




ANNUAL
REPORT

2020



CENTRE FOR EARLY CHILDHOOD
DEVELOPMENT AND CARE



'A child is what you put into him'

African proverb

MISSION

All children have a safe space to learn and play and to grow up to become positive members of society.

VISION

To provide affordable early learning in a loving environment, supported by correct nutrition and life skills for vulnerable children.

VALUES

- Child development care in a safe and healthy environment
- High-quality early childhood development
- Respect different cultures and treat children as equals
- Good governance at all times
- Teach children about the environment and how to treat our planet with care and
- Partner with stakeholders to conduct community engagement campaigns and work



Our main objective is to provide Early Childhood education and care to disadvantaged children from all races within our communities.



ORGANISATION DETAILS

Name: LUVUYO CENTRE FOR EARLY CHILDHOOD DEVELOPMENT AND CARE

Established: 2018

NPO Number: 206 - 435

Tax Registration: 9455124199

PBO Number: 930062899

VAT Number: 4920292770

External Auditor: Jack Ramashapa - Professional Accountant SA SAIPA: 32436

Website: www.luvuyo.org

Address: 3165/91 SS Mokone Street, Mahube Valley X3, Mamelodi East 0122

Postal Address: Pretoria,

Telephone Number: 078 858 6048

Email Address: info@luvuyo.org

Executive Director: Lizo Tom

Contact Person: Lizo Tom



C O N T E N T S

BOARD MEMBERS	2
FOREWORD BY THE FOUNDER AND EXECUTIVE DIRECTOR	4
OUR CENTRE	6
Our approach	7
Our children	7
Acknowledgment	10
Creativity	11
OUR PARTNERS	12
LEGO Foundation	12
Vicks	12
Covid-19 relief donors	13
Ford Credit South Africa	13
CELEBRATION	14
ANNUAL FINANCIAL STATEMENTS	16
Director's Report	17
Compilers Report	18
Statement of financial position	19
Statement of comprehensive income	20
Statement of changes in equity	21
Statement of cash flows	22
Notes to the financial statements	23
THANK YOU TO OUR DONORS	28



BOARD MEMBERS



MISHACK
NDABA
MKHABELA

Mishack Ndaba Mkhabela holds a BA Police Science degree and various certificates in management and quality assurance. He is currently an Integrated Ballistics Identification System (IBIS) national coordinator at the South African Police Service (SAPS) forensic science laboratory (FSL) in Pretoria, where he is a deputy director. He is currently studying towards his LLB degree with Unisa. He has held several ballistics-related positions with SAPS Gauteng, KwaZulu-Natal and Eastern Cape.



MOAGI
MAMABOLO

Moagi Mamabolo obtained a BA Psychology degree at the University of Johannesburg to prepare himself for a career in social and educational development. He is currently pursuing an honours degree in community and health psychology.

Moagi has experience in autism and related disorders. He worked for the Star Academy, which is the South African partner for international organisation, the Centre for Autism and Related Disorders, establishing himself as an outstanding behaviour analysis instructor and providing one-on-one applied behaviour analysis therapy to autistic children. A major objective was to support the children and their families when the children entered mainstream schooling. His strengths lie in interacting and establishing relationships with children, offering them a great learning platform. Moagi realised that behaviour analysis should be introduced to early childhood development learning, as it offers insight and breaks down the fundamentals of learning for children. He currently works in the private sector.



