

Annual Report

2018 / 2019



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

President Cyril Ramaphosa

A word from the board

Four years ago, we set out to see if the dream of rapidly expanding access to quality early childhood education, starting with the poorest three and four year-olds, could be a reality in South Africa. To achieve scale, we opted for a social franchise model to deliver an evidence-based programme of quality early learning. Designed to appeal to parents and communities, the SmartStart brand has sparked a powerful and innovative movement – and the future of early learning looks bright!

In the last 4 years, we created access to early childhood education for more than 60 000 children, approximately 22 000 of whom have graduated to grade R.

In a daring experiment and a first of its kind innovative agreement with Gauteng DSD, we managed to get 40 SmartStarters registered as home and community based ECD providers, and eligible for a subsidy like any ECD provider.

SmartStart's vision is that every child will have the foundations to succeed at school and beyond. This means we focus on population-level change and we will measure our success by the degree to which early child outcomes shift for all South African children, rather than just for some. Equitable access to quality ECD programmes in every community will be the key.

The size of the challenge is significant. In South Africa, there are over one million children aged 3-5 years-old who are not accessing any out-of-home early childhood education (ECE) service. Most of these children are from low-income households and live in poor communities. For them, a lack of access to effective early learning opportunities will have a lasting impact on their futures.

That is why the government has set our country goal of universal access to ECE by 2030. It is a welcome and ambitious goal, which will require at least another 100,000 ECD practitioners and thousands of new venues. This level of change is unlikely to be achieved by simply extending current services. Instead, a new service platform for scale is required.

SmartStart is one such platform. It is primarily an outreach or expansion strategy that seeks to optimise the tradeoffs between quality and scale in a resource-constrained context. Its role is not to replace or compete with existing ECD service providers, but to build on their work and get to places they don't reach. We seek to be an equal partner to these providers, harnessing their experience and assets and connecting them into a national network of partners, practitioners, advocates and ideas. Our SmartStarters, Coaches and Franchisors are not just an essential component of the SmartStart platform - they are SmartStart. We have learned some important lessons over the past four years. First, to achieve sustainable access to quality early learning for all children, a strong social compact is necessary where civil society, government and business can depend on one another to play their respective parts.

Second, in the context of high unemployment and low economic growth, the greatest possibility in closing the ECD provisioning gap lies in growing the social economy and activating the human capital pipeline. Social entrepreneurs are already there, but need an organisation to inspire them and support them to run quality, sustainable programmes.

Our core interest is whether a national delivery platform for early childhood education can improve developmental outcomes for young children. In 2018, an independent team of researchers investigated this question using a quasiexperimental study tracking the progress of 199 children attending SmartStart programmes over an 8 month period, using the Early Learning Outcomes Measure (ELOM) tool comparing results against validated developmental norms for South Africa.

The study has provided us with the firmest evidence to date that SmartStart is helping to make a real and important difference for the children participating in our programmes. It indicates that just 8 months participation in a high-quality early learning programme can improve outcomes for young children.

This investment in early learning is one of the biggest opportunities to improve education outcomes, grow the economy and improve social mobility for citizens in a generation. It belongs at the heart of our national strategies to fight poverty and reduce inequality and it is crucial that we get it right.

With the groundwork in place, SmartStart is looking forward to our next phase of growth. We aim to accelerate our scale-up to take us from 38 000 children per year to our goal of one million children every year by 2030.

And while we don't have all the answers yet, we know that universal access to quality early learning is indeed possible. Through innovative ideas that often take us into unchartered territory, we are excited that communities and parents across the country are beginning to see how the power of early learning can transform children's lives.

"A few months ago, I was practically invisible, no one knew me or paid me much attention, and now I am trusted with people's children and I can actually see them grow."

These are the words of Sibongile from Doornkop in Soweto. Sibongile joined SmartStart in 2016 without much experience in ECD. She successfully completed all the trainings required, became a fully licensed SmartStarter and has actively participated in club processes including the league of stars. What she is most proud of, she says, is how much growth she can actually see in her children from the time they join at the beginning of the year to the end of that year.

About SmartStart

SmartStart gives children the power to succeed

SmartStart is a systems-intervention which aims to achieve population-level change in access to quality early learning.

As a full-service ECD delivery platform, we offer an integrated way of thinking about and providing ECD programmes, which builds in the operational structures and systems for accelerated scale.

