Guiding Statements

The Valley Trust is a Centre for Health Promotion, founded in 1953 in the Valley of a Thousand Hills in KwaZulu Natal, but now working throughout the province.

Our vision is communities in which people take responsibility for improving their own health and quality of life within a democratic society.

What do we do?
We enable people to initiate and sustain their own developmental change processes.

How do we do it?
We design and engage in integrated processes with people, aimed at bringing about developmental change at the individual, organisational, and whole systems levels.

These processes include:
- Facilitation
- Supportive training
- The creation and maintenance of partnerships
- Action learning and action research
- Lobbying and advocacy
- Developing models of relevant and appropriate practice
- Sharing our learnings through documentation and presentations in various forms

Our work is based on the belief that:
- All people have potential
- All people have choices
- All people have equal rights
- Good health and sustainable development require positive interactions between people and their environments

Our objectives:
1. To positively influence people’s views of their own self-worth
2. To increase people’s awareness and understanding of opportunities for improved quality of life
3. To improve the way in which different sectors collaborate
4. To influence the systems which impact on people’s health and quality of life

Our core values:
- Integrity
- Human dignity
- Proactiveness
- Enablement
- Sustainability
It is once again that time of the year when we at The Valley Trust sit back and take stock of our past financial year to reflect on the world in which live, the context in which we work, what we have done and the changes that we think may have happened as a result of our work as well as other changes that have happened as a result of the work of others. We also use this time to reflect on the challenges that we have faced in our efforts to enable individuals, families and communities to fight against social ills such as poverty, food insecurity and unemployment, as well as health issues such as HIV and AIDS and disability. We then conclude our reflections by looking at what changes we should make in how we work in order to make The Valley Trust more relevant and effective.

What to expect from this report
As it has been the case with all our Annual Reports, we spent considerable time thinking and pondering on what the reader would love to see and read about in our Annual Report. And as we did this, we asked ourselves what will interest the reader most other than the usual regular material that goes into Annual Reports such as a report on the work done and the financial position of the organisation. We have, in past years, addressed this challenge by choosing a theme that all articles in the Annual Reports focused on and we have decided to make this report no different. The theme we have chosen for this report is ‘Looking at the results of our social development work.’

Guiding Statements
The Valley Trust is currently revising its Guiding Statements and Strategy and since these documents will not be ready by the time this Annual Report goes to print, the new and revised Strategic Plan will be made available on The Valley Trust website and Newsletter.

Our lead article and programme reports
Our lead article and reports on our programmes give the reader some insight into how we look at the results of our work and the actual results of the work. We have to resist the temptation of telling you more about the actual content of the lead article and the programme reports as this will spoil your reading pleasure. It is enough though to mention that we deliberately focused this Annual Report on the results of our social development work so that we can deepen our own understanding of how we view the changes that we intend to bring about and how these changes happen, as well as deepen the understanding of other stakeholders and that of the communities we work with.

The Annual Report also contains the regular materials such our Audited Financial Report and a list of our donors for the year under review. We trust that you will find the report a pleasure to read and request that you do give us some feedback so that we will know what our readers wish to see in future reports.

The Valley Trust's achievements and successes
The implementation of our previous strategy was successful because it enabled us to develop social development models and refine our own social development practice that we have shared with donors, other NGOs and government departments to inform and influence their own practices. Consequently, some of our work was instrumental in informing strategies adopted by some donors and government institutions; one example of the former was the Nelson Mandela Children Fund’s Sakha Ikusasa III Strategy for community participation that was launched in May 2011, which was influenced by our work in a programme called Izingane Zethu Interventions;1 and an example of the latter is the KZN Premier’s One-Home-One Garden Flagship Programme which was influenced by our programme called Social Plant Use which promoted household gardens.

1. This project was implemented in partnership with TREE and KwaNgcolosi Child and Family Care.
The financial year under review was also made exciting by the fact that the Executive Director and members of the leadership team and other employees spent considerable time meeting with and presenting The Valley Trust’s work to a variety of grant makers and other decision-makers within the borders of South Africa and abroad. It was extremely encouraging to note from these presentations and engagements that every grant-maker and every social development practitioner spoke about the need for sustainable, holistic and integrated development programmes, a philosophy that has been at the heart of The Valley Trust’s social development practice for a number of years.

Evolving social development models
The Valley Trust has continued to refine its social development models and a summary of these models is outlined in the main section of the report. The organisation’s work with various communities has brought about various levels of changes and improvement, and these changes also form part of the lead article and the programme reports.

Our challenges
The implementation of the strategy was challenging for two interrelated main reasons. The first was that because we chose to work more with processes that enabled people to initiate and sustain the changes they wanted to see as opposed to providing services and other tangible products, it was extremely difficult to get funding for our work as processes are difficult to measure and quantify. The second challenge was diminishing external funding. Over the last six years or so, there has been a continued downward trend in external funding to NGOs in South Africa as a result of a number of international donors’ decision to withdraw funding from South Africa and focus on other poor and needy countries in Africa. This trend was exacerbated by the global economic recession that happened during 2009 and 2010 and The Valley Trust was not immune to these funding challenges.

Even though the fundraising targets for the 2010/2011 Financial Year were largely met, raising funds for the current year and future years has remained a huge and difficult task. This is despite our increased efforts to fundraise aggressively and diversify our funding base. Consequently, we are in the process of designing and implementing stringent cost cutting measures to curb our over-reliance on, and draining of our internal reserves. These measures will be described in detail on our website once our planning has been completed.

Changes in the organisation
We are pleased to announce and welcome the appointment of Professor Ahmed Cassim Bawa as a new member of The Valley Trust’s Board of Trustees. His appointment happened at the Annual General Meeting that was held on 25th August 2010. Professor Bawa worked with TVT for a number of years while serving as Deputy Vice-Chancellor at the University of KwaZulu-Natal before departing for New York in 2007. We do not only welcome him at TVT but we take this opportunity to welcome him back to South Africa and KwaZulu-Natal where his roots and passion lie.

We are also pleased to welcome to the Valley Trust family Dr. Christopher Akob, Mr. Mlungisi Mkhize and Ms. Nhlonipho Mbatha, who all joined The Valley Trust in January and February 2011 to strengthen our Programmes Division as Senior Programme Coordinators and Facilitator respectively. We trust that they will find a home at TVT and join hands with the men and women who have for many years worked passionately to enable communities to bring about meaningful and lasting change in their lives.

We are sad to report that during the financial year under review, we lost a total of nine employees. Six of these employees left to pursue their interests elsewhere, one retired, while two were forced to leave as a result of misdemeanours.

Looking ahead at the current and future financial years – The Valley Trust’s new strategic plan
The Valley Trust began an extensive Strategic Review process during the last quarter of the financial year under review. The exercise was driven by the organisation’s management and involved consultations with all employees of the staff and the Board of Trustees. Even though the strategy review process had not been completed at the time of printing this Annual Report, it had culminated in a number of changes ranging from how the organisation will work to what it will focus on during the five year period starting from April 2012 to
March 2017. It is significant to note the following long and short term strategic decisions that have been taken:

**Long term decisions**
- We will strive to make The Valley Trust highly effective and professional;
- To determine the skills that we need to retain or acquire;
- We re-commit ourselves to monitoring, evaluation and research in order to inform and strengthen our work and that of other social development practitioners, including government departments;
- We will seek new partnerships and strengthen those that we already have;
- We will strengthen our resource mobilisation and profile-raising strategies.

