

# ANNUAL REPORT 2010



# CONTENTS

CHAIRPERSON’S REPORT .....	3
ABOUT KWA DUKUZA RESOURCE CENTRE .....	4
OUR VISION .....	4
SERVICES OFFERED BY THE KWA-DUKUZA RESOURCE CENTRE .....	4
BENEFICIARIES .....	7
OUTREACH.....	8
SELF SUSTAINABILITY.....	10
FUNDED PROJECTS .....	11
NATIONAL STRIKE ACTION .....	16
CENTRE STATISTICS.....	20
10 <sup>TH</sup> ANNIVERSARY CELEBRATIONS .....	21
GOVERNANCE & STAFF .....	21
DONORS.....	23
PRINCIPAL DONOR .....	23
DONORS WHO SUPPORTED PROJECTS .....	24
DONORS THAT GAVE IN-KIND DONATIONS .....	25
THANKS AND APPRECIATION.....	26
ENDORSEMENT .....	26
NEEDS OF THE CENTRE.....	32
AUDITORS REPORT .....	35



# CHAIRPERSON'S REPORT



I take great pleasure in presenting the annual report for the Kwa Dukuza Resource Centre after its 10<sup>th</sup> year of outstanding educational contribution to the community. The Centre has really excelled over the 10 years and made invaluable partnerships along the way.

I would like to express my gratitude to all of our donors, especially Sappi Limited, our principal donor, for their never wavering support and the great new-look logo. I thank our project donors: Anglo American Chairman's Fund, D G Murray Trust Fund and Nedbank Foundation for sponsoring our intervention programmes which have become an invaluable part of our business. 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.

Once again, my gratitude goes to Sappi and Zelda Schwalbach for contributing whole heartedly towards our 10<sup>th</sup> Anniversary celebration. This was a wonderful occasion and our members present at the centre that day enjoyed themselves very much.

2010 had been a difficult year in terms of fundraising. The worldwide recession took its toll on our fundraising initiatives. Furthermore the Centre's activities have been hampered for almost two months by the strike action by educators in August and September and the closure of schools for six weeks during the "2010 World Cup" hosted by South Africa in June and July. This affected our membership attendance and disrupted the time frames for our various projects. Despite this, the Centre continued to operate and continue to provide our usual services. Through good housekeeping and diligent purchasing the expenditure has been well contained and cash resources are sufficient to cover the Centre's requirements for working capital and capital expenditure in the foreseeable future.

It has been a great honor 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.

A handwritten signature in black ink, appearing to read 'Mbusiseni', with a large, stylized flourish underneath.

Mbusiseni Mbongeni Mazive

Chairperson

# ABOUT KWA DUKUZA RESOURCE CENTRE

## *Enhancing Education in the community*

The Kwa-Dukuza Resource Centre situated in Kwa-Dukuza on the north coast of Kwa Zulu Natal officially opened on June, 2<sup>nd</sup> 2000. The Centre is a non-profit organisation committed to supporting education initiatives in the local community and surrounding rural areas.

The communities we serve are predominantly poor Africans with a high unemployment rate. The economic base of the area is vested in agriculture, tourism and the manufacturing sectors.

## 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.

## SERVICES OFFERED BY THE KWA-DUKUZA RESOURCE CENTRE

### *Digital Village*

Computers connected to the internet via an ADSL line loaded with Microsoft Office 2003, 2007 and Adobe, offer an opportunity for members to interact with others around the world, apply for jobs, study, play on-line games, research assignments, etc. Members are able to print to a networked printer at fifty cents per page.

*44 785 digital village users in 2010*



## *TechnoLab*

Another impressive facility offered by the Centre is the TechnoLab. The TechnoLab programme helps educators to teach the principles of science and engineering using Lego and computers. This starts at a very basic level and progresses to more advanced modules that include robotics. Each lesson embeds basic entrepreneurial skills that learners should inculcate from a young age. Learners on the D.G. Murray MST programme are on the Technology programme for about six weeks. This process helps learners to link up their MST knowledge with project work as part of the motivating process for learners to continue with Maths and Science at tertiary level. 610 learners went through our local schools technology programme.

## *Reference and Study Centre*

Ample study space, including seven televideo sets are provided for those who enjoy using visual aids to learn.

## *Conference Facilities*

Conference facilities are available at no charge for non-profit and educational workshops which complement the objectives of the Kwa Dukuza Resource Centre and benefit the community. PROTEC Saturday schools classes and PROTEC Vacation school programmes and holiday matric intervention classes are also held in our conference rooms.

## *Educational Teaching Aids*

An impressive range of teaching aids are available for educators to either conduct lessons with experiments at the Centre or to take them on loan to spice up their lessons in their classrooms at school.

## *Career Counselling Centre*

Career guidance is offered by appointment with our qualified career counsellor Mr. S. Sham, who guides learners and parents towards suitable career choices. The Centre has a range of information on different careers and university courses, and assists with filling university applications, CV writing and placement.





### *Volunteer Skills Programme*

The Centre has had a volunteer work experience programme for many years. Even though 2010 was beset with recession, we managed to place 6 volunteers with various companies due to the experience they gained through the volunteer programme.

### *Community Projects*

The Centre tries to make a difference in the community in as many ways as possible. The Centre staff once again volunteered their time to assist the Child Welfare with administration aspects of their annual Winter Fair. The Fair was well attended, the Child Welfare fundraising efforts goes towards their running costs. The Centre also provides free computer classes for the underprivileged. These individuals are selected by Bongani Ndlovu the Community Projects Officer at the Kwa Dukuza Child Welfare. HIV /Aids awareness programmes are included in all our community projects on an annual basis.