SmartStart uses a social franchise model to harness the experience and assets of our partners, who license and support a network of early learning practitioners to deliver the same evidence-based programme. Together, the network brings affordable, quality early learning opportunities to excluded children, ensuring they have the right foundations in place to succeed at school and beyond.

At the same time, SmartStart is supporting skills development and micro-enterprise, enabling more women to work and activating the social economy in some of our poorest communities.

Our focal objective is to rapidly increase the number of children benefiting from quality and affordable early learning opportunities.

In order to achieve this, our work focuses on three specific objectives:

- To establish a sustainable national ECD delivery platform, which sets up new ECD programmes at scale.
- To improve the quality of early learning opportunities through wide implementation of an evidence-based programme.
- To catalyse behavioural change that reflects increased awareness of the importance of early learning.



What makes us different?

SmartStart offers:

A high-volume practitioner recruitment system with accessible entry-points;

A managed and safe process for onboarding existing premises as new ECD programme venues, in particular, private homes;

A locally appropriate curriculum that can realistically be implemented in a wide range of resource- constrained settings;

A system of support and development for all practitioners;

Robust quality assurance systems across the network;

Low unit costs;

Support for regulatory compliance.

SmartStart is built around partnerships.

3L Development has been operational since

The franchise model harnesses the experitise of existing NGOs and enables rapid scale-up, quality assurance, local adaptability and cost efficiency.





Training Organisation, based and in Bloemfontein, Free State, South Africa. The Organisation was established in April 1993, and operates in rural and urban communities in the Free State province as well as in Eastern Cape province communities along the Free State border.



figures are high and the impact of HIV/Aids and TB is a reality in almost every home. LETCEE's vision is for every child to develop and grow in a caring community. It's mission is to build the confidence and capacity of families and communities to create nurturing environments for their children. LIMA promotes dignified, sustainable and transformative community growth across South Africa. It supports the simultaneous development of people and livelihoods in

LETCEE is an Early Childhood Development

Molteno is a non-profit language and literacy organisation on a mission to change our world by developing literacy through teaching and learning materials, as well as providing institutional training

Penreach is based in the beautiful Mpumalanga province working towards educational excellence in disadvantaged communities in that region.

It's experienced Change Agents build capacity with educators and school leaders working closely with the Department of Education and school circuits. Through skills development, mentoring and coaching it is able to impact positively on education both early childhood education and the foundation phase education.

provides services which enable and empower disadvantaged and marginalised communities in South Africa and beyond to grasp opportunities and overcome poverty and joblessness.

Thembalethu Development was established in 2002 as a non-profit company to play a leading role in a collective endeavour to improve the living conditions and livelihoods of mining communities.

The main aim of the organisation was to facilitate development in rural communities that provide labour to the mining industry. Over the years. Thembalethy Development has diversified its programmatic focus areas to allow for an integrated approach to community development with the aim of becoming the socioeconomic development agency of choice for the mining industry, government, the corporate private sector and international donors.

TREE is a non-profit organisation that specialises in Early Childhood Development, resource and training. It's vision is to ensure young children develop to their full potential.

A sustainable national ECD delivery platform which creates new ECD programmes at scale

Reaching excluded children

In order to close the ECD provisioning gap in South Africa, and to reach the high numbers of excluded children, the system's capacity must be expanded at an unprecedented rate, bringing on board tens of thousands of new ECD practitioners and new ECD venues in a short time-frame.

This is what the SmartStart social franchise model aims to do. It is the first of its kind in South Africa and focuses on full-service integration and scale. It solves for the human resource and venues dilemmas together, by linking the challenges of recruitment and training with the operationalisation of new ECD programmes in existing premises.

Our network: Innovation and sustainable growth

Our partnerships with existing ECD NGOs and other organisations are creating a dynamic network, which harnesses and amplifies the best of what already exists. The end result is a delivery platform that is much more than the sum of its parts.

Using social franchising methods, we are able to increase the likelihood of consistently positive outcomes across the network, by providing standardised training, processes and resources to drive quality.

During this year we had 14 Franchisors operating across all nine South African provinces.

It starts with passion

We're creating a social movement – a national network of SmartStarters who are passionate about children and passionate about early learning. Our Club system and strong brand give SmartStarters a shared sense of pride, purpose and belonging.

