

ABAGOLD™



DEVELOPMENT TRUST

ANNUAL REPORT 2022

The **object** of the Abagold Development Trust (ADT) is to **develop and support** the communities in Hermanus where the majority of our employees at Abagold live and raise their children.

Its **purpose**, in particular, is to create and improve **educational opportunities** for the children in these communities.

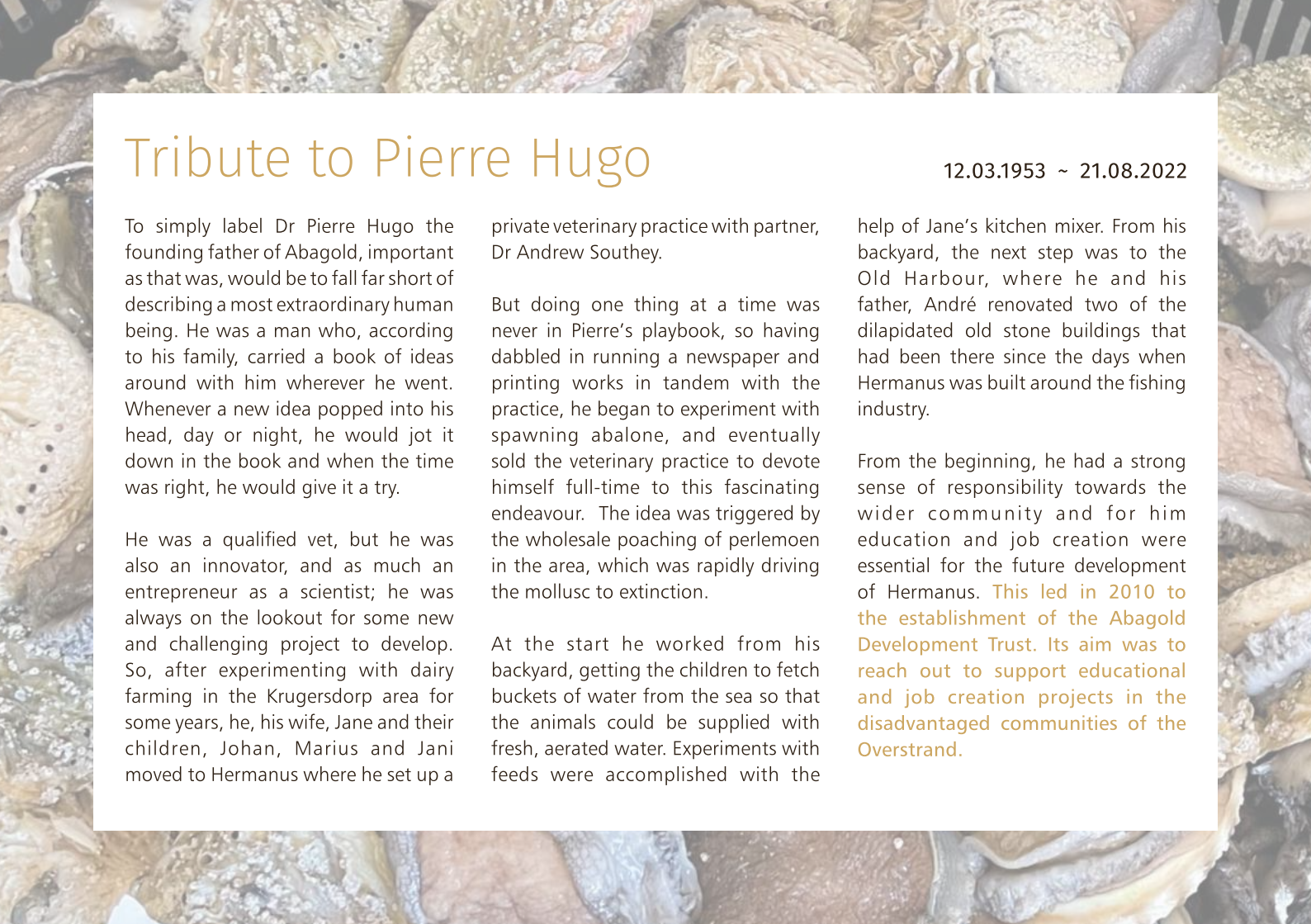
We believe that many of the children whose lives we touch in a positive way will grow up to be our **future community leaders**. Successful communities depend on the holistic development of their children, especially in the early years.



