

INTEGRATED
ANNUAL REPORT

2015

ENABLING SOCIAL IMPACT
AGAINST ALL ODDS

 **DITIKENI**
Investment Company

BROAD-BASED EMPOWERMENT

OUR PROTEA

EQUIPPED TO BEAT THE ODDS

Due to the abundance of natural beauty in our beloved country, Ditikeni decided to explore the similarities that exist between one of our best known assets and the organisations that make up the portfolio of Ditikeni shareholders. The selection was not an easy one as we are inundated with natural resources of great beauty but we eventually decided upon the Protea, our very own national flower, easily recognisable the world over. As we started to get a better understanding of the attributes of this magnificent member of the fynbos family, we realised that there was a tremendous likeness in qualities to our partners in development and it provided for an interesting analogy.

RESILIENCE AND ADAPTABILITY

The Protea has adapted to thrive in a very harsh environment where summers are hot and dry while winters are equally cold and wet. Not only does it thrive, but it even survives natural disasters such as widespread fires like the one that recently devastated parts of the Western Cape.

GENEROSITY AND SHARING

Despite being ravaged by fire and having to survive in a newly barren landscape, the new Proteas bloom and blossom with vigour, painting the scorched earth with

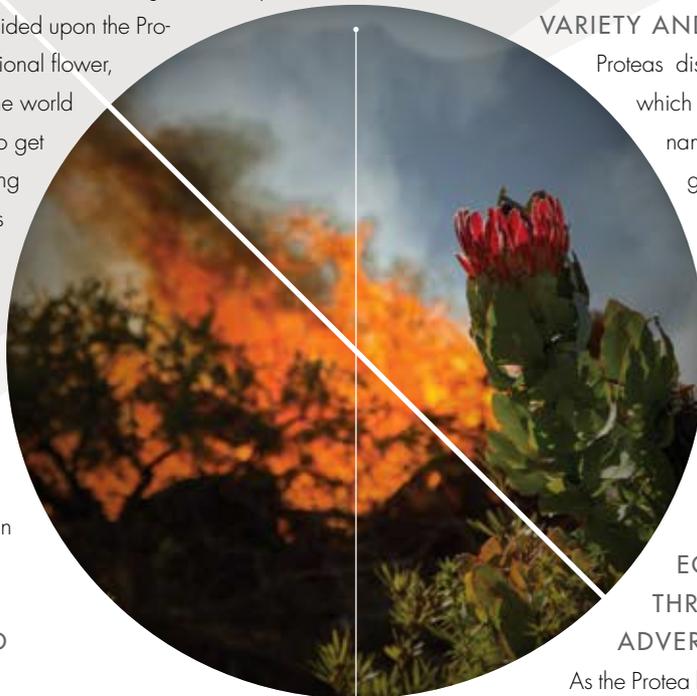
colour, inviting bees, birds and a variety of insects to share of their newfound and reinvigorated selves. The Protea doesn't hoard its nectar, bracing for the next fire which will inevitably come. It simply lives and shares, confident that its roots go deep enough to withstand any adversities.

VARIETY AND VERSATILITY

Proteas display in various forms which is why they were named after the Greek god Proteus who had the ability to evolve by changing his shape and form as he saw fit. The adjective "protean" means versatile, changeable and adaptable.

EQUIPPED TO THRIVE DESPITE ADVERSITY

As the Protea lives in nutrient-deficient soils, only a small proportion of the flowers produce nutrient-rich seeds. These seeds are stored on the plant in fireproof cones, with seeds released, usually after a fire, when the cone dries out. Proteas are adapted to survive wildfires by means of their thick underground stems which contain many dormant buds; these will produce the new growth after the fire. Very few people are aware of the tenacity of this magnificent plant and are amazed when it boldly re-emerges from the blackened landscape, resplendent and restored to its original glory.





CHAIRPERSON'S REVIEW 2015

ENABLING SOCIAL IMPACT AGAINST ALL ODDS

As predicted, the economic outlook affecting the non-profit sector as a whole, has not improved and organisations continue to struggle to deliver quality services as per their mandates. This is, no doubt, one of the factors that have motivated our hardy group of shareholders to approach their sustainability strategies in a somewhat different manner. They have become more resourceful and innovative in order to continue their vital work that in many instances takes place in isolated and outlying areas where very few other organisations operate.

Notwithstanding all of the many hardships that exist, our shareholders never cease to amaze me. They are resilient and focused in their determination to survive and succeed. Much like the parallel that has been drawn to nature and how despite being exposed to devastating natural disasters, the Protea is able to survive and re-emerge unbowed and as resilient as ever, our partner organisations have displayed tremendous courage and tenacity and have done everything possible in order to emerge from extremely challenging circumstances as stronger entities that are better equipped, better prepared, even more committed and with a fresh outlook and perspective. I find it inspirational to observe the level of dedication that is evidenced when engaging with our shareholders and witnessing firsthand how they continue to deliver to their communities regardless of the limited resources at their disposal. Our report showcases examples of good governance and effective management taking place within many of our shareholders' organisations that lead to uninterrupted, quality service provision despite the extremely tight fiscal environment that prevails.

Aside from focusing on their own survival and sustainability, there appears to be a growing trend where resources and experiences are being shared in order to build the capacity and resilience of other organisations that are also trying hard to sustain their service delivery to beneficiaries.

Ditungeni continues to focus on providing and growing an endowment on behalf of our shareholders. The value of this approach is apparent in the face of the ever-diminishing pool of development funds that is available. The impact of this shrinking pool of funding is having a negative effect on the quality and quantity of service delivery that is accessible resulting in an increased level of frustration in communities countrywide. To this end, Ditungeni continues to grow its portfolio in an attempt to combat the impact of a lack of funding and strives to provide our shareholders with the sustainable level of support that they deserve. We pay tribute to our shareholders for their continued efforts and unflinching resolve in delivering to the most vulnerable members of society under increasingly trying circumstances.

As the Board, we are proud to report that our financial performance in the financial year ended 28 February 2015 was particularly good. There were improvements compared to last year in all relevant measures, including: revenue; net asset value and positive cash flow. We were especially pleased to be able to increase the annual distribution by 20%. We know this will be welcomed by our NGO shareholders in these hard times. We will do our best to continue our role in providing a sustainable future in the years ahead.

On behalf of the Board of Directors, I would also like to take this opportunity to express our heartfelt gratitude to our investment partners whose contributions support the resilience and resourcefulness of our partner organisations who continuously strive to make a meaningful difference to those in need.

