
Loans receivables	10	6,354	19,379	-	-
Trade and other receivables	14	8,827	1,521	331	104
Current tax receivable	36	191	221	-	-
Financial assets at fair value through profit & loss	9	133,741	138,829	133,741	138,829
Cash and cash equivalents	16	206,994	136,207	134,651	95,558
		356,277	**296,157**	**268,723**	**234,491**
Non-current assets held for sale	11	92,686	-	-	-
Total Assets		**9,835,408**	**8,577,665**	**7,763,626**	**6,968,561**
Equity and Liabilities					
Equity					
Reserves	19	(7,620)	(26,069)	(3,990)	(18,303)
Retained income		7,866,126	7,094,524	7,695,055	6,936,894
		7,858,506	**7,068,455**	**7,691,065**	**6,918,591**
Liabilities					
Non-Current Liabilities					
Derivative financial instruments	20	41,651	-	-	-
Deferred tax	17	54,056	44,821	-	-
Financial liabilities measured at amortised cost	21	1,767,878	1,391,645	-	-
		1,863,585	**1,436,466**	**-**	**-**
Current Liabilities					
Trade and other payables	23	13,111	9,492	1,750	8,350
Loans from group companies	37	-	-	823	574
Provisions	24	35,541	26,567	5,340	4,361
Funds available for projects	22	64,591	36,685	64,591	36,685
Bank overdraft	16	74	-	57	-
		113,317	**72,744**	**72,561**	**49,970**
Total Liabilities		**1,976,902**	**1,509,210**	**72,561**	**49,970**
Total Equity and Liabilities		**9,835,408**	**8,577,665**	**7,763,626**	**6,968,561**

* Prior year re-represented as non-current in line with the current year classification.

Statements of Profit or Loss and Other Comprehensive Income

		Group		Trust	
		2022	2021	2022	2021
	Note(s)	R '000	R '000	R '000	R '000
Revenue	26	27,465	957	13	-
Cost of sales		(5,507)	-	-	-
Gross profit		**21,958**	**957**	**13**	**-**
Other income	27	364,012	385,482	259,667	149,290
Other operating (losses) / gains	28	(7,346)	39,673	4,868	31,527
Impairment (loss) / reversals	32	17,793	(3,052)	(4,600)	(6,748)
Operating expenses	29	(179,841)	(186,675)	(116,660)	(147,883)
Operating income		**216,576**	**236,385**	**143,288**	**26,186**
Interest income	30	9,074	7,438	4,850	3,940
Finance costs	31	(101,001)	(77,070)	-	-
Income / (loss) from equity accounted investments	6	31,614	(189,985)	17,643	(154,163)
Profit / (loss) before taxation		**156,263**	**(23,232)**	**165,781**	**(124,037)**
Taxation	33	(13,812)	(49,953)	-	-
Profit / (loss) for the year		**142,451**	**(73,185)**	**165,781**	**(124,037)**
Other comprehensive income:					
Share of comprehensive income / (loss) of equity accounted investments	34	18,449	(25,599)	14,313	(18,775)
Non-recyclable fair value through other comprehensive income	34	629,151	1,355,086	592,380	1,269,007
Other comprehensive income for the year net of taxation		**647,600**	**1,329,487**	**606,693**	**1,250,232**
Total comprehensive income for the year		**790,051**	**1,256,302**	**772,474**	**1,126,195**

The accounting policies on pages 117 to 128 and the notes on pages 129 to 166 form an integral part of the group annual financial statements.

Statements of Changes in Equity

	Share of equity account associate	Contributions from trustees	Retained income	Total equity
	R '000	R '000	R '000	R '000
Group				
Balance at 01 July 2020	**(11,359)**	**10,889**	**5,812,623**	**5,812,153**
Loss for the year	-	-	(73,185)	(73,185)
Other comprehensive income	(25,599)	-	1,355,086	1,329,487
Total comprehensive loss for the year	**(25,599)**	**-**	**1,281,901**	**1,286,302**
Balance at 01 July 2021	**(36,958)**	**10,889**	**7,094,524**	**7,068,455**
Profit for the year	-	-	142,451	142,451
Other comprehensive income	18,449	-	629,151	647,600
Total comprehensive loss for the year	**18,449**	**-**	**771,602**	**790,051**
Balance at 30 June 2022	**(18,509)**	**10,889**	**7,866,126**	**7,858,506**
Note(s)	34		34	

Statements of Changes in Equity

	Share of equity account associate	Contributions from trustees	Retained income	Total equity
	R '000	**R '000**	**R '000**	**R '000**
Trust				
Balance at 01 July 2020	**472**	**-**	**5,791,924**	**5,792,396**
Loss for the year	-	-	(124,037)	(124,037)
Other comprehensive income	(18,775)	-	1,269,007	1,250,232
Total comprehensive loss for the year	**(18,775)**	**-**	**1,144,970**	**1,126,195**
Balance at 01 July 2021	**(18,303)**	**-**	**6,936,894**	**6,918,591**
Profit for the year	-	-	165,781	165,781
Other comprehensive income	14,313	-	592,380	606,693
Total comprehensive income for the year	**14,313**	**-**	**758,161**	**772,474**
Balance at 30 June 2022	**(3,990)**	**-**	**7,695,055**	**7,691,065**
Note(s)	34		34	

The accounting policies on pages 117 to 128 and the notes on pages 129 to 166 form an integral part of the group annual financial statements.

Statement of Cash Flows

		Group		Trust	
	Note(s)	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Cash flows from operating activities					
Cash generated from operations *	35	(100,675)	(129,207)	(70,004)	(100,200)
Interest income		7,865	6,192	4,850	3,940
Tax paid	36	(4,547)	(666)	-	-
Net cash from operating activities		**(97,357)**	**(123,681)**	**(65,154)**	**(96,260)**
Cash flows from investing activities					
Purchase of property, plant and equipment	12	(2,751)	(506)	(1,440)	(229)
Sale of property, plant and equipment	12	(43)	1	-	-
Dividends received from investment in associates	6	22,694	-	5,439	-
Purchase of other intangible assets	13	(8,766)	-	-	-
Proceeds on sale of investments	11	-	4,117	-	-
Purchase of investments in associates *	6	-	(257,441)	-	-
Payment for acquisition of subsidiary, net of cash acquired	18	(2,360)	-	-	-
Movements in loans to related parties	37	(5,085)	-	(4,566)	(19,933)
Acquisition of investments at fair value through other comprehensive income	7	(73,122)	(98,896)	-	-
Loans to associates repaid	6	12,078	-	-	-
Advances of loans receivables at amortised cost	10	-	(19,815)	-	-
Repayment of loans receivables at amortised cost	10	2,524	8,622	-	-
Purchase of ordinary shares in subsidiary	8	-	-	(141,865)	(50,904)
Withdrawal of funds from fair value investments through profit or loss	9	10,000	20,000	10,000	20,000
Purchase of financial assets at fair value through profit and loss	9	(400,000)	-	-	-
Dividends received		341,085	135,562	236,373	84,799
Net cash from investing activities		**(103,746)**	**(208,356)**	**103,941**	**33,733**
Cash flows from financing activities					
Increase in long term loan at amoritised cost	21	237,898	(111,036)	-	-
Repayment of long term loan at amortised cost #	21	(20,966)	(11,503)	-	-
Repayment of loans from related parties	37	-	-	249	(650)
Preference shares issued	21	234,780	464,350	-	-
Redemption of preference share liability	21	(95,750)	(28,140)	-	-
Repayment of finance costs #	21	(84,079)	(59,973)	-	-
Other finance costs	31	(67)	(878)	-	-
Net cash from financing activities		**271,816**	**252,820**	**249**	**(650)**
Total cash movement for the year		**70,713**	**(79,217)**	**39,036**	**(63,177)**
Cash at the beginning of the year		136,207	215,424	95,558	158,735
Total cash at end of the year	**16**	**206,920**	**136,207**	**134,594**	**95,558**

* Prior year re-represented to reallocate purchase of investments in associates under investing activities
# These amounts have be re-represented to reallocate finance costs paid.

The accounting policies on pages 117 to 128 and the notes on pages 129 to 166 form an integral part of the group annual financial statements.

Accounting Policies

Corporate information

Kagiso Charitable Trust is a trust incorporated and domiciled in South Africa.

The consolidated and separate annual financial statements for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the trustees.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The group annual financial statements have been prepared in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these group annual financial statements.

These group annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The group annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and trust's functional currency.

1.2 Consolidation

Basis of consolidation

The group annual financial statements incorporate the annual financial statements of the trust and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the group annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the group annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the trust.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Accounting Policies (continued)

1.2 Consolidation (continued)

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

Investments in associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the profit and loss and its share of post-acquisition movements in reserves is recognised in reserves. When the trust's share of losses in an associate equals or exceeds its interest in the associate, the trust does not recognise further losses, unless the trust has incurred obligations or made payments on behalf of the associates. The cumulative post-acquisition movements are adjusted against the cost of the investment.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group's investment in associates includes goodwill (net of accumulated impairment losses) and notional intangibles (net of accumulated amortisation) identified on acquisition.

Where associates have a different year end to the Group, the groups accounting policy is to account for a one-month lag period in reporting their results. Any significant transactions that occurred between the associate year end and the Group's June year end are taken into account.

The Trust accounts for associates using the equity method of accounting.

If the share holding in any of the associates is less than 20%, the group is presumed not to have significant influence unless such influence can be clearly demonstrated.

All intercompany balances and transactions will be eliminated in line with IAS 28 Investment in Associate, IFRS 3 Business Combinations and IFRS 10 Consolidated Financial Statements. The transaction costs will be expensed in line with IFRS 3 Business Combination requirements.

1.3 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are equity instruments:

- Fair value through comprehensive income.
- Fair value through profit or loss

Financial assets which are debt instruments:

- Amortised cost; or
- Fair value through other comprehensive income.
- Fair value through profit or loss.

Financial liabilities:

- Amortised cost.

Note 3 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

Accounting Policies (continued)

1.3 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies are classified as financial assets at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Accounting Policies (continued)

1.3 Financial instruments (continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 32).

Instruments at fair value through other comprehensive income

Classification

The group holds certain investments in equity instruments which are classified as fair value through other comprehensive income.

They have been classified in this manner because the objectives of the group's business model is achieved by both collecting the contractual cash flows on these instruments and by selling them.

Recognition and measurement

These instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at fair value through comprehensive income or fair value through profit or loss.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified at amortised cost. They are initially measured at fair value and are subsequently measured at amortised cost (note 14).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting Policies (continued)

1.3 Financial instruments (continued)

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 14.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 32).

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Borrowings and loans from related parties

Classification

Loans from group companies are classified as financial liabilities.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 31.)

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Accounting Policies (continued)

1.3 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 23), excluding VAT and amounts received in advance.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 31).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand, deposits held on call with banks net of bank overdrafts, all of which are available for use by the group unless otherwise stated. Bank overdrafts are included in current liabilities on the statement of financial position.

Cash and cash equivalents are stated at amortised cost.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group 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 and relying as little as possible on entity-specific inputs.