### *Structured Programmes*

Computer Literacy classes are held bi-weekly for individuals wishing to become members but do not know how to use a computer. We offer free computer literacy classes which teach beginners the basics of computer care and maintenance. This is one of the reasons our computers have lasted as long as they have. The classes provide new members with the confidence to work on their own and experiment with new programmes or explore new tasks on the computer.



Classes are held in both English and isiZulu. When teaching people from deep rural areas, it is sometimes easier with the language barrier to use the Microsoft IsiZulu language interface.

*The Centre was chosen by Microsoft to run one of the first trials of their IsiZulu Language Interface.*



The Centre also runs educator training, school governance, primary school mathematics and PROTEC (Programme for technological careers) programmes.

# BENEFICIARIES

## *Changing lives to make a difference*

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

The Centre has registered over 18 000 members since inception and has accommodated around 10 000 day passes utilizing the computers.

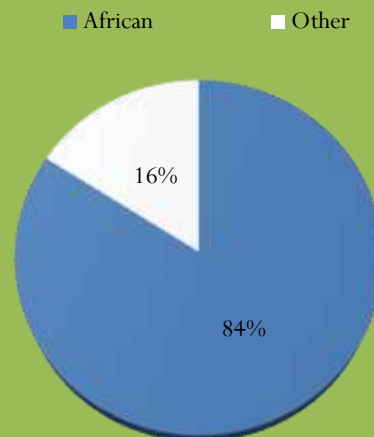
Registration costs have been kept to a minimum at forty rand for adults and fifteen rand for scholars for a three month period. This registration cost entitles the members to utilize the computers which are equipped with Microsoft Office (they have a choice between both Office 2003 and Office 2007), free internet and printing at fifty cents per page.

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.

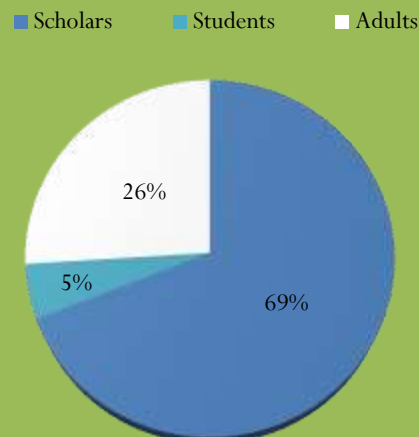
We hold special computer classes for schools which focus on school administration and educator needs. Schools register at no charge to borrow our teaching aids which include: models, charts, chemicals, etc. The Department of Education utilizes the Centre as a central venue for cluster workshops, training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



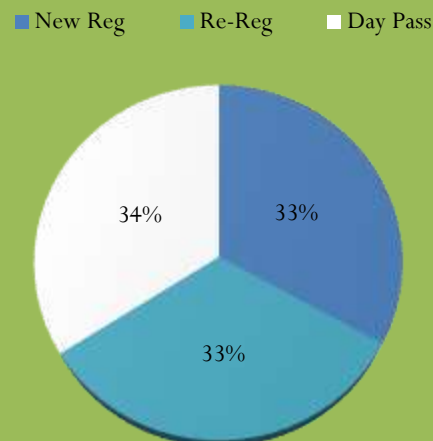
### Demographics membership



### Membership groups



### Membership groups





# OUTREACH

## *Practical lessons*

Rural schools without science and chemistry equipment sometimes elect to bring their learners to the Centre to conduct a day of science experiments. The educators utilize the chemicals, teaching aids, white boards, and flipchart to enhance their lesson.



## A PRACTICAL APPROACH TO EDUCATION

## *Kwa Dukuza Child Welfare computer literacy for rural communities*

We have been working with the Kwa Dukuza Child Welfare to train adults from deep rural areas. Each class of 10 participants undergoes 15 hours of Office based curricular training.

*100 rural adults have now completed this course.*





## *Computer Application Technology (CAT)*

Imbuyiselo and Banguni Secondary Schools, both situated in outlying rural areas, have continued to use the Centre to conduct 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 their studies. Imbuyiselo attained 100% pass rate in their Grade 12 CAT exams at the end of 2010. The Department of Education presented Imbuyiselo with nine laptops for attaining excellent Grade 12 CAT result in 2010.



### DEDICATED TO STUDYING COMPUTERS

#### ***Extract of letter from Imbuyiselo Secondary School***

*“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 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.”*

The Sappi sponsored PROTEC Stanger; an educational arm of the Resource Centre, was established in Kwa Dukuza during 1998. The programme helps to encourage underprivileged learners to pursue careers in science, mathematics and technology and prepare them for highly skilled jobs in areas of key industry demand. It lays emphasis on the needs to improve literacy and numeracy including skills relevant to the workplace before embarking on employment.

*PROTEC Stanger - 100% matric pass rate for 11 years running.*

The Programme consists of Saturday School, Vacation School, Vacation Camp, Career Guidance, Expo development and Technology Education for grades 10, 11 and 12. The subjects taught at Saturday Schools are English, Mathematics, Physical Science, World of Work and Technology (if funding is available).



## SELF SUSTAINABILITY

## *Securing a brighter future*

### *Administrative services*

We offer a range of administrative services to the community, which includes printing, photocopying, faxing, laminating, bookbinding, the sale of envelopes, USB flash drives and typing services: CV, assignments, letters and programmes for special occasions. These services are done by volunteers who have been through our skills training programme. They now are paid a percentage of the income received by the client who either doesn't have the time, skill or facilities to perform the task.

### *Office based computer course*

Microsoft donated their "Microsoft Unlimited Potential" courseware which we utilize for our computer classes for which we charge a nominal affordable fee. The popular Computer Fundamentals course is a sixteen hour office based course which includes topics such as: Introduction to computers, Word Processing and Word, Spreadsheets and Excel, Presentations and PowerPoint, Using the Internet and the World Wide Web. These classes offer a general understanding of office based computer applications.