MODIEHI
TIKWANE

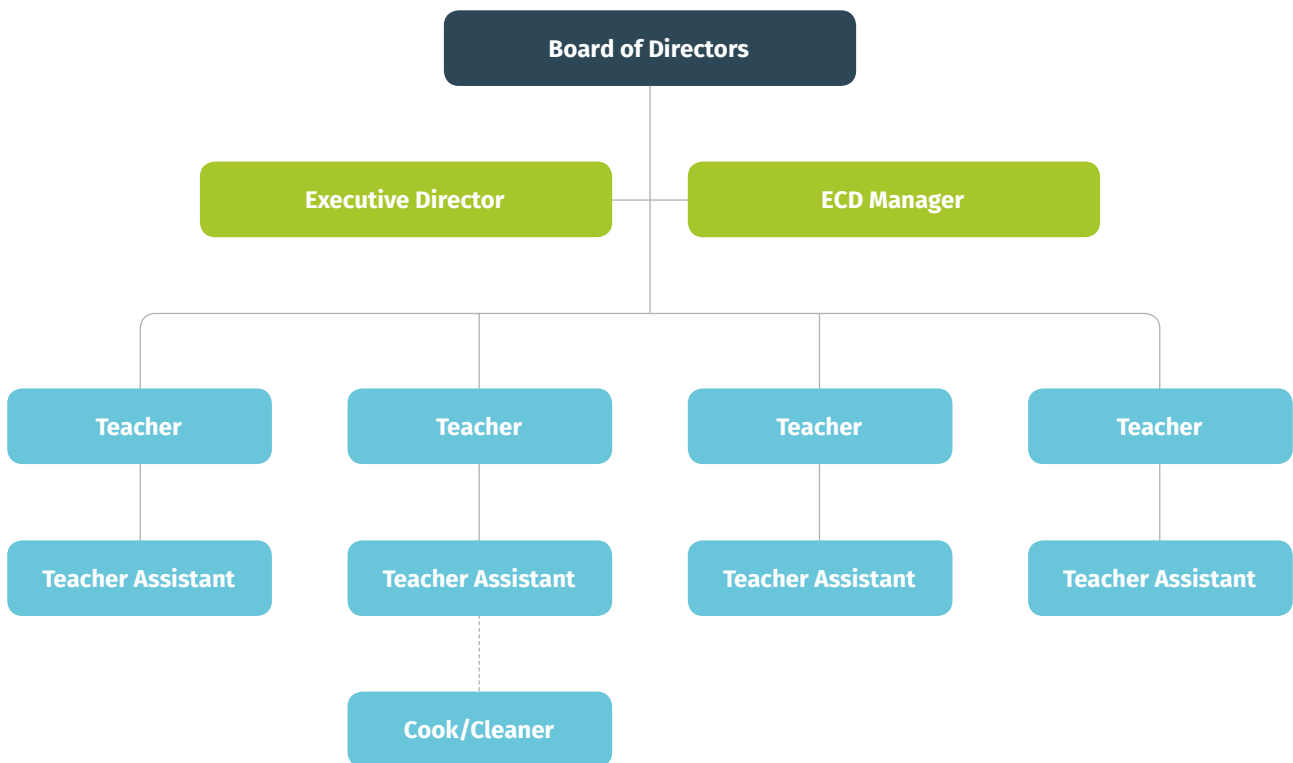
Modiehi Tikwane holds a qualification in youth development from Unisa and is currently in the final year of a BA Health Science and Social Service. She is a programme development specialist for John Snow Inc, where she has acquired a track record for hard work, motivation and an excellent work ethic. She has more than 10 years' experience in public health (HIV/Aids/TB) focusing on capacity building, health system strengthening and strategic information. Key objectives include providing technical assistance, and developing curricula, training materials, online courses and other capacity-building tools. She is experienced in workshop logistics, facilitation and training and has excellent administrative skills, and a record of proven compliance and adherence to donor funding policies and procedures.

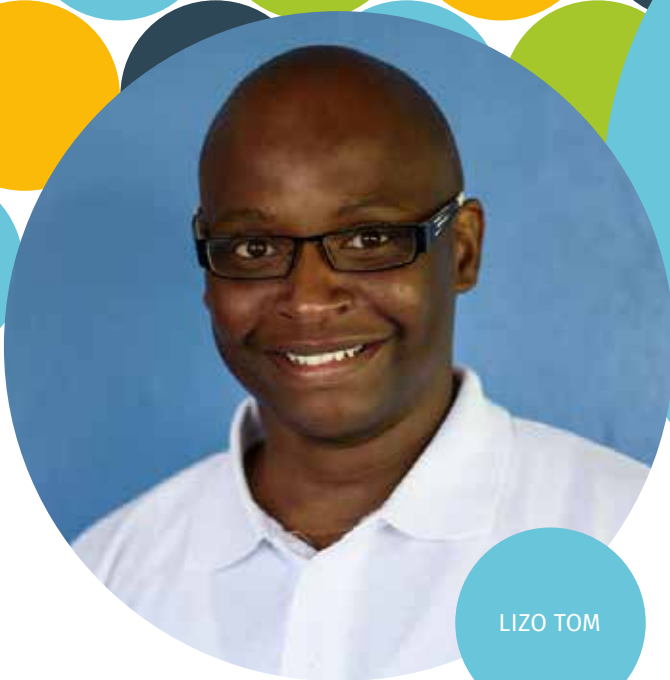


Sannie Mahlodi Mogale has a business management diploma, and business administration level 2 and project management certificates.

She is currently secretary for a law firm. She joined the Luvuyo team in 2018.

ORGANOGRAM





LIZO TOM

"...I needed to reclaim my purpose in life and find a way to heal. Luvuyo Centre for Early Childhood Development and Care met both these needs by allowing me to offer the gift of early education in a nurturing environment to children from families with limited means, regardless of background or race."

FOREWORD BY THE Founder and Executive Director

'Education is the great engine of personal development,' said Nelson Mandela. 'It is through education that the daughter of a peasant can become a doctor, that the son of a mineworker can become the head of the mine, that a child of farm workers can become the president of a great nation.'

