

Annual General Report - 2011



Kwa Dukuza Resource Centre

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Chairperson's Statement

It gives me great pleasure to welcome you to the Annual General Meeting of our organisation. Today we would like to share with you the work undertaken by the Board and our members during 2011, highlighting our achievements and signaling our future plans.

The Kwa Dukuza Resource Centre has directed itself towards the implementation of three important aspects of educational development, that is, the development of ICTs in the community, the development of MST programmes for school going learners and the development of Skills Development for post school learners. I think the introduction of the Skills development programmes comes at a time when there is a huge need to place youths into job opportunities. Education interventions to rectify skills shortages takes time to implement and even longer to have an effect, particularly given the large number of young South Africans who start school but fail to complete Grade 12. Until these improvements are made, those that drop out from school and school leavers who do not pursue further education and training and will struggle to be absorbed into the job market. Further to this, the shortfalls in the education system constrain the prospects of young people, leaving them ill-equipped for the workplace, in many cases without basic competencies.

Young people also lack work experience, which provides critical on-the-job learning and training. Experience is vital: a young person with some work experience is in a far better situation than one without. South Africa faces the harsh reality that not enough people work. Out of a population of some 50 million people, there are only 13.1 million employed. Poverty, inequality and social inequities stem from the exclusion of the majority from job opportunities. Greater employment and economic participation would help make progress in reducing poverty and income inequality in South Africa.

The Kwa Dukuza Resources Centre had originally been established to deliver ICT education and educational resources to the local community and beyond. This aspect has been well taken care of thus far. The Centre is planning to introduce courses in the direction of website building, A+, Cisco, etc. and advanced courses in Microsoft.

For me, the most important aspect of computers in education is that they provide drill and practice for the learners. Unlike educator instruction, which may become tedious over time, computers provide motivation to the learners to continue learning. Utilizing computers in education makes abstract concepts visible to learners who may be discouraged from learning material. Computers have become an ideal resource within the learning and teaching arena. They have helped learners to "use their mathematical knowledge and stimulate them into

making their thinking visible. Various tutorial programs, instructional games, problem solving games all serve their purpose in stimulating the minds of learners, but the most effective aspect of the computer is the Internet.

MST programmes, since inception, have become an important part of the Centres functionality. The Centre provides various types of resources to improve the quality of MST to encourage learners to follow a science career path at tertiary and thereby increase the pool of skilled labour resources in the country.

I would like to express my gratitude to all of our donors, especially Sappi Limited, our principal donor, for their excellent support since inception and for the computer upgrade at the end of 2011. Anglo American Chairman's Fund and Nedbank Foundation (MST Intervention), D G Murray Trust Fund and Absa Foundation for sponsoring the Skills Development programmes for post matric learners and Internet Solutions for the internet services. On the local front, I want to express my sincere thanks and appreciation to the Kwa Dukuza Municipality for the sponsorship of General Staff at the Centre since inception, Mr T Reddy (T.T. Reddy Trust and Bartel Kabel Werke) for computer hardware and Randeas Electrical for electrical maintenance at the Centre. The Centre needs more local donors after all we contribute to the development of the local community.

I wish to recognise the dedication of my fellow Board members and the Centre management and staff, and last but not least the volunteers and members that support the Centre on a daily basis.

I am also pleased that through good housekeeping and diligent purchasing the expenditure has been well contained and cash resources are sufficient to cover the company's requirements for working capital and capital expenditure in the foreseeable future.

It has been a great honour for me to continue serving as the Chairperson of Kwa Dukuza Resource Centre; we strive to ensure that our processes are inclusive, transparent, responsive, and always centered on the needs of our learners, youth, schools and the community at large.



Mbusiseni Mbongeni Mazive

Chairperson – Kwa Dukuza Resource Centre

Overview 2011

Enhancing Education in the community

Preamble

Since its establishment in 2000, the Kwa Dukuza Resource Centre has been committed to improving education – preparing learners around its vicinity to thrive in the global knowledge economy. Kwa Dukuza Resource Centre has focused on improving teaching and learning through effective use of technology, advancing the Revised National Curriculum Statement (RNCS) and Further Education and Training (FET) education both to educators and learners.

The Centre also showcases technology solutions that support the creation of 21st century skills such as digital literacy, problem solving, critical thinking and hi-tech technology education. The Centre works with many rural schools where funds for technology infrastructure are scarce – much less than for basics such as water, electricity, toilets, or telephone. Through the generous sponsorship from Sappi, Nedbank Foundation, Anglo American Chairman's Fund, D.G. Murray and Absa Foundation, it is possible to take education into the rural schools thereby helping to bridge the existing education divide.

Originally, the Centre commenced with the ideas of educational provisioning to schools in the area, but today, Information Communication Technology (ICT) has become our focal point. Whilst it still remains a focal point, the Centre has evolved further to provide skills development for successful Grade 12 learners that had left school in the last two years and as yet not found any employment or have no means of attending tertiary institutions. We are very fortunate that most of our projects are directed and funded for our rural communities.

The hunger and thirst for computer technology from these communities are immense and we find it difficult to cope at times. It is also a great pleasure working with these communities as their enthusiasm, interest and their willingness to learn against all odds is incredible. We have directed our efforts at our rural communities and it is true to say that these are our “lost communities” as many donors have not shown much interest in taking development to these communities for upliftment.

Our Vision

The Kwa Dukuza Resource Centre will be influential in the enhancement of education, through the provision of equitable access of resource materials that benefits the broader community of Kwa-Dukuza.

The Model

The community in which we serve is predominantly poor and African with an unemployment rate of approximately 31%. Most people that do receive an income are in the unskilled job market or are pensioners. The economic base of the area is vested in agriculture, tourism and the manufacturing sectors. The Sappi Kwa Dukuza Resource Centre's focus is to provide access to resources to as many schools and organisations as possible. For this reason, management provides membership opportunities at a minimum cost on a three-month cycle, and no additional charges are levied for access to computers and the Internet. Administration services like printing, faxing, photocopying, lamination, and bookbinding are provided at cost. All MST and Skills Development courses are free to interested learners within the iLembe region.

Three full-time staff members work at the Centre, alongside a core of 4-6 volunteers, "trainees" or learnerships. The Centre offers learnerships to individuals on a month to month basis which helps learners involved in Skills development projects to master various skills. The trainee program is popular because of the skills enhancement that comes with it - called a work progression program. The Centre aims to develop skills in trainees so that they can obtain employment elsewhere. Neither trainees nor board members receive remuneration for their assistance to the Resource Centre.

Governance & Staff

The Kwa Dukuza Resource Centre is governed by 10 Directors and a wider Board who meet quarterly to make final decisions on major issues. An Executive committee consisting of Board of Directors and members of the Wider Board who reside in the area meet every 6 weeks to attend to operational issues. Presently, due to the tragic loss of Pravin Narrandes on 20th May 2011, the Centre has a management staff of 3 full time personnel and 1 part time IT personnel. This is supplemented by a number of volunteers that help in various ways to alleviate the workload of the senior staff. We were also fortunate to obtain a learnership

student from the Travel and Tourism unit to help in ways possible to make functionality better.

The job description entails the following:

General Manager/Fundraiser: Manages and oversees the Centre functionality and is involved in fundraising, marketing, reporting, etc.

Financial Manager: Oversees financial issues, reporting, budgeting, cost reports, audit preparation, sales and part of fundraising process. She has also taken on the Secretarial role after the demise of the late P.A. Narrandes.