Sahra Ryklief
CHAIRPERSON
DITIKENI BOARD OF DIRECTORS

NEW WORLD FOUNDATION

"Our vision is to build a New World of Hope, Justice and Peace. Through mobilization, training, networking and cooperation with partner organisations and decision makers, the New World Foundation utilizes all powerful influences of all focus areas to create change in the communities of Lavender Hill and Vrygrond."

VIEW THIS REPORT ONLINE:
www.ditikeni.co.za



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1. OUR BUSINESS

1.1 OVERVIEW OF OUR BUSINESS

Ditikeni is an investment holding group. It makes long-term investments as a broad-based black economic empowerment (B-BBEE) entity with a view to sustained capital growth. More than half the B-BBEE investments made by Ditikeni to date are fully paid and Ditikeni has achieved an average internal rate of return of 30% per annum since inception.

Ditikeni currently has 18 shareholders, all of which are non-profit organisations serving black communities at grassroots level. The work they do impacts directly and indirectly on the lives of over 2 million of the country's poorest and most marginalised citizens, making Ditikeni a 100% broad based empowerment company. On rare occasions, a shareholder may decide to dispose of its shares in Ditikeni. When this has occurred, the shares available have thus far been purchased by one of the other shareholders.

Ditikeni provides its non-profit shareholders with "something to lean on", and gives the promise of sustainable services to their beneficiaries. The most important accomplishment of the Ditikeni model is that the value created by Ditikeni accrues primarily to the benefit of the poor and vulnerable.

1.2 OVERVIEW OF OUR STRUCTURE

Ditikeni Investment Company Limited is a public limited company. The Ditikeni Trust is an associated mirror-image entity, whose beneficiaries are the same as Ditikeni's shareholders, and whose trustees are the same as Ditikeni's directors. The Trust was established to ensure compliance with the B-BBEE Codes in particular instances and to hold long-term investments on behalf of the beneficiaries. The Trust is managed by the Company. For convenience, this report covers the activities of the Trust as well as the Company on a combined basis.

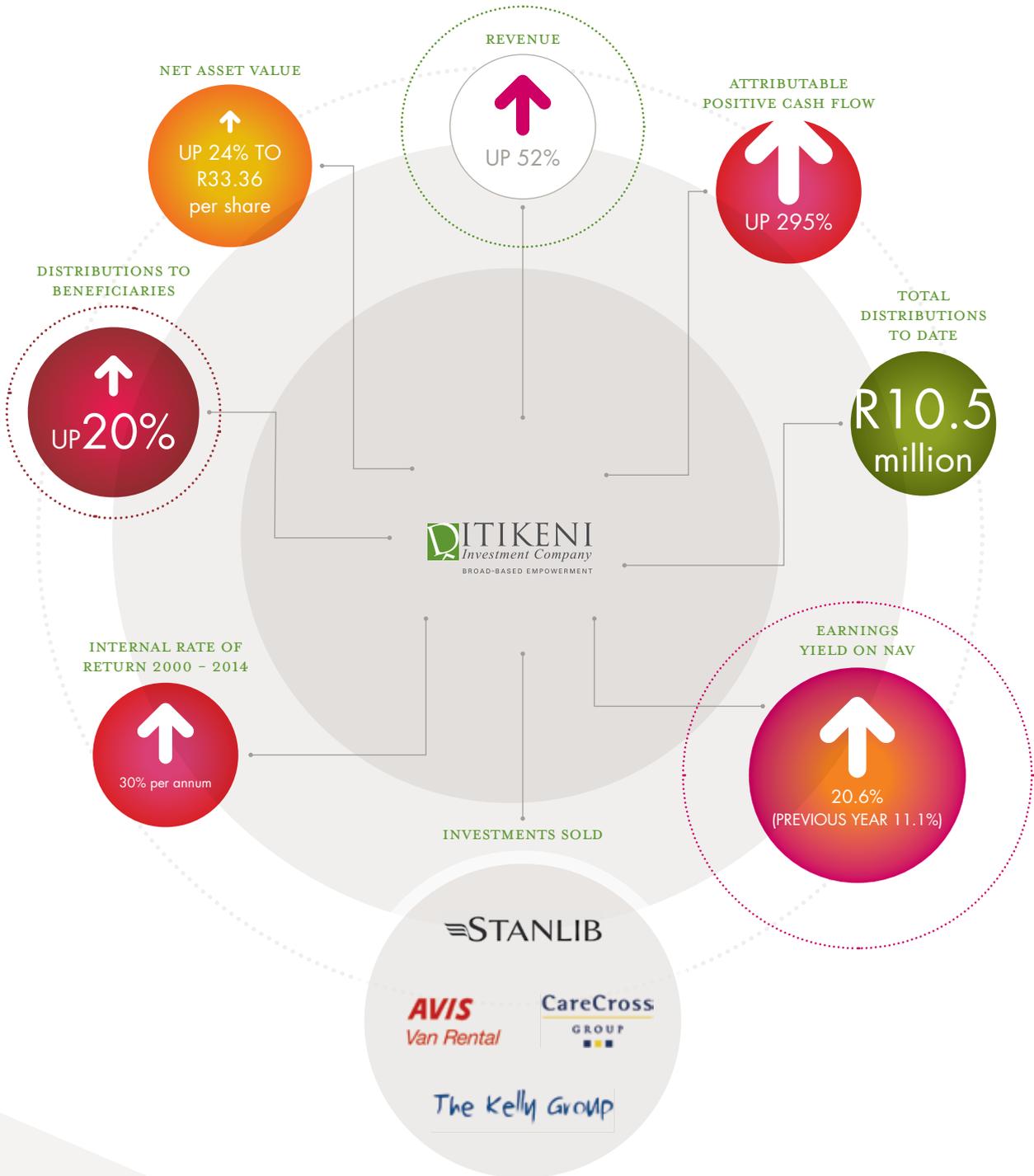
The Ditikeni Trust has achieved tax-free status as a Public Benefit Organisation to ensure maximum dividend flow to its shareholders.

SOCIAL CHANGE ASSISTANCE TRUST

"SCAT has over the years built a very solid reserve fund which earns SCAT regular dividends and interest income. Furthermore, SCAT is exploring opportunities such as social enterprise activities to diversify its revenue streams."