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Tribute to Pierre Hugo

12.03.1953 ~ 21.08.2022

To simply label Dr Pierre Hugo the founding father of Abagold, important as that was, would be to fall far short of describing a most extraordinary human being. He was a man who, according to his family, carried a book of ideas around with him wherever he went. Whenever a new idea popped into his head, day or night, he would jot it down in the book and when the time was right, he would give it a try.

He was a qualified vet, but he was also an innovator, and as much an entrepreneur as a scientist; he was always on the lookout for some new and challenging project to develop. So, after experimenting with dairy farming in the Krugersdorp area for some years, he, his wife, Jane and their children, Johan, Marius and Jani moved to Hermanus where he set up a

private veterinary practice with partner, Dr Andrew Southey.

But doing one thing at a time was never in Pierre's playbook, so having dabbled in running a newspaper and printing works in tandem with the practice, he began to experiment with spawning abalone, and eventually sold the veterinary practice to devote himself full-time to this fascinating endeavour. The idea was triggered by the wholesale poaching of perlemoen in the area, which was rapidly driving the mollusc to extinction.

At the start he worked from his backyard, getting the children to fetch buckets of water from the sea so that the animals could be supplied with fresh, aerated water. Experiments with feeds were accomplished with the

help of Jane's kitchen mixer. From his backyard, the next step was to the Old Harbour, where he and his father, André renovated two of the dilapidated old stone buildings that had been there since the days when Hermanus was built around the fishing industry.

From the beginning, he had a strong sense of responsibility towards the wider community and for him education and job creation were essential for the future development of Hermanus. **This led in 2010 to the establishment of the Abagold Development Trust. Its aim was to reach out to support educational and job creation projects in the disadvantaged communities of the Overstrand.**

With the support of five partners and several financial backers, Abagold (which by then had moved to the New Harbour) was formally launched in 1990. Today it consists of four separate farms, as well as a plant manufacturing abalone feed, all developed under Pierre's watch. It employs just under 400 workers, several of whom have been there since the beginning. As one of the biggest abalone farms in the country, Abagold produces in the region of 600 tons a year, exporting the bulk of it to 10, mainly Asian, countries.

As Johan, who for 10 years was the Financial Manager at Abagold, comments, "Abagold could have failed a hundred times, had it not been for Pierre's dogged determination. Whenever there was a crisis, day or night, he was there to sort it out." When he was presented with the Aquaculturist of the Year award earlier this year, the point was made that

Pierre didn't think out of the box; for him there was no box.



One of the ideas in his little book was to build a plant that could harness the power of the ocean to generate

electricity. Basing their experiment on some of the engineering principles required to produce abalone, he and Marius, a trained engineer (and currently Abagold's COO), began to build a wave-energy converter near the Seaview abalone farm in the New Harbour.

They called the company Mean Sea Level. It was a fiendishly difficult exercise and took years of trial and error to develop the requisite novel marine construction techniques, but it was well worth the effort. "Its time hasn't come yet", says Marius, "but with the growing emphasis on green energy, we may still be on the right track to turn it into a commercial success."

Pierre Hugo lived life large, every minute of it. Without a doubt he has left an indelible mark on South Africa's aquaculture industry, as well as the community of Hermanus and his many colleagues and friends.

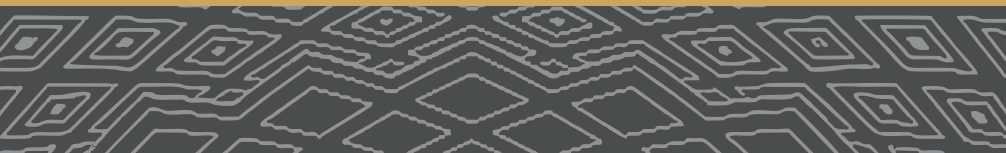
Background

The connection between Hermanus and abalone goes all the way back to the founding of the town in the early 1800s. By the time Abagold was launched by visionary veterinarian Dr Pierre Hugo in 1995, on average, 1 000 tons of abalone were being extracted from the sea annually, much of it illegally poached.

It was clear that this valuable natural resource would not be able to withstand the ever-increasing demand for it.

Abagold was thus established with the purpose of farming abalone on dry land where it could be protected, but still be fed by the nutrient-rich Atlantic ocean.

Since then, Abagold has grown into a large company, currently employing 400 workers, most of them from the local communities of Zwelihle, Mount Pleasant and Hawston.