During this year we had a total of 3811 SmartStart programmes and 390 Clubs.

A robust selection and training process

All SmartStart practitioners go through a careful initial selection process and then attend start-up training. Only those who successfully complete knowledge and behaviour assessments at the end of the training receive a "Starter Licence". The full SmartStart licence is awarded after a programme has been running for at least three months and has successfully passed an in-depth assessment by the Club Coach. The programme is then re-assessed and re-licenced every year.

Training does not end at start up. SmartStarters have the opportunity to attend further courses on child monitoring, business skills and financial literacy. And as we grow our network, we are always looking for new ways to streamline our programme design and deliver future-focused training.

During this year we delivered 117 Start Up training sessions, to introduce 2666 participants to the methods of running great early learning programmes and to the importance of early learning.

Making the most of available venues

Over time, it will be necessary to build more purposebuilt ECD centres. However, evidence suggests that positive child outcomes depend on the presence of quality rather than on the particular setting. What's more, relying on new purpose-built ECD facilities creates two fundamental problems: It diverts limited funding to expensive infrastructure, and it drastically slows the pace of roll-out.

In the short to medium-term in South Africa, therefore, new ECD programmes will need to be helped to maximise the potential of existing premises. SmartStart is rising to this challenge. We provide processes for essential initial health and safety checks for home and community-based ECD programmes, bringing these types of facilities on stream in a safe and managed way.

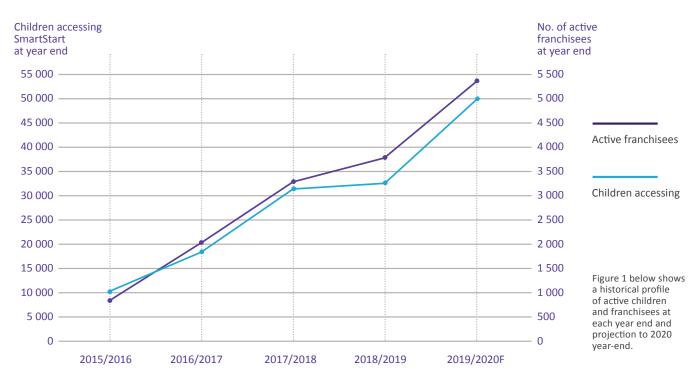
During this year we conducted 2806 health and safety checks and issued 2766 SmartSpace Certificates.

The SmartStart franchise model is the first of its kind in South Africa

Bringing many more ECD programmes on stream - reaching many more children

These systems – for onboarding new practitioners and new venues – mean that we can set up many more ECD programmes at a much faster pace than traditional approaches.

During this year we issued 2914 new starter licences.



Partnering with government

SmartStart has plugged in to different government employment schemes to create new employment and micro-enterprise opportunities. Alongside our partners, we are also working constructively with government to help them define a more enabling and inclusive regulatory framework and accessible pathways to funding.

We ensure that our model is aligned with regulatory requirements, and provide SmartStarters with tools and support to help them comply with standards and to apply for registration.

During this year 1219 SmartStarters were part of the CWP or EPWP public employment schemes.

Affordability for household and public purses

SmartStart is ensuring that ECD programmes are affordable at the point of access by helping them to obtain subsidies and stipends, and affordable at the point of funding, through significant efficiencies of scale and a relentless focus on keeping unit costs low.

Our aim is to develop a mechanism for universal access to ECD at a fraction of the Department of Basic Education cost which is currently at ~R16,000 per child per annum¹.

The total cost per child at the end of the financial year, based on franchisee income from CWP was estimated at R2620/child².

Members of the delivery team and delivery platform



^{1.} https://pmg.org.za/committee-meeting/26122/ accessed 15 July 2019. 2. Includes total implementation cost of R55M plus total stipend bill for 3800 franchisees at

⁷⁰⁰ per month for a total of R31,92M for 33172 children.

The vital role of home-based ECD programmes

The pressing challenge facing South Africa is how to scale up early learning opportunities quickly.

Not a ten-year or a twenty-year strategy, but a today and tomorrow strategy.

Home and community-based ECD programmes, such as creches and playgroups, are part of the answer. Unlike ECD centres, these types of programmes can be set up quickly and easily.