**Short and medium term decisions**
- We have reduced our organisational budget for the current financial year from over R19 million to under R16 million in order to address a decrease in external funding and to make The Valley Trust sustainable;
- We will further reduce our budget to levels of guaranteed and very likely funding for the coming financial years in order to reduce strain on our reserves and allow them to recover and grow.

**Tribute to The Valley Trust’s men and women**
In paying tribute to all those who have contributed to the work of The Valley Trust through their financial support, dedicated effort and time, intellectual input, critiquing our work, and trusting and allowing us into their private lives, we borrow the following words from the founder and Chairman of the Board of Trustees in the 1956 Annual Report: “Once again I am faced with perhaps the most difficult part of an Annual General Report, and that is, to adequately express thanks to all those who have so kindly and generously assisted throughout the year...” Oddly enough, the same challenge faces us today as we attempt to thank the Trustees of the Board, the Senior Managers and Managers, Programme and Project Coordinators, Programme and Project Facilitators, Finance, Support and Administration Staff, the Care Givers and Facilitators from the community, individuals, families and communities we have worked with, our donors, NGO partners, tertiary institutions, various government departments and individuals who have all supported The Valley Trust in various ways. Without the financial and technical support from donors, the dedication and passion of trustees, staff and care givers, unwavering trust from the communities, partnership with other NGOs, tertiary institutions and government departments, we would not have made the gains that we have proudly reported on in this Annual Report. We are humbled and wish to express our sincerest gratitude to you all.

Bongani Khumalo  
Chairperson of the Board of trustees

Tuki Maseatile  
Executive Director
Reflecting on the results of our work

The lesson for the social development practitioner is clear: we must learn to live without resolution, without clarity, with continuing ambiguity, with patience and with questions. With a deep confidence that if we only do our work well, without attempting to control, or to turn open-ended facilitation of social process into instruments and procedures and tools for application, then the answers will emerge from out of the forces and energies inherent in the life processes themselves. (Kaplan, 2002:196)

So, how do we know that we are achieving the results that we set out to achieve?

At first glance, that may seem to be a simple question, but if we give it a bit more thought, it turns out to be quite a difficult one to answer and, moreover, one that reveals a certain tension associated with our work. We recognise the critical importance for health of access to clean water, adequate sanitation, enough nutritious food, accessible and available health services, and various other elements which have been well documented in, for example, the Declaration of Alma Ata, the Sundsvall Statement, and more recently the Millennium Development Goals. In the past, The Valley Trust was directly involved in the provision of such services and indeed, some aspects of our work retain this focus. However, we now identify ourselves as a centre for health promotion, and as such our work is more about social processes:

• Strengthening community action;
• Developing personal skills;
• Creating supportive environments;
• Reorienting health services;
• Helping to build healthy public policy; and
• Enabling, mediating, and advocating.

And it is much more difficult to report on the facilitation of social processes and changes in the social determinants of health than it is to report on the provision of the concrete, tangible, and measureable requirements for good health. At this point we must repeat that we are not attempting to create a false dichotomy between process and product: as we explained on page 5 of our 2010 Annual Report lead article,

It is important to emphasise that we are not advocating an “either-or” approach...these two dimensions of development are inter-related and complementary. But as an organisation we have made a choice: we have chosen to work primarily within the more hidden dimension of development; as we say in our guiding statements: we enable people to initiate and sustain their own developmental change processes, by designing and engaging in integrated processes with people, aimed at bringing about developmental change at the individual, organisational, and whole systems levels.

In this Annual Report, we describe the progress which we have made towards facilitating – in a sensitive, appropriate, and responsive manner – the “developmental change processes” which enable the people with whom we work to achieve the preferred reality which they themselves have identified. We report on each of six programmes, but given the need in these difficult economic times to keep our Annual Report to an affordable number of pages, we have omitted much of the background to each programme. However, these details may be found in our 2009 Annual Report.

So for each programme described in this Annual Report, we focus on the activities undertaken, and the achievements to which those activities may have contributed. We say “may” because, while some of the results are clearly attributable to our activities, we also recognise that both the systems with which we engage and the engagements themselves are complex, and we acknowledge that we are intervening into systems in which other stakeholders (such as government departments, other NPOs, faith-based organisations, and community-based organisations), are also active. Nevertheless, we believe that our work is yielding encouraging results, and suggest that (in addition to the detail reported for each programme) the following broad changes are emerging as a result of “…doing our work well.”

• There is a growth in social capital in the communities in which we work. The concept of social capital is an interesting one which we may elaborate on in future reports, but suffice to note here that Fukuyama (2001:7) defines social capital as “…an instantiated informal norm that promotes co-operation between two or more individuals.” Social capital has positive implications for development as well as a shadow side, but on the positive side we have noted that our work with Self Help Groups appears to be developing informal norm that promotes co-operation between two or more individuals. On the positive side we have noted that our work with Self Help Groups appears to be developing social capital amongst the groups.

• There is both a quantitative and qualitative increase in community participation in response to the work which we have been doing. This ranges from participation of households in counselling and testing, to participation by youth care givers in the care and support of children, to participation by leadership and interested individuals in the sustainable livelihood programme, to participation by learners in peer education programmes. The list could be expanded, but the point here is that participation is not a means to an end, but an end in itself, as noted by Rifkin (1996:86), who examines community participation from the perspective of its “…influence on an entire system” and “…recognises that these
influences are not linear nor always causal but result in an adaptive, learning process of a system in which the sum is greater than its parts.” This is significant, given our recognition of the importance of participatory learning processes for improved health and development.

• There also appears to be a greater openness to discussing what were formerly taboo topics, such as disability and various aspects of sexuality, the latter especially in the context of HIV and AIDS. However, not only does there seem to be a greater openness to discussion, but also a willingness to translate this into action. We have observed, for example, a much greater willingness to consider condom use and indeed, even for women to take condoms for use with their partners. We have also heard men who test negative for HIV expressing the view that they realise the opportunities which their negative status affords them to make better and safer choices relating to sexual behaviour. However, in making these observations, we do not wish to create the impression that there has been a transformational change across all sectors of society – this is far from being the case. What we are saying is that there is reason to believe that changes have been initiated which have a good chance of growing and being sustained.

• And then we have observed the development of a wide range of action plans by various stakeholders. Plans have been developed by Traditional Leaders, by School Governing Bodies, by Peer Educators, by tavern owners, and by local sports groups. Of course, it remains to be seen how these plans are put into action, and to be sensitive to our role in supporting their implementation. However, we acknowledge the importance of community-driven planning processes, and look forward to following their future development.

In the paragraphs above we have provided a mere outline of the ways in which we believe that we are starting to see significant change emerging from our social development practice. As we write this we are discussing other ways of seeing change, other evidence that we need to look for that will show that desired change is indeed occurring. However, we are also aware of the dangers of becoming so focussed on what we think should be changing (even if the importance of such changes have been agreed in a participatory way with stakeholders), that we fall asleep to the importance of other emergent changes. For this reason we are committed to our own ongoing processes of organisational learning and capacity building, part of which is to become more reflective about our practice.

Over the past few years we have written quite extensively in our Annual Reports about our organisational change processes and our shift to a social development practice to enable us to promote health more effectively. We feel that we are now at the stage when we can start documenting and sharing the results of these changes, and look forward to doing so over the next few years.

References
Programme vision: Communities in which there is gender equity and people freely communicate about sexual issues/rights in an environment that enables them to take responsibilities for their own health.