1. OUR BUSINESS

1.3 OUR PERFORMANCE



1. OUR BUSINESS

1.4 BOARD REVIEW

RESULTS FOR THE YEAR

Ditikeni's results for the financial year ended 28 February 2015 were improved in all important aspects. Revenue, excluding fair value gains, rose by 52%. Dividend income exceeded R5 million for the first time. The overall outcome for shareholders was an increase in Net Asset Value (NAV) to R33.36 per share, an increase of 24%. Much of the gain in NAV however comes from a large net revaluation of unlisted assets whose values are by their nature subject to uncertainty.

Ditikeni's Internal Rate of Return for shareholders, which is one way of measuring profitability to date, is 30% between the years 2000 and 2014.

Net cash flow was positive, leaving Ditikeni with a stronger balance sheet in challenging economic conditions.

REVIEW OF OPERATIONS

During the year, Ditikeni became a member of the Texton Property Fund empowerment consortium which obtained funding from the Government Employees' Pension Fund. Ditikeni consequently has an indirect interest of approximately 2% in Texton, a listed Real Estate Investment Trust (REIT).

A further tranche of shares in the Vodacom Yebo Yethu empowerment scheme was purchased.

After year-end, a further 2.9% was acquired in Ovations Technologies with funds from the Series II preference share pool.

Ditikeni's holding in Carecross was sold during the year for a capital gain. As part of the overall transaction, Ditikeni received cash and a pro rata share in Akacia Healthcare, a pharmaceuticals manufacturer.

The small stake in the BCX empowerment scheme was the subject of a sale during the year, but this had not been effected at the time of writing, leading to some loss of value.

The stake in Kelly Group was sold during the year as a result of a takeover of the company.

After the agreed asset sales, Ditikeni will retain 23 separate B-BBEE investment positions.

A maiden distribution was received from the Natural Resources Empowerment Fund.

DISTRIBUTIONS

A distribution of 42.8 cents per share was made to beneficiaries in February 2015, the eighth consecutive year of increasing distributions. This was a 20% increase on the previous year.

Over R10.5 million has been distributed to beneficiaries to date.

SHAREHOLDERS

There were no changes to the shareholder register. Ditikeni has 18 shareholders, all of them not-for-profit organisations of long-standing, working to improve social conditions in poor communities.

BOARD OF DIRECTORS

There were no changes to the Board during the year.

DIRECTORS' INTEREST IN CONTRACTS

Directors held no interest in contracts during the year under review.

DIRECTORS' REMUNERATION

Directors receive a meeting attendance fee of R3 000 per meeting. Board and committee attendance fees amounted to R106 500 in total.

MAJOR SHAREHOLDERS

The following shareholders own more than 5% of Ditikeni's issued share capital:

- Black Sash
- Labour Research Service
- New World Foundation
- Social Change Assistance Trust
- Trust for Community Outreach and Education

1. OUR BUSINESS

AUDITORS

Nolands.

SOCIAL AUDITS

Ditikeni applies ethical criteria to its choice of investments, and gambling and armaments are excluded. A programme of social audits of all its existing investment partners is conducted.

PREFERENCE SHARES

Preference share dividends of R677 328 were declared during the year and there are none in arrears. At the end of June 2014, the Series I preference shares were redeemed in full.

The Commitment Period for the Series II preference share pool was extended to June 2015, and Draw Downs for the full amount of the Commitment were issued after year-end. Investments in the Series II pool have performed well to date.

LOAN CAPITAL

Ditikeni has a loan of R10 million outstanding to an asset manager, which has been serviced normally and all financial covenants have been maintained.

STAFF AND ADVISORS

Company secretarial and accounting duties continue to be performed by Mr Michael Hands. The Investment Advisor is Mr Gordon Young.

RISKS, ECONOMIC ANALYSIS AND OUTLOOK

Ditikeni is now in the exit phase for some of its earlier investments, and reasonably satisfactory prices are being obtained. As they are mostly unlisted, it is not easy to choose the timing of sales and we are therefore dependent on the actions of others. The larger part of the cash received from sales is invested so as to provide increased distributions to beneficiaries, hence the 20% increase paid in February 2015. It is expected that distributions will increase at a pace at least equal to inflation in the near future.

Ditikeni continues to make new investments, though there has generally been a distinct falling off in the pace of B-BBEE deal-making. We avoid making investments that mean Ditikeni takes 'first risk' as this exposes us to unacceptably higher risk. This policy tends to reduce the universe of new investments available to us, but is the prudent approach.

With the ending of the Series II commitment period in June 2015, Ditikeni will in future be investing its own capital, and it is fortunate that the recent satisfactory asset sales have placed us in a position to do so.

The South African economy is weak and this is reflected in difficult trading conditions for our investment partners. Our asset sales will mean the end of some regular dividend payments, and in present conditions it is difficult to replace that income at the same level. Nevertheless the board feels that its portfolio is of good quality and that Ditikeni will progressively be able to meet its objective of improving the financial sustainability of its 18 NGO shareholder/beneficiaries.

Accounting rules under IFRS, which Ditikeni is obliged to employ, require estimates of value to be made even for unlisted holdings, where great uncertainty exists, and consequently these values must be viewed cautiously. Our unlisted assets cannot readily be sold, and their ultimate value will depend on the outcome of numerous variables, including the simple availability of a buyer. These uncertainties could lead to considerable year-to-year changes in Ditikeni's balance sheet, as new information comes to light. The increase in interest rates which is commonly predicted for later this year, for example, will affect the value of some of our investments. Ditikeni is moreover a very small minority shareholder in some instances and thus somewhat vulnerable.

There are also concerns that Ditikeni's listed portfolio, now a significant part of the balance sheet, will be affected by a general sell-off in equity markets globally as well as in South Africa. Market valuations have grown a great deal faster than the underlying economies. Ditikeni invests for yield, however, and the income from listed investments is not seen to be at great risk.

The cash distribution is something solid, however, and the board is proud that over R10.5 million has been distributed to beneficiaries to date, which is 3.7 times what they initially invested. This is the principal standard against which to measure the Ditikeni group.

Ditikeni enters the 2016 financial year with a strong balance sheet, a portfolio of performing investments, and cash to invest. Barring unforeseen circumstances, beneficiaries can look forward to further improvements in the distribution.

1. OUR BUSINESS

1.5 OUR EMPOWERMENT CREDENTIALS

Critical to the success of Ditikeni to date has been its empowerment status. In addition to its black ownership rating of 97%, Ditikeni is also verified to be a category A enterprise development beneficiary as per Code 600 of the DTI's BEE Codes of Good Practice. Enterprise development contributions received by Ditikeni may be applied as capital in the furtherance of its investment objectives.

