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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
- Proactivity
- Enablement
- Sustainability
It is exciting again to get this opportunity to briefly reflect on The Valley Trust and its work in social development during the past 12 months. This reflection also happens at a time when South Africa is facing new challenges brought about by the global economic recession, country wide industrial action by medical practitioners and increases in the price of food and other consumer products. The new challenges faced by South Africa add to the burden of many others such as HIV and AIDS, unemployment, lack of housing and poor access to decent education as mentioned by President Gedleyihlekisa Jacob Zuma in his inaugural speech on 3 June 2009.

In my last report (2008 Annual Report), I reported that The Valley Trust had just undergone strategic and structural changes. I further reported that, while the changes themselves had been completed, we still had to go through the usual teething problems that are associated with change. I am pleased to report that the road was not as bumpy as we had anticipated. In fact, we have become a better organisation and this is attested to by, among other things, an award that we were given by Johns Hopkins Health and Education in South Africa (JHHESA) at a partners’ meeting held in June this year for the Most Improve Partner in Programme Implementation. The strategic and structural changes have also enabled us to develop a better understanding of the work we do in social development and to integrate the different programmes that we do better. Integrating our development programmes has enhanced our holistic approach to social development interventions.

As we reflect on the challenges that we are faced with in our efforts in social development in South Africa, we think, on the one hand, of the results of the economic recession and, on the other hand, the likely results of the new political dispensation. While most of the work of civil society and similar organisations has always, to a larger extent, been geared towards skills development and job creation, poverty reduction and improved health, the consequences of the global economic recession have put a massive burden on these organisations. Firstly, there are more families and communities that are subjected to unemployment and low or no disposable cash. Secondly, the NGOs themselves are cash-strapped as their funding sources are being reduced as a result of donors being hit by financial losses of one form or another. Thirdly, the human resources that these NGOs rely on for their social development work are at risk of losing their jobs or getting pay-cuts as a result of strategies taken by the NGOs to survive. All these three factors make it extremely challenging for NGOs to continue providing the much needed support to families and communities to realise their dreams of better health and life.

The new political dispensation in South Africa also has brought about a number of challenges to social development. Firstly, high level relationships that have been developed and cemented between civil society organisations, various government departments and community structures may need to be reviewed or re-initiated as new officials are appointed into office. Secondly, the new officials will need time to familiarise themselves with new tasks at hand. This can lead to suspension of some community development interventions or delays in the implementation of these interventions. Thirdly, changes in approach by new office bearers may also hamper social development interventions that are already taking place in the communities.

The global economic recession and the new political dispensation in South Africa have not only brought the challenges mentioned above, they have also brought about many opportunities that should be taken advantage of in order to advance social development amongst poor communities in South Africa. Though ironic as this may sound, amongst the many opportunities that are brought about by the job losses and shrinking disposable cash available to households are:

- Communities have the opportunity to tap into the skills of retrenched employees for social development interventions in the communities where these employees live;
• Civil society organisations have an opportunity to use the skills of retrenched employees from the communities where these organisations operate;

• An increase in food prices make local communities resort to locally produced food and other products which is an opportunity for households to produce and sell products to their communities;

• A renewed commitment by the government to prioritise rural development offers opportunities for dedicated resources for interventions that target poor communities;

• The creation of the new ministries of Rural Development and Land Reform as well as Women, Youth, Children and People with Disabilities. These new ministries offer an opportunity for the needs of marginalised sectors of our population to be heard and addressed.

I wish to conclude by extending my gratitude to the members of The Valley Trust Board of Trustees, the Executive Director and other members of the organisation’s Leadership Team, the managers in the various divisions and the entire staff for their continued dedication and commitment to The Valley Trust’s work. It is through their dedication and commitment that the organisation is recognised as one of the key players in social development in KwaZulu Natal and South Africa. I trust that they will all grow from strength to strength and become better social development practitioners in their own right.

I also wish to thank all the funders who have supported The Valley Trust financially and technically and for the time they spent reading and critiquing our reports and work. I also thank them for making time to visit the communities that we work with. I also wish to thank all our partners such as government departments and other NGOs in social development. The needs of the communities we work with are many and The Valley Trust alone would not have been able to meet these needs. It has been through your partnership that we could provide holistic and integrated responses to these needs.

Lastly but not least, I would like to thank the communities that we have worked with for trusting us to enter into their space and private lives. It is because of the confidence in The Valley Trust, that we have been able to make a difference in their lives.

Bongani Khumalo
Chairperson of the Board of Trustees
Mr. Michael Mthiyane passed away on 6 May 2009. His support for the work of The Valley Trust over the years was exceptionally valuable.

He worked as a member of staff with Dr Halley Stott for more than 30 years. Following the retirement of Dr. Stott, Michael continued to work for The Valley Trust under the Directors Dr Irwin Friedman and Chris Mann, who at the time of his passing wrote:

"He was a very inspiring man who lived and breathed The Valley Trust almost all of his life. Without him, The Valley Trust would have been a completely different place."(Irwin Friedman)

"Chris Zithulele Mann and his wife Julia Nonhlanhla now in Grahamstown remember the late Michael Mthiyane with great affection and respect. Mr. Mthiyane had enormous reservoirs of ubuntu. Julia and I salute his dignity, his humour and his lack of cynicism. We also salute his extraordinary ability to work sensitively with people from extremely different backgrounds during a period in history when things in the valley and the country were always in danger of falling apart."(Chris Mann)

Michael Mthiyane retired from The Valley Trust on 28 February 1990. He was later appointed as a Trustee of The Valley Trust on 25 May 1999. He was honored by the traditional leadership of the Qadi Tribal Authority, who appointed him as the deputy traditional leader for the Qadi tribal authority.

It was in the capacity as a Trustee of The Valley Trust and as the deputy traditional leader of the Qadi Tribal Authority that he was known to Dr Keith Wimble who retired as the Executive Director of The Valley Trust on 31 December 2006.

Dr. Wimble wrote of Michael, "In Michael Mthiyane I found a man deeply committed to the well being of his community, which he served in many capacities – a church leader of the local Methodist Church, a Trustee of The Valley Trust, a Board member of Don McKenzie Hospital, the appointed deputy traditional leader of the Qadi Tribal Authority and a Board member of St.John’s. He remained humble and at all times willing to be of service and support. Michael went out of his way to make my induction to The Valley Trust smooth and to the community of KwaDedangendlale welcomingly for which I was forever grateful. Michael Mthiyane was a man who worked for constructive development of his community and he lead by example. I consider it a privilege and an honour to have worked in association with him."

Professor Nzimande, former Chairman of The Valley Trust remembers “UBaba Michael Mthiyane was a blessed individual who embodied many good qualities. Since I got to know him thirty years ago he was always pleasant and helpful. When I was doing research for my Masters degree he was of tremendous assistance with his profound knowledge and understanding of the area where The Valley Trust operated, as well as his very helpful perspective of the work of The Valley Trust.

