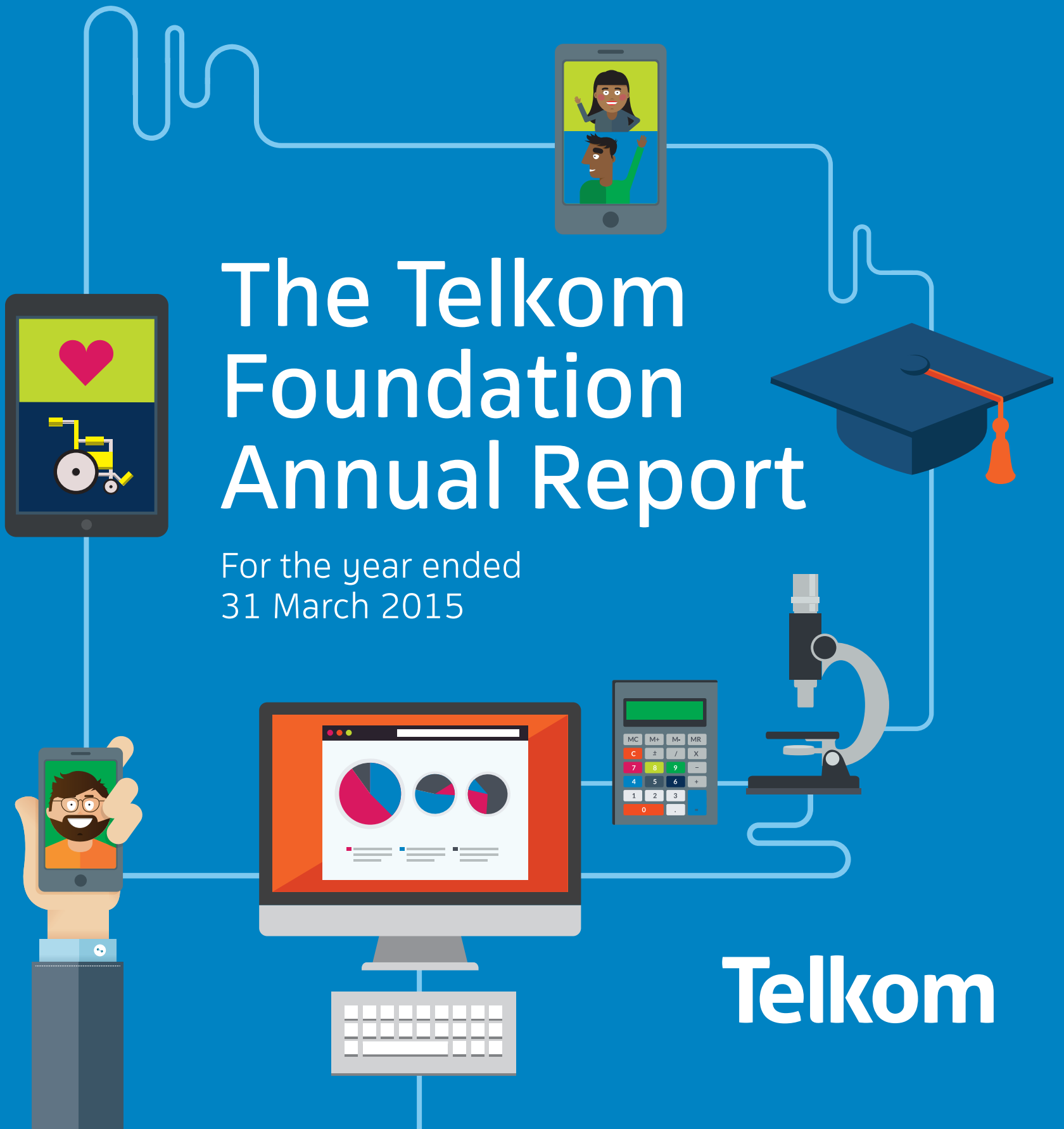


The Telkom Foundation Annual Report

For the year ended
31 March 2015

Telkom





For 17 years, the Telkom Foundation connected ordinary South Africans around the country, through education projects that turn classrooms into interactive experiences for pupils and teachers alike; social development initiatives that contribute to the sustainability of welfare organisations benefiting thousands of needy citizens and volunteering opportunities that allow employees to focus meaningful energy on causes close to their hearts.

Content

Vision, mission and goals.....	2
Strategic overview.....	4
Letter from our Chairman.....	6
Letter from our acting head.....	8
Governance.....	10
Board of Trustees.....	14
The team.....	16
Our footprint.....	18
Focus area: Education.....	20
The Educator Mentorship and Development Programme.....	21
Connected Schools Programme.....	23
Student Sponsorship Programme.....	25
Make a Difference.....	26
Future of the African daughter.....	28
Ikateleng.....	29
Rally to Read.....	30
Focus area: Social development.....	32
Social development.....	33
Taking world-class telemedicine to the people.....	38
Focus area: Employee volunteerism.....	40
Mandela Day.....	41
Giving from the Heart.....	45
Adopt-A-Project.....	48
The future.....	52
Annual Financial Statements.....	56
Glossary.....	68



Vision, mission and goals

Vision

To achieve sustainable improvements in education, health and social welfare in South Africa through Telkom's resources and ICT capabilities

Mission

- Drive ICT integration in school administration and STEM teaching and learning through a connected school ecosystem
- Deliver improvements in STEM education through technology enhanced learner and teacher support initiatives
- Improve access to health and social welfare support by building ICT capabilities of NGOs to enhance delivery
- Facilitate Telkom employees' contribution to community development and support to Foundation's objectives through volunteering

Goals

Education

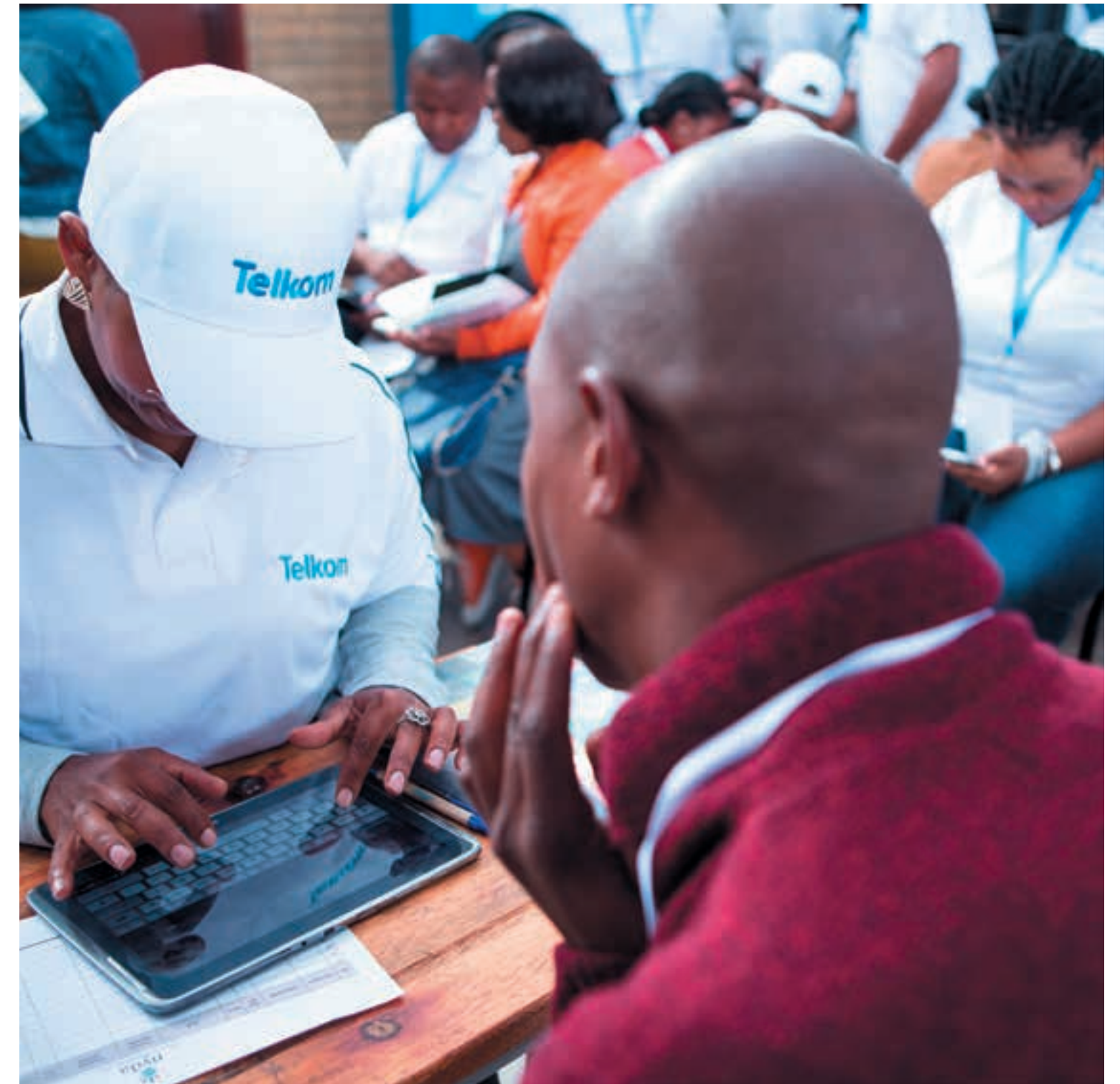
Achieving significant improvements in SA STEM education and ICT integration through leveraging Telkom's resources and ICT capabilities

Social development

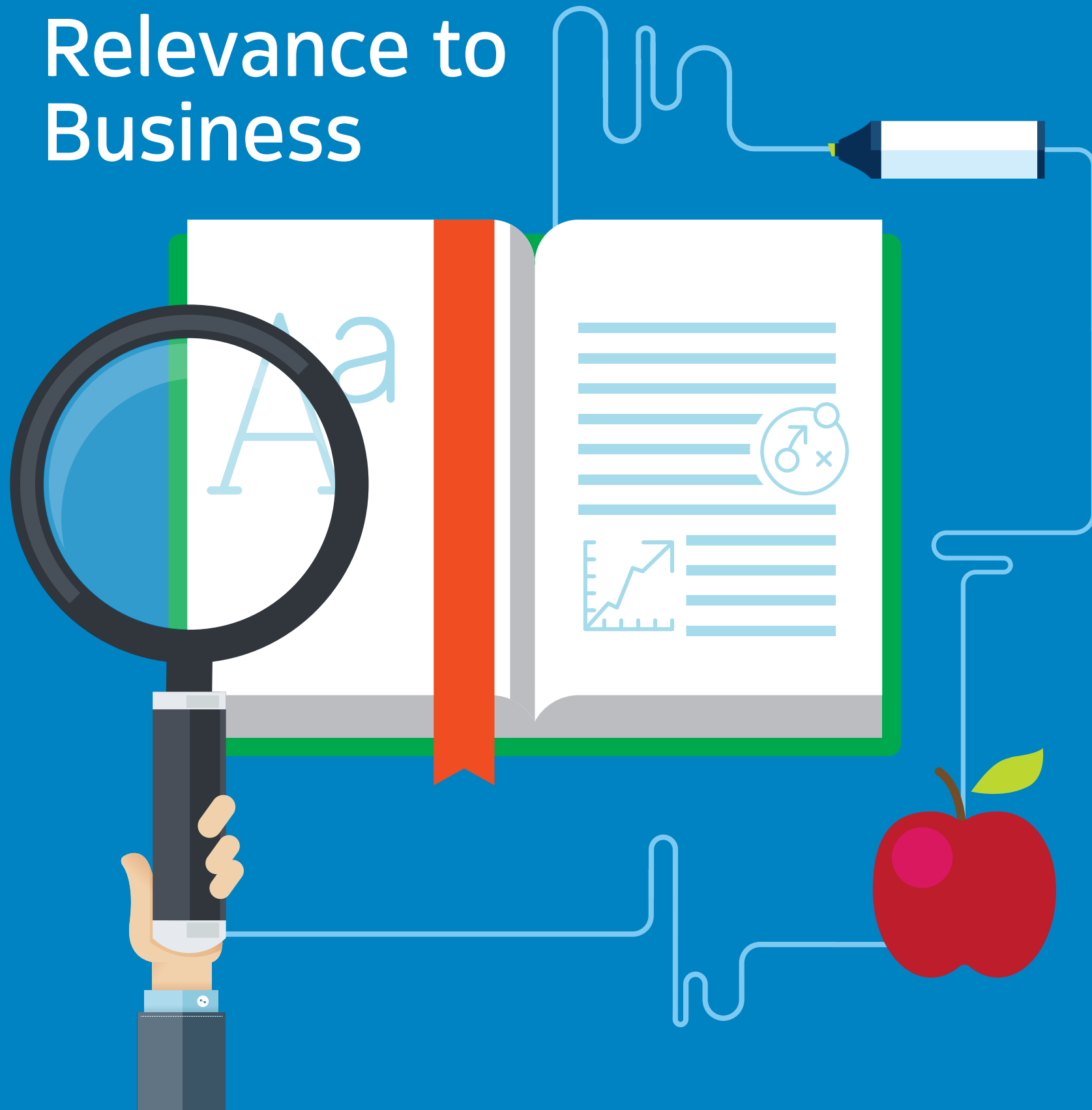
Facilitating improved quality and access to health and social welfare through Telkom's resources and ICT capabilities

Employee volunteering

Leveraging Telkom's human resources to contribute to community development and support the Foundation's objectives



Relevance to Business



Overview

The Telkom Foundation came into being in 1998 as the corporate social investment arm of Telkom. It was registered as a trust two years later, its primary focus being the application of its resources and information and communications technology (ICT) capabilities to transform disadvantaged communities through sustainable programmes, predominantly in education.

