

## Annual Report 2012

Further growth for Masicorp characterised our year—more funds raised, more volunteers working with us and, most importantly, more help for the people in Masiphumelele.

This growth is a strength born of our teamwork and our common purpose; it is exciting for us all to play our part and we can be proud of our achievements.

Part of our success stems from a growing collaboration with other charities/NGO's and government departments, where working together we can do far more than working alone.

We improved our communications with everyone through our web site, newsletter, Facebook page and blog—we have a team of volunteers working in this area too!

All the active programmes and projects on which we are working are properly funded for the coming year—we remain careful to never make commitments in the township that we cannot deliver.

Costs to operate are kept as low as possible; this year at 10% to total expenditure.

We are well-set for the challenges of 2013 and with the

continuing support of our donors and volunteers, I am sure we will bring more help to the poor and disadvantaged people of Masiphumelele.

Our team is international and includes volunteers from and in South Africa, USA, Australia, UK, Holland, France, Canada and working with everyone is both rewarding and enjoyable—we are fortunate indeed to have such a great team!

*Andrew Smith*  
*President & CEO*



## Our accounts for the year...

Our financial accounts for 2012 are on the following pages. Together with the related notes and the President's report, they form this our annual report.

More detailed accounts are available for inspection, on request, 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 3rd May 2013 at 4 pm.

All figures shown relate to 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 authorities in South Africa, UK and USA.

There are some minor changes in the expenses lines which are made to better reflect the nature of our work in the township—last year's figures are adjusted to allow accurate like-for-like comparison.

Notes to the accounts provide further information and explain all significant changes compared with the previous year.

For further information please contact me:

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# The numbers.....

**MASICORP**

masiphumelele  
township  
south africa

partners in education and enterprise

<b>INCOME</b>	<b>1</b>	<b>ZAR</b>	<b>US dollars</b>	<b>GBP</b>	<b>ZAR</b>	<b>US dollars</b>	<b>GBP</b>	
Restricted Donations		1,365,024	164,034	106,959	1,268,810	164,102	111,953	
Unrestricted Donations		755,511	90,789	59,199	522,454	67,572	46,099	
Interest income		48,612	5,842	3,809	16,195	2,098	1,429	
<b>Total Income</b>		<b>2,169,147</b>	<b>260,665</b>	<b>169,967</b>	<b>1,807,459</b>	<b>233,772</b>	<b>159,481</b>	
<b>EXPENSES</b>	<b>2</b>							
<b>Education</b>	<b>3</b>	<b>1,341,398</b>	<b>161,195</b>	<b>105,108</b>	<b>1,042,823</b>	<b>134,874</b>	<b>92,013</b>	
Adult literature		18,820	2,262	1,475	6,930	896	611	
Bursary Programme		307,149	36,910	24,067	465,106	60,155	41,038	
ECD - Seedlings		138,187	16,606	10,828	40,118	5,189	3,540	
English please		80,598	9,685	6,315	56,250	7,275	4,963	
Evangeline Life Skills		204,725	24,602	16,042	629	81	55	
Ikhaya Labantwana pre school		-	-	-	37,595	4,862	3,317	
Library LRC		149,542	17,970	11,718	172,176	22,268	15,192	
Masiphumelele High School		15,031	1,806	1,178	6,557	848	579	
Ukhanyo Primary School		393,697	47,310	30,849	228,006	29,489	20,118	
Wordworks		10,000	1,202	784	8,600	1,112	759	
Other		23,649	2,842	1,853	20,856	2,697	1,840	
<b>Community Development</b>	<b>4</b>	<b>116,316</b>	<b>13,978</b>	<b>9,114</b>	<b>102,813</b>	<b>13,297</b>	<b>9,072</b>	
Community Sport		66,404	7,980	5,203	64,016	8,279	5,648	
Community Service		4,228	508	331	733	95	65	
Donations to Community		21,542	2,589	1,688	37,230	4,815	3,285	
Sosobensa		24,142	2,901	1,892	834	108	74	
<b>Entrepreneur's Programme</b>	<b>5</b>	<b>15,610</b>	<b>1,876</b>	<b>1,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Nonny's Bakery		15,610	1,876	1,223	-	-	-	
<b>Subtotal Programme expenses</b>	<b>6</b>	<b>1,473,324</b>	<b>177,049</b>	<b>115,445</b>	<b>1,145,636</b>	<b>148,171</b>	<b>101,085</b>	
<b>Operating Expenses</b>	<b>7</b>	<b>159,182</b>	<b>19,130</b>	<b>12,473</b>	<b>127,944</b>	<b>16,549</b>	<b>11,288</b>	
Administration		6,774	814	531	3,750	485	331	
Bank Service Charges		11,630	1,398	911	11,780	1,524	1,039	
Marketing & Fundraising		52,586	6,319	4,120	73,648	9,525	6,498	
Professional Services Fee		59,007	7,091	4,624	8,352	1,080	737	
Travel & Entertainment		688	83	54	2,451	317	216	
Training		4,798	577	376	3,643	471	321	
Volunteer Honorarium		23,700	2,848	1,857	24,320	3,147	2,147	
<b>Total Costs &amp; Expenses</b>		<b>1,632,506</b>	<b>196,179</b>	<b>127,918</b>	<b>1,273,580</b>	<b>164,721</b>	<b>112,373</b>	
<b>Net Surplus/(Deficit)</b>	<b>8</b>	<b>536,641</b>	<b>64,486</b>	<b>42,048</b>	<b>533,879</b>	<b>69,051</b>	<b>47,108</b>	
<b>Accounts payable</b>	<b>9</b>	<b>320,028</b>	<b>38,455</b>	<b>25,075</b>	<b>260,313</b>	<b>33,669</b>	<b>22,969</b>	
<b>BALANCE SHEET</b>								
			2012			2011		
<b>Assets</b>		<b>ZAR</b>	<b>US dollars</b>	<b>GBP</b>	<b>ZAR</b>	<b>US dollars</b>	<b>GBP</b>	
Cash in Bank		2,470,447	296,872	193,576	2,280,412	294,938	201,212	
Outstanding Loans		788,931	94,805	61,818	580,251	75,047	51,198	
<b>Total Assets</b>	<b>10</b>	<b>3,259,378</b>	<b>391,677</b>	<b>255,394</b>	<b>2,860,663</b>	<b>369,985</b>	<b>252,410</b>	
<b>Liabilities</b>								
Restricted Donations	11	-1,809,066	-217,394	-141,752	-1,488,455	-192,510	-131,334	
<b>Equities</b>								
Retained earnings		-1,174,566	-141,147	-92,035	-1,117,372	-144,516	-98,591	
Net Income		-275,746	-33,136	-21,607	-254,836	-32,959	-22,485	
<b>Total Equity</b>		<b>-1,450,312</b>	<b>-174,283</b>	<b>-113,642</b>	<b>-1,372,208</b>	<b>-177,475</b>	<b>-121,076</b>	
<b>Total Liabilities &amp; Equity</b>		<b>-3,259,378</b>	<b>-391,677</b>	<b>-255,394</b>	<b>-2,860,663</b>	<b>-369,985</b>	<b>-252,410</b>	
<i>Exchange Rates to Rand:</i>			8.32	12.76		7.73	11.33	