*100 people went through the Microsoft Unlimited Potential course in 2010*

### *Conference facilities*

The seminar room, TechnoLab and new conference room are used as venue hire to businesses and organisations at a nominal rate. However we do not charge for other non-profit or community organisations which are providing a service to the community.

The seminar room has 10 networked computers with a mounted data projector, screen and whiteboards. Our new conference room is slightly bigger and can accommodate up to 50 delegates. The room also has a mounted projector, screen and whiteboards on 3 walls. The TechnoLab is perfect for intimate group work, and has a mounted whiteboard and can accommodate a portable data projector and screen. All the rooms are air conditioned and optional extras are available, such as a TV, DVD, video, overhead projector, flip charts and stationery.





## *D.G. Murray Trust MST Programme*

The following primary schools participated in the D G Murray Primary School MST programme: Kearsney, Mbozama, Melville, Mavivane, Ashram, Dawnview, Stanger and Gledhow Primary. The Programme had been marketed to all the schools in the area and principals had been very co-operative in this respect. The Programme commenced with a meeting of all parents of selected learners where the programme structure was outlined to parents together with objectives, time frames and action plan. The programme commenced during April 2010 and concluded with the Maths and Science Olympiad on 13 October 2010.

An Awards function was held on the 20<sup>th</sup> November 2010 and participating learners were presented with certificates with the top 10 learners in each category receiving figurines. Parents were invited to the awards function where the learners were presented with certificates and awards for their achievements.





Nedbank Foundation sponsored our Grade 11 MST programme in 2010. Most of the 45 learners enrolled on the programme hail from various rural communities and travel by taxi to attend classes at the Resource Centre on weekday afternoons. Arrangements have been made with far away schools to release learners a bit early to attend classes after school. Learners competence is bench marked to track their progress. The bench mark for Mathematics had been 31.5% and Physical Science 24%. The final mark for Mathematics had progressed to 50% and Physical Science to 46%. There has been an all-round improvement from the bench mark and hopefully next year (2011), when the learners are in Grade 12 we would get results of 60% and more.

### *Nedbank Deep Green Day Exhibition*

Nedbank invited the Centre to its Deep Green Day held at the Nedbank Durban office on 8<sup>th</sup> and 9<sup>th</sup> September to exhibit some of its activities. The displayed exhibits and activities were well received by the visitors who included staff, people from other business and industries and well-wishers.



### *Anglo American Chairman's Fund MST Grade 12 Programme*

The Anglo American Chairman's Fund Grade 12 MST programme commenced during March 2010 and concluded in October 2010 prior to the learners writing their final examinations. These learners had come into Grade 12 from the Anglo 2009 Grade 11 programme. Due to the "Educator Strike Action" during August and September, classes had to be re-scheduled for the holidays and weekends. Learners were subjected to intense study practices and were tracked closely to keep them in check. Our sincere thanks and appreciation goes to all our participating schools for their wonderful support and assistance when required.

*The learners achieved excellent results at end of Grade 12:*

<i>Bachelor Passes:</i>	<i>24</i>
<i>Diploma:</i>	<i>10</i>
<i>Higher Certificate:</i>	<i>06</i>



***Extract of letter received from Banguni Secondary School***

*“It is a pleasure to convey the words of appreciation to Sappi Resource Centre for demonstrating its giant leap in improving the standard of performance to our grade 11 and 12 learners. This fruitful partnership has been in operation for more than four years.*

*Our school is situated in the deep rural area where-in the assistance of Sappi Resource Centre is needed desperately.*

*Since our learners attended maths and science projects at the Resource Centre we realized the improvement in their standard of performance in maths and science subjects. 90% of our learners that participated in the Resource Centres programmes are enrolled with different universities to pursue their careers.*

*We would like to thank Sappi Resource Centre Board of Trustees under the leadership of Mr. A. Govender to consider our school to be part of these projects.”*

*All our MST learners achieved 100% pass.*

# NATIONAL STRIKE ACTION

## *Turning a negative into a positive*

The strike action during August and September 2010 greatly affected the Kwa Dukuza region with the intimidation of nurses, educators and learners. The majority of the schools in the area were closed for a full 4 weeks. However, during these tough times, it was great to see the dedication and drive of several proactive youth who turned a negative situation into a positive. Two groups of students, Grade 11 and 12, travelled to the Centre daily to continue with their studies unaided by an educator, to pursue their studies. The learners that excelled in English, Maths, and Science took turns to teach the other learners.

The Centre provided these learners children, from various schools in the area, with a venue, study guides, past exam papers, whiteboards, flip charts, etc. The learners greatly appreciated the assistance received from the Centre, so much so, that they took the time out to write to the Centre to thank us for all the assistance.

*These students all achieved excellent pass rates.*



## SCHOLARS TAKE PROACTIVE APPROACH



MANAGER (KWA DUKUZA RESOURCE CENTRE)

Thank you

I hereby write this letter on behalf of grade-12 learners who have been using Kwa Dukuza Resource Centre for study purposes during the teacher's strike, to thank you for letting us <sup>use</sup> the centre's conference room.

We send our sincere thanks to the staff and the manager, for entrusting us with the resource centre facilities which have been useful to us during the strike.

The attendance was really good, we had learners from different schools, these schools include: Tshakenkosi Sec [REDACTED], Stanger High, Stanger South, Vutile High and Nonhlewu. During this period, the subjects that we were tackling were; Mathematics, Physical Sciences and Life Sciences<sup>to</sup>, which most of us would say are the most challenging subjects.

Through this program we gained different skills, from communicating with one another and expressing ourselves freely about different modules in the above mentioned subjects. This also gave us the chance not only to master our subjects but also to share some strategies on how to tackle the exam papers.



