



Telkom

Foundation

Annual Report

2013 – 2014

Seamlessly connecting people to a better life



The Telkom Foundation was established in 1998 and registered as a trust in 2002 with the primary objective of contributing to the transformation of disadvantaged communities through sustainable social investment programmes. The Foundation focuses its support primarily on education programmes, across the board, and continues to make an impact in communities through its programmes.

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Letter from our Chairman

One cannot underestimate the important role that the corporate social investment sector (CSI) plays in supporting social investment projects. Through these investments, the CSI sector can bolster the social and economic sustainability of the communities that it serves. Education continues to receive the greatest share of CSI spend, with recent Trialogue research reporting that 43% of CSI expenditure (R3.4 billion) is channelled into education. Of this, the greatest proportion (38%, R1.3 billion) is invested into Maths and Science. These amounts are invested on the backdrop of R232.5 billion allocated by government to education within the 2013/14 financial year. South Africa has one of the highest rates of government investment in education across the world at an average of 7% of GDP. This shows that South Africa is ahead in education spend and more collaboration among private companies as well as public-private partnerships will deliver greater outcomes.

As South Africa celebrates its 20th year of freedom, we are seeing increased participation in the nation's school system. Approximately 90% of the country's youth are attending school, however one of the biggest challenges we face is the high attrition rate. According to the 2013 Consultancy Africa Intelligence discussion paper, of the 1.2 million children who started Grade 1 in 2001, almost half (47%) had dropped out of school by Grade 12. Another challenge is the matric results. The matric pass rate increased from 70% in 2011 to 74% in 2012 and 78.2% in 2013 according to the Department of Basic Education (DBE). However, the pass mark is only 30% and of the matric results, performance differs by province and rural/urban environments. Despite the

opportunities in the job market for graduates of Science, Technology, English and Mathematics (STEM), there is a lack of demand by learners to study these subjects and pursue careers in these fields. The resulting skills gap is likely to have a long-term impact on our economy as well as their individual job prospects.

It is for this reason that the Board allocated a greater share (70%) of our annual CSI budget (R41 million in 2013/14) to education with specific focus on STEM subjects, with social development and employee volunteering receiving 30%. Education projects are aimed at improving the quality of teaching and the performance of learners. Through our three programmes in the education sector – teacher development, learner support, and connectivity – we managed to bridge the digital divide and improve access to quality education for our beneficiaries.

The work of our social development and staff volunteerism portfolios is similarly driven by the desire to bring about a sustainable and meaningful change in communities. I am particularly proud of the Telkom staff who have responded to the call to volunteer and given their time and energy generously to support good causes during the year.

In closing I would like to thank my fellow trustees on the Telkom Foundation board for their support, and to salute the efforts of the Foundation staff whose energy and passion have made all of this possible. The Foundation endeavours to fulfil its role on behalf of Telkom as an active, responsive and innovative corporate citizen.

Professor Loyiso Nongxa

This has been another fulfilling year for the Foundation team as we continued to strive to make a meaningful difference to those who need it the most, with greater focus on education. During 2013/14 we invested R22 million in education through our nine key projects.

After six years of investment, the Foundation's flagship programme in education – Beacon of Hope – came to an end in 2013 once the beneficiaries enrolled on the programme, had matriculated. The Foundation invested R64 million in total on 200 beneficiaries, providing top-performing Grade 7 learners from rural areas and townships with an opportunity to attend well-resourced schools. Of the 200 learners on the programme, we are proud to announce that 175 matriculated and 80% of the learners registered in a STEM-related field in a tertiary institution upon completing matric. In six years we learned some valuable lessons, for example the project would have been better managed with fewer learners.

We have elevated our Connected Schools Programme as our flagship programme. The programme aims to improve education outcomes in schools through the use of information communication technology (ICT). Apart from the donation of equipment, the programme teaches the teachers to use the technology, enhancing their teaching and improving learner performance. We have always recognised the great need of bridging the digital divide among learners from rural and disadvantaged schools and this year we have expanded our reach by connecting schools on some of the Foundation's other programmes. In 2013/14 the Foundation provided ICT packages to the value of R6.7 million to 32 selected schools, adding to the

more than 700 schools it had connected over the past 15 years. Continuous monitoring allows us to adapt our programme annually and increase the impact we have.

The year has not been without its challenges, but with each of these we have adapted according to the lessons learnt. We are in a process of crafting a longer-term strategy which will allow us time to make sound decisions based on a longer time frame. We have also learnt the importance of consolidating our programmes and have refined our strategy so that we first identify key programme areas and then the projects that fall within these programmes.

Our partners play a major role in both the effective implementation of our programmes and ensuring sustainability. We have been lucky in our partnership with government, in particular the Department of Basic Education (DBE) and we continue to develop strategic partnerships with NPOs, universities and other corporates.

This report describes the activities of the Telkom Foundation during the period spanning 1 April 2013 to 31 March 2014, hereafter referred to as 2013. It provides an overview of our focus areas – education, social development and employee volunteerism – and provides a glimpse into some of the differences that the Telkom Foundation has made in the lives of its beneficiaries over the past year. This is largely credited to the Foundation's hard-working team that continues to go beyond the call of duty.

Nathi Kunene
Acting Head of the Telkom Foundation



Letter from our Acting Head

Trustee profiles



Prof. Loyiso Nongxa
Chairman of the board
DPhil (Oxon.)

Prof. Nongxa was appointed as the Chairman of the Telkom Foundation on 1 December 2013. Prof. Nongxa retired in 2013 as the Vice-Chancellor and Principal of the University of the Witwatersrand (Wits). He returned to the University in March 2014 as the Founding Director of the Centre of Mathematical and Computational Sciences. He obtained a Bachelor of Science (1975), Honours (1976) and Masters of Science (1978) from the University of Fort Hare and a Doctor of Philosophy at Oxford University (1982). He has served in various leadership positions at the University, which include Chairperson of the Review Committee of the National System of Innovation appointed by the Minister of Science and Technology, member of various advisory committees constituted by the Foundation for Research Development, member of the Senate of the University of the Western Cape, founding Chairperson of the SASOL Inzalo Foundation, Chairman of the Higher Education South Africa Research and Innovation Strategy Group, Chairman of TENET, a South African NREN and board member and trustee of various educational trusts.



Iqbal Moolla
BCom (Honours), MBL, CIA, CCSA

Mr Moolla is Chairman of the Foundation's Finance, Audit and Risk Management Committee. He currently holds the position of Executive for Shared Services Centre under Group Finance at Telkom SA SOC Limited after establishing a multifunctional shared services centre for the company in 2011. He previously held a position in Internal Audit where he served as senior manager responsible primarily for the company's revenue audit.



Rakesh Garach
BCom, Postgrad DipAcc, CA (SA)

Mr Garach is a business consultant and an independent non-executive director. He currently serves on the boards of directors of the National Empowerment Fund (NEF) and the KZN Growth Fund Managers. He is also an appointed trustee of the Gauteng Partnership Fund (GPF), an integral player in social housing and urban rejuvenation. He serves on the audit committees of both the NEF and GPF. He served on the board of Hoskens Consolidated Investments Limited and chaired the audit and risk committee until January 2012. He served as a chief operating officer for Deutsche Bank in South Africa from May 2005 to November 2007, as part of the BEE transaction completed with Utajiri Investments.

Trustees reflected are those in their roles as at 31 March 2014



Manelisa Mavuso

A degree in finance and marketing from Rhodes

Mr Mavusa was appointed Managing Director: Consumer Services and Retail in 2009. The division is responsible for the provision of voice, data and converged voice and data services to the residential segment of the market. It also provides core commercial and contact centre shared services to the group.



Dr Keitumetse Jantjie

PhD, Management Advancement Programme (Wits)

Dr Jantjie has extensive experience in the government, business and developmental sectors. She began her career focusing on community development and in the public sector she focused on mental health and social development. Within the business sector, she worked as a senior manager in human resources focusing on wellness, training and transformation. Dr Jantjie also serves on the board of Habitat for Humanity South Africa and has previously served on the board of South African Business Coalition against HIV and AIDS (SABCOHA). She is a member of the Institute of Directors in Southern Africa (IoDSA). She is currently the managing director and executive consultant at Talent Net Consulting (Pty) Ltd. Her passion is to empower women and youth and she is an active mentor and coach.



Makole Maponya

BCom, Certificate of Theory in Accountancy, Higher Diploma in Finance Management, CA (SA)

Ms Maponya is the founder and executive director of Mahlako a Phahla Investments. Prior to starting Mahlako a Phahla, she was the portfolio manager of Old Mutual's Infrastructure and Development Fund for six years. She is a director of WIPHOLD, where she chairs the audit committee. She is an alternate director for the Financial Services Board's Directorate of Market Abuse, representing the South African Institute of Chartered Accountants (SAICA) on the board. She is also a trustee of the Telkom Foundation and Foodbank Foundation. She is a member of the African Women Chartered Accountants (AWCA) and the Institute of Directors in Southern Africa (IoDSA).



GOAL:

To use Telkom's expertise to make a visible difference on key issues that affect the lives of South Africans

MISSION:

Seamlessly connecting people to a better life by:

- Contributing meaningfully to needy communities through sustainable education interventions
- Support needy communities through social relief programmes
- Promoting and embedding the culture of giving across Telkom through structured programmes

Strategic overview

Leaving a lasting impact

In 2013 the Telkom Foundation continued its social investment within its three focus areas: **education**, **social development** and **employee volunteerism**. The Foundation believes that the best way to eradicate social inequality is through a long-term approach, cultivating the critical skills that will support South Africa's social and economic development. It is for this reason that the Foundation continues to channel the majority of its CSI funding to **education** (70% of the annual budget in 2013/14). This is aligned with government's development priorities. Through its education pillar, the Foundation supports programmes such as teacher development, learner support and school connectivity.

Social development projects are allocated 15% of the CSI budget and provide relief to disadvantaged communities throughout South Africa. The Foundation supports organisations that deliver services in areas including HIV/Aids, orphaned and vulnerable children, the elderly, women empowerment and poverty alleviation.

The Foundation strives to instil a culture of **volunteering** among Telkom employees and allocated 15% of its annual CSI budget to volunteering activities. The Foundation encourages all employees to give back to their communities through various commemorative days and during National Volunteer Week. In addition to employee volunteering initiatives, the Foundation also continued with the Adopt-A-Project programme started 12 years ago which is aimed at involving Telkom executives in social upliftment projects with the aim of expanding support and to provide a platform for skills transfer and mentorship.

Project selection

The Telkom Foundation subscribes to the highest standards of governance and employs a careful selection process when granting funding to projects. This process is largely driven by the needs of the community. Project proposals are submitted to the Foundation by the communities themselves, NPOs, partners, customers, suppliers and staff. In order to be considered, projects must fall within the Foundation's scope and should directly impact disadvantaged communities and individuals.

“The Foundation believes that the best way to eradicate social inequality is through a long-term approach, cultivating the critical skills that will support South Africa's social and economic development. It is for this reason that the Foundation continues to channel the majority of its CSI funding to education.”