Abagold Development Trust

Against this background, the founders of Abagold decided to establish a Trust to support and help to uplift the communities from which it drew the majority of its employees, especially in the fields of Education, Training, Development, and Job Creation for people with disabilities.

When the Abagold Development Trust was established in 2010, it was structured in such a way that the Board of Trustees would be representative of both the company and local communities.

Over the past 12 years, the Abagold Development Trust has supported many worthy organisations and projects sharing its vision. Some of them have been funded on a sustained basis over several years, with the result that a strong partnership has ensured maximum impact on the community.

On the basis that positive intervention in the early years of a child's life will have long-term benefits not only for the child, but for entire communities, this has become one of its primary focus areas. Another is the awarding of both secondary and tertiary education bursaries to young people from needy families in the area, and this year a new fund, The Luvo Maranti Scholarship has been launched to assist with the development of talented arts students.



Message from Trustee

Our communities face huge challenges that are not easy to solve and have in fact become part of the fabric of our society. Fortunately, growing numbers of people are joining the cause to make a difference in the Overstrand region. This year the Abagold Development Trust has stepped up a gear in terms of our contribution to this cause.

Firstly, we have reaffirmed our commitment to supporting early childhood development in our local communities through adopting and assisting existing ECD centres. Secondly, we are not alone and have garnered the support of all Abagold employees, most of whom come from the communities we seek to serve. Thirdly, we have employed Elaine Davie as liaison officer to help co-ordinate this engagement.

The “Luvo Maranti” scholarship was launched, under the auspices of Tim Hedges (Abagold MD), with Luvo as the main benefactor. What a resounding success and we’re excited about what the future has in store!

A special thanks to our partners for all your support and words of encouragement.

Enver Manchest CA(SA)



Message from Liaison Officer

Having spent much of my working life in the NGO sector, especially in the fields of Early Childhood Development (ECD) and education in general, I feel a strong affinity with children in disadvantaged communities in both rural and urban environments. At the same time, I have had many years of experience in fundraising as well as interacting with the corporate and philanthropic sectors. Amongst others, I was the founding Director of the SA Association of Grantmakers where one of our roles was to develop guidelines and standards for donors.



With this background, I was delighted to be appointed as Liaison Officer for the Abagold Development Trust in August 2022. Since its inception, it has focused on making a positive impact on the Overstrand communities from which it draws its employees – and most importantly on their children. As a region we cannot hope to break out of the intergenerational trap of poverty and hopelessness, unless our children and young people are empowered to forge their way into the mainstream economy of the country. It follows that the stimulation of job opportunities is another of ADT's priorities.

For me, grantmaking is much more than transferring funds to worthy causes once a year; it is actively engaging with the communities and beneficiaries on the ground and working together as partners to improve the socio-economic conditions of everyone, leaving no one behind. This, too, from the outset, has been the philosophy of the Abagold Development Trust.

Elaine Davie

Current Beneficiaries

Enlighten Education Trust

Research shows that good quality early childhood education is critical in helping children develop the social, emotional and cognitive skills necessary to prepare them for a rich and productive life. Early Childhood Development is a cornerstone of the work of Enlighten. In addition to Teacher Development, the project offers a School Readiness Support Programme for parents, as well as assistance with the registration of educare (ECD) centres. These projects are complemented by the Enlighten Book and Toy libraries, which provide vital learning and enrichment materials.

During the past year, 130 teachers from 30 ECD centres benefited from participating in training modules on how to manage their facilities and make optimum use of the resources at their disposal. The teachers also took part in six well-attended Theme workshops. In addition, the Trust established

a model, state-of-the-art ECD classroom at its headquarters, to be used as a training facility for existing ECD teachers and trainees.

Support for ECD centres in the process of applying for registration with the Department of Social Development (DSD) continued. The newly-launched Vangasali ('no child should be left behind'), a project of the DSD and Overstrand Municipality, should assist with this. Enlighten was invited to participate in this initiative, which aims to simplify the standards required for unregistered ECD centres. The good news is that six ECDs in Zwelihle, accommodating 200 children, were awarded a 'Bronze' certificate under this system allowing them, most importantly, to apply for much-needed local government funding.

The Enlighten Education Trust has received funding from the Abagold Development Trust since 2015.



Sparkle Kids

Sparkle Kids has received funding and support from ADT for some years. A very strong, trusting relationship has developed over this time.