As it is the public face of Telkom's social and relationship capital, it adds value to the activities and economic outputs of the organisation through human relationships, partnerships and cooperation that enable it to achieve its objectives, while helping to create a stable society in which the business can operate effectively.

This social and relationship capital depends on sharing common values and behaviours with important stakeholders, being willing to engage with stakeholders and build and protect stakeholder relationships. It includes the intangibles associated with the Telkom brand and reputation, and the organisation's social licence to operate.

During 2014/15, R40 million was channelled into social investment projects.

The lion's share went to education projects, in line with the government's goal to improve the quality of education, especially at foundation levels, with the balance almost equally split between social development and employee volunteerism.

Letter from our Chairman



The Telkom Foundation has touched and enhanced the lives of South Africans for 17 years. In that time, it has provided scores of primary and secondary schoolchildren with their first experience of the digital age and given thousands of disadvantaged South African children a reason to smile and feel more hopeful.

Chairing the Board of Trustees of an organisation that has made such a great investment in South African society is a source of great pride for me. Resting on the laurels of past achievements, however, is not an option.

Education is the enable of inequality and the backbone of any successful nation and the corporations doing business in South Africa have to support the government in addressing the inequalities that persist in our schools.

Education, as we all acknowledge, is the backbone of any successful nation and the corporations doing business in South Africa have to support the government in addressing the inequalities that persist in our schools.

Partnerships are crucial and the Telkom Foundation must take full advantage of the opportunities they offer. Our partnerships present greater possibilities for us, crucial to this they enable us to achieve our vision and mission.

Our association with the Department of Basic Education (DBE) and Mindset, Bidvest and the Read Trust, CUT and many others likewise, has potential to support schools facing challenges with maths performance, by broadcasting live maths lessons. We also need to continue associations and enter into new partnerships that support our initiatives in education.

That said, the Foundation has achieved a great deal in many areas during the year under review, as can be seen on the pages of this annual report. It has proved itself again to be a highly effective partner to many likeminded organisations and a meaningful benefactor to tens of thousands of South Africans who need a hand in life.

Thank you to my fellow trustees for contributing considerable insight and intellect to our debates and gravitas to our decisions during the year.

My special thanks and sincere appreciation goes to Nathi Kunene, who was Acting Head of the Telkom Foundation during the period under consideration. I wish to extend by thanks and appreciation to the Telkom Foundation

team for its hard work, innovation and creative interventions.

With this dedicated team of professionals, their unshakeable belief in all that they do and their constant drive, the Telkom Foundation will thrive and prosper in the years to come.

Prof Loyiso Nongxa
Chairman

Letter from our acting head



It was another initiative-filled year for the passionate and driven Telkom Foundation team, as it took life-changing projects to all corners of the country.

During 2014/15, R40 million was allocated to deserving organisations for projects that improved and enriched the lives of South Africans, while extending community reach/footprint.

We continued to focus on education, social development and employee volunteering. The key focus was education, which accounted for almost 72% of the budget. Some 14.5% – almost R4.8 million – was invested in supporting programmes and sustainability plans of 19 community-based organisations. The balance of 13.8% was channelled into our employee volunteering programme, which encourages all Telkom staff to invest time and money in suitable community development projects.

Among the many meaningful initiatives implemented by the Telkom Foundation in the

year under review, two particularly stand out for me.

The Connected School Programme, which has assumed the status of flagship project, has become synonymous with the Foundation, having been in existence since our inception. This year, we rolled out 40 ICT labs to schools in Western Cape, Eastern Cape and Free State. In addition to providing equipment, content and ICT training for teachers, we identified and responded to the pressing need for teacher training in the use of computers in the classroom. Training is staggered and covers beginners, intermediary and follow-up components.

Another highlight was the exciting new dimension to our employee volunteerism programme, which is called Connected Youth. A total of 200 employees took their skills into the townships to assist hundreds of young job seekers to compile CVs, create email addresses and register on online job portals. The objective of the project is to assist young people to apply more effectively for employment

through the provision of tools to make them more employable.

Going forward, we will take a slightly different direction to achieving the goals of our three pillars and are drawing up an action plan that will steer the organisation over the next three years. The process will be responsibly undertaken in areas where it affects our current partners.

Much was achieved during the year under review, which has created a strong base from which to advance our objectives into 2015/16 and beyond. I acknowledge our trustees for the invaluable role they have played in shaping the organisation and for guiding it on where its funds would be best spent.

My sincere appreciation goes to the passionate individuals who make up the Telkom Foundation

team, without whom the successes we consistently enjoy would not materialise. Our team brings enviable knowledge and deep understanding to their areas of specialty and commitment which are needed to keep our programmes focused, well managed and generating the desired results.

Finally, to all Telkom employees who, year after year, give of their time and money for the benefit of the many marginalised members of our communities, we salute you.

As we enter our 18th year, let our efforts continue to be the reason someone smiles today. Every day.

Nathi Kunene
Acting Head

Governance

Composition of the Board

The Telkom Foundation has a unitary Board consisting of two internal trustees and four external trustees. The Board sits at least four times a year and more frequently if necessary. The trustees bring a wide range of experience, diversity, insight and independence of judgement on issues of strategy, performance, resources and standards of conduct.

The Board of Trustees for the financial year ended 31 March 2015 consisted of:

The Chairman

- Prof Loyiso Nongxa DPhil (Oxon)

Public Trustees

- Rakesh Garach
- Makole Maponya
- Dr Keitumetse Jantjie

Telkom Trustees

- Iqbal Moolla
- Manelisa Mavuso

Independence of the Board

The role of the Chairman and the Head of the Telkom Foundation is separated and the Board is chaired by a non-executive Chairman. The external trustees are not appointed under service contracts and their remuneration is not tied to Telkom's financial performance. Trustees are entitled

to ask questions of any personnel and have access to all company documentation, information and property.

The Acting Head of the Telkom Foundation is Nathi Kunene.

Role and function of the Board

The Board's main responsibilities include strategy, risk management, financing and corporate governance. In addition, the Board is accountable for timely and transparent reporting and for acting at all times in the best interests of the Telkom Foundation. It is the responsibility of the Board to ensure a sound system of internal control

Trustee meetings for the year ended 31 March 2015

Trustee	29 May 2014	3 September 2014	11 December 2014	19 March 2015
GL Nongxa	Yes	Yes	Yes	Yes
RS Garach	Yes	Yes	Yes	Yes
I Moolla	Yes	Yes	Yes	Yes
V Mavuso	Yes	No	Yes	Yes
M Maponya	Yes	Yes	Yes	Resigned
KJ Jantjie	Yes	Yes	Yes	No

Appointment of the Financial, Audit, and Risk Management Committee

The Board has established a combined financial, audit and risk committee (FARMC) comprising one Telkom trustee and two public trustees. The committee meets at least four times a year or more frequently if necessary. The company secretary is in attendance at the meetings. The committee's

responsibilities include reviewing the scope, quality, independence and objectivity of the statutory audit, ensuring the integrity of the Foundation's accounting and financial reporting system, evaluating the effectiveness of the management functions and ensuring that appropriate systems are in place for monitoring risk, financial control, compliance with the law and codes of conduct and promoting the overall effectiveness of corporate governance within the Foundation. The external and internal auditors are permanent invitees and have unrestricted access to the committee and its chairperson.

FARMC meetings for the year ended 31 March 2015

Trustee	19 May 2014	14 August 2014	20 November 2014	11 February 2015
RS Garach	Yes	No	Yes	Yes
I Moolla	Yes	Yes	Yes	Yes
M Maponya	Yes	Yes	Yes	Resigned

Exco

The Executive Committee (Exco) is represented by one Telkom trustee and one public trustee. The purpose of this committee is to review the operations of the Foundation and to review its financial performance. The committee meets at least four times a year and more frequently if necessary.

Exco meetings for the year ended 31 March 2015

Trustee	6 May 2014	7 August 2014	7 November 2014	5 February 2015
V Mavuso	Yes	Yes	Yes	Yes
KJ Jantjie	Yes	Yes	Yes	Yes

Code of ethics

The Board of trustees and Telkom Foundation employees subscribe to a high level of professionalism and integrity in conducting its business and dealing with all its stakeholders and beneficiaries.



Board of Trustees



Professor Loyiso Nongxa



Rakesh Garach



Makole Maponya



Dr Keitumetse Jantjie



Iqbal Moolla



Manelisa Mavuso

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.

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).

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.

Manelisa Mavuso

A degree in finance and marketing from Rhodes

Mr Mavuso 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.

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.

