Khayelitsha Community Trust

Committed to the upliftment of Khayelitsha and its people

2009/2010 Annual Report

The Retail Centre and Multi-purpose Centre in the Khayelitsha Business District. KCT's successful projects.

Contents

Khayelitsha District Hospital – work in progress

PART ONE
EXECUTIVE SUMMARY

In Part One of this Annual Report we look at the Vision, Mission and Executive Summaries on the status of current KCT projects from the Chairperson, Ms. Bulelwa Belu-Toni and the Chief Executive Officer, Mr. Mkhululi Gaula .

Vision

The Khayelitsha Community Trust strives in essence to do one thing: empower the community of Khayelitsha through the promotion and facilitation of social and economic development.

Mission

The Khayelitsha Community Trust (KCT) is a municipal entity of the City of Cape Town, which aims to advance the Khayelitsha Business District (KBD) through the development of commercial, residential and communal facilities.

The Chairperson's Report

The Khayelitsha Community Trust has made enormous progress in line with the goals that were set for the year. I would like to take this opportunity to sincerely thank the board members for the enthusiasm demonstrated during this financial year, particularly with regards to conducting the oversight role as non-executive members of the board and for being instrumental in ensuring that the procedures and policies that have been put in place remain relevant.

These will assist us in achieving the set targets for both governance and service delivery according to the board's mandate.

What follows is a summary of the status of all the current KCT projects in Khayelitsha.

Housing Delivery

The following inroads have been made with regards to the housing delivery goals of the KCT:

1. **Market Research** was conducted to ascertain the potential clients' needs and to establish an understanding of the niche market in relation to affordability and to ensure that the finished products will be competitive and can attract finance from reputable finance institutions.
2. **Public Participation** was conducted during the design process of Phase two and relevant primary stakeholders were consulted by the independent consultants appointed by the KCT.
3. New **terms of reference** have been finalised with the various service providers, where **KBD Management (Pty) Ltd (KMANCO)** acts as the developer.
4. Progress has been made in terms of establishing close working relationships with the relevant **City of Cape Town departments.**
5. The KCT team has been working closely with the financiers in designing the **best finance model** that will benefit the end user.
6. **The professional team** has been formally appointed and has been working tightly to achieve the deadlines set by the KCT.
7. **The unit designs have been revised** in order to ensure that the target market will be able to purchase them when ready.

8. The KMANCO directors have been working with the appointed KCT and KMANCO staff to finalise the processes and the approach to be used in order to achieve the **broad empowerment targets** during implementation of this project.

9. **The civil contractor** will be appointed and the intention is to commence with construction early in 2011.

Retail Centre

The following is a brief description of progress made with regards to the Retail Centre:

1. Plans were made to **improve the Retail Centre** in direct response to the findings of the evaluation conducted in 2009.

2. A call for **"Expressions of Interest"** was made to relevant institutions and service providers and various respondents submitted their proposals.

3. Detailed proposals were requested from the **short-listed bidders** in order to solicit an appropriate developer that meets the KCT's interests and needs.

4. **A team of professional service providers** with specialisation in different disciplines has been appointed by the KCT to design and engage relevant stakeholders.

5. **Draft designs** were presented to the KCT management and relevant government officials for approval.

6. The process has been **communicated** to the key primary beneficiary, Khayelitsha Development Forum (KDF) and its relevant sectors.

7. The KCT team, under the leadership of the COO, has been working closely with the business community of Khayelitsha in order to ensure that the needs of the community are **fully aligned** with the planned services.

8. **Strategic negotiations** and consolidation of an appropriate approach are underway.

9. **Empowerment principles** – in accordance with the KCT's empowerment strategy - are to be taken into consideration in order to ensure broader local participation from community members.

The following summarises the status on various other projects – an office block, medical support on the ground and governance of the KCT:

Office Block

1. A **needs assessment** was conducted by the City through an independent consultant, whereby relevant and primary stakeholders gave their input with regards to the office block development.

2. The establishment of an **integrated services centre** to house relevant government departments is underway.

Medical Support

1. Plans to provide **supporting medical services** to both the local general practitioners and the local Hospital in Khayelitsha are well underway.

2. The KCT is at **advanced negotiation stages** with interested medical service providers who will take occupancy at the housing show village once the operating permit has been awarded.

3. The KCT is also consulting with relevant stakeholders, including the **Provincial Health Department** and the relevant departments in the City of Cape Town with regards to the medical support project.

Governance

1. **HR performance appraisal systems** and procedures have been formulated and are in place, with both HR & Remuneration Committee having undergone training on the implementation of these procedures.

2. **Employment** of the COO and Communications Manager for KMANCO have been finalised.

3. We have seen good participation of the board members with regards to the **assessment of the board**, as well as the formulation of a clearly articulated **plan of action** for the forthcoming financial year.

4. **Frequent and strategic meetings** with the KDF have been convened in order to ensure proper representation.

5. We have seen **good attendance of meetings** by all the board members, as well as meaningful contributions at said meetings by all the members of the Board.

6. We have also enjoyed good attendance of all **sub-committee meetings,** which has enabled the operations of the organisation.

7. **Support services** including an internal audit and other outsourced services have been conducted following the approved **Supply Chain Management Policy** of the KCT.

8. There has been constant and consistent **communication** with the Shareholder Management Unit of the City of Cape Town.

9. Successful meetings have been held with the financier **Rand Merchant Bank**, as well as the service providers of the subsidiaries.

10. **The Financial Manager** has ensured that all pertinent information has been submitted to the relevant stakeholders in a timely manner.

Ms. Bulelwa Belu Toni

CHAIRPERSON

Ms. Bulelwa Belu-Toni at the launch of the Violence Prevention through Urban Upgradings building in Khayelitsha

From the desk of the CEO

Introduction

The year 2010 has been an incredibly busy year; one in which the Khayelitsha Community Trust (KCT) has made tremendous strides in the implementation of its business plan objectives.

It should also be noted that this is the year during which the African continent for the first time in history hosted the FIFA Soccer World Cup in South Africa.

As part of identifying with this spectacular event and also with the aim of creating an empowerment legacy for the community of Khayelitsha, KCT joined forces with SAFA Cape Town, the Khayelitsha Sports Council and Discovery Health in hosting the SAFA Five-A-Side Soccer Tournament in Khayelitsha. This event coincided with the FIFA Soccer World Cup.

Khayelitsha also had the honour of unveiling the FIFA World Cup and hosting many international football dignitaries at a glittering event held at the O.R. Tambo Hall on May 7, 2010.

What follows is my Executive Summary:

CBD Phase 2 Planning

During the course of the year, the KCT embarked on a **complex procurement process** which saw the appointment of a large team of consultants whose primary role is to deliver an **urban design framework** to serve as a spatial development plan for the Khayelitsha Central Business District.

The work undertaken by this professional team was unfortunately slightly marred by a protracted High Court litigation process initiated by one of the unsuccessful bidders. KCT's victory served to highlight the fact that the organisation's policies, practices and procurement procedures comply with good governance principles.

The process leading to the adoption of the **CBD Phase 2 urban design framework** was intensely consultative. This was to ensure that public input was taken heavily into account through a number of stakeholder engagement initiatives led by our own Communications Manager.

The broader consultation initiatives pursued during this process helped a great deal in ensuring better profiling of the KCT. These included newspaper & magazine features, radio appearances and direct forms of interaction between the KCT and beneficiary communities.

Seated: Mr. Quintus Williamson - Chief Operating Officer, Mr. Mkhululi Gaula - Chief Executive Officer, Ms. Samela Titus - Financial Manager. Standing: Ms. Nosomi Mdyesha - Communications Manager, Mr. Thanduxolo Wili - Administrative Secretary.

The involvement of all in the roll-out of the CBD Phase 2 plans was and continues to be critical to our success.

Housing project

During a meeting held with the **Mayoral Committee Member** on Housing, the KCT was re-briefed on the need to review the building plans. This due to the fact that the price of R400 000 per unit for the completed show village units was deemed to not be reflective of the local community affordability levels. The KCT then appointed a private company to undertake an affordability survey to determine the average income levels of the Khayelitsha community. The results and findings of this survey will assist the KCT with costing of all subsequent plans and housing developments.

This was followed by a further briefing session with the Executive Mayor, wherein it was re-emphasized that the KCT's housing plan must concentrate on the lower end of the income bracket, including the subsidy categories. The revised building plans are in the process of being finalised and these will be presented to the City of Cape Town for adoption.

It is envisaged that the civil contractor will be on site before the end of the year or soon thereafter, and that top structures will be constructed during the first quarter of 2011. Prior to this, a comprehensive presentation will be delivered to all the major stakeholders in Khayelitsha for their buy-in, as well as to provide awareness about the entrepreneurship and job opportunities that will become available during this process.

Retail centre

After five years in service as the Retail Centre asset managers, **Advent** announced their resignation. On behalf of KCT, I would like to take this opportunity to thank them for their dedication in ensuring that the centre has been able to meet its obligations to the financier as well as for ensuring that it was 100% let as per the letting objectives. KBD Retail Properties (KRETAIL) has appointed Hermans & Roman as the new asset managers to take over from Advent commencing February 2011.

Hermans & Roman will also provide a mentorship programme identify Khayelitsha based graduates within the property and asset management industry.

A word of gratitude

I would like to extend a special word of thanks to the KCT Board Members who have ensured that at all times the organisation's administrative capacity to deliver on its huge mandate was given adequate support and proper guidance.

Mr. Mkhululi Gaula

CEO

To my colleagues, I wish to acknowledge that at times there have been struggles in our relentless pursuit of the achievement of our goals – and these often amid extremely tight deadlines. However, the fact that you have never deterred from achieving the objectives in a selfless manner is indeed worthy of praise! I trust that you shall continue to do so as we journey forward.

Mr. Mkhululi Gaula speaking at the VPUU Launch in April 2010 .Background left – Mr. Michael Krause (VPUU Team Leader), Background middle – Mr.Grant Pascoe (Mayco Member Social Development), Background right, Mr. Dirk Niebel (Germany's Federal Minister of Economic Cooperation & Development)

Violence Prevention through Urban Upgradings' project in Khayelitsha – Precinct 1 in Harare

KCT Objectives

The Khayelitsha Business District : Magistrates court, public swimming pool, multi-purpose centre & Retail Centre

By acquiring land and development rights; and further by:

- Establishing a development entity/ entities to implement the development;
- Procuring community facilities, through and with other parties;
- Procuring the promotion, facilitation and support access to the land and use of the land, through and with other parties
- Procuring the management of the business district;
- Introducing and implementing an empowerment strategy;
- Raising funds in order to achieve the above;
- Determining the terms and conditions, as well as the manner in which surplus funding will be distributed and/or invested.

The Phase 1 review, assessment of organisational capacity and stakeholders' workshop elucidated further goals and objectives:

- **To improve the functionality and operations of the Retail Centre** by providing it with a roof, expanding on the types of retailers and services on offer, encouraging after-hours activities, improving on safety, security, parking and the overall layout and flow of the centre;
- To ensure that the housing project provides housing that meets **the demands and preferences of residents of Khayelitsha** and is competitively priced and affordable;
- To capacitate the KCT and its commercial arms to ensure that they are able to plan, implement and deliver projects and services **as required by the community of Khayelitsha;**
- **To enhance the KBD** by developing infrastructure, facilities and amenities that enable and facilitate business operations, public services and recreational activities for Khayelitsha residents;
- To improve on stakeholder relations, including strategic relations with Khayelitsha Development Forum **(KDF)**, Violence Prevention through Urban Upgrading **(VPUU)**, Urban Renewal

"...The objectives of KCT stretch beyond the development and management of the KBD, and include the empowerment and upliftment of the greater Khayelitsha area".