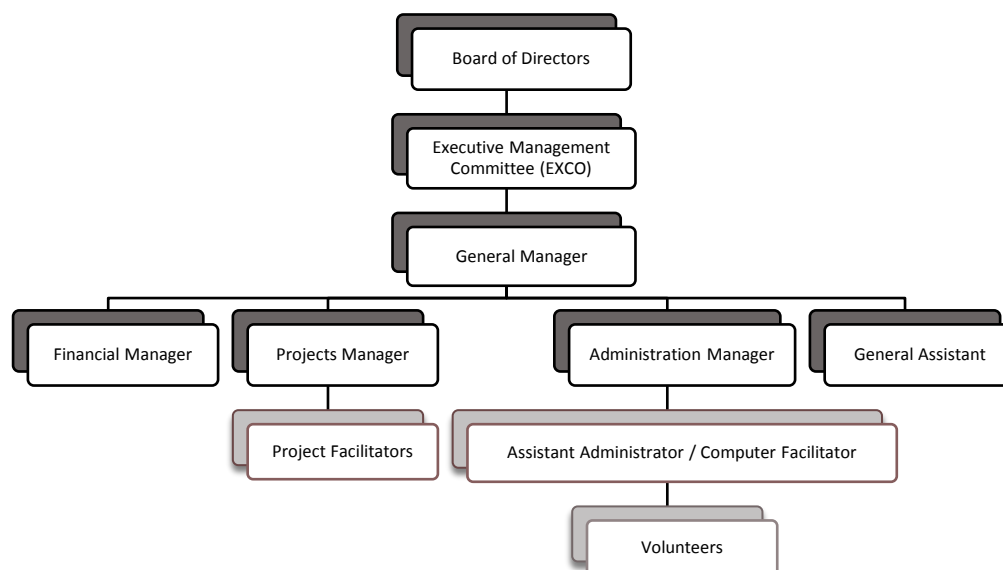
Project Manager: Oversees all the projects (In house and funded projects) which the Centre under takes - reporting, statistical analysis, school visits, marketing, housekeeping, etc.

Computer Facilitator: Assists in the running of the reception and administrative services, facilitates computer classes at various levels and does computer trouble shooting and computer upkeep together with the volunteers.

General Assistant (Sponsored by Kwa Dukuza Municipality): Helps to maintain the cleanliness of the Centre and assists in general duties.

Volunteers / Trainees: Gain administrative skills by assisting with administrative tasks and assist our members with computer queries. The Centre provides the volunteers with life, secretarial and commercial skills that has allowed many to be placed in formal employment.

Organogram



Beneficiaries

The Centre measures its success on the basis of its membership registration, project enrolment and facility usage. Membership has reached 19 195, over 10 000 members have enrolled as day passers approximately 150-180 users pass through its doors on a daily basis.

Over the years we have encouraged people using the Centre to register as a member instead of opting for a day pass. This has become evident in the illustration below which is very pleasing.

The membership of the Centre is predominantly African youth from Kwa Dukuza and surrounding rural areas.

Registration costs have been kept to a minimum at forty rand for adults and fifteen rand for scholars for a three month period. This registration cost entitles the members to utilize the computers which are equipped with Microsoft Office (they have a choice between either Office 2003 or Office 2007), free internet and printing at fifty cents per page. We have also included registration costs for all the learners participating in all of our funded projects.

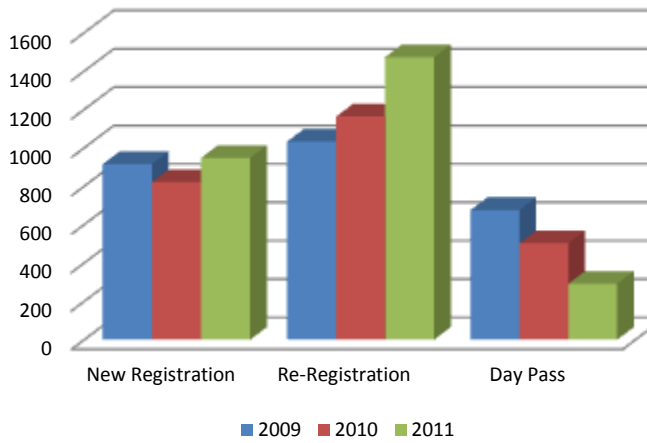
The Centre offers free basic computer literacy classes and hosts informative HIV/Aids workshops for the community. Most of our funded MST (mathematics, science and technology) classes are aimed at the deep rural schools where resources are limited.

We hold special computer classes for schools, focusing on school administration and educator needs. Schools register at no charge to borrow our teaching aids which include: models, charts, chemicals, etc. The Department of Education utilizes the Centre as a central venue for cluster workshops, training and ward meetings.

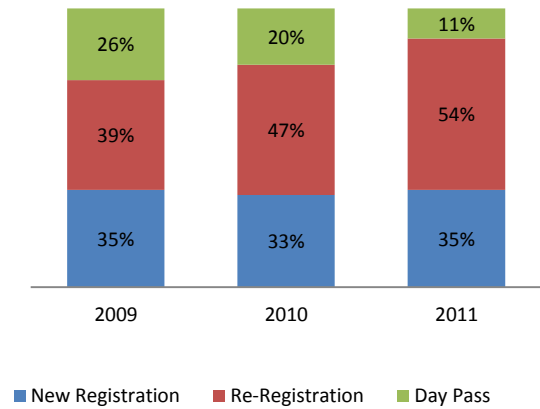
The Highest registration is amongst the youth (77%)

The Majority of registrations are in the African population group (84%)

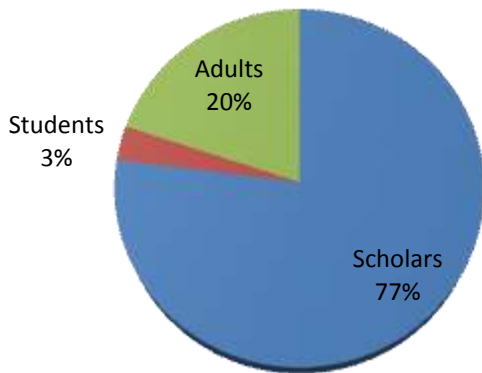
Registration by type



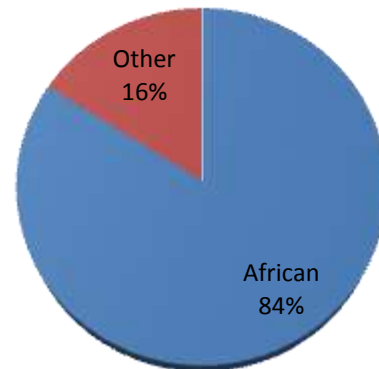
Registration by type



Registration by membership groups



Racial Demographics



Student success is another important performance indicator. In most cases, learners are from areas that do not have electricity at all and have never utilised educational resources in their lives. Inspired by the added impact of audio and visual stimuli, learners find these modern communication media immensely gripping and motivating.

The more advanced technology learners are assessed on their understanding of concepts as well as development of critical life skills, like teamwork, communication, leadership, and problem solving. This information is then fed back to the schools they attend during the day.

General Gallery



Sappi Kwa Dukuza Resource Centre



Mr M. Mazive - Chairperson



Volunteer Programme



Reaching out to the rural community



Reception area



Reference Section

Challenges for the future

The future is always a challenge especially in this difficult period of recession. South Africa has been through the recession for almost five years and it is organisations like us that suffer a great deal. Funding, as stated previously is a major challenge and the iLembe region is not conducive for this purpose. This is due to the lack of large industries and corporations. Existing industries are inundated for help by so many schools and organisations which makes it difficult to obtain funding.

We are also on a fundraising drive by means of pledges, project development and the hire of our seminar and conference facilities for a nominal fee. This helps to sustain our Centre to a certain level. Our biggest challenge to date is to upgrade the Centre with items that have perished due to extensive usage for more than a decade.

The Resource Centre's digital village is highly utilised and with the depleted number of computers - it was not possible to accommodate everyone. We were fortunate enough that our principal donor Sappi Limited came to our rescue by donating computers to replace our outdated computers. Computer technology (ICT) is our core business and we need to keep this aspect functional all the time. On behalf of the Board and Resource Centre staff, we want to place on record our sincere thanks and appreciation to Sappi Limited for this magnanimous gesture.

The furnishing of the conference Centre with suitable chairs will make us sustainable for a while as we would have our own equipment rather than hiring them which is not cost effective. We would hire the conference Centre more frequently than before.

