

# Annual Report 2010

## Our accounts for the year...

Our financial accounts for 2010 are on the following pages. 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 Masiphumelele.

This annual report will be available at our annual general meeting to be held at Masiphumelele Library on Friday 13th May 2011 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 South Africa, UK and USA.

Please note; the presentation format of this report and particularly the financial figures, differs from years prior to 2009—the changes have been made to provide additional information and to comply

with our South African Revenue Service reporting requirements.

Notes to accounts explain all significant change compared with the previous year.

There are important changes noted on page 4 to public charity status in the US and office bearers in the UK Trust.

For further information please contact:

**Elize Taylor**

Director of Finance  
j.taylor4@telkomsa.net

## Highlights!

- Existing programmes to help the people of Masiphumelele are expanded and successful
- New programmes launched last year are consolidated and successful.
- New partnerships formed with other charities/NGOs
- More new programmes planned for launch 2011 including an ambitious project to uplift all the crèches in the township!
- Generous donors help make it all happen and our donor base is expanded to SA and UK.
- Generous volunteers give their time and talents and get the job done!

## Volunteers step up...

It is immediately clear to anyone working in a charity/NGO such as ours that the two most significant challenges, always to be met, are; to have enough funding and enough people to design and deliver the projects and programmes. Simple really! One without the other and nothing much happens.

We are therefore very fortunate to have established members of our team taking on new roles and responsibilities and an influx of new team members working with us.

This is an important 'front page' item for our annual report because the hard work and dedication of our volunteers allows us to deliver more for the people we serve in Masiphumelele.

Andrew, Jill & Elize

# The numbers.....

INCOME	NOTES	2010			2009		
		ZAR	USD	GBP	ZAR	USD	GBP
Restricted Donations	1	320,704	47,892	28,628	1,826,110	226,949	146,089
Unrestricted Donations		436,534	65,190	38,967	471,629	58,614	37,730
Interest		33,155	4,951	2,960	24,886	3,093	1,991
<b>Total Income</b>		<b>790,393</b>	<b>118,033</b>	<b>70,555</b>	<b>2,322,626</b>	<b>288,655</b>	<b>185,810</b>
<b>EXPENSES</b>	<b>2</b>						
<b>Education</b>	<b>3</b>	<b>-684,351</b>	<b>-102,198</b>	<b>-61,089</b>	<b>-425,663</b>	<b>-52,901</b>	<b>-34,053</b>
Bursary Programme		-303,350	-45,301	-27,079	-165,926	-20,621	-13,274
Library Education Outreach		-232,450	-34,713	-20,750	-227,826	-28,314	-18,226
All Other (Thinking Skills, Wordworks, ICDL)		-131,072	-19,574	-11,700	-23,911	-2,972	-1,913
Ukhanyo Support		-17,480	-2,610	-1,560	-8,000	-994	-640
<b>Donations to Community</b>	<b>4</b>	<b>-15,030</b>	<b>-2,245</b>	<b>-1,342</b>	<b>-7,905</b>	<b>-982</b>	<b>-632</b>
<b>Social Development</b>	<b>5</b>	<b>-109,721</b>	<b>-16,385</b>	<b>-9,794</b>	<b>-64,753</b>	<b>-8,048</b>	<b>-5,180</b>
Creche		-10,000	-1,493	-893	-10,499	-1,305	-840
Sosebenza		0	0	0	-1,750	-217	-140
Community Sport		-99,721	-14,892	-8,902	-52,504	-6,525	-4,200
<b>Community Service</b>	<b>6</b>	<b>-10,376</b>	<b>-1,549</b>	<b>-926</b>	<b>-4,127</b>	<b>-513</b>	<b>-330</b>
<b>Subtotal Programme &amp; Project Expenses</b>	<b>7</b>	<b>-819,478</b>	<b>-122,377</b>	<b>-73,151</b>	<b>-502,448</b>	<b>-62,444</b>	<b>-40,196</b>
<b>Operating Costs</b>	<b>8</b>	<b>-129,834</b>	<b>-19,389</b>	<b>-11,590</b>	<b>-112,287</b>	<b>-13,955</b>	<b>-8,983</b>
Volunteer Honorariums		-78,600	-11,738	-7,016	-49,194	-6,114	-3,936
Travel & Entertainment		-3,134	-468	-280	-9,271	-1,152	-742
Administration		-40,103	-5,989	-3,580	-47,043	-5,847	-3,763
Marketing & Fundraising		-1,685	-252	-150	-2,159	-268	-173
Bank Service Charges		-6,312	-943	-563	-4,619	-574	-370
<b>Total Costs &amp; Expenses</b>		<b>-949,312</b>	<b>-141,766</b>	<b>-84,741</b>	<b>-614,734</b>	<b>-76,399</b>	<b>-49,179</b>
<b>Income &amp; Expenses Surplus/Deficit</b>	<b>9</b>	<b>-158,919</b>	<b>-23,732</b>	<b>-14,186</b>	<b>1,707,891</b>	<b>212,256</b>	<b>136,631</b>
Accounts Payable	10	80,498	12,021	7,186	0	0	0
<b>BALANCE SHEET</b>							
<b>Assets</b>							
Cash in Bank		1,742,864	260,271	155,578	1,854,409	230,466	148,353
Outstanding Loans		404,107	60,347	36,073	370,983	46,106	29,679
<b>Total Assests</b>	<b>11</b>	<b>2,146,970</b>	<b>320,618</b>	<b>191,651</b>	<b>2,225,391</b>	<b>276,571</b>	<b>178,031</b>
<b>Liabilities</b>							
Restricted Donations	12	1,029,599	153,755	91,908	1,313,906	163,292	105,112
<b>Equity</b>							
Retained Earnings		911,486	136,117	81,364	517,500	64,315	41,400
Net Income		205,886	30,746	18,379	393,986	48,964	31,519
<b>Total Equity</b>	<b>13</b>	<b>1,117,372</b>	<b>166,863</b>	<b>99,743</b>	<b>911,486</b>	<b>113,279</b>	<b>72,919</b>
<b>Total Liability &amp; Equity</b>		<b>2,146,970</b>	<b>320,618</b>	<b>191,651</b>	<b>2,225,391</b>	<b>276,571</b>	<b>178,031</b>