Programme **(URP), Intersite** (in its role as SARCC's property management arm), Government Communication and Information System **(GCIS)** and others, as well as the primary beneficiaries of the KCT – **the community of Khayelitsha** – through improved internal and external communications and marketing;

- To understand the short-medium and long-term role of KCT in Khayelitsha against the backdrop of existing agreements and the needs profile of Khayelitsha.

With regards to the latter goal, the objectives of KCT stretch beyond the development and management of the KBD, and include the empowerment and upliftment of the greater Khayelitsha area. Thus, business planning must be strategic and aim to ensure that the KCT and its investment companies become financially self-sustaining, so that additional revenue can be used in the funding of socio-economic development initiatives within Khayelitsha. As such, levels of goals can be formulated for the short, medium and long-term.

- To capacitate the relevant institutional structures to ensure that human resources are in place for strategic planning, implementation, monitoring and evaluation, as well as accountability procedures;

- To improve collaboration with other relevant stakeholders, including the City of Cape Town (CoCT), URP, VPUU, Intersite, Rand Merchant Bank (RMB), KDF and others, including potential funders and partners;

- To ensure that KCT is compliant with its existing contracts and has the necessary strategies in place to meet its core mandate;

- To finalise a development framework for Phase 2 of the KBD that meets market demand and optimally utilises available bulk.

KCT CEO Mr. Mkhululi Gaula and ex Santos Professional Soccer player Mr. David Notoane

Medium term (three to eight years) objectives:

- To finalise the construction of Phase 2 of the KBD;
- To pay off any outstanding loan amounts as efficiently as possible;
- To maintain a creative and strategic approach to partnerships and collaboration agreements with Khayelitsha-relevant stakeholders;
- To maintain an up-to-date community needs profile of Khayelitsha and match this with initiatives of the KCT and/or other stakeholders in the area.

The long-term objective of KCT is to meet its mandate to uplift and empower the community of Khayelitsha.

This will be achieved by:

- Maintaining a hands-on approach to development in Khayelitsha;
- Ensuring the sound fiscal management of the KBD properties;
- Over time becoming completely debt-free and financially self-sustaining;
- Investing in further developments and programmes which align with the primary objective of KCT in order to eventually alleviate poverty in Khayelitsha.

City of Cape Town's Objectives:

Seated: Executive Mayor Alderman Dan Plato, Ms. Bulelwa Belu-Toni (Chairperson). Standing: Mr. Mkhululi Gaula (CEO)

- Creating an environment which is conducive to the growth of the community's economy;
- Enabling universal access to basic services;
- Effective management of City's infrastructure and resources;
- Improving the public transport systems and services;
- Improving and developing integrated human settlements;
- Delivery of housing opportunities;
- Fostering of a safe and secure environment;
- Facilitating the development of a healthy and socially inclusive society;
- Ensuring enhanced service delivery with efficient institutional arrangement;
- Facilitating the conservation of natural resources;
- Establishing effective community engagement channels;
- Management of key financial areas such as income control, cash flow, indigent support, alternative income opportunities, asset management and risk management.

Strategic Themes of the City's IDP

1. Shared economic growth and development
2. Sustainable urban infrastructure and services
3. Public transport systems
4. Integrated human settlements
5. Safety and security
6. Health, social and human capital development
7. Good governance & regulatory reform

"The Trust's key performance areas have been aligned to the above mentioned strategic themes."

Highlights from the 2009/2010 year

Outside Broadcast at Retail Centre: KCT engaging with the Khayelitsha Community

- The Khayelitsha Retail Centre hosted the SAFA CT Five-a-side 2010 World Cup Soccer Tournament, which incorporated over 30 SAFA affiliated teams from local and surrounding districts.
- On the 14th August 2010, the Retail Centre hosted a Radio Zibonele outside broadcast which allowed KCT to engage with the public and create awareness plans for the KBD.
- "The Khayelitsha Community Trust has made enormous progress in line with the goals that were set for the year." Ms. Bulelwa Belu-Toni, Chairperson.
- One of KCT's subsidiaries, KMANCO has further been capacitated with a Chief Operating Officer and a Communications Manager.
- The KCT has been receiving positive publicity and awareness through numerous media channels enabling KCT to be top of mind within the community of Khayelitsha and beyond.
- KCT has strengthened and maximized relationships within the community of Khayelitsha and as well as with stakeholders and supporters through various public participation initiatives.
- "During the course of the year, the KCT embarked on a complex procurement process which saw the appointment of a large team of consultants whose primary role is to deliver an urban design framework to serve as a spatial development plan for the Khayelitsha Central Business District." Mkhululi Gaula, CEO.
- KCT has managed yet another unqualified Annual Report 2009/ 2010

Multi-Purpose Centre

Empowerment Initiatives

KCT CEO Mr. Mkhululi Gaula and Ms. Sibahle Tshibika

KCT reaches out to the community

The Khayelitsha Community Trust, formed in 2003 with the express purpose of improving the lives of the community of Khayelitsha, already has many big achievements under its belt with regards to developments and large planned projects.

But there have also been smaller empowerment initiatives, which, although affecting a smaller portion of the community, are starting to be felt by the members of the community too.

Here are a few of the activities the KCT has been directly involved in this financial year.

Sibahle's Ballet Scholarship

Sibahle Tshibika, an 18 year old ballet dancer from the Imbewu Dance School in Khayelitsha, was filmed by an American documentary maker on a visit to Khayelitsha earlier this year.

Sibahle had a lucky break when by chance the film was seen by the right person in the US and she was invited to attend a 5 week course at the Atlanta Ballet Centre for Dance Education, with all her accommodation and tuition paid for! The school also gave her $500 as spending money while in the US. When the KCT heard about Sibahle's fantastic achievement, they immediately jumped in and matched the money given to her by the school. Pictured above is Sibahle receiving her cheque for R4400 ($500) from KCT CEO Mkhululi Gaula.

Mr. Mkhululi Gaula, Mr. Vukile Sonandzi (City Vision Editor), Ms. Helen Zille (Western Cape Premier) at the Radio Zibonele Gala Dinner

SAFA 5-a-Side 2010 Soccer World Cup Tournament

While South Africa prepared for the greatest sporting event in the country's history, the Khayelitsha Retail Centre was preparing for a soccer spectacular of its own! From 14 June to 9 July, the centre played host to the SAFA CT Five-a-side 2010 World Cup Soccer Tournament, incorporating over 30 SAFA affiliated teams from local and surrounding districts.

The tournament was launched at Vangate Mall, while the closing ceremony took place at the Khayelitsha Retail Centre on Saturday 10 July 2010. The ceremony included speeches from both the Khayelitsha Sports Council and as well as members of Khayelitsha Community Trust.

Radio Zibonele Gala Dinner

On the 20th of September 2010, Radio Zibonele celebrated its birthday, with a Gala Dinner held at Lookout Hill in Khayelitsha. KCT bought a table in support of the station and guests were honoured to have the premier as a guest speaker on the night.

Outdoor Broadcast with Radio Zibonele

On the 14th August 2010, KCT arranged an Outside Broadcast with Radio Zibonele, held at the Retail Centre. The members of the public stood a chance to win 1 out of 5 Nokia Express Music 5230 cellphone. See lucky winners photographed below:

Mr. Mkhululi Gaula with the 3 winners of the cellphone, (from left to right) Ms. Nana Skosana, Ms. Phatiswa Dyabhaza and Mr. Lawrence Mkontwana

PART TWO

Introduction to Khayelitsha

Role of Trust

Phase Two Status – From the Desk of the KMANCO COO

An Introduction to Khayelitsha

Khayelitsha was established in 1985 as a solution to the growing number of illegal settlers in townships such as Nyanga and Crosswords. Many of these individuals left the Eastern Cape in the hopes of finding a better life in Cape Town, in terms of employment, education and other resources. Khayelitsha is today the fastest growing township in South Africa and has an estimated 1, 5 million residents, comprising both established and new residents, both young and old, and both affluent and poor.

Khayelitsha is one of the province's national Urban Renewal Nodes, earmarked to be transformed from a township into a fully functional suburb by the year 2020. Slowly but surely, Khayelitsha is losing its reputation as a township high in crime and unemployment. It is transforming into a township where communities work with both the government and private investors to make it a better place to live. Khayelitsha is now home to numerous shopping centres, a BMX race course, a public swimming pool, a multi-purpose centre, a magistrate's office and a licensing centre, amongst other facilities. Tourism too is on the increase: Lookout Hill for instance has been earmarked as a hub venue for township tours. There is an increase in traditional and upmarket B&B's and from time to time Hollywood celebrities visit and create exposure for the township!

Khayelitsha is undoubtedly destined for bigger and better things and while many improvements are still needed, Khayelitsha is starting to show growth in the direction of its true and greatest potential.

Directly translated Khayelitsha means "our new home."

Role of the Trust

The Khayelitsha Community Trust (KCT) was established by the City of Cape Town in 2003 in order to facilitate the development of the Khayelitsha Business District (KBD). This resulted in the City of Cape Town entering into a "Cooperation and Collaboration Agreement" – with Rand Merchant Bank (RMB), whereby RMB would secure the necessary private sector funding to initiate phase 1 of the KBD development.

Board of Trustees

Ms. Bulelwa Belu-Toni
Chairperson

Mr. Mandla Maxongo
Deputy Chairperson

Mr. Anthony Coombe
Chairperson : Audit Committee

Mr John Biesman-Simons
Chairperson : Finance Committee

Ms. Xoliswa Daku
Member

Mr. Mvuyisi Macikama
Member

Attendance of Board and Sub-committee Meetings

DETAILS OF THE BOARD OF TRUSTEES			
BOARD MEMBER	CAPACITY	POSITION	RACE & GENDER
MS. BULELWA BELU-TONI	Non-executive	Chairperson	Black Female
MR. MANDLA MAXONGO	Non-executive	Deputy Chairperson	Black Male
MR. ANTHONY COOMBE	Non-executive	Member	White Male
MS. XOLISWA DAKU	Non-executive	Member	Black Female
MR. MVUYISI MACIKAMA	Non-executive	Member	Black Male
MR. JOHN BIESMAN-SIMONS	Non-executive	Member	White Male

BOARD MEETINGS FOR THE 2009/2010 FINANCIAL YEAR				
BOARD MEMBER	POSITION	NO. OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS	
MS. BULELWA BELU-TONI	Chairperson	5	6	
MR. MANDLA MAXONGO	Deputy Chairperson	6	6	
MR. ANTHONY COOMBE	Member	5	6	
MS. XOLISWA DAKU	Member	3	6	*
MR. MVUYISI MACIKAMA	Member	5	6	
MR. JOHN BIESMAN-SIMONS	Member	6	6	

* Ms. Xoliswa Daku took leave of absence for July and August 2009.
2 of the 6 Board meetings were held in July and August 2009

SPECIAL BOARD MEETINGS FOR THE 2009/2010 FINANCIAL YEAR			
BOARD MEMBER	POSITION	NO. OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
MS. BULELWA BELU-TONI	Chairperson	3	4
MR. MANDLA MAXONGO	Deputy Chairperson	4	4
MR. ANTHONY COOMBE	Member	2	4
MS. XOLISWA DAKU	Member	3	4
MR. MVUYISI MACIKAMA	Member	2	4
MR. JOHN BIESMAN-SIMONS	Member	2	4

ANNUAL GENERAL MEETING FOR THE 2009/2010 FINANCIAL YEAR				
BOARD MEMBER	POSITION	NO. OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS	
MS. BULELWA BELU-TONI	Chairperson	1	1	
MR. MANDLA MAXONGO	Deputy Chairperson	1	1	
MR. ANTHONY COOMBE	Member	1	1	
MS. XOLISWA DAKU	Member	1	1	
MR. MVUYISI MACIKAMA	Member	0	1	
MR. JOHN BIESMAN-SIMONS	Member	0	1	*

* Mr. John Biesman-Simons took leave of absence from January to mid February.