When I was chairman of The Valley Trust he was particularly very helpful, whenever I wanted assistance in understanding some of the dynamics of the area, he honestly and forthrightly shared his wisdom on the pertinent and difficult issues over which decisions had to be made. I sincerely got to trust him. Even as his years advanced he remained meticulous in his manner and dress. He was a happy individual; and as John B Sheerin wrote: ‘Happiness is not in our circumstances but in ourselves. It is not something we see, like a rainbow, or feel like the heat of a fire. Happiness is something we are’. I consider myself privileged to have known and worked with him and walked this earth with him. U hambe kahle SO KHULU”.

He is greatly missed by those of us who knew and loved him.
I take pleasure once again to share my thoughts about The Valley Trust’s work over the past twelve months. Perhaps it is even more pleasing to know that this brief report will be read by members of the communities that The Valley Trust works with, the funders who support us through financial and technical resources, our social development partners, government departments as well as other parties that have interest in social development and the work of non-governmental organisations.

**Strategic planning with a difference**

Our strategic planning took place in November 2008 as it has been a tradition over many years to hold strategic planning meetings around the same time every year. While it was very tempting for us to discuss everything under the sun during the this strategic planning, a practice that is common to almost all organisations, we took a bold and courageous decision to limit our focus on fewer issues and consequently choose five issues that we would dedicate our energy to address during the period that followed the planning process. These are:

- Defining the roles and responsibilities in the organisation
- Personal development and capacity building
- Reflections on our development practice
- Coordination and synergy in the TVT team(s)
- Improving systems at TVT

**Achievements**

The Valley Trust engaged in processes that deepened our understanding of our practice in social development work during the period under review. This has been the most exciting period as we reflected on our practice or approach in social development. Even though the work that we do and the communities that we work with have not changed since our restructuring process, we have changed the way we work and this has led to a better integration of our different social development interventions. In one of the reflection exercises, we involved all employees of the organisation over a period of two days. We used this opportunity to share how individuals and teams approached their work and the implications that these had on the development that the communities we work with desire.

**Fundraising**

Fundraising has continued to be a challenge and this was compounded by the absence of administrative support to this function during the better part of the period under review. It is pleasing though to report that we have turned the corner and are beginning to get back on track. The capacity of programme staff to develop fundraising proposals is improving and the quality and number of proposals developed are evidence of this improvement.

**What to expect in this Annual Report**

As it was the case with all previous annual reports, the process of writing took quite some effort and time in deciding on what should be contained in the report and how the report should be structured. In deciding on the articles of this report, the Leadership Team, which is made up of the Executive Director and three Senior Managers, was very conscious that the end result must appeal to a variety of readers while at the same time it provides adequate information about what we did in the past 12 months and where we are heading. The process of writing this report eventually turned out to be very exciting and offered us an opportunity for all involved to reflect on the processes that we engage in with communities in our efforts to enable the initiation of change processes and sustaining these processes once they have been initiated. We have therefore indulged the reader by providing an overview of how the organisation’s approach to social development has changed since its inception in 1953. We have also provided a brief description of some of the projects or programmes that we have implemented over the period under review. All these projects and programmes are still continuing. We have also touched on the role that the two supporting divisions have played during the period under review. The annual report also presents a diagram that illustrates how TVTs social development practice is influenced and underpinned by the different factors, concepts and principles. I trust that you will enjoy reading the report and perhaps share with us your comments after reading it.
Conclusion

This report would not be complete without taking time to pay homage to all those who have supported me in steering The Valley Trust through its journey in the past twelve months. Without all these people, my efforts would not have amounted to much. The Board of Trustees have once again been very supportive, making time to meet with me individually when the need arose and giving me much needed guidance during the board meetings. Members of the Leadership Team have been very instrumental in ensuring that I have time to focus on fundraising by taking the leadership role when the need arose as well and ensuring that their individual divisions run like oiled machines. I also wish to thank our managers in the different divisions for the support they have provided to their Senior Managers and for acting when the Senior Managers were away from their posts.

I would also like to thank the members of staff who operate at the coalface of social change and development. It is these employees who act as TVT’s face of social development in the communities that we work with. Without them, there would not be any interaction with the communities. I would also like to extend my gratitude to all other support staff at TVT. Though they are mostly never seen, and perhaps never heard, we would not be able to achieve much without their dedicated and committed support. I also wish to thank my wife and kids for their support and understanding during the times when I had to stay up late at night or come home late to meet deadlines or be away from home for days to attend meetings, fundraising functions and other related duties. Their unending love has inspired me.

I would also like to thank all the funders who have supported The Valley Trust financially and through the time they spent reading and critiquing our reports and work. I also thank them for making time to visit the communities that we work with. It would be wrong for me not to thank all our suppliers for the services that they have offered and continue to offer. Even though these suppliers are hardly seen by the communities and partners we work with, their services enable us to secure the resources that we use in our development work. It is also through the generous contribution of some of these suppliers that we have been able to produce this report.

Thank you to all our partners. The needs of the communities we work with are many and The Valley Trust alone could not meet these needs. It has been through your partnership that we could provide holistic and integrated responses to these needs.

Thank you to the communities that we have worked with for trusting us to enter into their space and private lives. We thank them for having confidence that together with The Valley Trust, they could make a difference in their lives.

Tuki Maseatile
Executive Director
Over the past three years, our Annual Reports have had as their theme the various forms of organizational change which The Valley Trust has been through. In this year’s report, we focus on our practice, viewed through the twin lenses of our holistic organizational paradigm, and our deepening understanding of the nature of change itself. In this lead article, we explore the worldview or paradigm which has guided the work of the organization since its inception in 1953, and conclude that while our approach to health and development may have changed over the years, our underlying worldview has not; it has remained a holistic one.

**The early years**

Under Dr Stott’s direction there was an explicit emphasis on ecology, with its recognition of the importance of relationships. In a documentary film dating back to the 1960s, Dr Stott is seen against the background of a food garden in the Valley of a Thousand Hills; he is explaining that “We hear a lot about ecology today. Suddenly, Man awakening to the facts of his environment. What you are seeing here is the conscious recreation of a balanced environment. In this valley, which was so barren ten years ago, the whole cycle of food chains and interdependence is being established. The soil is becoming more fertile for the growth of the plant life. Water is being stored both above and below ground. Fish live in the water, which also supports reeds and water plants. This has attracted insects. In turn, this has attracted bird life. And soon this valley will attract even more wildlife”.

His understanding of ecology also found expression in the approach to health and development adopted by The Valley Trust during this period. There was a conscious integration of the different components of the work through what came to be known as the referral chain. This system was illustrated by the diagram above, which provides an image of the way the organization approached its work during its early years. During this period the focus was on both the individual and the family. Change was viewed mainly as the result of education processes with a practical goal: healthy eating; production of protective foods in home gardens; and care for the environment, all within the context of respect for traditional systems and institutions.