As Sparkle Kids progressed and evolved, many young people from disadvantaged communities were helped by Theo and Angie Krynauw, the founders, and they are proud to have seen them graduate in a variety of important disciplines. During this time, one thing became very clear, however: Unless tertiary education is job-related, all studies are futile and, indeed, heart-breaking for all parties concerned. That is why three years ago, together with a handful of people with a similar vision, they initiated the Overstrand Learning Hub (it has been referred to as Sparkle Kids Two).

All the students studying teaching – B Ed (Foundation Phase), Higher Certificate in ECD, and PGCE – all stand an extremely strong chance of employment. This has a direct impact on poverty alleviation, as well as being one of the few initiatives in the Overstrand that empowers disadvantaged people not simply to acquire one skill after

another, but to be launched into decently paying jobs (with benefits) – a visible and sustainable middle class.

This is why in the past year, approximately 70% of Sparkle Kids' income from donations has gone to the Overstrand Learning Hub, where it is well-managed and distributed to deserving students whose progress is carefully monitored.

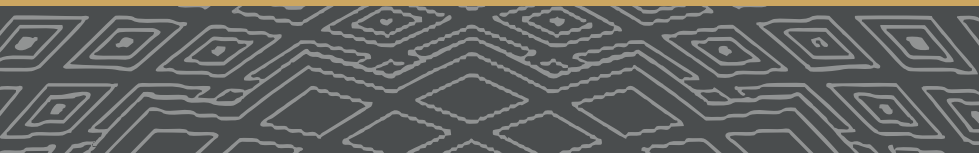


Just Care After Care Facility

Just Care was established in May 2015, by the founding trustees of the Rathfelder Family Trust, Jacquie Rathfelder and Kathleen Sanders. Their intention was to accommodate approximately 30 to 40 children for aftercare every week day, but within 3 days they had 122 children.

They continued with this number of children until Covid started and they were forced to reduce their numbers to 80 children, because of space restrictions. During the years of Covid they changed from an aftercare to a full-day education facility. They worked with the school and taught the children their school curriculum every day, with great success, as all their learners passed their grades. They are now back to being an aftercare centre from 12.00pm to 5.00pm. Children are fed there, do homework, engage in sport and are taught life skills.

In 2023 they will be accepting approximately 25 new Grade R students which will take their numbers to over 100 children once again. Although they originally catered for primary school learners of all ages, they are currently focussing almost exclusively on Foundation Phase and Grade R learners. Just Care has been receiving funds from ADT since 2016.



Sustainable Futures Trust

ADT has a long relationship with Sustainable Futures dating back to 2012 when it assisted in laying out an irrigation system for a vegetable garden established at the Hermanus Waldorf School, which is largely attended by children from Zwelihle. In later years, other projects followed, including the establishment of a substance misuse programme for youth in local communities. The Clive Prins Youth Treatment Programme was launched in 2015 with ADT as one of its major funders. It was registered with the Department of Social Development and ran successfully for three years.

However, when it became clear that it would be too expensive to sustain in the longer term, the project was terminated. In 2021, in consultation with the Overstrand Municipality, it was decided to develop a preventive programme for young girls in Mount Pleasant to be presented during school holidays.

The project was launched in 2022 and implemented during the March, June/July and October holidays. The same 15 girls (judged by their school to be at risk of falling prey to anti-social influences) are all in Grade 6 at Mount Pleasant Primary School. On each occasion the programme took place over a four-day period and the girls participated in a varied and fun-filled programme aimed at building self-confidence and developing social, communication and leadership skills. Emphasis was placed on why it was important to resist negative peer pressure, especially with respect to substance misuse and sexual experimentation.

They took part in a diversity of creative activities, like dancing and arts and crafts, and were given the opportunity of exploring the natural environment and places of historic and tourist interest in Hermanus, including the Abagold abalone farm. At the end of each of the holiday programmes, a well-attended session was also held for their parents. The response from the girls, their parents and teachers was uniformly positive and in 2023 SFT has decided to extend the programme to an additional community. Local volunteers will be trained to run the programme, under the supervision of SFT.





Overstrand Association for Persons with Disabilities (OAPD)

Once again, ADT has a well-established relationship with the OAPD, going back to 2018. It is one of the Trust's mandates to promote skills development and job creation for people with disabilities. The purpose of the organisation, which was registered in 2009, is to raise the quality of life of persons with disabilities and help them to become 'able' within their communities, where they are recognised as equal, active citizens and can live a purposeful life.