FINANCE COMMITTEE MEETINGS FOR THE 2009/2010 FINANCIAL YEAR			
MEMBER	POSITION	NO. OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
MR. JOHN BIESMAN-SIMONS	Chairperson	3	3
MR. MVUYISI MACIKAMA	Member	1	3

HUMAN RESOURCES AND REMUNERATION COMMITTEE MEETINGS FOR THE 2009/2010 FINANCIAL YEAR				
MEMBER	POSITION	NO. OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS	
MS. BULELWA BELU-TONI	Chairperson	6	6	
MR. MANDLA MAXONGO	Member	6	6	
MS. XOLISWA DAKU	Member	1	6	*

* Ms. Xoliswa Daku took leave of absence for July and August 2009.
4 of the 6 HR committee meetings were held in July and August 2009.

AUDIT COMMITTEE MEETINGS FOR THE 2009/2010 FINANCIAL YEAR				
MEMBER	POSITION	NO. OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS	
MR. ANTHONY COOMBE	Chairperson	5	6	
MS. XOLISWA DAKU	Member	3	6	*
MR. JOHN BIESMAN-SIMONS	Member	6	6	

* Ms. Xoliswa Daku took leave of absence for July and August 2009.
2 of the 6 audit committee meetings were held in July and August 2009

SPECIAL BID ADJUDICATION COMMITTEE MEETINGS FOR THE 2009/2010 FINANCIAL YEAR			
MEMBER	POSITION	NO. OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
MS. BULELWA BELU-TONI	Chairperson	2	2
MR. MANDLA MAXONGO	Member	2	2
MS. XOLISWA DAKU	Member	2	2

Alignment with the City of Cape Town's IDP

Strategic Themes of the City's IDP

1. Shared economic growth and development
2. Sustainable urban infrastructure and services
3. Public transport systems
4. Integrated human settlements
5. Safety and security
6. Health, social and human capital development
7. Good governance & regulatory reform

The Trust's key performance areas have been aligned to the above mentioned strategic themes.

Key Performance Area	Key Performance Indicators
Social and Economic Development	1 Projects prioritisation against criteria such as: • The extent to which market demand is being met • The overall feasibility of the project and potential to create financial return to reinvest in further development • The extent and quality of job creation stimulated • The value of opportunities created for local businesses (formal and informal) of Khayelitsha • The extent of opportunities for skills development stimulated 2 Project Implementation • The extent to which projects have been implemented in accordance with KCT's Empowerment Strategy

Key Performance Area	Key Performance Indicators
Corporate Governance	1. Institutional arrangements • The extent to which vacant posts were filled timeously and against job specifications. • The extent to which employees participated in training and other initiatives to enhance their skills and knowledge 2. Transparency and Accountability • The extent to which KCT was granted access to requested/ required reports, documentation and financial statements in a timeous fashion. • Whether financial statements were completed and submitted for auditing within the annual deadline. • The extent to which opinion of the Auditor General was positive (unqualified). 3. Stakeholder relations • All initiatives should be planned in collaboration with KCT stakeholders, inline with the external communications strategy proposed. 4. Employee & Trustee Performance • All Trustees & Employees must be subjected to performance contracts set against their job descriptions 5. Risk Management • Thorough risk assessment processes should be followed for all major corporate and strategic decisions. These assessments should be documented.
Financial Performance	The extent to which KCT, KManCo and KInvestment companies are improving in terms of: • Asset management and value of assets (appreciation or depreciation over the prior year) • Debt and the ability to service debt/reduce debt • Profitability of KInvestment Companies • Attraction of partners, funders and investors • Ability to generate a surplus for re-investment in KFutures

Integrated access and mobility

The development of the KBD adjacent to the Khayelitsha rail station, the extension of the Khayelitsha rail corridor and the establishment of a transport interchange as well as the provision of housing within the KBD node, provides for improved mobility and accessibility for the people of Khayelitsha to community facilities and economic opportunities.

Building integrated human settlements

The KBD development is based on an integrated development plan providing for economic, public and communal facilities as well as housing, sport, leisure and transport infrastructure.

Regarding the improvement of the public transport system, Metrorail has leased land from the Trust to create a park and ride facility for the residents of Khayelitsha. The Park-n-Ride is an initiative identified in our Travel Demand Management Strategy, which is aimed at alleviating congestion by providing sustainable transport alternatives.

Building strong communities

The integrated model of the KBD development provides for various public facilities in support of health and social development. The Department of Social Welfare and Poverty Alleviation was one of the first public buildings to be established in the KBD. Discussions with the Provincial Administration to establish a regional hospital in the KBD has been completed and land has been handed over to the department of Health for this purpose.

The Empowerment programme introduced by the Trust supports and facilitates the involvement of local entrepreneurs in the development of the KBD. The Trust has progressed to the implementation of its empowerment strategy.

Equitable and effective service delivery

The appointment of the new KCT CEO, the establishment of an effective working environment, and the relocation of the municipal offices to the KBD as part of the KBD development, will aid in the improvement of service delivery to the community of Khayelitsha. Furthermore the Trust is proud to announce the capacitation of the investment company, KMANCO.

Safety and Security – VPUU

VPUU

The City of Cape Town entered into an agreement with the German Government via the German Development Bank ("KfW") for funding a joint programme in Khayelitsha known as VPUU.

The overall aim of the VPUU programme is to benefit the community of Khayelitsha. This will be achieved through three distinct components, the first being commercially driven income generating enterprises and developments, the second being development, maintenance and operations of public spaces and facilities, and the third being opportunities and support for community organisations and initiatives.

The KCT has been identified by the City as one of the parties that can assist in the implementation of the VPUU programme. In implementing the VPUU programme, it is intended that the ownership of defined revenue generating assets of VPUU developments will be transferred to the Trust.

Proposed Housing project at the Khayelitsha Business District

Integrated Human Settlements

Residential development

In 2005 the KCT entered into a Land Availability Agreement with the City of Cape Town for the rollout of a number of development initiatives on the Khayelitsha CBD land. One such initiative was the residential development of a 23 ha piece of land which so far has yielded the delivery of a 9-unit show village. Due to the subsequent economic recession, as well as the unit costs deemed to be grossly unaffordable to the Khayelitsha community, the project could not be completed as anticipated.

Current project status

A new focus and energy aimed at reviving and repackaging the project has emerged.

A more BEE-compliant professional team has recently been assembled, led by a vastly experienced project manager as well as a seasoned architect who has played a critical role in steering the project to its current direction.

The project is expected to yield a total of 2800 housing units ranging in size from 40 m2 to 60 m2. These will comprise of various typologies including multi-stories, duplexes and semi-detached units to ensure that the project is reflective of a CBD development. The aim is to change the face and current spatial development patterns in Khayelitsha, characterized by the monotonous land consuming one erf / one house residential schemes.

Visually, these units will resemble the development shown above.

The goal is to ensure that living conditions for the people of Khayelitsha are vastly improved and that - in line with the KCT's overarching vision - Khayelitsha becomes a suburb by the year 2020. Through these initiatives, Khayelitsha will become a formidable investment and a tourism destination of choice.

Project Deliverables

One of the KCT's subsidiaries, KBD Housing (Pty) Ltd (KHOUSING), has been appointed as the developer, though in essence the project will be implemented in partnership with the

Khayelitsha informal settlements, off N2 (Mew Way)

private sector through funding support from the Rand Merchant Bank (RMB) - without whom the success of the project would remain a pipedream.

The City of Cape Town Municipality is also providing tremendous support to the project. At the highest level of the Executive Mayor's office, the City has committed itself to ensuring that the land price is heavily discounted and that the bulk infrastructure costs will be substantially subsidised, thus resulting in reduced unit costs for the end-users the residents of Khayelitsha.

A comprehensive business plan will soon be completed for the housing project which will then serve as the road map and blueprint for the implementation strategy. The financial model speaks to the Breaking New Ground (BNG) category of income earners between R0 – R3, 500 joint monthly income, where the majority of the 652 Phase 1 units will be sourced with each unit cost not exceeding R250 000.

It is envisaged that before the end of 2010 the civil contractor will be on site and a ground breaking launch event will take place. The construction of top structures will take place no later than March 2011, with the last house being occupied by early 2013. By early 2012, Phase 2 will commence, comprising of mainly social housing units to be delivered through the KCT's newly established social housing institution, possibly in partnership with other established institutions such as Communicaire.

Conclusion

A massive consultation process is already underway to ensure that the major stakeholders like the Khayelitsha Development Forum, National African Federated Chamber of Commerce & Industry (NAFCOC), local NGOs and others are able to provide their input and support. This is over and above the full awareness of the critical need these organisations and the broader community of Khayelitsha have expressed for this housing project.

Phase Two Status - From the Desk of the KMANCO COO

The consulting team on the KBD Phase 2 Development consisted of the following companies : Makeka Design Lab, Just Mesh Creative Communication, Silver Solutions, ACG/City Think Space, Aurecon, De Klerk van Gend and Grant Thornton

During November 2009, KCT invited suitably qualified and experienced professional service providers, through a formal bidding process (RFQ BID NO: 01/09 KCT PM 001/2009), to submit proposals for the design and facilitation of the Phase 2 Development Implementation Framework of the Khayelitsha Business District, together with the necessary technical planning documentation, tenanting and financing strategies and urban planning frameworks. The estimated timeframe for the project was set at a maximum of six months.

Project Scope

The **Project Scope** of Phase 2 of the KBD development entailed in a nutshell the following:

1. Extension of the existing Retail Centre;
2. Integration of Public Sector Offices and facilities as well as the Multi Purpose Centre;
3. Completion of outstanding Phase 1 infrastructural requirements.

Key Deliverables

The **key deliverables** envisaged for the project within the planned timeframe, were:

1. An Urban Planning Framework for the Phase 2 KBD;
2. A successfully executed Public Participation Process;
3. A set of Architectural / Building plans for Phase 2 of the KBD;
4. Costing and Financial Modelling which would include, inter alia, ROI Analysis and Financial Projections;
5. A tenanting Strategy for the KBD;
6. A package of investment opportunities in the KBD that is ready to be marketed to potential investors or used for applications for the KBD funding grant.

During March/April 2010, ACG Architects & Development Planners (ACG) and Makeka Design Laboratory (MDL) were appointed as town planning / urban designers and project manager respectively. Subsequent to MDL's appointment, various other service providers were appointed to address all the key disciplines of the planned project. The following key disciplines were identified:

"... It is a good thing that they let ordinary residents like me to have a say in such big developments. I think it will help them deliver exactly what residents want from the mall, because they took the time to listen to us. It is very rare that residents are involved like this in big developments.

So I would like to congratulate KCT for such a good initiative."