Although the strike affected us badly as matriculants, coming to the resource centre gave us the opportunity to know each other as matriculants. During this time we helped each other with different sections whereas if one person understood the section better he/she went to the front and taught that section to the rest of the class. At first it was really hard for some pupils because they were afraid to go to the front and teach a lesson, but we were all supportive towards each other and encouraged those learners to ~~overcome~~<sup>overcome</sup> their fears and at the end we worked together very well.

On behalf of the learners that attended i.e. the matriculants, we send our gratitude to you for providing us with the facilities and hope that when we write our exams we won't disappoint you in the sense that you will see that letting us use the conference room wasn't a waste of time.

Grade 12 learners.

## CENTRE STATISTICS

ACTIVITIES HELD IN 2010	ATTENDANCE
Computer Literacy Programme-adults/learners	906
Microsoft Unlimited Potential (8 Week Course -10 individuals per class)	100
Secondary School CAT Programme – 5 schools	120



Digital Village usage	44 785
Secondary School Computer Literacy Programme	300
D G Murray Grade 6 & 7 MST	80
MST Learner Workshop 11 & 12 MST	90
Technology Programme	610
Training Workshop (Capitec, Sappi, Dept. of Agriculture, D. Maharaj Public Speaking Unit, Small Business Entrepreneurship, etc.)	500
Learners – HIV/Aids Peer Group Workshop	100
Teacher Training Upgrades (inclusive Cass Meetings, Subject Meetings)	200
Skills Development Workshops (SETA, Business Skills Development, etc.)	300
Career Guiding Programme	150
Grade 10,11 and 12 PROTEC Learners (Weekly)	120
Miscellaneous Activities (Book binding, laminating, loan equipment, faxing, photocopying, School excursions, general enquiries)	7 953

<b>MAJOR ACHIEVEMENTS SINCE INCEPTION</b>	
People who have obtained computer literacy	+ 21 200
Membership registrations	+ 18 000
Day passes	+ 10 000



## 10<sup>TH</sup> ANNIVERSARY CELEBRATIONS

On June, 2<sup>nd</sup> 2010 the Centre celebrated its 10<sup>th</sup> anniversary. We chose to keep the event low key due to the economic depression and the Soccer World cup, and invited our members for a fun-filled afternoon downstairs.

Learners participated in games and competitions, and gifts were presented to our regular members. Snacks and birthday cake were enjoyed by all.

Prizes and gifts for the day were donated by Sappi and a birthday cake



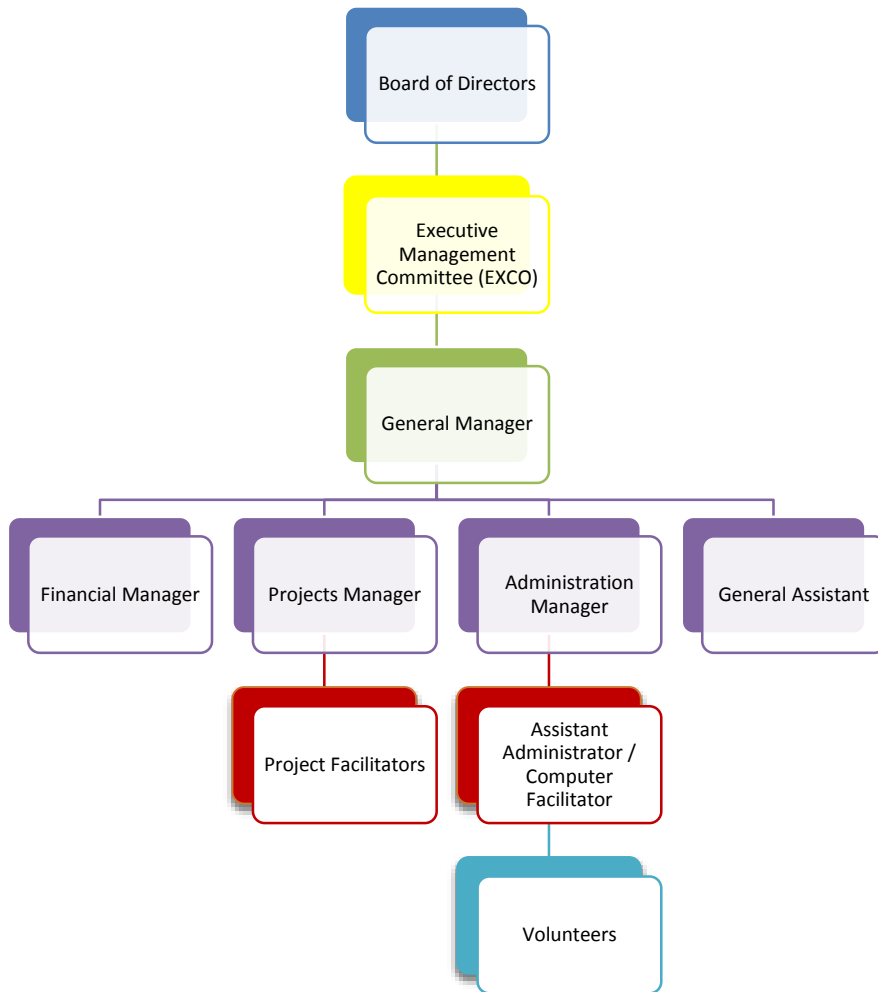
Assistant Administrator / Computer Facilitator: Assists in the running of the reception and administrative services, facilitates computer classes at various levels and does computer trouble shooting and computer upkeep together with the volunteers.

General Assistant: Helps to maintain the cleanliness of the centre and assists in general duties.

Volunteers: Gain administrative skills by assisting with administrative tasks and assist our members with computer queries.



## Organogram



## DONORS

### PRINCIPAL DONOR

*Sappi Limited*

### *Sappi's approach to corporate social responsibility (CSR)*

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.