It currently runs projects in the communities of Zwelihle, Kleinmond and Hawston, including three day-care centres and an income generating and poverty-alleviation project, the focus of which is the design and manufacture of products made from abalone shells. The latter has been supported by the ADT from the start. In addition, it provides social work services, work employment programmes and protective workshops for its 424 clients and their families. Well-maintained and sustainable vegetable gardens are run in Mount Pleasant and Zwelihle (Ithemba Day Care).



Of particular interest to ADT are the following projects run by OAPD:

- Skills development and training at the Mthimkulu Village in Kleinmond, mainly for people over the age of 18 with varying degrees of intellectual disability. This programme includes training in kitchen work, mani- and pedicures, woodwork and computer training.
- The Shell project is currently providing work for five fully trained crafters and five assistants, who would benefit from guidance in new design options.
- It also aims to assist children who are not able to attend mainstream schools. Instead of being kept at home, it is seeking sponsorship to enable them to attend Anima, a privately-run therapy school in Hermanus.

Bursaries

The ADT supports under-resourced local students at both a secondary and tertiary level. To date secondary beneficiaries have all attended Hermanus High School, a public, fee-paying school. The other five secondary schools in the Overstrand are either non-fee-paying or private schools. In 2022 six students received assistance from ADT. In 2023 this number will be increased to eight. In addition, a successful job-shadowing programme at Abagold was organised for Grade 12 learners from Gansbaai Academia during the July holidays.



Jay-Andra Pieters and Grace Titus are both in Grade 12 at Hermanus High and will matriculate at the end of 2022. ADT has supported them since Grade 8 and has regularly interacted with them through the years. They have developed from children to self-confident young women who are ready to move into the next exciting phase of their lives. Jay-Andra has been accepted by Stellenbosch University to study B Accounting and Grace has applied to CAD4All, a private tertiary institution in Cape Town to study Architecture. We look forward to following their progress and maintaining our relationship with them.

In addition four Grade 10 students at Hermanus High School were accepted for support in 2022. They are Faith Mafiyo, Kyle Lewis, Yosindiso Mpakama and Lauren Hess. If their results remain satisfactory, they will be supported until they matriculate. All four are lively, self-confident youngsters with big dreams, which we look forward to helping them achieve. ADT has established an excellent working relationship with Hermanus High School, which supplies us with the learners' results on a quarterly basis, enabling us to monitor their progress.



Bursaries

In 2022 The Abagold Development Trust continued to support three returning tertiary students, Odwa Mntakaziwe, Solethu Sitiki and Luvo Maranti. From 2023 on, this number will increase significantly. In line with its particular focus on improving the scope and quality of early learning services in local ECD centres and primary schools, the Trust will make more bursaries available for B Ed (Foundation Phase) students enrolled at the Overstrand Learning Hub in Hermanus.



Odwa Mntakaziwa

Odwa Mntakaziwe is currently in the third year of a B Accountancy degree at the University of the Free State where she continues to do well and hopes to complete her studies at the end of 2023.



Solethu Sitiki

Solethu Sitiki is an LLB student, also at the University of the Free State. A top achiever, she too, hopes to graduate at the end of 2023.



Luvo Maranti

Luvo Maranti, an HR Management graduate, is a student at UCT's School of Music, studying towards a Diploma in Music Performance (Opera). He will graduate in 2023. In 2022 he was offered the opportunity to attend a summer school for aspiring opera singers at the International Lyric Academy in Vicenza, Italy. While there, he was selected to play the lead role of Rinuccio in the short Puccini opera, 'Gianni Schicci'.

During the years of his studies, Luvo has worked as an intern at Abagold in the summer holidays.

Luvo Maranti Arts Scholarship

With the support of the Abagold Development Trust, the Luvo Maranti Annual Arts Scholarship is being launched in November this year to give other talented young people from local communities (one per year) a similar opportunity to achieve greatness in any branch of the performing or visual arts. Luvo is looking forward to being hands-on, as both a donor eventually, and a mentor.



Our gratitude is expressed for additional support for the Scholarship.