Programme purpose: To create processes/interventions to enhance the capacity of people to adopt and maintain preventive behaviour to reduce new infections, promote healthy living, and respond to the needs of those infected and affected by HIV and AIDS.

Background: The Valley Trust’s response to the HIV and AIDS pandemic since 1987 has taken several forms. Our programmes have evolved and continue to evolve. Our current approach is informed by a social ecology model of health promotion, which recognises the importance of engaging at different levels, from the individual, to the family, to the organisation, the broader community, and to culture and natural environment. (A version of this was presented in TVT’s 2009 Annual Report, page 9). Thus the Health Communications Team works with individuals, with organisations, and with communities, and engages with the challenging areas of culture and paradigm, as the following description of its activities show.

Activities: The most significant activity undertaken by the HCP (Health Communication Programme) team is the facilitation of conversations. These are held with Traditional Leaders, youth out of school, women (both young and old), men from various community structures, and men living a traditional way of life. The conversations cover a wide variety of topics (all located in the context of HIV and AIDS), including multiple concurrent partnerships, alcohol and drug abuse, gender based violence, medical male circumcision, prevention of mother to child transmission, counselling and testing, and the power of choice. Basic information about HIV and AIDS is included as necessary.

The team also helps to maintain and support prevention clubs in schools; these clubs are part of a peer education initiative which also engages learners in classroom activities and presentations at school assemblies. The team also engages with educators, as they play an important role in helping to create an enabling environment for peer education. At present the team is working with 20 primary schools and 15 secondary schools.

One member of the HCP team, Nhlanhla Vezi, participated in a series of radio phone-in shows on Tuesday evenings on Ukhozi FM, linked to the Intersexions TV programme. This radio show has been estimated to reach 6.5 million listeners.

The HCP also participates in events (which tend to be large gatherings of people, sometimes for sports, sometimes for cultural activities), usually by invitation. One facilitator notes that “TVT are seen as gurus for these events.”

Working with orphans and vulnerable children is another part of the HCP. Currently the team is working “officially” with 1000 children (these are the ones who have provided letters of consent to participate in the programme), but no children are turned away. For this part of the programme, TVT has trained 40 youth care givers to work with children after school; these care givers run sessions with learners to assist with homework, play games, provide health education, and help with referrals to various resources and service providers. They also conduct home visits and deal with a variety of social problems, including referrals in cases of abuse.

The HCP also incorporates counselling and testing, conducted at 20 mobile clinic sites, at the events referred to earlier, at taxi ranks, and when clients have been referred through other activities such as conversations.

Condoms are also distributed through various outlets.

Achievements: Perhaps the first change to which TVT’s activities are likely to have contributed is that of increased knowledge about HIV and AIDS. Monthly reports indicate that many of the clients with whom we engage have a good knowledge of HIV and AIDS, but of...
course, increased knowledge does not necessarily lead to behaviour change. However, there are indications that behaviour is indeed changing: facilitators report that whereas condoms were previously hidden, they are now carried openly. Men stop our facilitators and ask for condoms (and do not discriminate against government-issue condoms). Some positive aspects of condom use are recognised (such as the fact that condom use can prolong sex). Women ask for condoms for their partners. One very encouraging response is reported from some men who test negative for HIV: they state that they intend to stay negative and want nothing to do with anything that may put them at risk. In terms of the EvaluLEAD framework, this may signal transformative change at the individual level.

In schools, children feel more free to confide in youth care givers about abuse, and educators report that the classroom performance of children who participate in the OVC programme has improved. Educators themselves have welcomed the Peer Education programme, which has brought renewed enthusiasm for Life Orientation Classes. The programme in fact goes beyond peer education, in that it has become more about the personal growth of learners, and there has been an increase in the number of peer educators. Other NGOs are also tapping into this programme.

Even tavern owners are working more cooperatively around HIV and AIDS, and are organising their own soccer events. People are recognising the benefits of working together and there is a growing recognition of the importance of wellness in general, not just a focus on HIV.

In summary, there seems to be a waking up to responsibility and an understanding of consequences associated with risky behaviour.
Programme purpose: The objectives of the programme were revised following the decision by TVT, TREE and KCFC to work independently from each other. The current objectives are (i) to enhance the capacity of families and community people to prevent the onset of disability (in HIV positive people) and HIV and AIDS (in people living with disability) and to care for and support differently abled people; and (ii) to enhance the capacity of vulnerable people/families for self reliance and self sustainability.

Programme Background: The Disability HIV and AIDS Programme is a continuation of the work that The Valley Trust began around 2001 in partnership with Training and Resources in Early Education (TREE) and Little Elephant Training Centre for Early Education (LETCEE) as the Izingane Zethu Intervention, popularly known as IZI. After the partnership was formally dissolved in September 2010, TVT adopted Disability HIV and AIDS as the new name for the work that it was going to continue doing with the communities of Kranskop and Centocow. Prior to the dissolution of the IZI Partnership, The Valley Trust’s work had grown significantly from purely providing assistance to families of people living with disability (PLWD) to working with the leaders in Centocow and Kranskop and building the capacity of families of people living with disability in Centocow to address their economic problems and wider social issues through the introduction of leadership development and Self Help Group activities.

Programme Activities:

- **Coordination of the Programme.** Most of the Coordinator’s time during the third and fourth quarters of this reporting period programme was spent providing training and support to the Self Help Groups in Centocow. TVT viewed the establishment of SHGs in Centocow as a priority during this time since economic empowerment of families of PLWD (People living with disabilities) had been neglected in the project for nearly 10 years. Without addressing the economic conditions of these families, gains made through education and awareness on disability and provision of rehabilitation and other services to PLWD may be reversed as these families would forever depend on external assistance. Evidence from another disability programme that TVT has been part of show that assistance to PLWD stopped as soon as external help was withdrawn since families are not empowered economically.

- **Disability activities.** The two Community Rehabilitation Facilitators (CRFs) in Centocow and one in Kranskop continued to visit children and adults living with disability at their homes. The number of households with PLWD that the programme worked with in each area is summarised in the table below. The summary shows that there were 104 households in April 2010 and 120 households in March 2011.

<table>
<thead>
<tr>
<th>Area</th>
<th>Apr - Jun</th>
<th>Jul - Sep</th>
<th>Oct - Dec</th>
<th>Jan - Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kranskop</td>
<td>36</td>
<td>39</td>
<td>39</td>
<td>41</td>
</tr>
<tr>
<td>Centocow</td>
<td>68</td>
<td>72</td>
<td>76</td>
<td>79</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>104</strong></td>
<td><strong>111</strong></td>
<td><strong>115</strong></td>
<td><strong>120</strong></td>
</tr>
</tbody>
</table>

The CRFs spent each week visiting families of PLWD to (i) assess clients and provide rehabilitation; (ii) assess the ability of the care giver of each client to provide care and support to clients and assist them to provide care; (iii) check if medication was taken appropriately in cases where clients we assist are on medication; and (iv) follow up clients who had been referred for professional help.

In some instances, the CRFs visited families of people living with disability during weekends.

In addition to working directly with PLWD, the CRFs have also had regular meetings with Family Facilitators and Disability Forums to discuss and address issues around disability.

- **Self Help Groups Activities.** To date 23 Self Help Groups have been established in Centocow and each group consists of between eight and 15 community members from the families of PLWD. Members of the groups meet weekly to participate in activities that enable members to take control of their lives by becoming conscious of their own situation and position; setting their own agendas; creating space for themselves; gaining skills; building self-confidence; and by developing their own self-reliance through saving money weekly and eventually establishing income generating activities that can be run by individual members of the group or whole group.