The team

The people at the foundation of our success

Monese Waga Puso

Specialist: CSI

Responsible for Connected Schools and employee volunteering 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 volunteering 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



Monese Waga Puso



Jeanette Mtshaki



Marcia Selebano



Alet Steenkamp



Judy Poo



Sekgabi Masobe



Gallant Roberts

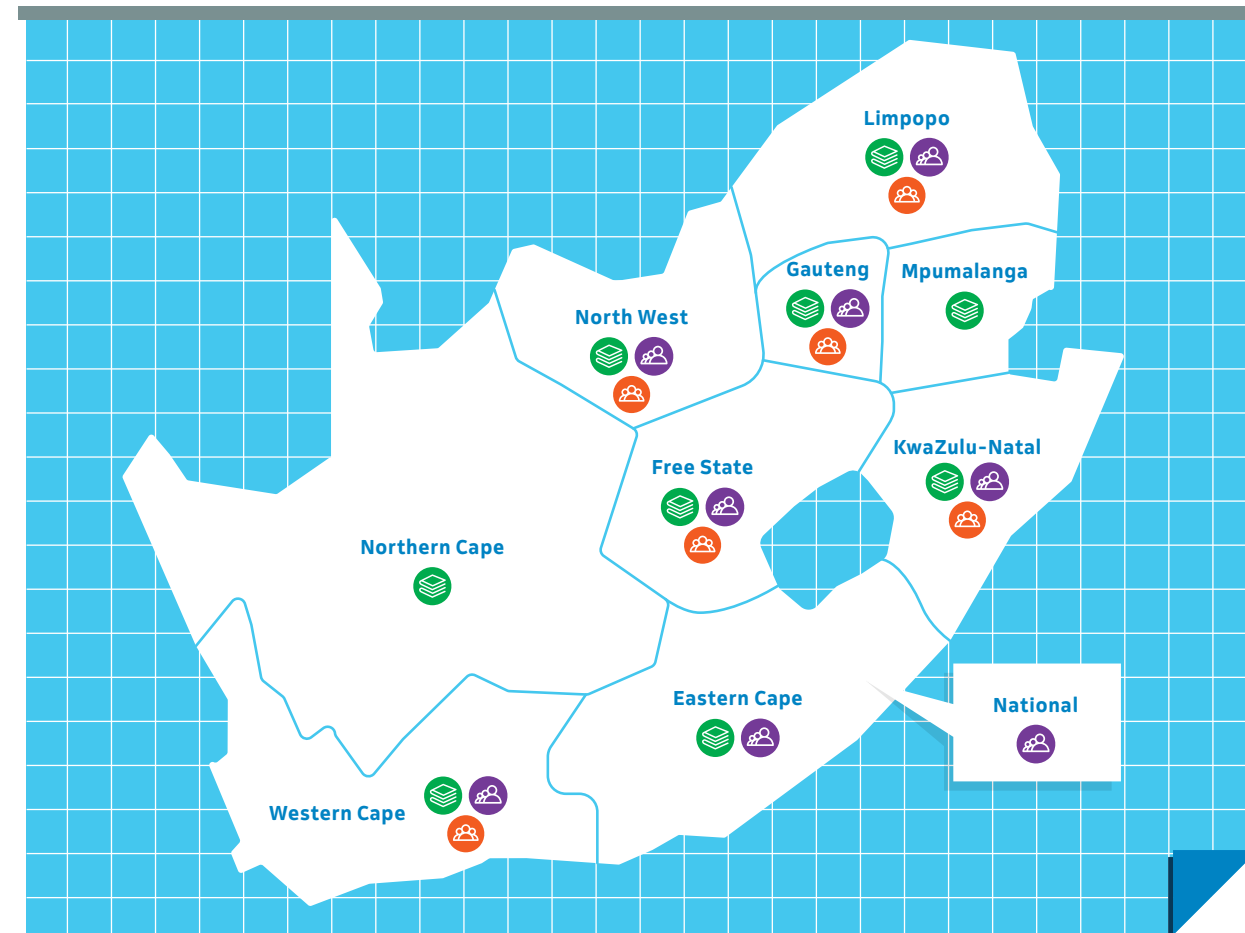


Sel-Marie Marais



Nathi Kunene

Our footprint



● Education
 ● Social development
 ● Employee volunteerism

- | | | |
|---|---|---|
| <p>National</p> <ul style="list-style-type: none"> ● Life Line ● Childline <p>Eastern Cape</p> <ul style="list-style-type: none"> ● FOTAD ● Connected Schools ● Rally to Read ● Tembisa Child Welfare ● Bosele Middle School ● Namo Primary School ● ICT Government Business Services <p>Free State</p> <ul style="list-style-type: none"> ● EMDP ● Ikateleng ● Connected Schools ● Rally to Read ● Malirato Luncheon Club ● Rethusa Setjhaba ● Lesedi Centre of Hope <p>Gauteng</p> <ul style="list-style-type: none"> ● Make a Difference ● Ikateleng ● Connected Schools ● Connected Youth ● Wep@Work ● Tembisa Child Welfare ● Sibonile Day Care Centre ● Warm-up Foundation ● Women Against Abuse | <ul style="list-style-type: none"> ● Kopano Manyano ● Sci-Bono Discovery Centre ● St Francis Care Centre ● New Hope School ● Central Gauteng Mental Health Society ● Kwasiyalalela Counselling Service ● Association of Human Values for Youth Leadership ● Bright Smile Bright Future ● Modiri Technical School ● Re-bafengi Victim Empowerment ● Korekile Home ● Thato Ke Matla Foster and Safety House <p>KwaZulu-Natal</p> <ul style="list-style-type: none"> ● Connected Schools ● Rally to Read ● Siyathokoza Community Organisation ● Etata Trading ● Mother of Peace <p>Limpopo</p> <ul style="list-style-type: none"> ● Connected Schools ● Rally to Read ● Santa Sedibeng ● Kgathelopele ● Mogofele Creche <p>Mpumalanga</p> <ul style="list-style-type: none"> ● Make a Difference ● Connected Schools ● Rally to Read | <p>North West</p> <ul style="list-style-type: none"> ● Ikateleng ● Connected Schools ● Rally to Read ● Ntshalleng le Bana Care Centre ● Tsholofelo Care and Support Group ● Tshireletso Care and Support ● Kopano Hospice ● Winterveld Old Age Home ● Mufumadi Wa Tshepo Care Centre ● Fatima House ● Mmakaunyane Centre ● Lethlabile Care for the Aged ● Tapologo Hospice <p>Northern Cape</p> <ul style="list-style-type: none"> ● Ikateleng ● Connected Schools ● Rally to Read <p>Western Cape</p> <ul style="list-style-type: none"> ● Make a Difference ● Connected Schools ● Rally to Read ● Shonaquip ● Just Footprints Foundation ● Docks Mission ● Aristeia Primary School ● Hawston Primary/Hawston Secondary ● Pulsrus Primary School |
|---|---|---|

Education





“Many thanks for the opportunity to be part of making a difference to the children of the African soil. Telkom Foundation, keep up the good work.”

Lindiwe Maepa

Executive: Empowerment and Sustainability at Telkom



Focus area:
Education



Teacher Development



Learner Support



Connected Schools



The Educator Mentorship and Development Programme

Building educator capacity

According to DBE statistics, 53% of Grade 3 pupils in 2011 did not achieve the minimum score in literacy and 66% did not achieve the minimum in numeracy. In the same year, only 30% and 34% of students scored 40% and above in maths and science in the National Senior Certificate examination.

Against this backdrop, the Telkom Foundation forged a partnership with the Central University of Technology (CUT) in Free State to launch the Educator Mentorship and Development Programme (EMDP) to develop educators in science, technology, English and maths (STEM) and empower them to be more effective in the classroom.

The initiative was launched as a two-year pilot project involving three primary schools and 28 educators, mentored by six experienced retired educators.

The programme bore fruit in both pupil results in the subjects and educator motivation and morale. On the strength of a very positive trial, it was decided to continue with the initiative into 2014/15.

In September 2014, the project was expanded to four additional underprivileged schools in the Mangaung region of the province: Heide, Karabelo and Monyatsi primary schools and Kgotsafalo Intermediate Farm School, which collectively educate more than 2 500 youngsters. Each school was presented with learning equipment and materials, including mobile libraries, mobile science libraries, interactive whiteboards, printers, photocopiers and 3G cards for internet connectivity.

Speaking at the handover, Free State MEC for Education, Tate Makgoe, lauded the programme, saying: “Our current education system requires pathfinders and brave initiators to drive education to sky-high levels.

“Through the EMDP, teachers are able to enhance their learners’ experience in the classroom.”

Foundation Facts

- The Telkom Foundation invested almost R5 million into the 2014/15 phase of the EMDP.
- Six retired educators contracted to mentor teachers.
- Schools received 42 laptops, 28 mobile libraries, 16 mobile science libraries, 16 projectors and screens, and four printers.

CUT Deputy Vice Chancellor: Academics and Research, Prof Henk de Jager, added his thanks to the Telkom Foundation for allowing schools to step further into the world of technology. "Because of this initiative, these schools have been introduced to information technology as an addition to the curriculum never seen in the history of education in our province," he said.

After an audit of each participating teacher to assess skills levels, training is given in computer literacy, use of libraries and enhancing teaching through visual aids. Mentors submit monthly reports on their mentees' progress and the Foundation and CUT conduct quarterly site visits to monitor progress.

The year's activities took the Telkom Foundation's total investment in the EMDP to almost R9.5 million. To end-March 2015, the programme had enhanced the capabilities of 66 teachers who, in turn, had taught almost 5 000 pupils.



Connected Schools Programme

Switching on a new world of learning

When one opens a laptop computer, one opens a new world.

This is the spirit of the Connected Schools Programme, launched in 1998, which seeks to elevate disadvantaged schools to the technological level of their more privileged counterparts in urban areas, thus bridging the digital divide and contributing to the improvement of education outcomes through ICT.

In partnership with the DBE, the Foundation invests about R250 000 per school to enhance the quality of teaching and learning through the provision of computers and interactive whiteboards. To date, the programme has connected more than approximately 800 schools.

During 2014/15, 36 schools received computer laboratories – 14 in Western Cape, 12 in Eastern Cape and 10 in Free State.

Each school received 21 laptops with educational content, computer-compatible furniture, a laptop trolley, projector, interactive whiteboard, printer, optical view camera and 24 months of internet connectivity. The leadership of each school received ICT training, and all educators were upskilled to computer literacy. Teacher training, however, goes beyond basic computer skills to creating an appreciation of how ICT can make their lives as educators easier and help them become more efficient and effective.

The programme targets primary schools exclusively, so that that the youngsters become computer literate at an early age and are prepared for high school years and the world beyond.

Telkom Foundation Acting Head Nathi Kunene says: "We believe in giving learners the best possible chance to excel in their studies and ultimately create a better life for themselves and their families. There is no question that by providing this equipment we are giving them the tools and a platform to do just that. It is up to them to take this fantastic opportunity and make the most of it."

Foundation Facts

- The Telkom Foundation allocated R10.8 million in the Connected Schools Programme during 2014/15.
- The programme reached 36 schools, 384 teachers and 18 000 pupils.
- Since inception of the programme, the Foundation has connected 855 schools, representing:
 - » a total investment of more than R40 million;
 - » the upskilling of 25 600 teachers;
 - » connectivity for 427 500 pupils.



Another community efficiently connected

"At very short notice, our colleagues set up an ICT lab at Harare Library in Khayelitsha, and it worked impressively and seamlessly. Deputy President Cyril Ramaphosa; Minister of Arts and Culture, Nathi Mthethwa and his Deputy Thizwilondi Mabudafhasi, and Minister of Telecommunications and Postal Services, Siyabonga Cwele, were present, as were the schoolchildren. Vodacom and SAP also donated equipment.

"The Foundation has made progress in developing its model for rolling out to schools. The equipment was well balanced and increasingly looks like a meaningful complement. The content has become more compelling – especially with the addition of EduPlay, which allows interactive work. Our Specialist: CSI, Monese Puso, explained that teacher training – technology awareness and pedagogy – is now being done, as are regular monitoring and evaluation meetings with the department, school and parents. So good steps forward!

"It was a very special day, and our dignitaries were suitably impressed.

"I would like to express gratitude to all those who put this together over time to get a workable model and over 24 hours, to put it in place. I felt a deep sense of pride."

Dr Miriam Altman
Telkom Head of Strategy



Student Sponsorship Programme

Nurturing academic and leadership potential

The School Sponsorship Programme identifies students with academic and leadership potential from economically disadvantaged schools and enables them to excel at South Africa's top high schools. These are high school students from families earning less than R200 000 a year. Scholars are predominantly from the townships of Johannesburg, Pretoria, East London, Grahamstown and Somerset West and they are matched with high schools that are in the top percentile in pass rates and university entrance.

Sponsors undertake to support their beneficiaries for the full five years of high school. Apart from the curriculum, mentoring and leadership development are integral to the SSP approach.

In recent years, more than 800 scholars have benefited from the programme and many more have been impacted. Alumni number 520, some of whom are studying or working in the most vital sectors in the local economy.

During 2014/15, the Telkom Foundation continued to fund eight beneficiaries to a total value of more than R500 000.

Lwando Wewe was one of those identified as having potential and he has not disappointed his benefactors. He is progressing through Grade 11 at St Andrew's College in Grahamstown and is obviously en route to a top matric result next year. "Lwando is an absolute model student and I have never met a pupil more thoroughly deserving of the results that he achieves," says maths master Gerry Posthumus. "He is always working and trying to improve, and he does it with a smile on his face."

Buhle Mnyamezeli is in Grade 11 at Roedean School, Gauteng. Says English teacher Alison Williams: "Buhle can be proud of the superb improvement in her examination result. She is an independent-minded thinker and she is starting to work to her potential."