It is widely acknowledged that the first 1 000 days of a child's life determine his or her lifelong potential. By the age of five, almost 90% of a child's brain is developed. Standards of healthcare and nutrition, living environment conditions, early learning and stimulation at that early stage all reflect in adulthood.

Statistics South Africa's 'Early childhood development in South Africa, 2016' report corroborated this, stating that the environment in which children grow up plays a role in their cognitive and psychosocial development. Activities that involve playing, singing or reading and that stimulate the brain through all the senses can improve ability to think and communicate. Children from poor households, where parents are less able to spend time or money on the basics, may grow up less stimulated. The report noted that close to half of the children in the lower household income bracket did not attend any educational centre. Children in mostly black African families received suboptimal stimulation, as 31% were never encouraged to imitate daily activities and 35.2% were not given answers when they pointed at objects and asked for explanations. Children in poor households may thus start life at

a disadvantage and can fall well behind their more advantaged peers throughout their lifecycle.

I did not start out my work life intent on founding an early childhood learning centre, even though my background made me acutely aware of the need for a solid and stable foundation in life.

Circumstances brought me to this point, which I now see as my divine plan.

I lost my son Luvuyo when he was two years old, thus experiencing what I could never have imagined and what no parent should have to endure – the pain of burying a child. My goal had always been to have a family of my own and to give my children the start I did not have. I was born into an impoverished and uneducated family and was surrendered at an early age to a children's home in Mamelodi.

After my tragedy, I needed to reclaim my purpose in life and find a way to heal. Luvuyo Centre for Early Childhood Development and Care met both these needs by allowing me to offer the gift of early education in a nurturing environment to children from families with limited means, regardless of background or race.

The Luvuyo dream awoke in 2018 when I registered the name and then lodged the business with the Department of Social Development as a non-profit organisation. Then



began the hard work of forming this brand called Luvuyo. It was not easy, but I knew it was possible.

I was heartened to find that people believed in me and the brand; people such as those at Blackmoon Design and Advertising, who gave me with hope and direction, supporting me in both my work and personal life.

Henry Ford said: 'Coming together is a beginning, keeping together is progress and working together is success.'

Luvuyo has experienced all three, tentative early steps having paved the way for progress and early milestones. Of course, no-one could have predicted the arrival of Covid-19, which has changed the way the world thinks and acts, and has put extreme pressure on businesses globally, particularly small and fledgling enterprises.

Still in its infancy when the pandemic hit, Luvuyo had to act quickly to keep afloat.

We held extensive discussions with the board of directors, and asked our parent community to support us as we headed into the unknown together. Many of our parents were unable to work and the children, who really need our intervention, could not access our learning or teaching.

The pandemic also exacted a heavy psychological toll. About one in four children living under Covid-19 lockdowns, with social restrictions and school closures, dealt with anxiety, with many at risk of lasting mental distress, including depression. Recent surveys by Save the Children, involving more than 6 000 children and parents in the US, Germany, Finland, Spain and the UK, revealed that up to 65% of children were struggling with boredom and feelings of isolation.

Importantly for us, children who received a meal at the centre were not able to do so. In communities that rely heavily on school sustenance to keep their children nourished, this situation was devastating.

Sadly, we had to end our monthly employment contracts with our teachers and volunteers until the lockdown

ended. I appealed to our partners, donors and friends to assist us during the crisis and was thrilled with the response – we received food parcels for more than 100 families in our care.

We took a very hard knock financially as most of our parents were not able to pay fees.

But life always seems to deliver a silver lining when the clouds are at their darkest. That lining for us was the dedication of our parents, board members and staff, who banded together to envisage and work towards the post-pandemic Luvuyo Centre.

Steadfast, resolute and determined, we stuck together, focused on achieving our common purpose.

Luvuyo Centre celebrated its first birthday during 2019/20. Reflecting on the year, how proud we are of our success and progress as an organisation and of the opportunities we have offered those in society who need our support.

I am hopeful that 2021 will be a more positive year for all and that we will emerge from this pandemic better equipped to turn every opportunity into an achievement.

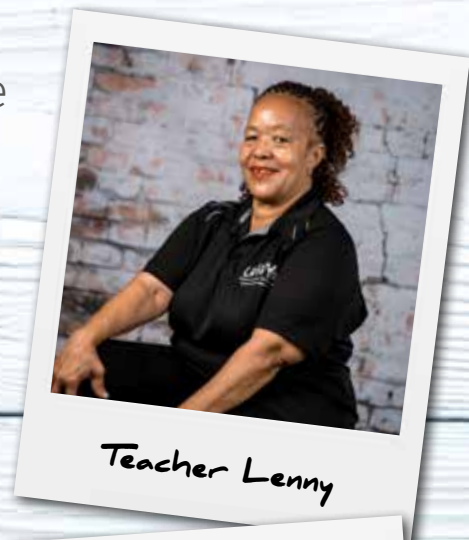
With the continued support of our generous benefactors, there is no doubt in my mind that Luvuyo Centre will prosper, grow and help to provide thousands of young lives with the early foundation needed to become the country's foremost academics, artists, business leaders and entrepreneurs of tomorrow.