Jan Labuschagne

CEO, Sappi Southern Africa

## **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 Imbuysielo 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 was highly successful with all our learners passing Grade 12 mathematics and science comfortably at the end of 2010.

### *D. G. Murray Trust*

The D.G. Murray Trust partnered with the Centre for the 2010 MST Programme for Grade 6 and 7 learners. We believe in developing a strong foundation for learners in the MST field. The programme consisted of Mathematics, Natural Sciences, ICTs, Olympiads and technology programmes for both grade 6 and 7.



## DONORS THAT GAVE IN-KIND DONATIONS

### *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 a Themba Mdlalose, Community Affairs Manager, 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.

Microsoft carried out research in 2006 on the functionality of Digital Villages in South Africa and found the Kwa Dukuza Resource Centre to be highly sustainable, well utilized and well managed. The Centre trailed the Microsoft -isiZulu language package, mostly with rural communities, and found it extremely useful in the facilitation process.

### *Internet Solutions*

Internet Solutions sponsors and supports the "Digital Village" at Kwa Dukuza, pertaining to all connectivity requirements to the World Wide Web, locally and internationally. Since information and communications technology are increasingly becoming a foundation of our societies and economies, 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. The objective behind the sponsorship is to expose the youth from rural communities to technology, develop skills required for employment and demonstrate how easy technology and access to information is.

Internet Solutions have been our ISP (Internet service provider) since inception. Internet Solutions provide the Centre with a 1024k ADSL internet line which paves the way for very cost effective internet usage. IS 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.

### *Nashua*

Nashua has been our sponsors since inception. Originally they had sponsored a refurbished fax machine, scanner, High duplication copier and photocopier for community usage. Recently they had upgraded our photocopy machine. Their donation has enabled the Resource Centre to provide cost effective service.

### *Nkonki KZN*

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

### *Randeels Electrical cc*

Randeels Electrical cc has continued to support the Centre with in-kind electrical maintenance.

### *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.

## **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.

*We thank you!*

## **ENDORSEMENT**

*Extract of letter received from Nkosinathi Thaba Mfeka.*



I PASSED STD. 8 (LEVEL 4) IN 2002 AT SHARAVILLE ADULT CENTRE. THEN I HAD TO MOVE ON TO MATRIC AS THERE IS NO STD. 9 IF YOU ARE STUDYING PART TIME. IT WAS DIFFICULT TO ME AS I WAS DOING SCIENCE SUBJECTS.

MY NEIGHBOUR, MDU NTSIBANDE, ADVISED ME TO GET THE RESOURCE CENTRE MEMBERSHIP CARD. I THEN VISITED KWADUKUZA RESOURCE CENTRE WHERE I MET WITH FRIENDLY AND DEDICATED STAFF MEMBERS LIKE COLLIN GOVENDER, PRAVIN AND SIYABONGA KHOZA, TO MENTION SOME. THEY HELPED ME BY MANY THINGS LIKE HOW TO USE CASSETES IN THEIR TELEVISIONS. THEY ALSO ENCOURAGED ME TO KEEP ON USING THESE CASSETES TO GET ALL INFORMATION I WANT ABOUT DIFFERENT SUBJECTS. I WANT TO SAY "COLLIN, YOU ARE THE STAR!"

TODAY I HAVE MY MATRIC CERTIFICATE WHICH I FOUND BY THE HELP OF KWADUKUZA RESOURCE CENTRE WITHOUT ATTENDING THE CLASS



AND ALSO WITHOUT THE TEACHER STANDING IN FRONT OF ME. COLIN AND PRAVIN WERE ALWAYS WILLING TO HELP ME IF I WANT TO KNOW SOMETHING AND GIVE ME ADVICES FOR WHAT I CAN DO TO SUCCEED. BY SAYING SO, I AM INVITING ALL OTHER PART TIME STUDENTS TO VISIT THIS CENTRE WHICH IS A SOURCE OF KNOWLEDGE AND WISDOM. I AM PREPARING TO IMPROVE MY SYMBOLS IN PHYSICAL SCIENCE AND MATHEMATICS AS I WANT TO DO MECHANICAL ENGINEERING. I AM NOT ASHAMED TO SHARE KNOWLEDGE AND HAVE DISCUSSIONS WITH FULL TIME STUDENTS BECAUSE OF THIS CENTRE.

I AM NOW ATTENDING SATURDAYS COMPUTER CLASS WITH SIYABONGA, OUR DEDICATED TEACHER. ON MY FIRST DAY OF THIS CLASS, I DIDN'T KNOW ANYTHING ABOUT COMPUTER. NOW I KNOW EVEN TO WRITE CV AND TO DO OTHER THINGS WITH IT. I CANNOT PAY ANYONE TO WRITE A CV FOR ME ANYMORE. I SAY TO SIYABONGA "YOU ARE A COMPUTER MAN" KEEP IT UP.

TO THE MANAGEMENT AND STAFF OF KWADUKUZA RESOURCE CENTRE, I WANT TO SAY "THANK YOU VERY MUCH AND KEEP IT UP" WITH GOOD WORK YOU ARE DOING TO PEOPLE WHO ARE COMING FROM THE POOR COMMUNITIES. I ALSO WANT TO REQUEST THE MANAGEMENT OF THE CENTRE TO ENSURE THAT THOSE MEMBERS WHO ARE BOOKING OUT CASSETTES, ARE BRINGING THEM BACK SO THAT OTHERS CAN BE ABLE TO USE THEM. IN CONCLUSION I WISH KWADUKUZA RESOURCE CENTRE MANAGEMENT & STAFF A GOOD SUCCESS IN FULFILLING THEIR GOAL TO BUILD UP THE GENERATION WHICH WILL RULE THE COUNTRY WITH WISDOM IN FUTURE. YOU ARE WORTHY TO BE HONOURED WITH A MEDAL.