EMPOWERMENT STATUS

BLACK OWNERSHIP **97%**

BLACK WOMEN OWNERSHIP **64%**

A fully paid-up investment by Ditikeni confers the full 20/20 points under the ownership component of the B-BBEE Codes.

ADDITIONAL EMPOWERMENT STATISTICS

425 People are employed by Ditikeni's NGO shareholders, 86% are black

285 (66%) of the employees are black women

Every NGO shareholder has a governing board, with a total of 179 board members, 64% are black, 29% are black women

The board chairperson is black at 15 out of 18 NGOs

95% of the shareholders are black new entrants in terms of the Codes of Good Practice on Black Economic Empowerment



2. OUR BOARD AND LEADERSHIP

Ditikeni is controlled by a Board of Directors that meets twice annually. An Executive Committee (EXCO) meets more often as required.

The Audit Committee (AC) has discharged all those functions delegated to it in terms of section 94 of the Companies Act No. 71 of 2008.

An Investment Committee vets investments for the Series II preference share pool. The members are:

- Rod Bulman (Ditikeni) or alternate Greg Erasmus; Allan Wentzel (Ditikeni) and David Pettit (BDET)

A schedule of powers of responsibility for the various bodies and office bearers has been approved by the Ditikeni Board.

OUR DIRECTORS



**SAHRA RYKLIEF
(CHAIRPERSON)**
Member of EXCO and AC
General Secretary, International
Federation of Workers' Education
Associations



DEENA BOSCH
Trustee: SCAT



ROD BULMAN
Member of EXCO and AC
A founder of TCOE, Board Member
of the Church Land Project and
Public Participation Specialist



JENNY DE TOLLY
Trustee: Black Sash



REUBEN DENGE
Unit Head: Group
Compliance and Advisory
Services, City of
Johannesburg



GREG ERASMUS
Member of EXCO
Senior Project Manager in
the Telecoms Sector



**NOMABELU
MVAMBO-DANDALA**
Executive Director of the
Diakonia Council
of Churches



DUMA NKOSI
Senior Civil Servant at the
Economic development
Department (EDD)



AMBER OLALEYE
Member of AC
Financial Management
Consultant



LULU LETLAPE
Vice President:
Communications and
External Affairs, Office of the
Chairman, South 32