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ESTABLISHED 2011

**APPLY
TODAY**



**LUVO MARANTI
ARTS SCHOLARSHIP | 2023**



ABOUT THE SCHOLARSHIP

The Luvo Maranti Arts Scholarship was launched in 2022 by a young tenor from the community of Zwelihle in the Overstrand under the administrative umbrella of the Abagold Development Trust. It is intended to identify one arts student per year from the wider Overstrand community and help that individual realise his/her dream of studying the arts at tertiary level.

The applicants will be interviewed with the opportunity to study a post-secondary level in their chosen field.

The categories include drama and theatre arts, music, painting, sculpture, literature, architecture, film and dance.

The value of the Arts Scholarship that will be awarded is up to R100,000 for each academic year to cover any gaps in tuition, accommodation, subsistence and a small stipend.



...and more!



ELIGIBILITY CRITERIA

- Resident in the Overstrand.
- Applicants from disadvantaged communities will be given preference.
- Satisfactory academic and behavioural school record.
- Preliminary registration and acceptance at the tertiary institution of choice.

**APPLICATIONS CLOSE
15 NOVEMBER 2022**

APPLICATION PROCESS

APPLICATION FORM CAN BE FOUND AT:

- www.abagold.com/about/csi/LuvoMarantiScholarship/ OR
- Scan below
- A resumé reflecting any relevant information not covered in the application form.
- Preliminary registration and acceptance at the tertiary institution of choice.
- Please send your fully completed application to elaine@abagolddevelopmenttrust.co.za