Lizo Tom
Founder and Executive Director

OUR CENTRE

'If we are to break the cycle of poverty, we need to educate the children of the poor.'

**President Cyril Ramaphosa,
2018 State of the Nation Address**



Teacher Lenny



Teacher Thuli

Luvuyo Centre for Early Childhood Education and Care provides learning for disadvantaged children in Mamelodi between the ages of one and six years. Our programme prepares them for enrolment in Grade 1 in their seventh year.

Luvuyo's enrolment numbers are proof of the centre's potential, having increased to 78 children in 2020 from 30 children in 2019, and that amid an unprecedented pandemic that has shaken the education system to its core, disrupting learning for all young South Africans.

When education returns to normal, the centre will be ready to welcome many more 'students' taking their first steps in their lifelong learning journeys. Currently, it can accommodate 100 children.



Teacher Itumeleng



Teacher Daleen



Apples Class



Pears Class



Banana Class

Our approach

Learning is not possible without nurture. Luvuyo provides affordable early learning in a loving environment, supported by correct nutrition and life skills.

The Luvuyo experience includes:

- Breakfast, morning snack and lunch
- Stationery and toiletries
- Educational outings and visits
- Progress reports and parent meetings
- Concerts and graduation ceremonies
- Separate classes according to age groups
- The services of qualified and highly experienced teachers for whom teaching is a vocation
- Aftercare

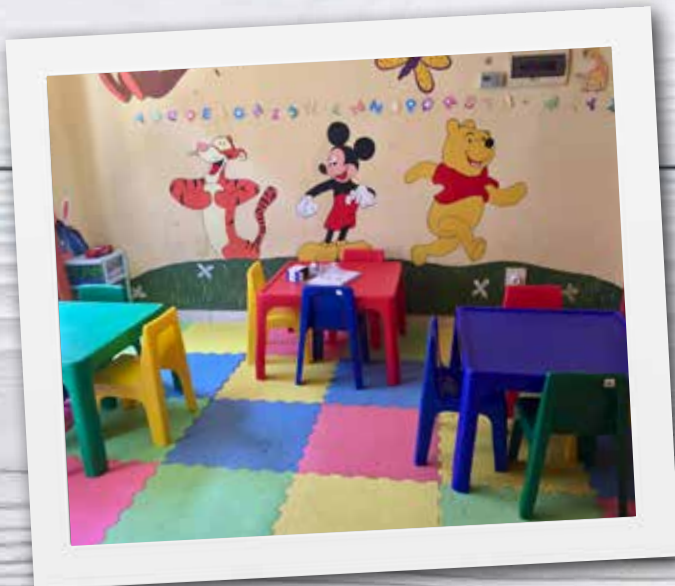
Our curriculum is based on the National Curriculum Framework and our lesson plans follow the National Curriculum and Assessment Policy Statement of the Department of Basic Education.

Our children

Our doors are open to children who meet one of more of these criteria:

- One parent is unemployed or both parents are
- Household income does not stretch to early learning
- One parent is chronically ill or both are
- Are orphaned or vulnerable
- Are abused and/or neglected
- Are HIV positive (the parent and child have the right to keep this information confidential)

OUR CENTRE

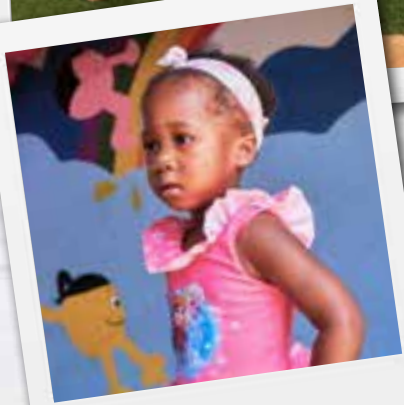




OUR CENTRE

Acknowledgment

Recognition of achievement is essential in building a child's self-worth and confidence. In 2019, we honoured our first Grade 1 graduates.



Creativity

Education can and must be fun. During February 2020, our children enjoyed making Valentine's Day cards for their parents.



OUR PARTNERS

Luvuyo Centre relies on the involvement and generosity of organisations that subscribe to the belief that investing in early education is investing in the country's future.

We thank the following sponsors and supporters for their invaluable assistance in enabling us to make our dream of education for the disadvantaged a reality.