This is not poor provision for poor children. It is fatal mistake to confuse quality with setting in ECD. Research tells us that good child outcomes can be achieved in many different types of ECD programmes – purpose-built ECD centres, home-based creches, playgroups, childminders, and others.

What matters is the presence of quality – and the components of quality have very little to do with the physical structure in which the programme is delivered. Instead, studies have shown that the ingredients of quality include system factors, such as good training, appropriate adult-child ratios, and suitable play materials, and programme factors, in particular, quality adult-child interactions and play-led learning activities. It goes without saying that all ECD programmes also need to provide a safe and healthy environment for children. However, this again does not rely on the setting.

We therefore need to find ways of valuing and supporting this essential provision. Here are five reasons why this would be good news not only for poorest communities and children, but for society as a whole.

The pro-children case:

Our law and constitution say that the best interests of the child must be of paramount importance in every matter concerning the child. Children who attend home and community-based ECD programmes have the right not to experience discrimination and to benefit from the same funding and oversight given to other types of programmes.

The pro-poor case:

Home and community-based ECD programmes are often the only way that poor children can access appropriate learning and development opportunities. Land shortage and tenure issues in many urban areas will continue to mean that of necessity more ECD programmes must be run out of existing premises. In rural areas, lower population density often makes it less viable to build new ECD centres.

The pro-women, pro-employment case:

It is a government priority to support more women to work and to be economically active. Women who work at home and community-based ECD programmes are able to develop their skills and to generate an independent income.

The pro-enterprise case:

Home and community-based ECD programmes not only create direct employment, they also contribute to the government's goals of supporting micro enterprise. They are an example of micro enterprises that are easy to set up (as low initial investment is required) and that are relatively low risk (as demand is predictable). Crucially, they enable economic activity within the poorest communities.

The pragmatic case:

There are many pressures on government spending and it will be challenging for the government to achieve its goal of universal access to ECD on current budget forecasts. If significant funding is diverted into large infrastructure projects, less money is available for the direct subsidisation of new and better places.

For today's under-fives, the alternative to home and community-based ECD provision is not a Rolls-Royce option not quite yet in place; it is no provision at all. The early years of a child's life are a time of huge opportunity – and huge risk. We cannot afford to leave any child behind, and home and communitybased ECD programmes are an essential part of the solution.

tstart GIVING EVERY CHILD THE POWER TO SUCCEED.

We are not only ensuring that children have the right foundations in place to succeed at school and beyond, we are also supporting skills development and micro-enterprise and enabling more women to work.

Let's hear from the SmartStarters...

We were running a stokvel with my club members and we managed to buy chairs. I bought paint to paint my SmartSpace. Today I have an ECD NQF level 4 certificate from the SmartStart stipend and now I am busy with my diploma. SmartStart you changed my life. Thank you for everything. You taught me to make toys from waste; to run a quality centre; to give love and care to children of South Africa. Halala SmartStart..!

Eunice Moatshe | Ivory Park, Johannesburg





I am proud of SmartStart. It took me to a high standard, and now I am able to stimulate children and play with them. I say thank you.

Sibongile Dube

I can't wait to be watching the news one day and see an influential leader and tell my grandkids: 'I taught that boy or girl when they were just 3 years old'. This is what motivates me...

> Manding Gladys Ngubane Greytown, KZN



Let's hear from the coaches...

Q: What makes you successful as a coach?





Innocentia (KYB):

I always find that franchisees confuse the role of a club coach with that of a police woman or a dictator with a red pen, when this is the case it promotes fear, lack of creativity, we end up losing franchisees and children suffer the most.

My role is to build strong and lasting relationships because I am the link for my franchisees to SmarStart and the ECD world, a support system when they need me, an encourager when it gets tough and they want to give up. Most importantly I promote ownership because when they own the programme they take their vision and align it with the SmarStart vision then we get success stories. When my franchisees are successful, it reflects on me as a successful coach and my job is done.

Nonelela (Siyakholwa):

The constant communication with my franchisees through the various platforms such as our WhatsApp groups and club meeting attendance is really effective. I've realized that going to club meetings once a quarter doesn't work, so I make use of all the opportunities I get to be visible to my franchisees. If I'm in a certain area for a PQA or site visit, I also squeeze in an additional club meeting. This not only helps me be more visible the franchisees, but also makes them feel supported by me as their coach and not feel alone. The trick is to really stay in constant communication with everyone and always be aware of what's happening in the various sites. This helps SmartStart's success because it's how I retain my franchisees and it helps me be a better coach. I know that my people can rely on me and it's not just about numbers.