ALLAN WENTZEL
Member of EXCO
and AC
Consulting CA, mainly to
NGOs

OUR TEAM

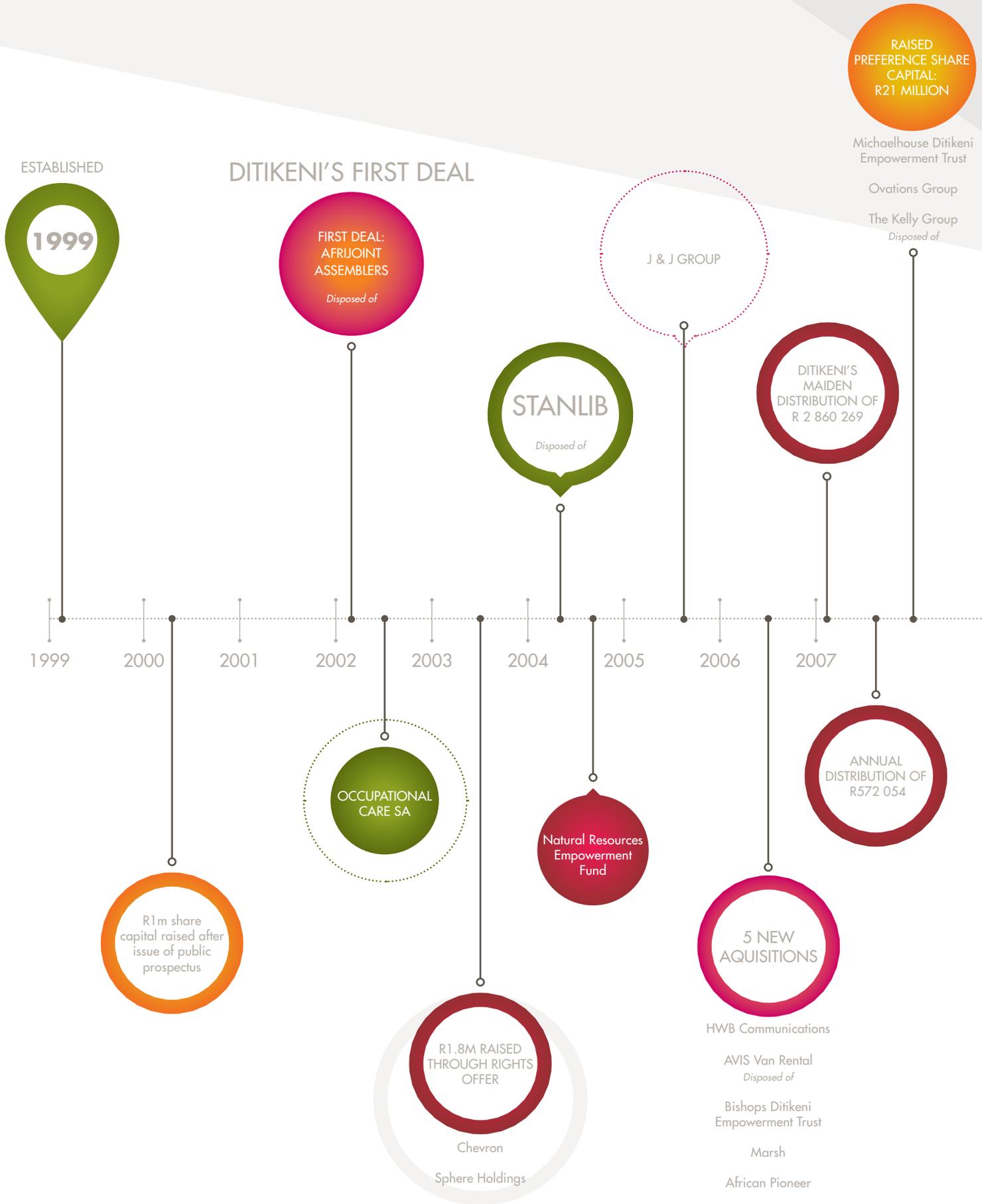


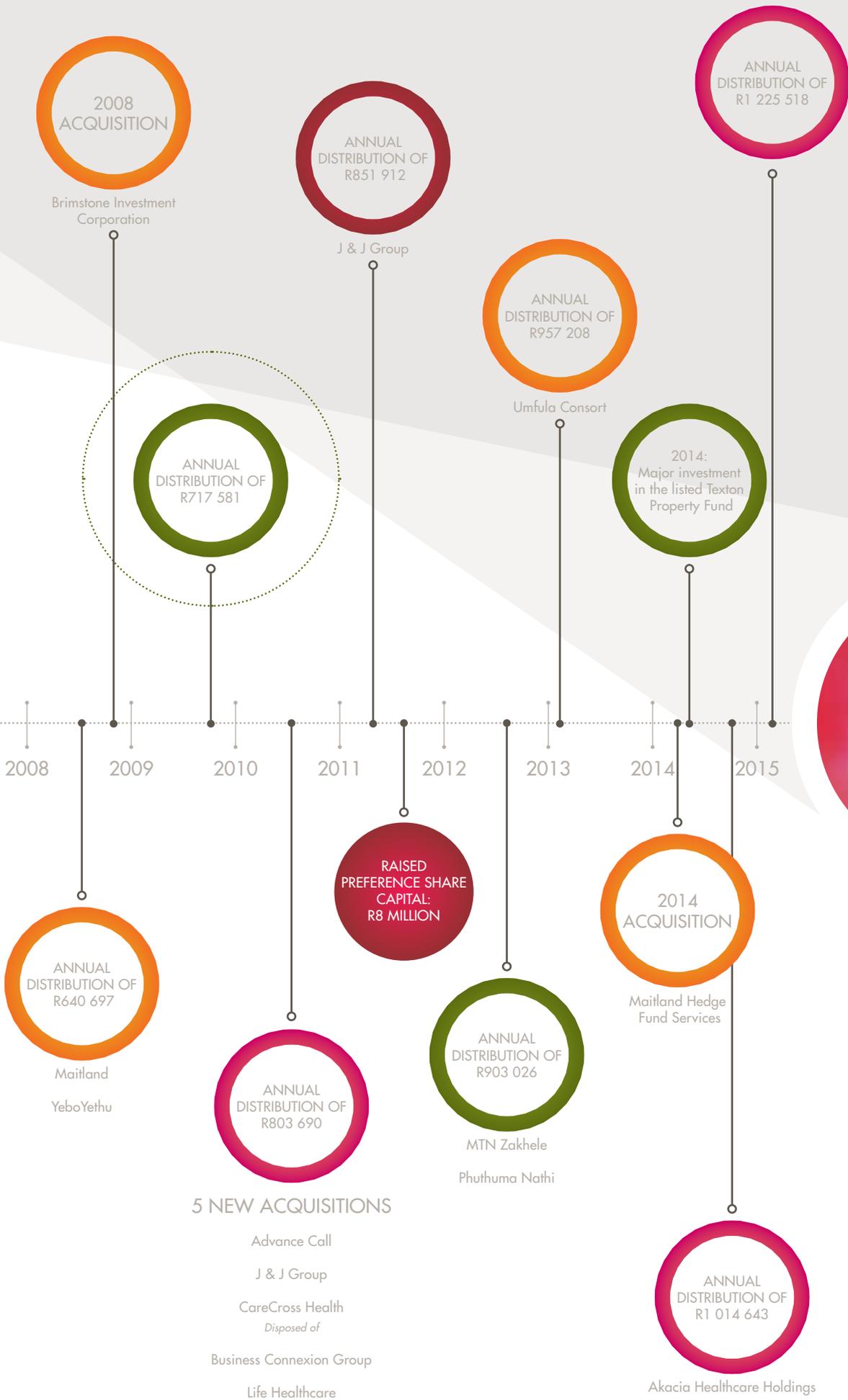
GORDON YOUNG
Investment Advisor
Email:
gordonyoung@ditikeni.co.za



MICHAEL HANDS
Company Secretary
Email:
michaelhands@ditikeni.co.za

3. OUR INVESTMENT RECORD





SUMMARY

Total investments: 35

Current active investments: 23

Total distributions paid out: R10 546 598

4. OUR SHAREHOLDERS

4.1 OVERVIEW OF OUR SHAREHOLDERS

Ditikeni shareholders have many things in common. The majority of our partner organisations have been in existence for decades and the five entities that have been showcased in this report have a collective history of over 214 years in total. Their longevity in itself speaks volumes and proves that they are up to the challenge of delivering quality services despite all odds. They have had to evolve in order to survive and this very process in itself has ensured that they have learned very valuable lessons along the way, lessons that they are more than willing to share. Their focus and commitment has kept them on track and through the various phases of their growth and development they are now far better equipped to deal with any adversity that may come their way.

We have some fine examples of organisations that prove that perseverance pays. At no time did they consider giving up. They are hardy, determined and experienced in dealing with a variety of challenges. These include raising sufficient funds to support their own operations and those of their partner organisations, whilst continuing to serve impoverished communities dependent on the various forms of assistance they offer. They have had to streamline their operations, restructure, adopt alternate methods to mobilise resources and identify strategic investment opportunities as they simultaneously strive to continue their valuable work.

They face challenges of insufficient space, the retention of qualified staff and sometimes a general lack of understanding of just how vital their role in society really is. In order to combat these challenges they seek to develop strategic partnerships, improve, maintain and build their relationships with their funding partners and share experiences, resources and training materials in order to uplift vulnerable sectors of society. They embark upon highly effective advocacy and lobbying and convene gatherings of individuals and entities that share common purpose.

Their impact on society is often not acknowledged, nor is it fully recognised, but nevertheless it is immense. In many instances they facilitate access to skills development, job creation, safer and more secure communities, a broad range of opportunities for youth development, the establishment of community based enterprises and assistance in identifying ways to fund the ongoing operations of various organisations around the country. They are willing to share their experiences in order to support the establishment and continuity of sustainable enterprises that are committed to making a meaningful difference to the communities they serve.

These organisations provide a clear example of how it is possible to survive, endure and succeed. They understand what is required in order to equip themselves with the tools required in order to weather any storm. Despite everything that is thrown at them, they refuse to give up, remain focused on the task at hand and with the support of Ditikeni Investment Company, its investment partners and other strategic allies, they are able to sustain themselves and continue to deliver on their mandates.

4. OUR SHAREHOLDERS

4.2 PROFILING A SAMPLE OF OUR SHAREHOLDERS

SOCIAL CHANGE ASSISTANCE TRUST

SCAT was established in November 1984 and is situated in the Cape Town city centre. It serves mainly rural and peri-urban areas in the Northern, Western and Eastern Cape and the Free State.

Its primary focus areas are grant making, mentoring and support, institutional capacity building for rural communities as well as lobbying and advocacy.