Our main objective is to grow the Centre to a level where people can access their accounts, pay their lights and water account, pay their television licence, communicate with friends and relatives through internet usage. Our town is steeped in agriculture and job opportunities are very scarce in the region. Our task is to educate our learners and youth with scarce skills (mathematics and science) and prepare them for tertiary education so that they can obtain a good pass, find jobs and support their families. We are achieving this objective to a certain degree, but it will take time and more effort on the part of the learners to achieve what we set out to do.

Self-Sustainability Projects

Digital Village

Since information and communications technologies (ICTs) are increasingly becoming a foundation of our societies and economies, the digital divide means that the “information have-nots” are denied the option to participate in new ICT jobs, in e-government, in ICT’s improved healthcare and in ICT enhanced education. More often than not, the “information have-nots” are in developing countries, and in disadvantaged groups within countries.

Over 80% of current job opportunities in South Africa require computer literacy at entry levels. But geographic and financial restraints make it impossible for many of the schools in the Kwa Dukuza area to provide their learners with instruction in computers.

The Resource Centre's "Digital Village" addresses this gap. The computers not only connect users to the rest of the world via e-mail and the Internet, but also provide the opportunity to learn to use interactive educational software, as well as vital business packages like Microsoft Word, Excel and PowerPoint.

Microsoft Unlimited Potential Computer Fundamentals Course

The Office based course consisting of Microsoft Unlimited Potential Computer Fundamentals official courseware has continued throughout the year. This is a 16 hour programme but at times additional instruction is given to weaker students so that these individuals would understand the content well. Ninety local community individuals have also been through the programme during 2011. The cost of this 16 hour course has been kept at R 450.00 per person. The class comprises of young and old who are employed and unemployed. There is always hope of finding employment for those completing the course.

The groups comprises of the following:

Africans	83%
Other	17%

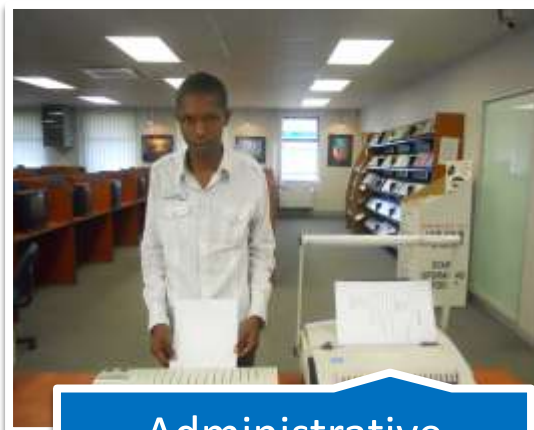
Self-Sustainability Gallery



Career Guidance



Digital Village



Administrative Services



Venue Hire



Computer Technology



Resources Available to Schools

Self-Sustainability Gallery



Environmental Workshops



PROTEC Top Achievers



Primary Schools Mathematics



Parents Meeting



Travel & Tourism Workshops



Technology classes

Free Computer Literacy Classes

In addition to our usual computer literacy classes held for new members, 40 underprivileged people, selected by Child Welfare from surrounding rural areas have gone from being totally computer illiterate to typing letters and CVs. Each class is approximately 15 hours and teaches the basic fundamentals of computer usage. We get a new group every two to three weeks and many of them even become members of the Centre. These groups are mainly women with an average age of 25 to 35 years and many have very low education levels. They are unemployed and presently involved in a Domestic Workers course at Child Welfare. It is interesting to note that these individuals are keen to become computer literate and join the main stream certified paid courses at the Centre.

Computer Application Technology (CAT) for Rural Schools

Imbuyiselo and Banguni Secondary Schools, both situated in outlying rural areas, have continued to use the Centre to perform their CAT lessons. The educators and learners are each responsible for their own transport to and from the Centre for lessons held during school hours and school holidays. The educators and learners from these schools have shown tremendous determination and commitment towards education.

Primary School Mathematics

The Centre also runs Primary School mathematics workshops for Grade 6, 7, 8 and 9 progressively. Once the learner passes Grade 9 they are encouraged to join the PROTEC Stanger, Nedbank or Anglo MST funded programme at the Centre. These workshops are during the week or the holiday period and the objective is to help learners develop and understand basic concepts in mathematics. This also provides good grounding for secondary school curriculum.

Technology Classes

Technology is the application of knowledge, skills and resources to solve a problem. The technology lessons tackle this statement, through a supplementary school technology lesson programme that uses Lego Dacta to help address the basic mathematics and physics concepts that learner's battle to grasp at school. The lessons also focus on basic life skills such as communication, team building, and presentation skills. The following lessons are addressed: Gears, Levers, Pulleys, Force and Structure, Design, Problem Solving,

Pneumatics and Energy. Local primary schools and learners from the funded projects participate in the technology programme throughout the year.

Reference and Study Centre

Learners utilise the various encyclopaedia and other resources at the study centre. We also have numerous Grade 12 study groups that utilises the resources to improve their pass rate.

Conference Facilities

Our conference facilities are utilised by various organisations throughout the year. We receive a small remuneration from these organisations for the usage and the money received goes towards the upgrade of facilities. Joshua Doore regularly conduct regional meetings at the Centre, Capitec utilize the Centre for interviewing candidates for surrounding branches and Tourism World Academy had utilised the Centre the entire year- 1 week per month to conduct their training. PROTEC Saturday School and Vacation classes are also conducted at the Centre.

Volunteerism & Learnerships

Volunteers

Volunteers have formed a significant part of our work force since inception. Many of our volunteers have obtained job opportunities with the life skills that they obtained from volunteering at the Centre. We have also taken many in-service students on an ongoing basis to gain work experience.

The volunteers normally come from our funded skills development programmes or PROTEC ex-students. Individuals are accorded the opportunity to learn various administrative skills that provide skills for their future job opportunity ventures. Volunteers are normally involved in secretarial duties, facilitating computer literacy, and they help with projects and are part of the day-to-day activities at the Centre.

Many of our past volunteers involved in full time jobs offer their services on weekends and during their leisure time.

Travel and Tourism- Volunteers in Training

The Department of Tourism has started a KZN Ambassador Programme as part of their social responsibility implementation project with Tourism World Academy appointed as the project implementer.

Unemployed individuals who have either studied tourism or hospitality in school or at a tertiary institution have been recruited to do in-service training at various companies and municipalities. The Centre has taken on one trainee for a period of 12 months. The trainee joined the volunteer programme to go through the different sections of the Centre and gain as many skills as possible. The monthly training workshops for these volunteers takes place at the Centre for a nominal fee paid to the Centre by the Travel and Tourism unit.

Career Guidance

This is an important aspect of our services. We offer this service to all schools and learners in the iLembe district. All our learners on the funded programme go through this process. S. Sham our Career guiding officer tests each learner and advises the learner or the learners' parents on their interests or aptitude for a specific area of study. He also advises them on course structure, cost of university studies and provides an "action plan" to study for examinations.

Workshops

The following workshops were held during the course of the year at no charge:

1. University of Pretoria conducted a Teacher upgrade workshop for improvement in qualification.
2. Principals from various schools attended a TRAC (Technology Research Activity Centre) workshop.
3. Department of Education held the following workshops:
 - Workshop for drama and art
 - Principal workshops
 - Early childhood development workshops
 - Ward Meetings
4. SA Medical Research Council conducted Aids Vaccination workshops for adults in the area.
5. Kwa Dukuza Environmental Work Group workshops also take place at the Centre.

Funded Projects

Mathematics, Science & Technology (MST) Education

Quality in mathematics, science and technology (MST) education is an ever increasing requirement for the development of skills needed in modern economies. South Africa has for many years struggled to deliver an acceptable quality of MST education in primary and high schools.

Review of our Grade 12 mathematics and physical science results shows that we face daunting challenges in improving the pool of skilled labour resources in the country. Evidence shows that our school system is failing in respect of mathematics and physical science education and that, while South Africa has indeed made progress in repairing an education system that was severely damaged by Apartheid, we are still far short of international standards in these areas.