Anne-Marie (Diaconia):

As club coach, I do a lot of research on ECD policies and procedures to better my knowledge in the early childhood development field. I also try to familiarize myself as much as I can with the SmartStart program to support the franchisees as best as I can. I pay a lot of attention to the entrepreneurial aspect of their small businesses because I have found that most people could be passionate about working with children but lack the business skills which then result in them leaving the programme ,hence each year we strategize and plan for the year ahead so that we can improve on past mistakes. I believe in having impactful engagements with my clubs and strongly believe in an OVERLOAD of communication. This is what helps me as an individual achieve what I want to and evidently results in my franchisees' success. In terms of bettering SmartStart as a whole, I try to involve the community around me in every event and I work closely with the local municipality, DSD and child-welfare to create more awareness around the initiative . We also have regular campaigns to bring awareness of SmartStart/ the benefits of ECD and possible outcomes.

I believe in taking my franchisees systematically through the whole model and don't over load them with paper work and information at once, so I set a focus point each year in terms of the model. I found that they appreciate it more , and feel a sense of empowerment.

Improving the quality of early learning opportunities

From the moment they are born, children are building the cognitive, social, emotional and language skills which establish a path for learning and success. Research shows that children who start primary school with certain skills and behaviours in place are likely to do better at school.

However, the extent to which they develop these essential skills depends a great deal on whether or not they have access to certain types of experiences and interactions. Too often, children living in poverty are deprived of the early learning opportunities that equip them to create a brighter future for themselves.

Most of South Africa's nearly six million children, aged between birth and four years old, live in poverty. For them, a lack of access to effective early learning opportunities has a lasting impact on their futures. In addition, the biggest predictor of exclusion from quality early learning for children in South Africa is poverty as parents often cannot afford the fees required for the service.

Age-appropriate social, emotional, learning and language skills

SmartStart's goal is to ensure that more children from poor homes have age-appropriate social, emotional, cognitive and language skills when they start school. To achieve this, our programme is based on five evidence-based pillars of effective early learning:

Nurture | Talk | Play | Stories | Parent Partnership

These pillars help children to form strong and healthy attachments; to think and communicate effectively; and to develop core skills like self-control and perseverance for living and learning.

No comprimise on quality

Scale should never come at the price of quality. SmartStart ensures that the known components of quality programmes are in place, by defining an evidence-based daily programme, prescribing key programme parameters (such as dosage and group size), and providing standardised operational tools and resources. Our programme quality assurance (PQA) system is then used to ensure that standards are maintained across the network.

Quality assurance is not just for SmartStarters but is applied at all the levels of the network, including franchisors, coaches and trainers, as illustrated in Figure 2.

Continuing support

We do not train and leave but hold our SmartStarters in a strong system of support. Our national network of Clubs and Coaches provide peer support and learning through monthly meetings and occasional site visits, helping to continually build good practice in SmartStart programmes.

Club Coaches use the PQA tools to monitor SmartStart programmes and provide support and coaching to practitioners to help them maintain standards.



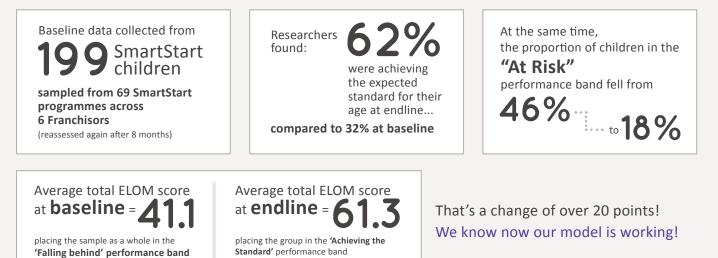
Figure 2: SmartStart Quality Assurance processes

SmartStart wants to create a generation of enthusiastic young learners who have the foundation in place to become the best they can be while increasing their chances of success in school and in life.

How are we doing?

We wanted to know if our model is working. So we asked ourselves: Can we deliver early learning on a big scale and still deliver enough quality to shift the outcomes for children? *The answer is YES!*

In 2018, a team of independent researchers used the Early Learning Outcomes Measures (ELOM) to help us answer this question.