**The period from the early 1980s to the early 1990s**

This was a period during which TVT’s worldview remained an holistic one, and incorporated a more global discourse of health which was no doubt strengthened by the Declaration of Alma Ata in 1978 and the Ottawa Charter in 1986. During this period there was an increase in the number of sections, (typical of an organization’s differentiation phase), in line with the growing recognition of the importance of the social determinants of health. Integrating the work of the different sections was achieved during this period through the application of the multiple intervention strategy. The diagram on page 8 was the representative image of this period and, although it tends
to be somewhat linear, illustrates the interconnected nature of the socio-economic determinants of health. As can be seen from the diagram, The Valley Trust worked at all three levels (the organization’s interventions are illustrated as ellipses): immediate causes, underlying causes, and basic causes. Much of this work was of a technical nature, and as such required a “technical” approach: how to protect a spring; how to construct a tank; how to terrace a garden. However, especially from the mid 1980s to the early 1990s, there was a growing engagement with emerging, democratically-elected development structures in the communities with which we worked. This engagement required a somewhat different approach: knowing how to facilitate community participation; knowing how to supervise and motivate large numbers of community members employed on labour intensive projects; knowing how to design and implement training programmes. Training was especially relevant to this phase of the organization’s life, when there was an increased sharing of our experience through what was termed the “observer trainee programme”. This was an experiential training approach that offered trainees the opportunity to participate in whatever activities were under way at the time of their week-long stay at The Valley Trust; in addition to work in the field, trainees were also exposed to the principles of the organization through structured presentations and reading material. This approach to sharing our experience was further developed by instituting what became known as the “mobile training unit”: two staff members who visited observer trainees in their own communities as a follow-up to (and sometimes as a preparation for) their time at The Valley Trust.

The period from 1992 to 2007

This period was a significant one in South Africa’s history, heralding both the freedom of democracy and the chains of the HIV and AIDS pandemic. With the advent of change in the country came serious funding challenges, and The Valley Trust responded by broadening its fundraising strategies to include the extensive generation of income through tendering for work and through attempting to establish itself as a training centre. Although this was in line with the strategic direction which had been adopted after a series of strategic planning meeting with community structures, at times it led to a somewhat disjointed approach. There was a strong focus on personal development, but sometimes this was approached as a “stand alone” intervention without locating it within a developmental context. This personal development was seen to be the foundation of change, although of course not the only factor in change processes. There was also an emphasis on the provision of physical resources, which resulted in The Valley Trust becoming heavily involved in service delivery and the provision of “products” such as training manuals and science kits. With time we came to realize that, while such interventions have their place, they are by themselves neither developmental nor sustainable. This realization prompted a period of intense introspection, leading to the organizational changes which have been described in our recent Annual Reports.
The short period since 2007

In two short years, The Valley Trust has managed to bring together the threads of its various change processes and express these in a far more integrated approach to its practice around four themes, which will be described in more detail elsewhere in this report. One of the factors which led to this greater integration has been our growing understanding of the complexities of health and development work, and our recognition that intervening into complex contexts requires thoughtful, responsive action, ideally designed in participatory ways. It also requires the recognition that change can take different forms, and can occur at different levels. This recognition requires from us the competence to hold the processes which are listed on page 1 of this report: facilitation; supportive training; working in partnership; action learning; lobbying and advocacy; sharing our learnings; and developing models of relevant and appropriate practice. We work with these processes within all four themes, which cross several “levels”, from the individual to the societal. The circles which represent these levels are dotted to indicate that they are not isolated, but interconnected, and the themes are linked by lines to indicate their interrelatedness. The diagram also recognizes the dimensions of environment and culture, although the latter is often difficult to define.

We should emphasize here that this diagram is very much a work in progress. Like all diagrams, it simplifies what is essential highly complex; hopefully it is not a simplistic representation, but one which opens up possibilities for conversation. Such a diagram is also unable to portray the subtleties required in working with developmental processes. But again, hopefully, it is able to convey something of the fact that although we are now approaching our work with a different structure and a more consciously people-centred, developmental approach, the worldview out of which we work remains a holistic one.
The Valley Trust is currently implementing a number of programmes and projects that are based on the following four themes; health, human rights, power issues and enabling environments (the themes are represented diagrammatically in the lead article.) These programmes are designed to facilitate the development of people’s capacity to take responsibility for their own health and quality of life and focus on the processes of interaction in human relationships, and on the processes of thinking, action, reflection and learning. In all these programmes, individuals or community groups are not seen as beneficiaries of someone else’s provision of resources and actions, but as actors in, and co-creators of their own maturity and own context. The role of The Valley Trust in these programmes is to provide support to the individuals or community groups in acting out their responsibility to bring about change. This role is depicted in the Figure below.

The approach depicted above is based on the belief that sustainable change will only occur once individuals or communities take responsibility for identifying and creating their preferred reality. Individuals and communities are encouraged to take responsibility through supported and mentored action that is facilitated by professional developmental practitioners from The Valley Trust.
Programme Vision

Caring and equitable communities in which children, women and other vulnerable groups are valued and in which people are able to communicate freely about sexual issues and rights in environments that enable them to take responsibility for their own health.

The HIV and AIDS Programme

In the early 1990s The Valley Trust introduced its HIV and AIDS programme, Themba Ngekusasa – Hope for the Future. Its main function is to facilitate a multi-faceted HIV and AIDS prevention programme within the communities of the Valley of a Thousand Hills. Currently, the programme employs the following strategies:

- Educating communities about HIV and AIDS, and HIV prevention
- Providing services to people living with HIV and AIDS
- Enabling communities to take responsibility for their own health and quality of life.

The philosophy underlying the use of these three strategies is that knowledge of ways to prevent HIV transmission is only the first step. Reducing the risk of HIV infection is interdependent on knowledge of the modes of HIV infection; behaviours and practices necessary for prevention; and the capacity to apply this knowledge within the context of one's own relationships. Community enablement and mobilisation are therefore crucial components in the fight against the HIV and AIDS pandemic.

The Context

HIV and AIDS is a pandemic which results from an interconnected web of complex issues including:

- Power imbalances e.g., lack of/ discriminatory/ poor communication in parent and child relationships
- Gender inequalities
- Poverty and related deprivation
- Increasing numbers of new infections despite all the knowledge dissemination
- Some cultural practices which predispose people to infection, e.g., wife inheritance, unsafe traditional circumcision, scarification practices, and multiple wives
- Inadequacies of availability, access, and acceptability of essential services and resources, e.g., lack of relevance to particular groups
- Parental loss, and abandonment
- Abuse/neglect of vulnerable children
- Peer pressure, which can lead to risky behaviour
- Misperceptions about issues around HIV and AIDS.

Programme Purpose

The purpose of the HIV and AIDS programme is to create processes and interventions that enhance the capacity of people to adopt and maintain preventive behaviours; to promote healthy living; to respond to the needs of those infected and affected by HIV and AIDS; and to engage with children living with vulnerabilities.

