

Annual Report 2009

Our accounts for the year...

Our financial accounts for 2009 are on the following page. Together with the notes that relate to them, they form this our annual report.

More detailed accounts are available, on request, for inspection by any person or organisation with a legitimate interest in our work in Masi-phumelele.

This annual report will be available at our annual general meeting to be held at Masi-phumelele Library on Wednesday 31st March 2010 at 4 pm.

All figures shown relate to our activity in South Africa, United States of America and United

Kingdom—they are our consolidated global accounts.

As in all previous years, these accounts will be audited and submitted to the relevant fiscal authorities in both South Africa and USA; this will be completed within the next two months.

Please note; the presentation format of this report and particularly the financial figures, differs from previous years—the changes have been made to provide additional information and to comply with our South African Revenue Service reporting requirements.

This presentation change has meant that for this report it is

not practical for us to reconfigure all last year's figures to provide a completely accurate comparison with this year. This issue will not occur in subsequent years.

For further information please contact:

Elize Taylor
Director of Finance
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Highlights!

- Existing programmes to help the people of Masi-phumelele doing very well!
- New programmes successfully launched!
- More new programmes planned for launch 2010!
- Generous donors help make it all happen!
- Generous volunteers give their time and talents and get the job done!

John & Carol

In a little over ten years John and Carol Thompson created Masi-Corp and they provided the inspiration and leadership that helped us achieve all we have for the people of Masi-phumelele.

John and Carol handed over the reins of MasiCorp to Andrew Smith and the team in SA at the start of the year. They retain their interest and involvement with us; John is our non-executive Chairman and Carol a non-executive director. They are both fund raisers extraordinaire!

We express our thanks for what they have done for the people of Masi-phumelele—it is a magnificent achievement.

Andrew and all the team in SA

Global Annual Financial Report for 2009

	Notes	2009			2008		
INCOME	1	ZAR	USD	GBP	ZAR	USD	GBP
Restricted Donations		1,826,110	226,949	146,089	265,679	34,684	21,254
Unrestricted Donations		471,629	58,614	37,730	393,709	51,398	31,497
Interest		24,886	3,093	1,991	4,711	615	377
Total Income		2,322,626	288,655	185,810	664,099	86,697	53,128
EXPENDITURE	2						
Education - sub total	3	-425,663	-52,901	-34,053	-315,924	-41,243	-25,274
Bursary Programme		-165,926	-20,621	-13,274	-199,390	-26,030	-15,951
Library Education Outreach		-227,826	-28,314	-18,226	-109,354	-14,276	-8,748
All Other (Thinking Skills, Wordworks, ICDL)		-23,911	-2,972	-1,913	N/A		
Ukhanyo Support		-8,000	-994	-640	-7,180	-937	-574
Donations to Community	4	-7,905	-982	-632	N/A		
Social Development - sub total	5	-64,753	-8,048	-5,180	-99,100	-12,937	-7,928
Creche		-10,499	-1,305	-840	N/A		
Sosebenza		-1,750	-217	-140	N/A		
Community Sport		-52,504	-6,525	-4,200	-99,100	-12,937	-7,928
Community Service	6	-4,127	-513	-330	-44,665	-5,831	-3,573
Subtotal Programme & Project Expenses	7	-502,448	-62,444	-40,196	-459,690	-60,012	-36,775
Operating Costs - sub total	8	-112,287	-13,955	-8,983	-239,684	-31,290	-19,175
Honorariums		-49,194	-6,114	-3,936	-57,266	-7,476	-4,581
Travel & Entertainment		-9,271	-1,152	-742	-104,322	-13,619	-8,346
Administration		-47,043	-5,847	-3,763	-47,632	-6,218	-3,811
Marketing & Fundraising		-2,159	-268	-173	-1,524	-199	-122
Bank Service Charges		-4,619	-574	-370	-28,939	-3,778	-2,315
Total Costs & Expenses		-614,734	-76,399	-49,179	-699,373	-91,302	-55,950