Given that SmartStart programmes operate in some of South Africa's poorest communities, we are hugely encouraged by these results and celebrate the difference that SmartStarters are making to the lives of so many children.

SmartStart will continue to unpack the evaluation's findings, and to better understand how different features of our social franchise model impacts child outcomes, so that we can keep refining and improving our offering.

A fresh take on tech

To help support easier engagement with SmartStarters (our franchisees), we've embraced the power of technology to create our new chatbot:

funda

With more than 1800 active users already, the new WhatsAppbased chatbot gives SmartStarters an easy way of tracking child attendance and receiving new ideas on activities to do with children to keep lessons fresh and fun.

Funda lets SmartStarters interact in a conversational text-based chat and understands all 11 South African languages.

The result: a simple and convenient way to connect with a for daily routine reminders, ideas for group activities, help with child attendance registers and safe cloud storage of all-important paper forms.



SMORTSTORT GIVING EVERY CHILD THE POWER TO SUCCEED.

We are creating a social movement - a national 5 martStarters network of who are passionate about children and early learning.

SmartStart Outcome Evaluation – A Summary

SmartStart's vision is for every child to have the foundations in place to succeed at school and beyond. Since we were set up, one of the main questions we have wanted to answer is: **Can a national ECD delivery platform shift developmental outcomes for young children?**

To help us answer this question, we asked a team of researchers to assess outcomes for children attending SmartStart programmes, using the Early Learning Outcomes Measure (ELOM). The independent evaluation team also sought to understand how programme, child and practitioner variables might contribute to child outcomes.

What is the ELOM tool?

The ELOM tool is a population level instrument designed to measure the developmental status of 4-5 year-olds in five domains. It has been normed for South African children based on a representative sample of 1331 children. Based on children's average scores, a group is allocated to one of three performance bands (see column on left). In this study, the baseline performance band was based on standards for children aged 50–59 months, and the endline performance band was based on standards for children's position within the bands at baseline and endline would not change as a function of their increasing age alone, but as a function of other factors, such as enhanced learning opportunities.

Study design

The researchers used a quasi-experimental pre-test post-test field study design, to track the progress of 199 children attending 69 SmartStart programmes over an 8-month period. The programmes were either playgroups or childminders, and were located in both rural and urban settings in four provinces. At baseline, the children were, on average, 54 months old and at endline, they were, on average, 61 months old. The majority of children had been enrolled in the SmartStart programme for more than one year (77%) and receive the Child Support Grant (96%).

Interpreting ELOM scores

Children who 'Achieve the ELOM Standard' are at the expected level for South African children of the same age (benchmarked at the standard score achieved by the top 40% of children). Children who are 'At Risk' are well below the expected level for their age and are likely to need significant assistance to come up to the standard. Children who are 'Falling Behind' are in the middle, between these two bands. The ELOM convention for colour-coding child performance is as follows:

Children are At Risk 🛑 Children are Falling Behind 🔵 Children are Achieving the ELOM Standard

Key Findings

- 1. Children in all SmartStart programmes improved their performance, over and above expected age progress.
- 2. For ELOM Total Score, the proportion of children who were Achieving the Standard increased from 32% of children to 62%.
- 3. On average, the evaluation sample improved on ELOM Total Score by 19.9 points, moving from Falling Behind to Achieving the Standard.
- 4. Multiple variables contributed to the change in ELOM scores. These included: the two highest performing SmartStart Franchisors, gender, resources, growth status, social maturity and emotional functioning.

Children's performance on the ELOM

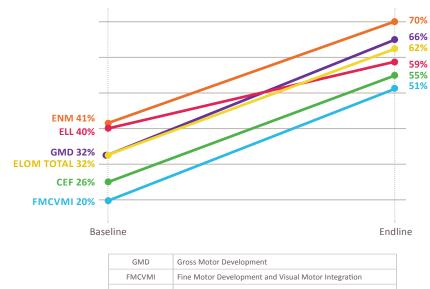
On average, the sample scored 41.4 points on ELOM Total Score at baseline, and 61.3 points at endline (a point gain of 19.9), moving from Falling Behind to Achieving the Standard. Figure 3 indicates widespread improvement, with the sample Achieving the Standard in all domains at endline, except for FMCVMI where they remained in the Falling Behind category. Figure 3: Average ELOM domain scores for all children and change from baseline (circles on left) to endline (circles on right)



There was a clear and uniform decrease in the number of children At Risk across all domains. Figure 4 shows the similarly uniform increase in the percentage of children who were Achieving the Standard.