Programme Strategies*

1. Creating supportive environments in the community through:

- Strengthening the capacity of families to protect and care for vulnerable children
- Facilitating sustained access to essential services for vulnerable people e.g., inclusive education, health care and social services
- Raising awareness about relevant issues
- Mobilising and supporting community based responses
- Lobbying government (provincial, district and local) to allocate services and resources to protect vulnerable people

*These strategies are adapted from the UNICEF Framework for the protection, care and support of vulnerable children living in a world with HIV and AIDS.
2. **Disseminating information as part of a broader strategy on:**

- Transmission
- Counselling and testing
- ARVs and treatment
- PMTCT

3. **Reducing new infections through:**

- Peer education
- Engaging with men
- Conversations and dialogue to gain understanding, raise awareness and promote change
- Reducing vulnerability, e.g., personal development processes to improve self esteem to exercise human rights and make informed choices
- Promoting counselling and testing through awareness campaigns, providing C&T services and training health care workers
- Health education to provide accurate information that will address misperceptions

**Programme Objectives**

- Raised awareness about HIV transmission; cultural practices that put people at risk; PMTCT; rights and needs of vulnerable children; the role of men in preventing illness and in care and support of vulnerable people
- Increased self esteem
- Increased positive peer pressure and reduced negative pressure
- Increased health seeking behaviours
- Reduced stigma/discrimination
- Reduced power imbalances e.g. gender
- Strengthened caregiver capacity for caring for vulnerable children
- Increase emotional resilience in children to cope with challenges.
- Strengthened and effective referral systems

**Programme Location**

HIV and AIDS Programme is part of our health theme, and as such, is incorporated in all aspects of our work.
Integrated School Community Development Programme

Programme Vision

Communities in which people lead collective action to create sustainable, enabling environments that promote healthy living, learning and working.

The Programme Context

In the context of the second decade of South African democracy, unprecedented inter-connected societal problems, which include increasing unemployment and the escalating HIV and AIDS pandemic, adversely impact upon people’s health and development, affecting their capacity to respond effectively.

The ISCDP

The ISCDP is an integrated, systems-based health promotion intervention designed to improve the well-being of children made vulnerable by the current social context. The underpinning thrust of the intervention is the development of capacity for democratic and co-ordinated collective leadership for change.

In the school system we engage directly with:

- Organised labour leaders
- The district managers of the Department of Education
- The school management team, all educators, and school governors in schools selected by district management

In the community leadership system, we engage with:

- All traditional leaders of the district, and through them, with the House of Traditional Leaders
- Local government managers
- Community based organisations, through which we access women who lead change
- Youth groups, which provide access to leaders of the future.

All leadership groups are exposed to personal and leadership development processes, which culminate in the implementation of jointly developed action plans for the co-creation of enabling environments that promote healthy living, learning and working in schools, homes and the community. Recognising the significance of emotional resilience for increasing people’s control of their own health, in the ISCDP we aim to facilitate the enhancement of the capacity of leaders, educators and learners to create safe and healthy school communities that enable people to take responsibility for their own quality of life.

ISCDP Purpose

The purpose of the ISCDP is to facilitate processes that enable people to initiate and sustain their own developmental change processes; and 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 the community.

Programme Strategies

- Enhancing the emotional capacity of leaders and educators, and through them, their learners, in order to create nurturing, emotionally safe schools that function as resources for safe communities.

Frank Mazibuko facilitating a workshop with members of a School Governing Body
- Strengthening partnerships and positive working relationships in the community.
- Integrated action between educators and community leaders in formulating school development plans using the health promoting schools (HPS) framework.
- Increasing knowledge and understanding about HIV and AIDS
- Enhancing personal development and critical thinking of all participants in a methodology that integrates participatory evaluation and implementation.
- Contextualising the programme within the framework of the five strategies and three processes of health promotion (Ottawa Charter, 1986). HP Processes: advocacy, enablement and mediation; and HP strategies:
  i. Creating supportive environments
  ii. Healthy public policy
  iii. Strengthening community action
  iv. Development of personal skills
  v. Reorientation of health services

**Programme Objectives**

- Enhanced emotional climate in the schools and communities through the personal and leadership development of educators and community leaders
- Strengthened relationships between educators and the community leaders, particularly school governing bodies
- Expanded community leadership: women and youth as respected, integrated community leaders
- Community leaders and educators work together with enhanced capacity for planning, implementing and evaluation of school improvement plans
- Functioning, sustainable community-driven care support networks around schools:
  - Tap the resources of government departments, local government and non profit organisations
  - Identify and address immediate needs of vulnerable children and their families
  - Opportunities are available to increase knowledge and understanding about HIV and AIDS
- Application of growing capacity of participants in leading change is being supported and mentored, e.g. ESS strategies in schools, response to people infected and affected by HIV and AIDS, implementation of SIPs and care and support plans
- The prototype for developmental practice has been further developed through participatory action and learning.

**Programme Location**

The ISCDP is located in four wards (Bulwer, Centocow, Hlanganani, Underberg) of Pholela in the Sisonke District of KwaZulu Natal.
Izingane Zethu Interventions (IZI)

Programme Vision

Child friendly environments enable the achievement of optimal health and quality of life for children and youth, including those with disabilities.

The Context

The current reality of the intervention communities is characterised by profound deprivation and suffering due to worsening socio-economic conditions, illness and disintegration of family life. In the context of communities in which limited resources and opportunities are the norm, the worsening economic conditions being exacerbated by ravages of illness, are creating devastating social problems. As increasing numbers of children and their families are infected and affected by HIV and AIDS, existing vulnerabilities of poverty, disability, inequity and abuse are compounded to the extent that capacity for responding to severe deprivation and suffering is being eroded.

Traditional customs, such as people adopting orphans into their own families, are being seriously compromised in a context of generalised insufficiency of food, abject poverty, despair, apathy and immobility.

IZI Purpose

The purpose of IZI is to be a catalyst to the development of community capacity for management of local interventions for children and for leading collective action to create enabling child friendly environments that enable healthy living, learning and working for all, especially those who are vulnerable.

Izingane Zethu Partnership

In 2001 The Valley Trust engaged in partnership with two early childhood development (ECD) organisations (TREE, Training and Resources for Early Childhood Education, and LETCEE, Little Elephant Training Centre for Early Childhood Education). The intention was to initiate home-based ECD interventions to respond to the impact of the escalating social problems on vulnerable children, and young children in particular. An audit in KwaZulu Natal, however, had shown the inadequacy of site based ECD, as 82% of children did not attend a creche.

With the growing level of risk threatening children’s development, a broader based, readily accessible, sustainable multi-sectoral strategy, that included, but was not limited to ECD was needed. The IZI partnership committed to the development and piloting of an innovative model to respond to this need.

Using participatory action learning and research the IZI model, as implemented in the two interventions, has continued to evolve over the past eight years towards a model for developing community capacity for sustainable, community driven, community-managed responses to children’s rights and needs. Commencing as a home-based ECD (educational) model with a community development component, the IZI model is now people-centred, as opposed to practitioner-centred; encompasses multi-sectoral components; and focuses on the development of community capacity for leading the creation of child friendly environments that nurture healthy development.

In one intervention the community participants, supported by their Traditional Leader are already in the process of registering their own CBO, which ultimately will take on the management role.
IZI STRATEGIES*

Creating supportive environments for children and families living in a world of HIV and AIDS by:

• Strengthening the capacity of families to protect and care for vulnerable children
• Facilitating sustained access to essential services for vulnerable people e.g., inclusive education, health care and social services
• Raising awareness about children’s rights, and issues relevant to vulnerable people
• Mobilising and supporting community-based responses
• Lobbying government (provincial, district and local) to allocate services and resources to protect vulnerable people

*These strategies are adapted from the UNICEF Framework for The Protection Care and Support of Vulnerable Children living in a world with HIV and AIDS.