Over the past 18 years, there have been major efforts to improve the quality of MST education in South Africa, including the National Strategy for Mathematics, Science and Technology Education in General and Further Education and Training and the Dinaledi project. As much as the Department is trying to display the said success of their pet project, the Dinaledi initiative, the results of these schools have not improved the quality of learners entering tertiary education facilities or the work place. The influence of the project is minimal when we look at the skills pool within the labour sector. The scarcity of specialised personnel in engineering and science is still on the wane and nothing new is happening to increase the status of labour resources within this sector.

The transformation of the national curriculum has sought to address the challenges of MST education but in many ways, this has exacerbated the situation by overloading schools and educators with too many changes in a very short period of time.

The Kwa Dukuza Resource Centre has been contributing to the development of MST in the area via various funded programmes. The programmes were aimed at the schools lying on periphery of the Kwa Dukuza region and the deep rural areas. We worked with 80 to 100 learners from our Anglo American Chairman's Fund and Nedbank Foundation funded projects and another 120 learners from the Sappi sponsored PROTEC Programme. This

accords learners the opportunity to do well and create a better educational life for themselves.

Anglo American Chairman's Fund Grade 11 MST

All the learners on the programme passed and were promoted to grade 12. Most learners enrolled on the programme are under performing learners from deep rural areas.

Participating Schools: Nonhlevu, Groutville, Darnall, Stanger South and M.L. Sultan Secondary.

Learner Enrolment

Learners on the Programme	Grade 11
Males	20
Female	20

Grade 11 Pass Rate

Grade 11	Benchmark Average	Final Average
Mathematics	20.85%	43.10%
Physical Science	19.35.73%	45.85%

Although their marks have been low they have more than doubled since the beginning of the programme and they have an opportunity to improve the results in the New Year.

Nedbank Grade 11 and 12 MST

The Nedbank programme was a huge success with improvement in results from all learners.

Participating Schools: Banguni, Shekembula, Tshelenkosi, Imbuysielo, Stanger Secondary and Stanger high. All the learners on the programme were African, mainly from the rural communities.

Learners on the Programme	Grade 11	Grade 12
Males	16	25
Female	25	16

Grade 11 Pass Rate	Benchmark Average	Final Average
Mathematics	24.29%	38%
Physical Science	24.73%	40%

Grade 12 Pass Rate	Benchmark Average	Final Average
Mathematics	27.82%	46%
Physical Science	29.37%	44%

Final Matric Results for Project Students		
Bachelor Pass	18	43.90%
Diploma	17	41.46%
Higher Certificate	06	14.63%
Total	41	

Nedbank Back to School Programme

Many of the rural schools that the Centre deals with on a daily basis have a high volume of orphans and child headed households. Many of these learners cannot afford to purchase full uniforms. Partnering with Nedbank, the Centre made it possible for 231 learners to receive full uniform sets including socks, shoes, dress/skirt/shorts and shirt and jersey. A handover function was held at Shekembula Secondary School in the Doringkop area. Principals, Department of Education officials, Nedbank head office and local branch representatives and Resource Centre representatives were invited. The value of the uniforms ranged between R600 to R700 per learner. Following the success of the uniform handout, Nedbank requested that the Centre implement a stationery handout set for February 2012. Nedbank had tasked the Centre to implement a stationery hand which had been done during February 2012.

PROTEC Stanger (MST Programme sponsored by Sappi)

PROTEC Stanger, a Sappi funded MST (Mathematics, Science and Technology) Education programme for the underprivileged has been at the forefront of Education development within the iLembe region for the last 14 years. PROTEC Stanger learners

had once again performed extremely well in 2011, achieving 100% pass rate. The results are as follows:

Grade 12 PROTEC Stanger Pass Rate		
Bachelors	28	70%
Diploma	09	22.5%
Higher Certificate	03	7.5%

Learners received a total of 44 Distinctions. Four learners namely, Siboniso Gift Nxele, Knowledge Nxumalo, Portia Mthembu and Thabiso Ndaba had performed exceptionally well with distinctions.

Comment by Alan Govender, Sappi Resource Centre Manager: *“I must commend these learners for their excellent results. Learners like Siboniso Gift Nxele with an impressive six distinctions, Knowledge Nxumalo and Portia Mthembu each with five distinctions and Thabiso Ndaba who achieved three distinctions, spent all their spare time at the Centre during the last four years working constantly to achieve excellent results. It was always a pleasure to help these learners as they had been very committed and dedicated to achieve the success they now enjoy.”*

Both Knowledge Nxumalo and Portia Mthembu are at UKZN medical faculty whilst Siboniso Nxele and Thabiso Ndaba are pursuing a degree in chemical and electrical engineering at the same university.

In showing his appreciation, Knowledge Nxumalo has the following to say: *“I thank the Sappi Resource Centre and PROTEC Stanger for providing me with the resources and the use of the facilities which made studying enjoyable. I am also grateful to the PROTEC tutors and staff of the Sappi Resource Centre for being patient, kind and willing to assist at all times.”*

Portia Mthembu stated: *“Coming to the Sappi Resource Centre each day has been a delight simply because we could use the computers to research our projects and assignments as well as helping with other aspects of our school work. This has definitely made life easy for me. I am going to miss the Resource Centre as it has been my second home. I want to thank our PROTEC tutors and the staff of the Sappi Resource Centre for making life easier for many of us”.*

Skills Development Programme for Post School Leavers

The persistently high rate of unemployment in South Africa is one of the most serious socio-economic problems facing the present government. Only two in five working age adults in South Africa (those aged 15 to 64 years old) have a job and more than 4 million people – 24 per cent of the workforce – are currently unemployed.

For South Africa to become more inclusive, many more people need to be provided with the opportunity to work and make a productive contribution to the economy and society. Unemployment also has a negative effect on future output. It is not only about earning an income – it also promotes dignity, independence, achievement and innovation. The unemployed do not acquire the skills or experience needed to drive the economy forward, which in turn inhibits the country's economic development and imposes a larger burden on the state to provide social assistance. Unemployment is associated with social problems such as poverty, crime, violence, a loss of morale, social degradation and today many of our youths take refuge in drugs, alcohol criminal or deviant activities.

The problem of youth unemployment in South Africa is acute and has worsened significantly over the last two years as a result of the recession. Government has also failed in its duty of creating tangible job opportunities and very few business enterprises are being established to accommodate youths at the work place.

In order to help youth from the iLembe region to gain various skills that may help them find a job opportunity, the Kwa Dukuza Resources Centre conducts Skills Development Programmes for post matric learners that have completed matric within the last two years and are not attending a tertiary institution or have not obtained a job opportunity.

The Skills Development course structure is directed to various needs: learning financial skills, both theory and computerised, small business entrepreneurship, developing leadership skills, communication both verbal and written skills, problem solving, conflict resolution and procedures to conduct meetings, etc. Accounting will be an added advantage to learners as they would be involved in developing their financial skills and completing computerised Pastel Accounting.

The course is opened to any students that had passed matric in the last two years and are prepared to spend time at the Centre and work diligently in obtaining their skills development

experience. The Kwa Dukuza Resource Centre would help to place top performing learners from the programme in job opportunities as a start to their careers.

We place on record our sincere thanks and appreciation to both the Absa Foundation and D.G. Murray Trust Fund for funding the Skills Development programme for two different areas- the North and South of Kwa Dukuza which includes the rural communities.

Absa Skills Development

The Absa skills development programme commenced at the beginning of September 2011 and has been really well received. The programme will conclude at the end of July 2012 with Pastel being the last facet to be undertaken by students. The Absa Skills Development Programme is confined to the north of Kwa Dukuza and students travel great distance to participate in the programme.

DG Murray Trust Fund Skills Development

The DG Murray Trust programme commenced during mid-October 2011 and will continue through to 2012. The dedication and commitment of these students has been excellent. These learners are highly motivated to improve their skills and make something of their lives. The D.G. Murray Skills Development Programme is confined to the South of Kwa Dukuza.