Figure 4: Percentage of children Achieving the Standard on ELOM domains at baseline and endline.

	Baseline	Endline	Increased by
ENM	41%	70%	29%
ELL	40%	59%	19%
GMD	32%	62%	30%
CEF	26%	55%	29%
FMCVMI	20%	50%	30%
ELOM Total	32%	66%	34%



FMCVMI	Fine Motor Development and Visual Motor Integration
ENM	Emergent Numeracy and Mathematics
CEF	Cognition and Executive Functioning
ELL	Emergent Literacy and Language
ELOM	Early Learning Outcomes Measure

Multi-level modelling

Multi-level modelling analyses revealed a number of key factors that contributed to the effect of the SmartStart programme on children's early learning outcomes. These factors were:

- Franchisors: two SmartStart Franchisors were found to enable the greatest change in participating children.
- **Resources**: children at programmes reporting a greater range of resources showed greater improvement in their GMD scores.
- Age: as expected, older children performed better than younger children.
- Growth status: the extent to which children's scores improved was predicted by their height-for-age measured at endline. Better growth status was predictive of better performance in the ELOM Total Score, GMD and CEF.
- Gender: boys were less likely than girls to benefit from participation in SmartStart programmes.
- Social maturity: better social relations skills were associated with an improvement in ENM scores.
- Emotional functioning: higher levels of emotional functioning was associated with an improvement in ELOM Total scores, CEF, ELL and ENM scores.



Children in all SmartStart programmes improved their performance, over and above expected age progress.



Children are one third of our population and all of our future.

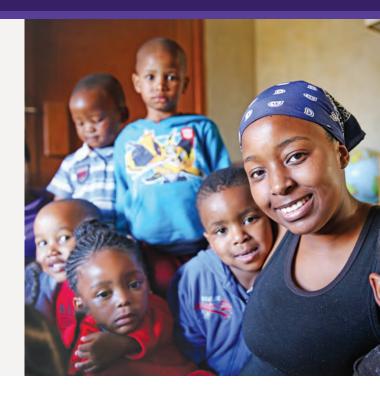
Catalyse behaviour change

At the heart of the SmartStart brand is a vibrant network of SmartStarters running SmartStart programmes all over the country.

They are SmartStart.

Like many ECD providers in the country, SmartStarters are both community services and micro-enterprises, generating an income through government subsidies, stipends and parent fees.

Our ongoing commitment is to provide a strong SmartStart network to educate and inspire.



A bumper edition of

The Vho magazine is an important way of connecting with SmartStarters.

In April 2019, we delivered our first bumper edition, with double the number of pages and extra play resource materials. Content is always carefully crafted to keep SmartStarters informed and equipped to deliver the best possible experience for the children. The magazine has pull out books and activities, which help with curriculum and resource support, and tips on how to manage and save money.

Our ever-popular main feature showcases an outstanding SmartStarter doing great things in their communities.

The result: A print run of over 32 000 copies, given to all children in the programme a magazine to take home to their parents, to share in the content and activities.



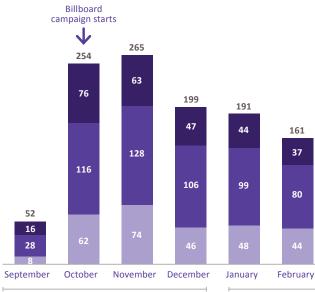
Brand and stakeholder launches

The evolution of the SmartStart value proposition has culminated in a need to position and catapult the SmartStart brand. *"Build awareness among parents and drive demand for quality early learning programmes by creating a visible and trusted brand"* is the cornerstone for all efforts in developing and implementing the brand.

In November 2018 we held a launch of the SmartStart brand which was attended by business, civil society, the ECD sector and representatives of the network. Regional launch events were also held in Limpopo, Mpumalanga and Free State, where government and civil society organisations were in attendance. More than 400 people were present at these launches and for some of them, marked the beginning of strong local stakeholder partnerships for the expansion of access to early learning for children in these areas.