Programme Location

IZI has two interventions in KwaZulu Natal: one is located in Centocow in Pholela in the Sisonke District; the other is located in Ngcolosi near Kranskop in the Ilembe District.

Self Help Group Programme

Programme vision

People live in democratic communities in which people value human rights, work together and share resources to create environments that enable quality of life, physically, socially, spiritually and economically.

Context

The underdeveloped community context is characterised by increasing poverty; increasingly widespread disease including HIV and AIDS; poor service delivery; illiteracy; and absence of Ubuntu. This presents a complex interconnection of issues including: dependency; unemployment; sexual, substance and other abuse; crime; and illness which lead to increased numbers of vulnerable and neglected children and increasing unemployment.
Programme Purpose

The programme purpose is to facilitate the development of a community-wide self help group initiative that will enable people to do things for themselves; that will contribute to transforming the current community context; and will create enabling environments for all who live there.

The Self Help Group Approach

The self help approach is designed to combat poverty in a sustainable way. The very poor, and in particular, women are the focus, and through them, their children. The goal is to enable them to live a life of dignity in the community, (socially, economically and politically). The approach is aimed at developing capacity of significant numbers of community residents to initiate and sustain their own developmental change processes.

The means for achieving this is the establishment of self help groups. As they mature, these are linked together to form community structures. Comprising people with capacity for self reliance and leadership, these linked structures collaborate for social, economic and political development in their communities, thus contributing to the co-creation of environments that enable healthy living, learning and working for all.

Programme Strategies

• Encouraging and facilitating the development of capacity for forming and participating in a SHG
• Facilitating the development of capacity for creating and maintaining an income generating programme and for accessing and utilising job opportunities
• Enhancing and strengthen leadership capacity to lead a change.
• Mobilising communities to direct their own change.
• Creating an environment that enables free and open communication between different sectors of our communities.
• Facilitating a process that will enable people to advocate for increased access to government resources and services in order to achieve their human rights
• Health education to help community members to understand the life-saving importance of:
  • Knowing their status
  • Treatment adherence for TB and HIV (ARVS).

Programme Process

1. Phase 1 Introductory Phase (+/- 6 months)
   • SHG formation (10-25 members each)
   • Training on the six SHG modules
2. Phase 2 Expansion (+/- 2 years)
   • Formation of cluster level associations (CLAs) by 6-8 SHGs with phase 2 grading
   • Support implementation of participating SHGs
3. Phase 3 Consolidation (2 years later)
   • Formation of federations by 10 clusters (CLAs) by 100 SHGs, i.e., 1,500-2,000 participants with phase 3 grading
   • Level of political empowerment, lobbying advocacy, fundraising and financial management
   • Supporting SHG maintenance and expansion
   • Shifting of administrative responsibilities from supporting NGO to community structures.
**Programme Purpose**

The purpose of the programme is to strengthen people's capacity for optimal use of natural resources in order to enhance their self-reliance and quality of life.

**Social Plant Use?**

Social plant use (SPU) is the process of enhancing the health of families and communities by appropriate management that ensures sustainable use of plants and associated resources at physical, mental, social, spiritual and cultural levels.

SPU stresses the need for widespread recognition of the key role of plant resources in community health and livelihood strategies, and the need for this to be manifest in the ways in which plants are used and managed.

**The Social Plant Use Programme**

In 1953 the founder of the Valley Trust, Dr Stott, recognised the link between good health and a healthy diet. Vegetable and fruit production projects and social forestry projects were developed on organic principles using available local resources. Associated with this was a concern for soil fertility and water security, given the dependency of plants on the availability of these finite resources.

The SPU programme arose out of the concern that the early project approach based upon concepts like food production and social forestry was too narrow to capture the ways in which plants contribute to the livelihoods of people; their health, their culture and their interaction with the environment. The programme centres around three focus concepts.

1. **Integrated Land Use**
   - Empowering families to enhance their opportunities for household food security
   - Empowering families to utilise their land productively to ensure sustainability.

2. **Traditional Plant Resource Management**
   - Assisting traditional health practitioners (THP) to ensure sustainability by strategic production, access and management of the medicinal species relevant to their practice
   - Reviving the cultivation of indigenous and traditional plants that strengthen cultural identity
   - Enhancing THPs' options for medicine preparation, administration and treatment by introducing them to scientific pharmacological concepts of ethno-botanists about medicinal plant species.

3. **Networking for Shared Learning**
   - Developing and sharing our work with other organisations and institutions that are interested in joint learning and share similar objectives and approaches
   - Influencing the delivery of extension services to respond more appropriately to small-scale farmers and land-users
   - Creating opportunities through site visits, written material and learning aids for disseminating experiential learnings of both land-users and facilitators.
How We Work

The SPU programme engages with people in a transparent participatory way that is focused on, and meaningful to their own contexts; their dreams for themselves; and the significance of the ways in which they use plants in their daily lives to achieve their dreams. The following principles guide the facilitation of the SPU programme:

- Utilisation of the LEISEA technical approach (low external input sustainable ecological agriculture)
- Reawakening of confidence and respect for the value of indigenous knowledge and practices in achieving ecological sustainability.
- Strengthening of local institutions and knowledge
- Utilisation of community based information and plant material
- Management and sustainability of local resources
- Plant resource management through selection and utilisation
- Promotion of balanced gender involvement
- Ensuring transparency in our intentions and the way we work.
- Facilitating situations for joint learning.

The principles of comprehensive primary health care and the five strategies and three processes of health promotion underpin the social plant use programme. All activities are designed to contribute to strengthened capacity of individuals and community action; sustainable, enabling environments; and improved health of families and communities. This is evidenced through improvements in management options for integrated land use and traditional plant resources.

An assets based approach is used to affirm existing capacities of individuals and groups. Practical learning through experience and action is facilitated by the creation of opportunities for people to learn from each other. This process has been found to promote self-reliance and to strengthen organisational skills as people learn to become proactive and inventive in solving problems.

The SPU programme principles are reflected in all sharing events making them both relevant and hands-on. The SPU programme offers opportunities for sharing skills experiences through:

- Training events and workshops
- Phased facilitation
- Internships
- Farmer and health practitioner exchanges.

Programme location

- Ntunjambili, Kwa Ngcolosi, Kranskop
- Kwa Ngcolosi, Kwa Dedangendale
- Kwa Nyuswa, Kwa Dedangendale
- Mhlungwini, Estcourt
- Umzinto

The Valley Trust supports SAFeAGE (South African Freeze Alliance on Genetic Engineering)
Umndeni (Family) Care Programme

Programme Vision
People living with vulnerability are able to function optimally as fully integrated members of enabling environments and communities.

Umndeni Care Programme (UCP)
UCP engages with people living with vulnerability, their families and communities to strengthen their capacity for functioning optimally in enabling environments and communities.