The classification into different levels is 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); or
- Level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs

Derivative financial instruments

Equity-indexed interest or principal payments embedded in a host debt instruments that are not closely related to the debt instrument host contract and are accounted for separately as embedded derivative liabilities.

The derivative financial liability is initially recognised at fair value and are subsequently measured at fair value through profit and loss. Resulting gains or losses on derivative instruments, are recognised in the income statement.

To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as non-current liabilities.

Accounting Policies (continued)

1.4 Property, plant and equipment

All plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use. Land is not depreciated. Depreciation is calculated on a straight-line method to write off the cost of the assets over their expected useful lives. Major leasehold improvements are amortised over the shorter of their respective lease periods or estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Major leasehold improvements are amortised over the shorter of their respective lease periods or estimated useful life. In the event of such impairment, the carrying amount is reduced and the reduction is charged as an expense in the profit or loss. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains or losses on disposals are determined by comparing the proceeds with the assets' carrying amounts. These are included in the profit or loss in the related period.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	3,33% per annum
Plant and machinery	Straight line	20% per annum
Office furniture	Straight line	10 - 20% per annum
Motor vehicles	Straight line	20% per annum
Office equipment	Straight line	20 - 33% per annum
Computer equipment	Straight line	20 - 33% per annum
Leasehold improvements	Straight line	20% per annum
Land	Straight line	Indefinite
Legacy wall	Straight line	10% per annum

1.5 Goodwill and intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Goodwill and intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Goodwill and intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these goodwill and intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other goodwill and intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Accounting Policies (continued)

1.5 Goodwill and intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as goodwill and intangible assets.

Amortisation is provided to write down the goodwill and intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Marking Manager	Straight line	20% per annum
E-Vision	Straight line	10% per annum
Qualification and study material	Straight line	10% per annum
Computer software, internally generated	Straight line	20% per annum

1.6 Impairment of non-financial assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds their recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Intangible assets with indefinite useful life and goodwill are tested for impairment annually.

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The tax expense on the profit or loss for the year comprise current and deferred tax. Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years. Tax expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax and deferred capital gains tax are provided for on a comprehensive basis, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is also not recognised on the initial recognition of goodwill, nor is it recognised on investments in subsidiaries and joint ventures where the Group controls the timing of the reversal of temporary differences and it is possible that these differences will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each statement of financial position date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of each asset or liability, and is not discounted.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Accounting Policies (continued)

1.8 Leases

The group primarily leases an office building and information technology ("IT") equipment. Lease terms are negotiated on an individual basis and contain a wide variety of different terms and conditions. Lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Payments associated with short-term leases and leases of low-value assets are recognised on a straight accounting treatment. Short-term leases have a term of 12 months or less. Low-value assets comprise leases with a value below ZAR 85 000 per annum.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 29) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting Policies (continued)

1.8 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

The cost of inventories comprises of all costs of purchase, and other costs incurred in bringing the inventories to their present location.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Funds available for projects

Project funds are allocated to the funds available for project account as a liability. These funds are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for related costs for which the project funds are intended to compensate.

1.11 Provisions

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Accounting Policies (continued)

1.11 Provisions (continued)

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

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

1.12 Employee benefits

Pension obligations

The Group operates a defined contribution plan. The Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.13 Revenue

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract and, excludes amounts collected on behalf of the third parties. The group recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from the following major sources:

Provision of services:

- Educational and training services
- Consulting Services

Consultancy income is recognised by reference to the stage of completion of the transaction.

The group provide consultancy services to its customers and recognises its revenue over a period of time.

Revenue recognised over a period of time is based on contracts entered into with the customers that cover specific period during which, the consultancy service is performed. The revenue recognised over a period of time is measured in accordance with the duration of the contract as the costs are incurred on stage of completion basis.

Revenue from contractual learning obligation

The group operated in several key education spaces. Revenue is received from students upfront for the full course duration. This results in a continued legal and constructive obligation for the group as a result of past events.

Deferred revenue is the obligation which the company has to the student. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The company recognises the estimated obligation on all courses, which are still in progress at the financial position date. The obligation is based on the cost to service the students on the outstanding modules and is accounted for under the percentage of completion method. The amount of the obligation which has been deferred at the date of financial position is dependent upon fluctuations of the activity level of students.

The average probability of costs are taken into account based on the entire student populations and historical data to determine the effect and related costs associated with a student. Costs are based on a per student average for the various cost components to service the students to completion of their course.

Measurement

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Accounting Policies (continued)

1.13 Revenue (continued)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably.
- and - the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable. Revenue is measured at the fair value of the consideration received and represents the amount receivable for services provided in the normal course of business, net of trade discounts, and value added tax.

Recognition

Revenue is recognised to the extent that the group has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount if revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction ant the end of the reporting period. The stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.14 Donations received

Donations received from donors are accounted for as revenue by the group. The group recognises the donations received when cash is received by the group.

1.15 Sundry income

Sundry income, also called miscellaneous income or other operating income, is generated from sources other than the group's normal business operation. Sundry income is often irregular and not a guaranteed source of company income over the long term.

1.16 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy.

1.17 Comparatives

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

Notes to the Group Annual Financial Statements (continued)

2. New Standards and Interpretations

2.1 Recently issued accounting standards

International Financial Reporting Standards and Amendments effective for the first time in 30 June 2022 year end :

Amendments to IFRS 7, IFRS 4, and IFRS 16 – Interest rate benchmark reform – Phase 2 (Effective: Annual periods beginning on or after 1 January 2021). The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient 9(Effective: Annual periods beginning on or after 1 April 2021). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

The impact of the new accounting standards on the group financial statements is not material.

2.2 Standards and interpretations not yet effective

International Financial Reporting Standards , interpretations and amendments issued but not effective for 30 June 2022:

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (Effective: Annual periods beginning on or after 1 January 2022).

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases.

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities (Effective: Deferred until accounting periods starting not earlier than 1 January 2024). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (Effective: Annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

(Effective: Annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The expected impact has been assessed and it has been concluded that there will be no material impact from Financial Reporting Standards not yet effective.

Notes to the Group Annual Financial Statements (continued)

3. Financial instruments and risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The trust monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

During 2022 the Group's strategy, which was unchanged from 2020, was to maintain the gearing ratio limit to 60%. The Trust has no long term debt. The gearing ratios at 30 June 2022 are:

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Total debt	1,817,890	1,391,645	-	-
Cash and cash equivalent	(206,994)	(136,207)	(134,651)	(95,558)
Net debt	1,610,896	1,255,438	(134,651)	(95,558)
Total equity	7,858,506	7,068,455	7,691,065	6,918,591
Total capital	**9,469,422**	**8,301,092**	**7,556,412**	**682,164**
Gearing ratio	20 %	18 %	(2)%	(1)%

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure on loans to group companies trade and loans receivable. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables and loans receivable are presented net of the allowance for doubtful receivables. The Group has no significant concentration of credit risk.

The Group is also exposed to credit related losses in the event of non-performance of counterparties to loans from investee companies, these loans are disclosed as part of amounts due from related parties.

Notes to the Group Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed facilities. The Group remains confident that the available cash resources and borrowing facilities will be sufficient to meet its funding requirements.

Group	Carrying amount		Fair value	
Available liquidity resources are	**2022**	**2021**	**2022**	**2021**
Cash at bank and on hand	206,994	136,207	206,994	136,207
Trade and other receivables	7,008	307	7,008	307

Trust	Carrying amount		Fair value	
Available liquidity resources are	**2022**	**2021**	**2022**	**2021**
Cash at bank and on hand	134,651	95,558	134,651	95,558
Trade and other receivables	104	104	104	104

The maturity profile of contractual cash flows of directive finacial liability are as follows:

Group - 2022

		Less than 1 year or on demand	Between 1 and 5 years	Total
Non-current liabilities				
Derivative financial instruments	20	-	41,651	41,651
Financial liabilities at amortised cost	21	-	1,767,878	1,767,878
Current liabilities				
Trade and other payables	23	13,048	-	13,048
Bank overdraft	16	74	-	74
		13,122	**1,809,529**	**1,822,651**

Group - 2021

		Less than 1 year or on demand	Between 1 and 5 years	Total
Non-current liabilities				
Financial liabilities measured at amortised cost	21	-	1,391,645	1,391,645
Current liabilities				
Trade and other payables	23	4,281	-	4,281
		4,281	**1,391,645**	**1,395,926**

Notes to the Group Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

Trust - 2022

		Less than 1 year or on demand	Between 1 and 5 years	More than years	Total
Current Liabilities					
Amount due to related parties	37	823	-	-	823
Trade and other payables	23	1,750	-	-	1,750
Bank overdraft	16	57	-	-	57
		2,630	**-**	**-**	**2,630**

Trust - 2021

		Less than 1 year or on demand	Between 1 and 5 years	More than years	Total
Amount due to related parties	37	574	-	-	574
Trade and other payables	23	3,158	-	-	3,158
		3,732	**-**	**-**	**3,732**

Foreign currency risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has an investment in Kenya Community Development Foundation ("KCDF") which is denomited by South African rands. There is no risk associated with foreign currency as the value of shares is presented in rands.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate.

Interest rate risk arises from the repricing of the Group's floating rate debt, incremental funding or new borrowings, the refinancing of existing and the magnitude of the significant cash balances which exist. Cash and cash equivalents and financial liabilities measured at amortised cost carry interest at variable interest rate.

Interest rate sensitivity analysis

The Group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of an instantaneous prior year increase of 5% and a decrease of 3% (300 basis points) in current year market interest rates, from the rate applicable at 30 June, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only as, in practice, market rates rarely change in isolation.

The Group is exposed mainly to fluctuations in the prime lending rate and JIBAR rate. Changes in market interest rates affect the interest income or expense of floating rate financial instruments, and the fair value gain or loss in respect of interest rate derivatives. Changes in market interest rates affect profit or loss only in relation to financial instruments with fixed interest rates if these financial instruments are recognised at their fair value.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

Notes to the Group Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

Cash and cash equivalents	(6,210)	(4,086)	(6,733)	(2,867)
Borrowings	54,537	41,749	-	-
	48,327	**37,663**	**(6,733)**	**(2,867)**

Price risk

The group is exposed to price risk because of its investments in equity instruments which are measured at fair value with reference to the investments share prices. The exposure to price risk on equity investments is managed through a diversified portfolio.

Price risk is the risk that the fair value will fluctuate because of changes in the market price.

The Group's investments in equity of other entities that are publicly traded are limited to the JSE All Share Index.

4. Fair value information

Fair value hierarchy

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's in an arm's length transaction.

The fair value of financial instruments may require some judgement or may be derived from readily available sources. The degree of judgement involved is reflected in the fair value measurements section below. Although this does not necessarily indicate that the fair value is more or less likely to be realised.

For investments that are actively traded in financial markets, fair value is determined by reference to official quoted market bid prices. For investments that are not actively traded. Fair value is determined by using quoted prices from third parties such as brokers, market makers and pricing agencies for equity investments where there is no quoted market price, fair value is determined by independent professional valuers.