LEGO Foundation

LEGO Foundation for providing the tools to introduce learning through play. Through its Six Bricks initiative, LEGO establishes and deepens learning, applying a play-based methodology in the three settings in which young children spend most of their time. Since 2009, the organisation has reached more than 1 million children.



The **LEGO** Foundation

Vicks

Vicks, which, through its 'Touch of Care' campaign, recognises the transformative power of care, particularly for children who have had to cope with abandonment, disabilities and social prejudices.

'Touch of Care' is based on the idea that family is where care is and it was introduced to the South African public through the story of Luvuyo founder Lizo Tom, starting with an interview with his house mother, Mama Abisana, who raised him at the children's home in Mamelodi.



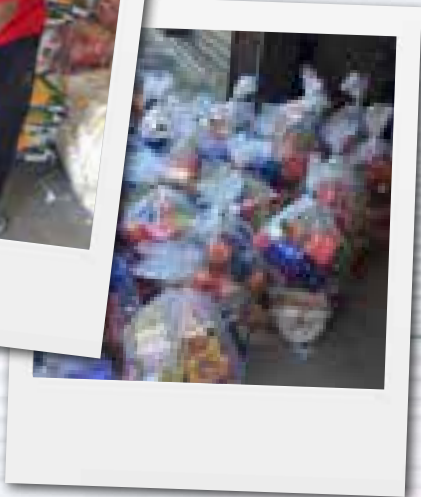
Covid-19 relief donors

Covid-19 relief donors, who enabled us to provide food to more than 100 families in our communities. This was particularly important as the pandemic put at risk children who normally received a nutritious meal at the centre and whose parents, in some cases, lost their jobs.

The contribution is significant given the fact that around 12 million children in South Africa live below the poverty line and 4.4 million households do not have frequent, reliable access to food. Millions of children rely on a daily meal at school to alleviate hunger and enable learning. The support of these organisations enabled Luvuyo Centre to honour its mission of providing nutrition during the lockdown.

Ford Credit South Africa

Ford Credit South Africa, whose sponsorship of a 22-seater bus valued at more than R700 000 enables us to transport our children to and from the centre and take them on excursions and to the clinic for immunisation. It also allows us to perform the home visits required of us by the Department of Social Development, shop for supplies and collect donations.



CELEBRATION

Birthdays are important milestones, even for the 'oldies'. Lizo Tom's 35th birthday was the perfect excuse to take the children of Luvuyo on an exciting and educational trip to Farm Inn in Pretoria, a wonderful venue to foster appreciation of nature and wildlife, and to become acquainted with the not-so-wild creatures in the children's farmyard.





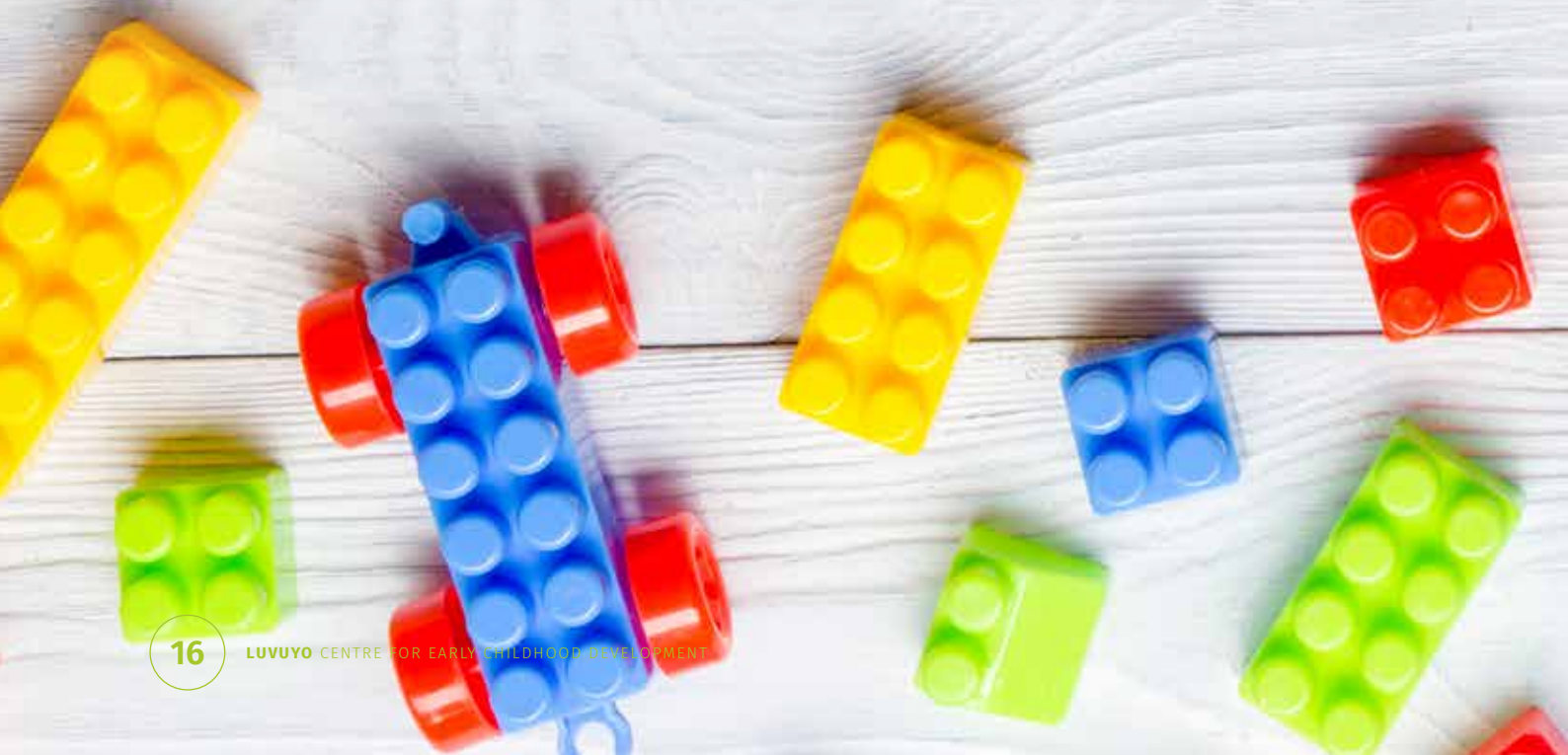
Our thanks go to Protours for providing a bus for the occasion. The trip there and back proved as much fun as the Farm Inn experience.



