

Directors Report

2016-2017

Advancing student performance in Maths and
Science



Chairman's Overview

Tshepo Ntsimane

It has been an honor and a privilege for me to assume the role of Chairperson of the Kutlwanong Board during the latter part of 2016. My objectives have been: consolidation, strengthening our Board processes and organizational achievements and growing from there.

A good foundation in Maths and Science, creates individuals with the technical and creative skills needed to thrive in today's workforce and growing the future economy. For 2016, our matric learners achieved 939 distinctions in Maths, Science and Accounting –the highest to date. I must commend the Kutlwanong team, learners and the teachers for their effort in making 2016 a success. Our strong and consistent results speak to the dedication, passion and commitment of all staff involved.

As an organisation, we depend on funding to fuel our programmes and to create a shared prosperity for our communities. However, 2016 was fraught with funding challenges. Kutlwanong has experienced the direct impact of the #FeesMustFall student protest. Basic and higher education are tussling for the same portion of CSI and donor funding. It's a challenge, which keeps us up at night.

Public sector

We have had a long and successful partnership with the Department of Education in the Free State, as part funder of the Qwa-Qwa centre. During 2016, this was one of the top performing centres for matric results but due to challenges with their procurement processes this partnership had to cease.

Timeous payment of funds, from public sector funders remains a risk for Kutlwanong. Our tuition programmes start operating in January at the start of the school year. However, delays in funds being received, means a late start and places our teachers and curriculum staff under pressure to catch-up.

Private sector

The private sector has experienced a slow down of the economy, making departments like CSI the first casualties of budget cuts. Mining companies have experienced a global slump and have subsequently reduced corporate funding, impacting our fundraising efforts. Amidst these challenges, we are truly grateful and thankful to our current funders, who have continued to support us and increased their funding. I am confident that despite these challenges, the quality of our work and the sustainability of our model will help Kutlwanong grow during 2017. I am constantly amazed by our dedicated staff, delivering our programmes with a passion for education and for improving the well being of the communities they reside in. As an organization we pride ourselves on delivering exceptional results against the odds!

Strengthening relations

We have made a concerted effort to improve the relationship between the management team and the Board. Specifically we have also tried to strengthen and better manage our relationships with teachers and funders-equally important stakeholders. I must commend the team for their commitment, time and effort in growing these relationships into strong partnerships.

All Kutlwanong staff and Board members are doing this for the benefit of the students that we support and the country as a whole. Successful economies require an educated workforce. We see it everyday that those with little to no education are often the casualties of unemployment. Emerging markets like India and China, are improving the quality of their output by investing in education.

I am proud that our work seeks to improve the number of learners qualifying for higher education, and that at least 50% of the learners we support achieve that.

Looking ahead

We want to also improve how we manage alumni relationships. Alumni are our ambassadors and best poised to showcase what Kutlwanong can achieve. We are fortunate to have representation at various universities. Where we don't exist we must seek urgent representation, and where we do exist we must strengthen and solidify alumni relations.

All of this requires funding. We must expand our funding base by targeting new funders. This is a key focus for us in 2017. Also, in realizing the 2020 strategy I am looking forward to a future where at least 50% of our learners achieve top grades, boosting our ability to attract more funding. I would like Kutlwanong to continue to sustain our improvement of results, before we increase the number of learners in our programmes. Improving results is the goal for 2017.

We have accomplished so much with your commitment and support. Thank you. Please join us in our quest to grow the economy by ensuring a sound education in Maths and Science for township and rural learners across South Africa.

CEO's Overview

Tumelo Mabitsela

As an organization, we are committed to fundraising and increasing the number of centres we operate nationally – to help more students. However, despite our best intentions, local and global factors negatively impacted our fundraising efforts. Globally, economic challenges have had an impact on the South African NGO sector and donor funding. Locally the student protests in response to the increase in tertiary fees under the #FeesMustFall campaign has forced many corporate funders to re-direct CSI funds away from high school programmes and towards bursary programmes to assist Government with the shortfall of tertiary fees.

However, during 2016 we welcomed Sentech as a new corporate funder, with a new centre in Mabopane, Pretoria. Our Maths and Science programme caters for 150 Grade 10 students and 150 Grade 11 students. We remain optimistic that our fundraising efforts will be successful and that we will continue to open new Kutlwanong centres during 2017.

Smart Procurement

Our aim is to partner with organizations to maximize our budgets and to ensure our sustainability. We have partnered with Hotel group, Tsogo Sun, enabling our staff and students to be accommodated at their hotels, country wide at a discounted rate. As a result, our overheads for travel and accommodation will decrease significantly for the next financial year. We will continue to take steps, where possible, to decrease our expenses and maximize our spend.