Each instrument has been categorised using a fair value hierarchy that reflects the extent of judgements used in the valuation. These levels are based on the degree to which the fair value is observable and are defined as follows. See note 5 for further information on fair value estimation.

Level 1 fair value measurements are those derived from quoted prices unadjusted in active markets for identical assets or liabilities and principally comprise investments in quoted equities, daily prices funds, gifts and exchange traded derivatives.

Level 2 fair value measurements are those derived from prices that are not traded in an active market but are determined using valuation techniques, which make maximum use of observable market data included within Level 1 for the asset or liability and principally comprise corporate bonds and foreign exchange contracts. Valuation techniques may include using a broker quote in an active market, an evaluated price based on a compilation of primarily observable market information or industry standard calculations, using vendor feed data and information readily available via external sources for funds not priced on a daily basis e.g property funds, the net asset value which is issued monthly or quarterly is used; and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data and principally comprise investments in private equity and hedge funds. These funds are managed by third parties and are measured at the values provided by the relevant fund managers, Venture capital funds are valued based on the best available 'International Private Equity and Venture Capital Valuation Guidelines" The most recent available valuation data is used and adjusted for known events such as calls or distributions. The valuation review is continual process throughout the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transaction on an arm's-length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Notes to the Group Annual Financial Statements (continued)

4. Fair value information (continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs requested to fair value an instrument are observable, the instruments included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value finance instruments include:

- quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- simulation models which quantitatively account for risk in forecasting where the potential for various outcomes exist, and
- other techniques, these include the use of recent arm's length transactions, reference to other instruments that are substantially maximum use of market inputs and relying as little as possible on entity-specific inputs.

2022 Group	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Financial assets at fair value through other comprehensive income	5,875,441	-	-	5,875,441
Financial assets at fair value through profit or loss	-	836,666	145,433	982,099
	5,875,441	**836,666**	**145,433**	**6,857,540**
Financial liabilities				
Derivative financial instruments at fair value through profit or loss	-	-	(41,650,585)	(41,650,585)

2021 Group	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Financial assets at fair value through other comprehensive income	5,173,168	-	-	5,173,168
Financial assets at fair value through profit or loss	-	417,678	150,521	568,199
	5,173,168	**417,678**	**150,521**	**5,741,367**

2022 Trust	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Financial assets at fair value through other comprehensive income	5,355,966	-	-	5,355,966
Financial assets at fair value through profit or loss	-	-	133,741	133,741
	5,355,966	**-**	**133,741**	**5,489,707**

2021 Trust	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Financial assets at fair value through other comprehensive income	4,763,586	-	-	4,763,586
Financial assets at fair value through profit or loss	-	-	138,829	138,829
	4,763,586	**-**	**138,829**	**4,902,415**

Notes to the Group Annual Financial Statements (continued)

4. Fair value information (continued)

Refer to Note 8 for reconciliation of level 1 financial assets and note 10 for reconciliation level 2 and 3 financial assets.

5. Critical accounting estimates and judgements

Estimates, judgements and assumptions are made that could affect the reported amounts of assets and liabilities within the next financial year. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investment in associates

The group exercises judgement in classifying investment as associated companies rather than investment carried at fair value (through profit or loss and/or other comprehensive income). There are some investments over which the group is believed to have significant influence although it has an interest of less than 20% in these companies. This is due to the group being provided with at least one seat on the board of directors of the investee company. This gives the group influence over the financial and operational policies of the investee company, which is seen as significant. These investments are accordingly accounted for as associated companies using the equity method and not as the financial instruments at fair value.

The investment in KTH at a consolidated KCT level continues to be classified as an associate, despite the effective shareholding being greater than 50% which is usually an indicator of control. This is based on the relevant activities of KTH (i.e. buying and selling investments, appointment of the CEO and CFO, approval of budgets) requiring approval of at least 65% of the voting rights exercised by shareholders. Thus the conditions of control are not met.

Refer to note 6 for year-ends of associates.

Fair value of derivative financial instruments

The fair value of derivative financial instruments is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to note 20 for disclosures on derivative financial instruments.

Fair value of non-financial assets

The group reviews and tests the carrying value of its property, plant and equipment, intangible assets, investments in associates, and goodwill when events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds their recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions.Refer to note 18 for disclosures on business combinations, and note 6 for investments in associates.

Notes to the Group Annual Financial Statements (continued)

6. Investments in associates

6.1 Shareholding of associates:

The following table lists all of the associates in the group:

		Number of shares held		% of ownership interest	
Consolidated	**Year end**	**2022**	**2021**	**2022**	**2021**
Kagiso Tiso Holdings Proprietary Limited	30 June	422,599	422,599	56.46 %	55.71 %
Kenya Community Development Fund Investment Holding Limited	31 December	40	40	40.00 %	40.00 %
OneLogix Group Limited	31 May	28,086,585	28,086,585	12.54 %	12.40 %
Alphawave Holdings	30 April	101,517,157	101,517,157	26.86 %	26.90 %
Zibigraph Proprietary Limited	28 February	32	32	26.00 %	26.00 %
Open Learning Holdings	30 June	14,608,339	14,608,339	29.16 %	29.16 %

Kagiso Tiso Holdings Proprietary Limited

During the period, KTH concluded a buyback of the treasury shares held by The Kagiso Trust Investments Employee Share Trust.

The shareholding of KTH changed since 30 June 2021 driven by the share buyback transaction from other shareholders done during the period resulting in the shareholding of the group as at 30 June 2022 being 56.46%. The impact of change in shareholding is considered to be immaterial.

The investment in KTH at a consolidated KCT level continues to be classified as an associate, despite the effective shareholding being greater than 50% which is usually an indicator of control. This is based on the relevant activities of KTH (i.e. buying and selling investments, appointment of the CEO and CFO, approval of budgets) requiring approval of at least 65% of the voting rights exercised by shareholders. Thus the conditions of control are not met.

Onelogix Group Limited

A 12.54% interest in Onelogix Group Limited, a Niche logistics business was acquired on the 28th of January 2015 for an amount of R10 111 706.

The Company has made a decision to delist. A cautionary announcement was released publicly during December 2021 and Kagiso Capital has signed an irrevocable letter to exit after delisting has been concluded, at a price of R3.30 per share, which equals to consideration of R93 million. This resulted in a reversal of previously recognised cumulative impairment losses of R35 million.

Open Learning Holdings Proprietary Limited

The company's shareholding of 29.16% in Open Learning Holdings Proprietary Limited was acquired on the 31st of July 2015. During the year Kagiso Capital acquired 100% of Open Learning Group ("OLG") and Open Learning Technology ("OLTech") which were previously subsidiaries of Open Learning Holdings on 01 July 2021. Refer to note 18 for further details.

Alphawave Holdings

A 17.24% interest in Alphawave Holdings was acquired on the 30th of March 2020. There was a further interest acquired in the prior year which resulted in the percentage shareholding in Alphawave increasing to 26.93%. In the current year Alphawave Holdings issued more shares to its other shareholders. This resulted in the company's percentage shareholding decreasing to 26.86%.

Notes to the Group Annual Financial Statements (continued)

6.2. Equity accounting of associates

Associate companies

Reconciliation of carrying value	Group 2022 R'000	Group 2021 R'000	Trust 2022 R'000	Trust 2021 R'000
Beginning of the year	2,652,014	2,433,094	1,715,332	1,888,269
Additions in associates for cash	-	255,738	-	-
Gain on bargain purchase	-	179,000	-	-
Interest capitalised to loans to associates	-	2,166	-	-
Share of profits/ (losses) after tax	31,614	(189,985)	17,643	(154,162)
Shareholder loan settlement	(8,000)	-	-	-
Dividends	(22,694)	-	(5,439)	-
Shareholders loan repayment	(12,078)	-	-	-
Impairment reversal / (charge)	34,752	(2,400)	-	-
Share of movements in reserves of associates	18,449	(25,599)	14,312	(18,775)
Transfer to non-current asset held for sale (Refer to note 11)	(92,685)	-	-	-
Business combinations	(8,972)	-	-	-
End of year	**2,592,400**	**2,652,014**	**1,741,848**	**1,715,332**

Reconciliation of book value - Group	Book value 2022 R'000	Book value 2021 R'000	Consolidated share in profit/(loss) 2022 R'000	Consolidated share in profit/(loss) 2021 R'000
Kagiso Tiso Holdings Proprietary Limited	2,482,468	2,446,683	23,808	(200,185)
Alphawave Holdings	110,990	105,172	5,820	1,296
OneLogix Group Limited	-	61,790	465	3,510
Open Learning Holdings Proprietary Limited	7,914	38,369	1,521	5,394
Business combination	(8,972)	-	-	-
Total consolidated associated companies	**2,592,400**	**2,652,014**	**31,614**	**(189,985)**

Reconciliation of book value - Trust	Book value 2022 R'000	Book value 2021 R'000	share in profit/(loss) 2022 R'000	share in profit/(loss) 2021 R'000
Kagiso Tiso Holdings Proprietary Limited	1,741,848	1,715,332	17,643	(154,162)
	1,741,848	**1,715,332**	**17,643**	**(154,162)**

Trustees's valuation of investment in associate	Fair value hierarchy	Group 2022 R'000	Group 2021 R'000	Trust 2022 R'000	Trust 2021 R'000
Kagiso Tiso Holdings Proprietary Limited	3	2,482,468	2,651,075	1,741,848	1,713,945
Open Learning Holdings Proprietary Limited	3	20,817	38,369	-	-
Alphawave Holdings	3	110,990	109,449	-	-
Onelogix Limited*	1	-	61,790	-	-
		2,614,275	**2,860,683**	**1,741,848**	**1,713,945**

* Refer to note 11.

The trustees' valuation of unlisted associates is based on various valuation techniques, which include EBIT and EBITDA multiples, price-earnings multiples, net asset value as well as discounted cash flow.

The shares in Kagiso Tiso Holdings Proprietary Limited serve as security for preference shares held in Kagiso Capital as per note 21.