"KWADUKUZA RESOURCE CENTRE IS THE SOURCE OF KNOWLEDGE AND WISDOM"



### *Successful placement*

When Pravitha Gobardhar first volunteered at the Centre she was fresh out of school with no administrative or computer skills. Pravitha volunteered at the Centre every day and was eager to gain as many new skills as possible. Once she had mastered the basic administration skills and data capturing of new members she was taught basic finance skills. Pravitha had still not mastered her computer skills to a level acceptable for the work

place and was enrolled onto one of our computer courses for 3 months. At this point she decided that she wanted to look for employment to support herself and her parents, so we arranged for her to go for an interview for a position vacant at Hyundai and she got the job!

When asked about her experience with the Kwa Dukuza Resource Centre, Pravitha responded:

“Today I am employed at Hyundai Stanger and I must state the 1 year experience helped me tremendously. I owe it to the resource centre, for the management and staff helped me through. I am now permanently employed and very happy with my job. I want to place my gratitude and appreciation, the staff of SKDRC for the stunning work they are doing to empower our young people. I have seen my school learners from disadvantaged areas being helped.



It has been an amazing experience working Voluntary at the resource Centre. I want to thank you all for making it a time-learning experience that has left me with great skills, real experience and memories that I will hold on to dearly. I am continually amazed at just how helpful everyone has been. I feel lucky to have worked with so many talented and caring people.

The staff is very passionate about what they do at the centre and for the people. Keep up the good work, Thank you, all you have done me proud.”

### *Computer Training boosts self-confidence*

When Shireen Nkabini enrolled for computer training at the Kwa Dukuza Resource Centre, she gained more than just computer skills. She gained self-empowerment!

With regards to the computer training she attended, she commented that:

“The training had empowered me to further my career from a cleaning staff to data capturer, and it has boosted my level of confidence to aspire and develop more in the accounting field which has been my ambition.

Thank you Kwa Dukuza Resource Centre.

Kind regards

Shireen Nkabini (Nkonki KZN)”



## NEEDS OF THE CENTRE

With your help we can continue to offer services and resources to underprivileged people and equip them with life skills.

### 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 the Resource Centre).

## **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 600.00 for life of chair.
- Or any substantive 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. The Centre would like to be considered for further educational projects that organizations or corporate may want to fund:

Examples of projects the Centre has been involved in:

- Mathematics, Science and Technology Education for Primary schools and secondary schools.
- Educator development for Non Specialist in a particular subject field.
- Physical Science, Mathematics, English and Accounting intervention for Grade 10.11 and 12 learners.
- High – Tech Technology classes for learners and educators
- Pastel accounting for educators and school financial personnel.
- Career counselling for learners
- Computer Literacy Classes for learners and adults
- CAT lessons for schools that do not have computers
- Certified basic Office Based computer course using Microsoft Unlimited Potential Curriculum
- Teacher upgrade for underprivileged educators who find it difficult to cope in the classroom
- Workshops on labour law, Incorporation HIV/Aids in the classroom teaching environment etc.
- School Governing Body's Policy Plan
- HIV/Aids workshops for Learners, Educators and Parents
- Skills development for post matric students

### **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, computer facilitation, 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.

Contact person: Sharon Olivier

Tel: +27 (0)32 551-6251

Email: [Sharon@resourcecentre.org.za](mailto:Sharon@resourcecentre.org.za)

# AUDITORS REPORT

KWA DUKUZA RESOURCE CENTRE  
(ASSOCIATION INCORPORATED UNDER SECTION 21)  
(REGISTRATION NUMBER 2003/002622/08)

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010



Registered Auditors | Accountants | Consultants

Nkonki KZN

**Physical Address:**

22 Samora Machel Street  
*(Formerly Amani 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](http://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 (ASSOCIATION INCORPORATED UNDER SECTION 21)**  
**(REGISTRATION NUMBER 2003/002622/08)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

## **General Information**

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Educational institution dedicated to supporting educational initiatives in the local community.
<b>Directors</b>	M.M. Mazive (Chairman) K.K. Gokar (Vice Chairman) M.H. Erasmus (Treasurer) J. Govender W.M. Luthuli F.D. Kramer S. Naicker P. Sham Z. Schwalbach T.V. Reddy
<b>Registered office</b>	84 Balcomb Street Stanger 4450
<b>Business address</b>	1st Floor Old Mutual Building Corner of Gizenga and Hulett Street Stanger 4450
<b>Postal address</b>	P.O. Box 3049 Stanger 4450
<b>Banker</b>	Nedbank Limited
<b>Auditor</b>	Nkonki KZN Chartered Accountants (S.A.) Registered Auditors

KWA DUKUZA RESOURCE CENTRE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
(REGISTRATION NUMBER 2003/002622/08)  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

## Index

---

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

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 13
Notes to the Annual Financial Statements	14 - 16

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Statement of Financial Performance	17
---	----



Registered Auditors | Accountants | Consultants

Nkonki KZN

**Physical Address:**

22 Samora Machel Street  
*(Formerly Alwal 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](http://www.nkonki.com)

Incorporating Mahomedy Omar Paruk  
(formerly Horwath Mahomedy Omar Paruk)

## Independent Auditor's Report

### To the members of Kwa Dukuza Resource Centre (Association Incorporated under Section 21)

We have audited the annual financial statements of Kwa Dukuza Resource Centre (Association Incorporated under Section 21), which comprise the directors' report, the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and 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 16.

#### 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 of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's 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.

#### Qualification

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.