# Notes to go with the numbers...

**1 Income** – income is derived from donations and bank interest. Restricted donations are restricted by the donor for a particular use.

- Our current donor sources are mostly from private individual donors in USA, UK and SA. In the USA, many of them are long-standing supporters since Masicorp was founded. Donor income from UK and SA has made a significant and welcome increase in 2012.

**2 Expenses:** This section includes everything we spend. Volunteer honorariums, travel, communications and administration costs related directly to each programme or project are included.

**3 Education:** Subtotal - This is for the items listed below this line.

- Although the number of bursaries have increased in 2012 in the bursary programme, expenditure is decreased as students on our older, more expensive, bursary package graduate.
- ECD Seedlings is a growing and important new project which accounts for the increased costs.
- Evangeline Life Skills is a new programme that assists women with education and sewing skills.
- Ikhaya Labantwana pre-school has had no expenditure in 2012.
- Library LRC expenditure decreased to our core funding commitment level.
- Masiphumelele High School includes the Saturday Maths and Science Club.
- Ukhanyo Primary School includes the Science Lab, English Lab, Physical Education and Uniforms programmes.
- Other includes Independent Thinking which has been renewed and expanded.

**4 Community Development:** Subtotal - This is for the items listed below this line.

- Community Service includes expenditure on the park next to the Library
- Sosebenza is a community project on land originally provided by Masicorp—it is intended we will give further assistance in coming years to help develop the potential of this facility in the township.

**5 Entrepreneur's Programme:** Subtotal - This is for the items listed below this line.

- Nonny's Bakery and Café: with an interest-free Masicorp business development loan of R24k, total set-up costs were ~R40k

**6 Subtotal Programme Expenses:** this is everything we have spent directly on our programmes and projects in and for Masiphumelele.

**7 Total Operating Costs:** Subtotal - this is for the items below this line.

- Professional Services Fees increase stems from accountancy and auditing charges in the US.
- To acknowledge their voluntary work for Masicorp, and to cover some of the expenses incurred, honorariums were paid to three Executive Directors and seven 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.

**8 Income & Expenses Surplus/Deficit:** this is a simple 'in-year' balance between all income and expenditure.

**9 Accounts Payable:** This is a provision for students on our original bursary programme for when they finish their education and have to pay back their NSFSA [State] student loans.

**10 Total Assets:** Outstanding loans: the increase is due to the provision of more student, community development and business entrepreneur loans.

**11 Restricted Donations:** this figure is the money donated for particular programmes or projects; it is shown as a liability because we are committed to spend the funds 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—Deputy CEO

Elize Taylor—Director of Finance

Alasdair Ritchie—Director

Marjan Ritchie—Director

Doreen Zanyiwe—Director

Milli Firth—Director

John Thompson—Non-exec Chairman

Carol Thompson—Non-exec Director

Jane Philippi—Non-exec Director

**Changes in 2012:**

Doreen Zanyiwe, Alasdair Ritchie, Marjan Ritchie and Milli Firth were appointed to the board. Jill Stirrup was appointed Deputy CEO.

**Masiphumelele Corporation [US]** is a tax exempt public charity under Code Section 501(c)(3) of the Internal Revenue of the U.S. EIN number: 02-0511758.

**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 2012:**

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 2012:**

None

**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.**

# MASICORP

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## Donors—part of our team!

The hard work and enthusiasm of our volunteers working to deliver projects and programmes for the people of Masiphumelele is matched by the enthusiasm of our fund raisers in the US, UK, Holland, SA and more.

The generosity of our donors makes everything we do possible. Here in the township, we think of all of you as a part of our Masicorp family.

Teamwork—you can't beat it!

*Andrew and the Masicorp Board*



**Photographs of our programmes and projects by Christine Adendorff and others**

## Masiphumelele Corporation & Trust

....known as Masicorp

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