Notes to the Group Annual Financial Statements (continued)

6.2. Equity accounting of associates (continued)

Summary of financial information of the associates

2022 R'000	Kagiso Tiso Holdings	OneLogix	Alphawave Holdings	Open Learning	Total
Capital and reserves	3,796,254	971,894	235,338	92,011	5,095,497
Non current assets	4,100,199	1,560,430	260,752	13,838	5,935,219
Current assets	2,008,935	1,551,486	70,610	153,611	3,784,642
Non current assets held for sale	207,400	26,250	-	-	233,650
Non current liabilities	1,164,072	870,591	61,183	4,334	2,100,180
Current liabilities	1,356,208	1,298,886	34,841	71,104	2,761,039
Revenue	1,692,075	3,065,794	295,265	29,918	5,083,052
Profit/(loss) for the year	42,168	33,307	16,417	6,776	98,668

2021 R'000	Kagiso Tiso Holdings	OneLogix	Alphawave Holdings	Open Learning	Total
Capital and reserves	3,763,792	971,894	242,115	104,134	5,081,935
Non current assets	4,310,426	1,617,400	244,113	192,879	6,364,818
Current assets	1,908,058	1,041,607	54,556	19,861	3,024,082
Non current assets held for sale	125,206	-	-	-	125,206
Non current liabilities	1,194,044	887,238	28,540	88,220	2,198,042
Current liabilities	1,342,795	799,875	28,014	20,386	2,191,070
Revenue	1,419,500	2,462,880	200,211	182,613	4,265,204
Profit/(loss) for the year	(399,205)	42,495	20,718	18,499	(317,493)

Notes to the Group Annual Financial Statements (continued)

6.2. Equity accounting of associates (continued)

The following inputs, assumptions, and valuation methodologies were used in determining the fair value of the investment:

Inputs, assumptions, and valuation methodologies - 2022	Methodology	Minority discount	Marketability discount	Unit Price (cents)
OneLogix Limited	Irrevocable undertaking letter	0.00 %	-	% 330
Alphawave Holdings	Sum-of -parts	10.70 %	13.50 %	-
Kagiso Tiso Holdings	NAV	0.00 %	10.00 %	-

Inputs, assumptions, and valuation methodologies - 2021	Methodology	Minority discount	Marketability discount	Unit Price (cents)
OneLogix Limited	Quoted	0.00 %	10.00 %	220
Open Learning Holdings	NAV	11.00 %	0.00 %	-
Alphawave Holdings	NAV	17.40 %	16.50 %	-
Kagiso Tiso Holdings	NAV	0.00 %	10.00 %	-

Level 3 sensitivity analysis

2022	Open Learning Holdings	Kagiso Tiso Holdings	Alphawave
Input	Discount rate	Discount rate	Discount rate
Base rate	- %	10 %	23%
Change in rate	- %	5 %	1%
Base value (R'000)	-	2,482,468	110,990
High value (R'000)	-	2,620,383	112,100
Low value (R'000)	-	2,344,553	109,880
Change in value (R'000)	-	137,915	1,110

2021	Extra Lessons Academy	Kagiso Tiso Holdings	Alphawave
Input	Discount rate	Discount rate	Discount rate
Base rate	- %	10 %	22 %
Change in rate	- %	5 %	1 %
Base value (R'000)	-	2,651,075	109,449
High value (R'000)	-	2,798,357	110,543
Low value (R'000)	-	2,503,733	108,355
Change in value (R'000)	-	147,282	1,052

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

7. Financial assets at fair value through other comprehensive income

	Group 2022 R '000	Group 2021 R '000	Trust 2022 R '000	Trust 2021 R '000
Level 1 financial assets				
Beginning of the year	5,173,168	3,719,186	4,763,586	3,494,578
Acquisition during the year	73,122	98,896	-	-
Net gains through other comprehensive income	629,151	1,355,086	592,380	1,269,008
End of the year	**5,875,441**	**5,173,168**	**5,355,966**	**4,763,586**
Listed securities				
First Rand Limited	4,627,331	3,975,929	4,627,331	3,975,929
MMH Holdings Limited	181,877	248,710	181,877	248,710
Discovery Holdings Limited	546,758	538,947	546,758	538,947
Phuthuma Nathi Investments RF Limited	519,475	409,582	-	-
	5,875,441	**5,173,168**	**5,355,966**	**4,763,586**

Reconciliation of carrying value 2022 - Group	Opening balance	Additions during the year	Fair value gain / (loss)	Closing balance
Listed securities				
First Rand Limited	3,975,929	-	651,402	4,627,331
MMH Holdings Limited	248,710	-	(66,833)	181,877
Discovery Holdings Limited	538,947	-	7,811	546,758
Phuthuma Nathi Investments RF Limited	409,582	73,122	36,771	519,475
	5,173,168	**73,122**	**629,151**	**5,875,441**

Reconciliation of carrying value 2021 - Group	Opening balance	Additions during the year	Fair value gain / (loss)	Closing balance
Listed securities				
First Rand Limited	2,823,733	-	1,152,196	3,975,929
MMH Holdings Limited	224,604	-	24,106	248,710
Discovery Holdings Limited	446,241	-	92,706	538,947
Phuthuma Nathi Investments RF Limited	224,608	98,896	86,078	409,582
	3,719,186	**98,896**	**1,355,086**	**5,173,168**

Reconciliation of carrying value 2022 - Trust	Opening balance	Fair value gain / (loss)	Closing balance
Listed securities			
First Rand Limited	3,975,929	651,402	4,627,331
MMH Holdings Limited	248,710	(66,833)	181,877
Discovery Holdings Limited	538,947	7,811	546,758
	4,763,586	**592,380**	**5,355,966**

Reconciliation of carrying value 2021 - Trust	Opening balance	Fair value gain / (loss)	Closing balance
Listed securities			
First Rand Limited	2,823,733	1,152,196	3,975,929
MMH Holdings Limited	224,604	24,106	248,710
Discovery Holdings Limited	446,241	92,705	538,946
	3,494,578	**1,269,007**	**4,763,585**

Notes to the Group Annual Financial Statements (continued)

		Group		Trust	
		2022 R '000	2021 R '000	2022 R '000	2021 R '000

7. Financial assets at fair value through other comprehensive income (continued)

Fair value through other comprehensive financial assets are denominated in South African Rands only.

1 895 425 ordinary shares, representing 3.5% of the equity of Phuthuma Nathi Investments (RF) Limited, were acquired in the 2020 financial year. An additional 988 958 ordinary shares were acquired in the 2021 financial year increasing the equity share to 4.3%. An additional 567 280 ordinary shares were acquired in 2022 financial year increasing the equity share to 5.11%.

FRET investment is security for the Preference shares liability by Kagiso Capital and the Phuthuma Nathi investment is security for preference share liability by Kagiso Venture Capital.

8. Investments in subsidiaries

Unlisted securities	Holding	Group 2022	Group 2021	Trust 2022	Trust 2021
5000 ordinary shares of R1 each in Kagiso Trust Strategic Investments Proprietary Limited (2021: 5000)*	100.00 %	-	-	-	-
1000 ordinary shares of in Kagiso Trust Consultancy Proprietary Limited*	100.00 %	-	-	1	1
100 ordinary shares of no par value in Kagiso Enterprise Rural Private Equity Fund Proprietary Limited*	100.00 %	-	-	-	-
1000 ordinary shares in Kagiso Africa Investments Proprietary Limited*	100.00 %	-	-	1	1
6843 ordinary shares in Kagiso Capital Proprietary Limited (2021:6139)	100.00 %	-	-	930,002	788,137
Impairment in value of Kagiso Capital Proprietary Limited	0.00 %	-	-	(602,894)	(602,894)
200 ordinary shares in Kagiso Capital Health Investments (RF Proprietary Limited)*	100.00 %	-	-	-	-
31000 ordinary shares of no par value Kagiso Venture Capital Proprietary Limited*	100.00 %	-	-	-	-
1000 ordinary shares Tyala Impact Fund Proprietary Limited*	100.00 %	-	-	-	-
100000 authorised and 20001 issued ordinary shares in Open Learning Group Proprietary Limited*	100.00 %	-	-	-	-
2600 ordinary shares in Kagiso Capital Properties Proprietary Limited*	100.00 %	-	-	-	-
Business school of excellence Proprietary Limited*	100.00 %	-	-	-	-
100 ordinary shares in Open Learning Technology Proprietary Limited*	100.00 %	-	-	-	-
		-	**-**	**327,110**	**185,245**

* Amounts less than R1 thousand

During the year ended 30 June 2022, 704 ordinary shares were issued in favour of Kagiso Charitable Trust, for a consideration of R141,864,655.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

9. Financial assets at fair value through profit and loss

Current assets

Level 3 financial assets

Investment with Kagiso Asset Management Proprietary Limited

Beginning of the year	138,830	127,303	138,830	127,303
Fair value adjustment through profit or loss	4,911	31,527	4,911	31,527
Withdrawals during the year	(10,000)	(20,000)	(10,000)	(20,000)
End of the year	**133,741**	**138,830**	**133,741**	**138,830**

Non-current assets

Investment in Growthpoint Healthcare Property Holdings (RF) Limited

9 625 972 ordinary shares, representing 4.3% of the equity of Growthpoint Healthcare Property Holdings (RF) Limited, were acquired in the 2019 financial year. A further acquisition of 27 363 611 ordinary shares, was acquired in 2021, representing 15% of the equity in Growthpoint Healthcare Property Holdings (RF) Limited at year end. The company issued additional share during the year, as a result our shareholding was diluted to 13.5% during the year.

Level 2 financial assets

Beginning of the year	407,178	395,848	-	-
Acquistions during the year	-	-	-	-
Fair value adjustment through profit or loss	(2,512)	11,330	-	-
	404,666	**407,178**	**-**	**-**

Investment in Growthpoint Student Accommodation Holdings (RF) Limited

40 000 000 ordinary shares, representing 28% of the equity of Growthpoint Student Accommodation Holdings (RF) Limited, were acquired in the 2022 financial year.

Level 2 financial assets

Beginning of the year	-	-	-	-
Acquistions during the year	400,000	-	-	-
Fair value adjustment through profit or loss	32,000	-	-	-
End of the year	**432,000**	**-**	**-**	**-**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

9. Financial assets at fair value through profit and loss (continued)

Level 2 sensitivity analysis – 2022

The following sensitivity analysis is done as the fair value of the investment is determined with reference to level 2 inputs and is significant for the group.

Growthpoint Healthcare Property Holdings (RF) Limited	**2022**	**2021**
Input	Discount rate	Discount rate
Base rate	15 %	15 %
Change in rate	5 %	5 %
Base value (R'000)	404,666	407,178
High value (R'000)	428,470	428,351
Low value (R'000)	380,862	386,004
Change in value (R'000)	23,804	23,952

Growthpoint Student Accommodation Holdings (RF) Limited	**2022**	**2021**
Input	Discount Rate	Discount rate
Base rate	15 %	- %
Change in rate	5 %	- %
Base value (R'000)	432,000	-
High Value (R'000)	457,412	-
Low Value (R'000)	406,588	-
Change in value ("R'000)	25,412	-

Investment in KCDF Investment Company Limited

1 600 000 redeemable preference shares of 50 Kenyan Shillings (KSH50) each representing 40% of these shares in the Company. The shares were acquired during the 2014 financial year.

Level 3 financial assets

Beginning of the year	11,692	11,692	-	-
Fair value gain / (loss)	-	-	-	-
End of the year	**11,692**	**11,692**	**-**	**-**

Changes in fair values of financial assets at fair value through profit and loss are recognised in other gains net, in the income statement.