3

Nkonki KZN Partners: Ahmed Mahomedy - B.Com, CA(SA) Hussun Omar - B.Com, Dip.Acc, CA(SA) Yusuf Paruk - B. Acc, CA(SA) Farouk Haffeejee - B.Com, B.Compt(Hons), CA(SA) Mahommed Motala - B.Com, PG Dip(Acc), CA(SA) Razia Timol - B.Com(Hons), CA(SA)

Nkonki Inc (JHB) Partners: Mitesh Patel - CA(SA) Mvume Sikele - MSC Computer SC(US) Brian Mungofe - CA(SA) Nyazal Muzarewetu - CA(SA) Peter K Njiru - CPA(K) MBA(Wits) Dr Steven Fircr - DBA, CA(SA), IFRS(ACCA) RA Ahmed Pandor - CA(SA), CISA, MBA Sangeeta Kallen - CA(SA)

Nkonki Inc (JHB) Directors: Mzi Nkonki - CA(SA) Sindi Zilwa - CA(SA)

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



In our opinion, except for the possible effects of the matter referred to in the preceding paragraph, the annual financial statements present fairly, in all material respects, the financial position of Kwa Dukuza Resource Centre (Association Incorporated under Section 21) as at 31 December 2010, 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 in the manner required by the Companies Act of South Africa.

#### Report on Other Legal and Regulatory Requirements

With the written consent of all the members of the board, we have performed certain accounting and secretarial duties.

#### Supplementary Information

We draw attention to the fact that supplementary information set out on page 17 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

20 June 2011  
84 Balcomb Street  
Stanger  
4450



Reliability • Responsiveness • Assurance • Tangibles • Empathy

## Directors' Responsibilities and Approval

---

The directors are required by the Companies Act of South Africa, 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 auditor is 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 requirements for the next 12 months and, in the light of this review and the current financial position, they are satisfied that the company 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 20 June 2011 and were signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



## Directors' Report

---

The directors submit their report for the year ended 31 December 2010.

### 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 R 177,767 (2009: loss R 94,071).

### 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)  
K.K. Gokar (Vice Chairman)  
M.H. Erasmus (Treasurer)  
J. Govender  
W.M. Luthuli  
F.D. Kramer  
S. Naicker  
P. Sham  
Z. Schwalbach  
T.V. Reddy

### 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 will continue in office in accordance with section 270(2) of the Companies Act.

KWA DUKUZA RESOURCE CENTRE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
 (REGISTRATION NUMBER 2003/002622/08)  
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

**Statement of Financial Position**

	Note(s)	2010 R	2009 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Plant and equipment	2	48,240	57,010
<b>Current Assets</b>			
Trade and other receivables	3	177,024	195,103
Cash and cash equivalents	4	1,151,049	1,350,155
		<u>1,328,073</u>	<u>1,545,258</u>
<b>Total Assets</b>		<u>1,376,313</u>	<u>1,602,268</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income	5	1,333,617	1,511,384
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	37,896	86,324
Provisions	7	4,800	4,560
		<u>42,696</u>	<u>90,884</u>
<b>Total Equity and Liabilities</b>		<u>1,376,313</u>	<u>1,602,268</u>

KWA DUKUZA RESOURCE CENTRE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
 (REGISTRATION NUMBER 2003/002622/08)  
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

**Statement of Comprehensive Income**

	Note(s)	2010 R	2009 R
Revenue	8	1,057,930	993,751
Operating expenses	9	(1,293,869)	(1,189,653)
<b>Operating loss</b>	10	<b>(235,939)</b>	<b>(195,902)</b>
Interest received	11	58,172	101,831
<b>Loss for the year</b>		<b>(177,767)</b>	<b>(94,071)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(177,767)</b>	<b>(94,071)</b>



KWA DUKUZA RESOURCE CENTRE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
 (REGISTRATION NUMBER 2003/002622/08)  
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

**Statement of Changes in Equity**

	Retained income R	Total equity R
Balance at 01 January 2009	1,605,455	1,605,455
Changes in equity		
Total comprehensive loss for the year	(94,071)	(94,071)
Total changes	(94,071)	(94,071)
Balance at 01 January 2010	1,511,384	1,511,384
Changes in equity		
Total comprehensive loss for the year	(177,767)	(177,767)
Total changes	(177,767)	(177,767)
Balance at 31 December 2010	1,333,617	1,333,617

KWA DUKUZA RESOURCE CENTRE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
 (REGISTRATION NUMBER 2003/002622/08)  
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

**Statement of Cash Flows**

	Note(s)	2010 R	2009 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1,076,009	972,906
Cash paid to suppliers and employees		(1,318,017)	(1,131,518)
Cash used in operations	12	(242,008)	(158,612)
Interest received	11	58,172	101,831
<b>Net cash from operating activities</b>		<b>(183,836)</b>	<b>(56,781)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	2	(15,270)	(29,759)
<b>Total cash movement for the year</b>		<b>(199,106)</b>	<b>(86,540)</b>
Cash at the beginning of the year		1,350,155	1,436,695
<b>Total cash at end of the year</b>	4	<b>1,151,049</b>	<b>1,350,155</b>

## 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 of South Africa. 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 maybe 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 estimate.



## 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.

##### 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.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits 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.

### 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 (or group of related assets) 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 (or group of assets) 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.