Achievements. (i) About eight children with disability have been placed in special schools as a result of the intervention; (ii) four wheel chairs and four walking frames were given to children following referrals by the CRFs; (iii) a number of children are now receiving disability grants as a result of the programme; (iv) some caregivers have displayed confidence in providing care and support for children and adults living with disability; (iv) some SHGs in which families of PLWD participate are currently involved in income generating activities (selling candles to members of the community, and selling small items such as Simba chips and sweets to children and members of the community).
Programme vision: Communities in which men and women work together in sustainable practices that promote health by enhancing capacity for food, nutrition and economic security based on indigenous knowledge and practices.

Programme purpose: To develop the capacity of a significant number of community residents in Makhabeleni to initiate and sustain their own developmental change processes and contribute towards household food security.

Background: The Integrated Sustainable Livelihoods Programme (ISLP) was formerly known as the Social Plant Use Programme (SPUP). The change came about at the beginning of the 2010/2011 organisational year as a result of adopting a more holistic approach to the SPUP by adding Self Help Groups and leadership development to the existing aspects, namely land use, food security, and traditional plant resource management. This is in line with TVT’s striving to align all its programmes to a broader social development approach.

The change process included an external evaluation of the SPUP, the report on which has been submitted to the programme’s donor, Brot für die Welt.

Activities: The ISLP is focussing on 240 households in the area of Makhabeleni, the approximate location of which is shown in the map on the left. The area was selected because of its high levels of poverty and food insecurity. As with all TVT programmes, building and maintaining good relationships with all stakeholders was a priority at the start of the work in Makhabeleni. Several meetings have been held with community leaders, beginning in April 2010. The first meeting was attended by community leaders, including izinduna, a deputy councillor, development committee members, gardening committee members, and church leadership; 22 community members made up a total attendance of 36 people at the meeting. A community leaders’ workshop was conducted during May 2010, and was attended by 18 women and four men. Participants learned about basic leadership styles, and how to mobilise community members to join the ISL programme. The need for planning was also discussed, and leaders agreed to produce a community plan for improved livelihoods based on community priorities.

In addition to the meetings with community leaders, there have also been meetings with community members to introduce the programme and to form ISL groups, and these have been followed up with planning meetings and discussions about TVT’s fencing policy. A seed-saving workshop was held in December 2010, focussing on traditional seed.

Two-day nutrition workshops were also held for three newly formed ISLP groups, to help participants to be able to identify nutritious crops and foods, as well as to minimise the loss of nutrients during food preparation and cooking. These workshops were well-attended and participation was active. Follow up workshops were held to reflect on any changes that participants were able to make, and it was reported by group members that they have started to use less oil and to prepare and cook vegetables in ways that conserve nutrients.

As part of the programme, a baseline survey of households is being conducted. One challenge which is voiced repeatedly is that of water for food production,
and many households access water from unprotected sources. Access to fencing is also required if food production is to increase.

**Achievements:** The ISLP has been running for 14 months, and as such it is too early to be able to report on achievements to any great extent. In summary, meetings were held to build relationships and to introduce the programme to as many stakeholders as possible and to garner widespread support for our activities. The important involvement of community leadership was strengthened through running a leadership development workshop for 22 community leaders.

Four community ISL groups were formed and plans drawn up. Three successful nutrition workshops have been held, and a baseline survey is in progress. Work continues in the current year to build food production skills in the groups, as illustrated in the photographs.
Programme vision: Communities in which people lead the co-creation of sustainable, enabling environments that promote healthy living, learning and working.

Programme purpose: To create and hold processes that enable people to realise their potential to participate in and lead collective action towards the co-creation of enabling environments that promote healthy living, learning and working in schools, homes and community.

Programme background: The ISCD is grounded in the belief that schools provide not only an important setting for health promotion, but an important entry point into the wider community. The programme operates in and around twenty six (26) schools in four wards (Bulwer, Centocow, Hianganani, and Underberg) of the Sisonke District. The programme has focussed on capacity development for Traditional Leaders, School Governing Bodies (SGBs), Educators, Learners, Women’s and Youth groups.

Activities: The work in the ISCD programme is divided into two closely interrelated components: (i) leadership development; and (ii) emotionally safe school environments. During the period under review there was both new work in these components, as well as on going follow up to work which had commenced in previous years. The following table summarises the workshops that were held with schools during the period under review:

<table>
<thead>
<tr>
<th>Ward</th>
<th>Workshop</th>
<th>Number of participants per workshop</th>
<th>Participating schools per component</th>
<th>Schools not participating</th>
<th>Total number of workshops conducted per component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underberg</td>
<td>Leadership development for School Governing Bodies (SGBs)</td>
<td>28 (SGB members)</td>
<td>Somangwe, Thunzi, Mqatsheni, Sinegugu, Stepmore &amp; Phosimpi</td>
<td>Batikoko</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Emotionally Safe Schools</td>
<td>14 (principals and educators)</td>
<td>Stepmore, Thunzi, Somangwe</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Centocow</td>
<td>Leadership Development for School Governing Bodies (SGBs)</td>
<td>20 (SGB)</td>
<td>Khukhulela, Esibomvini Mtsawazo, Ehlane &amp; Newtonville</td>
<td>Thanduxolo</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Emotionally Safe Schools</td>
<td>29 (principals and educators)</td>
<td>Newtonville &amp; Centocow</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Bulwer</td>
<td>Leadership Development for School Governing Bodies (SGBs)</td>
<td>21 (SGB members)</td>
<td>Khethokuhle, Pheshe, Sandanezwe, &amp; Emnyanweni</td>
<td>Mandadla</td>
<td>4</td>
</tr>
<tr>
<td>Hianganani</td>
<td>Emotionally Safe Schools</td>
<td>Not conducted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership Development for School Governing Bodies (SGBs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emotionally Safe Schools</td>
<td>27 (principals and educators)</td>
<td>Ntabende, Ncwadi</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Total Wards 4</td>
<td></td>
<td>Participants 169</td>
<td>23 schools participating</td>
<td>3 schools did not participate</td>
<td>27 workshops held</td>
</tr>
</tbody>
</table>

The Valley Trust Annual Report 2011
In addition, soccer coaching was held for 208 male youth participants, and netball coaching for 85 female youth participants. Sporting equipment was provided. The sport development component of the programme also includes training in life skills.

**Achievements:** Work in previous years has provided a foundation on which activities during the period under review was able to build. For example: (i) SGBs have a clearer understanding of their roles and responsibilities and are able to contribute more effectively to school governance; (ii) schools in the programme have annual School Improvement Plans in place (iii) progress has been made in introducing positive discipline in schools to replace corporal punishment, although the latter is proving to be a difficult paradigm to shift; (iv) ongoing support has been provided to Traditional Leadership to implement the plans which they developed in previous years; (v) there is improved coordination of sporting activities at ward level and (vi) re-organisation of two women’s groups into formalised co-operatives has taken place and they are now in the process of seeking registration.
Programme vision: People living with vulnerabilities are able to function optimally and are fully integrated as members of an enabling environment within their communities.

Background: This programme is both a continuation and an extension of the initiative that commenced in 2006 with 72 households in KwaXimba, in partnership with Habitat for Humanity and Harvard Medical School’s Division of AIDS. Since 2009, the work has been expanding into neighbouring households and the community at large, and now reaches approximately 465 households.