The Context
The rights and needs of people with vulnerabilities are not adequately addressed in their communities for diverse reasons:

- Parental loss/abandonment
- Neglectful or abusive parents/caregivers
- Abuse of vulnerable children and adults
- Failure to access regular quality schooling
- Limited access to essential services and resources for basic needs and rights
- Peer pressure, which can lead to risky behaviour (e.g., substance abuse, unsafe sexual activity)
- Vulnerable people's voices are not heard

Programme Strategies*
Create supportive environments in the community through:

- Strengthening the capacity of families to protect and care for vulnerable children by:
  - Providing support as needed
  - Skills transfer
  - Promoting health and preventing illness
  - Supporting treatment adherence
  - Strengthening access to services
  - Facilitating sustained access to essential services for vulnerable people e.g., inclusive education, health care and social services
- Raising awareness about relevant issues
- Mobilising and supporting community based responses
- Lobbying government (provincial, district and local) to allocate services and resources to protect vulnerable people

*These strategies are adapted from the UNICEF Framework for the protection care and support of vulnerable children living in a world with HIV and AIDS.

Programme Objectives
- Families have strengthened capacity for caring for vulnerable children and adults
- Families are supported in their care of vulnerable family members
- Emotional resilience helps children and adults to cope with challenges
- Strengthened and effective referral systems are operating
- Vulnerable people and their families are readily able to access all essential services
- Raised awareness about the rights and needs of vulnerable children and adults
- Increased capacity in the community to support and protect vulnerable people
- Communities lead collective action to care for and support people with vulnerabilities
- Environments and communities promote and support the full functionality and integration of people living with vulnerabilities
- Government planning and implementation increasingly make resources and services available to people with vulnerabilities at local and district levels.

Concepts as used in this programme
- VULNERABILITY occurs when conditions, both internal and or external, impact on a person's status so that he or she is at heightened risk of inability to resist or cope with adversity and the resulting risk of being harmed/wounded.
- RESILIENCE is the positive capacity of individuals to cope with negative events, stress and catastrophe both in the present and in the future.
- FULLY FUNCTIONING: an individual is able to make maximum use of whatever capacities he or she has to function at the best possible level of self reliance.
- FULLY INTEGRATED: an individual is enabled to access all relevant resources and to participate in all processes and events, including decision-making, without restricting discrimination or barriers.

Programme Location
The Umndeni Care Programme is located in Kwa Ximba in The Valley of 1000 Hills, in the eThekwini and Msunduzi municipalities.
The purpose of the M, E & R Division is 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. As such, there is a need to understand and strengthen the relationships between this Division and the Programmes Division.

During the year under review, the M, E & R Division undertook the following work:

1. Perhaps the most significant achievement during the period under review was the introduction of a knowledge work strategy into the organization. For some years, The Valley Trust has been moving toward the institutionalization of monitoring, evaluation, and research, and the strategy is helping to make this a reality. The strategy emphasizes the importance of organizational learning, not only for our own ongoing improvement, but to enable us to share our work more widely and in so doing to contribute to the broader discourse around health and development. Using this strategy as a starting point, each team in the Programmes Division has developed monitoring and evaluation plans, which will help us to reflect regularly on our progress.

2. The Division conducted a review of the monitoring and evaluation aspects of The Valley Trust’s HIV and AIDS programme. This was submitted to the major donor of this programme, Johns Hopkins Health Education in South Africa. Some of the recommendations from this study are also being implemented. One example of this is the monthly recording of activities in relation to targets, which enables us to see which activities are “on track”, and which require special attention.

The graph below provides an example of this tracking.

A study was initiated at the request of the Department of Education, into the effectiveness of a peer education programme in selected pilot schools. While it may be too early to identify any significant changes, the insights which we have gained from the various interviews which we have conducted with learners, educators, and parents have been helpful in understanding the complex situations into which The Valley Trust intervenes.

“I know almost all the peer educators especially the boys. They have done a great job in making the difference in the school. Peer educators behave themselves and they respect us a lot.” (Focus group discussion with male learners)
3. Our Participatory Video programme continued with two groups from Molweni. A total of seven films were created, covering topics as varied as teenage pregnancy, a school for the disabled, and a community resource centre.

4. The Joyce Stott Memorial Library continued to provide up-to-date information for the organization, in the form of books, journals, and audiovisual materials. In addition to receiving hard copies of some journals, we also have access to a range of online publications, which makes searching for relevant information a lot easier.

5. During the year we revived The Valley Trust's Newsletter. While the production of this four-page publication might seem a relatively simple task, it involves persuading colleagues to write interesting articles, editing the submissions, working on the layout, and then the final printing – all of which takes a surprising amount of time and effort. In addition to printing hard copies, we also put the Newsletter onto our website, www.thevalleytrust.org which is maintained by the M, E & R Division.
The purpose of the Division is to support people and processes within The Valley Trust system effectively, efficiently, economically and equitably, with the responsibilities including:

- Management of resources: Human, funds, and physical resources.
- Capacity building and ensuring the availability and optimum use of resources.
- Safeguarding of all resources and development of staff wellness.

The three units within the Division are Human Resources and Administration; Finance and Physical Resources and Conference Centre and Estate Management.

Areas of the work that were highlighted positively in the organizational reflection process were a clean audit, improved security, and a successful Annual General Meeting. The latter enables communication and interface with those who are interested in the work of The Valley Trust. The meeting took place at Kearsney College in September 2008. Guests included members of communities and the Board of Trustees.

Security is an ongoing challenge and it was pleasing to note that in the year under review no computers were stolen from The Valley Trust, in contrast to the previous year when sixteen were taken. The installation of a new and improved electric fence and greater vigilance has contributed favorably to this aspect of the work.

People are the key resource of the organization and are the focus of the Human Resources Unit. The wellbeing of staff is a priority and the planning of the new wellness programme was an important step forward. Capacity building too is emphasized, with skills development also being a priority. In addition, the unit ensures that relevant legislation is observed. The graphics on page xxx have been prepared to illustrate this aspect of The Valley Trust, giving comparatives with the National Skills Development Strategy targets. While this is a challenging process, The Valley Trust met the targets in terms of female and black staff but falls short in the disabled category.

The focus of the Finance Unit has been on cost containment, with a three-quote system introduced the previous year resulting in considerable savings. Correct staffing, team building and improved efficiency and effectiveness during a time of change have also been priorities during the year.

Capacity building continued during the year with Community Based Organizations in KwaZulu Natal, with one of the aspects being financial management. An example of feedback is shown here.

The Conference Centre generates income from rentals, accommodation and the hire of venues. The centre is now registered with KwaZulu Natal tourism. It is pleasing to note that the income generated over the past three years has increased as shown below:

Remuneration of staff in the various Divisions is one of the key tasks performed by the Finance Unit each month.
Organisationally, the time of change was not easy and staff are to be commended for their ongoing diligence in an unsettled time. Positive functions including all staff during the year included the graduation of the Learners and the year-end gathering of staff.