The team that makes it happen



Monese Waga Puso

Specialist: CSI

- Responsible for Connected Schools and employee volunteerism programmes

Jeanette Mtshaki

Operations Specialist: CSI

- Identifying, co-ordinating and monitoring social development projects

Marcia Selebano

Administrator

- Providing overall administrative support including proposals life cycle

Alet Steenkamp

Specialist: CSI

- Responsible for information management, reporting, website and intranet

Judy Poo

Specialist: CSI

- Responsible for teacher development and learner support programmes

Sekgabi Masobe

Operations Specialist: CSI

- Identifying, co-ordinating and monitoring employee volunteerism projects

Gallant Roberts

Operations Specialist: CSI

- Identifying, co-ordinating and monitoring teacher and learner support projects

Sel-Marie Marais

Project Co-ordinator

- Supporting the Head of Foundation

Nathi Kunene

Acting Head of Foundation

- Overall leadership and management of the Foundation

◀ From left to right: Marcia Selebano, Alet Steenkamp, Monese Waga Puso, Gallant Roberts, Jeanette Mtshaki, Judy Poo, Sel-Marie Marais, Sekgabi Masobe and Nathi Kunene

Eastern Cape

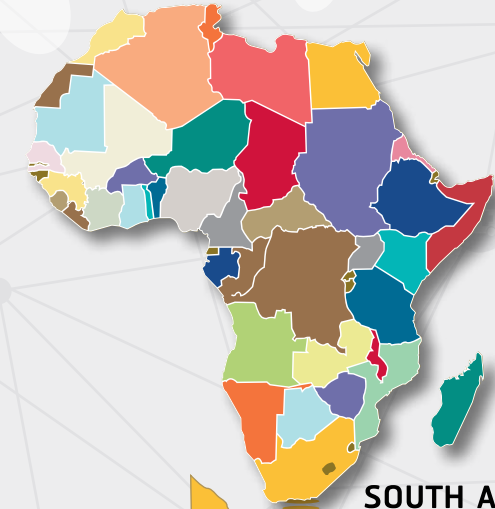
- Beacon of Hope
- FOTAD
- Connected Schools
- Rally to Read
- Masimanyane Women's Crisis Centre
- Mthatha Child Abuse Resource Centre
- National Deaf Community
- The Mangenoeg Project
- Paterson High School
- Port Elizabeth Mental Health Society
- Makukhanye HIV/AIDS Community-based Project
- We Care

Free State

- Beacon of Hope
- Sediba
- EMDP
- Ikateleng
- Connected Schools
- Rally to Read
- Malirato Luncheon Club
- Nanabolela Secondary School
- Bainsvlei Combined School
- Grassland Intermediate School
- Kamohelo Primary School
- Nozala Primary School

Gauteng

- Beacon of Hope
- Make A Difference
- Ikateleng
- Connected Schools
- Wep@Work
- Klipspruit West Family Centre
- New Hope School
- St Francis Care Centre
- Kosmos Care Centre
- Parkswood Primary School
- Patogeng Primary School
- Isaac More Primary School
- Hatfield Christian School
- African Cultural Organisation Skills and Development
- Gatlhantso Primary School
- SA Cares for Life
- Khosi Neighbourhood Foundation
- Adventure Shells
- Mother Theresa Home
- Bright Smile Bright Future
- Beam Africa Network
- Johannesburg Hospital School for Autism
- Robertson Primary School
- ACFS Community Education and Feeding Scheme
- CANSA
- CHOC



SOUTH AFRICA

NORTH WEST

NORTHERN CAPE

WESTERN CAPE

Our footprint



Education



Social development



Employee volunteerism



Gauteng (continued)

- Cotlands
- Hope/Itemba Trust
- Reach For A Dream Foundation
- The South African Red Cross Society
- The National Council of SPCAs
- Cantsane Education Home-based Care
- Soshad Centre
- Kopanya Women's Support Group
- Re-Bafenyi Victim Empowerment Programme
- Siyabonga Life Skills Centre for Mentally Disabled
- Zanele Mtshali Disability Home
- Nelson Mandela Foundation

KwaZulu-Natal

- Beacon of Hope
- Connected Schools
- Rally to Read
- Siyathokoza Community Organisation
- Stanger Primary School
- Etata Trading
- WESSA
- Shepherd's Keep
- The Child and Family Welfare Society of Pietermaritzburg
- Zululand Hospice Association

Limpopo

- Beacon of Hope
- Sediba
- Connected Schools
- Rally to Read
- Unarine Day Care Centre for Handicapped Children
- Kgatelopele Community Home-based Care
- SANTA Sedibeng Community Care Group
- Kgatelopele Community

Mpumalanga

- Beacon of Hope
- Sediba
- Make A Difference
- Connected Schools
- Rally to Read
- Impilo Community Centre
- Matsulu Primary School
- Obrigado Home and Community-based Care

North West

- Beacon of Hope
- Sediba
- Ikateleng
- Connected Schools
- Rally to Read
- Ntshalleng Le Bana Care Centre
- Tsholofelo Care and Support Group
- Tshireletso Care and Support
- Kopano Hospice
- Mofumadi Wa Tshepo Care Centre
- Fatima House Project
- Klipgat Hospice
- Kopano Lerato
- Molelwane Secondary School
- Mmatlhame Primary School
- Tim Modise Primary School
- Siyakha Isizwe
- MTS Ancillary Health Care Service

Northern Cape

- Beacon of Hope
- Ikateleng
- Connected Schools
- Rally to Read
- Khomani San
- NC NGO Coalition
- Riemvasmaak Gemeenskap Trust
- Galeshewe Association for the Care of the Aged and Disabled

Western Cape

- Beacon of Hope
- Make A Difference
- Connected Schools
- Rally to Read
- Just Footprints Foundation
- Elsies River Secondary School
- Docks Mission
- Desmond Tutu HIV Foundation
- Etafeni Day Care Centre
- Carel du Toit Centre



Our focus areas



Education

Social development

Employee volunteerism



Education / Teacher development

National Teaching Awards

Recognising teachers of distinction

The National Teaching Awards (NTA) aims to recognise and reward teachers for their efforts to deliver quality education in public schools. The annual event, now in its 14th year, is hosted by the National Department of Basic Education (DBE) to celebrate the achievements and contributions of teachers.

As a longstanding supporter of the NTA, the Foundation was the prime sponsor of the 2013 programme. This created an opportunity for the Foundation to be part of an initiative that draws public attention to the positive aspects of education in South Africa, including the good work teachers do in supporting learners. The NTA culminated in an event held on 6 March that was broadcast live on SABC 2, reaching more than 1.6 million viewers.

President Jacob Zuma attended the event and said: "Let me once again congratulate all the winners today. We also acknowledge the hard work and commitment of all the finalists and those who were nominated. You have all given us a good story to tell. Our country has a bright future because there are teachers like you, who turn schools into productive centres of learning and achievement."

The Telkom Foundation sponsored four of the twelve categories. These include: Excellence in Grade R Teaching, Excellence in Technology-Enhanced Teaching and Learning, Excellence in Primary School Teaching and the Professor Kader Asmal (Excellence) Award. Surpassing his peers, Mr Andrew Taylor, the principal of Brebner High School in Bloemfontein for the past 20 years, was awarded the Professor Kader Asmal Award. Acknowledging everyone who has supported him in his teaching career, Taylor said: "I'd like to thank everyone that walked the road with me from 1994. It's been a transformation road. Thank you very much to the

many people, parents and learners and everyone who walked with me."

The other categories included:

- Excellence in Secondary School Teaching
- Excellence in Primary School Leadership
- Excellence in Secondary School Leadership
- Excellence in teaching Physical Science (FET)
- Excellence in teaching Mathematics (FET)
- Excellence in Special Needs and Inclusive Teaching
- Lifetime Achievement
- Kha Ri Gude categories

The NTA has a national geographical reach of 25 000 schools and 420 000 teachers. All winners and runners-up won cash prizes. The winners also won a Telkom-sponsored computer lab with internet access and training for their schools valued at R200 000 (see page 20 for further details) and received Certificates of Excellence from the DBE. The Foundation supported the NTA at a total cost of R3.9 million including sponsorship of the event and value of ICT labs.

"The event was broadcast live on SABC 2, reaching more than 1.6 million viewers."

Fast Facts

- Total sponsorship value in 2013: R3.9 million
- ICT lab sponsorship to winners: R2.4 million
- The Foundation sponsored four of the 12 awards
- 12 category winners received ICT labs to the value of R200 000 for their school

Sediba

Developing Maths and Science teachers to improve learner results

During 2013 the Telkom Foundation continued its partnership with the North West University, supporting the Sediba project. The primary objective of Sediba, which means a “fountain” in Setswana, is to promote the teaching of Science, Maths and Technology through a formal educator programme. Upon completion of the training, teachers receive Advanced Certificates in Education (ACE). In 2012 a total of 171 teachers were selected from 160 schools in the North West, Free State, Limpopo and Mpumalanga provinces to be part of the two-year programme. The Telkom Foundation invested R1.3 million to cover the teachers’ tuition fees, textbooks and study materials.

Ms Moloko, a Maths teacher at Motuba Secondary School in Mafikeng in the North West province, was among the 171 teachers who benefited from the project. She has been a teacher for seven years, teaching Grade 9 Maths and Grades 11 and 12 Maths and Maths Literacy. She teaches five classes consisting of about

230 learners in total. “My passion for Mathematics made me volunteer to enrol on the Sediba programme. I aspire to study towards a PhD in Mathematics,” she said.

With each teacher conducting on average four classes, consisting of approximately 50 learners each, it is estimated that about 34 000 learners were impacted by Sediba-trained teachers. The class that completed training in December 2013 and graduated in March 2014 had a total of 82 teachers comprising 38 Science and 44 Maths teachers. Ms Moloko enrolled on the programme in 2013 and will complete it in December 2014. “After enrolling on the programme, my class achieved a 100% matric pass rate. The principal therefore requested me to teach Maths from the foundation level and this is how I started teaching Grade 9 Maths,” she explained.

The Sediba programme proved to be successful again in 2013, with an 82% average pass rate for the teachers. A prize-giving ceremony was held in March 2014 to award the top performers. The average mark for Science increased from 56% to 61% and the best overall performer, Mr Tawana Moyo from Kempstiding Combined School in Piet Retief, Mpumalanga achieved an average of 75%, earning the Chemistry and Physics modules award. “The Sediba programme is very effective because it develops Science teachers and corrects a lot of misconceptions that Science teachers have about Science. The programme has enabled me to teach Science effectively and confidently,” said Mr Moyo. Although the average pass mark for Maths remained at 70%, the pass rate for each Maths module increased from 86% to 89% by the end of 2013.

The programme is effective in teaching teachers. In support of this Ms Moloko expressed: “I used to cram difficult concepts and it was challenging for me



“The Sediba programme proved to be successful again in 2013, with an 82% average pass rate for the teachers.”