Activities: The approach is that of working with the whole family, with a focus on HIV and AIDS, disability, and various social problems. The programme reaches out to “new” households, as well as undertaking follow-up visits to households in which someone has tested positive for HIV, someone is living with a disability or in which a social problem has been identified.

With regard to the HIV and AIDS focus, TVT staff offer counselling and testing to household members, and provide referrals and support for those on ARVs.

With regard to disabilities, TVT staff meet regularly with Community Health Workers (CHWs) to identify households in which someone is living with a disability. Staff join CHWs on an initial visit to these homes to undertake an initial assessment, and then offer basic rehabilitation (with the involvement of the caregiver of the person living with disability), or refer the person to an appropriate resource person such as a social worker.

Social problems involve the absence of personal documents, such as birth certificates and identity documents, without which support grants cannot be accessed. Cases of abuse are also encountered. TVT staff usually refer such cases to the appropriate authorities. In an effort to address the issue of unemployment and poverty, Self Help Groups (SHGs) have been started; currently six groups have been trained, and two have members in training.

To encourage wider community participation, and to raise awareness about HIV and AIDS, and disability, TVT staff conducted two workshops during the period under review, with a total attendance of 62 people. In the past, workshops have been held for educators, and this is now paying dividends in that educators are able to identify learners with disabilities and refer them for assessment.

Achievements: Using the EvaluLEAD framework, we can broadly “see” results at three levels: the individual, the organisational, and the community.

At the individual level, TVT facilitators report the following: (i) 46 clients have been referred for services to process government grants; (ii) 53 clients have been referred to different resource centres; (iii) several assistive devices have been procured: 3 walking crutches, 5 wheelchairs, 5 wooden walking sticks, and 1 baby buggy; (iv) 133 people are receiving home-based rehabilitation; and (v) 50 people have been referred for TB tests. There has also been an increase in the skills of caregivers of people living with disability. There has also been a growth of independence and self-esteem, in that people with disability (or those caring for people with disability) no longer wait for TVT staff to make referrals - there is evidence that people are able to refer each other to appropriate resources. A growing number of people also know their HIV status as a result of testing:

At the organisational level (including here households and schools), facilitators report a growing acceptance of, and openness toward, people living with disabilities. Some mainstream schools now accept learners with disabilities, or refer learners to special schools. At the community level, facilitators report that there appears to be a reduction in stigma associated with both HIV and AIDS, and with disability.
Programme vision: Communities live in a democratic society that values human rights in which people work together and share resources to create environments that enable quality of life physically, socially and economically.

Programme purpose: The purpose of the project is to facilitate the development of a community wide Self Help Group initiative that: will enable people to do things for themselves; will contribute to transforming the current community context; and will create enabling environments for all who live there.

Background: The Self Help Group (SHG) Programme is operating in two areas of the Eastern Cape, namely Flagstaff and Mt Ayliff. It was previously also operating in Dudumeni, but owing to a shortage of facilitators the work in this area has lapsed. The SHG approach involves an informal association of poor persons/ weaker sections in a community with the common objective of working together for their economic and social development, and for the overall development of the community. SHGs are small (15-20 members), generally homogenous, and related by affinity; they empower both men and women. Participation in these groups enables members to take control of their lives by becoming conscious of their own situation and position; setting their own agendas; creating space for themselves; gaining skills; building self-confidence; and by developing their own self-reliance.

Activities: The main focus of TVT facilitators is on the training and support of the 19 SHGs established during the period under review in the areas mentioned above. Formation of new SHGs is preceded by visits to Traditional Leaders for discussions about the programme. The training of newly formed SHGs to operate as SHGs is organised around six modules, and members are also offered other training as need be and on request e.g. in vegetable gardening and HIV and AIDS awareness. SHGs are followed up and mentored by TVT facilitators to ensure their wellbeing. The SHG approach is also being incorporated into other TVT programmes, such as the ISLP and Ikhaya Lethemba.

Achievements: As noted above, 19 SHGs were formed during the period under review. (In theory, this brings the total to 46, but as noted above, some SHGs have fallen away in Dudumeni). In addition, one Cluster Level Association (CLA) has been formed in Flagstaff (a CLA is formed by six to eight established and well-functioning SHGs). This brings the total number of CLAs to three (two in Mt Ayliff and one in Flagstaff). Of the 19 groups formed, records indicate that 18 have saved money, varying from a maximum of R1 248.00 to a minimum of R30.00. Ten of the groups have been able to make loans to members. Groups report that a variety of income generating activities are taking place - these include the raising and selling of...
poultry and eggs; selling air-time; growing and selling vegetables; raising and selling seedlings; and selling yeast for baking. In addition to these activities, one group “fines” members for coming late to meetings, and another group sings at functions, both of which provide additional sources of income for the two groups. Detailed records for SHG economic activity are available.

However, in order to fully appreciate the achievements of the SHG Programme, it is necessary to say something about the importance of social capital which, according to Adler and Kwon (2002:17), can be roughly understood as “…the good-will that is engendered by the fabric of social relations and that can be mobilised to facilitate action.” In the context of the SHG programme, the work has been both tapping into existing social capital, as well as helping to create new social capital. This manifests in the wide range of relationships which exist within the broader communities, and in the functions which SHG members perform:

- Members assist each within their groups with various problems.
- SHG members assist other members of the community to obtain documents and access social grants. In some cases, arrangements have been made for the relevant service providers to visit the areas rather than have community members travel long distances to access the services.
- Providing vegetables to orphans, the sick, and those who are struggling financially.
- Providing home-based care.
- Providing health information (for example, that TB is curable).
- Calling the ambulance (although the number is now well-known in the community).

From the above, it can be seen that SHG members perform some of the functions of Community Health Workers, who are not represented in the area. Relationships of trust have been formed, and groups report that stigma around HIV and AIDS is declining in the area. SHGs have also established links to other organisations and government departments: LIMA (an NGO operating in the area); the Department of Agriculture; the Department of Health; the Department of Social Development; and the South African Social Security Agency.

References:
The Monitoring, Evaluation and Research Division

**Division purpose:** To assist The Valley Trust to learn about itself and its practice, so that it becomes a more effective NPO which creates and shares knowledge so as to contribute more broadly to the health and development of individuals and communities.

**Background:** The M, E & R Division is responsible for a diverse range of functions across the organisation, and we cannot hope to do justice to all of these in two pages. We therefore present a list of our functions and associated activities, and then highlight a few achievements that we regard as most important.

**Activities:** The activities of the M, E & R Division can be grouped into a few functional areas:

1. **Support to/collaboration with the Programmes Division.**
   a. Assistance was provided with capturing and analysing data for the Health Communications Programme (HCP) and the Umndeni Care Programme (UCP). For the HCP, this involved the weekly capture of data on-line as required by the donor, as well as the monthly verification of captured data at the request of the donor. We also met regularly with donor representatives. Meetings were also held with colleagues in the HCP team to discuss issues related to data gathering, capture, and validity. In addition, the M, E & R Division assisted with the planning of two community stakeholder reflection meetings, and documented these and other meetings relating to this programme. With regard to the UCP, our involvement was largely limited to the monthly capture of data and analysis of data.
   b. Toward the end of the period under review, staff from the M, E & R Division joined staff from the Programmes Division in programme teams to provide more focussed M & E support. Specifically, Clive Bruzas is working with the Self Help Group and Integrated Sustainable Livelihoods teams; Wendy Naudé with the HCP and UCP teams; and Nosipho Mkhize with the Leadership and Governance team. Initial meetings were held to clarify roles and responsibilities, and these continue into the current operational year.