Outreach

Taking the Nedbank and Anglo MST Programme to the Rural Communities

During the September 2011 holidays, we scheduled the 3 day MST programme in one of the rural schools (Shekembula Secondary). This allowed more Grade 11 and 12 learners from the rural schools (Shekembula, Imbuysielo, and Banguni Secondary) to attend the programme and gain some benefit. This had been a very successful venture and our tutors travelling to a single venue made it cost effective for all learners. This was highly received by the schooling community and School Governing Bodies. We hope to continue these programmes during 2012.

Child Welfare Winter Fair

The Sappi Kwa Dukuza Resource Centre plays a small role in helping the Child Welfare Kwa Dukuza Winter Fair each year within the administration sector of the fair. The Winter Fair is run each year to raise funds so that the society could implement community programs successfully. This is indeed a huge undertaking and we are happy to be associated with serving the community and also appreciate the magnanimous work of the society in our various communities.

Food for Life

We were partnered with the local Food for Life unit via Harry Mahdey to feed our underprivileged schools, both locally and in our rural schools. This had been an excellent gesture on the part of Food for life and we place on record our sincere thanks and appreciation to Harry Mahdey for organizing the event.

Funded Projects Gallery



Nedbank Gr12 MST



Nedbank uniform handout to poor & orphaned learners



Nedbank Stationery handout



Anglo Gr11 MST



Outreach programme at Shekembula Secondary



Outreach programme at Shekembula Secondary

Funded Projects Gallery



DG Murray Trust Skills Development



Absa Foundation Skills Development



Skills Development students prepare portfolios



Anglo Gr11



Learners study computer components (A+)



PROTEC visits science lab at UKZN - Westville

Donors

Principal Donor - Sappi Limited

Comment by Sappi:

Good business practice includes support for the social and developmental aspirations of the societies and communities in which we operate. Our funding objective is to effect meaningful change by providing equitable access to resources and opportunities in response to identified needs in areas where we operate. We adopt an involved, participatory approach firstly identifying the needs of individual communities, secondly consulting extensively with the community, its leaders and with local government and then tailoring appropriate programmes to meet the specific needs of the people and the environment. In this way, projects become more sustainable and self-sufficient.

This approach is borne out in particular by Sappi's support for the Kwa Dukuza Resource Centre. Sappi had the vision in 1998 to initiate and establish the Kwa Dukuza Resource Centre which has become an icon for education in the iLembe area. Today the Resource Centre serves a large number of school learners and the community at large to uplift their educational potential and create a better life for them. The Centre remains Sappi's flagship Corporate Social Responsibility programme – a shining example of a successful project, which is becoming more self-sufficient and sustainable as it grows year upon year. Sappi is extremely proud to be associated with this first world institution that caters for a variety of functionality within various sectors of education.

Donors who supported Projects

Nedbank Foundation

Comment by Nedbank:

“We all recognize that literacy and education will ultimately lead to improved opportunities and economic growth. Central to this, success is the need to build our capability in the field of Science, Mathematics and Technology to ensure that we can participate at a global level. Nedbank Foundation is privileged to be able to help improve the quality of teaching, and ensure learner performance and pass rates improve in rural areas/ per urban areas of the country.”

Nedbank Foundation first joined us in 2008, funding the Grade 12 MST intervention programme. The programme was directed towards learners from the rural communities. Learners from Shekembula, Banguni and Imbuysiolo Secondary Schools as well as other schools on the periphery travelled to the Centre during the week day afternoons to attend Physical Science and Mathematics Intervention classes. Learners had been provided with materials, career guided and potential learners who attended the classes consistently had been subsidized for transport costs, where needed. Despite the poor National results in Mathematics and Physical Science, all the learners participating on the programme passed these subjects with improved results.

Anglo American Chairman's' Fund

Anglo American Chairman's' Fund has supported our MST intervention programme for rural schools since 2009. Learners travel a great distance to attend classes at the Centre during weekday afternoons. Learners traveling from the rural schools had been subsidized to ease their transport costs. The programme had been highly successful with all our learners passing Grade 11 mathematics and science comfortably at the end of 2011.

D.G. Murray Trust Fund

The D.G. Murray Trust partnered with the Centre for the 2011/2012 Skills Development Programme for post matric students who cannot find employment or cannot get into tertiary education. These learners come from the north of the Resource Centre. Learners attend classes at the Centre to pick up important skills that would be of some help to pursue a job opportunity. Further to this students would become competent in ICT and obtain a Grade 10 Pastel computerized accounting certificate to understand the principles of accounting. They are at liberty to proceed to Grade 11 and 12 at their own leisure.

ABSA Foundation

The ABSA Foundation Skills Development Programme is mainly for learners from the south of the Resource Centre. Here again learners are involved in Financial packages, Oral and Written communication, Leadership, Problem solving, Meeting procedures, Pastel Accounting. We utilize the Pastel School Programme and Microsoft Unlimited Potential Course structure. With skills obtained, learners are in a better position to obtain opportunities.

Donors - In-kind

Microsoft

Microsoft has been one of our first partners in the business since inception. The Centre has developed an excellent relationship with Microsoft over the years and we cherish this partnership with great intensity. The Centre relies on Microsoft for its software via its Software donation policy. We are indeed grateful to Themba Mdlalose, who has always shown a keen interest in the functionality of our Centre. His passion for community delivery, commitment and prompt services is highly appreciated by the Centre's management.

The Centre utilises the Microsoft -isiZulu language interface, mostly with rural communities, which is extremely useful in the facilitation process.

Internet Solutions

Internet Solutions have been our ISP (Internet service provider) since inception. Internet Solutions provide the Centre with a 1024k uncapped ADSL internet line which paves the way for very cost effective internet usage. Internet Solutions has been in the forefront of ICT development in the area where thousands of people have gained access to the World Wide Web via the internet. This process has led to a very positive mindset looking towards a positive future.

Kwa Dukuza Municipality

The local Kwa Dukuza Municipality has supported the Centre since inception by providing a general assistant. We are greatly indebted to the Municipality for their kind gesture and hope that relationship is a lasting and fruitful one.

Nkonki KZN

Nkonki KZN has greatly reduced the cost of our audit and has assisted the Centre with valuable financial input from time to time.

Sham & Meer

Mr Praveen Sham has continued to support the Centre with sound legal advice since inception and has been instrumental in negotiating and advising on behalf of the Centre with contracts.

Stanger Weekly

Since inception, Stanger Weekly has sponsorship of A4 size advertising space fortnightly for marketing purposes.

S.A. Security Services

S.A. Security Services has donated security services to the Centre for numerous years

T.T. Reddy Trust and Bartel Kabel Werke

These have been our consistent local donor for some time. In 2011, they collectively donated R21 000 towards a server and computer hardware. We are extremely indebted to these organizations for their magnanimous gesture.

Randeas Electrical

Randeas Electrical has been with the Centre since inception and has supported the Centre with electrical maintenance in terms of cost reduction and sponsorship. The Centre appreciates their input from time to time on electrical matters and their prompt and excellent services when called upon.

Thanks and appreciation

The Board of Directors and the Resource Management wish to place on record our sincere thanks and appreciation to all our donors that have helped to make the Centre functional and productive in terms of its objectives.

To the members of the Kwa Dukuza Resource Centre who have utilized the Centre with the utmost care, to the educational fraternity, who have utilised the Centre's resources and have benefited a great deal. Last but not least to the community at large.