BALANCE SHEET

Assets

Cash in Bank		1,854,409	230,466	148,353	1,409,654	184,028	112,772
Outstanding Loans		370,983	46,106	29,679	402,663	52,567	32,213
Total Assests	9	2,225,391	276,571	178,031	1,812,318	236,595	144,985

Liabilities

Restricted Donations	10	1,313,906	163,292	105,112			
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Equities

Retained Earnings		517,500	64,315	41,400	1,812,318	236,595	144,985
Net Income		393,986	48,964	31,519			
Total Equity	11	911,486	113,279	72,919	1,812,318	236,595	144,985

Total Liability & Equities		2,225,391	276,571	178,031	1,812,318	236,595	144,985
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1. **Income**

- All income derives from donations and bank interest. Restricted = dedicated by the donor to a particular use.
- Donations have risen significantly over last year following successful appeals for the Bursary Programme, other education programmes and the Library extension.
- Our current donor sources are largely from private individual donors in USA, which has been the case since MasiCorp was founded. Through our founders, we have very many generous and loyal US donors who, between them, have funded much of what we have achieved to date and to whom we send our particular thanks.
- In late October our founders, John and Carol Thompson together with Jane Philippi launched a special fund raising campaign that brought us \$70k. Led by Jane, Carol and John, who themselves made generous personal donations, many of our old and some new donors have helped us to furnish the new library extension, send more students to university, start new education programmes and much more. Thank you—it has provided a wonderful start to 2010.
- Not included in our figures is the majority of donations for and capital cost of R1.9m [\$250k/£150k] needed to build the Library extension. This occurs because we were fortunate to have Newlands Rotary Club who agreed to manage the project and who also managed most of the related finance. The whole project—from our initial funding appeal to the opening of the extension - took only 15 months and it is a tribute to Newlands Rotary Club members and their fantastic organisation.
- It is significant for us that the Library extension funding was all raised in South Africa—the first time we have achieved this level of ‘local’ support. We are especially grateful for donations from Peninsular Beverages and Exclusive Books; they provided much of the money and we are very appreciative.

2. **Expenditure**—this section includes everything we spend.

3. **Education—sub total:** this is for the items listed below this line.

- With the one-off contribution we made to the Library extension stripped-out, our overall expenditure in this category is similar to last year.
- The principal changes are a reduction in bursary funding as students completed their education and an increase in expenditure on new education programmes.

4. **Donations to the Community**—we made small donations to other NGOs in Masiphumelele with whom we have worked in partnership over the past year.

5. **Social Development—sub total:** this is for the items listed below this line

- The significant decrease in expenditure stems from the Sports programme where we have secured partnership funding for the sports coach.

6. **Community Service**—the significant decrease in expenditure stems from the Park project where we have secured partnership funding.

7. **Sub total Programme and Project Expenses**—this is everything we have spent directly on our work in Masiphumelele.

8. **Total Operating Costs—sub total:** this is for the items below this line.
 - As a small acknowledgement for their work in a voluntary capacity for MasiCorp, honorariums were paid to two Executive Directors and three members who lead and coordinate a number of our programmes and projects.
 - No salary or any other benefit is paid to any Director or member including the President/CEO; MasiCorp is a wholly volunteer-based organisation.
 - Travel and entertainment shows a substantial decrease compared with last year due to the US directors not claiming their travel costs to and from SA. *Please note: whenever those costs were claimed, the Director involved always made an equivalent [or greater] donation. These transactions were shown separately in previous annual reports.*
 - Bank charges: the significant decrease compared with last year stems from once only exchange rate adjustments and other finance costs that were included in 2008 that are not present for 2009.
9. **Total Assets:** solely financial; we have no physical assets of any sort
10. **Restricted Donations**—this figure in our **Liabilities** is all the money donated for a particular programme or project. It is shown as a liability because we are committed to spend the money for those purposes.
11. **Total Equity:** What we have left after our liabilities are deducted from our assets.

About us...