Make a Difference

Turning disadvantage to advantage

In 2014/15, the Telkom Foundation entered its second year of a five-year partnership with Make a Difference (MAD) Charity, an organisation founded by rugby legend Francois Pienaar to provide academically talented youngsters who are financially hamstrung with education and related opportunities to realise their potential.

In a country with a dismal dropout rate and grapples with high unemployment and crime, the need for a programme such as this is clear.

The Foundation supports 20 learners in grades 8 and 9 in Gauteng, Mpumalanga and the Western Cape who scored above 75% in maths and science. During 2014/15, it pledged its second tranche of R1.1 million towards their progress through high school.

Moeketsi Mashibini, who is in Grade 9 at Jeppe High School for Boys regards it an honour to be a recipient of the MAD and Telkom Foundation bursary programme and he is making the most of it, with an average at the end of 2014 of 86% in maths, science and English.

"I have been given an opportunity to earn skills that will serve my community in a few years," he says. "My dreams are bigger and this financial generosity has inspired me to help others."

Kyle Wilson, in Grade 10 at Westville Boys High, concurs. "This bursary means that I am being given the power today to make a difference in the world tomorrow." Kyle is a budding chartered accountant, with an average of 77% of maths, science and English.

For Kgomotso Morake, a Grade 10 pupil at De Adelaar High School in Gauteng, the sponsorship means she has to uphold the MAD and Telkom Foundation names. "I am part of the family of MAD kids who share this awesome responsibility and experience," says Kgomotso, who is notching up an average of 84% for maths, science and English.

James Stoffberg, a Grade 10 pupil at Norman Henshilwood in Western Cape, who is averaging around 77% for the three key subjects, is thankful to MAD and the Foundation for giving him a chance to achieve and "decide what we want to become one day". "The sponsorship is helping me be a leader at my school and that is an opportunity that not many people have," he adds.

Foundation Facts

- R2.2 million invested in MAD to date.
- All 20 learners retained.
- Maths marks up from 62% average in 2013/14 to 83% December 2014, science up from 60% to 92% and English up from 72% to 82%.





Future of the African daughter

Equipping tomorrow's women to become high achievers

Daughters make up half the youth population in South Africa and yet fewer girls than boys complete secondary education. The problem is particularly marked in Eastern Cape, where one in two girls is about two years older than the normal age for high school grades.

The Telkom Foundation decided to step in during 2013/14 to sponsor 60 girls from two schools through a partnership with the Future of the African Daughter (FOTAD) initiative. Forty grades 8 and 9 girls were selected from Mtshotshisa Junior School and 20 Grade 10 pupils from Bashee High School. At the time, the Grade 10 dropout rate at Bashee from January to October was 9% from, more than half girls.

Given the encouraging results achieved in the first year of the partnership, the 60 girls again benefited from the support of the Foundation.

In 2014/15, almost R14 000 was invested in each girl – a total of almost R840 000.

During the school term, pupils receive extra maths and science lessons, and training in leadership, debating and public speaking, lifeskills and ICT. A holiday programme combines work experience, career guidance, quarterly outings and leadership camps.

In addition to tuition, the Foundation funded a technology component, most notably a mobile iLab, which increased the sponsorship by R300 000.

From mediocre maths and science marks in the 40% range before the Telkom Foundation's intervention, all 60 pupils have improved their marks by 10% or more.

Foundation Facts

- The Telkom Foundation had invested more than R1.8 million with FOTAD by end-March 2015.
- Funding supports 60 pupils: 40 in grades 9 and 10 and 20 in Grade 11.
- Maths marks for Grade 8 up from 47% in 2013/14 to 59% in Grade 9 in 2014/15; Grade 9 42% to 55% in Grade 10, and Grade 10 43% to 53% in Grade 11.
- Science marks for Grade 8 up from 46% in 2013/14 to 61% in Grade 9 in 2014/15; Grade 9 41% to 58% in Grade 10, and Grade 10 44% to 56% in Grade 11.

A growing partnership

"Our sincere appreciation for continuing to journey together with FOTAD on a mission to empower young women and create a new generation of educated women leaders of South Africa.

"The success of FOTAD is achieved through the generosity of individuals and organisations such as the Telkom Foundation. The Foundation has confirmed its commitment to bridging the divide in the transformation between people in the second economy and the mainstream economy."

Gqibelo Dandala
FOTAD Chief Executive Officer



Ikateleng

Empowering youth to empower themselves

The need to prepare grades 10 to 12 pupils from disadvantaged areas for the demanding world outside the classroom prompted the Telkom Foundation to maintain its partnership with North West University (NWU) in the Ikateleng programme. The initiative, whose name means 'empower yourself', has yielded impressive results in recent years, producing many school leavers who have gone on to make their mark in fields such as engineering and in the corporate world.

The Foundation pledged R4.3 million to the project during 2014/15. Pupils previously registered on Ikateleng were all absorbed into the system as a result of good marks in the previous period (students have to obtain at least 55%).

Through Ikateleng, experienced teachers offer extra maths, science and English classes to pupils in the last three years of high school. During the year, lessons were offered to 315 youngsters at Potchefstroom campus, 310 at Mafikeng and 300 each at Vanderbijlpark and Kimberley. Although Ikateleng is delivered during school holidays and occupies six hours a day, it enjoyed 100% attendance in 2014/15, which is attributed partly to the introduction of a registration fee.

By year-end, pupils had recorded an average 80% for English, 85% for science and 70% for maths, results above expectations. Particularly commendable – post-year end – was the 100% maths score achieved by Sanele Macamo of Thutotsebe High School, studying at Mamelodi Centre in Tshwane.

Foundation Facts

- The Foundation invested R4.3 million in 2014/15, bringing the total investment since 2012 to R9.4 million.
- During 2014/15, 1 225 pupils were tutored.



Rally to Read

Instruction by the book

Rally to Read and the Telkom Foundation came into being in the same year, 1998, and both share a passion for education, so it's fitting that the two have forged a close partnership.

The relationship continues in 2014/15, when the Foundation invested almost R2 million to reach 107 schools nationally. This was slightly down on the reach of 2013/14 when 118 schools benefitted.

Rally to Read was initiated by the Read Educational Trust, which holds that the literacy problem requires intervention at a very early age and that severe deficits in the pre-reading and pre-numeracy skills of children entering the South African school system, particularly those from rural and township areas, contribute to the literacy problem.

The Telkom Foundation entered into an exclusive contract with Bidvest to provide literary resources and educator training to the foundational grades, particularly Grade R, to disadvantaged schools.

The Telkom Foundation's influence was felt by more than 37 000 youngsters in the year under review, 3 500 of whom were Grade R learners. This takes to 114 000 the total number of schoolgoers who have benefited from the support since 2012/13.

The Foundation has linked its name particularly with the Limpopo chapter, in which province it supports 14 schools in the Vhembe district, reaching more than 10 000 learners.

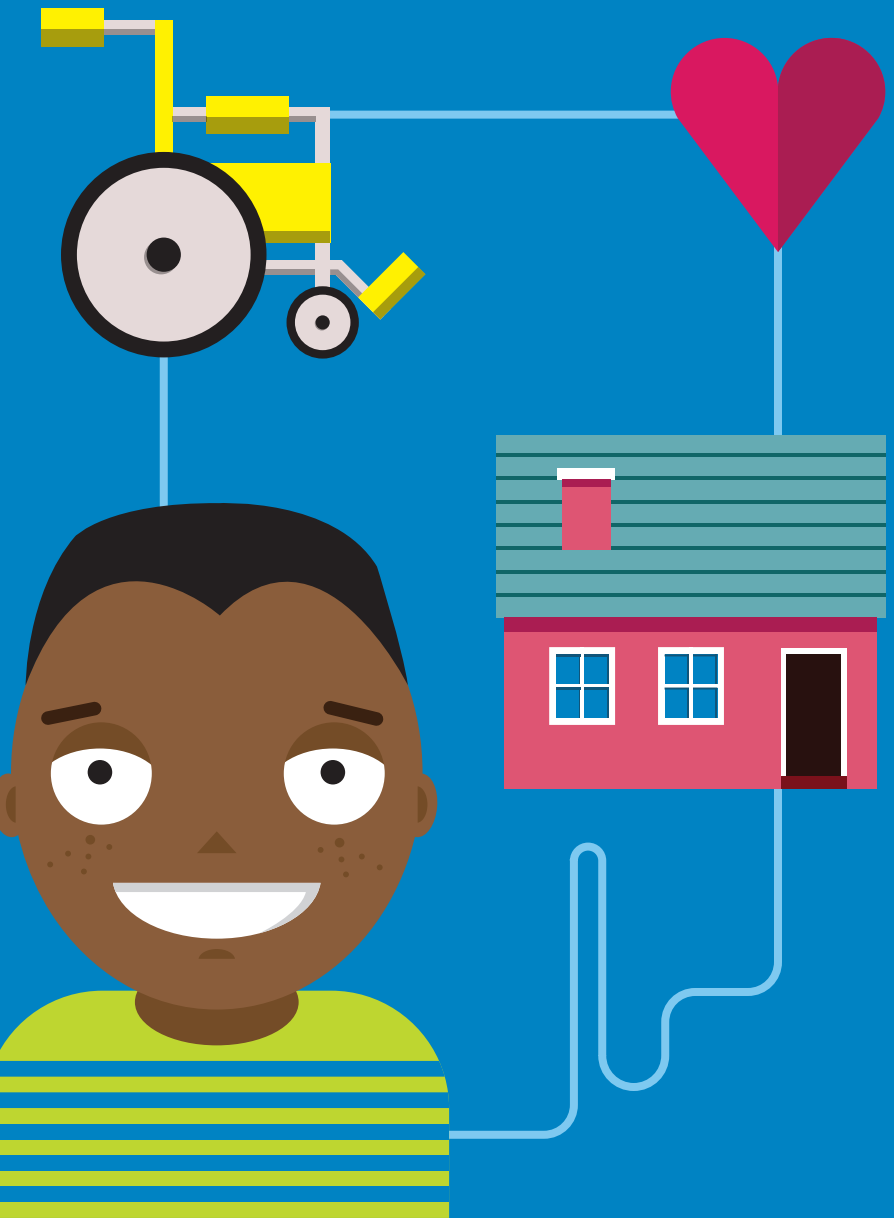
Alet Steenkamp, one of the Telkom Foundation representatives who took part in the event, said it was touching to see the interaction between the children and the Telkom team.



Foundation Facts

- The Telkom Foundation invested almost R2 million in Rally to Read in 2014/15 and has invested almost R10 million since 2012/13.
- R2.1 million pledged for 2015/16.
- 350 schools reached since 2012/13.

Social Development





“Thanks for this wonderful initiative. It reminded me of my school days, as I grew up in a village like this, but we were never encouraged to read like this.”

Lerato Molefe
Planner, Network Field Services



Focus area:
Social development



Welfare



eHealth



Social development

Brightening the lives of the less fortunate

The Telkom Foundation continued to support various welfare organisations countrywide that provide services and support to society's most disadvantaged and vulnerable individuals. During 2014/15, almost R4.8 million was spent on 19 deserving organisations, which allowed the Foundation to enrich the lives of almost 28 000 individuals.

Beneficiaries are selected on the basis that they provide social relief to disadvantaged communities or facilitate health intervention projects relating to serious diseases.

National

Childline – provides psychological support to children in emotional distress through abuse or neglect, with experienced counsellors only a phone call away. Telkom Foundation sponsored the 08000 55 555 line for the year 2014/15, which benefitted 7 500 children.

Life Line – provides psychological support and counselling to South Africans countrywide. The national counselling line alone receives an average of 200 calls on issues ranging from trauma and suicide to relationship troubles. Telkom Foundation sponsors the Stop Gender Violence helpline which which allowed LifeLine to serve around 10 000 people.