Fast Facts

- The Telkom Foundation spent R1.3 million on the Sediba programme over two years (2012 and 2013)
- In total, 171 teachers trained from 160 schools in the North West, Free State, Limpopo and Mpumalanga provinces in 2012 and 2013
- 1 725 teachers have been trained since the programme’s inception in 1996

to explain these concepts to the learners. However, after enrolling on the programme I now understand concepts and can apply them to real-life situations, making it easier to explain to learners and make them understand.” Ms Moloko further mentioned that her learners’ performance has improved and they constantly give her feedback on their satisfaction of her teaching.

Due to financial considerations and changes in government’s policy regarding the future of teacher training (a new qualification that has been earmarked to replace the ACE), the North West University is phasing out the Sediba project over a three-year period from 2013 to 2015.

Overall, the programme has positively impacted 1 725 teachers since the project started in 1996. The Sediba teachers have made a large contribution to learners and have also been an inspiration to fellow teachers at their schools.



“ I joined the Sediba programme in January 2012. This programme has been of immense benefit to me since that year.

First, I learnt a lot in terms of content knowledge from my excellent tutors. Being well acquainted with the Mathematical content and comfortable with topics, my lecturers imparted knowledge with interesting and interactive skills. We as students grasped the knowledge with passion and are now imparting the knowledge to students in our schools.

Before joining the Sediba programme, my teaching and knowledge of Mathematics was quite stale. I kept doing my teaching in the

same old way and this was getting boring even to me. The Sediba programme offered some interesting, innovative and challenging ways of approaching some topics and trying out some new, exciting approaches. My colleagues from South Africa and other parts of Africa also shared some interesting ideas and collectively our classes during the programme were very vibrant, interesting and thought-provoking.

We also discussed the rationale behind the changing of the old curriculum and the introduction of the new curriculum called CAPS.

Secondly, my basic understanding of Mathematics has deepened and concepts properly understood. My confidence in the subject has greatly improved and this confidence has rubbed on to my learners. They have confidence in me and they attend my classes with expectation knowing that they have a capable Mathematics teacher.

Last but not the least, thanks to the Telkom Foundation and all our sponsors who made the Sediba programme a reality. The real cost would have deterred many of us from attending, but thanks to you we managed to participate and gained immensely. Thank you very much.”

Mr PA Bediako (Maths teacher)
North West Province

Educator Mentorship and Development Programme

Improving Science, Technology, English and Maths performance

In an effort to address the challenges of teaching Science, Technology, English and Maths (STEM), the Telkom Foundation partnered with the Central University of Technology (CUT) in 2011 to launch the Educator Mentorship and Development Programme (EMDP). The EMDP aims to develop, empower and mentor educators in the STEM subjects. The Telkom Foundation committed R4.5 million to the pilot phase of the programme (2011 – 2013) that included three primary schools. The programme expanded into phase two in 2013, working with four additional primary schools over a two-year period.

Ms Mokgotsane is the Grade 6 and 7 English teacher at the Grassland Intermediate School in the Free State. She admits that: "Teaching at a disadvantaged school has its challenges. We don't have the same access to resources that private schools have. This is why we were so grateful to be selected on the Educator Mentorship and Development Programme."

Grassland Intermediate School was one of three schools selected for the EMDP pilot phase, the other two being Bainsvlei Combined School and Kamohelo Primary School.

In the pilot phase six retired educators mentored 28 current educators in the three schools, which involved private sessions, class observations, educator workshops as well as meetings with STEM departments. The programme improved the teaching of STEM

subjects and to date 2 265 learners in Grades 1 to 7 at the three selected schools have benefited from the intervention. Not only was there an improvement in learner results, there was also a change in the attitudes of teachers towards STEM teaching. "Prior to the programme, many of us felt demoralised with teaching and there was a lack of co-operation amongst teachers, but through our involvement in the programme and working with mentors, we feel inspired again and are working together as a team encouraging one another to improve the performance of learners," said Ms Mokgotsane.

Although the pilot phase came to an end in December 2013, an exit plan has been put in place for mentors to continue working with the teachers in the three schools for a further year.

The results from the pilot phase were encouraging enough to warrant the Foundation's continued support in partnership with CUT. The Foundation invested a further R4.4 million from 2013 to 2015 to expand the programme to four additional schools – Heide, Karabelo and Monyatsi Primary Schools and Kgotsofalo Intermediate Farm School. The second phase of the EMDP programme involves 38 educators who will hopefully have a positive impact on more than 2 000 learners in the four schools.

Schools in both the pilot phase and second phase of the programme received ICT resources including mobile libraries and laboratories. In addition, the schools in the pilot phase were also included in the Connected Schools programme.

The Telkom Foundation is conducting the initial assessment on how ICT and other resources are improving the teaching and learning in the schools, after which an independent organisation will assess the impact. Performance in the schools is monitored and results collected and reported to the Telkom Foundation on a quarterly basis, together with the results of the

additional four schools included in the second phase of the programme. Results show that schools in the pilot phase are generally performing above the 50% mark, however the desired level is for these schools to produce more learners achieving above 70% in STEM. In the second phase about 30% of the learners are achieving above 70% and it is hoped that by the end of 2014 there will be an increase in the number of learners achieving above 70%.

Ms Mokgotsane's face lights up when she mentions the improvement in her learners. "Two of my learners received awards for highest performers in English at the end of 2013." Ms Mokgotsane also received the highest achiever award in the pilot phase for having the class with the highest marks. "I have always had a passion for English, but the Telkom programme and the support we have received has rekindled and increased my passion," concludes Ms Mokgotsane.

Fast Facts

- The Telkom Foundation spent R4.5 million on the pilot phase of its Educator Mentorship and Development Programme (2011 – 2013)
- R4.4 million has been allocated to phase two of the programme (2013 – 2015) for four new schools, 38 educators and 2 560 learners in the Free State province



Education / Learner support



Education

Connected Schools Programme

Connecting learners to technology

The Telkom Foundation's 15-year Connected Schools Programme was initiated in 1998 in an effort to bridge the digital divide among learners from rural and disadvantaged schools. In 2013 Connected Schools was elevated to the Foundation's flagship project. The programme aims to improve education outcomes in schools identified and selected in partnership with the DBE through the use of information communication technology (ICT). In 2013 the programme expanded its reach by connecting schools on some of the Foundation's other education programmes. The Foundation provided ICT packages to the value of R6.7 million to the 32 selected schools, reaching 995 teachers and 23 800 learners. Since inception of the project the Foundation has connected over 800 schools.

In 2013 the connected schools included three schools nominated by the winning soccer teams participating in the Telkom Knockout competition, 12 schools whose educators won awards in the National Teaching

Awards (NTA), three schools supported by the Educator Mentorship and Development Programme (EMDP), 12 Rally to Read schools and two other schools. Each school received an ICT package worth R200 000, comprising electronic equipment, tables and chairs for the computer labs, educational content and programmes, as well as 24 months of Wi-Fi Internet access. The equipment included 20 touch-screen laptops for learners, a projector, an interactive white board, a teacher's laptop, a multifunction printer and speakers. In addition, 20 educators from each school received ICT training.

Through the DBE's Edu Cloud website, government provides educational content to ensure schools are able to access content even if there are delays in the delivery of books. The Foundation is able to access the Edu Cloud platform from the provided laptops, improving access to books and resources by both the learners and educators. Learnthings e-learning content is also

uploaded onto the laptops for improved teaching and learning in schools.

Previously, the Foundation provided once-off ICT equipment to schools, supporting different schools the following year. In 2013 it revised its approach to support schools for a two-year period to ensure continuity of the programme.

In 2013 ICT packages were one of the prizes in a sports tournament, the Telkom Knockout. The soccer tournament comprised 16 teams in the South Africa Premier Soccer League. The prizes, comprising ICT packages, were awarded to schools that were selected by the winning soccer teams. The 2013 champions, Platinum Stars, nominated the Keledi Middle School in the North West as the beneficiary of the ICT package. The runner-up, Orlando Pirates, chose Orlando High School in Soweto, one of South Africa's most historic places of learning.

At the handover of the prize to Orlando High School, Deputy Minister of Basic Education, Mr Enver Mohammed Surty, said: "It is the aim of government to ensure that learners across the country have equal opportunities in their studies and have the platform to realise their true potential. ICT is an important part of this and we welcome the role the Telkom Foundation has made in its efforts to see as many schools as possible become connected in this manner." The Foundation highlights the importance of learners being able to access technology and becoming proficient users of ICT. The Foundation believes the long-term prospects of our country hinge on the quality of our education system. This presents the need to prepare learners to one day excel in the knowledge economy.



The learners themselves expressed gratitude for the equipment and having connectivity. They no longer have to go to an internet café to get access to the internet. They are also able to register for universities online.

The third school was selected through a lucky draw of 14 teams that did not reach the finals of the tournament. The winner of the lucky draw, Bloemfontein Celtic, the 2012 champions, chose Nozala Intermediate School from Bloemfontein as the recipient of the ICT package. The principal, Mr Buyisile Mpinga, expressed his gratitude: "It's a stroke of good fortune that will have a lasting impact, not just on the lives of the pupils presently at the school, but those to come in the years to follow," he said.

The Telkom Foundation recognises the importance of connecting learners to the internet. Teachers are now enabled to prepare and present their lessons electronically. This has motivated the DBE to look into purchasing ICT tools for all the teachers in the future. As a result of the Connected Schools Programme, most connected schools are now communicating with Telkom and other stakeholders via e-mail, which is more efficient than via fax and telephone.

Telkom plans to continue connecting schools and will hold ICT capacity-building workshops for education officials, teachers and learners. Through this programme the Foundation aims to establish ICT champions in schools that will assist teachers and learners with ICT integration in STEM teaching and learning. The Foundation envisages ICT levels where schools can connect with parents and learners and further envisages advanced ICT integration in teaching and learning in support of learner performance.



Fast Facts

- The Telkom Foundation spent R6.7 million on its Connected Schools Programme in 2013
- The programme reached 32 schools, 995 teachers and 23 800 learners in 2013
- Each school received an ICT package worth R200 000
- The programme has been rolled out in nine provinces
- Since inception: The Foundation has connected 819 schools
 - The total investment is over R30 million
 - The number of teachers impacted is 25 389
 - The number of learners impacted is 609 131

the International School of South Africa (ISSA), which uses the British education system with an additional year to prepare learners for their tertiary studies.

Learners were selected from various provinces and placed in public and private boarding schools in six of the nine provinces, namely the Western Cape, Eastern Cape, Free State, Mpumalanga, North West and Gauteng provinces. The Foundation provided learners with a full scholarship that covered tuition, boarding, uniforms, sports kits, stationery, books, pocket money and travel expenses. Beneficiaries entered the programme in Grade 8 and were supported until they completed Grade 12.

In 2008 Solly enrolled for Grade 8 at ISSA in the North West province. Boarding school was not easy for learners from impoverished rural areas. "I was at ISSA for five years in the Nkwe boarding house," explains Solly. "Although I struggled to speak English well I still felt motivated to perform. I worked hard to change my ways. The fact that others told me that I couldn't make it was a motivation factor for me to work even harder," he recalls. Cultural diversity, unequal academic standards coupled with homesickness made most of the Beacon of Hope's learners' first days at boarding schools difficult.

