



CEO REPORT

2018 AGM



WESSA continues to achieve significantly and with real impact by assisting as many South Africans as possible to become People Caring for the Earth. We see ourselves as a major impact player in the areas of youth development and catalysts to support in changing human behaviour to benefit the critical role of environmental and social goals as part of a continuous process to transform business imperatives.

In our efforts to mobilise public participation for doing good, we remain aware of the reasons why corporations will spend resources to address sustainability and we package our service offerings commensurate with the need, being company image, cost savings, competitive advantage, government requirements, etc. Traditional funding sources are cutting back on their philanthropy and the macro realities of greater needs with fewer resources confront us daily.

WESSA in 2018, like so many other organisations in South Africa, finds itself in the middle between a national economy trying to recover from junk status and future uncertainties with an election looming in 2019 and the build up to that election, causing a mix of feelings ranging from optimism about positive economic change, to doomsday predictions of slipping into the abyss economy.

Irrespective any macro-economic realities, we at WESSA remain proudly South African with the true value of our impactful work a significant goal, and, in this respect, we continued with our investment for sustainable impact in four important areas, namely our **people, in finding the right sources of income, in holistic asset utilisation and membership.**

Our people strategy focusses on attraction, retention and development of our top talent. Talent and performance management continues to require a great deal of senior management time and energy.

Our sources of income remain to be challenging amidst the tough economic realities. We therefore must ensure that our product and service offerings attract investors, whether corporates, funding agencies, government funds for social impact and schools. Our organisational structure is therefore dynamic and flexible to respond to a fast-changing economic reality and to ensure that we also have pricing strategies in place that will ensure financial sustainability and retained earnings growth.

We continued with overall improvements in total asset utilisation to avoid cash and other assets not being tied up unnecessarily but be fully applied to growth initiatives. In this way, we have unlocked resources for investment in new strategic initiatives and our continuation of infrastructure upgrades for a better customer experience where applicable.

We realise that growth without adequate investment can cause neglect and investment in innovative new service offerings like WESSA Heads, Hearts and Minds; #WESSAOneMillionYouth, Eco-Campus, Young Reporters for the Environment (YRE), Green Key and Learning About Forests (LEAF), are Programmes all designed to create meaningful youth participation to shape the collective actions in Caring for the Earth.

We have dedicated a lot of energy and time with “Membership 2020”. The Regional membership leadership together with the WESSA Executive Committee worked very hard to define the future of membership in WESSA in the context of our socio-economic realities and demographics of our country.

In this annual review, we are once again very proud to present our wide range of impactful programmes and services touching the core of one of our country’s biggest challenges, namely our Youth. The challenges of youth unemployment are so vast and complex, but we cannot throw in the towel and must persevere in helping our youth, the decisionmakers of tomorrow, to acquire the basic skills of the job market and, more importantly, how to care for the earth.

WESSA is the significant and competent implementor of choice for various critical youth development national programmes in South Africa. The combination of giving the youth on our programmes reputable accredited and non-accredited training and hands on work experience, contribute greatly to equipping those on the programmes, to find a better life for themselves.

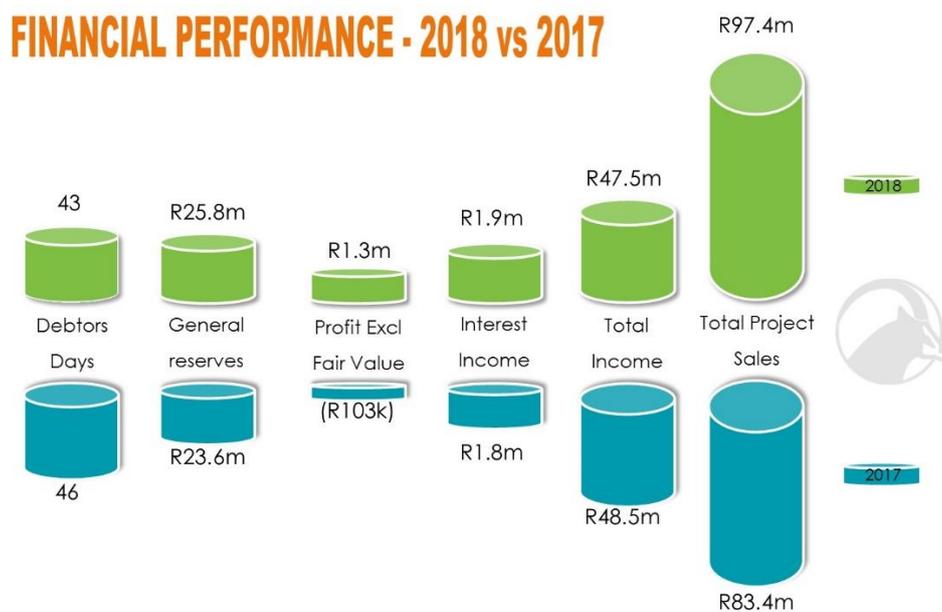
We continue to implement all the international Foundation for Environmental Education (FEE) Programmes in South Africa. We are proud to share the international learning points from 63 countries involving 49 000 schools and 16 million students on the WESSA Eco-Schools Programme, and at the same time ‘Africanising’ the content themes to suit our country’s learner and CAPS requirements.

I am once again very proud to report that our overall financial performance was good. WESSA Group Reserves before extraordinary expenditure and investment fair value adjustment shows that the organisation has delivered another resilient performance in tough economic times and, thereby, continue to contribute positively to the long-term objective of financial sustainability.

Year on year, income decreased by 3.6%, project book value by 2% and turnover increased by 1%. The most significant change in the Statement of comprehensive Income, is the reduction in the market value of shares in our investment portfolio of R9 million. This performance of one of the best JSE Top Stocks, is indicative of the overall tight economic situation referred to at the start of this report.

Although the fair value downward adjustment is severe, it was reported last year that the Audit, Risk and Assurance Committee in 2017 instructed management to ensure prudent actions were put in place to have flexibility around the diversification of these shares as required.

Reserves before extraordinary expenses increased by 19%, interest income increased by 10%, and the total debtors Rand value decreased by R3.5 million, resulting in overall debtor’s days reducing to 43 days. Project funding in advance has decreased which has resulted in a similar decrease in bank and cash. There has been considerable reinvestment of funds into infrastructure upgrading as a key pre-cursor for the WESSA uMngeni Valley three-year Business Growth Plan.



As can be seen from the Human Resources infographic below, the total staff numbers increased from 492 to 836, which is represented by 737 contract employees on our programmes and 98 WESSA employees. Almost 11 000 people benefited from our various education and training programmes of which the greatest percentage consisted of youth of various ages.



Borrowing the quotation from the LEAF programme in this review: ***“It’s not just about the birds, bees and trees!”***

No, we are about much more at WESSA. We implement effective nurturing and education programmes for social and collective impact. We adopt a systemic approach to social change in our chosen areas of influence, delivering on our mission of “promoting participation” through the various ways we involve participants, customers, WESSA members, business, government and the public around a common agenda with shared metrics to track progress.

We are ***“People Caring for the Earth”***. We are economically and financially sustainable, we are social entrepreneurs, we are relevant, and we challenge ourselves to remain relevant.

If you are reading this annual review and you are passionate about doing good, rest assured that you have ample opportunity when you partner with WESSA to do exactly that. The challenge we have set for ourselves, is to always be a 21st century relevant entity in our engagement with all stakeholders.

We are very grateful to all the individuals and organisations who, together with WESSA, remain passionate about ***“Caring for the Earth”***.

Thommie Burger
CEO