Endorsements

<i>Province of KwaZulu –Natal</i>		
WARD : NONOTI	DISTRICT : ILEMBE [CLUSTER A]	CIRCUIT : ILEMBE NORTH
IMBUYISELO SECONDARY SCHOOL		
EMIS : 320605	COMPONENT : 270403	PAYPOINT : 182920

Cell : 084 558 5590
 e-mail : lurezn@gmail.com
 Doesberg Road, Sakhamkhanya
 Doringkop

P O Box 1113
 KWA DUKUZA
 4450

9 July 2011

For Attention
 The Manager
 Kwa Dukuza Resource Centre
 KWA DUKUZA
 4450

Sir

APPRECIATION AND GRATITUDE - COMPUTER APPLICATIONS TECHNOLOGY

On behalf of the CAT - Educator , S E Khuzwayo and learners of the above school I wish to place on record our sincere thanks and gratitude to you and your staff for being ever so willing to assist the CAT learners over the years - since 2008. The results of these learners have been phenomenal - having reached 100% in the 2010 NSC Examination.


Despite the school being in an impoverished community - education of the learners is the school's number one priority. With your continuous support and guidance over the years, the NSC results overall for 2010 stood at 88,75 %. This is indeed remarkable and would not have been possible without your partnership with our school in Mathematics, Physical Science and CAT and Technology in the GET Phase.

Having offered CAT in 2008 - the CAT Educator S.E Khuzwayo has gone the 'extra mile' by partnering with you and Khuthalani Combined by enabling the learners to make use of the computers at your centre allowing them to complete their practicals and other CASS tasks..

On 22 June 2011 Dr T Nkabinde [KZN-ICT] and Mrs S Nunkumar [DCES - Ilembe District] visited the school and handed over 9 Lenovo Laptops to the CAT learners as a result of their outstanding performance in the 2010 NSC. This would not have been possible without your support in preparing the CAT learners for the final examination.

We envisage to build a computer laboratory in the new year. You have been a pillar of strength for our school and look forward to your continued support in the years to come.

Yours in education


 N A NAIDOO
 DEPUTY PRINCIPAL

Needs of the Centre

Benefits of donating to the Kwa-Dukuza Resource Centre

- A special function will be held highlighting specific donations
- Donors will receive Tax benefits (A Section 18A receipt will be issued.)
- Sponsorship will be highlighted in our local newspapers
- Donors will feature on our website
- Donors will receive branding (All donations of R 50 000.00 or more will have their company logo displayed on the windows of our building.)

Types of donations

A. Monetary donations

A plaque carrying your sponsorship will be mounted on each donated item

- Cubicle donation – R 1 500.00 per cubicle per annum
- Computer donation – R 8 000.00 for the life of the computer (3 to 6 years)
- Conference chair with writing tablet – R 800.00 for life of chair.
- Or any substantial item that is donated to the Centre.

B. Project Funding

All project budgets are setup to meet funder's specifications and requirements. The Centre is involved in a number of educational projects at the Centre, and on school sites. We would like to be considered for organizing any educational projects which organizations or corporates may want to fund or donate.

Examples of projects the Centre has been involved in:

- Mathematics for Primary schools and Secondary schools.
- Educator development for Non Specialist in a particular field.
- Physical Science, Mathematics, English and Accounting intervention for learners.
- Technology classes for learners and educators.
- Pastel accounting for learners, educators and school financial personnel.
- Skills development for matriculated youth.
- Career counseling for learners.
- Computer Literacy Classes for learners and adults.

- CAT lessons for schools that do not have computers.
- Office based computer course using Microsoft Unlimited Potential Curriculum.
- Learners participating in Technology Olympiads.
- Teacher upgrade for underprivileged educators.
- Workshops on labour law.
- Workshops on Kings Commission.
- HIV/Aids workshops for Learners, Educators and Parents.

C. In-kind Donations

- Electrical maintenance (replacing of lights, repairs and maintenance)
- Blinds (The Centre blinds are outdated and need to be replaced)
- Flooring (Carpeting, tiling or laminate flooring)
- Painting
- General office equipment
- Computers
- Security
- Air conditioners
- Expertise in a certain fields (e.g. Auditing, web design, career counseling, etc.)

There are numerous items that the Centre requires that have not been listed above, if you feel that you are in a position to assist the Centre in any way, please contact the Centre.

Marketing and fundraising

In order to meet the educational needs of the community, the Sappi Kwa Dukuza Resource Centre has continued to fundraise locally and provincially in order to sustain itself. Various donors have been approached to help sustain the Centre and committed themselves to financially support the Centre. Current donors have also enhanced their contribution to the Centre by either increasing their donation. Our sincere gratitude is extended to all our current donors and their support in making 2011 a success.

Accountability

The Kwa Dukuza Resource Centre is accountable to a Management Committee, a Board of Trustees and its donors. The Management Committee assists with the day-to-day management issues and meets approximately every 6 weeks. The Board of Trustees meets quarterly and assists with policy decisions.

Operation and financial reports are submitted to donors on a six monthly or annual basis, or as stipulated in the funding contract.

Conclusion

The development of appropriate technological life skills is one of the most important and relevant educational needs at the present stage of the South African economic and social development. It cannot be emphasized enough that education must complement plans to sustain the economic growth that will open up opportunities for us all to meet the challenges for the future.

The Kwa Dukuza Resource Centre is proactive in meeting these challenges as well as believing in a holistic approach to community development. Our vision is of a South Africa in which all our people have access to lifelong education and training opportunities.

Auditor's Report

**KWA DUKUZA RESOURCE CENTRE NPC
(REGISTRATION NUMBER 2003/002622/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**



Registered Auditors | Accountants | Consultants

Nkonki KZN

Physical Address:

22 Samora Machel Street
(Formerly Alweil Street)
Durban
4001

84 Balcomb Street
Stanger
4449

Postal Address:

P O Box 303
Durban
4000

P O Box 501
Stanger
4450

Contact Details:

Tel: +27(0)31 337 3311
Fax: +27(0)31 337 3312

Tel: +27(0)32 551 1111
Fax: +27(0)32 552 1111
Docex 304, Durban

Web: www.nkonki.com

Incorporating Mahomedy Omar Paruk
(formerly Horwath Mahomedy Omar Paruk)

Each member of the network is licensed to include "Nkonki" in its legal name but remains a separate and independent legal entity.

KWA DUKUZA RESOURCE CENTRE NPC
 (REGISTRATION NUMBER 2003/002622/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Educational institution dedicated to supporting educational initiatives in the local community.
Directors	M.M. Mazive (Chairman) M.H. Erasmus (Treasurer) F.D. Kramer J. Govender K.K. Gokar P. Sham S. Naicker T.V. Reddy W.M. Luthuli Z. Schwalbach
Registered office	84 Balcomb Street Stanger 4449
Business address	1st Floor Old Mutual Building Corner of Gizenga and Hulett Street Stanger 4449
Postal address	P.O. Box 3049 Stanger 4450
Banker	Nedbank Limited
Auditor	Nkonki KZN Chartered Accountants (S.A.) Registered Auditors 84 Balcomb Street Stanger 4449
Company registration number	2003/002622/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer of financial statements	The annual financial statements were independently compiled by: Y.M. Paruk CA(S.A) who is a partner at Nkonki KZN
Date published	29 June 2012

KWA DUKUZA RESOURCE CENTRE NPC
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The reports and statements set out below comprise the annual financial statements presented to the members:

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Registered Auditors | Accountants | Consultants

Nkonki KZN

Physical Address:

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Formerly Alwali Street
Durban
4001

84 Balcomb Street
Stanger
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Tel: +27(0)32 551 1111
Fax: +27(0)32 552 1111

Docex 304, Durban
Web: www.nkonki.com

Incorporating Mahomedy Omar Faruk
(Formerly Huzwah Mahomedy Omar Faruk)

Independent Auditor's Report

To the members of Kwa Dukuza Resource Centre NPC

We have audited the annual financial statements of Kwa Dukuza Resource Centre NPC, which comprise the directors' report, the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 17.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act 71 of, 2008. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

Basis for qualified opinion

In common with similar organisations, it is not feasible for the entity to institute accounting controls over cash collections from donations prior to the initial entry of the collections in the accounting records. Accordingly it was impracticable for us to extend our examination beyond the receipts actually recorded.