Nokubonga Mcekeni from Khayelitsha Vukani, 26 August 2010

Key Disciplines

Main Discipline

Urban Design & Town Planning (as well as Quantity & Land Surveying)

- To fully design the Phase 2 KBD development framework looking at the provision of additional retail, residential, office and multi uses in line with the market trends, KCT intentions and CoCT bylaws. The design must take into account issues and recommendations raised in the Phase 1 Review.
- The production of a comprehensive development framework and architectural plans and layout.
- To provide the necessary technical information to the KBD development framework with regards to town planning, quantity and land surveying.
- **ACG Architects & Development Planners, Headland Planners and AMS** were appointed in these positions.

Secondary Disciplines

Makeka Design Laboratory (MDL) was appointed to act as the Lead Consultant / Project Manager in relation to overseeing the provision of the following services via a selected group of approved sub-contractors:

a. Marketing & Communication – To communicate with all stakeholders including public representatives and the media at various critical stages of the planning process, leading up to the media launch and starting construction. **Just Mesh** was appointed in this role.

b. Public Participation Facilitation – To facilitate the Public Participation Process with the aim of obtaining input from the community structures, the community at large, taxi associations, business associations, informal traders and existing tenants and other stakeholders. It is a requirement that a public facilitation service provider / practitioner will liaise and work closely with the marketing and communications service provider / practitioner. **Silver Solutions** was appointed in this role.

c. **Legal Services** – A property lawyer to assist the planning team with any legal issues arising as a result of the project and to answer any legal queries related to the development. The Legal practitioner will also be required to assist with the preparation of any legal documents or applications necessary to get the development approved. **De Klerk Van Gend** was appointed in this role.

d. **Project Management** – Co-ordinate and oversee the entire planning team by providing strategic direction / guidance, streamlining planning activities and maintaining regular communications and reporting to KCT and any of its structures as required. **Target Project & Construction Management** was appointed in this role.

e. **Economics, Financial Modelling and Investment Strategist** – Provide key inputs with regards to the market suitability of the development framework; provide cash flow models against the development framework in order to test its feasibility in terms of its ability to raise and service debts or loans; develop investment strategies that will package investment opportunities for project financing deals, sponsorships, grants and partnerships; assist with a tenanting strategy in line with the KCT Empowerment Strategy. **Grant Thornton** was appointed in this role.

f. **Heritage** – Provide input in as far as heritage issues related to the development framework. The service provider is required to work closely with the community. MDL will prepare draft and second draft documentation in respect of heritage to the satisfaction of the KCT and present such to the KCT and all relevant stakeholders. **Chand** was appointed in this role.

g. **Environmentalist** – Conduct an elementary level environmental impact assessment for the Phase 2 KBD Development Framework. MDL will submit a draft and final EIA plan to the satisfaction of KCT and present such to KCT and all relevant stakeholders. **Chand** was appointed in this role.

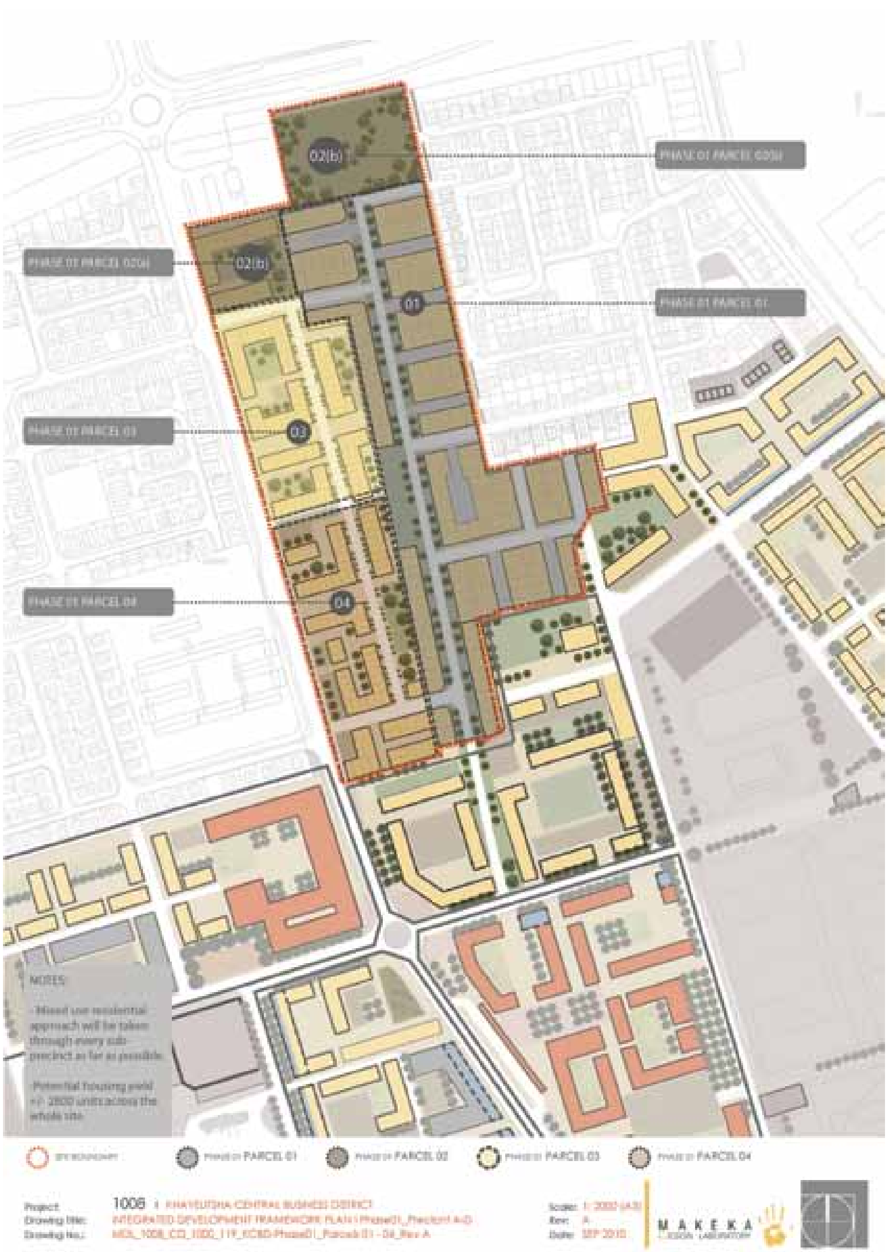
h. **Transport Engineer** – Work closely alongside the urban planner and town planners by specifically providing input on traffic flows in and around the KBD, including attention to access to the various components of the development framework such as retail, office, recreational and residential. MDL will prepare and submit a final Transport Engineer Plan to the satisfaction of KCT and all stakeholders. **Aurecon** was appointed in this role.

i. **Electrical Engineers** – Provide electrical engineering technical specifications for the development. The service provider must be registered with CIDB. MDL will prepare and submit final Electrical Engineering drawings to the satisfaction of KCT and all stakeholders. **Triocon Consulting Engineers** was appointed in this role.

j. **Civil Engineers** – Provide technical civil engineering specification and costing for the development. The service provider must be registered with CIDB. MDL will draft and submit all civil engineering technical data as well as a final technical Civil Engineering Specifications report to the satisfaction of KCT and all stakeholders. **Aurecon** was appointed for this role.

k. Energy Modelling – Provide technical input related to the energy consumption and efficiency and means to maintain and improve this for the KBD are as a whole. MDL will provide a high level urban energy plan which will assist with the building orientation, energy efficiency and energy management systems, local integrated energy planning, appropriate levels of renewable energy and generation/supply. MDL will draft and submit a final Energy Modelling Plan to the satisfaction of KCT and all stakeholders. **Agama Energy** was appointed in this role.

From the period April through June 2010, several meetings were held between the project team across all disciplines, the client and various other direct and indirect stakeholders. The first draft of the Phase 2 urban design framework has also been tabled and workshopped with KCT's management team. The project is currently (as at 30 June 2010) 20% complete and well on track to achieving its goals by 15 September 2010.



A proposed Khayelitsha Central Business District integrated development framework plan

One of the trophies to be awarded to the young soccer teams at the SAFA-5-A-Side 2010 Soccer World Cup Tournament at the Retail Centre in Khayelitsha

PART THREE

KHAYELITSHA COMMUNITY TRUST PERFORMANCE REPORT 2009/10

Part Three deals with the Performance Report of 2009/2010 and looks at the Key Performance Indicators, as well as reporting on the targets and actual achievements.

Khayelitsha Community Trust ("KCT" or "the Trust") Performance Report 2009/10

With the Trust being a municipal entity of the City of Cape Town (" the City"), it aligns its performance measurement approach with that of the City's IDP strategic themes as well as the deliverables set out in the Service Delivery Agreement held between the Trust and the City of Cape Town.

All performance areas and indicators are regularly reviewed by Trust management and quarterly reports are submitted to the City as required by the MFMA.

The following objectives were set by the Trust for the reporting period of 2009/10:

1. To ensure compliance by KCT with all relevant corporate governance and legislative requirements.

This has been achieved as follows:

- The Trust approved a Fraud Prevention Policy during the 2009/10 financial year;
- The Audit committee met at least four times during the 2009/10 financial year;
- The Trust had an internal audit function in place during the 2009/10 financial year;
- The Trust submitted an updated Business Plan and budget for the 2010/11 financial year to the parent municipality no later than 150 days before the start of the financial year as required by section 87 of MFMA.

2009/10

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/06/10	Hold 8 board meetings for monitoring compliance and service delivery	8 Trustee Meetings and 4 Audit Committee meetings	8 Trustee meetings and 6 Audit Committee meetings were held	Target achieved
01/10/09	Board to appoint an ad-hoc bid specification and adjudication committee for the appointment of legal, recruitment and selection consultants to implement a legally compliant and capacitated set of structures for KCT, KMANCO and its Subsidiary companies	Ad-hoc bid adjudication committee appointed	The City's Shareholder Management Unit is assisting the Trust in obtaining legal advice	The City's Shareholder Management Unit is assisting the Trust in obtaining legal advice on compliance with regards to its structures. At year end, discussions on the matter were still in progress between the City's Shareholder Management Unit and the attorneys
21/10/09	Completion of the bid evaluation by the ad-hoc adjudication committee	Bid evaluation completed	The City's shareholder management unit is assisting the Trust in obtaining legal advice.	At year end, discussions were still in progress by the City's Shareholder Management Unit with the attorneys
02/11/09	Appoint legal and recruitment and selection consultants to implement a legally compliant and capacitated set of structures for KCT, KMANCO and its Subsidiary companies	R296,353	R139,942	Savings due to the City assisting with obtaining legal advice on the compliance matter of the structure of KCT and its Investment Companies
From appointment of staff	Cover initial salary costs of capacitated investment companies for a period of one year (from appointment of staff members), after which review of their performance and ability to self-sustain	R2,092,763	R890, 143	Capacitation of investment companies not finalized in the current year

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
Ongoing	Remuneration policy for Trustees	R239,800	R241,038	Trustees remuneration included back pay of travel re-imbursement and ad-hoc meetings for attendances from 01 July 2007

2. To facilitate the upgrading of bulk electricity supply in Khayelitsha Business District.

This has been achieved as follows:

- The service delivery agreement payments for establishing electrical networks in the Khayelitsha CBD extended over the 2009 financial year.