The largest challenge it has faced over time has been raising sufficient funds to support partner organisations that are serving poor rural communities. This has been mainly due to strategic funding shifts on the part of major donors. SCAT has embarked on various activities including a restructuring process in order to guarantee the delivery of quality support to partner organisations while meeting their basic financial needs, thus enabling them to continue their business.

Sourcing of sufficient funding, as an intermediary grant-maker, remains a major issue in the face of the significantly increasing needs of SCAT's rural partners. In order to combat this, SCAT has over the years, built up solid reserve funds which earns them regular dividends and interest. Its projected budget deficit can be covered by estimated interest and dividends income. The organisation also now provides institutional capacity building and mentoring in other sectors and facilitates the establishment of community based enterprises. It has also transferred its grant-making methods to its partner organisations in line with their development stages and capabilities.

Despite the many challenges, the following success stories are certainly worth mentioning. For instance at the Adelaide Advice office, in partnership with the Public Works Department, 120 job opportunities have been created for members of local rural communities, enabling them to earn at least R950 each per month for a year. The Advice office also receives a project management fee from the Department. The same arrangement exists at the Port St John's office where 50 people have accessed job opportunities and the piggery project in Tyinirha generated R12 000 income to cover operating costs, management and maintenance of the project. Ceres in the Western Cape, managed to raise well over R100 000 to purchase land and build their own office. Mt Fletcher has mentored and facilitated the establishment of 72 credit and savings schemes in the area.

THE NONCEBA FAMILY COUNSELLING CENTRE

This organisation was established in 1998 and operates in Khayelitsha, servicing a densely populated area made up mainly of informal housing. It estimates that the population exceeds 700 000 in total.

The Centre provides 4 core services, namely (1) a trauma counseling clinic for all victims of violence and abuse, particularly sexual abuse; (2) a safe house for women and children; (3) a school, after-care prevention programme for approximately 120 children and (4) a schools outreach programme focusing on abuse prevention.

Its major challenges over time have been in relation to funding, lack of space and retention of clinic staff due to not being able to offer competitive salaries in relation to the state and what they offer to social workers.

To address these issues it has diversified its funding strategy and reduced the shortfall from 40% to 25%. The Department of Social Development has increased its post funding by 40% so that has helped with the retention of clinic staff. But space remains a major challenge and the Centre requires access to land and property in order to adequately accommodate the school after-care programme.

The Centre has adopted a different funding strategy and has focused its approach on improving its communication with private donors, particularly those who have supported the programme in the past. Instead of looking to attract new funding, the focus is predominantly on building and maintaining relationships and this has resulted in smaller but more consistent flows of funding.

In 2014, the organisation managed to fulfill all requirements to register an after-school care programme and succeeded in developing a strategy for attracting sustainable funding. An appeal was sent to 4 individual donors to fund the programme over the next 5 years. The proposal was accepted by 2 of the donors which ensured funding for this specific programme until 2019.

The Department of Social Development has adopted the Centre's approach to job skills training of women who are victims of domestic abuse. The Department has also approved a proposal to fund training courses and incorporated these in a package of care for all women's shelters in the Western Cape.

4. OUR SHAREHOLDERS

NICRO

Established in 1910, NICRO specialises in social crime prevention, offender rehabilitation and reintegration. The organisation, which boasts a rich unparalleled history in human rights, juvenile justice and criminal justice reform, is committed to ensuring that all South Africans are secure and protected, able to access their rights and have opportunities to prosper. With its head office in Cape Town, NICRO provides comprehensive crime prevention interventions and remedial services to adults and children in conflict with the law countrywide except for the North West. Beneficiaries hail, almost exclusively, from disadvantaged and marginalised communities.

NICRO's suite of direct services comprises:

- A specialist Diversion service that diverts those who have committed minor crimes away from the formal justice system into a wide range of specialist development, therapeutic interventions that prevent their incarceration, equip them to pursue constructive, healthy lifestyles and minimise the chances of re-offending.
- Ituba incorporates holistic, therapeutic rehabilitation and reintegration services geared towards the successful reintegration of returning prisoners as law abiding, constructive and contributing citizens as a means of preventing further crime and protecting society.
- The Non-Custodial Sentencing service which provides alternatives to imprisonment. Offenders are sentenced to participate in specialist psycho-educational, therapeutic and rehabilitative interventions rather than serving a prison term.

Advocacy and lobbying initiatives engage with the criminal justice system in an effort to increase the use of alternatives to incarceration for offenders who are not a danger to society and to improve conditions in correctional facilities. NICRO's Clinical and Training Units offer specialist, professional training for practitioners and stakeholders as well as the provision of in-depth, specialist clinical services.

Working with offenders has never been a popular cause. During the Apartheid years it was particularly challenging to provide non-racial services in a racially divided society. To address these issues, NICRO requested highly respected judges to serve as national chairmen and presidents which made it more difficult to block the organisation's activities. NICRO then launched several major crime prevention campaigns, established crime prevention panels and continue to help offenders and former offenders to adopt pro-social skills and become productive, responsible, law abiding citizens.

It remains a challenge to convince the public at large of the crucial need to rehabilitate and reintegrate former offenders to fight crime successfully and achieve a safer society. The funding environment continues to present all non-profit organisations with major challenges. As a result NICRO embarked on a restructuring exercise and refocused attention on its core business. It also adopted a new business model and established a sales department incorporating the sale of products by staff recruited from the corporate world in order to ensure a focus on achieving target and making a profit. NICRO also adopted a paid services model which entails charging fees for services. The Clinical and Training Units operate on commercial principles, falling under NICRO Enterprise (Pty) Limited together with other income generating projects. NICRO is eager to share its learning experiences with other NPOs to help them develop and implement a similar sustainability strategy once the model has been fully tested.



4. OUR SHAREHOLDERS

LABOUR RESEARCH SERVICE

The LRS was established in 1986 and has an office in Salt River, Cape Town and a presence in Johannesburg. They have a national reach and were established as a research and educational institution to provide support to the Trade Union Movement.

The Labour Research Service provides information, research and educational interventions for leadership development, the development of women in the trade union movement, strengthening the collective bargaining and organising capacity of trade unions, campaign support and to assist trade unions to formulate and implement appropriate strategy and policy.

The social, political and economic context of trade unions has changed a great deal over the last 30 years. The LRS has maintained its relevance by cultivating strong links with trade union affiliates and consistently producing research and education of a high quality.