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2020

Director’s Report	17
Compilers Report	18
Statement of financial position	19
Statement of comprehensive income	20
Statement of changes in equity	21
Statement of cash flows	22
Notes to the financial statements	23



DIRECTOR'S REPORT

for the Year Ended 28 February 2020

The directors proudly present their report for the year ended 28 February 2020, which forms part of the annual financial statements.

Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the financial statements and related information.

They are the custodians of the organisation's system of internal financial controls, which is designed to provide reasonable, but not absolute, assurance of the reliability of the financial statements, to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the period under review.

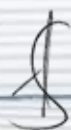
The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the organisation has sufficient resources to continue in operation for the foreseeable future.

Recognition and measurement

Financial instruments are measured initially at cost including transaction cost, subsequent to initial recognition.

Comparative figures

There are no comparative figures, as the review year was the first year of operation.



Lizo Tom

Executive Director

1 February 2020

ACCOUNTING OFFICER'S AND COMPILATION REPORT (COMBINED)

for the Year Ended 28 February 2020

We performed the duties of accounting officer to Luvuyo Centre for Early Childhood Development and Care for the year ended 28 February 2020 as required by the Non-profit Organisation Act.

We prepared the financial statements set out on pages based on the information and explanations provided by the member. The member is responsible for the financial statements that we have compiled.

We have determined that the financial statements are in agreement with the accounting records, summarised in the manner required by Section 58(2)(d) of the Act. We achieved this by adopting the procedures and conducting the enquiries into the accounting records required.

We also reviewed the accounting policies, which we are assured have been applied in the preparation of the financial statements, and we consider that they are appropriate to the business and conform to the International Financial Reporting Standard for Not-for-Profit Organisations.



Jack Ramashapa
Accountant
1 February 2020

STATEMENT OF FINANCIAL POSITION

for the Year Ended 28 February 2020

	Note	2020 R
Assets		
Property, plant and equipment		-
Loans receivable		-
		-
		-
Current assets		
Trade and other receivable	3	15 716
Cash and cash equivalents	4	5 294
		21 010
		21 010
Total assets		
Equity and liabilities		
Capital and reserves		
Share capital		-
Retained earnings		124 169
		124 169
Non-current liabilities		
Loans from members		145 179
Loans from related party		
Borrowing		
		145 179
Current liabilities		
Trade and other payables		-
Bank overdraft		-
		-
		-
Total equity and liabilities		
		21 010

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended 28 February 2020

		2020
	Note	R
Income		
Revenue	5	502 470
Cost of sales		(131 139)
Gross profit		371 331
Expenses		
Operating expenses		(495 500)
Net profit before interest and tax		(124 169)
Interest expense		
Net profit before tax		(124 169)
Taxation		-
Net profit/(loss) for the year		(124 169)

STATEMENT OF CHANGES IN EQUITY

for the Year Ended 28 February 2020

	Capital contribution	Retained earnings	Total
	R	R	R
Opening balance 1 March 2019	-	-	-
Capital contribution	-	-	-
Total comprehensive income	-	(124 169)	(124 169)
Balance at 28 February 2020	-	(124 169)	(124 169)