2009/10

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
	Established networks for housing project, municipal offices, hospital and extension of the Retail Centre.	R353,647	R353,647	

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/06/09	Established networks for housing project, municipal offices, hospital and extension of the Retail Centre.	R3,000,000	R2,354,981	Budget provision includes architectural designs of substation and the building of the substation. Consultants awaiting approval from Province for the rezoning of the land prior to commencing with the building plans

3. To facilitate affordable residential development in Khayelitsha Business District

This was to be achieved as follows:

2009/10

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
31/07/09	Meet with the City of Cape Town officials to investigate alternative funding	Trust to meet with City officials & have outcome of possible alternative funding	At a meeting attended by the Trust chair with the City officials & the Mayor in July 2009, it was agreed that a housing task team be established to provide motivations for funding required for housing	The Task Team was subsequently established in November 2009 and is currently in the process of developing new building plans that are affordable to the Khayelitsha local community
30/06/10	Alternative funding sourced for Housing Project by 30 June 2010	Funding sourced	Development funding that includes top structure funding for the housing units and payments for the professional fees has been secured with RMB	The appointed professional team is in the process of developing new specifications with costs for the housing units Negotiations will be entered into with the City of Cape Town for cross subsidisation on the bulk infrastructure costs that will also result in the reduction of the housing unit costs

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/09/08	SDP and rezoning approvals and legal documentation and construction agreements finalised for the housing project	R365,050	Rnil	The rezoning approvals were received in October 2008. Attorneys have been commissioned to review all housing project agreements
30/06/09	Phase 1 (250 housing units)	Rnil	The recently appointed architect has been mandated to deliver on the set of revised building plans by end-August 2010 to prepare for the roll out of Phase 1 housing	During the period of awaiting rezoning approvals from Province, the industry was affected by increased building material costs which resulted in increased housing unit prices. The introduction of the new National Credit Act (NCA) also affected the affordability scales of the target market. The Trust is in talks with the Mayor and other City officials in attempt to obtain additional funding for bulk services in order to reduce price per unit

4. To update the development plan and operational and decision-making framework for Khayelitsha Business District

Progress made was as follows:

a. KCT has commenced with the implementation of recommendations made by Urban Economists towards the provision of a development plan framework for Phase 2 development of the Khayelitsha Business District.

b. A professional planning team has been appointed by the Trust comprising of, amongst other disciplines, Urban planners, Engineers, Town Planners, Environmentalists.

2009/10

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
31/08/09	Liaise with CoCT & GCIS officials on the outcome of the municipal offices needs assessment and ensure this is integrated into the brief for appointed professional planning team	Integrate outcome of needs assessment into brief	Outcomes of the needs assessment process performed by the City of Cape Town's consultants was completed in May 2010. The report is still being reviewed for approval by the City's internal structures	Delay in the appointment of needs assessment consultants by the City caused by the City finalizing its service delivery model. Report to be provided to professional team once approved by the City and KCT Board
31/07/09	Liaise with Intersite & SARCC with regards to outcome of market research procured by Intersite for the land adjacent to the KBD & ensure ongoing collaboration is accounted for in the brief for appointed professional planning team	Professional planning team brief finalised with information from Intersite & SARCC	Information received from SARCC; confirmed by ACG Architects	
01/10/09	Board to appoint an ad-hoc bid specification and adjudication committee for the appointment of specialists for the revised development plan	Members of the adjudication committee appointed	Members were appointed at a Board meeting held in November 2009	
16/10/09	Site inspection process with specialists completed	Site inspection completed	Site inspection not conducted	It was decided that the site inspection won't be as effective because bidders had to first grapple with Phase 1 development plans. Hence a substitute to the site inspection the following documents were served: 1. KBD Phase 1 review 2. Khayelitsha spatial zone 3. KBD planning information document

•

29/10/09	Completion of the bid evaluation by the ad-hoc adjudication committee	Bid evaluation completed	Bid evaluation completed on 1/12/09	
09/11/09	Appointment of consultants to provide revised development plan for KBD and approval thereof; Appoint specialists (Urban Planners, Town Planners, Engineers, Architects, Public Participation Specialists, Socio-Economic planners etc.)	R3,363,334	R1,325,894	Savings in costs resulting from quotations received and accepted being less than budgeted figures; Payments to consultants made according to service delivery agreements; Balance payments to be made end September 2010

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/09/08	Appointment of consultants to provide revised development plan for KBD and approval thereof	R300,000	R134,000	Payments to consultants made according to quotations received and accepted

5. To initiate the development of new municipal offices in Khayelitsha

Progress made as follows:

- The needs assessment analysis conducted by the City appointed consultants known as Afroteq has been completed
- The needs assessment report was tabled by the City's Property Management department to the City's Executive Management
- Team and Mayoral committee for further consideration
- The needs assessment report will be tabled at an official Mayoral meeting scheduled for September 2010 for final decision prior to implementation
- During the 2010 financial year, KCT made payments with a total of R182, 034 (excl. VAT) to the consultants conducting the needs assessment.

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/10/08	Completion of the needs assessment	R250,000	Rnil	Payments to be made in accordance to agreed service delivery agreements.
30/04/09	Appointment of architect and professional team	R500,000	Rnil	The appointment of architects and professional team will be done once the needs assessment process has been completed. Urban planners in the process of being appointed will form part of the professional team.
30/06/09	Financial and legal arrangements	Included in legal costs	Rnil	This process will commence once all building plans have been approved and are in place.

6. To secure alternative sources of funding to cover the construction costs of Phase 2 development of the KBD, based on the outcome of the urban planning process:

- In order to meet the Supply Chain requirements for advertising, a request for an expression of interest has been advertised in local and national newspapers in August 2010 calling for interested parties for further development of the Khayelitsha Business District

2009/10

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
01/10/09	Board to appoint an ad-hoc bid specification and adjudication committee for the appointment of consultants to devise a strategy to raise equity from the community in accordance with existing agreements with RMB	Members of the adjudication committee appointed	To be considered at Board meeting scheduled for August 2010	The development plan for KBD phase 2 that is not yet completed will inform initiatives requiring securing sources for funding. An expression of interest has been advertised in local and national newspapers.
21/10/09	Completion of the bid evaluation by the ad-hoc adjudication committee	Bid evaluation completed	Refer to above	Refer to above.
09/11/09	Appoint consultants to devise a strategy to raise equity from the community in accordance with existing agreements with RMB	Consultants appointed	To be considered at Board meeting scheduled for August 2010	An expression of interest has been advertised in local and national newspapers.
30/06/10	Review recommendations of consultants and adopt a suitable strategy & communicate the strategy and targets to KMANCO Directors	Adopt strategy	Refer to above	An expression of interest has been advertised in local and national newspapers.

7. To initiate integrated CBD management within Khayelitsha Business District

Progress is as follows:

- The recommendations made by the professional team for an integrated CBD management within the Khayelitsha Business District formed part of the brief to the urban economists
- These recommendations will be integrated into the plans of the development framework currently in progress by the appointed professional team

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/09/08	Appointment of consultants and establish management strategy	R150,000	R60,000	Consultants paid as per quotation supplied and approved
01/01/09	Established management strategy and finalise service delivery agreement with City, service providers and clients	Included in the cost of appointment of consultants	Rnil	Process to be taken further once report from Urban planners has been provided.

8. To initiate development of an empowerment plan and programme

This has been achieved as follows:

- During the June 2010 financial year, KCT made progress in the implementation of its empowerment strategy
- The housing professional team has been restructured to incorporate strong black economic empowerment representation
- A training programme is to be implemented to capacitate local construction members and broader entrepreneurs from Khayelitsha
- Various workshops have been held with the Khayelitsha stakeholders to gather their inputs on the KBD Phase 2 planning process
- Sponsorship partnerships have been entered into by KBD Retail and other relevant parties to assist aspiring young achievers from Khayelitsha, e.g. participation in the SAFA 5-A-side soccer tournament in conjunction with the Khayelitsha Sports Council that took place from 11 June 2010 to 10 July 2010 as well as the support for the dancer who competed in the ballet contest in Atlanta, US in July 2010.
- KCT procured Linomtha Properties, a 100% BEE Company to conduct a market feasibility study for the housing project. Khayelitsha residents were used to assist Linomtha Properties in conducting the feasibility study that took place in January 2010 to March 2010.

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/09/08	Initiate appointment of empowerment consultants	R150,000	R150,000	

9. To improve communication with relevant stakeholders

This was achieved as follows:

- The Trust, through its investment company has appointed a Communications Manager who is driving the implementation of the Trust's marketing strategy.
- Several meetings and presentations have been held with a number of Khayelitsha based organisations, e.g. KDF, Nafcoc, etc.
- The CEO has on several occasions been invited to present KCT on radio stations e.g. Bush Radio and Radio Zibonele in Khayelitsha as well as featuring KCT profile in a number of print publications.

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/06/08	Formalise marketing strategy and appointment of marketing consultants	R350,000	R320,544	Payments to consultants done as per service delivery agreements

10. To compile a business strategy for the development of commercial and other facilities in the KBD

This was achieved as follows:

- During the June 2010 financial year, the Trust made progress in the implementation of its business strategy

2008/09 (prior year)

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
30/09/08	Appointment of specialist team	R300,000	R150,000	Payments to consultants made according to quotations supplied and accepted
30/12/08	Business strategy in place	Rnil	Rnil	

11. Implementation of KBD Development Plan

This is to be achieved as follows:

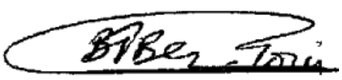
2009/10

Budget Date	Performance Indicators	Target Performance	Actual Performance	Reason for variance and remedial action
Ongoing	Provision of public parking area (planning and upgrading)	Planning & upgrading public parking	Temporary parking provided in the Retail Centre by the City. Professional team in progress with the development plan for phase 2 which includes the upgrading of public parking	To be addressed in the implementation of phase 2 development plan
Ongoing	Improvement of public space and environment (planning and upgrading)	Continued improvement of public space	No improvement to public space in current year.	Improvements done by the City as and when required
Ongoing	Taxi rank (planning and upgrading)	Continued planning & upgrading of taxi rank	No upgrades required in current year. Taxi rank currently operational for long distance taxis. Negotiations in place for short distance operations.	The taxi operators will move over to the new taxi rank once the housing project gets completed as there is currently no sufficient commuter demand.
As per outcome of specialist planning	Construction of municipal offices as recommended by CoCT needs assessment & Thusong Centre guidelines	Commence construction of municipal offices	Needs assessment completed	The needs assessment report will be tabled at the Mayoral meeting scheduled for September 2010 for final decisions prior to implementation
As per outcome of specialist planning	Construction of relevant commercial facilities as per the Phase 2 development framework, a deliverable of the professional planning team	Commence implementation of Phase 2 development framework	Professional team in progress with the development framework for Phase 2	Completion of planning envisaged for September 2010. Construction to commence after approval of the Phase 2 development framework.