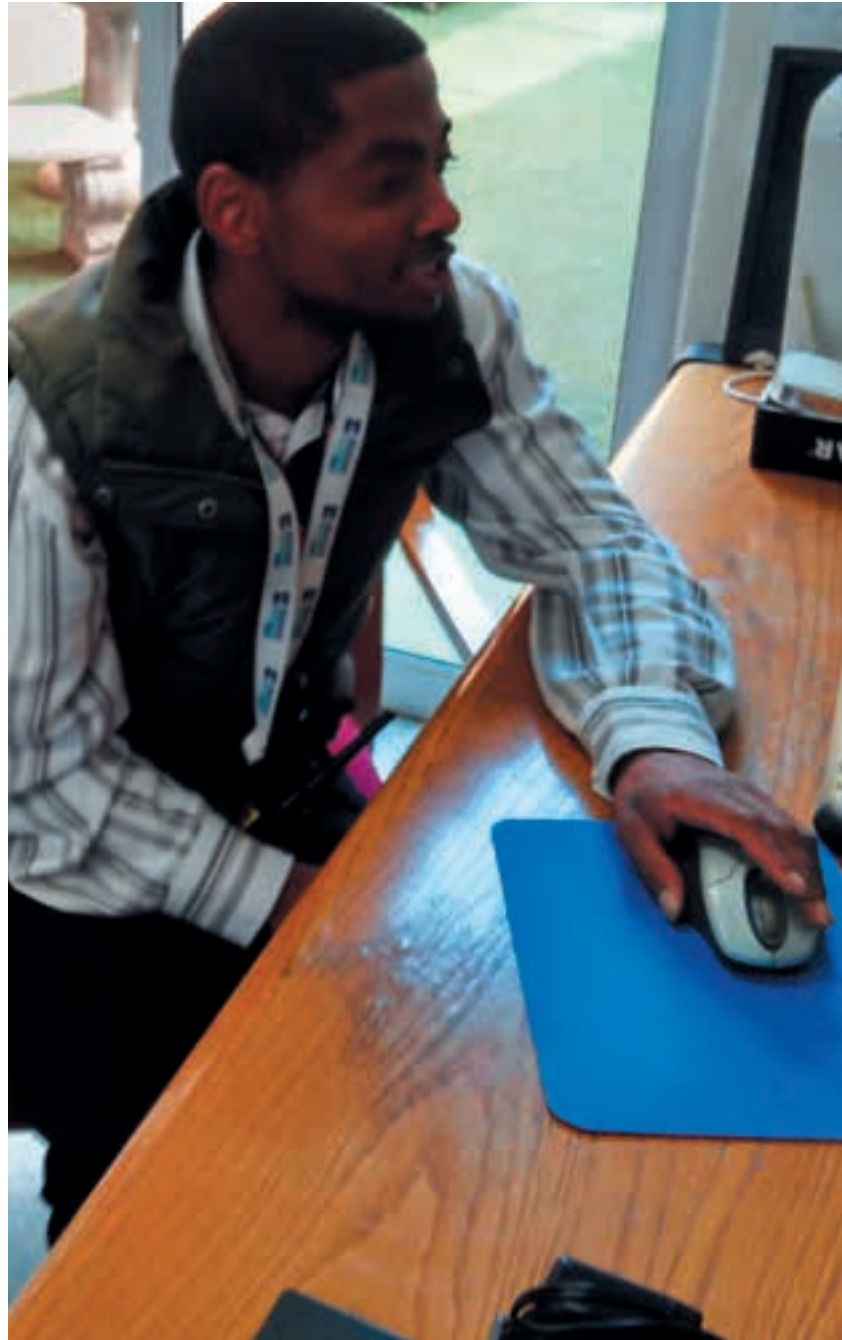
Gauteng

Wep@Work – a protective workshop providing learners with physical and mental disabilities with skills to refurbish computers. The Telkom Foundation funds Wep@Work at Forest Town School for physically and cognitively challenged children.

Tembisa Child Welfare – caring for orphans and vulnerable children, including psychosocial support.

Sibonile Day Care Centre – early childhood development and poverty alleviation among children in rural areas.





Dignity through skills

"With the funding we receive from the Telkom Foundation, we are able to employ Justin Jones, which enables us to continue our enterprise development programme.

"Three youths at the school are now operating their own small businesses. Siphesihle Gumede refurbishes notebooks, Jiten Patel is responsible for software and Benjamin Louw is handling maintenance.

"These boys generate a salary for themselves and we are very proud of them.

"A further two youngsters have been set up in Soweto to sell refurbished computers in the community. Wep@Work supplies old computers and they refurbish and resell them.

"This project has just begun, but we hope that they, too, will earn a salary.

"The Telkom Foundation has become an integral part of the success of the Wep@Work Enterprise Development Programme. We could definitely not operate and function without this funding and assistance.

"We appreciate our partnership."

Ronaldo Lucas

Chief Executive Officer
Wep@Work

Warm-Up Foundation – care for orphans and vulnerable children.

Women Against Abuse – providing psychosocial support for the abused.

Kopano Manyano – a shelter for the homeless based in Pretoria, to providing social relief to about 5 500 individuals.

Western Cape

Just Footprints – a national organisation affiliated with Choc, Reach for a Dream Foundation, Cotlands and Hope Trust that offers programmes to children suffering from life-threatening illnesses or trauma through abuse, abandonment, disability or the loss of parents.

Shonaquip – provides and services wheelchairs.

KwaZulu-Natal

Siyathokozisa – a community organisation offering home-based care. It also runs a soup kitchen and community vegetable garden. Other services include an OVC programme and health campaigns.

Limpopo

Kgathelopele – offers home-based care, an OVC programme and health campaigns. It also runs a soup kitchen and community vegetable garden.

Santa Sedibeng – home-based care and healthcare services related to chronic illnesses such as HIV and TB.

North West

Ntshalleng le Bana – home in Rustenburg for physically and mentally disabled children. It cares for around 30 children, offering medical, social and therapeutic care, and also provides aftercare services to other youngsters in the community.

Kopano Hospice – a home-based care centre, providing community healthcare services related to people suffering from HIV and TB.

Tsholofelo Support Group – a home-based care centre, providing community healthcare services related to chronic illnesses such as HIV and TB.

Tshireletso Home-Based Care – community healthcare services for more than 120 individuals with chronic illnesses such as HIV and TB.

Free State

Rethusa-Setjhaba Day Care Centre – a community organisation providing aftercare for orphans and vulnerable schoolchildren, providing food parcels and lifeskills, and care for the elderly.

Malirato Luncheon Club – care of orphans and vulnerable children and the running of a soup kitchen for children and the elderly.

Rethusa Setjhaba

This organisation provides an invaluable service in the community of Batho, Bloemfontein, Free State, offering early childhood development for children in their formative years, and developing youth from seven to 17 through involvement in activities such as bead- and craftmaking and cultural activities and supplying vegetables to the elderly.

From January 2015, more emphasis was placed on digital education for both staff and their charges. The Telkom Foundation grant of R300 000 made it possible to purchase for the three to four year olds digital educational toys, tables and chairs and stationery, as well as swings to develop muscles and coordination.

Those aged between five and 15 received digital educational toys, laptops, learning tablets and a plasma screen for children's programmes to build reading and IT skills.

The teachers underwent ICT training to empower them with computer literacy skills to impart to the children. They were also given laptops for office work.

Santa Sedibeng

The South African National Tuberculosis Association (Santa) was formed in 1947 to establish SANTA branches, provide beds for TB patients and to offer care to TB patients and their families.

Today, Santa continues its fight against TB/HIV, but with a different emphasis. The diagnosis, drug treatment and inpatient care of TB/HIV patients are now handled mainly by the Department of Health. So, in addition to its awareness programmes, Santa trains volunteers to help TB/HIV patients in their communities by ensuring that they take their treatment.

Given the growing awareness of the importance of good nutrition in the prevention and management of TB, Santa has expanded its community outreach offering to feeding schemes.

With the R280 000 Telkom Foundation pledge during 2014/15, the Sedibeng arm of the organisation enhanced the computer skills of its volunteers and youth team leaders through the acquisition of laptops and computers and related equipment and training in basic computer literacy skills, which enhanced service to the community and communication with clinics and between staff and beneficiaries.

Shonaquip

Shonaquip has its origins in a cardboard insert offered to Shona McDonald for her cerebral palsied daughter Shelley's pram. At the time, it was the only seating available in South Africa for the purpose.

Shona threw herself into designing and building her first full body support wheelchair and, at two years of age, Shelley was already testing her ability to control her first motorised wheelchair. Recognising the need in others, Shonaquip was founded in 1992.

The enterprise has grown from a two-person team operating out of a garage into a business that employs more than 40 technicians, seamstresses and therapists, a dedicated team that has improved the lives of thousands of children with disabilities by providing essential devices, support services and training across southern Africa. Its success is reflected in the numerous awards it has won for social entrepreneurship.

Ongoing funding and support from organisations such as the Telkom Foundation – which pledged R500 000 during 2014/15 – allow Shonaquip to move closer to its vision of ensuring that the supply of appropriate devices and responsible services for people with disabilities in Africa and other developing economies grows to meet the demand.

Tembisa Child Welfare

Tembisa Child Welfare was started in 1986 by the Tembisa branch of the South African Black Social Workers Association. Funding and community support have seen it grow from a humble start in fabricated buildings and railway containers to a fully fledged care facility operating two children's homes, two preschools, an administration block, workshops and a huge kitchen.

The preschools provide a safe haven for 150 children from 18 months to five years when parents are at work. Both physical and educational needs are addressed. The Telkom Foundation bought uniforms for children starting school.





Taking world-class telemedicine to the people

During 2014/15, plans were put in place for an exciting new project aimed at bringing advanced medical care to residents of disadvantaged areas. The first state-of-the-art mobile clinic was launched early in the 2015/16 financial year in Diepsloot, north of Johannesburg.

The clinic is a partnership of the Telkom Foundation, Phillips SA, Gauteng Department of Health, development non-governmental organisation (NGO), Babuyile, Nozala Trust and the Industrial Development Corporation.

Speaking at the launch, Gauteng MEC for Health, Qedani Mahlangu, assured South Africans of her department's commitment to doing all in its power to make citizens' healthcare top of the agenda.

The mobile clinic, staffed by a professional and assistant nurse, and a dental therapist and an assistant, provides healthcare for pregnant women, babies and children, along with dental services. The clinic is fitted with ultrasound sonar, advanced cardio technology and telemedicine equipment that can be used to link up with selected hospitals via the internet.

The service allows dental patients needing x-rays to have these on site. The x-rays are sent to a hospital for assessment and advice while the patient waits, which lowers his cost and obviates the need for him or her to visit a hospital.

The Telkom Foundation sponsors the internet connectivity and telemedicine equipment, worth R423 000.

Commenting on the mobile clinic partnership, Babuyile Community Development Programme Manager, Nick Henry, says: "We are confident that the mobile clinic will provide and improve primary healthcare in township communities that currently lack regular access to these services."

The pilot project will run for a year in Diepsloot, Cosmo City and Orange Farm.



Employee Volunteering





“All I can say is ‘tjo tjo tjo!. Thanks for a wonderful experience. As Telkom, we will continue to touch tomorrow and in the process change people’s lives.”

Lucky Mbatha
Technician, Network Field Services



Focus area: Employee
volunteerism



Mandela Day

Honouring a true humanitarian

Mandela Day, 18 July, is more than just a celebration of Madiba’s life and legacy. It is a global movement to honour his life’s work and take action to change the world for the better.

It was inspired by a call from Nelson Mandela himself to the next generation to take the burden of leadership in addressing the world’s social injustices, saying “it is in your hands now”.

“What counts in life is not the mere fact that we have lived,” said Madiba. “It is what difference we have made to the lives of others that will determine the significance of the life we lead.”

The 2014 event was particularly symbolic, as it not only was the first following his death but also coincided with South Africa’s 20 years of democratic freedom.

Telkom Foundation employees celebrated a great life in the traditional way, by making a difference to individuals not as fortunate as they.

Activities in 2014 were spread across all provinces, with 600 employees taking part in tasks that spruced up lacklustre decor, gave a bright new finish to faded exteriors and interiors, and breathed new life into gardens.