Inputs, assumptions and valuation methodologies - 2022

Level 3 Financal assets	**Methodology**	**Minority discount**	**Marketabiltiy discount**
KCDF Investment Company Limited	NAV	5 %	5 %

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

9. Financial assets at fair value through profit and loss (continued)

The following sensitivity analysis is done as the fair value of the investment is determined with reference to level 2 inputs and is significant for the group:

Level 3 sensitivity analysis

KCDF Investment Company Limited	**2022**	**2021**
Input	Discount rate	Discount rate
Base rate	6 %	6 %
Change in rate	5 %	5 %
Base value (R'000)	11,692	11,692
High value (R'000)	12,314	12,314
Low value (R'000)	11,070	11,070
Change in value (R'000)	622	622

Summary of financial assets at fair value through profit or loss (non- current assets)

Growthpoint Healthcare Property Holdings (RF) Limited (level 2 financial assets)	404,666	407,178	-	-
Growthpoint Student Accommodation Holdings (RF) Limited	432,000	-	-	-
KCDF Investment Company Limited (level 3 financial assets)	11,692	11,692	-	-
	848,358	**418,870**	**-**	**-**

Investment in Growthpoint Healthcare Property Holdings Limited and Growthpoint Student Accommodation (RF) Limited serve as security for financial liabilities. Refer to note 21.

10. Loans receivable

Loans receivables are presented at amortised cost, which is net of loss allowance, as follows:

Loans receivables non current portion	3,719	5,551	-	-
Loans receivables current portion	6,354	19,379	-	-
	10,073	**24,930**	**-**	**-**

Details of movement

For Farmers East Proprietary Limited

Details of movement

Total loans receivables				
For Farmers East Proprietary Limited (FFE)	5,398	10,228	-	-
Baphuduhuchwana Production Incubator Proprietary Limited (BPI)	-	6,486	-	-
Sebenzangamandla	262	503	-	-
Spar Mohopane Rural Hub	2,366	4,829	-	-
Groendal	2,047	2,884	-	-
	10,073	**24,930**	**-**	**-**

Split between non current and current assets				
Non-current	3,719	5,551	-	-
Current	6,354	19,379	-	-
	10,073	**24,930**	**-**	**-**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

10. Loans receivable (continued)

For Farmers East Proprietary Limited				
Opening balance	10,228	7,654	-	-
Advanced during the year	-	10,000	-	-
Repayment	-	(7,654)	-	-
Interest accrued	568	264	-	-
Provision for impairment loss	(5,398)	(36)	-	-
	5,398	**10,228**	**-**	**-**

The loans are unsecured. interest is compounded monthly at prime rate minus 200 (two hundred basis points) and is payable in an earlier of 12 months or sale of harvest.

Baphuduhuchwana Production Incubator Proprietary Limited (BPI)				
Opening balance	6,486	6,051	-	-
Advanced during the year	-	770	-	-
Repayment	(304)	-	-	-
Interest accrued	305	252	-	-
Provision for impairment loss	(6,487)	(587)	-	-
	-	**6,486**	**-**	**-**

The loans are unsecured. interest is compounded monthly at prime rate minus 300 (three hundred basis points) and is payable after year end.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

10. Loans receivable (continued)

Sebenzangamandla Proprietary Limited				
Opening balance	503	-	-	-
Advanced during the year	-	1,264	-	-
Legal fees	-	22	-	-
Interest accrued	22	19	-	-
Loan repayment	-	(800)	-	-
Provision for impairment loss	(263)	(2)	-	-
	262	**503**	**-**	**-**

The loan is unsecured. interest is compounded monthly at prime rate minus 300 (three hundred basis points) and is payable in an earlier of 12 months or sale of harvest.

Spar				
Opening balance	4,829	-	-	-
Advanced during the year	-	4,780	-	-
Repayments	(1,905)	-	-	-
Interest accrued	189	66	-	-
Provision for impairment loss	(747)	(17)	-	-
	2,366	**4,829**	**-**	**-**
Non Current	2,033	3,016	-	-
Current	333	1,813	-	-

Infrastructure loan (non current portion)

The loan is unsecure. interest is compounded monthly at prime rate minus 300 (three hundred basis points) and is payable bi-annually for a period of six years.

Input Loan (Current portion)

The loan is unsecured. interest is compounded monthly at a greator of 3% of prime rate minus 300 (three hundred basis points) or 5%.This input loan was paid full.

Groendal				
Opening balance	2,884	-	-	-
Advanced during the year	-	3,000	-	-
Legal fees	-	26	-	-
Interest accrued	124	36	-	-
Loan repayment	(315)	(168)	-	-
Provision for impairment loss	(646)	(10)	-	-
	2,047	**2,884**	**-**	**-**
Non current	1,687	2,534	-	-
Current	360	350	-	-

Loan is unsecured. Interest is compounded monthly at a prime rate minus 300 basis points is payable in monthly instalments of R30 000 for a period of ten years.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

10 Loans receivables (continued)

Exposure to credit risk

Loans receivables inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivables is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

The group does not hold collateral or other credit enhancements against loans receivables.

11. Non-current assets held for sale

Kagiso Capital Proprietary Limited has entered into a sale agreement, during December 2021, to dispose of its equity holding in Onelogix Group Limited for a consideration of R93 million. The consideration is expected to be received within the next 12 months after year end.

During the current year, Onelogix Limited made the decision to delist. The investment has been classified as a non-current asset held for sale and is correctly remeasured to its fair value less costs to sell as at 30 June 2022. A cautionary announcement was released publicly during December 2021 and equity accounting ceased at this date. Subsequently, KC has signed an irrevocable letter to exit after the delisting has been concluded at a price of R3.30 per share, which equals to a consideration of R93 million. This resulted in a reversal of previously recognised cumulative impairment losses of R35 million. The consideration is expected to be received within the next 12 months after year end.

Assets and liabilities

Investment in associates	92,686	-	-	-

12. Property, plant and equipment

Group
Figures in R'000

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	36,330	(8,367)	27,963	36,330	(7,581)	28,749
Furniture and fixtures	4,270	(2,698)	1,572	2,107	(1,504)	603
Motor vehicles	2,278	(1,736)	542	1,522	(1,229)	293
Office equipment	2,132	(1,743)	389	1,395	(1,127)	268
IT equipment	4,941	(4,072)	869	2,325	(1,723)	602
Leasehold improvements	31	(19)	12	-	-	-
Legacy wall	411	(397)	14	411	(393)	18
Total	**50,393**	**(19,032)**	**31,361**	**44,090**	**(13,557)**	**30,533**

Trust
Figures in R'000

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	36,330	(8,367)	27,963	36,330	(7,581)	28,749
Furniture and fixtures	2,194	(982)	1,212	1,260	(904)	356
Motor vehicles	1,614	(1,475)	139	1,522	(1,229)	293
Office equipment	948	(725)	223	820	(661)	159
IT equipment	1,297	(970)	327	1,074	(936)	138
Legacy wall	380	(377)	3	380	(376)	4
Total	**42,763**	**(12,896)**	**29,867**	**41,386**	**(11,687)**	**29,699**

Notes to the Group Annual Financial Statements (continued)

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2022

Figures in R'000	Opening balance	Additions through business combinations	Additions	Disposals	Depreciation	Total
Land and buildings	28,749	-	-	-	(786)	27,963
Furniture and fixtures	603	195	880	-	(106)	1,572
Motor vehicles	293	-	439	-	(190)	542
Office equipment	268	101	233	-	(213)	389
IT equipment	602	760	125	(52)	(566)	869
Leasehold improvements	-	7	11	-	(6)	12
Legacy wall	18	-	-	-	(4)	14
	30,533	**1,063**	**1,688**	**(52)**	**(1,871)**	**31,361**

Reconciliation of property, plant and equipment - Group - 2021

Figures in R'000	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	29,535	-	-	(786)	28,749
Furniture and fixtures	791	-	-	(188)	603
Motor vehicles	545	-	-	(252)	293
Office equipment	179	177	-	(88)	268
IT equipment	699	329	(12)	(414)	602
Legacy wall	22	-	-	(4)	18
	31,771	**506**	**(12)**	**(1,732)**	**30,533**

Reconciliation of property, plant and equipment - Trust - 2022

Figures in R'000	Opening balance	Additions	Depreciation	Total
Land and buildings	28,749	-	(786)	27,963
Furniture and fixtures	356	856	-	1,212
Motor vehicles	293	-	(154)	139
Office equipment	159	206	(142)	223
IT equipment	138	378	(189)	327
Legacy wall	4	-	(1)	3
	29,699	**1,440**	**(1,272)**	**29,867**

Reconciliation of property, plant and equipment - Trust - 2022

Figures in R'000	Opening balance	Additions	Depreciation	Total
Land and buildings	29,535	-	(786)	28,749
Furniture and fixtures	438	-	(82)	356
Motor vehicles	545	-	(252)	293
Office equipment	64	127	(32)	159
IT equipment	148	102	(112)	138
Legacy Wall	5	-	(1)	4
	30,735	**229**	**(1,265)**	**29,699**

The market value of the land and buildings on 27 Scott Street Waverly is R17 100 000.

The market value of the land and buildings on 35 Scott Street Waverly is R14 300 000.

The properties were last valued in 2020 financial year.

Notes to the Group Annual Financial Statements (continued)

13. Goodwill and intangible assets

Group	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Goodwill	8,537	-	8,537	-	-	-
Computer software, internally generated	5,694	(608)	5,086	-	-	-
Marking manager	671	(441)	230	-	-	-
Qualification and study material	4,037	(2,834)	1,203	-	-	-
Computer software, other	1,358	(1,356)	2	-	-	-
E-Vision	18,993	(5,342)	13,651	-	-	-
Total	**39,290**	**(10,581)**	**28,709**	**-**	**-**	**-**

Individually material intangible assets represent course development costs. These courses are made available for retail training and thus do not represent development costs which are expensed. Courses are reviewed every 5 years.

Refer to note 18 for disclosures on the business combination that gave rise to goodwill in the current reporting period.

Reconciliation of goodwill and intangible assets - Group - 2022

Figures in R'000	Opening balance	Additions through business combinations	Additions	Impairment	Amortisation	Total
Goodwill	-	8,537	-	-	-	8,537
Computer software, internally generated	-	5,694	-	-	(608)	5,086
Marking Manager	-	364	-	-	(134)	230
Qualification and study material	-	1,281	302	-	(380)	1,203
Computer software, other	-	17	-	-	(15)	2
E-Vision	-	8,447	8,464	(2,592)	(668)	13,651
	-	**24,340**	**8,766**	**(2,592)**	**(1,805)**	**28,709**

14. Trade and other receivables

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Financial instruments:				
Trade receivables	6,709	307	104	104
Deposits	299	-	-	-
Non-financial instruments:				
VAT	1,228	1,214	227	-
Prepayments	591	-	-	-
Total trade and other receivables	**8,827**	**1,521**	**331**	**104**

All the trade and other receivables are fully performing. The credit quality of trade and other receivables that are neither post due nor impaired can be assessed by reference to external credit rating (if available) or to historical information about counterparty default rates. None of the trade and other receivables, that are fully performing have been renegotiated.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

15. Inventories

Study guides and study material	170	-	-	-

16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	37	1	-	-
Bank balances	206,957	136,206	134,651	95,558
Bank overdraft	(74)	-	(57)	-
	206,920	**136,207**	**134,594**	**95,558**

Current assets	206,994	136,207	134,651	95,558
Current liabilities	(74)	-	(57)	-
	206,920	**136,207**	**134,594**	**95,558**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (Per Moody's Rating Agency).