Legislation Compliance

- The KCT is operating a bank account in its name as required by the MFMA – Sections 85(1) to (3).
- The KCT appointed the Chief Executive Officer - who is the accounting officer of the Trust - in accordance with section 93J of the Municipal Systems Act. Though the CEO resigned in January of 2009, the trust appointed the Financial Manager as the acting CEO for the remainder of the 2009 financial year. The newly appointed CEO commenced duties in October 2009.
- The KCT keeps full and proper accounting records, as are necessary to fairly present the state of affairs and business of the municipal entity as required by the MFMA – Section 95(b).
- The Trustees' remuneration matters are full disclosed in the AFS.
- The remuneration details of the CEO and senior management of the Trust are disclosed separately in the AFS.
- KCT maintains effective, efficient and transparent systems of financial, risk management and internal control. A Financial Policy was approved and put in place during the 2008/09 reporting year as required by Section 95 to 100 of the MFMA.
- The KCT has an internal auditing function in place.
- The KCT developed and approved its HR policies.
- The KCT maintains a management, accounting and information system that properly accounts for assets and liabilities of the management systems of the Trust. The Finance committee has an oversight function on these systems.
- The KCT has processes in place to ensure that irregular, fruitless and wasteful expenditure and other losses are prevented. The Finance Committee and Audit Committee have an oversight function on these processes.
- The KCT adopted its own Delegations of Authority policy.
- The KCT has a system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds as required by section 99 of MFMA. The Finance committee has an authorisation function in this system.
- The KCT developed, approved and followed its own SCM Policy during the reporting year.
- The KCT submitted a business plan and budget to its Parent Municipality at least 150 days prior to start of the financial year as required by Section 87 of MFMA.
- The Trust's Audit Committee met at least 4 times during the reporting year as required by Section 166(4)(b) of the MFMA.
- The AFS of the KCT disclosed information on all allocations received from the City as required by section 123 of the MFMA.
- KCT has developed and approved its own Fraud Prevention Plan as required by Section 95(c) ((i) of MFMA.

Performance report approved by the Board of Trustees on 22 November 2010



Chairperson: Khayelitsha Community Trust

Mr. Mkhululi Gaula making a speech at the SAFA-5-ASide 2010 Soccer World Cup Tournament Closing/Prizegiving Ceremony-KCT was partnered with other private companies to make this event a success

PART FOUR

REPORT OF THE AUDIT COMMITTEE TO THE BOARD

TO THE BOARD OF TRUSTEES AND TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL FOR THE CITY OF CAPE TOWN

We are pleased to present our report for the financial year ended 30 June 2010.

Audit committee members and attendance

The names of Audit Committee members and their attendance at committee meetings during the financial year are set out below.

Name of Member	Number of meetings attended
Mr AC Coombe (Chairperson)	5 out of 6
Ms X Daku	3 out of 6
Mr RJ Biesman-Simons	6 out of 6

Audit committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act, No 56 of 2003 (MFMA). The Committee also reports that it has acted within its terms of reference, which have been approved by the Board of Trustees and within the reporting framework of the MFMA.

Efficiency and effectiveness of internal control

Based on our review and evaluation of the audit work of the Internal Auditors and the Auditor-General, as reported to us for the year under review, the Audit Committee is of the opinion that the systems of internal control were generally adequate and operated effectively during the year ended 30 June 2010. Such weaknesses as were identified and reported to us have been or will be rectified by Management.

The Audit Committee undertakes to monitor corrective action to ensure that internal checking and control measures continue to be implemented, so as to further improve the internal control environment.

Quality of management reports

The Audit Committee is of the view that the content and quality of monthly and quarterly management reports presented to Management and to the City Council are generally adequate to the financial position and results of the Trust in comparison with plans and budgets.

Review and evaluation of the annual financial statements

The Committee has:

- Reviewed and discussed with the Auditor-General the audited annual financial statements and their report thereon for the year ended 30 June 2010 to be included in the annual report of the Trust;
- Reviewed management responses to the final management letter issued by the Auditor-General;
- Reviewed the appropriateness of the accounting policies and practices; and
- Reviewed adjustments resulting from the annual audit.

Conclusion

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements for the year ended 30 June 2010 and is of the opinion that the audited annual financial statements, read together with the report of the Auditor-General, should be accepted by the Board of Trustees and by the Council for the City of Cape Town.

A C Coombe
Chairperson of the Audit Committee
22 November 2010

Aerial view of Khayelitsha

PART FIVE

REPORT OF THE AUDITOR-GENERAL

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL LEGISLATURE AND THE CITY OF CAPE TOWN MUNICIPALITY ON THE KHAYELITSHA COMMUNITY TRUST

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Khayelitsha Community Trust (KCT) which comprise the statement of financial position as at 30 June 2010, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 62 to 87.

The accounting authority's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. Paragraph 11 *et seq.* of the SA Standards of GRAP, GRAP1, *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the KCT in this respect will be limited to reporting on non-compliance with this disclosure requirement.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Khayelitsha Community Trust as at 30 June 2010 and its financial performance and its cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by the MFMA.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:

9. As disclosed in note 24 to the financial statements, the entity has materially underspent the budget to the amount of R4 million. According to management this has not affected service delivery.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the PAA and in terms of *General Notice 1570 of 2009, issued in Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objects, compliance with the following laws and regulations: MFMA and Local Government: Municipal Systems Act of South Africa, 2000 (Act No. 2 of 2000) (MSA) and financial management (internal control).

Predetermined objectives

11. There are no material findings on the report on predetermined objectives as set out on pages 38 to 49.

Compliance with laws and regulations

12. As disclosed in note 20.1 to the financial statements, the KCT held an investment in a corporate body in contravention of section 93K of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). This investment was acquired prior to the promulgation of the amendment to the legislation, which had no retrospective requirement.

INTERNAL CONTROL

13. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the relevant laws and regulations, but not for the purpose of expressing an opinion on the effectiveness of internal control. There were no material findings to report with regard to the afore-mentioned.

Auditor-General

Cape Town
30 November 2010

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

The Look Out Hill on the corner Mew Way and Spine Road an envisioned tourist attraction facility

The Khayelitsha Business District envisioned to transform by the year 2020

PART SIX

ANNUAL FINANCIAL STATEMENTS

THE KHAYELITSHA COMMUNITY TRUST (MASTERS REFERENCE T3011/2003) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Country of registration
South Africa

Registered office
c/o Webber Wentzel Inc
15th Floor
Convention Tower
Cape Town
8001

Business address
Office 15
1st Floor
Old Dutch Square
Bellville
7530

Attorneys
Webber Wentzel Inc

Accountants
Mazars

Auditor
The Auditor-General

Founding entity
The City of Cape Town

Banker
ABSA Bank Limited

THE KHAYELITSHA COMMUNITY TRUST ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The reports and statements set out below comprise the annual financial statements presented to trustees:

Contents

Approval and statement of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The accountants are responsible for compiling the financial statements and related information, in accordance with the statement of International Standards on Related Services applicable to compilation engagements.

The trustees are also responsible for the trust's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and 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 trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 65 to 87 were approved by the trustees on 22 November 2010 and signed on their behalf by:

Trustee

Trustee

COMPILATION REPORT OF THE ACCOUNTANTS TO THE KHAYELITSHA COMMUNITY TRUST

On the basis of information provided by the trustees we have compiled, in accordance with the statement of International Standards on Related Services applicable to compilation engagements the annual financial statements of The Khayelitsha Community Trust set out on pages 65 to 87 for the year ended 30 June 2010. These financial statements are the responsibility of the trust's trustees. We have not audited or reviewed these financial statements, and accordingly express no assurance thereon.

MAZARS MOORES ROWLAND

Mazars Moores Rowland

Partner: Marc Edelberg
22 November 2010
Cape Town

THE KHAYELITSHA COMMUNITY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2010

The trustees present their report for the year ended 30 June 2010. This report forms part of the financial statements.

1. General review

The trust was created under South African law in terms of the Khayelitsha Business District Project, by the City of Cape Town for the benefit of the residents of Khayelitsha. As a municipal entity it is governed by various South African legislation, and more specifically the Municipal Finance Management Act (MFMA), 2003, on financial matters, and by its trust deed.

The trust carries on the business of property and investment holding. There has been no major change in the nature of the business during the year.

2. Financial results

The trust's net surplus for the year amounted to R 499,587 (2009 : R 1,944,358).

3. Property, plant and equipment and investment property.

There have been no major changes in the investment property during the year or any changes in the policy relating to its use.

Property, plant and equipment of R19,322 (2009 : R1,834) was acquired during the year.

4. Events subsequent to year end

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report that affect the financial position as reflected at year end.

5. Trustees

The trustees of the trust during the accounting year and up to the date of this report were as follows:

B Belu-Toni (Chair)
M Maxongo (Deputy Chair)
M V Macikama
X E Daku
A C Coombe
R J Biesman-Simons

6. Wholly owned investments

	Issued capital	% held		Number of shares	
Name	**R**	**2010**	**2009**	**2010**	**2009**
Direct					
KBD Management (Pty) Ltd	100	100	100	100	100
Indirect					
KBD Retail Properties (Pty) Ltd	300	100	100	300	300
KBD Housing (Pty) Ltd	300	100	100	300	300

The MFMA does not make any reference to a consolidation of a municipal entity with its investment companies due to the fact that the Systems Act does not permit a municipal entity to hold an investment in another entity. Consequently no consolidated financial statements have been prepared.

THE KHAYELITSHA COMMUNITY TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	2010 R	2009 R
Assets			
Non-current assets		2,200,508	2,184,561
Property, plant and equipment	2	110,867	126,388
Investment property	3	1,634,196	1,634,196
Investment	4	100	100
Operating lease asset	5	455,345	423,877
Current assets		10, 100,773	9,546,207
Trade and other receivables	6	1,453,782	3,550,454
Cash and cash equivalents	7	8,646,991	5,995,753
Total assets		12,301,281	11,730,768
Net assets and liabilities			
Net assets		3,594,293	3,094,706
Founding donation	8	100	100
Accumulated surplus		3,594,193	3,094,606
Non-current liabilities		7,663,274	7,177,797
Borrowings	9	1,213,456	1,202,321
Deferred revenue - government grants	10	6,449,818	5,975,476
Current liabilities		1,017,929	1,458,265
Trade and other payables	12	964,809	1,379,360
Current portion of borrowings	9	78,905	78,905
Total net assets and liabilities		12,301,281	11,730,768

THE KHAYELITSHA COMMUNITY TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 R	2009 R
Revenue		180,870	1,562,404
Rental income		180,870	191,602
Sundry income	13	-	1,370,802
Other revenue		6,781,315	6,198,567
Grant funding - City of Cape Town	10	6,391,880	5,818,850
Interest received		379,400	379,717
Profit on foreign exchange		35	-
Sundry income		10,000	-
Total revenue		6,962,185	7,760,971
Expenditure (Refer to page 68)		(6,462,598)	(6,032,141)
Surplus before taxation		499,587	1,728,830
Taxation	15	-	215,528
Net surplus		499,587	1,944,358

THE KHAYELITSHA COMMUNITY TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 R	2009 R
Expenditure		(6,462,598)	(6,032,141)
Accounting fees		209,691	250,464
Advertising and marketing		259,666	404,443
Auditors' remuneration		401,922	611,095
- External audit		322,322	536,180
- Internal audit		79,600	74,915
Bank charges		2,149	5,788
Capacitation of investment companies		890,143	-
Cleaning		4,472	3,358
Computer expenses		15,748	3,148
Conference expenses		9,169	(7,093)
Consulting fees		1,894,768	627,252
Depreciation		33,009	31,076
Electricity and water		6,244	5,018
Entertainment		11,972	9,023
Infrastructure - electrical substation		310,216	2,354,981
Insurance		5,872	4,537
Interest		688,762	123,957
Interest - borrowings		121,602	123,957
Interest - VAT		567,160	-
Lease rentals		126,699	95,623
Legal fees		23,756	86,949
Payroll services		6,804	5,985
Postage		6,394	1,866
Printing and stationery		70,908	59,914
Provision for impairment of short term loan	6	-	49,258
Remuneration	14.1	1,181,799	1,015,012
Repairs and maintenance		2,470	7,303
Security		4,292	4,224
Sponsorship		4,400	-
Telephone and fax		39,731	37,359
Training and development		18,368	-
Travel - local		400	563
Trustees fees	14.2	232,774	241,038

THE KHAYELITSHA COMMUNITY TRUST
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2010

	Founding donation R	Accumulated surplus R	Total R
Balance at 01 July 2008	100	1,150,248	1,150,348
Net surplus		1,944,358	1,944,358
Balance at 01 July 2009	100	3,094,606	3,094,706
Net surplus		499,587	499,587
Balance at 30 June 2010	100	3,594,193	3,594,293

THE KHAYELITSHA COMMUNITY TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 R	2009 R
Cash flows from operating activities		2,749,465	1,576,051
Cash receipts from grant funding	10	6,866,222	7,836,631
Cash paid to suppliers and employees	16.1	(4,040,628)	(6,241,421)
Cash generated by operating activities		2,825,594	1,595,210
Interest paid	16.2	(598,722)	(39,452)
Increase in short term loans		-	(507,151)
Rent received	16.3	143,193	147,727
Interest received	16.5	379,400	379,717
Cash flows used in investing activities			
Expenditure to maintain operating capacity			
Property, plant and equipment acquired		(19,322)	(1,834)
Cash flows used in financing activities			
Repayment of loan		(78,905)	(73,305)
Increase in cash and cash equivalents		2,651,238	1,500,912
Cash and cash equivalents at beginning of the year	16.6	5,995,753	4,494,841
Cash and cash equivalents at end of the year	16.6	8,646,991	5,995,753

THE KHAYELITSHA COMMUNITY TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. Accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance, including any interpretations of such Statements issued by the Accounting Practices Board.