Billboard Campaign

The SmartStart billboard campaign was launched in October 2018 through 156 billboards targeted at communities with a growing SmartStart presence. Its goal was to drive awareness and build demand for SmartStart with specific calls to action aimed at parents - to enroll their children in a SmartStart programme - and community members to start their own playgroups. Figure 5 below shows the number of leads for each category.





2018

2019



Our Finances

SmartStart Early Learning (RF) NPC

(Registration number 2015/075926/08) Financial statements for the year ended 30 June 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	2019	2018
ASSETS		
Non-current assets		
Plant and equipment	370 767	337 693
Intangible assets	460 000	460 000
5		
	830 767	797 693
Current assets		
Inventories	1 046 377	637 772
Trade and other receivables	1 526 938	1 653 919
Cash and cash equivalents	1 814 430	3 410 784
	4 387 745	5 702 475
TOTAL ASSETS	5 218 512	6 500 168
	0 210 012	0 000 100
EQUITY AND LIABILITIES		
Equity		
Retained income / (accumulated loss)	127 791	(62 804)
Liabilities		
Current liabilities		
Trade and other payables	4 708 388	3852 585
Deferred income	382 333	2 710 387
	5 090 721	6 562 972

Statement of Profit or Loss and Other Comprehensive Income

TOTAL EQUITY AND LIABILITIES

Figures in Rand	2019	2018
Revenue	55 973 950	35 649 044
Other operating income	2 128	550 452
Other operating gains (losses)	(18 083)	-
Other operating expenses	(55 955 867)	(36 199 496)
Operating profit	2 128	-
Investment income	188 467	335 312
Profit for the year	190 595	335 312

5 218 512

6 500 168

Statement of Changes in Equity

Figures in Rand	Retained income / (accumulated loss)	Total equity
Balance at 01 July 2017	(398 116)	(398 116)
Restated profit for the year	335 312	335 312
Balance at 01 July 2018	(62 804)	(62 804)
Profit for the year	190 595	190 595
Balance at 30 June 2019	127 791	127 791

Statement of Cash Flows

Figures in Rand	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Cash used in operations Interest income	(1 497 087) 188 467	(2 441 504) 335 312
Net cash from operating activates	(1 308 620)	(2 106 192)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment Sale of plant and equipment Purchase of other intangible assets	(286 958) (776) -	(591 399) - (460 000)
Net cash from investing activates	287 734	1 051 399
Total cash movement for the year Cash at the beginning of the year	(1 596 354) 3 410 784	(3 157 591) 6 568 375
Total cash at the end of the year	1 814 430	3 410 784

Our Funders 2018 / 2019



The DG Murray Trust & The DG Murray Trust – Solar Projects









LEGO The **LEGO** Foundation





UN OMIDYAR NETWORK





SmartStart Early Learning (RF) NPC

Reg / NPO Number:	54-752 NPO	
PBO Number:	930/049/914	
Physical Address:	111 - 113 Oxford Road, Saxonwold, Johannesburg 2196	
Postal Address:	Private Bag X777, Houghton, 2041, Gauteng	
Contact person:	Grace Matlhape (CEO) 011 268 5959 grace@smartstart.org.za	
Directors:	Janet Du Preez David Brandon Harrison Nicola Rae Galombik Carley Furness-Symms Grace Matlhape	
Meetings:	Annual General Meeting - 1 Special General Meeting - 0 Board Meeting (Quarterly) - 4 Others - 0	
No Constitutional changes were reads		

No Constitutional changes were made during this reporting period.

Primary Activities

SOURCING

Different types of people were made aware of the importance of early learning and were invited to a matching process that provided an opportunity to potentially be part of early learning.

MATCHING

Beneficiaries were assessed in terms of their suitability for working with children as well as their desire to run potential micro-enterprises.

TRAINING

Matched candidates were invited for 5-day Start-Up training. For the reporting period, over 3 000 people underwent SmartStart training.

LICENSING AND COACHING

2914 passed the training and 2 766 were licensed to start practising the SmartStart programme with recruited children. Ongoing coaching and mentoring was provided.

IMPLEMENTING THE SMART START PROGRAMME

More than 38 000 children were part of the SmartStart early learning programme in ECD centres, playgroups and full-week day mother programmes. Some children had previously not been exposed to any form of early learning.

QUALITY ASSURANCE

Practising franchisees were quality-assured to ensure they were implementing the programme properly for the benefit of the children. This is essential for ongoing delivery of quality practice.



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