GET IN TOUCH



elaine@abagolddevelopmenttrust.co.za

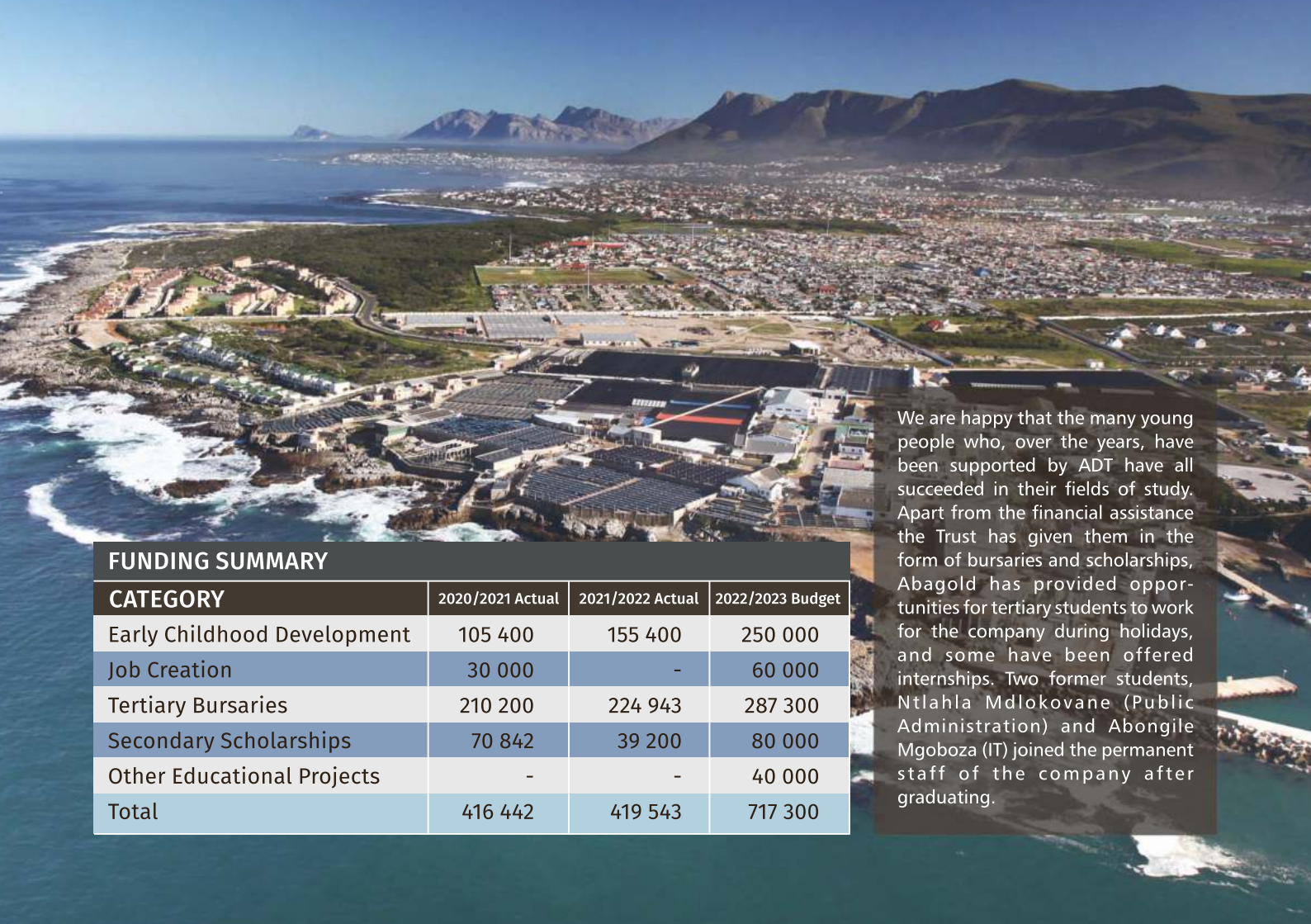


028 313 0253



www.abagold.com/about/csi/LuvoMarantiScholarship/





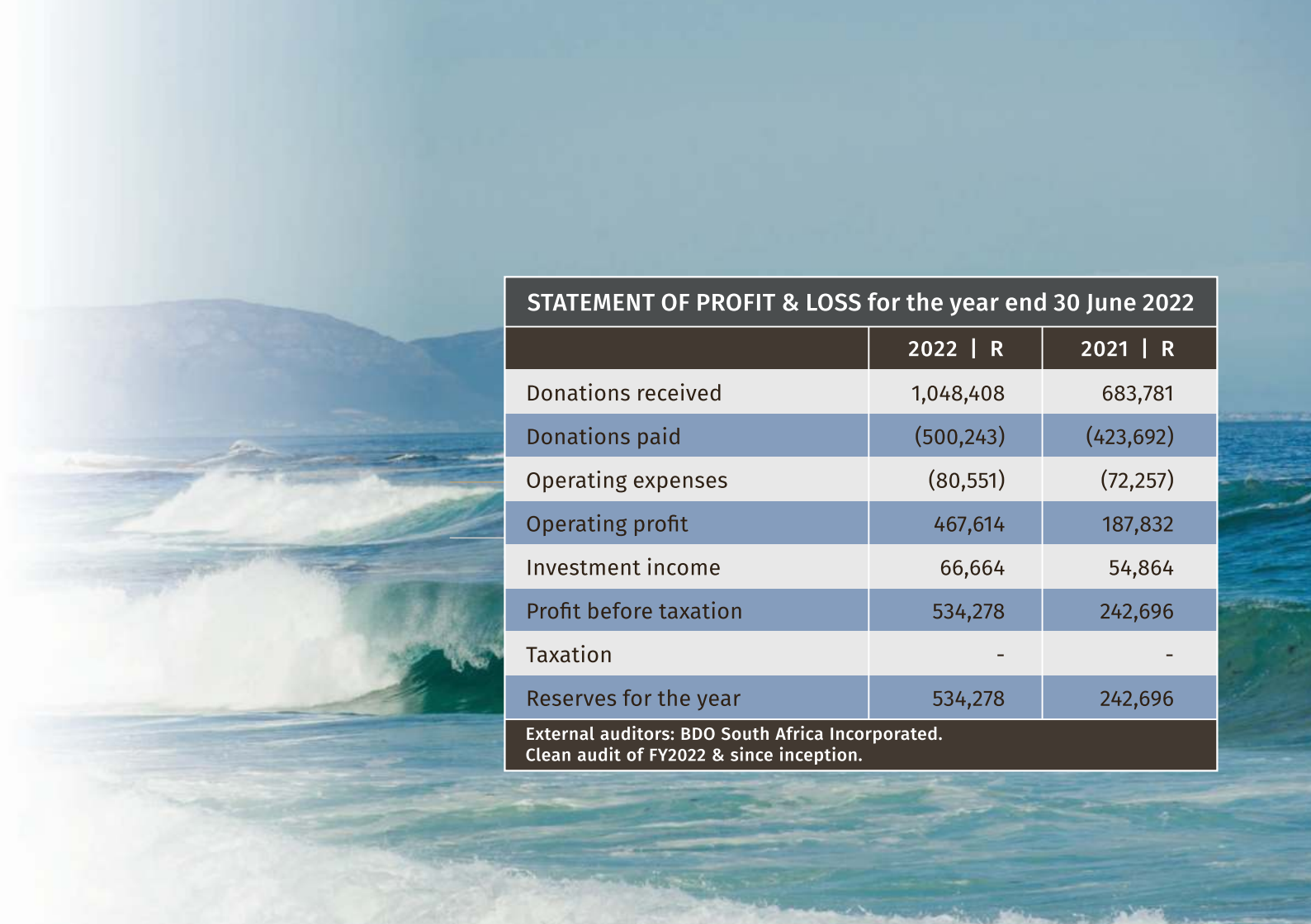
FUNDING SUMMARY

CATEGORY	2020/2021 Actual	2021/2022 Actual	2022/2023 Budget
Early Childhood Development	105 400	155 400	250 000
Job Creation	30 000	-	60 000
Tertiary Bursaries	210 200	224 943	287 300
Secondary Scholarships	70 842	39 200	80 000
Other Educational Projects	-	-	40 000
Total	416 442	419 543	717 300

We are happy that the many young people who, over the years, have been supported by ADT have all succeeded in their fields of study. Apart from the financial assistance the Trust has given them in the form of bursaries and scholarships, Abagold has provided opportunities for tertiary students to work for the company during holidays, and some have been offered internships. Two former students, Ntlahtla Mdlokovane (Public Administration) and Abongile Mgoboza (IT) joined the permanent staff of the company after graduating.

Extracts from Audited Financials

STATEMENT OF FINANCIAL POSITION as of 30 June 2022	2022 R	2021 R
ASSETS		
Cash & Cash Equivalents	2,435,609	1,901,331
Total Assets	2,435,609	1,901,331
CAPITAL & LIABILITIES		
Trust	1,000	1,000
Capital	2,435,609	1,900,331
Total Capital	2,435,609	1,901,331
Liabilities		
Total Capital & Liabilities	2,435,609	1,901,331

A scenic background image showing a beach with white waves crashing onto the shore. In the distance, there are blue mountains under a clear sky.

STATEMENT OF PROFIT & LOSS for the year end 30 June 2022

	2022 R	2021 R
Donations received	1,048,408	683,781
Donations paid	(500,243)	(423,692)
Operating expenses	(80,551)	(72,257)
Operating profit	467,614	187,832
Investment income	66,664	54,864
Profit before taxation	534,278	242,696
Taxation	-	-
Reserves for the year	534,278	242,696

External auditors: BDO South Africa Incorporated.
Clean audit of FY2022 & since inception.

Board of Trustees



Morris Tshabalala