Ongoing support of people and processes in The Valley Trust, in line with the mandate of the Division is the expectation for the year ahead.
Comment from the Independent Auditors

We hereby confirm that the balance sheet, income statement, and statement of changes in equity included in this report is an extract of the audited financial statements for the year ended 31 March 2009 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

Income Statement
for the year ended 31 March 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>9 046 336</td>
<td>14 438 711</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>4 219 007</td>
<td>2 000 000</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>16 353 798</td>
<td>19 342 021</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>3 158 543</td>
<td>3 227 687</td>
</tr>
<tr>
<td>Set off to grants</td>
<td>(1 811 341)</td>
<td>(1 486 019)</td>
</tr>
<tr>
<td>Contributions to projects</td>
<td>3 993 743</td>
<td>2 966 281</td>
</tr>
<tr>
<td>Project/Programme expenditure</td>
<td>11 012 853</td>
<td>14 634 072</td>
</tr>
<tr>
<td><strong>Operating deficit</strong></td>
<td>(3 088 455)</td>
<td>(2 903 310)</td>
</tr>
<tr>
<td>Finance income</td>
<td>117 013</td>
<td>167 056</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(30 737)</td>
<td>(59 639)</td>
</tr>
<tr>
<td>Decrease in balance of grants unspent</td>
<td>1 966 517</td>
<td>195 361</td>
</tr>
<tr>
<td><strong>Net deficit for the year</strong></td>
<td>(1 035 662)</td>
<td>(2 600 532)</td>
</tr>
</tbody>
</table>
**Statement of Changes in Capital and Reserves**

for the year ended 31 March 2009

<table>
<thead>
<tr>
<th></th>
<th>Halley Stott Capital Fund</th>
<th>Halley Stott Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 31 March 2007</strong></td>
<td>4 313 390</td>
<td>39 406 994</td>
</tr>
<tr>
<td>Net deficit before transfer</td>
<td>(2 600 532)</td>
<td></td>
</tr>
<tr>
<td>Revaluation of investment to market value</td>
<td>–</td>
<td>(6 370 872)</td>
</tr>
<tr>
<td>Release of investment revaluation</td>
<td>(993 982)</td>
<td>–</td>
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<tr>
<td>Surplus on disposal of investment</td>
<td>993 982</td>
<td>–</td>
</tr>
<tr>
<td>Transfer net income of Halley Stott Fund</td>
<td>–</td>
<td>6 201 500</td>
</tr>
<tr>
<td>Surplus on sale of shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend received</td>
<td>2 053 100</td>
<td></td>
</tr>
<tr>
<td>Administration costs</td>
<td>(165 207)</td>
<td></td>
</tr>
<tr>
<td>Utilised to fund expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- transferred to grant expenditure - other income</td>
<td>(660 319)</td>
<td></td>
</tr>
<tr>
<td>- transferred to other revenue</td>
<td>(2 000 000)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 March 2008</strong></td>
<td>1 712 858</td>
<td>39 237 622</td>
</tr>
<tr>
<td>Net deficit before transfer</td>
<td>(1 035 662)</td>
<td></td>
</tr>
<tr>
<td>Revaluation of investment to market value</td>
<td>–</td>
<td>(7 816 455)</td>
</tr>
<tr>
<td>Transfer net income of Halley Stott Fund</td>
<td>–</td>
<td>1 462 821</td>
</tr>
<tr>
<td>Surplus on sale of shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend received</td>
<td>2 853 895</td>
<td></td>
</tr>
<tr>
<td>Administration costs</td>
<td>(147 600)</td>
<td></td>
</tr>
<tr>
<td>Utilised to fund expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- transferred to grant expenditure - other income</td>
<td>(745 498)</td>
<td></td>
</tr>
<tr>
<td>- transferred to other revenue</td>
<td>(4 000 000)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 March 2009</strong></td>
<td>677 196</td>
<td>32 883 988</td>
</tr>
</tbody>
</table>

**TVT All Staff Profile - 2009**

- **Female Black**
- **Male Black**
- **Total Black**
- **Female White**
- **Male White**
- **Total White**

**Management vs Equity Targets - 2009**

- **Female Black**
- **Male Black**
- **Total Black**
- **Female White**
- **Male White**
- **Total White**
# Balance Sheet

for the year ended 31 March 2009

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2 712 541</td>
<td>2 721 300</td>
</tr>
<tr>
<td>Halley Stott Fund Investments</td>
<td>32 883 988</td>
<td>39 237 622</td>
</tr>
<tr>
<td>Current assets</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1 099 772</td>
<td>1 858 944</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>997 480</td>
<td>2 190 229</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>37 693 781</td>
<td>46 008 095</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESERVES AND LIABILITIES</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and reserves</td>
<td>33 561 184</td>
<td>40 950 480</td>
</tr>
<tr>
<td>Capital and reserves</td>
<td>677 196</td>
<td>1 712 858</td>
</tr>
<tr>
<td>Halley Stott Fund</td>
<td>32 883 988</td>
<td>39 237 622</td>
</tr>
<tr>
<td>Balance of grants unspent</td>
<td>1 597 119</td>
<td>3 563 636</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Interest bearing borrowings</td>
<td>26 691</td>
<td>148 411</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2 423 930</td>
<td>1 163 709</td>
</tr>
<tr>
<td>Current portion of interest bearing borrowings</td>
<td>84 857</td>
<td>181 859</td>
</tr>
<tr>
<td><strong>TOTAL RESERVES AND LIABILITIES</strong></td>
<td>37 693 781</td>
<td>46 008 095</td>
</tr>
</tbody>
</table>

## Charts

- **All Staff vs Equity Targets - 2009**
  - Blacks
  - Female
  - Disabled
  - TVT vs NSDS Equity Targets

- **Leadership Team vs Equity Targets - 2009**
  - Blacks
  - Female
  - Disabled
  - Leadership Team vs NSDS Equity Targets
The Valley Trust reserves have been utilised to maintain the activities of the Trust and the projects/programmes. Cost containment measures have been instituted in order to keep expenditure down without jeopardising the implementation of the projects/programmes, for example, a three quote system for purchases. The emphasis in the budget was, only necessary costs to meet the obligations of The Valley Trust for the financial year. The Valley Trust incurred a deficit on its core operations during the current year. Grant funding continues to be of an insufficient level, to meet the expenditure required to sustain projects/programmes undertaken and committed to, for the foreseeable future. Mention must be made of the fact that good stewardship and forethought in prior years resulted in the creation of reserves which are now ensuring the sustainability of The Valley Trust and its activities. Additionally, The Valley Trust has not been immune to effects of the global economic climate. The unsuccessful application of proposals for funding and the devaluation in the market value of investments are some of the examples of this.