STATEMENT OF CASH FLOWS

for the Year Ended 28 February 2020

	Note	2020 R
Operating activities		
Cash generated from operations	7	(139 885)
Net cash flows used in operating activities		(139 885)
Investing activities		
Net cash flows generated in investing activities	8	-
Net cash flows used in investing activities		-
Financing activities		
Cash flows generated from financing activities	9	145 179
Net cash flows from financing activities		145 179
Cash and cash equivalents at the beginning of the year		-
Cash movement for the period		5 294
Cash and cash equivalents at the end of the year		5 294

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the Year Ended 28 February 2020

1. Accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with the accounting policies set out below:

The organisation prepares its financial statements in accordance with International Financial Reporting Standards (IFRS).

1.2 Functionality and presentation currency

The annual financial statements are presented in South African rand, which is the functional and presentation currency of the entity. All financial information is rounded up to the nearest rand.

1.3 Key Management assumptions

In preparing the financial statements, estimates and assumptions are made that could affect the reported amounts of assets and liabilities during the next financial year. Estimates and judgments are continually evaluated and are based on factors such as historical experience and current best estimates of uncertain future events that are believed to be reasonable under the circumstances. No material changes to assumptions occurred during the year.

1.4 Revenue

The organisation generates revenue by charging fees for kindergarten services. As an NPO, the organisation also receives donations from the public and government subsidies

1.5 Property Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives using the straight-line method. The following rates are used for the depreciation of property, plant and equipment.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been significant change from the previous estimates.

Plant and equipment	20,00%
Furniture and fittings	20,00%
Office equipment	20,00%
IT equipment	20,00%
Computer software	20,00%

1.6 Receivables

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

1.7 Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or fewer. Bank overdrafts are shown under current liabilities on the statement of financial position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the Year Ended 28 February 2020

1. Accounting policies (continued)

1.8 Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

2. Property, plant and equipment

	2020		
	Cost	Accumulated Depreciation	Carrying Value
Plant and equipment	-	-	-
Furniture and fittings	-	-	-
Office equipment	-	-	-
IT equipment	-	-	-
Computer software	-	-	-
	-	-	-

	2020 R
3. Trade and other receivables	
Rental deposit	15 716
	15 716
4. Cash and cash equivalents	
Bank balance	5 294
Credit card balance	
Bank loans	
	5 294
6. Revenue	
Fees	251 638
Cash donations	100 832
Donations in kind	150 000
	502 470

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the Year Ended 28 February 2020

	2020 R
7. Cash generated by operations	
Net profit/loss for the year	(124 169)
Adjusted for:	
Depreciation	-
(Increase)/decrease receivables	(15 716)
Increase/(decrease) in payable	-
Tax paid	-
Cash generated by operations	<u>(139 885)</u>
8. Investing activities	
Decrease in investments in financial instruments	
Decrease in shares due to employer companies	
(Increase)/decrease in loans receivables	-
Net cash generated from investing activities	<u>-</u>
9. Financing activities	
Loans from directors	145 179
	<u>145 179</u>

10. Going concern

The annual financial statements have been prepared on the going concern basis and the directors have every reason to believe that the entity will continue operations for the foreseeable future.

11. Financial instruments

Credit risk

Credit risk is the risk that the organisation will incur a due to default or failure of a customer or counterparty to a financial instrument to meet its obligations. There is no current credit risk that the organisation is exposed to.

Credit risk management

The organization is currently not trading on credit.

Maximum exposure

The carrying amount of the financial assets represents the maximum credit exposure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the Year Ended 28 February 2020

11. Financial instruments (continued)

Market risk

Market risk is the risk of a decrease in the market value of financial instruments caused by an adverse move in market variables such as share prices and interest rates.

Liquidity risk

Liquidity risk is the risk that the organisation does not have sufficient funds or marketable assets available to fulfil its future cash flow obligations on time.

Liquidity risk is considered minimal in the because the organisation uses only contributions to acquire shares, and has at all times enough cash reserves to fulfil this obligation. Because this risk is not considered material to the organisation, no further disclosures are provided.

Compliance risk

Compliance risk is the risk of regulatory censure as a result of non-compliance with any statutory requirements of central or local government, including regulations imposed by other regulatory authorities.

Operational risk

Operational risk is the risk of inadequate or failed internal process, people and systems or from external events.

Reputation risk

Reputation risk is the risk of damaging the organisation's image, which may impair its ability to maintain and generate business.

12. Events after the reporting period

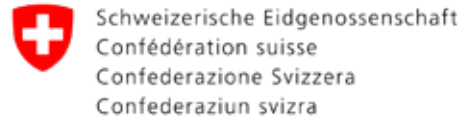
No events took place after the reporting period.