Contemporary challenges include a fragmenting trade union movement in South Africa and a tightening international donor environment. In meeting these challenges the LRS will draw on a motivated and skilled staff, relevant and responsive programmes of work, a growing network of partner organisations and be guided by a mandate to support the broader trade union movement,

They are happy to share their successes including the coordination of a vibrant campaign for women over the last few years that involved all four South African trade union federations in a constructive and collaborative partnership. The LRS also hosted a social dialogue platform in the form of a Living Wage conference in late 2014 with representatives from various constituencies. This coincided with the publishing of Bargaining Indicators 2014, a contribution to the 20 Year Review of South Africa from a labour perspective.

THE NONCEBA FAMILY COUNSELLING CENTRE

"Instead of focusing on attracting funding, the Nonceba Family Counselling Centre has focused on building and maintaining our relationships. Although the potential funding amounts are smaller, they have been consistent."

4. OUR SHAREHOLDERS

NEW WORLD FOUNDATION

The NWF was established in 1980 and operates in the Lavender Hill and Vrygrond areas and surrounds.

They are involved in community development and training and provide the following: An educare centre, aftercare programmes, child and youth development programmes, support groups, an advice office and counseling services, women development, support and training for court and street committees, conflict resolution and mediation and an information centre.

Many challenges have presented themselves over the years but the three main issues have been:

Fighting to support the poorest of the poor; the empowerment of women and fighting for gender equality and trying to find solutions to the high level of unemployment that exists in the local communities.

The NWF continues to challenge the government alongside numerous other role players. They also continue to offer development and empowerment programmes in safe environments as well as training courses, information and access to resource centres to link people to training, study and job opportunities.

Although people remain marginalized and excluded and socio economic and living conditions are extremely difficult, with women and children facing the highest levels of violence that exist, the NWF has developed a strategy to address these issues. This includes a focus on (a) providing safe learning spaces and social cohesion, (b) conflict resolution and mediation and (c) education for work.

They continue to adapt their fundraising strategy in order to attract new and different sources of funding.

They have numerous success stories to share involving their court and street committees gaining traction, local role models who have succeeded in life through exposure to the programmes provided by the NWF and the doors that have opened through involvement in their youth leadership programme. In one instance a participant has gained invaluable new skills in child development, programme planning, communication, conflict and time management as well as leadership. This has paved the way for her to participate in a cultural exchange programme in Holland where she is currently au pairing. She states that the programme helped her find her inner strength and confidence and she encourages her peers to make full use of the opportunities afforded them through the Youth Leadership Programme that is run by the Foundation.

LABOUR RESEARCH SERVICE

"LRS retains a highly motivated and skilled staff through the design of work and the positive ethos of the organisation. We actively maintain and develop our network of member and partner organisations and field of engagement."

4. OUR SHAREHOLDERS

4.3 SHAREHOLDERS PARTICULARS

ASSOCIATION FOR RURAL ADVANCEMENT

Chair: Shirin Motala. Director: Mike Cowling. Tel: (033) 345 7607/8318. Fax: (033) 345 5106. Email: afra@afra.co.za. Website: www.afra.co.za.

BLACK SASH TRUST

Chair: Sibongile Mkhabela. Director: Lynette Maart. Tel: (021) 686 6952. Fax: (021) 686 6971. Email: lynette@blacksash.org.za or info@blacksash.org.za. Website: www.blacksash.org.za.

CALA UNIVERSITY STUDENTS ASSOCIATION

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CENTRE FOR EARLY CHILDHOOD DEVELOPMENT

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CENTRE FOR THE STUDY OF VIOLENCE AND RECONCILIATION

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CHURCH LAND PROGRAMME

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DEVELOPMENT ACTION GROUP

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NATIONAL INSTITUTE FOR CRIME PREVENTION AND REINTEGRATION OF OFFENDERS

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NEW WORLD FOUNDATION

Chair: Rev. M. Vandayar. Director: Jan de Waal. Tel: (021) 701 1150. Fax: (021) 701 9592. Email: nwfdev@mweb.co.za or nwfacc@mweb.co.za. Website: www.newworldfoundation.org.za.

THE NONCEBA FAMILY COUNSELLING CENTRE

Chair: Jeffrey Kaimowitz. General Manager: Pauline Perez. Tel: (021) 364 0135. Fax: (021) 361 0323. Email: admin@nonceba.org. Website: www.nonceba.org.

SOCIAL CHANGE ASSISTANCE TRUST

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SOUTH AFRICAN COUNCIL OF CHURCHES

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TRUST FOR COMMUNITY OUTREACH AND EDUCATION

Chair: Professor Lungi Ntsebeza. Director: Mercia Andrews. Tel: (021) 685 3033. Fax: (021) 685 3087. Email: mercia@tcoe.org.za or talk2us@tcoe.org.za. Website: www.tcoe.org.za.

UMTAPO CENTRE

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WESTERN CAPE ASSOCIATION FOR PERSONS WITH DISABILITIES

Chair: Pastor Eddie Orsmond. Directors: Neva Smith and Elmien Grobler. Tel: (021) 555 2881. Fax: 086 691 2134. Email: director@wcapd.org.za. Website: www.wcapd.org.za.

5. OUR FINANCES

5.1 SEVEN YEAR FINANCIAL REVIEW

Combined audited results for the years ended 28 February:

ABRIDGED STATEMENTS OF COMPREHENSIVE INCOME

	2015	2014	2013	2012	2011	2010	2009
	R	R	R	R	R	R	R
Income	27 777 783	13 330 235	12 463 027	28 390 193	11 823 219	8 050 170	4 509 858
Revenue	5 027 140	3 289 662	4 135 471	1 571 650	1 204 344	3 658 156	1 991 320
Interest	516 925	220 292	130 673	222 918	338 197	1 000 816	1 560 363
Fair value adjustments & share of profit from associates	22 233 718	9 820 281	8 196 883	26 595 625	10 280 678	3 391 198	958 175
Expenditure	8 106 773	4 779 912	2 333 568	7 973 995	4 461 371	2 634 642	3 190 698
Operating expenditure	2 408 476	2 687 940	2 267 054	2 530 969	2 035 313	1 586 833	2 193 972
Impairments & share of losses from associates	4 414 361	-	-	1 000 000	-	15 845	346 864
Finance costs	1 598 448	1 452 164	1 407 671	1 477 263	1 006 900	346 872	426 742
Taxation	(314 512)	639 808	(1 341 157)	2 965 763	1 419 158	685 092	223 120
Total comprehensive income	19 671 010	8 550 323	10 129 459	20 416 198	7 361 848	5 415 528	1 319 160