2. **IT support.** The M, E & R Division provided IT support to the organisation for the period under review, although this responsibility was taken on by the Organisational Support Division from 1st April 2011. While IT support rested with M, E & R, we liaised with our external service providers on a regular and frequent basis, and provided whatever internal support that we could.

3. **Participatory Video (PV).** Our PV team conducted two training sessions for 24 participants, in the process producing eight short films.

4. **Facilitating reflection on TVT’s work.** Staff from the M, E & R Division, sometimes in collaboration with colleagues from the Programmes Division, planned and facilitated three All Staff meetings in June 2010 (topic: male circumcision), August 2010 (presentation of quarterly reports), and October 2010 (reflection on the first six months of work for the period under review).

5. **Communicating about the work of TVT.** During the period under review, staff from the Division presented on the work of TVT at two conferences: the “Making CSI matter” conference in Johannesburg in May, and the AFSA “Learning and sharing” conference in Durban in October (this paper was co-authored with three Programmes Division colleagues). We also produced two Newsletters, edited the Annual Report, maintained the website, and conducted the visitors’ programme. We also produced a short film on TVT, uploaded this to YouTube, and placed a link on our website.

6. **Evaluation and research.** We conducted an internal evaluation of TVT’s Curriculum Management Project, and provided limited guidance for an external evaluation of the Social Plant Use Programme. A report on TVT’s work in the field of HIV and AIDS was drafted, and a report on the evaluation of the Department of Education’s Peer Education Programme was finalised. Two researchers from Oxford University who had spent some time at TVT in March 2010 submitted a paper for publication, titled “Social...
medicine with medical pluralism: the Valley Trust and Botha’s Hill Health Centre, South Africa, 1940s to 2000s.” Staff from the M, E & R Division also met on an irregular basis to build their own skills in evaluation and research. Also related to capacity building, Nosipho Mkhize participated in a programme called the “Emerging Researchers Capacity Enhancement Programme” organised by the Provincial Department of Economic Affairs and Tourism. Clive Bruzas also successfully submitted his PhD thesis on the subject of knowledge work at TVT.

7. Providing information to TVT. The M, E & R Division continued to develop and maintain the Joyce Stott Memorial Library, and in addition convened a seminar at which a representative from CAPRISA was invited to talk about microbicide trials.

8. Quality assurance. A significant amount of time was spent on quality assuring reports and proposals before submitting them to donors. In an effort to make this process more meaningful, procedures were drawn up for the writing of reports and proposals.

9. Partnerships. Our MoU with UKZN remains in place, and the M, E & R Division participated in the planning of the Community Studies Module (four colleagues from the Programmes Division facilitated on the module). We also hosted a visit from staff of the Walter Sisulu University who were interested to learn more about our work in the hopes of replicating some of our approaches in the Eastern Cape.

10. The M, E & R Division commenced work on the community component of a programme to enhance the health referral system in KZN. TVT is undertaking this work under contract to Benguela Health.

Achievements. During the year under review, the M, E & R Division made significant progress in a number of areas. Firstly, we started to work more closely with colleagues in the Programmes Division, and this has already demonstrated benefits in terms of the increased quality and quantity of data collected. Progress was also made in terms of deepening reflection, both at team and organisational level, although it must be admitted that there remains a lot of work to be done in this area. Secondly, we increased the documentation of TVT’s work through evaluation, research, and the writing up and sharing of this knowledge, and in the process strengthened our own capacity for this work. In addition to the creation and sharing of knowledge in this way, we believe that the profile of TVT has been raised through our website and visitors programmes, although again, we acknowledge that much more can be done to take this further. Thirdly, we continued to provide opportunities for staff of TVT to keep in touch with the larger context of health and development work through the Library and the distribution of relevant information. Fourthly, we believe that the work of the Division helps to link TVT to larger initiatives which are happening in the fields of health and development, a case in point being the provincial health referral programme. This programme has implications not only for the health referral system, but also for the current widespread interest in revitalising Primary Health Care in the country, especially in the context of proposals for a National Health Insurance system. And finally, our work with TVT’s IT system ensured that the organisation benefited from a more stable system than we had during the previous year, although admittedly it was not without its problems.
The Division provides support for the organisation and consists of three units:

➢ Finance and Physical Resources,
➢ Hospitality and Estate Management,
➢ Human Resources and Administration,

The Division’s objectives are sound management, intersectoral collaboration, lifelong learning, and good governance, and is staffed by a small team of diligent and dedicated staff.

A clean audit of the finances of the organisation was followed by the Annual General Meeting which took place at the Valley Trust on 25 August 2010, with Dr Rama Naidu of the Democracy Development Programme as the guest speaker. The meeting was attended by Trustees of The Valley Trust, special guests including community members, and senior staff of other organisations as well as the staff of The Valley Trust.

A number of changes have taken place in terms of the Finance recording and reporting procedures. The introduction of more formalised means of The Valley Trust staff recording their activities in the form of log/time sheets lead to a ripple effect in recording and allocating costs. The demand for additional analysis and presentation of data including re-budgeting has been challenging. Fortunately, the staff complement in the Finance Unit has remained unchanged with an increasing level of team spirit becoming evident. Further reporting pertaining to Finance including the Halley Stott Fund is tabled in the Finance Report adjacent to the Annual Financial Statements. Sustainability continues to be an area of focus.

The Conference Centre generates income from rentals, accommodation and the hire of venues. Although anticipated income for the accommodation facility from the World Cup did not materialise, it is pleasing to note that the income, notably from rentals, that has been generated over the past five years has increased, as shown below:

Security continues to be a challenge and it is pleasing to note that problems were minimal during the year.

Capacity development is an aspect of Human Resources. It is a pleasure to report that a number of staff members have taken the opportunity to build their capacity through formal studies. During the period under review, one staff member received his doctorate for his thesis on Knowledge Production. Thirteen others continue to pursue their studies, one at PHD level and the others at masters, honours, degree, and diploma and certificate levels. Performance appraisals were conducted by immediate supervisors as part of the performance management processes, and outcomes, where applicable, informed forward planning in terms of capacity development. The Skills Development Committee attended Health and Welfare SETA Forums to discuss aspects relevant to skills development. This is one way of orientating the committee to the skills framework of the country and the organisation. This committee is responsible for formal studies whereas Divisions are responsible for short courses and workshops. Finance staff benefitted from attending a number of training activities presented by SARS at no cost.
It was agreed by management that the annual Wellness Day would take place and once again this was a pleasing event. Thirty one out of thirty nine Bonitas members (79%) participated in the health assessment exercise. Non-Bonitas members cannot be part of the assessment but can participate in other activities provided by other service providers. Service providers included debt counseling, eye screening, orthotics and stress management.

During the period under review TVT started with a staff complement of sixty four. Of the nine employment terminations, one was due to retirement, two were for reasons following disciplinary hearings and the rest were voluntary resignations.

The Valley Trust welcomed three new staff members during the period – two senior coordinators and one facilitator.

We hereby confirm that the balance sheet, income statement, and statement of changes in capital and reserves included in this report is an extract of the audited financial statements for the year ended 31 March 2011 and that signed copies can be obtained from The Valley Trust offices in Zulu Reserve Road, Bothas Hill.

PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
### Balance Sheet
as at 31 March 2011

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>23 866 002</td>
<td>31 925 029</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1 919 142</td>
<td>2 186 350</td>
</tr>
<tr>
<td>Halley Stott Fund Investments</td>
<td>21 946 860</td>
<td>29 738 679</td>
</tr>
<tr>
<td>Current assets</td>
<td>4 915 007</td>
<td>2 941 830</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>899 484</td>
<td>1 452 898</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4 015 523</td>
<td>1 488 932</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>28 781 009</td>
<td>34 866 859</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESERVES AND LIABILITIES</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and reserves</td>
<td>23 756 955</td>
<td>31 498 254</td>
</tr>
<tr>
<td>Halley Stott Fund</td>
<td>21 946 860</td>
<td>29 738 679</td>
</tr>
<tr>
<td>Halley Stott Fund Contribution to programmes</td>
<td>2 373 694</td>
<td>–</td>
</tr>
<tr>
<td>Balance of grants unspent</td>
<td>1 125 034</td>
<td>1 833 218</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1 525 326</td>
<td>1 535 387</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1 525 326</td>
<td>1 523 264</td>
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<tr>
<td>Current portion of interest bearing borrowings</td>
<td>–</td>
<td>12 123</td>
</tr>
<tr>
<td><strong>TOTAL RESERVES AND LIABILITIES</strong></td>
<td>28 781 009</td>
<td>34 866 859</td>
</tr>
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</table>

### Grant Schedule
for the twelve months ended 31 March 2011

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 April 2010</th>
<th>Actual salary</th>
<th>Allocated to programmes and projects</th>
<th>Donations</th>
<th>Contracts &amp; consultancy</th>
<th>The Valley Trust contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring, evaluation &amp; research</td>
<td>(363 551)</td>
<td>–</td>
<td>–</td>
<td>(1 024 652)</td>
<td>(70 520)</td>
<td>(1 848 670)</td>
</tr>
<tr>
<td>Programmes</td>
<td>(1 469 667)</td>
<td>–</td>
<td>–</td>
<td>(4 402 979)</td>
<td>–</td>
<td>(4 521 810)</td>
</tr>
<tr>
<td>Divisional management accounts</td>
<td>–</td>
<td>8 298 178</td>
<td>(7 095 532)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Monitoring, evaluation research</td>
<td>–</td>
<td>2 113 454</td>
<td>(2 626 556)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>(1 833 218)</td>
<td>10 411 632</td>
<td>(9 722 088)</td>
<td>(5 427 630)</td>
<td>(70 520)</td>
<td>(6 370 480)</td>
</tr>
</tbody>
</table>
## Income Statement

for the year ended 31 March 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>12 401 250</td>
<td>9 145 002</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>3 515 921</td>
<td>9 243 934</td>
</tr>
<tr>
<td><strong>Less: Expenditure</strong></td>
<td>(16 659 137)</td>
<td>(17 113 316)</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>7 766 944</td>
<td>2 166 394</td>
</tr>
<tr>
<td>Set off to grants</td>
<td>(4 079 264)</td>
<td>(1 819 031)</td>
</tr>
<tr>
<td>Contributions to projects, assets and capital adjustments</td>
<td>(137 976)</td>
<td>8 796 502</td>
</tr>
<tr>
<td>Project/Programme expenditure</td>
<td>13 109 433</td>
<td>7 969 451</td>
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<tr>
<td><strong>Operating surplus/(deficit)</strong></td>
<td>(741 966)</td>
<td>1 275 620</td>
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<tr>
<td>Finance income</td>
<td>84 566</td>
<td>49 823</td>
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<tr>
<td>Finance costs</td>
<td>(263)</td>
<td>(6 965)</td>
</tr>
<tr>
<td>Decrease/(increase) in balance of grants unspent</td>
<td>708 183</td>
<td>(1 175 551)</td>
</tr>
<tr>
<td><strong>Net surplus for the year</strong></td>
<td>50 520</td>
<td>142 927</td>
</tr>
</tbody>
</table>

(All amounts in Rands)
<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
<th>Halley Stott Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2009</strong></td>
<td>677 196</td>
<td>32 883 988</td>
<td>33 561 184</td>
</tr>
<tr>
<td>Net surplus before transfer</td>
<td>142 927</td>
<td>–</td>
<td>142 927</td>
</tr>
<tr>
<td>Revaluation of investment to market value</td>
<td>–</td>
<td>4 721 674</td>
<td>4 721 674</td>
</tr>
<tr>
<td>Transfer net income of Halley Stott Fund</td>
<td>–</td>
<td>(7 866 983)</td>
<td>(7 866 983)</td>
</tr>
<tr>
<td>Surplus on sale of shares</td>
<td>–</td>
<td>897 022</td>
<td></td>
</tr>
<tr>
<td>Interest and dividend received</td>
<td>–</td>
<td>1 523 027</td>
<td></td>
</tr>
<tr>
<td>Administration costs</td>
<td>–</td>
<td>(128 744)</td>
<td></td>
</tr>
<tr>
<td>Utilised to fund expenditure</td>
<td>–</td>
<td>(1 040 391)</td>
<td></td>
</tr>
<tr>
<td>– transferred to grant expenditure – other income</td>
<td>–</td>
<td>(9 117 897)</td>
<td></td>
</tr>
<tr>
<td>– transferred to other revenue</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Organisational activities balance brought forward included under capital and reserves</td>
<td>–</td>
<td>939 452</td>
<td>939 452</td>
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<td><strong>Balance at 31 March 2010</strong></td>
<td>1 759 575</td>
<td>29 738 679</td>
<td>31 498 254</td>
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<table>
<thead>
<tr>
<th></th>
<th>Capital</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Net surplus before transfer</td>
<td>50 520</td>
<td>50 520</td>
</tr>
<tr>
<td>Revaluation of investment to market value</td>
<td>–</td>
<td>(503 559)</td>
</tr>
<tr>
<td>Approved Halley Stott Fund Contribution to programmes and monitoring, evaluation and research</td>
<td>–</td>
<td>(7 288 260)</td>
</tr>
<tr>
<td>Transfer net income of Halley Stott Fund</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Surplus on sale of shares</td>
<td>1 488 246</td>
<td>1 488 246</td>
</tr>
<tr>
<td>Interest and dividend received</td>
<td>1 034 637</td>
<td>1 034 637</td>
</tr>
<tr>
<td>Administration costs utilised to fund expenditure</td>
<td>(111 143)</td>
<td>(111 143)</td>
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<tr>
<td>– transferred to grant expenditure income</td>
<td>(8 349 492)</td>
<td>(8 349 492)</td>
</tr>
<tr>
<td>– transferred to operating income</td>
<td>(1 350 508)</td>
<td>(1 350 508)</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2011</strong></td>
<td>1 810 095</td>
<td>21 946 860</td>
</tr>
</tbody>
</table>
The financial statements this year, reflect a fundamental shift in viewing and managing the functions of the organisation. The primary impact of this shift in the management of the organisation is that the Organisational Support Division and the Office of The Executive Director undertake organisational support activities (overhead) and not programme or grant activities. The results of the aforementioned are thus not disclosed under grant revenue and expenditure and consequently flow through to capital and reserves on the balance sheet and not balance of grants unspent as previously. The comparisons made below are on this principle.