Cash is held with FirstRand Bank Limited and Rand Merchant Bank, which have a credit rating of Ba2 per Moody's Rating Agency. Long term deposit credit ratings were Ba2 in 2022. Short term deposits ratings remained unchanged at P-3.

Credit rating				
Rand Machant Bank	1,010	1,074	292	283
First National Bank	205,984	135,132	134,359	95,275
	206,994	**136,206**	**134,651**	**95,558**

Impact of ECL Assessment

As required by IFRS 9, cash balances have been assessed for credit expected losses. This has been performed though assessment of the counter party risk in related financial institutions where the cash is held, though adjusted credit risk factor (including the impact of COVID-19 on these institutions). The majority of cash in the group is held with financial institutions guaranteed by the local reserve bank which reduces credit risk further. Expected credit losses in this regard have been determined to be immaterial.

17. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(54,056)	(44,821)	-	-

Reconciliation of deferred tax movement

At beginning of year	(44,821)	4,671	-	-
Charged for the year	(9,235)	(49,492)	-	-
	(54,056)	**(44,821)**	**-**	**-**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

17. Deferred tax (continued)

Deferred tax asset / (Liability)

Fair value movement in Phuthuma Nathi investment	(37,106)	(30,254)	-	-
Fair value movement in KTH investment	(6,523)	(10,251)	-	-
Fair value movement in Growthpoint Healthcare Investment	(3,619)	(4,316)	-	-
Fair value movement in Growthpoint Student Acommodation investment	(6,912)	-	-	-
Open learning Group	1,603	-	-	-
Open learning Group intellectual property	(1,282)	-	-	-
Open learning Technology intellectual property	(217)	-	-	-
	(54,056)	**(44,821)**	**-**	**-**

18. Business combination

On 1 July 2021, the group acquired a 100% stake of the issued share capital of Open Learning Group (OLG) and Open Learning Technology (OLTech). The total purchase consideration of R14 million was funded through cash resources and the settlement of a shareholder loan.

OLG entity is a private higher education institution with qualifications that are delivered through a blended distance learning model and learnerships, skills programmes and short learning programmes that are delivered through sessions. The OLG group has another wholly owned subsidiary called Business School of Excellence (Pty) Ltd (BSE), which is a recognised training provider in both the TVET as well as the higher education space.

OLTech on the other hand is an enabler of private and public education institutions. The OLTech platform enables students and academic administration through an academic management system referred to as eVision and online education by means of a learning management system.

The acquisition has been accounted for using the acquisition method. The date of acquisition is 1 July 2021 and the annual financial statements include the OLG, OLTech and BSE results for the year ended 31 June 2022.

The issued shares capital of acquired entities were previously wholly owned by Open Learning Holdings (OLH), an associate investment of the Group (Please refer to note 6).

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration	
Cash paid	7,000
Net Settlement *	7,000
Contingent consideration	-
Total purchase consideration	**14,000**

** The net settlement consideration relates to the shareholder loan that was paid out to Kagiso Capital in a net settlement transaction.*

Notes to the Group Annual Financial Statements (continued)

18. Business combination (continued)

The fair value of the identifiable assets and liabilities at acquisition date was determined as follows:	R '000
Assets	
Property, plant and equipment	316
Right-of-use assets	50
Intangible assets	7,746
Inventories	105
Loan receivable	20
Trade and other receivables	8,223
Cash and cash equivalents	4,654
Total Assets	**21,114**
Liabilities	
Lease liabilities	(45)
Deferred revenue	(1,753)
Financial liabilities at fair value	(3,602)
Trade and other payables	(9,792)
Provisions	(97)
Bank overdraft	(10)
Deferred tax	(352)
Total Liabilities	**(15,651)**
Total net identifiable assets acquired	5,463
Goodwill arising at acquisition	8,537
Purchase consideration transferred	**14,000**

Analysis of cash flows at acquisition

Net cash acquired with the subsidiary (included in cash flows from investing activities)

Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	7,000
Less: Balances acquired	(4,643)
Cash	(4,653)
Bank overdraft	10
Net outflow of cash - investing activities	**2,357**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

19. Other reserves

Reconciliation of carrying value	Group 2022 R'000	Group 2021 R'000	Trust 2022 R'000	Trust 2021 R'000
Share of associate companies - One Logix Limited	4,656	5,521	-	-
Share of associate companies - Kagiso Tiso Holdings Prorietary Limited	(23,165)	(42,479)	(3,990)	(18,303)
	(18,509)	(36,958)	(3,990)	(18,303)
Contribution from trustees	10,889	10,889	-	-
	(7,620)	**(26,069)**	**(3,990)**	**(18,303)**

Reconciliation of carrying value 2022 - Group	Opening Balance	Movement during the year	Closing balance
One Logix Limited	5,521	(865)	4,656
Kagiso Tiso Holdings Proprietary Limited	(42,479)	19,314	(23,165)
Contribution from trustees	10,889	-	10,889
	(26,069)	**18,449**	**(7,620)**

Reconcilliation of carrying value 2021 - Group	Opening Balance	Movement during the year	Closing balance
One Logix Limited	5,787	(266)	5,521
Kagiso Tiso Holdings Proprietary Limited	(17,146)	(25,333)	(42,479)
Contribution from trustees	10,889	-	10,889
	(470)	**(25,599)**	**(26,069)**

Reconcilliation of carrying value 2022 - Trust	Opening Balance	Movement during the year	Closing balance
Kagiso Tiso Holdings Proprietary Limited	(18,303)	14,313	(3,990)

Reconcilliation of carrying value 2021 - Trust	Opening Balance	Movement during the year	Closing balance
Kagiso Tiso Holdings Proprietary Limited	472	(18,775)	(18,303)

20. Derivative financial instruments

Fair value through profit or loss	Group 2022 R '000	Group 2021 R '000	Trust 2022 R '000	Trust 2021 R '000
Embedded derivative relating to Growthpoint Healthcare Property Holdings RF Limited ("GHP") investment funding	(8,274)	-	-	-
Embedded derivative relating to Phuthuma Nathi Investments (RF) Limited ("PN") investment funding	(27,602)	-	-	-
Embedded derivative relating to Joburg Stay Proprietary Limited ("PBSA") investment funding	(5,775)	-	-	-

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

20. Derivative financial instruments (continued)

The group acquired investments with funding obtained from RMB. The funding structures have Facility A and Facility B components, but Facility B has an interest rate payment that is contingent on a Net Asset Value ("NAV") Payment event being called by the Lender, and amount payable linked to NAV of the underlying investment. The call options embedded in the debt host contracts have been separated and recognised at fair value on initial recognisition and subsequently measured at fair value through profit and loss. Refer to note 23 for further details.

Valuation techniques used to measure fair value

The embedded derivatives are level 3 fair value measurements which have been valued using the Monte Carlo simulation approach, in order to simulate the path dependent. The model forecasts the performance of the various debt facilities under each agreement through time and allows for the waterfall nature of the dividends.

Input and assumptions	Significant inputs		
Derivative financial instruments	Share in Net asset value (R)	Share price (R)	Expected dividend yield (%)
Embedded derivative relating to Growthpoint Healthcare Property Holdings RF Limited ("GHP") investment	298,260,629	N/A	7.00 %
Embedded derivative relating to Phuthuma Nathi Investments (RF) Limited ("PN") investment	N/A	151	14.67 %
Embedded derivative relating to Joburg Stay Proprietary Limited ("PBSA") investment	402,123,662	N/A	7.00 %

21. Financial liabilities measured at amortised cost

Preference share liabilities

Group 2022

Issued preference share liabilities	Kagiso Capital	Kagiso Venture Capital	Total
Balance beginning of the year	996,619	163,552	1,160,171
Preference share issued for the year	189,000	45,780	234,780
Capitalisation of transaction costs	(47)	(777)	(824)
Finance costs capitalised	59,725	11,187	70,912
Repayment of finance costs	(52,289)	(10,984)	(63,273)
Capital Redemption	(43,000)	(52,750)	(95,750)
	1,150,008	**156,008**	**1,306,016**

The maturity of the preference shares liabilities is as follows

Payable within 1 year or on demand	-	-	-
More than 2 years but not exceeding 5 years	1,150,008	156,008	1,306,016
More than five years	-	-	-

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

21. Financial liabilities measured at amortised cost (continued)

Group 2021

Issued preference share liabilities	Kagiso Capital	Kagiso Venture Capital	Total
Balance beginning of the year	709,958	-	709,958
Preference share issued for the year	289,000	175,350	464,350
Capitalisation of transaction costs	(1,094)	(610)	(1,704)
Finance costs capitalised	47,793	9,865	57,658
Repayment of finance costs	(41,038)	(913)	(41,951)
Capital Redemption	(8,000)	(20,140)	(28,140)
	996,619	**163,552**	**1,160,171**

The maturity of the preference shares liabilities is as follows

Payable within 1 year or on demand	-	-	-
More than 2 years but not exceeding 5 years	996,619	163,552	1,160,171
More than five years	-	-	-

Preference shares - Kagiso Capital

The preference shares are secured by the shares held by KCT in FirstRand Limited, MMH Limited, Discovery Limited, and Kagiso Tiso Holdings Proprietary Limited.

The preference shares are redeemable on 1 April 2025. The preference dividends are at 68% of the prime interest rate.

The entity is still in compliance with covenants and there has not been any breach nor default in accordance with the terms of the preference share agreement.

The entity redeemed R8 million of the capital amount in April 2021. In July 2020 and August 2020, an additional R 16m and R 23 million, respectively, were drawn down in order to subscribe for ordinary shares in Kagiso Venture Capital, incorporated to acquire additional share in Phuthuma Nathi Investment Limited. In November 2020, an additional R 250 million was drawn down in order to subscribe for additional shares in KTH and Alphawave Holdings.

The entity redeemed R43 million of the capital amount in April 2022. In September 2021, an additional R29 million was drawn down in order to subscribe for ordinary shares in Kagiso Venture Capital, to acquire additional shares in Phuthuma Nathi Investment Limited. The loan is secured by an investment held in Phuthuma Nathi Investment (RF) Limited. However Kagiso Venture CApital (RF) (Pty) Ltd ("KVC") is still obligated to perform its obligations per the loan agreements, if the security provisions come into effect. KVC has also subordinated all other claims against the company in favour of the loan.

In November 2021 an additional R160m was drawn down in order to subscribe for ordinary shares in Kagiso Capital Properties, incorporated to acquire share in Growthpoint Student Accommodation Holdings Limited. The loan is secured by this investment. However, Kagiso Capital Properties (Pty) Ltd ("KCP") is still obligated to perform its obligations per the loan agreements, if the security provisions come into effect. KCP has also subordinated all other claims against the company in favour of the loan.

Preference shares - Kagiso Venture capital

An issuance of a preference share debt instrument through the authorisation of 30 000 class A cumulative preference and 100 class B participating redeemable preference shares on the 7th of August 2020. The A preference shares dividends are priced at a dividend rate of 97.5% of the prime rate and the preference B shares dividends are priced 9%.