ABRIDGED STATEMENTS OF FINANCIAL POSITION

	2015	2014	2013	2012	2011	2010	2009
	R	R	R	R	R	R	R
ASSETS							
Non-current assets	117 136 651	111 636 774	105 866 557	106 766 197	62 105 546	33 013 795	23 217 795
Current assets	19 358 229	3 169 712	2 708 990	3 551 936	3 182 504	10 346 129	11 865 219
Total assets	136 494 880	114 806 486	108 575 547	110 318 133	65 288 050	43 359 924	35 083 014
EQUITY & LIABILITIES							
Equity	95 411 484	76 965 990	69 430 311	60 258 062	40 744 892	34 234 957	29 623 118
Non-current liabilities	24 708 551	32 980 602	36 846 939	47 935 459	21 715 692	6 286 360	2 914 267
Current liabilities	16 374 845	4 859 894	2 298 297	2 124 612	2 827 466	2 838 607	2 545 629
Total equity & liabilities	136 494 880	114 806 486	108 575 547	110 318 133	65 288 050	43 359 924	35 083 014

Ordinary shares in issue	2 860 267	2 860 267	2 860 267	2 860 267	2 860 267	2 860 267	2 860 267
Net asset value per share (rands)	33.36	26.91	24.27	21.07	14.25	11.97	10.36
Earnings per ordinary share (rands)	6.88	2.99	3.54	7.14	2.57	1.89	0.46
Distributions per ordinary share (rands)	0.43	0.35	0.34	0.32	0.30	0.28	0.25

The unqualified audited reports of the independent auditors, Nolands, are available for inspection at Ditikeni's registered office.

5. OUR FINANCES

5.2 FINANCIAL STATEMENTS

COMBINED STATEMENTS OF FINANCIAL POSITION

28 February 2015

	2015 R	2014 R
ASSETS		
Non-current assets	117 136 651	111 636 774
Investments in associate companies & trusts	36 574 262	33 526 455
Investments	80 539 427	78 080 965
Property, plant and equipment	13 062	19 454
Loans receivable	9 900	9 900
Current Assets	19 358 229	3 169 712
Other receivables	901 662	30 000
Cash	18 456 567	3 139 712
Total assets	<u>136 494 880</u>	<u>114 806 486</u>
EQUITY AND LIABILITIES		
Capital and reserves	95 411 484	76 965 990
Issued capital	2 960	2 960
Revaluation reserve	32 548 436	20 556 680
Share premium	2 767 674	2 767 674
Accumulated profit	60 092 414	53 638 676
Non-current liabilities	24 708 551	32 980 602
Interest bearing liabilities	14 463 320	25 608 348
Non-interest bearing loans	2 076 671	2 076 671
Deferred tax	8 168 560	5 295 583
Current liabilities	16 374 845	4 859 894
Accounts payable	1 283 485	1 179 429
Interest bearing liabilities	15 077 908	3 632 205
Non-interest bearing loans	13 452	13 452
Tax payable	-	34 808
Total equity and liabilities	<u>136 494 880</u>	<u>114 806 486</u>

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 28 February 2015

	2015 R	2014 R
Revenue	5 027 140	3 289 662
Less operating expenses	<u>(2 408 476)</u>	<u>(2 687 940)</u>
Operating profit	2 618 664	601 722
Finance income	516 925	220 292
Fair value adjustments	86 307	(273 477)
Impairments	(4 414 361)	-
Finance costs	(1 598 448)	(1 452 164)
Realised gain (loss) on disposal of investment	77 614	(111 673)
Income from equity accounted investments	10 078 040	9 752 070
Net profit before taxation	7 364 741	8 736 770
Taxation	314 512	(639 808)
Profit for the year	7 679 253	8 096 962
Other comprehensive income, net of taxation	11 991 757	453 361
Total comprehensive income for the year	<u>19 671 011</u>	<u>8 550 323</u>

5. OUR FINANCES

5.2 FINANCIAL STATEMENTS

COMBINED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2015

	Issued Capital R	Revaluation reserve R	Accumulated Total profit R	Total R
Balance at 1 March 2013	2 770 634	20 103 320	46 556 356	69 430 310
Total comprehensive income	-	453 360	8 096 963	8 550 323
Distribution to beneficiaries	-	-	(1 014 643)	(1 014 643)
Balance at 28 February 2014	2 770 634	20 556 680	53 638 676	76 965 990
Total comprehensive income	-	11 991 756	7 679 253	19 671 009
Distribution to beneficiaries	-	-	(1 225 515)	(1 225 515)
Balance at 28 February 2015	2 770 634	32 548 436	60 092 414	95 411 484

COMBINED STATEMENTS OF CASH FLOWS

for the year ended 28 February 2015

	2015 R	2014 R
Cash flows from operating activities		
Cash utilised in operations	(2 303 949)	(1 822 506)
Dividends received	8 500 134	5 232 162
Distributions to beneficiaries	(1,225 515)	(1 014 643)
Interest income	443 612	220 292
Finance costs	(1 598 448)	(1 452 164)
<i>Net cash inflow from operating activities</i>	<u>3 815 834</u>	<u>1 163 141</u>
Cash flows from investing activities		
Purchase of investments	(5 368 807)	(1 15 998)
Proceeds on disposal of investments	19 266 508	1 387 770
<i>Net cash inflow from operating activities</i>	<u>13 897 701</u>	<u>1 271 772</u>
Cash flows from financing activities		
Net loan movements	(375 104)	10 276 847
Net flows from preference shares	(2 021 576)	(12 000 000)
<i>Net cash outflow from financing activities</i>	<u>(2 396 680)</u>	<u>(1 723 153)</u>
Net change in cash and cash equivalents	15 316 855	711 760
Cash and cash equivalents at beginning of the year	<u>3 139 712</u>	<u>2 427 952</u>
Cash and cash equivalents at end of year	<u>18 456 567</u>	<u>3 139 712</u>



NICRO

NICRO's new sustainability strategy and model "offers NICRO the opportunity of pioneering a way forward not only for itself, but for civil society. NICRO is committed to sharing its learning experiences and guiding other non-profit organisations in the development and implementation of similar sustainability strategies, once the organization has tried and tested this model fully".

DITIKENI
Investment Company

BROAD-BASED EMPOWERMENT



DITIKENI INVESTMENT COMPANY LIMITED

REGISTRATION NUMBER: 1999/008292/06

THE DITIKENI TRUST: REGISTRATION NUMBER IT/2431/2004

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