DETAILED INCOME STATEMENT

for the Year Ended 28 February 2020

	2020 R
Gross profit	371 331
Expenditure	
Bank charges	8 654
Catering	66 000
Children wellbeing	1 669
Electricity	18 000
Employee wellbeing	667
Entertainment	5 852
Events	6 779
Human resource development	4 666
Information and communications technology expenses	512
Interest paid	0
Printing and stationery	30 000
Rent	96 000
Salaries	194 400
Storage	2 100
Telecommunications	24 000
Travel expenses	21 600
Branding material	8 000
Security	6 600
	495 500

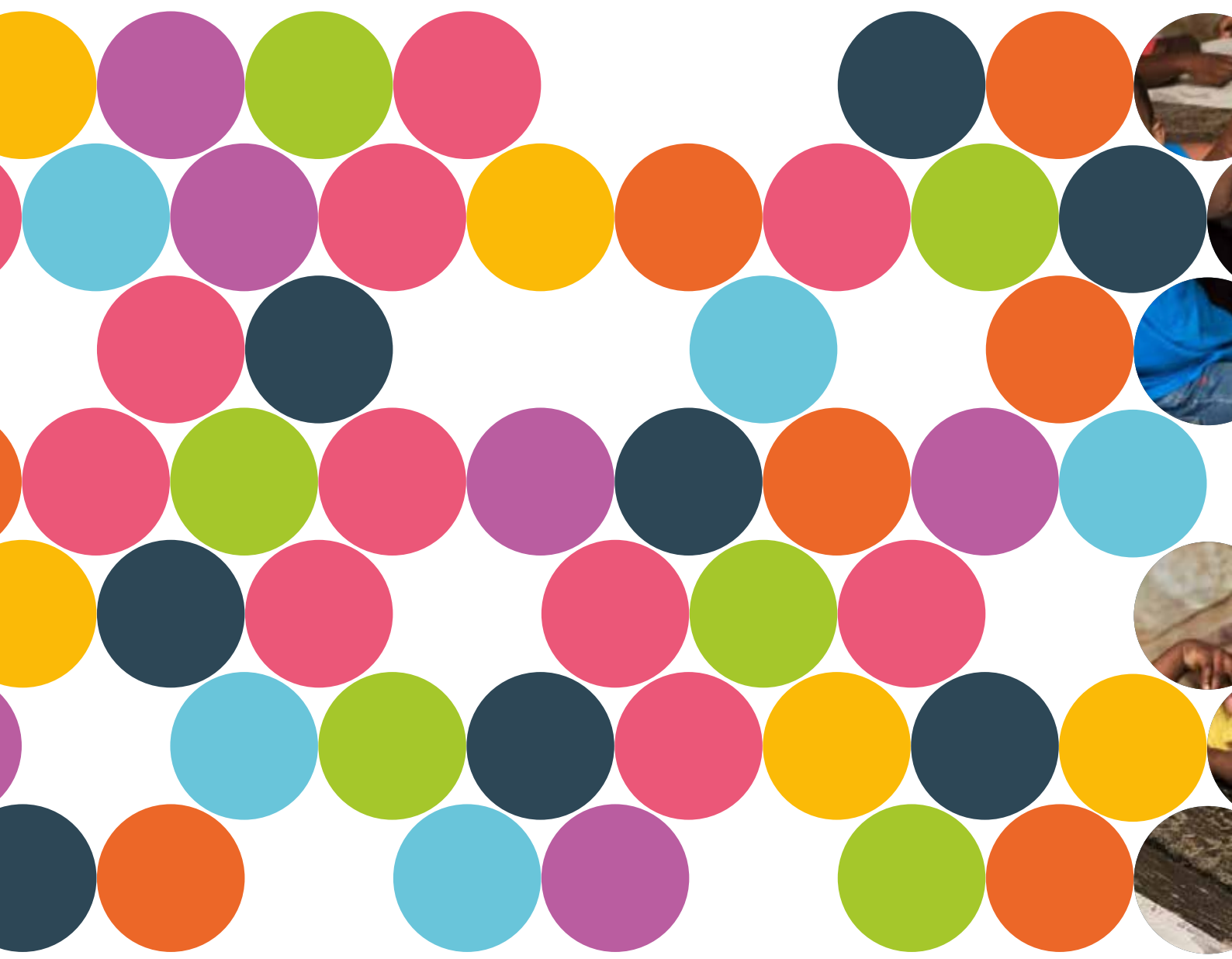
THANK YOU TO OUR DONORS











www.luvuyo.org

3165/91 SS Mokone Street, Mahube Valley X3, Mamelodi East 0122
Cell: 078 858 6048
Email: info@luvuyo.org



Design and layout courtesy of
www.blackmoon.co.za

Editing and proofreading courtesy of
Ms Susan Unsworth