Rewarding top performance

During 2016, we increased our award ceremonies and hosted them in Cape Town, Durban, PE, Limpopo, Nelspruit, Pretoria and Joburg. This is a result of the growth in Kutlwanong's centres nationally and in the improved levels of top performance per centre.

Another indicator of a boost in performance is the number of learners qualifying for our annual incentive, a Weekend to Remember where top Grade 12 performers visit Cape Town in style. For 2016, we had a dramatic increase from 47 to 80, in the number of learners who qualified.

- 264 learners achieved 85% and above, for their June 2016 exams, across all 18 centres
- 80 of them achieved 90% and above, qualifying to attend the Weekend to Remember

Whilst our standards for top performance must increase, we must also gear up to accommodate more students qualifying for incentives. For Kutlwanong, this is a good problem to have! It is a sign of hard work and perseverance amongst learners.

Corporate Governance changes

Three Board members stepped down during 2016, and we have recently filled these spots. Mlamli Booi stepped down and Tshepo Ntsimane has assumed position of Board Chairperson. All functions of our board are being met with full support for the execution of Kutlwanong's 2020 strategy.

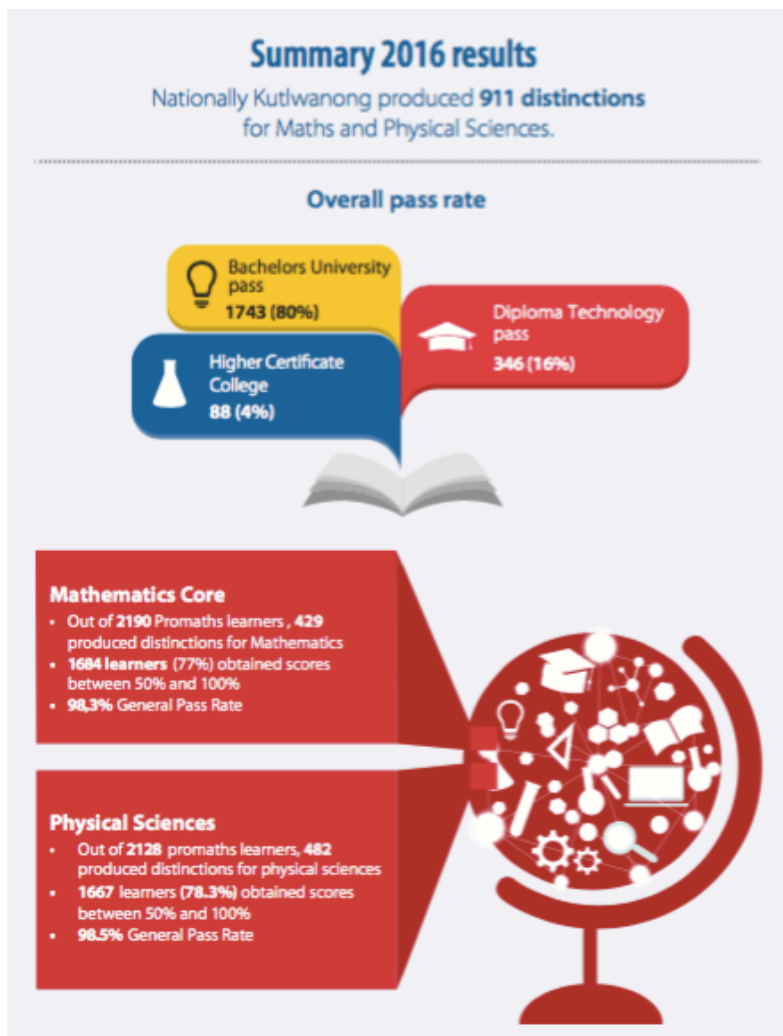
2017, R&D and Teacher Development

We have identified the continued need for teacher development for schools within and outside our programme. Teachers are keen to learn about the curriculum and need assistance with CAPS, its roll out and lesson plans. Our aim for 2017 is to expand our Teacher Development Programme to further boost teacher support.

Additionally, our new Research and Development unit has a mandate to research STEM in education and to use this information to better guide and grow our programmes. Kutlwanong was founded on the belief that STEM skills are scarce, our research will provide a macro-economic view of how our work at a high school level feeds into these careers and contributes to generating a pool of active professionals who can participate in the economy.

Relationship building

My plan is to strengthen our relationship and partnership with all School Governing Bodies within all our centres. My aim is to help them understand our work and our performance, both at a macro and a practical level. I hope to share specific information about our learner and teacher development programmes in each center and to explore ways that we can work more efficiently, and grow our relationship with School Governing Bodies. To this end, I am excited about the future of Kutlwanong and all that we can achieve in the run-up to 2020.