Notes to the Group Annual Financial Statements (continued)

21. Financial liabilities measured at amortised cost (continued)

Long Term Loan

Group 2022

RMB Loans	Kagiso Capital Properties	Kagiso Capital Healthcare Investment	Total
Balance beginning of the year	-	231,474	231,474
Loan raised during the year	242,400	-	242,400
Capitalisation of transaction costs	(3,726)	(137)	(3,863)
Finance costs capitalised	11,827	18,194	30,021
Repayment of finance costs	(6,382)	-	(6,382)
Capital redemption	(1,138)	(30,650)	(31,788)
	242,981	**218,881**	**461,862**
Maturity of long term liability is as follows:			
Payable within 1 year or on demand	-	-	-
More than two years but not exceeding five years	242,981	218,881	461,862
More than five years	-	-	-

Group 2021

RMB Loan	Kagiso Capital Properties	Kagiso Capital Healthcare Investment	Total
Balance beginning of the year	-	353,500	353,500
Finance costs capitalised	-	18,535	18,535
Capital redemption	-	(140,561)	(140,561)
	-	**231,474**	**231,474**
Maturity of long term liability is as follows:			
Payable within 1 year or on demand	-	-	-
More than two years but not exceeding five years	-	231,474	231,474
More than five years	-	-	-

RMB Loan - Kagiso Capital Properties

A loan of R242,400,000 was obtained from RMB on 29 November 2021. The loan attracts an interest rate of three-month JIBAR plus a margin of 4,02%. The loan is repayable within a five-year tenor. The loan is secured by the investment held in Growthpoint Student Accommodation REIT.

The funding structures have Facility A and Facility B components, but Facility B has an interest rate payment that is contingent on a NAV Payment event being called by the Lender, and amount payable linked to NAV of the underlying investment. Please refer to note 20 where the call options embedded in the debt host contracts have been separately recognised.

RMB Loan - Kagiso Capital Healthcare Investment

A loan of R60,000,000 was obtained from RMB on 12 September 2018. A further loan of R174,474,622 was raised on the 15th of January 2020. The loan attracts an interest rate of three month JIBAR plus a margin of 4,08%. The loan is repayable within a five year tenor. The loan is secured by the investment held in Growthpoint Healthcare Property Holdings RF Limited. However Kagiso Capital (Pty) Ltd ("KC") is still obligated to perform its obligations per the loan agreements, if the security provisions come into effect. KC has also subordinated all other claims against the company in favour of the loan.

Notes to the Group Annual Financial Statements (continued)

21. Financial liabilities measured at amortised cost (continued)

The funding structures have Facility A and Facility B components, but Facility B has an interest rate payment that is contingent on a NAV Payment event being called by the Lender, and amount payable linked to NAV of the underlying investment. Please refer to note 20 where the call options embedded in the debt host contracts have been separately recognised.

Total liabilities at amortised cost	**Group 2022**	**Group 2021**	**Trust 2022**	**Trust 2021**
Preference shares	1,306,016	1,160,171	-	-
Long term loan	461,862	231,474	-	-
	1,767,878	**1,391,645**	**-**	**-**

Split between current and non current liabilities				
Non current liabilities	1,767,878	1,391,645	-	-

22. Funds available for projects

Free State school halls				
Balance at begining of the year	122	23,275	122	23,275
Received from donors during the year	49,730	40,000	49,730	40,000
Utilised for projects expenses	(21,170)	(63,153)	(21,170)	(63,153)
	28,682	**122**	**28,682**	**122**

Funds available for the Beyers Naude Schools Development Programme				
Balance at beginning of the year	89	89	89	89
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	89	**89**	**89**	**89**

Funds available for the Beyers Naudé Schools Development Programme				
Balance at beginning of the year	1,125	1,125	1,125	1,125
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	1,125	**1,125**	**1,125**	**1,125**

Funds available for the Rantsane Hall				
Balance at beginning of the year	31,906	31,906	31,906	31,906
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	31,906	**31,906**	**31,906**	**31,906**

Funds available for projects from ABSA Bank for Madikwe Resource Centre				
Balance at beginning of the year	69	69	69	69
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	69	**69**	**69**	**69**

Funds available for projects from National Lotteries Board				
Balance at beginning of the year	1,879	1,879	1,879	1,879
Received from donors during the year	-	-	-	-
Utilised for projects expenses	-	-	-	-
	1,879	**1,879**	**1,879**	**1,879**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

22. Funds available for projects (continued)

Funds available for projects from Eskom				
Balance at beginning of the year	1,495	287	1,495	287
Received from donors during the year	-	1,208	-	1,208
Utilised for projects expenses	(654)	-	(654)	-
	841	**1,495**	**841**	**1,495**
Total funds available for projects	**64,591**	**36,685**	**64,591**	**36,685**

Funds available for projects are funds received from donor organisations for charitable activities. These funds are yet to be disbursed to charitable projects.

23. Trade and other payables

Financial instruments:				
Trade payables	4,830	1,282	1,010	2,192
Employee related payables	3,917	849	96	260
Accrual for audit fees	2,882	2,149	644	706
Accrued expenses	174	-	-	-
Deposits received	1,245	-	-	-
	13,048	**4,280**	**1,750**	**3,158**
Non-financial instruments:				
VAT	63	5,212	-	5,192
	13,111	**9,492**	**1,750**	**8,350**

24. Provisions

Reconciliation of provisions - Group - 2022

	Opening balance	Charged to the income statement	Utilised during the year	Total
Bonus provision	22,691	26,872	(18,287)	31,276
Leave pay provision	3,876	664	(275)	4,265
	26,567	**27,536**	**(18,562)**	**35,541**

Reconciliation of provisions - Group - 2021

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	7,016	30,631	(14,956)	22,691
Leave pay provision	3,186	1,871	(1,181)	3,876
	10,202	**32,502**	**(16,137)**	**26,567**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

24. Provisions (continued)

Reconciliation of provisions - Trust - 2022

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	3,642	5,543	(4,540)	4,645
Leave pay provision	719	257	(281)	695
	4,361	**5,800**	**(4,821)**	**5,340**

Reconciliation of provisions - Trust - 2021

	Opening balance	Additions	Utilised during the	Total
Bonus provision	1,585	5,404	(3,347)	3,642
Leave pay provision	529	426	(236)	719
	2,114	**5,830**	**(3,583)**	**4,361**

The bonus provision consists of a performance-based bonus, which is determined by reference to the overall Group performance with regard to a set of pre-determined key-performance measures. Bonuses are payable annually after the Group annual results have been approved.

25. Forward exchange assets

Reconciliation of contract assets

	Group 2022	Group 2021	Trust 2022	Trust 2021
Opening balance	-	3,173	-	-
Sale of contract	-	(3,173)	-	-
	-	**-**	**-**	**-**

A 17.24% interest in Alphawave Holdings was acquired on the 30th of March 2020. There is a further undertaking to acquire more equity to the value of R50 million subject to competition commission approval. The further undertaking qualifies to be recognised as derivative forward exchange contract (FEC) as per IFRS 9 and has a fair value of R3.1 million.

26. Revenue

	Group 2022	Group 2021	Trust 2022	Trust 2021
Revenue from contracts with customers	27,465	957	13	-

27. Other income

	Group 2022	Group 2021	Trust 2022	Trust 2021
Sundry income	22,927	70,920	22,588	63,845
Dividend income	341,085	135,562	236,373	84,799
Rental income	-	-	706	646
Gain on bargain purchase in associates	-	179,000	-	-
	364,012	**385,482**	**259,667**	**149,290**

28. Other operating gains / (losses)

Gains /(losses) on disposal of assets

	Group 2022	Group 2021	Trust 2022	Trust 2021
Property, plant and equipment (Refer to note 12)	(95)	(11)	(44)	-

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

28. Other operating gains / (losses) (continued)

Reconciliation of provisions - Trust - 2022

	Group 2022 R '000	Group 2021 R '000	Trust 2022 R '000	Trust 2021 R '000
Fair value gains (losses)				
Fair value gain on Kagiso Asset Management Proprietary Limited (Refer to note 9)	4,912	31,528	4,912	31,528
Fair value loss on recognition of derivative financial instruments (Refer to note 21)	(41,651)	-	-	-
Fair value loss on FEC contract	-	(3,173)	-	-
Fair value (loss) / gain on Growthpoint Health Investment	(2,512)	11,329	-	-
Fair value gain on Growthpoint Properties Investment	32,000	-	-	-
	(7,251)	**39,684**	**4,912**	**31,528**
Total other operating gains / (losses)	**(7,346)**	**39,673**	**4,868**	**31,528**

29. Operating profit / (loss)

Operating income for the year is stated after charging (crediting) the following, amongst others:

	Group 2022 R '000	Group 2021 R '000	Trust 2022 R '000	Trust 2021 R '000
Auditor's remuneration - external				
Audit fees	2,946	2,368	644	722
Leases				
Operating lease charges				
Equipment	253	402	243	402
Depreciation and amortisation				
Depreciation of property, plant and equipment	1,886	1,732	1,272	1,266
Amortisation of intangible assets	1,790	-	-	-
Total depreciation and amortisation	**3,676**	**1,732**	**1,272**	**1,266**
Other				
Research and development costs	101	-	21	-
Legal	179	200	-	-
Employee costs	82,887	70,405	11,715	12,367
Trustee fees and other trustees expenses	6,761	5,451	4,070	3,054
Funds distributed to Kagiso Shanduka Trust	1,500	5,000	1,500	5,000
Programme expenses, EMSP, BNSDP and School halls	42,523	77,528	83,208	113,215
Advertising	3,320	1,961	2,631	1,688
Consulting and professional fees	9,585	6,596	2,305	1,625
Other operating expenses	26,110	15,038	9,051	8,544
	172,966	**182,179**	**114,501**	**145,493**

30. Interest income

Interest income

	Group 2022 R '000	Group 2021 R '000	Trust 2022 R '000	Trust 2021 R '000
Investments in financial assets:				
Interest received - Bank	9,074	7,438	4,850	3,940

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
31. Finance costs				
Interest on long term loans	30,022	18,535	-	-
Finance costs on preference shares obligation	70,912	57,657	-	-
Interest Expense	67	878	-	-
Total finance costs	**101,001**	**77,070**	**-**	**-**
32. Impairment of assets				
Material impairment losses (recognised)/reversed				
Investment in associates				
One Logix Group Limited	34,752	(2,400)	-	-
Financial instruments				
For Farmers East (FFE)	(5,399)	(36)	-	-
Baphuhuduchwana Production Incubator Proprietary Limited	(6,487)	(587)	-	-
Sebenzangamandla	(263)	(2)	-	-
Spar Mohopani Rural Hub	(747)	(17)	-	-
Groendal	(646)	(10)	-	-
Kagiso Africa Investments Proprietary Limited	-	-	(195)	(96)
Kagiso Trust Consultancy Proprietary Limited	-	-	(1,082)	(1,424)
Kagiso Enterprise Rural Private Equity Fund Proprietary Limited	-	-	(3,323)	(5,228)
Open Learning Group bad debt written off	(759)	-	-	-
Business school of excellence	(65)	-	-	-
Intangible assets				
Open learning technology	(2,593)	-	-	-
	17,793	**(3,052)**	**(4,600)**	**(6,748)**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

33. Taxation

Major components of the tax expense (income)

	Group 2022 R '000	Group 2021 R '000	Trust 2022 R '000	Trust 2021 R '000
Current				
Local income tax - current period	4,441	462	-	-
Current tax	16	-	-	-
	4,457	**462**	**-**	**-**
Deferred				
Current year	9,355	49,491	-	-
	13,812	**49,953**	**-**	**-**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	Group 2022	Group 2021	Trust 2022	Trust 2021
Applicable tax rate	28.00 %	28.00 %	28.00 %	28.00 %
Exempt income	(28.00) %	(12.90) %	(28.00) %	(28.00) %
Assessed loss not utilised	3.40 %	(14.10)%	0.00 %	0.00 %
Permanent differences	5.80 %	- %	- %	- %
	9.20 %	**1.00 %**	**0.00 %**	**0.00 %**

Trust is tax exempt.