“We really appreciate the Telkom Foundation’s contribution to developing areas of our village that were lacking. It is the first organisation that has ever offered to help us.”

Agnes Mashabela
Principal
Mogofelo Creche



In KwaZulu-Natal, 50 volunteers visited Zululand Hospice in Empangeni, an organisation that meets the need for palliative care in the uMhlathuze area and serves as many people as possible, in spite of a lack of professional staff, resources and steady income. The volunteers assisted with painting and cleaning.

Similar work was undertaken by 60 volunteers at Mother of Peace in Amanzimtoti, a community for about 80 children who have been abandoned, orphaned, abused or are infected or affected by HIV/Aids.

In Western Cape, 50 volunteers took part in a Make a Difference initiative hosted by media group Naspers, knitting sleeping bags for the homeless using sustainable products.

Gauteng efforts were focused on three projects. Thato Ke Matla Foster and Safety House benefited from the work of 90 volunteers who painted rooms, replaced doors and performed general renovations. Thato Ke Matla is the only safety house that caters for the neglected children of Orange Farm.

Seventy volunteers devoted their 67 minutes to Korekile Home for Cerebral Palsied Children in Westonaria, undertaking much needed painting and cleaning.

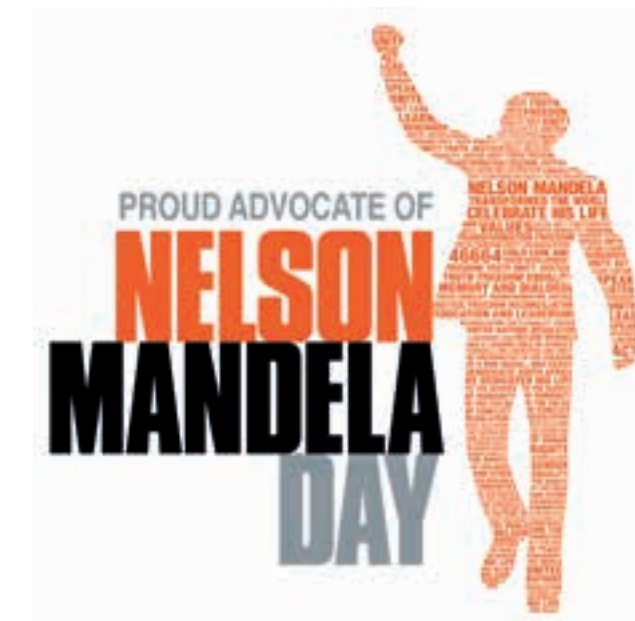
Another 70 volunteers headed for Re-bafenyi Victim Empowerment in Atteridgeville, Pretoria, to clean, launder and garden. Re-bafenyi focuses on the scourge of violence against women and children, its aim to turn victims into victors.

In North West, Tapologo Hospice, which cares for those suffering from Aids and runs an outreach programme of preventative education and support to families affected by HIV/Aids., was painted and cleaned, and a vegetable garden planted. Fifty volunteers contributed.

Painting and cleaning were also carried out at Lethlabile Care for the Aged, in Brits, with 70 volunteers taking part.

Lesedi Centre of Hope in Bloemfontein runs HIV awareness workshops, feeds orphans, provides home-based care and runs an after-care facility for children in the community. Its need was for cleaning and laundry.

In Limpopo, volunteers assisted Mogofele Creche in Secucune to install a borehole, erect fencing and gates and establish a garden.





The long run for rural libraries

In honour of Mandela Day, Telkom employees turned out in their magnificent numbers on Sunday 13 July 2014 to pound the streets of Midrand as part the Kaya FM 67km Relay. All funds raised were used to buy books for local rural libraries.

In just a year since the inaugural race, the event had grown into the largest corporate relay in Africa, with 18 000 runners participating in 2014 compared to 12 000 in 2013. Telkom accounted for 670 of these participants, an increase of almost 550 runners over the previous year.

Each team of 10 runs 67 kilometres, passing the baton in a symbolic gesture of camaraderie, paying it forward and reaching out a hand to the less privileged in society.

One Telkom runner commented "The purpose for the race was my highlight; it felt amazing to do it for uTata Madiba."

Another lauded it as a great initiative that created excitement and truly encouraged staff engagement.

"I felt like a queen when I saw the branding and was proud of my company," said another, while one quipped that her T-shirt didn't fit, but that if she kept on exercising it may eventually.



Giving from the Heart

Employee volunteering

Eight years since inception, the Giving from the Heart employee volunteerism programme carried on giving during 2014/15, with 10% of employees taking part annually.

During 16 Days of Activism, 100 employees visited Life Line branches in Gauteng, Free State and KwaZulu-Natal to distribute informative pamphlets and gain an understanding of the plight of women abused at home and those victimised by the police when forced to earn a living by selling their bodies.

As part of Volunteer Week, 50 employees went to Habitat for Humanity in Western Cape and spent 45 hours building a house for an underprivileged family. This international organisation operates in 70 countries and has built houses for more than a million families since 1976.

Also in March, 30 employees painted buildings and facilities at Roodepan Vroee Kinderontwikkeling en Naaskoolsorg Sentrum in Northern Cape and installed new toilet facilities.

Foundation Facts

- 13 500 volunteering hours during 2014/15.
- Number of volunteers:
 - » Kaya FM 67km Relay – 700
 - » 16 Days of Activism and International Aids Day – 286
 - » Volunteer Month – 280
 - » Mandela Day-related activities – 236
 - » Rally to Read (May and September) – 138
 - » Youth Month – 47.

Connecting youth with tools for jobs

An exciting new initiative made its debut on the employee volunteerism stage during 2014/15, in a programme called Connected Youth.

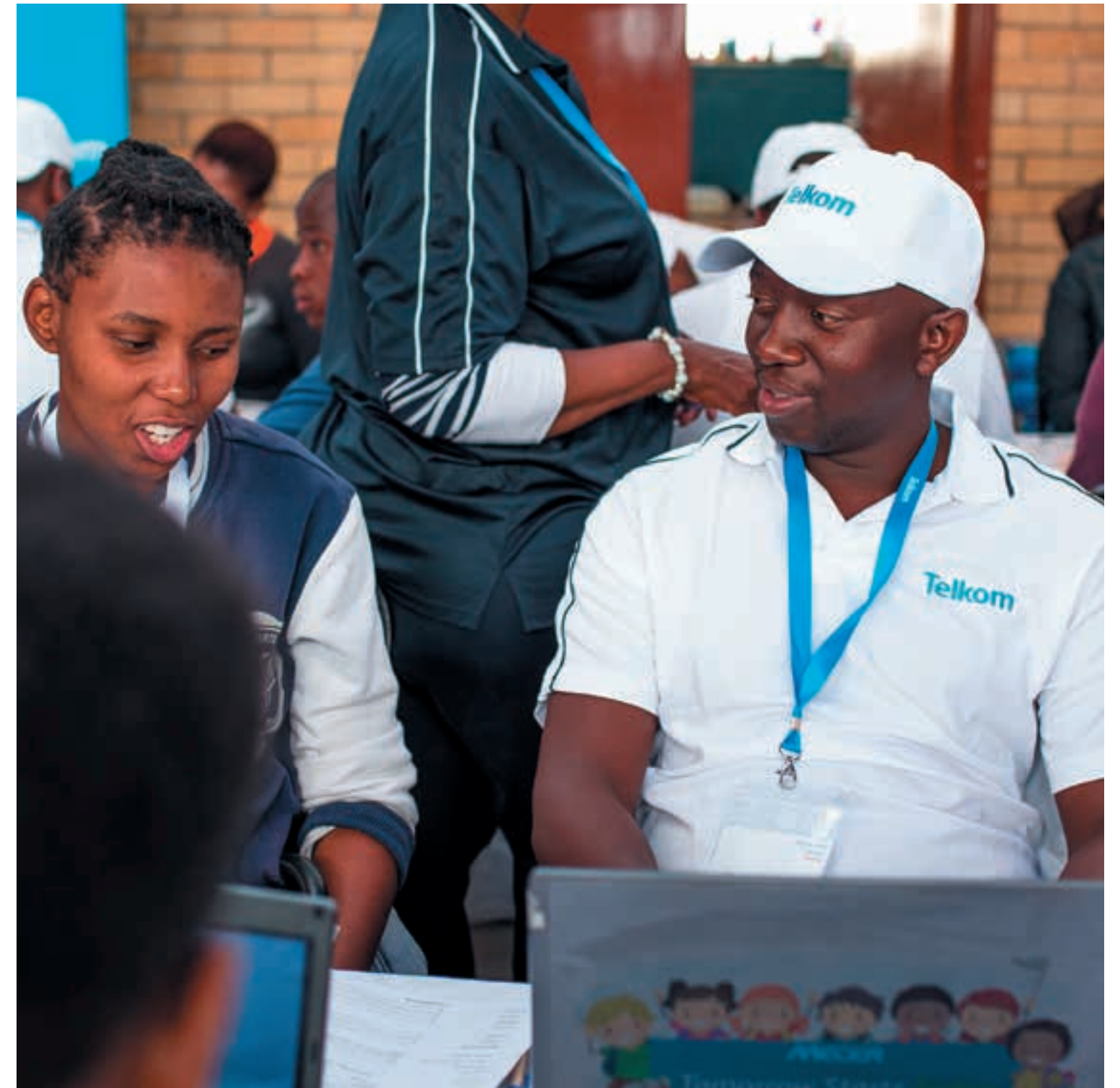
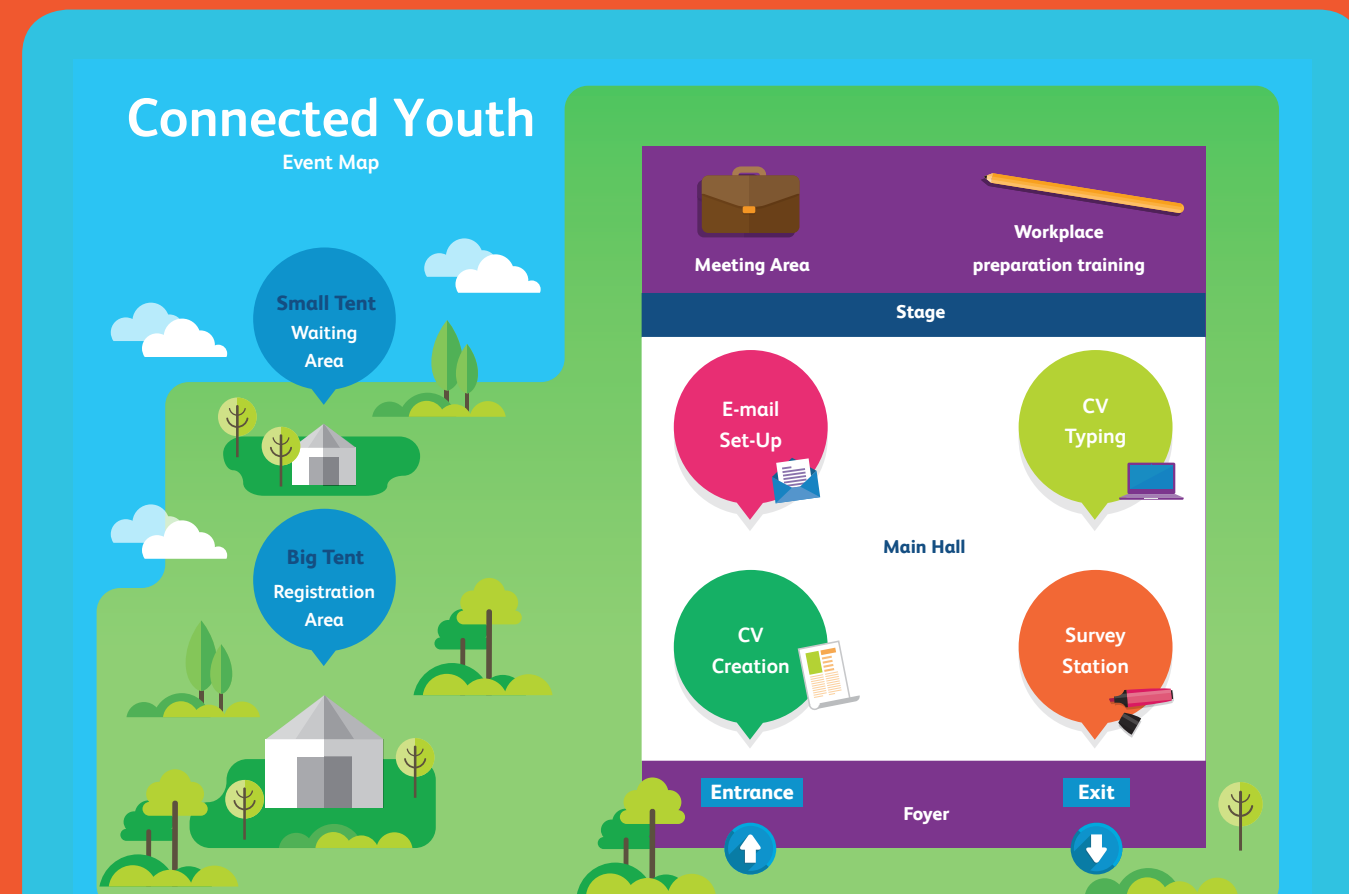
The pilot project coincided with Youth Month and was held in Kagiso in June 2014 in partnership with the National Youth Development Agency (NYDA) and Mogale City Municipality.