	
Nkonki KZN Partners:	Ahmed Mahomedy - B.Com, CA(SA), Huzwah Omar - B.Com, Dip.Acc, CA(SA), Yusuf Faruk - B. Acc, CA(SA), Faruk Harjee - B.Com, B.Compt(Hons), CA(SA), Mahommed Motala - B.Com, PG Dip(Acc), CA(SA), Rozala Tsimol - B.Com(Hons), CA(SA)
Nkonki Inc (JHB) Partners:	Mitresh Patel - CA(SA), Nwame Simele - MSC Computer SC(SI), Brian Mungoza - CA(SA), Njansi Muzumbe - CA(SA), Peter K Njiru - CFIN, MBA(Wed), Dr Shivan Firoz - DBA, CA(SA), FRSA(ACCA) RA, Ahmed Pandor - CA(SA), CISA, MBA, Sarajwata Kalim - CA(SA)
Nkonki Inc (JHB) Directors:	Mic Nkonki - CA(SA), Sindu Ziba - CA(SA)
Each member of the network is licensed to include "Nkonki" in its legal name but remains a separate and independent legal entity.	

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Kwa Dukuza Resource Centre NPC as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Supplementary Information

We draw attention to the fact that supplementary information set out on page 18 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Nkonki KZN

Nkonki KZN
Registered Auditor
Per: M.A. Motala

29 June 2012
84 Balcomb Street
Stanger
4449

**KWA DUKUZA RESOURCE CENTRE NPC
(REGISTRATION NUMBER 2003/002622/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the next twelve months and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 29 June 2012 and were signed on its behalf by:



Director



Director

KWA DUKUZA RESOURCE CENTRE NPC
(REGISTRATION NUMBER 2003/002622/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Directors' Report

The directors submit their report for the year ended 31 December 2011.

1. Review of activities

Main business and operations

The company continued to operate as an educational institution dedicated to supporting educational initiatives in the local community. The company achieves this objective by providing venues and equipment for public schools and educational institutions engaged in public benefit activities, supplementary tuition and outreach programs for the needy, all within the greater Kwa Dukuza area. The company was incorporated in February 2003 and commenced operations in April 2003.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net loss of the company was R175 332 (2010: loss R177 767).

2. Going concern

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

3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the balance sheet date, not otherwise dealt with in this report or the annual financial statements that would affect significantly the operations of the company or the results of its operations.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

M.M. Mazive (Chairman)
M.H. Erasmus (Treasurer)
F.D. Kramer
J. Govender
K.K. Goker
P. Sham
S. Naicker
T.V. Reddy
W.M. Luthuli
Z. Schwalbech

5. Secretary

The company did not appoint a secretary during the year and no mandatory requirement exists to make such appointment.

6. Interest of directors and officers

There were no contracts in which the directors had any interest during the period under review.

7. Auditor

Nkonki KZN, represented by Mr. M.A. Motala; will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

8. Level of assurance

Although the directors have determined that the company's public interest score is below 100 points, the company's existing Memorandum of Incorporation require the annual financial statements to be audited. Hence, an audit has duly been performed in the current financial period.

KWA DUKUZA RESOURCE CENTRE NPC
 (REGISTRATION NUMBER 2003/002622/08)
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of Financial Position

	Note(s)	2011 R	2010 R
Assets			
Non-Current Assets			
Plant and equipment	2	143 256	48 240
Current Assets			
Trade and other receivables	3	152 918	177 024
Cash and cash equivalents	4	1 160 890	1 151 049
		<u>1 313 808</u>	<u>1 328 073</u>
Total Assets		<u>1 457 064</u>	<u>1 376 313</u>
Equity and Liabilities			
Equity			
Retained income	5	1 158 284	1 333 816
Liabilities			
Current Liabilities			
Trade and other payables	6	34 323	37 897
Provisions	7	4 000	4 800
Unspent conditional donations	8	260 457	-
		<u>298 780</u>	<u>42 697</u>
Total Equity and Liabilities		<u>1 457 064</u>	<u>1 376 313</u>

KWA DUKUZA RESOURCE CENTRE NPC
 (REGISTRATION NUMBER 2003/002622/08)
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of Comprehensive Income

	Note(s)	2011 R	2010 R
Revenue	9	1 183 870	1 057 930
Operating expenses	10	(1 395 455)	(1 293 869)
Operating loss	11	(211 585)	(235 939)
Interest received	12	36 714	58 172
Interest paid	13	(481)	-
Loss before taxation		(175 332)	(177 767)
Taxation	14	-	-
Loss for the year		(175 332)	(177 767)
Other comprehensive income		-	-
Total comprehensive loss for the year		(175 332)	(177 767)

KWA DUKUZA RESOURCE CENTRE NPC
 (REGISTRATION NUMBER 2003/002622/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 January 2010	1 511 383	1 511 383
Changes in equity		
Total comprehensive loss for the year	(177 767)	(177 767)
Total changes	(177 767)	(177 767)
Balance at 01 January 2011	1 333 616	1 333 616
Changes in equity		
Total comprehensive loss for the year	(175 332)	(175 332)
Total changes	(175 332)	(175 332)
Balance at 31 December 2011	1 158 284	1 158 284

KWA DUKUZA RESOURCE CENTRE NPC
(REGISTRATION NUMBER 2003/002622/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of Cash Flows

	Note(s)	2011 R	2010 R
Cash flows from operating activities			
Cash receipts		1 207 976	1 076 009
Cash paid to suppliers and employees		(1 108 813)	(1 318 017)
Cash generated from (used in) operations	15	99 163	(242 008)
Interest received	12	38 714	58 172
Interest paid	13	(461)	-
Net cash from operating activities		135 416	(183 836)
Cash flows from investing activities			
Purchase of plant and equipment	2	(125 575)	(15 270)
Total cash movement for the year		9 841	(199 106)
Cash at the beginning of the year		1 151 049	1 350 155
Total cash at end of the year	4	1 160 890	1 151 049

**KWA DUKUZA RESOURCE CENTRE NPC
(REGISTRATION NUMBER 2003/002622/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared on the going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at cost and amortised cost is calculated based on historical loss data, industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults.

Impairment testing

In making its judgement, management has assessed at each balance sheet date whether there is an indication that assets may be impaired. If any indication exists, the recoverable amount of the assets is assessed in order to determine the extent of impairment loss, if any. The recoverable amount is the higher of the fair value less cost to sell and the value in use.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 7 - Provisions.

1.2 Plant and equipment

Plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	6 years
IT equipment	3 years
Computer software	2 years
Books and reference material	3 years
Videos	2 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimates.

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Accounting Policies

1.2 Plant and equipment (continued)

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.3 Financial instruments

Initial recognition and measurement

A financial instrument is recognised only when the entity becomes a party to its contractual provision. Financial instruments include cash and cash equivalents, trade and other receivables and trade and other payables. On initial recognition, financial instruments are measured at the transaction price.

Subsequent measurement

Trade and other receivables and trade and other payables

At the end of each reporting period, financial instruments are measured at amortised cost using the effective interest method.

Amortised cost is net of the amount at which the financial instrument is measured at initial recognition, minus repayment of the principal; plus (minus) the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus reduction for impairment.

Effective interest method is the method of calculating the amortised cost of a financial instrument and of the allocating interest income or expense over the relevant period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in fair value. These are initially and subsequently recorded at fair value.

Impairment of financial instruments

At the end of each reporting period, financial assets measured at cost or amortised cost are reviewed for objective evidence of impairment. If so, an impairment loss is recognised in profit or loss for the period. If the objective evidence reverses in a subsequent period, impairment losses are reversed in the profit or loss of subsequent periods.