To address the challenges associated with the transition for Beacon of Hope learners, the schools' management introduced extra lessons after hours, etiquette training and other personal skills. These interventions resulted in a gradual improvement in the performance of most of the learners over their first year of high school.

The learners' exposure to the well-resourced schools had a positive impact on their lives. The routine and structure of hostel life improved their self-discipline and time management and provided them with a sense of independence. Solly shared how participation on the programme changed him: "Being part of the programme has made such a difference in my life. When I compare myself academically to the guys back home it is clear that ISSA puts us above the rest. Being here has taught me so many things and I have met so many great people," he said, recognising the wide range of role models he was exposed to.

The wide range of sporting activities exposed Beacon of Hope learners to sports that they would otherwise not have been exposed to. "Coming to the school changed my quality of life and my lifestyle. I played volleyball and I was one of the best long-distance runners at the school. For four years no one was able to beat me and I held three records at the school for the 800 metres and 1 500 metres athletics events," said Solly. The schools also served to develop leadership capabilities. "My inauguration as prefect at ISSA remains one of my best memories. Though I was not interested at first, I threw myself into the position and embraced the responsibilities," he added.

Learners were selected in 2007 and entered the programme in 2008 to start Grade 8. Solly was among the last group of 22 matriculants who completed Grade 12 in 2013. The 2013 group achieved a 100% pass rate. Of the group, 97% qualified with a Bachelor degree entry level pass and the remaining 3% achieved

a diploma level pass. The quality of passes was lower in 2012 where out of 62 learners, 48% achieved university entry level passes. For the 29 programme alumni enrolled in tertiary institutions in 2013, 48% registered in a STEM-related field. The schools attended by Beacon of Hope learners outperformed the high schools the learners would have attended (receiver schools) in terms of the number of Bachelor degree entry level passes produced in 2012.

The programme succeeded in walking the individual learners down the road of success. Changing the lives of these learners had a lasting impact, not only on them but the communities they come from as well. Many of the learners spent their school holidays at home tutoring other learners in Maths and English, contributing to their communities. At a young age they learnt to "give back", which bodes well both for the programme and the future of the country.

The Foundation has learnt some lessons through the programme. One of them is tightening the selection process. Enrolment of a small number of learners would have been more manageable. In the future, the Foundation would manage the relationship with learners and their families for the programme to achieve even better success.

Although the Foundation does not provide financial support after matric, the programme provided learners with a sound educational base and in most cases, a matric pass rate that qualified them to study further after school.

Make A Difference

Lighting up the way for tomorrow's leaders

In 2013 the Telkom Foundation entered into a five-year partnership with MAD CHARITY™ (Make A Difference) to support the organisation's Individual Education Programme. This is a needs-based bursary programme that assists academically talented learners from Grade 8 until the completion of their tertiary studies. The learners are provided with opportunities to reach their full potential as leaders and role models in their communities and society as a whole. The Individual Education Programme aims to create MAD Alumni that will actively work towards positive change in South Africa. Minenhle Makhubu, a Grade 8 learner on the programme said: "Being part of MAD CHARITY™ means that I have the chance to change the places and people around me, which can also change the world."

The Telkom Foundation supports 20 academically talented MAD CHARITY™ learners from financially disadvantaged backgrounds in Gauteng, Mpumalanga and the Western Cape who scored above 75% in Maths and Science. The selection of learners involves a thorough application process and testing, where Grade 7 applicants are monitored to ensure their commitment to the programme. The Telkom Foundation contributed R1 million towards the MAD CHARITY™ Individual Education Programme in 2013 to cover the selected Telkom Foundation learners' academic support as well as the learners' basic needs, such as boarding, travel expenses, stationery and an allowance. In addition, all learners on the programme are in possession of a sponsored laptop and cell phone, which allows constant contact and communication with them.

The programme's holistic approach to supporting learners and developing their leadership skills includes a variety of developmental programmes to provide learners with the opportunity to excel academically and maximise their personal development. Through the

support and encouragement of non-academic activities such as music and sport, the learners are made to feel part of a special community through regular interaction with other MAD CHARITY™ members and beneficiaries. Learners are also provided with career advice, work experience and even travel bursaries and international placements.

James Stoffberg, a Grade 9 learner said, "MAD CHARITY™ and Telkom give us a chance to achieve our goals and help us decide what we want to become one day. Personally, the programme is helping me a lot with being a leader for my school and this is

an opportunity that not many people can get. I'm very grateful to be part of the programme."

In 2013 the Telkom Foundation supported 11 Grade 8 and nine Grade 9 learners consisting of three boys and 17 girls. Minenhle achieved 67% in Maths and 68% in Science at the end of 2013 and James achieved 74% in both Maths and Science. Overall the Grade 8 learners achieved an average of 67% in Maths while the Grade 9 learners scored an average of 80% in Maths at the end of the first term of 2014. During the same period the Grade 8 and 9 learners scored 65% and 84% for Science respectively.

"The programme's holistic approach to supporting learners and developing their leadership skills includes a variety of developmental programmes to provide learners with the opportunity to excel academically and maximise their personal development."

Fast Facts

- Telkom Foundation supported the programme from 2013
- The Foundation invested R1 million for 20 Grade 8 and 9 learners
- Three boys and 17 girls from Gauteng, Mpumalanga and the Western Cape provinces were supported
- The Grade 8 learners achieved an average of 67% in Maths and 65% in Science at the end of the first term in 2014
- The Grade 9 learners achieved an average of 80% in Maths and 84% in Science at the end of the first term in 2014

Future of the African Daughter (FOTAD)

Empowering girls for a better future

In 2013 the Telkom Foundation and the Future of the African Daughter (FOTAD) partnership came to fruition. FOTAD is a girl child development project aimed at empowering girls aged 12 to 19 years from townships and rural areas. The project aims to change the life of the ordinary girl from disadvantaged areas, the African daughter, by providing practical and meaningful assistance, guidance and skills to girls participating in the project. FOTAD was borne out of the need for the African girl child to be in a safe environment, off the street, where she receives guidance, life skills training and motivation in order to prepare her for a successful future.

FOTAD was launched in Alexandra township, Johannesburg in 2006 and expanded to the Eastern Cape in 2013. The Foundation supported the FOTAD project in Dutywa, Eastern Cape providing funding to the amount of R761 700 to ensure comprehensive support to a group of 60 girls.

The girls enrolled on the programme comprise 40 Grade 8 and 9 girls from Mtshotshisa Junior School and 20 Grade 10 girls from Bashee High School who were selected in 2012. They were provided with Maths and Science tutoring on Tuesdays and Saturdays, as well as leadership development and life skills training. The programme also involved an extensive holiday programme that included holiday camps, career guidance and workplace experience. FOTAD also supplied the girls with school stationery and clothing donated from the Oprah Winfrey School.

One of the learners, Nombueyifelo Mombuwe, now in Grade 10, joined the programme after she missed a month of school due to a car accident. Despite the setback, Nombueyifelo said she benefited a lot from the extra lessons and saw a big change in her marks as a result. "My best mark was in English. Before FOTAD I scored 50% but in December 2013 I achieved 96%. I also improved in

Mathematics from 36% to 58% in the June exams and 84% in December 2013," she said.

The work of FOTAD speaks directly to one of the Foundation's key focus areas, education. The Foundation specifically identifies and supports sustainable education initiatives that seek to improve the quality of teaching and learning in South Africa. In 2013 all the girls on the FOTAD programme passed the year and achieved an increase of more than 10% in Maths and Science.

The FOTAD programme allows for greater participation and understanding by students and tutors due to the tutor to learner ratio of 1:20. By comparison, the teacher to learner ratio in the heavily underresourced rural schools is sometimes as high as 1:70. At the start of the FOTAD project in 2013, 23% of the girls scored less than 30% in Maths and/or Science on average, across the grades. However, at the end of 2013 the percentage of girls who scored less than 30% dropped to 7%. The 2013 Maths and Science first-term marks for Grade 8 learners improved by 6% and 9% respectively by the end of the year while those of Grade 9 learners improved by 10% and 15% for Maths and Science respectively during the same period. Two FOTAD girls were the top achievers in the top and middle tiers of the Annual National Assessment exams in 2013 in their district.

In partnership with Masimanyane Women's Crisis Centre and Afroes, FOTAD provided counselling to the girls and their parents. Some of the parents were trained as counsellors so that the girls would still be able to access support once the programme had finished. They also hosted a three-day education and awareness workshop on abuse and human rights issues for the girls, parents, guardians and teachers.

Fast Facts

- The Telkom Foundation contributed R761 700 to FOTAD in 2013
- The funding supported 60 girls in the Eastern Cape
- The girls comprised 40 Grade 8 and 9 and 20 Grade 10 girls
- In 2013 all the FOTAD girls passed the year and achieved an increase of more than 10% in Maths and Science



Ikateleng

Building an empowered generation for the future

In 2013 the Telkom Foundation continued its three-year partnership with the North-West University (NWU) on the Ikateleng programme. The need to provide extra lessons in Maths, Science and life skills for Grades 10 to 12 learners in Potchefstroom, Vanderbijlpark and Mafikeng gave birth to the Ikateleng programme back in 1988. Ikateleng means “empower yourself” in Setswana and that is exactly what the project aims to do. Since 1988, the programme has developed into a structured supplementary teaching programme to assist learners to improve and attain their academic results to ensure entry into tertiary institutions.

The programme provides three phases of support, namely psychometric testing, supplementary teaching and life skills training. In 2013, the Foundation provided R2.5 million. The funding supported experienced tutors who provided supplementary lessons in Maths, English, Science, Accounting, Economics and Business Studies on Saturdays and during holidays. The Foundation also provided learners with food, cash rewards for top performers and transport to and from the lessons.

The Foundation’s reach has increased from only working in schools in the North West province in 2012 to expanding to Gauteng, Free State and the Northern Cape provinces in 2013. The programme assisted 1 516 learners from 101 high schools in 36 towns across the four provinces. The programme has grown to operate from seven campuses, namely Mafikeng, Potchefstroom, Vaal Triangle, Kimberley, Lichtenburg, Mankwe and Mamelodi.

The Foundation believes the success of the project is in the results. Learners on the 2013 programme achieved a 94% matric pass rate compared to the 78% national pass rate. Of the 564 Grade 12 learners on the programme, 530 passed and over 80% of the passes were Bachelor degree entry level passes. Only 34 learners failed, the majority of whom were newly registered on the programme and did not attend the supplementary teaching classes.

Learners enrolled on the Ikateleng programme expressed how much the programme helped them improve their performance in various subjects. Shuncula Khanyisile, a Grade 12 learner at Kgolagano Secondary School, said: “I struggled a lot with Accounting and never thought it was easy to pass. However, with the Ikateleng Accounting teachers’ help (Ms Sindwa and Ms Motlala) I managed to pass well and even got an award.” Some of the learners felt the programme inspired them to unleash their full potential. Their desire to learn and succeed increased as a result of participating on the programme and interacting with other committed learners. The life skills training taught learners to overcome challenges, built their self-esteem and helped shape their characters as individuals.