Some 50 employees headed for the township to spend nine hours assisting youths to pave a way for employment through a professionally compiled and produced CV. Volunteers discussed with the youngsters their strengths and skills, taking into account any practical work experience they had amassed, whether it was a task as simple as selling vetkoek over a weekend or something more formal. CVs were then typed up for each and put on a USB device

that could be taken to any internet cafe for the CV to be emailed or printed.

The employees then set up email addresses for the youngsters and walked them through internet job sites, showing how they could use their airtime productively to research career information and opportunities for employment.

By the time a second event was held in March 2015, in Tembisa, to coincide with International Volunteer Week, interest had grown substantially. A total of 150 employees were involved and 1 200 employment seekers were reached. This was in collaboration with NYDA, the Department of Labour and City of Ekurhuleni,





Adopt-A-Project

Executives with a cause

The Adopt-a-Project initiative gives Telkom executive managers the opportunity to give back to their communities through meaningful partnerships with organisations that provide a nurturing and caring environment for the underprivileged, the sick and the needy of South African society.

Each senior leader is asked to identify a worthy cause to adopt and the Foundation provides the necessary funding.

Once a project is selected, the executive is encouraged to stay with that organisation for two or three years, contributing to its growth, strength and sustainability.

This year, 30 executives adopted projects, many continuing their associations of previous years.

Gauteng

Sci-Bono Discovery Centre

Affiliated to the Gauteng Department of Education, the centre is involved in creating awareness and improving the teaching and learning of mathematics, science and technology.

St Francis Care Centre

A haven for the terminally ill, striving to meet physical, spiritual, emotional and social needs. Funds went towards the care of frail adults and those who have no one to look after them.

New Hope School

The executive supported a skills development and job creation programme for mentally challenged learners.

A centre run on love and passion

Even though he lives in Soweto, Telkom Group Executive: Enterprise Risk Management, Thokozani Mvelase, was not aware of the Central Gauteng Mental Health Society (CGMHS), which operates its West Rand office from the township. That changed in 2011, when a conversation with a local church representative alerted him to the Society's great need for assistance. He started supporting it in 2012 and then brought the Telkom Foundation on board.

The society provides services to those affected by psychiatric and intellectual disabilities or dealing with crises. Further, it is involved in public awareness of mental instability and advocacy campaigns. Most of the monthly 300 beneficiaries are children, which, when one considers that there are just 13 staff and six volunteers, represents an onerous workload and a heavy responsibility.

Thokozani has always been struck by the attitude of the small team. "This job is not about money, but about love and passion for those in need.

"They've had to deal with break-ins and attempted thefts, and, when I became involved, they were relying on public

transport to reach out to the community and transport the mentally handicapped children. My first priority was to make sure they received a vehicle."

Then, with the funds allocated by the Telkom Foundation for 2014/15 the centre set about building a wall and erecting palisades to improve security. The balance was set aside to construct a classroom for rehabilitation workshops.

Over and above the financial contribution, Thokozani visits the centre as often as he can and makes himself available to attend events and participate in fundraisers. "Most humbling," he says, "was the gala dinner for the foster parents of these children, because it highlighted the tremendous challenges they face and the patience and drive they, and the staff, have. But, above all, it demonstrated the great love they have for the children.

"I respect these wonderful people greatly. My association with CGMHS has made me appreciate all the special individuals dealing with special needs children. And, if I can make a difference, we can all make a difference.



Central Gauteng Mental Health Society

Provides medical care equipment and services for almost 550 children with psychosocial or intellectual disabilities.

Kwasiyalalela Counselling Services

Provides accessible, relevant and free counselling services to communities. It also works with home-based organisations and provides psychological support to caregivers.

Association of Human Values for Youth Leadership

Promotes the values of commitment and service by building capacity to respond to community needs. Runs a mentoring programme for the youth.

Bright Smile Bright Future

Spreads the message about oral health among children countrywide, issuing interactive kits containing learning tools such as DVDs, workbooks and posters, along with samples of toothpaste and toothbrushes.

Western Cape**Docks Mission**

The executive donated mini mobile libraries to promote a culture of reading and learning at an early age.

Aristea Primary School

The executive supplied additional whiteboards and digital projectors and refurbished the school hall.

Hawston Primary/Hawston Secretary

Upgrading existing computer centres and refurbishing of existing end-user devices

Pulsrus Primary School

Additional interactive whiteboards, digital projection equipment and contribution towards the school's community outreach programme.

KwaZulu-Natal**Etata Trading**

The funds supported a maths and science project for matriculants from township areas.

North West**Winterveld Old Age Home**

Provides geriatric care. Grant went towards providing for the needs of adults infected and affected by HIV and related diseases.

Mufumadi Wa Tshepo Care Centre

Centre cares for 200 orphaned children, arranging registration at school, offering after-school activities and attending to the children's health needs.

Fatima House

A refuge for pregnant girls from 12 years of age, which focuses on education, and on physical and spiritual growth.

Mmakaunyane Centre

Provides support and stimulation programmes for the frail.

Eastern Cape**Tembisa Child Welfare**

Grant financed school uniforms, ADSL line and laptops.

Bosele Middle School

Funds were invested in computer lab with connectivity and printer.

Namo Primary School

As with Bosele, a computer lab with connectivity and printer was installed.

ICT Government Business Services (with departments of education and communications)

Six executives contributed to the provision of computer labs with mobile satellite connectivity.

Partnerships make funds go further

"Money goes further and earns a better return when it's invested through an effective, well-run partnership.

"Any one of us on our own would not get the result we can achieve together. For this reason, I chose Modiri Technical School in Mamelodi near Pretoria as my Adopt-a-Project beneficiary.

"Modiri is already part of a successful outreach programme with St Albans College, a private school in Pretoria.

"My interest, and the Foundation's, is promoting maths and science education. St Albans is taking care of the maths at Modiri Technical, so my concern is science.

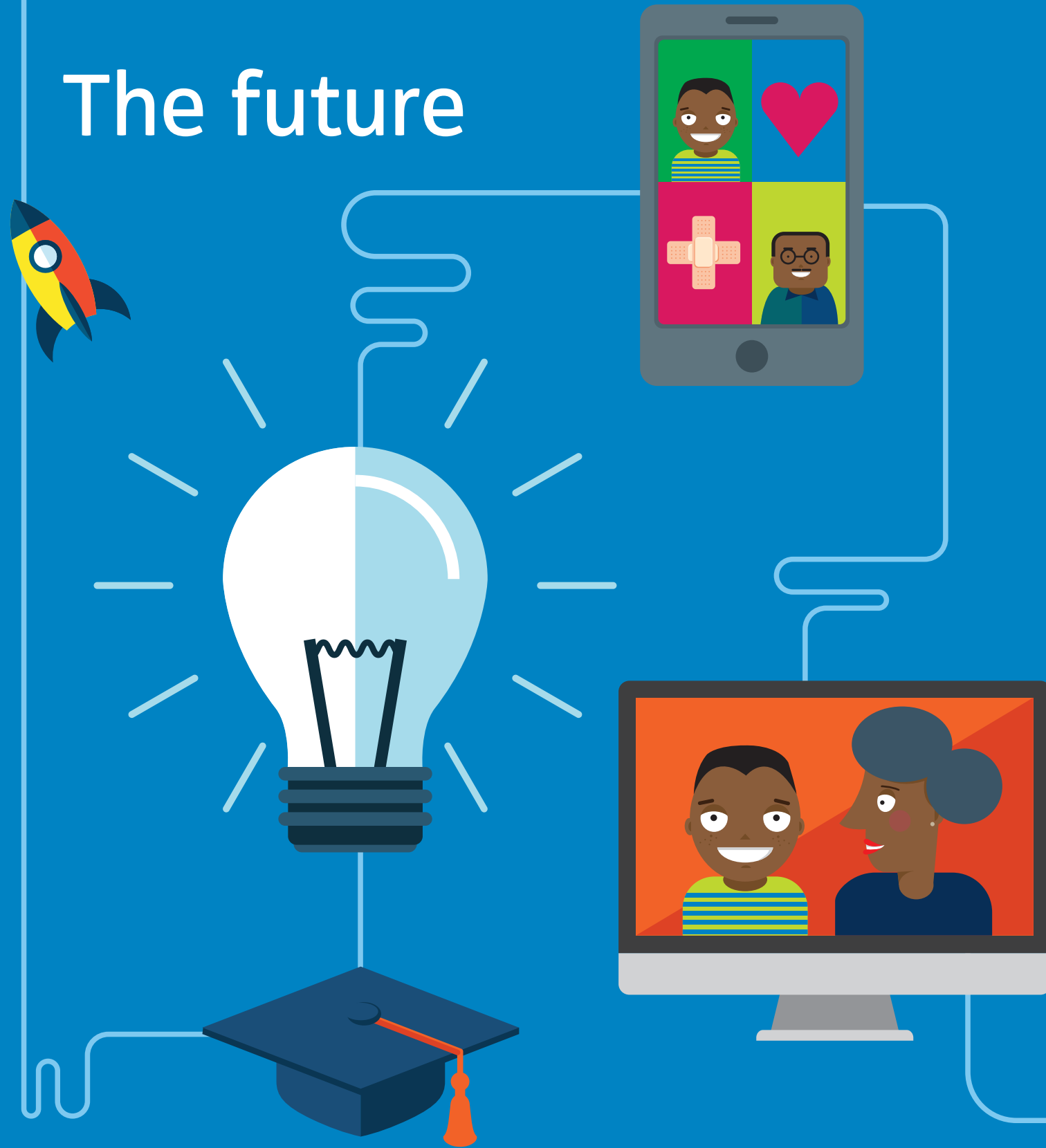
"Together, the partners identified the need for a science laboratory at Modiri. The Foundation funding went a long way in building a brand-new building made of high-quality, durable white plastic. Now St Albans is looking at ways to equip and furnish the laboratory.

"My whole team and I will be going to the school to assist with basic computer skills, as well as accounting."

**Adopt-a-Project participant
Banie van Vollenhoven**

Chief Financial Officer of Wholesale and Networks and Group Information Technology

The future



Building on a sound foundation

Recent South African research conducted by Next Generation Consultants indicates that successful social and community development programmes of the future will be those that:

- Are driven from a strong need to make a meaningful and substantial impact and not just because it is required
- Adopt holistic development approaches throughout the whole development cycle of planning, implementation and assessment/evaluation
- Have clear objectives that address the specific development needs of targeted stakeholder groups
- Use past learning to build strong internal capacity and skills of the development organisations
- Build collaborative partnerships with the government and development organisations to improve effectiveness and efficiency of delivery, while avoiding duplication and fragmentation
- Remain relevant in the ever-changing regulatory and governance landscape, while addressing real social and community development needs.