## Accounting Policies

---

### 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.

### 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.



## Notes to the Annual Financial Statements

	2010 R	2009 R
--	-----------	-----------

### 2. Plant and equipment

	2010			2009		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	378,495	(352,878)	25,617	378,495	(342,669)	35,826
IT equipment	584,332	(561,719)	22,613	569,062	(547,888)	21,174
Computer software	255,394	(255,391)	3	255,394	(255,391)	3
Books and reference material	30,914	(30,908)	6	30,914	(30,908)	6
Videos	216	(215)	1	216	(215)	1
<b>Total</b>	<b>1,249,351</b>	<b>(1,201,111)</b>	<b>48,240</b>	<b>1,234,081</b>	<b>(1,177,071)</b>	<b>57,010</b>

#### Reconciliation of plant and equipment - 2010

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	35,826	-	(10,209)	25,617
IT equipment	21,174	15,270	(13,831)	22,613
Computer software	3	-	-	3
Books and reference material	6	-	-	6
Videos	1	-	-	1
	<b>57,010</b>	<b>15,270</b>	<b>(24,040)</b>	<b>48,240</b>

### 3. Trade and other receivables

Trade receivables	152,700	155,479
Prepayments	24,324	39,624
	<b>177,024</b>	<b>195,103</b>

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	200	200
Bank balances	1,150,548	1,348,105
Petty cash	301	1,850
	<b>1,151,049</b>	<b>1,350,155</b>

### 5. Retained income

Retained income comprises the following:

- Accumulated Surpluses since 01 April 2003	278,821	456,588
- Accumulated Surplus arising at inception and transfer of operations and assets from Kwa Dukuza Resource Centre (Pre-incorporation entity)	1,054,796	1,054,796
	<b>1,333,617</b>	<b>1,511,384</b>

### 6. Trade and other payables

Accrued expenses	37,896	19,324
Income received in advance	-	67,000
	<b>37,896</b>	<b>86,324</b>

KWA DUKUZA RESOURCE CENTRE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
 (REGISTRATION NUMBER 2003/002622/08)  
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Notes to the Annual Financial Statements

	2010 R	2009 R
--	-----------	-----------

7. Provisions

Reconciliation of provisions - 2010

	Opening balance	Additions	Reversed during the year	Total
Provision for audit fees	4,560	4,800	(4,560)	4,800

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. Revenue

Donations	935,007	857,781
Printing and service fees	73,740	77,135
Registration fees	47,065	55,845
Stationery and related items	2,118	2,990
	<u>1,057,930</u>	<u>993,751</u>

9. Operating expenses

Operating expenses maybe classified by function as follows:

- Administration expenses	15,428	13,060
- Distribution and marketing expenses	48,975	43,382
- Other operating expenses	1,229,466	1,133,211
	<u>1,293,869</u>	<u>1,189,653</u>

10. Operating loss

Operating loss for the year is stated after accounting for the following:

Auditor's remuneration		
- fees	15,000	13,060
- other services	428	-
Depreciation on plant and equipment	24,040	40,055
Employee costs	484,861	428,550
Loss on scrapping of assets	-	3
Rental of equipment	21,959	20,854
Rental of premises	249,393	202,822
Repairs and maintenance	3,014	16,226

11. Interest received

Bank	<u>58,172</u>	<u>101,831</u>
------	---------------	----------------

## Notes to the Annual Financial Statements

	2010 R	2009 R
<b>12. Cash used in operations</b>		
Loss before taxation	(177,767)	(94,071)
Adjustments for:		
Depreciation	24,040	40,057
Loss on scrapping of asset	-	3
Interest received	(58,172)	(101,831)
Movements in provisions	240	-
Changes in working capital:		
Trade and other receivables	18,079	(20,845)
Trade and other payables	(48,428)	18,075
	<u>(242,008)</u>	<u>(158,612)</u>

### 13. Taxation

No provision for taxation has been made as the income of the company is exempt from tax in terms of Section 10(1)(cN) of the Income Tax Act, 1962.

### 14. Directors' emoluments

No emoluments were paid to the directors during the year.

### 15. Related parties

There were no related party transactions for the year under review.



KWA DUKUZA RESOURCE CENTRE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
 (REGISTRATION NUMBER 2003/002622/08)  
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

**Detailed Statement of Financial Performance**

	Note(s)	2010 R	2009 R
<b>Revenue</b>			
Donations			
- Sappi Limited		634,724	638,532
- Nedbank Foundation		50,000	50,000
- Anglo American Chairman's Fund		60,000	50,000
- The D G Murray Trust		67,000	-
- Sugar Industry Trust Fund for Education		-	2,500
- Other		123,283	116,749
Printing and service fees		73,740	77,135
Registration fees		47,065	55,845
Stationery and related items		2,118	2,990
	8	<u>1,057,930</u>	<u>993,751</u>
<b>Operating expenses</b>			
Advertising		4,800	4,800
Auditors' remuneration	10	15,428	13,060
Bank charges		845	965
Cleaning		83,743	48,876
Computer expenses		83,990	87,742
Depreciation	2	24,040	40,057
Donations		-	50
Employee costs	10	484,861	428,550
Insurance		21,669	20,557
Internet subscription		39,756	24,804
Licences		15,569	22,860
Loss on scrapping of asset	10	-	3
Magazines, books and periodicals		1,708	1,343
Marketing - branding		44,175	38,532
Membership cards		600	210
Printing and stationery		43,417	47,647
Rates and municipal expenses		109,710	104,062
Rental of equipment	10	21,959	20,854
Rental of premises	10	249,393	202,822
Repairs and maintenance	10	3,014	16,226
Security		2,700	1,892
Staff welfare		3,095	3,347
Telephone and fax		17,917	18,471
Training		936	602
Travel and entertainment		40,544	41,321
		<u>1,293,869</u>	<u>1,189,653</u>
<b>Operating loss</b>	10	<u>(235,939)</u>	<u>(195,902)</u>
Interest received	11	58,172	101,831
<b>Loss for the year</b>		<u>(177,767)</u>	<u>(94,071)</u>





1<sup>st</sup> Floor Old Mutual Building Cnr Hulett & Gizenga Street • P.O. Box 3049 Kwa Dukuza 4450 • Tel: +27(0)32 551-6251 Fax: +27 (0)32 551-6250  
Section 21 Company Registration: 2003/002622/08 • NPO Number: 027-299-NPO • Section 18A Reference: 18/11/13/1489

Directors: M Mazive, K Gokar, M Erasmus, P Sham, D Kramer, J Govender, S Naicker, W Luthuli, Z Schwalbach, T Reddy