Fast Facts

- The Foundation invested R2.5 million in 2013
- 1 516 beneficiaries were assisted on the programme during 2013
- Extra classes held on seven campuses from four provinces:
 - Mafikeng – 15 high schools
 - Potchefstroom – 26 high schools
 - Vaal Triangle – 25 high schools
 - Kimberley – 8 high schools
 - Mankwe – 7 high schools
 - Mamelodi – 8 high schools
- 94% matric pass rate achieved against 78% national pass rate
- 362 distinctions, 33 in Maths
- 431 Bachelor degree, 78 Diploma and 23 FET entry level passes



Rally to Read

Promoting a culture of reading at an early age

The literacy levels of learners in rural schools in South Africa lag behind those of their urban counterparts. Without reading and writing skills the likelihood of a rural learner completing high school or tertiary education is as limited as the prospect of future work.

The Telkom Foundation has accepted the challenge of contributing to increasing literacy and promoting a culture of reading in some of the rural and disadvantaged schools across the country. Working in partnership with government and other corporates, the Foundation again participated in the Rally in 2013. Rally to Read is a rural schools development programme run in all provinces except Gauteng. The programme is championed by Bidvest who work hand in hand with the DBE and the READ Educational Trust on the selection of recipient schools. The primary schools receive quality educational resources to improve the learners' literacy, language and comprehension skills.

The programme supports the same school for a three-year period to ensure sustainability and continuity. In all three years the READ Educational Trust selects the relevant books and resources for distribution and the READ trainers provide curriculum-aligned training to the teachers and dedicated support in the classroom at the various schools. The third and final year includes monitoring and workshop visits, where READ trainers assist and check whether curriculum delivery and implementation has been done properly.

The Foundation supports Rally schools in all provinces except schools in the North West where it is funded by another corporate. In addition to the educational resources, the Foundation teamed up with Barefoot No More and supplied 5 200 pairs of school shoes packaged in branded draw-string book bags that the learners can use to carry their books. In addition, they sponsored

Grade R learners' books and educational toys to prepare them for their foundation-phase schooling.

In 2013 the Foundation contributed over R4 million to the 105 selected schools in all Rally to Read provinces, impacting over 1 300 teachers and more than 40 000 learners from Grades R to 7. The Telkom Foundation participated in the Rally weekends to distribute the books, educational toys and teacher development programmes to recipient schools.

Nearly 200 Telkom employees attended the rallies in 2013. Of these, 80% were attending for the first time. The employee involvement initiative had a positive impact on many of the employees. "Delivering those books and materials was a life-changing experience and that has really humbled me to see the conditions that

those kids live under," said Bakang Leteane, a Telkom employee who participated on one of the rallies.

There was already an improvement in the learners' literacy levels in those schools that had received their second year of support and learners are more confident when expressing themselves compared to the first time the rally team visited.

According to independent evaluations of the programme, after a full-cycle READ intervention, learners on average advance two years in reading skills, and four years in writing skills. After the Foundation's three years of support, it is hoped that learners in the recipient schools will improve their chances of completing high school and increase their opportunities for tertiary education and job prospects.



Fast Facts

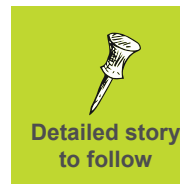
- The Foundation contributed over R4 million in 2013 in 105 schools
- 1 340 teachers and 40 193 learners were impacted in 2013
- In 2013, 192 Telkom employees participated in the rallies
- After a full-cycle READ intervention (three years), results show advanced reading skills (two years ahead) and writing skills (four years ahead)



Social development

Offering support to the disadvantaged

The Telkom Foundation provides social relief to disadvantaged communities by supporting organisations that deliver social services that are aligned to its key focus areas. During 2013 the Foundation supported 19 social development projects across all nine provinces with a budget of R4.8 million.



Organisations that received support in the respective provinces include:

National

- **LifeLine** – Provides accurate information on gender-based violence and counselling services to victims of gender-based violence.
- **Childline South Africa** – Provides counselling to abused and neglected children.

Eastern Cape

- **Masimanyane Women's Crisis Centre** – Provides counselling services to sexually abused girls and training to the parents and the community on sexual abuse.
- **Mthatha Child Abuse Resource Centre** – Provides training to children to prevent child abuse and empowers the community and victims of abuse.
- **National Deaf Community** – Provides skills development and sign language training to the deaf community and assists them with challenges including dropping out of school, alcohol and drug abuse and HIV/Aids.

Free State

- **Malirato Luncheon Club** – Offers poverty alleviation, skills development and social relief services to partially disabled children and the elderly that are ill.

Gauteng

- **WEP@WORK** – Offers computer and beauty therapy training to children with disabilities.
- **Klipspruit West Family Centre** – Provides educational aids and extra classes in Maths and Science with assistance from the University of Johannesburg. Provides counselling and art training to HIV-infected children and children affected by drug abuse.

KwaZulu-Natal

- **Siyathokoza Community Organisation** – Provides a soup kitchen, a community vegetable garden and home-based care to OVC and disadvantaged adults in the community.

Limpopo

- **Unarine Day Care Centre for Handicapped Children** – Provides bricklaying, vegetable gardening, sewing and entrepreneurial skills development training to physically handicapped children and youth.
- **Kgatelopele Home-based Care** – Provides home-based care services for chronically ill and disabled youth and adults.

Mpumalanga

- **Impilo Community Centre** – Provides health services and counselling to HIV/Aids and TB-infected and affected children and adults. It also runs an OVC programme.

North West

- **Ntshalleng Le Bana Care Centre** – Facilitates access to health and social services for OVC and provides homecare and aftercare to physically disabled children.
- **Tsholofelo Care and Support Group** – Looks after community members who have chronic illnesses including diabetes and HIV/Aids.
- **Tshireletso Care and Support** – Provides home-based care services to community members who have chronic illnesses including diabetes and HIV/Aids.
- **Kopano Hospice** – Offers home-based care services to community members who have chronic illnesses including diabetes and HIV/Aids.

Northern Cape

- **Khomani San** – Supports the disadvantaged community of Andriesvale by providing food security through a community garden.
- **NC NGO Coalition** – Provides food support to 100 households in the area through the Balelapa poultry project.
- **Riemvasmaak Gemeenskap Trust** – Provides aftercare and OVC services, offers life skills to the disabled, counsels the HIV/Aids infected and affected and runs psychosocial programmes including support groups.

Western Cape

- **Just Footprints Foundation** – Offers youth programmes to children suffering from life-threatening illnesses or some form of trauma as a result of abuse, abandonment, disability or the loss of parents.

LifeLine and Childline

The Foundation believes that women and children are central to society and as a result have supported LifeLine and Childline for over ten years. The organisations serve as platforms for women and children to raise issues and discuss challenges with experienced counsellors across the country. These organisations have an extensive network of telephone counselling centres and other services, offering support to those experiencing emotional distress. The Foundation provided funding support to the value of R610 000 to LifeLine and R1 311 293 to Childline in 2013.

WEP@WORK

The Telkom Foundation funded the WEP@WORK programme at Forest Town School in Gauteng – a special needs school for physically and cognitively challenged children from primarily disadvantaged backgrounds. The R450 000 that WEP@WORK received in 2013 was used to cover the running costs of the programme that supported 55 mentally and physically disabled beneficiaries for the duration of one year, including the IT facilitator's salary.

The programme provides skills training to learners in ICT, beauty therapy, baking and catering through a "training while trading" approach. In 2013 the IT section of the programme benefited from the majority of the funding from the Telkom Foundation. Learners are trained in computer hardware awareness and taught how to refurbish redundant computers. The recycled computers that are fully operational and software compliant are donated to various schools around Johannesburg. "We are very grateful to the Telkom Foundation for their support," said Justin Jones, the programme's IT facilitator. "The graduates exit the programme being able to rebuild computers. The experience they gain is invaluable both in terms of IT and communication skills. They leave the programme with more self-worth, more confidence and with a better chance of finding employment," he says.

Siyathokozisa Community Organisation

In 2013 Siyathokozisa Community Organisation received R200 000 from the Telkom Foundation for the salaries of its 40 care workers who are responsible for 50 patients each. The funding was also used to run a feeding project, for home-based care and the purchase of office equipment over a period of one year.

Siyathokozisa is a community-based organisation that provides social relief to disadvantaged members of the Matubatuba community in KwaZulu-Natal. The organisation offers a variety of services to both children and the elderly. This includes: home-based care services, health education and HIV/ Aids counselling, social grant assistance, a soup kitchen twice a week at the centre, basic computer training, training members of the community on how to grow vegetables in their yard and training in bricklaying and sewing.

“*The programme provides skills training to learners in ICT, beauty therapy, baking and catering through a 'training while trading' approach.*”

Just Footprints Foundation

The Telkom Foundation provided R300 000 in funding in 2013 to assist the Just Footprints Foundation provide food, therapy and transport as well as host camps for its beneficiaries. The funds were also used to purchase much-needed office equipment for the organisation.

Just Footprints provides youth programmes including therapeutic camps to children suffering from life-threatening illnesses. The camps use learning and play to provide psychosocial support and therapy to children suffering from chronic diseases as well as trauma from abuse, abandonment, disability or the loss of parents. The camps are open to beneficiaries as well as their families and siblings who wish to be included. During 2013 the organisation catered for 2 000 children drawn from hospitals in Somerset West, Western Cape. The Just Footprints Foundation partners with other organisations and its founder members include CHOC (Childhood Cancer Foundation SA), the Reach for a Dream Foundation, Cotlands and the Hope (Ithemba) Trust. These organisations all work with children that either have special needs, illnesses or have been affected by trauma and have a specific interest, as well as the expertise in the psychosocial well-being of children.

The camps involve fun adventures and life-changing experiences that assist the children to understand their illnesses. One child who attended the camp wrote to Just Footprints expressing how much she enjoyed it: "Thank you very much for organising the Footprints camp for us. We all enjoyed it with you. We hope we can come back. We made best friends at camp so we want to come back again. We miss our best friends."

The children learn new skills, develop confidence and improve their self-esteem. The family members also cope better with the illness of their sibling and/or child after attending the camps and it prepares families for the loss of their loved one in the event that it happens. But more than anything, the camps allows children to be children and have fun.

“*The camps use learning and play to provide psychosocial support and therapy to children suffering from chronic diseases as well as trauma from abuse, abandonment, disability or the loss of parents.*”

Ntshalleng Le Bana Care Centre

With the R249 500 funding received from the Telkom Foundation the Ntshalleng Le Bana Care Centre was able to build a kitchen, a dining hall and laundry room for the centre.

The Ntshalleng Le Bana Care Centre, founded by Emily Mofokeng, is located in the Freedom Park area of Rustenburg in the North West. It is a permanent home for physically and mentally disabled children. The centre also provides aftercare services to some children who come for the day. Currently the centre houses 31 children offering them specialised medical care, social welfare and therapy to ensure their safety and security.

With the additional rooms, thanks to the Telkom Foundation, the children now have more space and the ladies cooking the food have better facilities to prepare the meals.