Masiphumelele Corporation [SA] is a registered NGO in South Africa
NPO: 040994 and PBO: 930015544

Our registered address is:

PostNet Sun Valley 537, Private Bag X4
Sun Valley, Cape Town 7975
South Africa

Our office bearers are:

Andrew Smith—President & CEO

Jill Stirrup—Director of Bursaries

Elize Taylor—Director of Finance

John Thompson—Non-exec Chairman

Carol Thompson—Non-exec Director

Jane Philippi—Non-exec Director

Changes in 2009:

John Thompson stood down as President & CEO and continues with us as our non-executive Chairman.

Andrew Smith was appointed President & CEO

Jill Stirrup and Elize Taylor were appointed as Directors

Masiphumelele Corporation [US] is a tax exempt private operating foundation under section 501 © 3 of the Internal Revenue of the U.S.

EIN number: 02-0511758.

Our registered address is:

PO Box 221
Centre Harbor
NH 03226
USA

Our office bearers are:

Andrew Smith—President & CEO

John Thompson—Non-exec Chairman

Carol Thompson—Non-exec Director

Jane Philippi—Non-executive Director

Changes in 2009:

John Thompson stood down as President & CEO and continues with us as our non-executive Chairman.

Andrew Smith was appointed President & COE

Masiphumelele Trust [UK] is a company limited by guarantee registered at Companies House.

Registration with the Charities Commissioners is pending

Our registered address is:

7 Silverdale Road
Wargrave
Reading
Berks RG10 8EA
UK

Our office bearers are:

Trevor Evans—Trustee, Chairman

John Spinks—Trustee, Secretary

Sandra Dodson—Trustee

Andrew Smith—Trustee

Changes in 2009:

Masiphumelele Trust was incorporated in November and the above office bearers were appointed.

Our organisation in SA is where all of our work is carried out. Our organisations in USA and UK raise funds for our work and help to promote a better understanding of South Africa in those countries. The principal objective of the whole organisation is to carry on public benefit activity in a non-profit manner and with an altruistic or philanthropic intent.

Masiphumelele Corporation & Trust

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Masiphumelele - "we will succeed!"

Volunteers—you can't beat them!

When it comes to getting the job done, to enthusiasm, to commitment, to teamwork, to a sense of community spirit, **volunteers rule, OK!**

Ours now number about 75 and they are the best. We could do nothing without the time and talents they give to the community through MasiCorp, so thanks and congratulations to them all on what has been achieved in 2009.

Jill, Elize, Andrew

2009 President's report...

It has been a busy year for MasiCorp; the new extension to the library planned, built and opened in record time, successful fundraising which helped us do many things including start five new students at university. 'Thinking Skills', a major new educational programme for Ukhanyo Primary School was launched and has been a great success. Other new programmes were planned and are ready for 2010 including 'English...please!', which will help Masi kids in the main primary school outside the township and 'Ready to Read', an important new initiative to help township crèches deliver better standards of teaching.

All that and our established programmes continued to grow and develop; the Library was busier than ever with 20 education programmes—literacy, numeracy,

computer skills, chess, one-to-one tuition, homework clubs, WordWorks, support groups and more. If it had not been for the extension, we would soon have been in tents outside!

Our support for sport at Ukhanyo Primary School and in the community continued and developed with plans being worked-up to improve the sports facilities.

Uniforms for Ukhanyo; another group of over 60 children who come from very poor families who cannot afford buy a uniform—now at school and looking terribly smart!

Our existing bursary students continued to work hard and most have done very well in 2009 with end of year distinctions too numerous to list!

In addition; we have set up an entity in the UK, Masiphumelele Trust, which will help fund raise

and promote a better understanding of South Africa; we have established our registration with the tax authorities in South Africa which will aid fund raising and we have a brand new web site to provide a window on our work in Masiphumelele.

Finally, we have taken some modest steps toward further involving local township residents in our work—tutors in various programmes, an ex-bursary student mentoring a new student and another using his expert accounting skills to help Ukhanyo School, one of our entrepreneurs managing the Ukhanyo School uniform project, a local contractor responsible for the park.

In all, it really has been a busy, productive and successful year: team MasiCorp is, I believe, doing well.

Andrew Smith, President