1. **INCOME STATEMENT AND CHANGES IN EQUITY**

Our three main sources of revenue and expenditure are:

### 1.1 Grants

- Grant revenue decreased 37.35% to R9 046 336
- whilst grant expenditure decreased 24.75% to R11 012 853

resulting in a decrease in the balance of grants unspent of R1 966 517

---

**Grant Schedule**

for the twelve months ended 31 March 2009

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 April 2008</th>
<th>Donations</th>
<th>Contracts &amp; consultancy</th>
<th>Other income</th>
<th>Total funds</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director’s office</td>
<td>(525 111)</td>
<td>(304 089)</td>
<td>(404 710)</td>
<td>(849 622)</td>
<td>(2 083 532)</td>
<td>-</td>
</tr>
<tr>
<td>Monitoring, evaluation &amp; research</td>
<td>(843 783)</td>
<td>(428 181)</td>
<td>(172 175)</td>
<td>(252 135)</td>
<td>(1 696 274)</td>
<td>22 003</td>
</tr>
<tr>
<td>Organisational support</td>
<td>(503 644)</td>
<td>(190 431)</td>
<td>(121 497)</td>
<td>(996 600)</td>
<td>(1 812 172)</td>
<td>2 446</td>
</tr>
<tr>
<td>Programmes</td>
<td>(1 691 098)</td>
<td>(4 972 768)</td>
<td>(84 960)</td>
<td>(269 168)</td>
<td>(7 017 994)</td>
<td>18 098</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>(3 563 636)</td>
<td>(5 895 469)</td>
<td>(783 342)</td>
<td>(2 367 525)</td>
<td>(12 609 972)</td>
<td>42 547</td>
</tr>
</tbody>
</table>
1.2 Other revenue

Transfers from The Halley Stott fund increased 50% to 4 000 000
Profit on disposal of property, plant and equipment and other income not present in the prior period 219 007
Net finance income decreased by 29,9% to 117 013
Overhead expenditure not allocated to grants decreased 22,7% to (1 347 202)
Finance charges decreased 48,5% to (30 737)
resulting in a surplus of 2 958 081
There were capital adjustments arising from asset charges to projects and other recoveries of (including R3 990 192 reserve contributions to grants) 3 993 743
resulting in a deficit for the year which was deducted from capital of (1 035 662)

1.3 Halley Stott Fund

Income from interest and dividends increased 39% to 2 853 895
and there were surpluses on sales of shares of 3 502 024
giving total revenue of 6 355 919
Administration costs decreased 10,7% to (147 600)
leaving a surplus of 6 208 319
from which must be subtracted:
the deficit on revaluation of investments of (7 816 455)
the transfer to revenue of (4 000 000)
the transfer to grant expenditure – other income (745 498)
resulting in a deficit which was subtracted from the fund of (6 353 634)

(All amounts in Rands)
2. BALANCE SHEET

2.1 ASSETS

2.1.1 Property, plant and equipment
There were net additions to fixed assets of R460 153. After depreciation of R468 912 the investment in fixed assets decreased by 0.32% to R2 712 541.

2.1.2 Halley Stott Fund Investments
The investments of the Halley Stott Fund decreased by R6 353 634 to R32 883 988. At the year end the funds were invested as follows:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted investments at market value</td>
<td>12 993 283</td>
</tr>
<tr>
<td>First mortgage participation bonds</td>
<td>8 000</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>13 001 283</td>
</tr>
<tr>
<td>Bank and building society deposits</td>
<td>19 882 705</td>
</tr>
<tr>
<td>Total investments of Halley Stott Fund</td>
<td>32 883 988</td>
</tr>
</tbody>
</table>

2.1.3 Current Assets
Current assets decreased by R1 951 921 to R2 097 252. Receivables decreased by R759 172 whilst cash balances decreased by R1 192 749.

2.2 EQUITY AND LIABILITIES

2.2.1 Capital and Reserves
The capital and reserves at the beginning of the year stood at R1 712 858 from which has been deducted the deficit for the year (note 1.2) of (R1 035 662) resulting in a balance at the end of the year of R677 196.

2.2.2 Halley Stott Fund
The balance of the fund at the beginning of the year was R39 237 622 from which has been deducted the deficit for the year (note 1.3) of (R6 353 634) resulting in a balance at the end of the year of R32 883 988.
2.2.3 Balance of grants unspent

The balance of grants unspent at the beginning of the year was R3,563,636 which decreased during the year (note1.1) by (1,966,517) leaving a balance to carry forward of R1,597,119.

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.

2.2.4 Non-current Liabilities

The non-current liabilities consist of the non-current portion of finance leases for the purchase of vehicles amounting to R26,691.

2.2.5 Current Liabilities

Current liabilities increased by R1,163,219 to R2,508,787. The increase was primarily due to the increase in sundry payables in which were disclosed the balance of funds belonging to the Asenze project and the Kranskop partner of the Izingane Zethu project and an accrual of R675,660 for an adjustment to the defined benefit pension scheme.

3. CONCLUSION

The Valley Trust has completed its restructuring process and the effects of that process have to some extent been reflected in the decreased levels of grant income and expenditure. The operational deficit has been greatly offset by the contribution of R4,000,000 from the Halley Stott Fund resulting in a final deficit of R1,035,662. The Grants have also benefited from the reserves of The Valley Trust with contributions of R3,990,192 towards the deficits experienced in the various projects/programmes.

The Halley Stott Fund has stood up surprisingly well to the current economic conditions. It did, however, experience a revaluation decrease of R7,816,455 and withdrawals in cash by The Valley Trust of R4,000,000 to supplement the Trust’s cash flow during the year. It was considered prudent to hold a significant portion of the fund investments in cash and bank balances at the end of the year.

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
Accountant
BSc(Hons.), MSc, MBA
Donations

for the year ended 31 March 2009

Ackerman Family Education Trust
Banyan tree Foundation
Brot für die Welt
Cleaner Climate
Camry Trading Enterprises (Pty) Ltd
Children in Distress network (CINDI)
The Elma Foundation
Ford Foundation
Funding Development Services (FDS)
Health and Welfare Seta (HWSETA)
Hermann Ohlthaver Trust
IBIZA Charitable Trust
Johns Hopkins Health and Education in South Africa
W K Kellogg Foundation
National Development Agency (NDA)
National Lotteries Board
Nelson Mandela Children’s Fund
Nestle
Population Council
RTI International
Sir Percy Hunting
Soul City Institute
The Fulton Trust
Flora Family Foundation Fund
Tides Foundation
Victor Daitz Foundation

Bequests
Donations income includes accrued income
Donations above R10 000 have been disclosed

Contracts and Consultancy

Department of Health: KZN
Department of Health District Offices
District Health Expenditure Review (DHER) - KwaZulu-Natal
District Health Expenditure Review (DHER) - Eastern Cape
District Health Expenditure Review (DHER) - Mpumalanga
uThukela District Office - KwaZulu-Natal

Department of Education: KZN
Peer Education

Other contracts and consultancies

Reproductive Health and Research Unit
Harvard Medical School
JET Education Services
St Mary’s Hospital

Contracts and Consultancies in excess of R50 000 have been disclosed
Trustees

2008/2009

Chairperson
Mr B Khumalo

Deputy Chairperson
Dr J Kvalsvig

Members
Mr R Alcock
Ms J Hicks
Mr S Ndlovu
Prof V Nzimande

Honorary Life Members
Mr JH Benney
Dr I Friedman
Mrs WR Hemson
Mr C Mann
Mr PVB Myeni

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