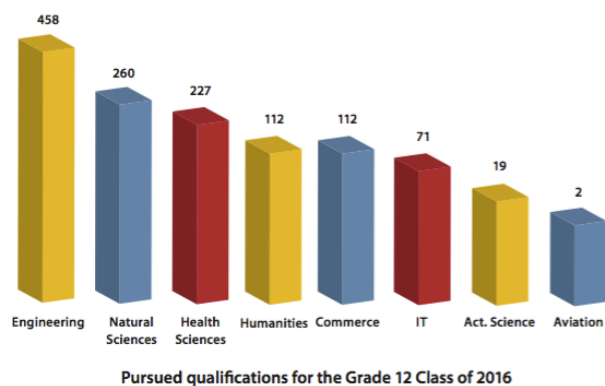
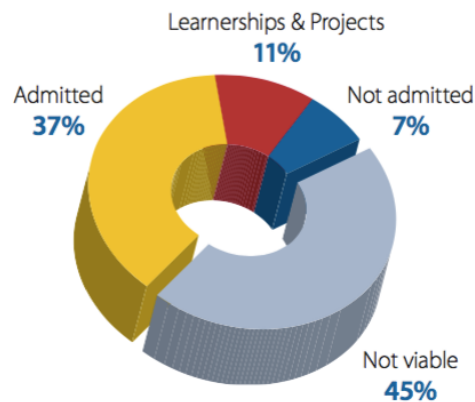


2016 Matriculants

Kutlwanong facilitated 2279 online tertiary applications for Grade 12 students in 2016.

Of these:

- 1261 were successfully administrated
- 842 learners were accepted to various tertiary and further education institutions for the 2017 academic year. Most of these learners acquired bursaries or NSFAS funding to pursue their studies
- 247 learners, who could not afford tertiary fees, pursued learnerships and other Government programmes
- 172 learners were not admitted as they did not meet the average pass mark for the course they intended to study
- 1018 learner applications were not viable, as they either did not submit required documents; did not pay the application fee or did not meet the institutions application criterion



Financial Report

Statement of financial position as at 31 December 2016

Kutlwanong is compliant with the legislation in terms of the provisions of Section 21. Ernst & Young provide audit services for Kutlwanong on a pro-bono basis and according to the Auditor's reports for the past 8 years including the year ending 31 December 2016, the organisation has met the requirements of the International Financial Reporting Standards and Companies Act of South Africa.

Kutlwanong Centre NPC

(Registration number 2001/025006/08) Annual Financial Statements for the year ended 31 December 2016

	Note (s)	2016 R	2015 R
ASSETS			
Non-current assets	3	680,717	996,004
Property, plant and equipment			
Current assets	4	11,858,809	1,947,522
Trade and other receivables			
Cash and cash equivalents	5	2,898,198	9,492,561
		14,757,007	11,440,083
Total Assets		15,437,724	12,436,087
EQUITY AND LIABILITIES			
Equity			
Retained income		8,116,132	3,046,695
Liabilities			
Current liabilities			
Trade and other payables	6	7,321,592	9,389,392
		15,437,724	12,436,087

Statement of Comprehensive Income

Kutlwanong Centre NPC

(Registration number 2001/025006/08) Annual Financial Statements for the year ended 31 December 2016

	Note (s)	2016 R	2015 R
REVENUE			
Donations	7	62,488,958	49,545,427
Other income			2,486,322

Finance income	11	423,439	124,585
Gains on disposal of assets	8	423,439	2,610,907
Operating expenses			
Depreciation, amortisation and impairments		(373,491)	(381,645)
Employee costs	10	(35,156,701)	(31,845,768)
General expenses		(21,132,930)	(17,916,001)
Lease rentals on operating lease		(1,179,838)	(1,152,287)
		(57,842,960)	(51,295,701)
Operating profit (loss)	9	5,069,437	860,633
Finance Costs	12		(806)
Surplus/(Deficit) for the year		5,069,437	859,827
Other comprehensive income			
Total comprehensive income (loss) for the year		5,069,437	859,827

Statement of Cash Flows

Kutlwanong Centre NPC

(Registration number 2001/025006/08) Annual Financial Statements for the year ended 31 December 2016

	Note (s)	2016 R	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	14	(6,959,598)	4,111,031
Interest income		423,43	124,585
Finance costs			(806)
Net cash from operating activities		(6,536,159)	4,234,810
CASH FLOWS FROM INVESTING ACTIVITIES			

Purchase of property, plant and equipment	3	(58,204)	(16,435)
Total cash movement for the year		6,594,363	4,218,375
Cash at the beginning of the year		9,492,561	5,274,186
Total cash at end of the year	5	2,898,196	9,492,561