The financial statements have been prepared on a going concern basis using a combination of the historical cost and fair value basis of accounting. Those categories to which the fair value basis of accounting has been applied are indicated in the individual accounting policy notes below.

1.2 Revenue recognition

The trust earns revenue from rental income.

Revenue from rental agreements is recognised in accordance with the accounting policy for operating leases.

Grant funding is recognised in accordance with the accounting policy for government grants.

Interest revenue is recognised in the statement of financial performance, using the effective interest rate method.

1.3 Leases

Leases of assets where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Operating leases - lessor

Operating lease income is recognised as income on a straight-line basis over the lease term. The difference between the amounts recognised as income and the contractual income are recognised as an operating lease asset or liability. These items are not discounted.

Income for leases is disclosed under revenue in the statement of financial performance.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

1.4 Investment property

Investment properties are held to earn rental income and appreciate capital value. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied properties from investment properties.

Investment properties are stated at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of financial performance, any amounts in revaluation and other reserves relating to that investment property are transferred to retained earnings.

1.5 Investments

Non-current investments are shown at cost and adjustments are made only where, in the opinion of the trustees, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified. Investments are not revalued, as fair value cannot be determined at this early stage of development.

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

1.6 Government grants

Government grants are recognised when there is reasonable assurance that:

- the trust will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred revenue or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the statement of financial performance (separately).

Repayment of a grant related to income is applied first against any unamortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.7 Provisions

The present value of future payments for surplus lease properties under non-cancellable operating leases is recognised as a liability, net of sub-leasing revenue, in the period in which it is determined that the leased property will be of no future benefit to the trust.

1.8 Significant judgements

In preparing the annual financial statements, the trustees are required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.9 Financial instruments

Initial recognition

Financial assets and liabilities are recognised when the trust becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of financial performance when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the trust, unless otherwise stated.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Loans receivable

Loans receivable are stated at amortised cost less impairment losses using the effective interest rate method by applying the interest rates determined on initial recognition. Cumulative interest is recognised in profit or loss on an effective rate basis over the period of the loan.

Loans receivable which have no fixed repayment terms and bear no interest are stated at the amount initially recognised less impairment losses.

Borrowings

Borrowings are initially measured at fair value, which is the cash consideration received less transaction costs. Subsequently, borrowings are measured at amortised cost using the effective interest rate method. The amortised cost method results in the accrual of interest in each period by applying the effective interest rate implicit to the outstanding balance on the borrowings. Borrowings are reduced when repayments are made.

1.10 Property, plant and equipment

All property, plant and equipment are initially recorded at cost less any impairment in value.

Infrastructure where no control can be exercised by the entity is not deemed to be capital in nature and is expensed in full in the statement of financial performance.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives as follows:

- Furniture and fittings 6 years
- Office equipment 5 years
- Computer equipment 3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

1.11 Borrowing cost

Borrowing costs arise on the borrowing of funds and are recognised as an expense in the statement of financial performance, in the interest line item in the period in which they are incurred

1.12 Deferred taxation

Deferred taxation is provided at legislated future rates using the balance sheet liability method. Full provision is made for all temporary differences between the tax base of an asset or liability and its balance sheet carrying amount.

No deferred tax liability is recognised in those circumstances where the initial recognition of an asset or liability has no impact on accounting profit or taxable income.

Assets are not raised in respect of the deferred taxation on assessed losses unless it is probable that future taxable profits will be available against which the deferred tax asset can be realised in the foreseeable future.

1.13 Employee benefits

Short term employee benefits

The cost of short-term employee benefits, those payable within 12 months after the service is rendered, such as wages, salaries, paid annual leave and sick leave, bonuses, and other allowances are recognised in the period in which the service is rendered and are not discounted.

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

1.14 Standards not effective

The following Standards have been issued, but are not yet effective.

Standard	Title of Standard	Effective Date	Anticipated impact on annual financial statements
GRAP 18	Segment Reporting	not determined	Disclosure only
GRAP 21	Impairment of Non-cash generating Assets	not determined	No impact as the trust currently prescribes to the requirements of the Standard
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)	not determined	No impact as the trust currently prescribes to the requirements of the Standard
GRAP 24	Presentation of Budget Information	not determined	Disclosure only
GRAP 25	Employee Benefits	not determined	No impact as the trust currently prescribes to the requirements of the Standard
GRAP 26	Impairment of Cash-generating Assets	not determined	No impact as the trust currently prescribes to the requirements of the Standard
GRAP 103	Heritage Assets	not determined	No impact as the trust does not have heritage assets
GRAP 104	Financial Instruments	not determined	No impact as the trust currently prescribes to the requirements of the Standard

2. Property, plant and equipment

	2010			2009		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Owned assets						
Furniture and fittings	109,664	35,992	73,672	103,009	19,932	83,077
Office equipment	27,750	11,796	15,954	28,057	6,801	21,256
Computer equipment	47,536	26,295	21,241	36,397	14,342	22,055
	184,950	74,083	110,867	167,463	41,075	126,388

The carrying amounts of property, plant and equipment can be reconciled as follows:

2010	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	Carrying value at end of year R
Owned assets					
Furniture and fittings	83,077	7,784	(1,129)	(16,060)	73,672
Office equipment	21,256	-	(306)	(4,996)	15,954
Computer equipment	22,055	11,538	(399)	(11,953)	21,241
	126,388	19,322	(1,834)	(33,009)	110,867

2009	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	Carrying value at end of year R
Owned assets					
Furniture and fittings	97,230	1,127	-	(15,280)	83,077
Office equipment	25,944	308	-	(4,996)	21,256
Computer equipment	32,456	399	-	(10,800)	22,055
	155,630	1,834	-	(31,076)	126,388

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

	2010 R	2009 R
3. Investment property		
Land, at cost	1,634,196	1,634,196

Investment property consists of land, being erf 58857 and 58858 (portion of erf 18730) Khayelitsha, measuring approximately 47,343 square metres in extent. A retail centre has been constructed on the land by the lessee. Ownership of the buildings will revert to the trust after the lease period of 20 years. The land had a fair value of R8,800,000 at 30 June 2010 (2009 - R8,140,000).

The following amounts, included in the statement of financial performance, relate to this property:

	2010 R	2009 R
Rental income	180,870	191,602
4. Investment		
Unlisted shares at cost	100	100

The trust holds 100% of the issued ordinary shares of the following company:

	2010 R	2009 R
Unlisted		
KBD Management (Pty) Ltd	100	100
	100	100
5. Operating lease asset		
Opening balance	423,877	380,002
Movement	31,468	43,875
	455,345	423,877

The operating lease asset comprises the cumulative differences on the effect of accounting for operating leases on a straight-line basis in terms of accounting policy note 1.3.

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued

	2010	2009
	R	R

6. Trade and other receivables

City of Cape Town	-	2,498,541
Short term loans - refer note 17	1,073,542	1,073,542
- Provision for impairment - KBD Housing (Pty) Ltd	(77,032)	(77,032)
Deposit	27,162	27,162
Accrued income - Metrorail	19,312	10,731
Prepayment	54,485	17,510
VAT	356,313	-
	1,453,782	3,550,454

The short term loan owing by KBD Housing (Pty) Ltd, a subsidiary of the trust's wholly owned investment, KBD Management (Pty) Ltd, has been subordinated in favour of other creditors, until the assets of the company, fairly valued, exceeds its liabilities.

Trade and other receivables impaired

As of 30 June 2010, trade and other receivables of R 77,032 (2009 :R 77,032) were impaired and provided for.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	77,032	27,774
Provision for impairment	-	49,258
	77,032	77,032

Trade and other receivables past due amounting to R996,510 (2009: R996,510) are not impaired as the probability for recoverability has been assessed as likely.

Trade and other receivables amounting to R19,312 (2009: R2,509,272) are within their repayment limits.

7. Cash and cash equivalents

Cash on hand	808	2,000
ABSA cheque account	8,646,183	5,993,753
	8,646,991	5,995,753

8. Founding donation

Donation made - 2003	100	100

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

	2010 R	2009 R
9. Borrowings		
Unsecured		
The City of Cape Town - at amortised cost	1,292,361	1,281,226
The liability bears interest at 10% per annum. The capital of R1,420,290 is repayable in annual instalments of R78,905 together with any interest due for the year, over 18 years, commencing 30 November 2007.		
Less: Short term portion included in current liabilities	(78,905)	(78,905)
	1,213,456	1,202,321

10. Deferred revenue - government grants

	2010 R	2009 R
Balance at beginning of year	5,975,476	4,532,479
Received during the year	6,866,222	7,836,631
Adjustment for VAT	-	(574,784)
Transferred to statement of financial performance	(6,391,880)	(5,818,850)
Balance at end of year	6,449,818	5,975,476
Estimated expenditure in respect of deferred revenue:		
Employment related expenditure	1,191,339	143,398
General expenditure	1,167,667	(784,036)
Contracting services	4,017,571	1,211,786
Projects	-	5,042,478
Capital expenditure	73,241	361,850
	6,449,818	5,975,476

The trust has an obligation to refund any unspent grant funding received from the City of Cape Town.

11. Deferred tax

	2010 R	2009 R
Balance at beginning of year	-	(167,195)
Movements during year attributable to:		
- Tem porary differences	-	167,195
Balance at end of year	-	-

The full deferred tax liability was reversed in the prior year as the trust is exempt from income tax, retrospective to the year of assessment ending June 2003.