Telkom Employee volunteerism

Nelson Mandela International Day

Encouraging participation in community development among employees

18 July marks Mandela Day. To commemorate this day and celebrate the former president, Nelson Mandela's 67 years of activism, a global call is made to pledge 67 minutes towards helping those in need. The Telkom Foundation through its Employee Volunteerism programme arranged various community service activities for its employees. The Foundation organised a full week of activities with twelve organisations they supported in the previous financial year including the Soshanguve Self-help Association for People with Disability (Soshad Centre), Etafeni Day Care Centre, Kgatelopele Community Home-based Care, and the Galeshewe Association for the Care of the Aged and Disabled.

The twelve organisations were selected based on their proximity to Telkom offices in each province. The Foundation allocated R50 000 for the events at each organisation. In addition, Telkom employees participated in the Kaya FM 67 km Relay in partnership with the Nelson Mandela Foundation. In total, more than 600 employees took part in the activities across the country for Mandela Day.

At the **Soshad Centre**, a centre for people with disabilities, Telkom employees planted a lawn, painted rooms and washed windows as part of their Mandela Day contribution. The green rooms were transformed into soft pink and other pastel colours with much enjoyment and laughter from Telkom employees. The children and everyone at the centre enjoyed a huge birthday cake to celebrate Madiba's 95th birthday

and lunch was served to everyone after a hard day's work. Lindiwe Maepa, Executive: Empowerment and Sustainability at Telkom addressed the audience, expressing what a privilege it was for Telkom to be involved in the centre and to be part of the occasion. One of Telkom's volunteers, Ms Sylvia Maropeng, said: "It was nice to give back to the people who are physically challenged to show that we can change the lives of those less fortunate than us."

With the exceptional support from Telkom volunteers, a range of activities that included cleaning, maintenance and programme support were undertaken at the **Etafeni Day Care Centre Trust**. Etafeni provides services to about 200 beneficiaries comprising 42 HIV-positive women, 80 youth and 80 children (between two and six years) and Telkom employees had the opportunity to interact with different beneficiaries. "Thank you to the generous contributions of the Telkom Foundation and together, with the hard work of the co-ordinators, we had an unforgettable day," wrote Mr Peter Barendse from Etafeni in their Mandela Day Newsletter.

Kgatelopele Community Home-based Care is a home for patients with chronic illnesses such as HIV/Aids and TB. Telkom's financial donation to Kgatelopele went towards a TB awareness campaign that was held in five villages of Polokwane, namely, Ga Semanya, Ga Makibelo, Ga Hlahla, Ga Setati and

Ga Matamanyane. The financial support facilitated the collection of sputum samples for TB screening from residents in these areas.

The **Galeshewe Association for the Care of the Aged and Disabled** received funds for the Mandela Day celebration to cover the cost of catering for 160 people, including beneficiaries and Telkom employees, who attended the event. The funds were also used to purchase cleaning, painting and safety materials and to fix the ceiling.

In celebration of Mandela Day 110 Telkom employees together with 12 000 other runners entered the **Kaya FM 67 km Relay** in partnership with the Nelson Mandela Foundation which took place on Sunday, 14 July 2013 at Waterfall Estate Polo Fields in Midrand, Gauteng. The Telkom contingent formed 11 running teams of ten members in each team. The total cost of the relay donation was R83 994 which was donated to the Nelson Mandela Foundation. The benefits of the event included a positive impact on the morale of the Telkom employees who participated in the relay as well as the sizeable donation to the Nelson Mandela Foundation. Kaya FM Managing Director, Mr Greg Maloka, said: "The passing of the baton echoes Madiba's message for the next generation where he says: '...There is more work to be done. After 90 years of life, it's time for new hands to take up the burdens. It is in your hands now.'"

To commemorate this day and celebrate Mandela's 67 years of activism, a global call is made to pledge 67 minutes towards helping those in need. The Telkom Foundation through its Employee Volunteerism programme arranged various community service activities for its employees.

World Aids Day

Showing solidarity in the fight against HIV/Aids

The Telkom Foundation commemorates World Aids Day held on 1 December each year across the world. World Aids Day is an opportunity for people worldwide to show solidarity in the fight against HIV, demonstrate support for people infected and remember those who have died of HIV/Aids. In commemoration of the day in 2013, the Foundation provided funding support of R160 000 to two selected organisations in KwaZulu-Natal and Gauteng.

Shepherd's Keep and Cantsane Education Home-based Care each received R70 000 to cover the cost of tools, materials for the activities and catering for people on the day. To support growth and promote ICT within the NPO sector the Foundation also donated a laptop to Cantsane with a top-up data contract valued at R13 200. The two activities were attended by 64 Telkom employees.

Shepherd's Keep in Durban was selected for the caring services it provides to 20 abandoned babies up to 18 months. It works with social workers to secure foster parents for the abandoned babies and provides care for terminally ill babies. To date the organisation has assisted 600 babies. It also trains caregivers from poverty stricken areas on the impact of HIV and counselling, through the Hands of Mercy ministry.

Out of the desire to make a difference, two teams of Telkom employees transformed the Shepherd's Keep veranda and grounds. One team scrapped the veranda of the building while the other removed weeds from the garden, mowed the lawn, raked all refuse and packed it in bags. Ms Michelle Potgieter, a representative from Shepherd's Keep, wrote to the Foundation saying,

"You all did an absolutely amazing job. The veranda has never looked so perfect and to give up a Saturday so soon before Christmas. I am speechless."

The Telkom Foundation is proud of each and every employee who has dedicated their day and strength to this big task and hopes employees will return to continue the good work.

In Gauteng the Cantsane Education Home-based Care in Vosloorus was selected by the Foundation – the first time the Foundation had worked in the East Rand. Cantsane teaches the community about HIV/Aids, provides counselling to the families they visit and provides medication to the people living with HIV. They also take orphans and disabled members of the community to social workers and assist orphans with aftercare. Telkom employees spent their time cooking, gardening, cleaning the building, painting and installing a much-needed new fence with a gate. "Telkom changed our lives forever as they installed a brand new fence around our two offices to secure them and now we can lock the gate when it is time to go," said Ms Caroline Motholo, project manager at Cantsane, in appreciation of the Foundation's involvement.

Giving from the Heart

Employees making a difference through their earnings

The Telkom Foundation launched the Giving from the Heart employee volunteerism programme in 2009, providing Telkom employees the opportunity to participate in charitable work on a personal level. Giving from the Heart is a payroll programme that encourages and enables Telkom employees to contribute financially through the payroll system towards a number of social causes. Staff participate by making monthly contributions or once-off payments averaging R20 that are then matched by Telkom Rand for Rand.

During 2013 a total of R600 000 was raised and distributed to ten charity organisations through The Giving Organisation. As was the case in 2012, 65% of the funds were disbursed to organisations dealing with children, while the smallest proportion went towards sport. The other focus areas that received funding were the elderly and education. There was a marked improvement in participation with payroll giving. Employees have warmed up to the programme as demonstrated by their participation which increased by 51% from 2012 to 31 March 2014.

Following the distribution of the donation, the representatives of The Giving Organisation wrote to the Foundation saying: "It is due to your continued support that we are able to feed, clothe, educate and care for more children, research for better HIV and cancer drugs, better protect our environment and animals, make more dreams come true and save more lives. As the late Nelson Mandela said, 'As we let our own light shine, we unconsciously give other people permission to do the same.'"



Cotlands



The ten beneficiary organisations of the Giving from the Heart programme are:

- ACFS Community Education and Feeding Scheme
- Cancer Association of South Africa (CANSA)
- Childhood Cancer Foundation South Africa (CHOC)
- Cotlands
- Desmond Tutu HIV Foundation (DTHF)
- Hope/Itemba Trust
- Wildlife & Environment Society of South Africa (WESSA)
- Reach For A Dream Foundation
- South African Red Cross Society
- National Council of SPCAs (NSPCA)

Adopt-A-Project

Executives showing their passion for community work

The Telkom Foundation introduced the Adopt-A-Project programme to engage eager Telkom executives in social upliftment projects, as a complementary programme to employee volunteerism. The executive management members use their skills, time or provide financial support to assist the less privileged. They get an opportunity to participate in community development by adopting projects in development areas they are passionate about, not projects confined to the Foundation's focus areas.

The Telkom Foundation makes funding available to the executives to motivate them to be patrons of their chosen community projects. The Foundation allocated R3 million in total for the year 2013. Executives are encouraged to add on to the allocated amount to the benefit of the selected organisations. Of the 38 Telkom executives, 32 of them adopted projects. More than 80% of the Telkom executives have adopted projects since the start of the programme in 2008, an encouraging sign of interest in making a difference in communities, shown

by the leadership. To build some form of sustainability, the Foundation encourages executives to support the same project for a period of two years or more. In 2013 more than 50% of the projects were supported for the second or third year.

Telkom's executive management adopted the following projects in 2013:

Gauteng

- **New Hope School** (Special needs school) – Provided support for a skills development and job creation programme for mentally challenged learners.
- **St Francis Care Centre** – Provided funds to support the hospice programme that focuses on HIV/Aids care for adults and children.
- **Kosmos Care Centre** for the homeless – Provided funding towards food security needs of the homeless.
- **Parkwood Primary School** – Contributed to the refurbishment of the ablution blocks at the school.
- **Patogeng Primary School** – Provided books for the library and laptops for the ICT programme.
- **Isaac More Primary School** – Provided ICT equipment and a library to the school. The ICT centre will also be utilised by the nearby community.
- **Hatfield Christian School** – Continued with providing equipment and training on the ICT programme at the school where teachers use online material in the classroom through a laptop, 3G card and data projector.
- **African Cultural Organisation Skills and Development** – Provided financial support and facilitative support to the skills development programme for improved learner results and educators' performance in the STEM field.

- **Gatthantso Primary School** – Provided funding for improved learning conditions of learners in the Foundation phase.
- **SA For Life** – Provided funding towards the organisation's OVC care programmes that aim to change the destiny of vulnerable children.
- **Khosi Neighbourhood Foundation** – Provided funding towards the organisation's OVC care programmes that aim to change the destiny of vulnerable children.
- **Adventure Shells** – Funded the construction of additional classes for science laboratories.
- **Mother Theresa Home** in Yeoville – Provided financial support towards the renovation of the hospice section of the hospital and funded the construction of an additional playground for the orphaned children.
- **Bright Smile Bright Future** – Provided back-to-school packs to learners from identified disadvantaged communities.
- **Beam Africa Network** – Provided funding towards daily cooked meals for the children and assistance with their homework.
- **Johannesburg Hospital School for Autism** – Offered funding towards the training and skills development for children with autism.
- **Robertson Primary School** – Provided further funding towards the renovation of the ablution block of the Foundation phase.

Eastern Cape

- **The Mangenoeg project** – Provided food, clothing and emotional support for children waiting for an adoption process at the temporary home.
- **Paterson High School** – Renovated the ablution system at the school.

Western Cape

- **Elsies River Secondary School** – Introduced an initiative to support a Maths and Science education programme to improve learners' performance.
- **Docks Mission** – Provided funding towards the running of the centre offering assistance to children abusing illegal substances and street children.

KwaZulu-Natal

- **Stanger Primary School** – Provided ICT equipment including 30 computers and a printer for the IT centre to support effective e-learning and teaching.
- **Etata Trading** – Provided funding towards the skills development and training of the communities of Eshowe.