1.4 Impairment of assets

The company assesses at each reporting period date whether there is any indication that an asset may be impaired, if any such indication exists, the company estimates the recoverable amount of the asset. An impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount, which is the higher of an asset's net selling price or value in use.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.5 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.6 Provisions

Provisions are recognised when:

- the company has an obligation at the reporting period date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

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Accounting Policies

1.7 Revenue

Revenue comprises donations and income earned from fees charged for services rendered and use of facilities. Donations are brought to account on the earlier of receipt or accrual, dependent on the terms and conditions of the donation.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.8 Conditional donations

Revenue received from conditional donations are recognised as revenue to the extent that the company has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

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Notes to the Annual Financial Statements

	2011 R	2010 R
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2. Plant and equipment

	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Books and reference material	30 914	(30 908)	6	30 914	(30 908)	6
Computer software	247 949	(247 947)	2	255 394	(255 391)	3
Furniture and fixtures	324 370	(304 399)	19 971	378 495	(352 878)	25 617
IT equipment	520 775	(397 499)	123 276	584 332	(561 719)	22 613
Videos	216	(215)	1	216	(215)	1
Total	1 124 224	(980 968)	143 256	1 249 351	(1 201 111)	48 240

Reconciliation of plant and equipment - 2011

	Opening balance	Additions	Disposals	Depreciation	Total
Books and reference material	6	-	-	-	6
Computer software	3	-	-	(1)	2
Furniture and fixtures	25 617	3 299	-	(9)	19 971
IT equipment	22 613	122 276	-	(8)	123 276
Videos	1	-	-	-	1
	48 240	125 575	(18)	(30 541)	143 256

3. Trade and other receivables

Trade receivables	152 918	152 700
Prepaid expense	-	24 324
	152 918	177 024

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank - Nedbank 32 day notice account	71 942	12 603
Cash at bank - Nedbank current account	223 336	300 170
Cash at bank - Nedbank "Park It" investment account	863 820	837 775
Cash float	200	200
Petty cash on hand	1 592	301
	1 160 890	1 151 049

5. Retained income

Retained income comprises the following:

Accumulated surplus since 01 April 2003 (incorporation date)	103 488	278 820
Accumulated surplus arising since inception up until transfer of operations and assets from Kwa Dukuza Resource Centre (pre-incorporation entity)	1 054 796	1 054 796
	1 158 284	1 333 616

6. Trade and other payables

Accrued expenses	34 323	37 897
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Notes to the Annual Financial Statements

	2011 R	2010 R
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7. Provisions

Reconciliation of provisions - 2011

	Opening balance	Additions	Utilised during the year	Total
Provision for audit fees	4 800	4 000	(4 800)	4 000

The provision for audit fees represents management's best estimate of the cash flow that will be required to settle the liability, based on prior experience and approved budget fee proposal.

8. Unspent conditional donations

	Total received	Recognised in profit and loss	Unspent portion - 2011	Unspent portion - 2010
ABSA	174 530	(57 314)	107 216	-
Anglo American Chairman's Fund	70 000	(65 800)	4 200	-
D.G. Murray Trust	157 912	(18 911)	139 001	-
Nedbank Limited	136 000	(125 960)	10 040	-
			<u>260 457</u>	<u>-</u>

Each of the above donations had conditions attached to the activity or manner in which they could be spent. The unspent portions relating to the above projects will in all likelihood be utilized and spent in the next financial year and will be recognised as income at that point. A summary of how monies are required to be spent is provided below:

Name	Project required
ABSA	Donations to be spent on Skills Development workshops for post matriculants
Anglo American Chairman's Fund	Donations to be spent on Maths, Science and Technology workshops
D.G. Murray Trust	Donations to be spent on Skills Development workshops for post matriculants
Nedbank Limited	Donations to be spent on Maths, Science and Technology workshops

9. Revenue

Donations	1 054 831	935 007
Printing and service fees	93 030	73 740
Registration fees	35 725	47 085
Stationery and related items	284	2 118
	<u>1 183 870</u>	<u>1 057 930</u>

10. Operating expenses

Operating expenses maybe classified by function as follows:		
Administration expenses	13 000	15 428
Distribution and marketing expenses	9 115	48 975
Other operating expenses	1 373 340	1 229 466
	<u>1 395 455</u>	<u>1 293 869</u>

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Notes to the Annual Financial Statements

	2011 R	2010 R
11. Operating loss		
Operating loss for the year is stated after accounting for the following:		
Auditor's remuneration	13 000	15 000
- current year fees	-	428
- other services	30 541	24 040
Depreciation on plant and equipment	526 347	484 861
Employee costs	18	-
Loss on scrapping of plant and equipment	26 604	21 959
Rental of equipment	283 079	249 393
Rental of premises	5 970	3 014
Repairs and maintenance	-	-
12. Interest received		
Cash at bank - Nedbank 32 day notice account	1 524	1 447
Cash at bank - Nedbank "Park II" account	35 190	56 725
	<u>36 714</u>	<u>58 172</u>
13. Interest paid		
South African Revenue Services	461	-
14. Taxation		
No provision for taxation has been made as the income of the company is exempt from tax in terms of Section 10(1)(c)(4) of the Income Tax Act, 1962.		
15. Cash generated from (used in) operations		
Loss before taxation	(175 332)	(177 767)
Adjustments for:		
Depreciation on plant and equipment	30 541	24 040
Loss on scrapping of plant and equipment	18	-
Interest received	(36 714)	(58 172)
Interest paid	461	-
Movements in provisions	(800)	240
Changes in working capital:		
Trade and other receivables	24 106	18 079
Trade and other payables	(3 574)	(48 426)
Unspent conditional donations	260 457	-
	<u>99 163</u>	<u>(242 008)</u>

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Notes to the Annual Financial Statements

	2011 R	2010 R
16. Prescribed officer's and directors' emoluments		
Prescribed officer's remuneration		
2011		
	Salary and bonus	Total
General manager	154 980	154 980
2010		
	Salary and bonus	Total
General manager	134 389	134 389
Directors' emoluments		
No emoluments were paid to the directors during the year.		
17. Related parties		
There were no related party transactions during the year under review.		
18. Future operating lease commitments		
Rental of premises		
Due within one year	47 838	283 079
Due in second to fifth year inclusive	-	47 838
	<u>47 838</u>	<u>330 917</u>

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Detailed Statement of Financial Performance

	Note(s)	2011 R	2010 R
Revenue			
Donations			
- ABSA		67 314	-
- Anglo American Chairman's Fund		65 800	60 000
- D.G. Murray Trust		18 911	67 000
- Nedbank Foundation		125 900	50 000
- Sappi Limited		650 000	634 724
- Other		126 846	123 283
Printing and service fees		93 030	73 740
Registration fees		35 725	47 065
Stationery and related items		284	2 118
	9	1 183 870	1 057 930
Operating expenses			
Advertising		-	(4 800)
Auditor's remuneration	11	(13 000)	(15 428)
Bank charges		(714)	(645)
Cleaning		(70 658)	(63 743)
Computer expenses		(108 597)	(63 990)
Depreciation	2	(30 541)	(24 040)
Employee costs	11	(526 347)	(484 861)
Insurance		(22 053)	(21 669)
Internet subscription		(23 944)	(39 756)
Licences		(21 164)	(15 569)
Loss on scrapping of plant and equipment		(18)	-
Magazines, books and periodicals		(635)	(1 708)
Marketing and branding		(9 115)	(44 175)
Membership cards		(70)	(600)
Printing and stationery		(46 542)	(43 417)
Rental - equipment	11	(26 604)	(21 959)
Rental - premises	11/16	(283 079)	(249 393)
Rental - share of rates and municipal expenses		(150 062)	(109 710)
Repairs and maintenance	11	(5 970)	(3 014)
Security		(2 400)	(2 700)
Staff welfare		(2 804)	(3 095)
Telephone and fax		(18 670)	(17 917)
Training		(6 879)	(936)
Travel and entertainment		(25 589)	(40 544)
		(1 395 455)	(1 293 869)
Operating loss before interest		(211 585)	(235 939)
Interest received	12	36 714	58 172
Interest paid	13	(461)	-
		36 253	58 172
Loss before taxation		(175 332)	(177 767)
Taxation	14	-	-
Loss for the year		(175 332)	(177 767)