	2010 R	2009 R
12. Trade and other payables		
Trade payables	170,389	-
VAT	-	1,128,053
Accruals - professional fees	70,260	224,597
Accruals - PAYE, UIF, SDL	54, 485	17,510
Accruals - marketing	-	5,700
Accruals - contracting fees	632,197	-
Accruals - other	33,978	-
Deposit - Metrorail	3,500	3,500
	964, 809	1,379,360
13. Sundry income		
In the prior year, the Trust was advised that it should register as a vendor in terms of the Value Added Tax Act, with effect from the inception of the Trust. The Trust's application to register for VAT purposes was approved, backdated to inception of the Trust in 2003. In terms of IFRS, the impact of this backdated registration has been accounted for in the year ended 30 June 2009. The net effect is a reduction in the expenses, with prior year inputs being accounted for as sundry income.	-	1,370,802
14. Remuneration		
14.1 Management remuneration		
Included in remuneration of R1,181,799 (2009: R1,015,012) are the following amounts paid to management:		
CEO		
- Salary	387,448	270,756
- Allowances	67,500	52,670
- Benefits	-	-
Financial manager		
- Salary	531,684	461,365
- Allowances	43,320	62,905
- Benefits	-	-
	1,029,952	847,696
14.2 Trustee fees		
Non-executive		
For services as trustees	232,774	241,038

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

	2010 R	2009 R
15. Taxation		
South African normal tax		
- Prior year reversal	-	(48,333)
- Deferred tax	-	(167,195)
Tax for the year	-	(215,528)

No provision has been made for taxation as the trust has successfully been granted status as a public benefit organisation in terms of section 30 of the Income Tax Act and therefore is exempt from normal tax in terms of section 10 (1) (cN) of the Income Tax Act.

16. Notes to the cash flow statement

16.1 Cash paid to suppliers and employees

	2010 R	2009 R
Net surplus for the year before taxation	499,587	1,728,830
Adjustments for:		
Depreciation	33,009	31,076
Interest received	(379,400)	(379,717)
Interest paid	688,762	123,957
Transferred out of deferred revenue	(6,391,880)	(5,818,850)
Impairment of short term loan	-	49,258
Other non-cash items - disposals of PPE	1,834	-
Operating lease rental	(180,870)	(191,602)
	(5,728,958)	(4,457,048)
Movements in working capital		
Increase/(decrease) in trade and other receivables	2, 102, 881	(3,018,750)
(Decrease)/increase in trade and other payables	(414, 551)	1,234,377
	(4,040,628)	(6,241,421)

16.2 Reconciliation of interest paid

	2010 R	2009 R
Charge in statement of financial performance	688,762	123,957
Adjustment for interest accrual	(90,040)	(84,505)
Payments made	598,722	39,452

16.3 Reconciliation of rent received

	2010 R	2009 R
Charge in statement of financial performance	180,870	191,602
Adjustment for rent accrual	(6,209)	-
Adjustment for rental straightlining	(31,468)	(43,875)
Payments received	143,193	147,727

	2010 R	2009 R
16.4 Reconciliation of taxation paid		
Charge in statement of financial performance	-	215,528
Adjustment for deferred tax	-	(167,195)
Movement in taxation balance	-	(48,333)
	-	-
16.5 Reconciliation of interest received		
Charge in statement of financial performance	379,400	379,717
	379,400	379,717

16.6 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2010 R	2009 R
Cash and cash equivalents	8,646,991	5,995,753

17. Related parties

	2010 R	2009 R
Transactions with related parties:		
Grant funding received - The City of Cape Town	6,866,222	7,836,631
Balances owing by related parties:		
KBD Management (Pty) Ltd	730,794	730,794
KBD Retail Properties (Pty) Ltd	265,716	265,716
KBD Housing (Pty) Ltd	77,032	77,032
The City of Cape Town	-	2,498,541
	1,073,542	3,572,083
Balances owing to related parties, at amortised cost:		
The City of Cape Town	1,292,361	1,281,226

The Khayelitsha Community Trust is the sole shareholder of KBD Management (Pty) Ltd.

KBD Management (Pty) Ltd is the sole shareholder of KBD Retail Properties (Pty) Ltd and KBD Housing (Pty) Ltd.

The Khayelitsha Community Trust is deemed a municipal entity with the founding entity being the City of Cape Town.

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

	2010 R	2009 R
18. Commitments		
Infrastructural operating commitment		
The trust is contractually commited to additional infrastructure expenditure in the 2011 financial year amounting to:	353,647	1,148,550
These will be financed by existing cash balances.		
Operating lease commitments		
The future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than 1 year	191,601	191,601
Later than 1 year and not later than 5 years	625,375	691,371
Later than 5 years	1,461,644	1,601,962
	2,278,620	2,484,934

The trust has leased its land to KBD Management (Pty) Ltd for a period of 20 years 9 months, commencing 7 March 2005.

The trust has also leased an unused portion of the abovementioned land to Metrorail for a period of 5 years commencing 5 October 2007.

19. Financial instruments

Fair values

The carrying amounts of cash and cash equivalents, receivables, payables and short term borrowings approximated their fair values due to the short term maturities of these assets and liabilities.

Liquidity risk management

The trust manages its liquidity risk by monitoring cash flows and ensuring that adequate cash is available or borrowing facilities are maintained.

Interest rate risk

As part of the process of managing the trust's interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Full details of interest rates relating to borrowings are detailed in note 9.

19. Financial instruments continued

The following table sets out the carrying amount, by maturity, of the trust's financial instruments that are exposed to interest rate risk:

Year ended 30 June 2010

Fixed rate

	< 1 year	1-5 years	> 5 years	Total
	R	R	R	R
Unsecured borrowings	168,945	315,620	807,796	1,292,361

Floating rate

	< 1 year	1-5 years	> 5 years	Total
	R	R	R	R
Cash and cash equivalents	8,648,183	-	-	8,648,183

Year ended 30 June 2009

Fixed rate

	< 1 year	1-5 years	> 5 years	Total
	R	R	R	R
Unsecured borrowings	78,905	315,620	887,701	1,281,226

Floating rate

	< 1 year	1-5 years	> 5 years	Total
	R	R	R	R
Cash and cash equivalents	5,993,753	-	-	5,993,753

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the trust that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Credit risk

The trust maintains cash, cash equivalents, trade receivables and investments. The trust limits its counter party exposure arising from financial institutions by only dealing with well-established financial institutions of high credit standing. The trust does not expect any counterparties to fail to meet their obligations, given their high credit standing.

20. Non-compliance with legislation

20.1 During the year under review, the following requirement of the Local Government: Municipal Systems Act, 2000 (MSA) was not complied with:

- The trust held an investment in a corporate body in apparent contravention of section 93K of the Local Government: Municipality Systems Act, 2000. This investment was acquired prior to the promulgation of the amendment to this legislation, which had no retrospective requirement. Consequently, the Trustees are satisfied that the holding of this investment does not contravene the relevant legislation.

21. Financial assets by category

2010	Loans and receivables	Fair value through profit or loss - held for trading	Total
Investment	-	100	100
Operating lease asset	455,345	-	455,345
Trade and other receivables	1,042,984	-	1,042,984
Cash and cash equivalents	8,646,991	-	8,646,991
	10,145,320	**100**	**10,145,420**

2009	Loans and receivables	Fair value through profit or loss - held for trading	Total
Investment	-	100	100
Operating lease asset	423,877	-	423,877
Trade and other receivables	3,532,944	-	3,532,944
Cash and cash equivalents	5,995,753	-	5,995,753
	9,952,574	**100**	**9,952,674**

22. Financial liabilities by category

2010	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
Borrowings	1,292,361	-	-	1,292,361
Trade and other payables	964,809	-	-	964,809
	2,257,170	**-**	**-**	**2,257,170**

2009	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
Borrowings	1,281,226	-	-	1,281,226
Trade and other payables	251,307	-	-	251,307
	1,532,533	**-**	**-**	**1,532,533**

23. Change in accounting framework

During the year, the trust changed its accounting framework from a combination of South African Statements of Generally Accepted Accounting Practices (GAAP) and Standards of Generally Recognised Accounting Practices (GRAP), to being fully compliant with GRAP. The effect of the change in accounting framework had no material effect on the financial information reported in the annual fnancial statements.

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

24. Actual versus Budget

	2010 Actual	2010 Budget	R Variance	% Variance	Explanation of Significant Variances
Revenue					
Rental Income	180,870	182,318	1,448	1%	
Other revenue					
Grant funding - City of Cape Town	6,391,880	6,866,222	474,342	7%	Actual based on accounting adjustments
Interest received	379,400	450,000	70,600	16%	Timing difference linked to prime rate and bank balance
Profit on foreign exchange	35	0	-35	100%	
Sundry Income	10,000	0	-10,000	100%	
Total revenue	**6,962,185**	**7,498,540**	**536,355**	**223%**	
Expenditure					
Accounting fees	209,691	250,000	40,309	16%	Payments in accordance to services rendered
Advertising and marketing	259,666	355,600	95,934	27%	Payments done as per service delivery agreement
Auditors' remuneration	401,922	438,000	36,078	8%	
- External audit	322,322	358,000	35,678	10%	
- Internal audit	79,600	80,000	400	1%	
Bank charges	2,149	1,776	-373	-21%	
Capacitation of investment companies	890,143	2,092,763	1,202,620	57%	Capacitation of investment companies not finalized in the current year
Cleaning	4,472	3,708	-764	-21%	
Computer expenses	15,748	14,191	-1,557	-11%	
Conference expenses	9,169	35,848	26,679	74%	Savings in costs due to Trust focusing on implementation rather than planning workshops
Consulting fees	1,894,768	4,542,687	2,647,919	58%	Payments done as per service delivery agreements
Depreciation	33,009	30,233	-2,776	-9%	
Electricity and water	6,244	7,200	956	13%	
Entertainment	11,972	10,780	-1,192	-11%	
Infrastructure - electrical substation	310,216	353,647	43,431	12%	Payments done as per service delivery agreements

THE KHAYELITSHA COMMUNITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

Insurance	5,872	5,169	-703	-14%	
Interest	688,762	583,833	-104,929	-18%	
Interest - borrowings	121,602	23,672	-97,930	-414%	Effect of straightlining
Interest - VAT	567,160	560,161	-6,999	-1%	
Lease rentals	126,699	137,544	10,845	8%	
Legal fees	23,756	99,700	75,944	76%	Payments in accordance to services rendered
Payroll services	6,804	30,000	23,196	77%	Payments for additional payroll related services in accordance to services rendered.
Postage	6,394	6,394	0	0%	
Printing and stationery	70,908	95,620	24,712	26%	Reduced costs due to reduced staffing.
Remuneration	1,181,799	1,153,132	-28,667	-2%	
Repairs and maintenance	2,470	7,466	4,996	67%	Payments in accordance to services rendered
Security	4,292	4,620	328	7%	
Sponsorship	4,400	4,400	0	0%	
Telephone and fax	39,731	48,269	8,538	18%	Reduced costs due to reduced staffing.
Training and development	18,368	22,560	4,192	19%	Payments done as per service delivery agreements
Travel - local	400	400	0	0%	
Trustees fees	232,774	242,000	9,226	4%	
Total Expenditure	**6,462,598**	**10,577,540**	**4,010,012**	**38%**	

Notes

Notes

Notes

Notes

Tel: 021 949 7741/2

Fax: 021 949 7747

Address: Office No 15, First Floor, Old Dutch Square,
c/o Bill Bezuidenhout & Old Paarl Road,
Bellville 7530

PO Box 1509, Bellville 7535

Email: info@kctrust.org

Website: www.kctrust.org

Satellite Office: Khayelitsha Training Centre,
Corner Lwandle and Spine Road,
Khayelitsha, 7784

Product of Tshawe Communications

Tel: 021 552 5491

Fax: 086 603 3743

Email: tshawe@mweb.co.za

Photography by Bruce Sutherland of the City of Cape Town

Khayelitsha Multi-Purpose Centre by Makeka Design Labratory