Morris has been the Principal of Lukhanyo Primary School in Zwelihle for a number of years. He has sat on the Boards of several local educational NGOs and is currently a Trustee of the Overberg Community Trust. He has served in a variety of capacities on local, provincial and national structures of the South African Football Association.



Evelyn Mabhunu

Evelyn is a social entrepreneur and Trustee of the Old Mutual Imfundo Trust. A BA graduate from Fort Hare University, she has also completed the Social Entrepreneurship Programme of the Gordon Institute of Business Science (GIBS) and the System Change and Social Impact Programme of UCT's Graduate School of Business. She lives in Johannesburg.



Varsti-Carla Coert

With 12 years of experience behind her, Varsti is the Human Resources Manager at Abagold. She is passionate about growing people in the workplace as well as in their family and community settings. This includes facilitating formal and informal training, mentoring, coaching and educational support.



Jenny Sauls

Jenny is a long-time resident of Mount Pleasant in Hermanus, where she is Head of the Lombardi Centre for the Aged. She is a community activist, especially with respect to cultural preservation. Her aim is to involve the youth in projects like the Indigenous Games initiative.



Enver Manchest CA(SA)

Enver is a Chartered Accountant with 19 years' experience, most of it in senior financial management positions. He joined Abagold in 2018 as Chief Financial Officer and in 2020 was appointed to the Abagold Board as Financial Director.



The Abagold Development Trust would like to

express gratitude

for the donations received from the companies and individuals listed below:

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Abagold Directors in their private capacity.

ABAGOLD™



DEVELOPMENT TRUST

Help us develop the youth of Hermanus and SA for a brighter future for all!

If you are willing to donate please see our bank details below.

BANKING DETAILS:

The Abagold Development Trust

ABSA BANK

Acc no: 4077341994

Please email proof of payment to elaine@abagolddevelopmenttrust.co.za

*We are a registered Public Benefit Organisation (# 930035402)
and can issue a S18A donations tax certificate, if required.*