## The words to go with the numbers...

1. **Income**
  - All income derives from donations and bank interest.
  - Restricted = dedicated by the donor to a particular use.
  - Donations have returned to a little above our historic norm and less compared with last year which included a number of exceptional items.
  - Our current donor sources are largely from private individual donors in USA, UK and SA. In the USA, still the major source of our income, many donors are long-standing supporters since MasiCorp was founded. Donor income from UK and SA has made a significant and welcome increase to income this year.
2. **Expenses**—this section includes everything we spend.
3. **Education—sub total:** this is for the items listed below this line.
  - The significant increase in bursary expenditure stems from the expansion of the programme—5 new students added in the year.
  - Support for Library includes R132,000 for operating expenses and the balance of R100,450 on new equipment, fixtures and fittings.
  - The increase in All Other compared with last year stems from new and expanded education programmes including; Thinking Skills, WordWorks, English...please!
  - Increased support for Ukhanyo School has been given for the free uniforms programme, the Saturday Study Club for Grade 7 pupils and the expanded sport programme.
4. **Donations to the Community**—we made 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
  - We continue to support Ikhaya Labantwana crèche
  - No expenditure on Sosebenza youth and community centre TY
  - The significant increase in expenditure stems from the Community Sports programme and is covered by a welcome 'grant-in-aid' from the City of Cape Town included in income.
6. **Community Service**—the significant increase in expenditure stems from the Community Park Project where we paid for emergency repairs to the irrigation pump.
7. **Sub total Programme and Project Expenses**—this is everything we have spent directly on our programmes and projects in and for 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, and to cover some of the resultant expenses incurred, honorariums were paid to two Executive Directors and three members who lead and coordinate a number of our programmes and projects. The increase over last year stems from increased payments that reflect additional work and responsibilities undertaken and a cost inflation factor.
  - No salary or any other benefit is paid to any Director or member including the President/CEO; MasiCorp is a wholly volunteer-based organisation.
  - Bank charges: the increase compared with last year reflects our additional programme and project activities.