The Telkom Foundation, with its strong track record, endeavours to continue ticking all these boxes, as it does justice to its vision of sustainable improvements in education, health and social welfare in South Africa through Telkom's resources and ICT capabilities.

Given the pressing and diverse needs of South Africa's disadvantaged communities and individuals, there is still a great deal of work to be done in the social development sphere. The Foundation will maintain its partnerships with organisations focused on providing communities with access to high-quality healthcare. It will drive and support e-health initiatives such as the mobile clinic operating in needy areas. Partner NGOs will be capacitated with ICT systems that enhance their work. Funding and other support will offer relief in emergency situations such as natural disasters.

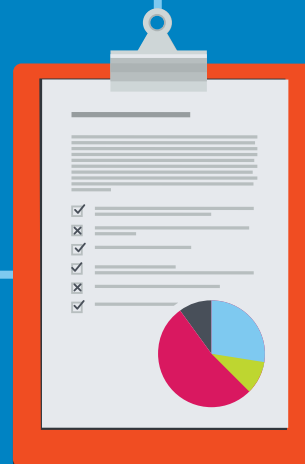
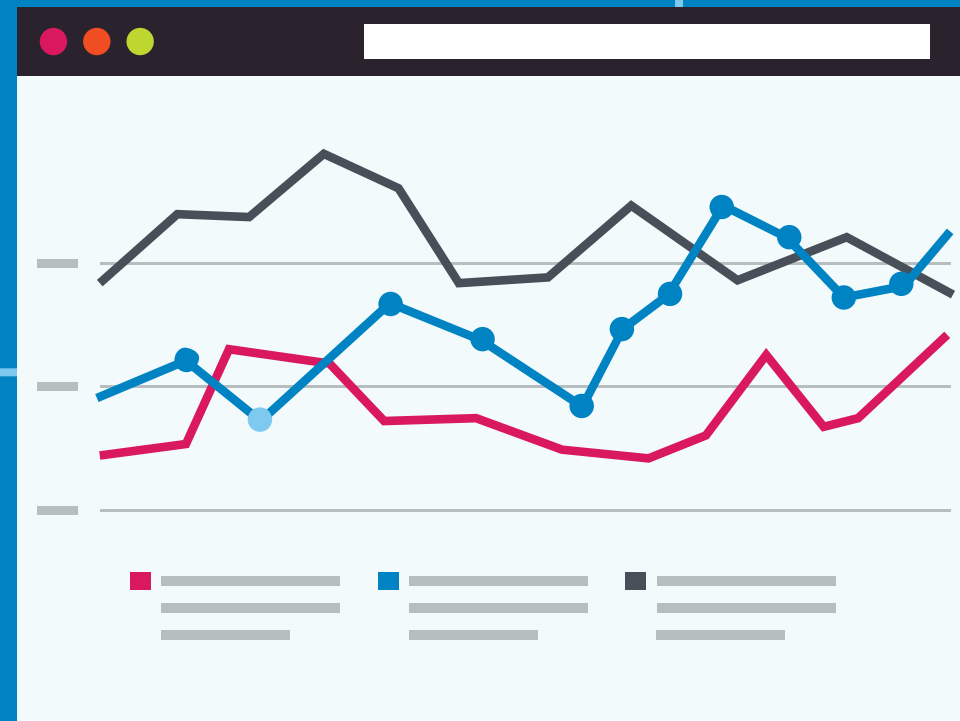
Telkom employees and leaders will be encouraged to volunteer to work with partners on meaningful community development projects, devoting their time to and applying their skills in areas identified for support. It is

hoped that the current participation rate of 10% employees annually can be increased and that the involvement level of 80% of executives can be maintained.

Through ongoing analysis of the changing needs of South African society, innovative programmes designed for maximum impact and prudent allocation of funding for optimum effect, the Telkom Foundation is committed to ensuring sustainable improvements in education, health and social welfare that will reflect in the achievements of its beneficiaries.



Annual Financial Statements



The Telkom Foundation Trust

(Registration No. IT5262/02)

Financial Statements for the year ended 31 March 2015

Administration

Founder

Telkom SA SOC Limited

Trustees

RS Garach
 KG Jantjie
 M Maponya (resigned 02/03/2015)
 JM Mavuso
 MI Molla
 Prof L Nongxa – Chairman

Head of the Foundation

SN Kunene (acting from 01 February 2014)

Nature of Business

Charitable Trust

Secretary

GE Prinsloo

Auditors

Nkonki Inc.

Bankers

ABSA Bank Limited

Trust Registration Number

IT5262/02

Non-profit Organisation Registration Number

029-558-NPO

Registered Office

The Apex
 92 Oak Avenue, Highveld Park,
 CENTURION, 0157

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 be not a going concern in the year ahead.

The annual financial statements for the year ended 31 March 2015 set out on pages 7 to 14 were approved by the trustees on 26 May 2015 and are signed on their behalf by:



Prof L Nongxa

Chairman of the Foundation



MI Moolla

Trustee

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

We have audited the annual financial statements of the Telkom Foundation Trust, which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, the statement of changes in funds and reserves and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 61 to 67.

Trustees' Responsibility for the Financial Statements

The Trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Telkom Foundation Trust as of 31 March 2015, and of the financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



2 September 2015

Nkonki Incorporated

Registered Auditor

Mahendrin Moodley CA (SA)

Audit Partner

Report of the Trustees for the year ended 31 March 2015

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 Telkom Foundation Trust are largely financed by Telkom SA SOC Ltd, through donations to the Trust.

Trustees and Secretary

Particulars of the present trustees and secretary are given on page 3.

In terms of the Trust Deed, the Board of Trustees consists of four Telkom SA SOC Ltd 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 Ltd. Telkom SA SOC Ltd 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

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), and KG Jantjie.

Statement of Comprehensive Income for the year ended 31 March 2015

	Note	2015 R	2014 R
REVENUE		40 905 178	41 178 384
Donations received/pledged	1 . 2	40 686 639	41 016 347
Interest Received		218 539	162 037
EXPENSES		40 476 539	44 807 902
Donations		34 091 994	37 753 433
Staff Expenditure	1 . 3	5 285 343	5 921 885
Office and administration expenses		1 099 202	1 132 584
Total surplus/(deficit) for the period		428 639	(3 629 518)

Statement of Financial Position as at 31 March 2015

	Note	2015 R	2014 R
ASSETS			
Current assets			
Cash and cash equivalents	1 . 4	4 512 471	4 021 725
Accounts receivable	1 . 5	6 320 304	6 382 410
Total assets		10 832 774	10 404 135
EQUITY			
Funds and reserves			
Funds and reserves		10 832 774	10 404 135
Total equity		10 832 774	10 404 135

Statement of Cash Flows for the Year Ended 31 March 2015

	Note	2015 R	2014 R
Cash flows from operating activities		490 745	819 351
Cash generated by operations	1.6	272 207	657 314
Interest received		218 539	162 037
<i>Net increase in cash and cash equivalents</i>		490 745	819 351
<i>Cash and cash equivalents at beginning of period</i>		4 021 725	3 202 374
Cash and cash equivalents at end of period		4 512 471	4 021 725

Statement of Changes in Funds & Reserves as at 31 March 2015

	Programme Funds R
Balance at 31 March 2013	14 033 653
Deficit for the year	(3 629 518)
Balance at 31 March 2014	10 404 135
Surplus for the year	428 639
Balance at 31 March 2015	10 832 774

Notes to the Annual Financial Statements

1.1 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

1.1.1 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 Ltd was recorded exclusive of VAT (where applicable).

1.1.2 Financial Instruments

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

Financial assets, or a portion of financial assets, are derecognized when the Trust loses control of the contractual rights that comprise the financial asset. The Trust loses such control if it realizes 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 recognized 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 consists of cash on hand, cash in banks, short-term deposits and bank overdrafts. These are at amortized 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

Notes to the Annual Financial Statements continued

1.2 Donations Received

	2015	2014
	R	R
DONATIONS	40 686 639	41 016 347
Cash donations		
- Projects	34 055 903	33 961 878
- Trustees remuneration	262 500	270 000
- Sundry expenses	624 966	449 382
- Other expenses	222 727	191 202
Non-cash donations (operat expenses)		
- Services provided by Telkom	5 285 343	5 921 885
- Use of Telkom facilities office space	235 200	222 000

1.3 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 Ltd and are regarded as donations in kind.

1.4 Cash and cash equivalents

	2015	2014
	R	R
Foundation Current Account	343 460	65 898
Money Market Call Deposits	4 169 011	3 955 827
	4 512 471	4 021 725

The Money Market call deposits are funds invested on behalf of Telkom Foundation by Telkom Treasury. The interest rate on the call account changed from 5% to 5.1% in May 2014 and 5.1% to 5.35% in July 2014 as a result of the change in repo rate .

1.5 Accounts Receivable

	2015	2014
	R	R
Donations pledged by Telkom SA SOC Ltd	6 256 383	6 292 474
VAT Receivable	63 921 89 936	
	6 320 304	6 382 410

The donations pledged represents amount committed to projects that are included in receivables and revenue respectively. The current year pledged of R6.2m, R4.4m (70%) have been committed to the following projects: ICT Schools connectivity (R2.2m), Mindset/DBE partnership (1.7m), and CUT STEM EMDP (R0.5m)

1.6 Cash generated from operations

	2015	2014
	R	R
(Deficit)/Surplus for the year	428 639	(3 629 518)
Adjustment for items that must appear on the cash flow		
Interest received	(218 539)	(162 037)
Adjustment for non-cash items:		
Non-cash donation received	(5 520 543)	(6 609 232)
Non-cash operating expenses	5 520 543	6 609 232
Working capital (accounts receivable)	62 106	4 448 869
Cash generated from operations	272 207	657 314

1.7 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 Ltd. trustees and three public trustees.

Related party transactions:

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

Notes to the Annual Financial Statements *continued***1.8 Taxation**

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

The Telkom Foundation is registered for VAT (Value Added Tax) as a welfare organization.

1.9 Trustees' Remuneration

	2015	2014
	R	R
Rakesh Garach	60 000	75 000
Tumi Jantjie	75 000	82 500
Mmakole Maponya	52 500	52 500
Prof L Nongxa	75 000	60 000
	262 500	270 000

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

1.10 Audit fees

	2015	2014
	R	R
External audit fees, included in the operating expenses for the year ended 31 March	81 024	81 024

1.11 Consulting fees

	2015	2014
	R	R
Consulting fees, included in the operating Expenses for the year ended 31 March (Monitoring & evaluation of projects)	291 600	-

1.12 Marketing expenses

	2015	2014
	R	R
Marketing expenses, included in the operating Expenses for the year ended 31 March (Compilation of the Annual report)	268 300	309 115

Glossary

ACE	Advanced Certificate in Education
BEE	Black Economic Empowerment
CSI	Corporate Social Investment
CUT	Central University of Technology
CV	Curriculum Vitae
DBE	Department of Basic Education
EMDP	Educator Mentorship and Development Programme
Exco	Executive Committee
FARMC	Finance Audit Risk Management Committee
FOTAD	Future of the African daughter
GDP	Gross Domestic Product
GPF	Gauteng Partnership Fund
HIV AIDS	Human Immunodeficiency Virus / Acquired immune deficiency syndrome
IAS	International Accounting Standards
ICT	Information Communication Technology
KZN	KwaZulu Natal
MAD	Making A Difference
MEC	Member of the Executive Council
NEF	National Employment Fund
NGO	Non-Government Organisation
NPO	Non-Profit Organisation
NWU	North West University
NYDA	National Youth Development Agency
OVC	Orphaned and Vulnerable Children
SA	South Africa
SANTA	South African National Tuberculosis Association
SOC	State Owned Corporative
SSP	Sponsored Student Programme
STEM	Science, Technology, English & Mathematics
TB	Tuberculosis
VAT	Value Added Tax



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