Mpumalanga

- **Matsulu Primary School** – Provided ICT equipment towards the computer centre and funded the purchase of school uniforms for the children at the school.

North West

- **Mofumadi Wa Tshepo Care Centre for OVC** – Provided funding towards the organisation's programme of taking care of vulnerable, orphaned and homeless street children.
- **Fatima House Project** – Offered funding towards helping and counselling of pregnant teenagers who chose to keep their babies.
- **Kopano Lerato** (Mercy Aids Project) – Provided support for the organisation's curative and therapeutic health services to 40 000 people in Winterveldt.
- **Klipgat Hospice** – Provided funding towards support for the homeless and special needs children and terminally sick people.
- **Molelwane Secondary School** – Provided resources for a computer lab and a library at the school.
- **Mmatlhame Primary School** – Provided funding for the renovation of the ablution system for the Foundation phase block.
- **Tim Modise Primary School** – Provided funding for the upgrading of the after-care centre.



New Hope School

Mr Anton Klopper, Group Executive of Legal Services, has supported the New Hope School (NHS), for the past three years (2011 – 2013). “My choice of project to adopt was a simple one. From the first time I visited the school I knew that I should somehow get involved. I was touched by the challenges that the principal and staff were confronting every day, with smiles on their faces,” said Mr Klopper.

In 2013 Mr Klopper donated funding towards the building of the skills centre at the school. As patron of the school he officially opened the Skills Centre on Tuesday, 18 February 2014. In his speech at the occasion, Mr Klopper said: “Technical skills, like those that will be taught here at the New Hope School Skills Centre, will give our learners the chance to enter the job market and contribute meaningfully in the work environment.”

Mr Klopper also facilitated the purchase of specialised tools and machinery suitable for the application of many artisan trade skills by physically challenged individuals, including the TeachWeld system for welding. NHS is the first school to be equipped with such a system that will be used for in-centre training prior to learners’ exposure to the real job scenario. The skills the learners develop here will enhance their capacity to create or find jobs. The project was made possible by Mr Klopper’s participation on the Telkom Foundation’s Adopt-A-Project initiative. “I am most grateful to the

Telkom Foundation for the Adopt-A-Project initiative. It has made it easier for me to get involved in this project that will continue giving to many for many years to come,” concluded Mr Klopper.

In his address to guests at the opening of the Skills Centre, Mr Harmse, the principal at NHS, said, “We are not going to cope without the support of our local sponsors like Telkom. We salute you for the contributions to us on behalf of your constituencies. Your efforts are enabling us as parents and educators at NHS to proceed with the task at hand with enthusiasm and pride to keep our position as one of the flagship schools of the Republic of South Africa.”

The New Hope School, established in 1971, is a non-profit organisation and one of the largest schools for special needs education in South Africa. It is governed and guided by the needs of its learners. Its goals are focused on the education and training of learners with cerebral palsy, permanent physical disabilities, metabolic disorders or syndromes, traumatic brain injuries as well as particular learning disabilities.

Although the school has an adapted curriculum, it still follows the standard Department of Education Curriculum from pre-school up to Grade 12 in the academic stream. Adapted curriculums are followed in both the vocational and life skills streams by these learners who, as a result of their specific challenges to learning, are not able to follow the standard curriculum.

National Volunteer Week

A week dedicated to transforming communities

In yet another demonstration of dedication to transforming communities, the Telkom Foundation organised employee volunteer activities during National Volunteer Week (10 to 14 March 2014), assisting needy NPOs across the country. Just under 300 Telkom volunteers from across South Africa offered their assistance for the duration of the week.

Telkom employees reach out in Port Elizabeth

In the Eastern Cape the Telkom Foundation contributed R30 000 to organisations under the Port Elizabeth Mental Health Society. The organisation provides a two-year psychosocial rehabilitation programme for persons over 18 years who have chronic psychiatric or intellectual disabilities that hinder their ability to live independently in the community. The home accommodates ten residents at any given time and equips them with the necessary life skills to enable them to successfully reintegrate into their respective communities on completion of the programme. The financial contribution was directed towards maintenance of the home and the purchase of training equipment. Telkom volunteers who visited the home prepared and painted the exterior walls, mowed the lawn, planted vegetables, cut back trees and neatened the garden, increasing the visibility and safety in the gardens.

The laptop and two-year internet connectivity was a well-received additional surprise gift to the home that has enabled residents to learn new skills and provided a work readiness training tool for the social worker. The residents appreciated Telkom's engagement especially since there is such a stigma that is often associated with the home and its residents. Telkom volunteers were not affected by such a stigma, and were back visiting the following week.

"We are very proud of the positive impact made by this project and are very happy that it benefited from your generosity," said Ms Merle Blunden, Deputy Director of Port Elizabeth Mental Health. "The difference made by both the hands-on assistance as well as the donation from the Telkom Foundation have made a big difference in the lives of those with mental disabilities whom we serve," she continued.

Furthermore, the Telkom employees provided a carpet for the children at one of Port Elizabeth Mental Health's neighbourhood units in Zwide and curtains for their Wendy house. Neighbourhood Units care for children with acute intellectual disabilities. It caters for six children who receive care, support and stimulation programmes four days a week and two basic meals per day. The children need 24-hour care and supervision, so trained caregivers or volunteers from the community provide this service to ensure safe care and respite for the children's parents and/or caregivers. Ms Blunden expressed her gratitude in seeing how skills training had brought progress and increased independence in the children.

The Foundation's volunteer week provided the opportunity for Telkom employees to get involved in projects that make a difference to the lives of those within the chosen organisations.

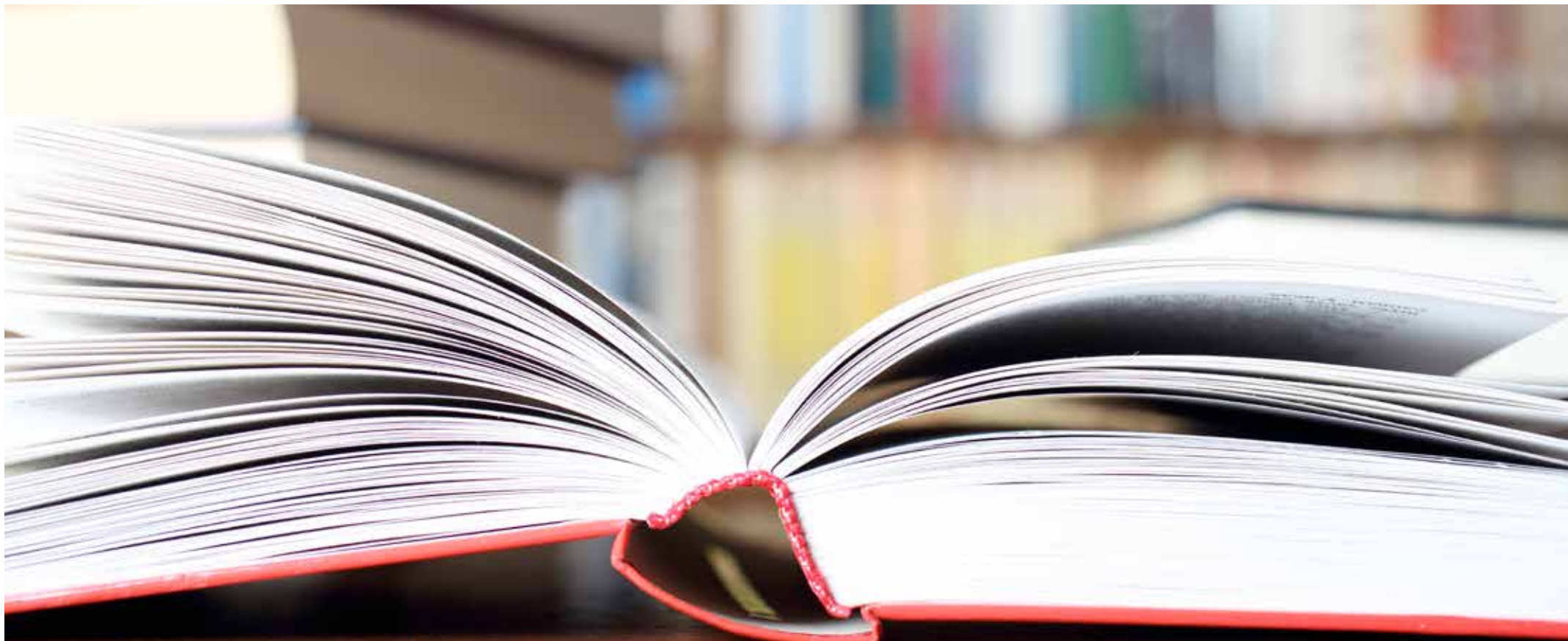
The following projects received support from Telkom employees during Volunteer Week:

- Santa Sedibeng Community Care Group – Pietersburg, Limpopo
- Siyakha Isizwe – Khuma, North West
- Re-Bafenyi Victim Empowerment Programme – Atteridgeville, Gauteng
- Kopanya Women's Support Group – Klipspruit, Gauteng
- The Child and Welfare Society of Pietermaritzburg – Pietermaritzburg, KwaZulu-Natal
- Makukhanye HIV/Aids Community-based Project – Mdantsane, Eastern Cape
- Nanabolela Secondary – Welkom, Free State
- Bainsvlei Combined School – Bloemfontein, Free State
- Grassland Intermediate School – Bloemfontein, Free State
- Kamohelo Primary School – Bloemfontein, Free State
- Nozala Primary School – Bloemfontein, Free State
- Carel du Toit Centre – Tygerberg, Western Cape





“We are very proud of the positive impact made by this project and are very happy that it benefited from your generosity.”
Ms Merle Blunden



Annual Financial Statements

for the year ended 31 March 2014

Administration

Founder: **Telkom SA SOC Limited**

Trustees: **GJ Rasethaba** (resigned 31 December 2013)

ST Mthintso (resigned 31 January 2014)

RS Garach

Dr KG Jantjie

M Maponya

JM Mavuso

MI Moolla

Prof. LG Nongxa (appointed 1 December 2013) Chairman

Head of the Foundation: **SN Kunene** (acting from 1 February 2014)

Nature of business: **Charitable Trust**

Secretary: **PP Moremi**

Auditors: **Nkonki Inc.**

Bankers: **ABSA Bank Limited**

Trust registration number: **IT5262/02**

Non-profit organisation registration number:
029-558-NPO

Registered office: **Telkom Towers North**
152 Johannes Ramokhoase Street
Pretoria 0001

Trustees' Responsibility for the Annual Financial Statements

The Trustees are responsible for monitoring the preparation of and the integrity of the financial statements and related information included in this annual financial statements.

In order for the Trustees to discharge their responsibilities, management has developed and continues to maintain a system of internal controls. The Trustees have ultimate responsibility for the system of internal controls and review its operation on an ongoing basis.

The internal controls include a risk-based system of accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Trust's policies and procedures.

The financial statements are prepared in accordance with International Financial Reporting Standards and incorporate disclosure policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Trustees have made an assessment of the Trust's ability to continue as a going concern and have no reason to believe that the Trust will not be a going concern in the year ahead.