The reserves and Halley Stott Fund investments have again contributed significantly to the funding of the current programme activities. The Valley Trust has been unable to increase its funding base in the current year and finds itself facing similar funding challenges as do other NPOs in South Africa. External donor income remained flat with 1.75% reduction to R5 427 630. Operating expenditure was again aggressively contained as far as practically possible without impacting on programmes. The Valley Trust produced a surplus on its core operations during the current year. The balance sheet has shown resilience despite the exceptionally unpredictable period the economic environment is experiencing and the greater than normal utilisation of reserves during the current year.

### 1. INCOME STATEMENT AND CHANGES IN CAPITAL AND RESERVES R

Our three main sources of revenue and expenditure are:

#### 1.1 Grants

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant revenue decreased 34.4% to</td>
<td>6 030 770</td>
</tr>
<tr>
<td>The Valley Trust contributed from reserve funds</td>
<td>6 370 480</td>
</tr>
<tr>
<td>grant expenditure was</td>
<td>13 109 433</td>
</tr>
</tbody>
</table>

resulting in a decrease in the balance of grants unspent of (708 183)

#### 1.2 Organisational Activities R

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from organisational activities was</td>
<td>2 549 223</td>
</tr>
<tr>
<td>The Valley Trust contributed from reserve funds</td>
<td>955 827</td>
</tr>
<tr>
<td>Profit on disposal of property, plant and equipment decreased 91.37%</td>
<td>10 871</td>
</tr>
<tr>
<td>Finance income increased by 69.73% to</td>
<td>84 566</td>
</tr>
<tr>
<td>Overhead expenditure not allocated to grants amounted to</td>
<td>(3 687 680)</td>
</tr>
<tr>
<td>Finance charges decreased from R6,965 to</td>
<td>(263)</td>
</tr>
</tbody>
</table>

resulting in a surplus of (87 456)

There were capital adjustments arising from asset charges to projects and other recoveries of 137 976

resulting in a surplus for the year which was added to capital of 50 520
1.3 Halley Stott Fund

Income from interest and dividends decreased 47.19% to 1 034 637 and there were surpluses on sales of shares of 1 488 246 giving total revenue of 2 522 883. Administration costs decreased 15.84% to (111 143) leaving a surplus of 2 411 740. Subtracting:

the revaluation of investments of (503 559)
transfers to grant revenue (8 349 492)
transfer to operating income (1 350 508)

resulting in a deficit which was subtracted from the fund of (7 791 819)

2. BALANCE SHEET

2.1 ASSETS

2.1.1 Property, plant and equipment

There were net acquisitions of fixed assets of R198 868. After depreciation of R466 076 the investment in fixed assets decreased by 12.22% to R1 919 142.

2.1.2 Halley Stott Fund Investments

The investments of the Halley Stott Fund decreased by R7 791 819 to R21 946 860. At the year end the funds were invested as follows:

Quoted investments at market value 21 211 845
Net current assets 735 015
Total investments of Halley Stott Fund 21 946 860

2.1.3 Current Assets

Current assets increased by R1 973 177 to R4 915 007. Receivables decreased by R553 414 whilst cash balances increased by R2 526 591.

2.2 EQUITY AND LIABILITIES

2.2.1 Capital and Reserves

The capital and reserves at the beginning of the year stood at 820 123 to which has been added:

the transfer from balance of grants unspent of R826,938 (Organisational Support) & R112,514 (Office of the Executive Director) balances 939 452

the surplus for the year (note 1.2) of 50 520

resulting in a balance of 1 810 095
2.2.3 Balance of grants unspent

The balance of grants unspent at the beginning of the year was $2,772,670. Less transfer to capital and reserves of $826,938 (Organisational Support) & $112,514 (Office of the Executive Director) balances amount to $939,452.

Activities resulted in a decrease during the year (note 1.1) of $708,183 to leave a balance to carry forward of $1,125,035.

The balance of grants unspent reflects the level of project activity and the difference in timing of projects and the necessity for planning, capacity building and community participation prior to starting the projects.

2.2.5 Current Liabilities

Current liabilities decreased by R10 067 to R1 525 320.

3. CONCLUSION

The results of the ongoing fund raising efforts were not as expected and the levels of funding have largely remained similar to the prior financial year. The Valley Trust’s investments in the form of the Halley Stott Fund continue to fill the gap between expenditure requirements and insufficient income with the Board of Trustees having approved R9 700 000 during the 2011 financial year. Of this R2 373 694 remains as cash reserves at year end.

The Halley Stott Fund has felt the effect of both economic conditions and the demands of contributing to The Valley Trust. The result is a decrease in the fund of 26.0% to R21 946 860.

As always we are indebted to our donors, clients, community and the dedication and hard work of the management and staff of The Valley Trust, as well as to the providers of services; PricewaterhouseCoopers for auditing and advisory services and Andrew Ewing and his team at Ewing Trust Company Limited for investment advice.

(Note: Figures as per Audited Annual Financial Statements)

Dean C. Naudé
Financial Manager
BSc(Hons.), MSc, MBA
## Donations

for the year ended 31 March 2011

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ackerman Family Educational Trust</td>
<td>R15 000</td>
</tr>
<tr>
<td>Brot für die Welt</td>
<td>R300 000</td>
</tr>
<tr>
<td>Camry Trading Enterprise (Pty) Ltd</td>
<td>R181 565</td>
</tr>
<tr>
<td>Engen</td>
<td>R230 000</td>
</tr>
<tr>
<td>Electricians Sans Frontiers</td>
<td>R112 044</td>
</tr>
<tr>
<td>The Fulton Trust</td>
<td>R120 000</td>
</tr>
<tr>
<td>Ibiza Charitable Trust</td>
<td>R29 000</td>
</tr>
<tr>
<td>Johns Hopkins Health and Education in South Africa</td>
<td>R2 567 289</td>
</tr>
<tr>
<td>Joyce Stott Trust</td>
<td>R112 187</td>
</tr>
<tr>
<td>Manrico Barbieri and Norma Moore</td>
<td>R50 000</td>
</tr>
<tr>
<td>National Lottery Distribution Trust Fund (NLDTF)</td>
<td>R1 360 676</td>
</tr>
<tr>
<td>Nelson Mandela Children’s Fund</td>
<td>R854 605</td>
</tr>
<tr>
<td>Victor Daitz Foundation</td>
<td>R60 000</td>
</tr>
<tr>
<td>Other donations</td>
<td>R6 092</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R5 998 58</strong></td>
</tr>
</tbody>
</table>

Donations income includes accrued income.

Donations above R10 000 have been disclosed.

Donations received for specific programmes and for discretionary use have been disclosed.

Income of R266 467 from Soul City was invoiced and received as part of Other Income.

Funds returned:

### Contracts and Consultancy

There are no contracts and consultancies in excess of R50 000 in the current year.

### Bequests

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>AH McGregor</td>
<td>R28 728</td>
</tr>
<tr>
<td>DTW Gibson</td>
<td>R3 183</td>
</tr>
</tbody>
</table>

**Total**: R31 911

## Trustees

2010/2011

**Chairperson**

Mr B Khumalo

**Deputy Chairperson**

Dr J Kvalsvig

**Members**

- Mr R Alcock
- Prof. A Bawa
- Ms J Hicks
- Mr S Ndlovu
- Prof V Nzimande

**Honorary Life Members**

- Dr I Friedman
- Mr C Mann
- Mr PVB Myeni

**TVT’s Auditors**

PricewaterhouseCoopers Inc; Chartered Accountants (SA), Registered Accountants and Auditors