34. Other comprehensive income

Components of other comprehensive income - Group - 2022

	Gross	Tax	Net
Equity-accounted investments			
Share of movement in reserves of associates	18,449	-	18,449
Fair value through other comprehensive income financial assets adjustments			
Gains arising during the year	629,151	-	629,151
Total	**647,600**	**-**	**647,600**

Components of other comprehensive income - Group - 2021

	Gross	Tax	Net
Equity-accounted investments			
Share of movement in reserves of associates	(25,599)	-	(25,599)
Fair value through other comprehensive income financial assets adjustments			
Losses arising during the year	1,355,086	-	1,355,086
Total	**1,329,487**	**-**	**1,329,487**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

33. Taxation (continued)

Components of other comprehensive income - Trust - 2022

	Gross	Tax	Net
Share of movement in reserves of associates			
Share of movement in reserves of associates	14,313	-	14,313
Fair value through other comprehensive income financial assets adjustments			
Gains arising during the year	592,380	-	592,380
Total	**606,693**	**-**	**606,693**

Components of other comprehensive income - Trust - 2021

	Gross	Tax	Net
Share of movement in reserves of associates			
Share of movement in reserves of associates	(18,775)	-	(18,775)
Fair value through other comprehensive income financial assets adjustments			
Losses arising during the year	1,269,007	-	1,269,007
Total	**1,250,232**	**-**	**1,250,232**

35. Cash generated from operations

		Group		Trust	
	Note(s)	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Loss before taxation		156,263	(23,232)	165,781	(124,037)
Adjustments for:					
Depreciation and amortisation		3,676	1,732	1,272	1,266
Loss from equity accounted investments		(31,614)	189,985	(17,643)	154,163
Dividend income	27	(341,085)	(135,562)	(236,373)	(84,799)
Interest income		(9,074)	(7,438)	(4,850)	(3,940)
Finance costs		101,001	77,070	-	-
Fair value losses (gains)		7,251	(39,684)	(4,912)	(31,527)
Gain on bargain purchase in associates		-	(179,000)	-	-
Net impairments and movements in credit loss allowances		(17,793)	3,063	4,644	6,748
Gains / (losses on disposal of assets		95	-	-	-
Movements in provisions		7,381	16,365	979	2,247
Capitalisation of transaction costs on loans receivables		-	(47)	-	-
Changes in working capital:					
Inventories		(170)	-	-	-
Trade and other receivables		(8,130)	2,448	(227)	-
Trade and other payables		3,618	(12,962)	(6,581)	1,624
Funds available for projects		27,906	(21,945)	27,906	(21,945)
		(100,675)	**(129,207)**	**(70,004)**	**(100,200)**

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000

36. Tax paid

Balance at beginning of the year	221	17	-	-
Current tax for the year recognised in profit or loss	(4,457)	(462)	-	-
Transfers from deferred tax	(120)	-	-	-
Balance at end of the year	(191)	(221)	-	-
	(4,547)	**(666)**	**-**	**-**

37. Related parties

The following are defined as related parties of the Group:

- the trustees
- subsidiaries
- associates and joint ventures
- key management personnel
- common key personnel

Name	Country	Relationship	Portion held
Kagiso Trust Consultancy Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Enterprise Rural Private Equity Fund Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Development Trust	South Africa		
Kagiso Africa Investments Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Capital Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Capital Health Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Shanduka Trust (KST)	South Africa	Unconsolidated entity	
Tyala Impact Fund Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Venture Capital (RF) Proprietary Limited	South Africa	Subsidiary	100 %
Kagiso Capital Properties Proprietary Limited	South Africa	Subsidiary	100 %
Open Learning Group (RF) Proprietary Limited	South Africa	Subsidiary	100 %
Open Learning Technology (RF) Proprietary Limited	South Africa	Subsidiary	100 %
Business School of Excellence Proprietary Limited	Namibia	Subsidiary	100 %

Refer to note 38 for unconsolidated structured entity.

Refer to note 6 for a list of investments in associates.

Related party balances

Amount due from related parties				
Kagiso Development Trust	-	-	10	8
Kagiso Capital Proprietary Limited	-	-	12,203	12,300
Kagiso Trust Consultancy Proprietary Limited	-	-	402	402
Kenya Community Development Foundation	1,372	1,372	1,372	1,372
Tyala Impact Fund Proprietary Limited	-	-	26,126	26,126
	1,372	**1,372**	**40,113**	**40,208**

The above non-interest bearing loans are unsecured and have no fixed repayment terms. They are payable on demand.

The Trust has subordinated its loan with Kagiso Africa Investment Proprietary Limited, Kagiso Development Trust, and Tyala Impact Fund Proprietary Limited. The trust will continue to provide support to these entities until such time as their assets, fairly valued, exceed their assets.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
37. Related parties (continued)				
Amounts due to related parties - Subsidiaries				
Kagiso Development Trust	-	-	503	254
Kagiso Trust Strategic Investment (RF) Proprietary Limited	-	-	320	320
	-	**-**	**823**	**574**

The above non-interest bearing loans are unsecured and have no fixed repayment terms. They are payable on demand.

The Group establishes allowances for credit losses (impairment allowances) on loans to subsidiaries, fellow subsidiaries and/or other related parties equal to the twelve month expected credit losses on these items unless there has been a significant increase in credit risk since initial recognition of these loans. Where there has been a significant increase in credit risk since initial recognition, impairment allowances are adjusted to equal the lifetime expected credit losses on these loans. At 30 June 2022, the impairment allowances relating to loans to subsidiaries, fellow subsidiaries and/or other related parties were taken into account in the above balances based on the loan counterparties' holdings of assets. These holdings by the counterparties, fairly valued exceed their obligations, including their liabilities towards the company, and accordingly mitigate the credit risk arising from these loans. Counterparties' have sufficient cash flows to repay their obligations.

Amount due from Associates				
Alphawave Holdings	5,085	-	-	-

Kagiso Capital issued perference shares to Alphawave Holdings on 12 April 2022. This is a preference share carried at amortised costs. The preference share dividends are at prime plus 4%. The preference shares are redeemable in the date which is 5 years and 1 day after the issue date.

IAS 24 – relate parties, requires the identification of "key management personnel" who are individuals responsible for planning, directing and controlling activities of the entity including trustees. The Group has accordingly defined key management personnel to include the Trustees as disclosed on pages 107 to 108.

Remuneration of Key Management Personnel.				
Short term employee benefits	28,106	24,107	7,342	6,198
Trustee fees	6,761	5,451	3,343	3,054
	34,867	**29,558**	**10,685**	**9,252**

Compensation to directors and other key management				
Short-term employee benefits	2,070	1,159	-	-

38. Unconsolidated structured entity

Kagiso Charitable Trust ("KCT") and Cyril Ramaphosa Foundation ("CRF") (Formerly Shanduka Foundation) created a structured entity called KST Trust (formerly Kagiso Shanduka Trust) with the objective of joining forces to assist in the school development in Free State province from 12 March 2016 to 11 March 2018. KST 's school development has targeted schools in in two districts in the Free State province (Motheo and Fezile Dabi). The two entities have committed R200 million together (R100 million each) with Free State Department of Education (FSDoE) committing to R200 million, resulting in R 400 million project. KCT has transferred R100 million to KST by 30 June 2018. R105 million was transferred in 2015, R37.5 million was transferred in 2014 and total of R20 million was transfered bettwen 2018 and 2021.

KCT provided an additional R1.5 million in the 2022 financial year. KCT as well as Cyril Ramaphosa Foundation may be required to contribute over and above the contractual amounts as and when is required. This will be agreed in writing before additional funding is provided.

KCT did not consolidate KST as the requirements of control as defined in IFRS 10 were not met.

Notes to the Group Annual Financial Statements (continued)

	Group		Trust	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
39. Commitments				
Lease commitments				
Minimum lease payments due				
• within one year	44,580	571,410	-	526,830
• in second to fifth year inclusive	39,056	83,636	-	-
	83,636	**655,046**	**-**	**526,830**

40. Contingencies

At year end, no contingent liabilities were noted.

41. COVID-19 Consideration

The investment portfolio has been defensive across the healthcare, education, logistics and technology sectors. Whilst we anticipate a serious contraction in GDP, we are quite comfortable that the portfolio assets would not require follow-on capital calls and are solvent and liquid.

The debt facility being a PIK (Pay-in-kind) instrument, is only repayable when FirstRand, MMH and Discovery Limited distribute ordinary dividends. This non-mandatory debt service arrangement ameliorates any liquidity risk and being in default of the debt facility arrangement.

Overall the business remains solvent and liquid, whilst adopting a prudent capital allocation strategy in defensive assets.

The Trustees, together with the Executive Committee have further reviewed the programme model, activities, implementation plans to include blended approach and they have further reviewed programme elements, piloting of new initiatives, phasing in of service providers and conducting survey needs and resources.

Given the current state of the local economic environment, the Trustees and Executive Committee believe that it would be more appropriate for the trust to conserve cash and maintain adequate debt headroom to ensure that the Trust is best placeto with stand any prolonged adverse economic conditions and lack of funding.

42. Events after the reporting period

Subsequent to year end, the trust concluded the sale of the First Rand Empowerment Trust. The trust disposed of 25% shares in each underlying investment in exchange for cash on the 9th of November 2022. The cash was reinvested in Balance funds such as Coronation and Camissa accordingly.

43. Going concern

The trustees and the directors believe that the trust and the group have adequate financial resources to continue in operation for the foreseeable future and accordingly the group annual financial statements have been prepared on a going concern basis.

The trustees and the directors have satisfied themselves that the trust and the group are in a sound financial position and that they have access to sufficient borrowing facilities to meet their foreseeable cash requirements. The trustees and the directors are not aware of any new material changes that may adversely impact the trust and the group. The trustees and the directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust and the group.

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KAGISO TRUST
Overcoming poverty

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