## More words to go with the numbers...

9. **Income & Expenses Surplus/Deficit**—the year's income includes reserved donations, some of which are for expenditure in subsequent years. The year's expenditure includes items funded from reserved donations in previous years. The significant change compared with last year stems from the exceptional items included in 2009 income.
10. **Accounts payable**—expenses for programmes and projects commissioned in 2010 where payment was outstanding at year-end. They are included in the Programme and Project relevant expenses.
11. **Total Assets:**
  - Our assets are solely financial; we have no physical assets of any sort.
  - Due to year over year movements in the exchange rates used for USD and GBP financials, the 2010 vs 2009 change in assets and liabilities on the balance sheet will not equal the 2010 cash balance on the income statement in these currencies.
11. **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. We have no other liabilities.

## 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 2010:**

None

**Masiphumelele Corporation [US]** was, throughout 2010, a tax exempt private operating foundation under Code Section 501(c)(3) of the Internal Revenue of the U.S. EIN number: 02-0511758.

At the beginning of 2011, it became a tax exempt public charity under the same above code and reference.

**Our mailing address is:**

PO Box 221  
Center 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 2010:**

None

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

Charity Commission N° 1137358  
HMRC Gift Aid Registration: XT26095

**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  
Julia Musgrave—Trustee  
Andrew Smith—Trustee  
Hilary Winter—Trustee

**Changes in 2010:**

Registration with the Charities Commission and HMRC Gift Aid was achieved.  
Julia Musgrave and Hilary Winter joined as Trustees.

**Our organisation in SA is where all our work is carried out. Our organisations in USA and UK raise funds for and commission our work in SA, they also 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!"**

## Donors—part of our team!

Here, working hard in Masiphumelele, we always think of our donors as part of our team—if you are reading this as a donor, we hope you feel the same way.

We know you are not actually teaching a class, mentoring a university student, organising uniforms for the school, consulting with the community about a new programme or leading a discussion group, but we know we could not do it without you. Teamwork—you can't beat it!

Jill, Elize, Andrew

## 2010 President's report...

Enabled by the powerful combination of successful fund raising and programmes and projects doing well, we have had a very good year.

Our bursary programme was expanded with 5 new students at university, studying commerce, teaching, bio-technology and psychology. They brought the total to 12 and it was the first time we have taken on so many in a single year.

During the year, 3 students graduated—a B.Tech Engineering, B.Ed Hons and National Diploma in Marketing. They all came from very poor families and they are congratulated on their considerable achievements—they have transformed the prospects for their lives through education.

The Library, under the direction of Sue Alexander, goes from strength to strength. The newly opened extension allowed space for programmes to expand; new

programmes, new charities/NGOs to work in partnership and a better service and learning environment for users. In the year, 12,000 adult and 28,000 children's books were loaned out and over 40,000 participants attended the various programmes and courses, all offered free of charge to residents of the township.

Two new programmes were highly successful—our partner NGO, WordWorks, piloted a programme to train Grade R teachers [the year prior to primary school] in a selected number of crèches and English...please!, an English language and literacy programme for Masiphumelele pupils at the nearby Fish Hoek Primary school.

With help from our partner charities/NGOs, the provision of physical education at Ukhanyo Primary School is improved out

of all recognition—every class in the 1500 pupil school now has two sessions per week delivered by trained and accredited coaches.

For all these projects and programmes and others not mentioned, but no less important for those we serve in the community, we rely on our team of volunteers to research, design and deliver; it is their talents and hard work that have made this year such a success.

We know there are over 38,000 people living in the township—the work we undertake together, donors and volunteers here on the ground, is making a difference for many. My thanks to you all on their behalf.

Andrew Smith,  
President & CEO