The annual financial statements for the year ended 31 March 2014 set out on pages 42 to 45 were approved by the Trustees on 20 June 2014 and are signed on their behalf by:

Prof. LG Nongxa
Chairman of the Foundation

MI Moolla
Trustee

Report of the Independent Auditors to the Trustees of the Telkom Foundation Trust

This representation letter is provided in connection with your audit of the financial statements of Telkom Foundation Trust for the year ended 31 March 2014 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of Telkom Foundation Trust as of 31 March 2014 and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

We acknowledge our responsibility for the fair presentation of the financial statements in accordance with International Financial Reporting Standards.

We confirm to the best of our knowledge and belief, the following representations:

- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.
- We have made available to you all the books of accounts and supporting documentation and all minutes of meetings of the founder (Telkom SA SOC Limited) and the board of trustees.
- We confirm the completeness of the information provided regarding the identification of related parties.
- The financial statements are free of material misstatements, including omissions.
- The Trust has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

- The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:
 - (a) The identity of, and balances and transactions with, related parties
 - (b) Losses arising from sale and purchase commitments
 - (c) Assets pledged as collateral
- We have no plans or intentions that may materially alter the carrying value or classification of assets in the financial statements. The Trust does not have any liabilities as at the end of the financial year.
- The Trust has satisfactory title to all assets and there are no liens or encumbrances on the Trust's assets.
- There have been no events subsequent to period-end which require adjustment of or disclosure in the financial statements or notes thereto.
- Revenue has been completely and accurately recorded.
- Expenses have been completely and accurately recorded.

Yours faithfully,

SN Kunene
Acting Head of Foundation

MI Moolla
Foundation Trustee

Report of the Trustees

for the year ended 31 March 2014

Business and operations

The principal activity of the Trust is a non-profit-making organisation contributing to the transformation of disadvantaged communities in the Republic of South Africa through sustainable development programmes.

There has been no significant change in the objectives and operations of the Telkom Foundation Trust since formation.

Financial results

The results of the Trust and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

Trust funding

The Trust has no share capital. The operations of the Telkom Foundation Trust are largely financed by Telkom SA SOC Limited, through donations to the Trust.

Trustees and Secretary

Particulars of the present Trustees and Secretary are provided on page 40.

In terms of the Trust deed, the Board of Trustees consists of four Telkom SA SOC Limited trustees and three public trustees.

Use of surplus funds

In accordance with the Trust deed, all surplus funds retained are carried forward for exclusive use by the Trust in the promotion of the Trust's mission and objective.

Going concern

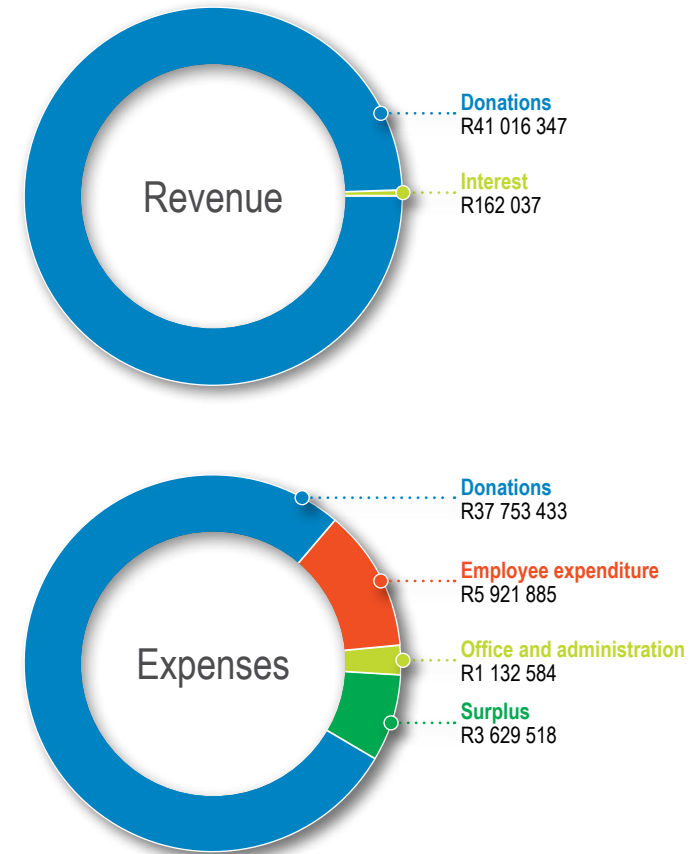
The Trust's ability to continue as a going concern is dependent on the continued support from Telkom SA SOC Limited. Telkom SA SOC Limited agreed to continue to support the Trust for the next twelve months. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of assets, or to the amounts and classification of liabilities that might be necessary if the Trust is unable to continue as a going concern.

Events after the reporting period

There were no significant events after the reporting period.

Sub-committees and attendance

The Telkom Foundation Board has two sub-committees, namely the Finance, Audit and Risk Management Committee (FARMC), which was attended by MI Moolla (Chairman), RS Garach and M Maponya; the Executive Committee, which was attended by JM Mavuso (acting Chairman), ST Mthintso (resigned 31 January 2014) and Dr KG Jantjie.



Statement of Comprehensive Income

for the year ended 31 March 2014

	Note	2014 R	2013 R
Revenue		41 178 384	49 143 475
Donations received/pledged	2	41 016 347	49 014 974
Interest received		162 037	128 501
Expenses		44 807 902	47 989 711
Donations		37 753 433	41 536 698
Staff expenditure	3	5 921 885	5 281 818
Office and administration expenses		1 132 584	1 171 195
Total (deficit)/surplus for the period		(3 629 518)	1 153 764

Statement of Cash Flows

for the year ended 31 March 2014

	Note	2014 R	2013 R
Cash flows from operating activities		819 351	695 688
Cash generated by operations	6	657 314	567 187
Interest received		162 037	128 501
Net increase in cash and cash equivalents		819 351	695 688
Cash and cash equivalents at the beginning of the period		3 202 374	2 506 686
Cash and cash equivalents at the end of the period		4 021 725	3 202 374

Statement of Financial Position

as at 31 March 2014

	Note	2014 R	2013 R
Assets			
Current assets			
Cash and cash equivalents	4	4 021 725	3 202 375
Accounts receivable	5	6 382 410	10 831 278
Total assets		10 404 135	14 033 653
Equity			
Funds and reserves			
Funds and reserves		10 404 135	14 033 653
Total equity		10 404 135	14 033 653

Statement of Changes in Funds and Reserves

as at 31 March 2014

	Programme funds 2014 R
Balance at 31 March 2012	12 879 889
Surplus for the year	1 153 764
Balance at 31 March 2013	14 033 653
Deficit for the year	(3 629 518)
Balance at 31 March 2014	10 404 135

Notes to the Annual Financial Statements

1. Accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards on the historical cost basis and incorporate the following principal accounting policies:

1.1 Revenue

Revenue from donations is recognised at the cash value.

Donations in the form of goods or services are recognised at the open market value of the goods or services being received.

Interest is recognised on a time proportion basis that takes into account the effective yield on the asset.

The Trust is registered for VAT and therefore income received from Telkom SA SOC Limited was recorded exclusive of VAT (where applicable).

1.2 Financial instruments

Financial instruments are initially recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value.

Financial assets, or a portion of financial assets, are derecognised when the Trust loses control of the contractual rights that comprise the financial asset. The Trust loses such control if it realises the rights to benefits specified in the contract, the rights expire, or if the Trust surrenders those rights.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. At each balance sheet date financial assets are assessed for objective evidence of impairment. If any such evidence exists, the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39.

Subsequent measurement of financial instruments carried on the Statement of Financial Position is on the following basis:

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in banks, short-term deposits and bank overdrafts. These are at amortised cost where fixed maturity dates exist, otherwise these amounts are measured at cost. For cash flow purposes, cash equivalents consist of cash at bank and on hand and instruments which are readily convertible to known amounts of cash.

2. Donations received

	2014 R	2013 R
Donations	41 016 347	49 014 974
Donations from Telkom	33 961 878	42 675 488
Donations from other sources	–	14 974
In kind		
– Services provided by Telkom	6 832 469	6 102 512
– Use of Telkom facilities		
Office space	222 000	222 000

3. Staff expenses

The Trust does not employ staff in its own capacity. Staff costs represent the cost of employment of Telkom SA SOC Limited staff dedicated to the activities of the Trust. All benefits are provided by Telkom SA SOC Limited and are regarded as donations in kind.

4. Cash and cash equivalents

	2014 R	2013 R
Foundation current account	65 898	599 903
Money market call deposits	3 955 827	2 602 472
	4 021 725	3 202 374

The money market call deposits are funds invested on behalf of the Telkom Foundation by Telkom Treasury. The interest rate on the call account changed from 4.5% to 5% in January 2014 as a result of the change in the repo rate.

5. Accounts receivable

	2014 R	2013 R
Donations pledged by Telkom SA SOC Limited	6 292 474	10 221 163
VAT receivable	89 936	610 115
	6 382 410	10 831 278

The donations pledged represent amounts committed to projects that are included in receivables and revenue respectively.

6. Cash generated from operations

	2014	2013
	R	R
(Deficit)/Surplus for the year	(3 629 518)	1 153 764
<i>Adjustment for items that must appear on the cash flow:</i>		
Interest received	(162 037)	(128 501)
<i>Adjustment for non-cash items:</i>		
Non-cash donation received	(40 359 034)	(48 447 787)
Non-cash operating expenses	44 807 902	47 989 711
Cash generated from operation	657 314	567 187

7. Related parties

A related party relationship exists between the Telkom Foundation Trust and Telkom SA SOC Limited. Through representation on the Board of Trustees, Telkom SA SOC Limited is able to exercise significant influence over the financial and operating policy decisions of the Telkom Foundation Trust. In terms of the Trust deed, the Board of Trustees consists of four Telkom SOC Limited trustees and three public trustees.

Related party transactions

Most of the operations of the Telkom Foundation Trust are financed by Telkom SA SOC Limited, through donations to the Trust.

8. Taxation

The Trust is a registered Public Benefit Organisation and is exempt from the provisions of the Income Tax Act, as per section 30 and as approved by the South African Revenue Service. No income taxation has been provided for.

The Telkom Foundation is registered for VAT (value-added tax) as a welfare organisation.

9. Trustees' remuneration

	2014	2013
	R	R
M Maponya	52 500	45 000
RM Mabusela	–	37 500
L Mosue	–	52 500
Dr KG Jantjie	82 500	–
RS Garach	75 000	–
Prof. LG Nongxa	60 000	–
	270 000	135 000

Telkom SA SOC Limited employees appointed as trustees of the Telkom Foundation Trust do not receive remuneration.

10. Audit fees

	2014	2013
	R	R
External audit fees, included in the operating expenses for the year ended 31 March	81 024	81 024



Tel: +27 12 311 2186

Physical Address

17th Floor
Telkom Towers North
152 Proes Street
Pretoria 0001
Republic of South Africa

Postal Address

Telkom SA Limited
Private Bag X780
Pretoria 0001
Republic of South Africa

