

## Annual Report 2013

Masicorp recorded another year of substantial growth with significant increases in the key areas of: donations received; projects implemented to benefit the Masiphumelele community; numbers of beneficiaries and volunteer staff numbers.

Our growth as an organisation is both exciting to be a part of and a challenge to manage: we recognised that changes were required to strengthen our management team through the appointment of a deputy CEO; by boosting the ECD Seedlings and the bursary teams to reflect their im-

portance and workload; by reorganising, with additional leaders, our entrepreneurs and fund raising teams; with new and established volunteers, by bringing a fresh and invigorated approach to our internal and external communications; by reorganising our finance and financial controls with additional volunteers and the appointment of a third-party service provider.

The growth in the volume and scope of our work created challenges and the final quarter of the year was an important time for assessment, planning and preparation to

make the above changes which, will be completed in the first quarter of 2014.

Throughout the year we delivered more for the people of Masiphumelele and I am pleased to report our costs to operate continue to be kept low; this year at less than 10% to total expenditure.

Our team is international and includes volunteers from South Africa, USA, Australia, UK, Holland, Germany, 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 2013 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.

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 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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INCOME	NOTES	2013			2012		
		ZAR	USD	GBP	ZAR	USD	GBP
Restricted Donations		4,415,113	420,888	255,356	1,365,024	164,034	106,959
Unrestricted Donations		1,052,854	101,321	61,472	755,511	90,789	59,199
Interest income		89,501	8,532	5,176	48,612	5,842	3,809
<b>Total Income</b>	<b>1</b>	<b>5,567,467</b>	<b>530,740</b>	<b>322,005</b>	<b>2,169,148</b>	<b>260,665</b>	<b>169,967</b>
<b>EXPENSES</b>							
<b>Education</b>	<b>2</b>	<b>1,957,842</b>	<b>186,620</b>	<b>13,224</b>	<b>1,341,398</b>	<b>161,195</b>	<b>105,108</b>
Adult literacy		14,073	1,342	814	18,820	2,262	1,475
Bursary Programme	3	262,244	24,999	15,167	307,149	36,910	24,067
ECD - Seedlings	4	692,780	66,042	40,068	138,187	16,606	10,828
English please		84,485	8,054	4,886	80,598	9,685	6,315
Evangeline Life Skills		196,067	18,595	11,282	204,725	24,602	16,042
Ikhaya Labantwana pre school	5	11,940	1,138	691	-	-	-
Library LRC		139,469	13,295	8,066	149,542	17,970	11,718
Masiphumelele High School		21,639	2,093	1,252	15,031	1,806	1,178
Ukhanyo Primary School	6	477,037	45,475	27,590	393,697	47,310	30,849
Wordworks		10,000	953	578	10,000	1,202	784
Other	7	48,909	4,662	2,829	23,649	2,842	1,853
<b>Community Development</b>		<b>214,872</b>	<b>20,454</b>	<b>12,428</b>	<b>113,427</b>	<b>13,630</b>	<b>8,888</b>
CoCT community projects	8	66,263	6,317	3,832	-	-	-
Community Sport		73,890	7,044	4,274	66,404	7,980	5,203
Community Service	9	30,157	2,875	1,744	4,228	508	331
Donations to Community		5,000	477	289	18,653	2,242	1,462
Sosobensa		39,563	3,772	2,288	24,142	2,901	1,892
<b>Entrepreneurs programme</b>		<b>58,202</b>	<b>5,548</b>	<b>3,366</b>	<b>18,498</b>	<b>2,223</b>	<b>1,449</b>
Noni Bakery		14,655	1,397	848	15,610	1,876	1,223
Nodyebo Art	10	43,547	4,151	2,518	2,888	347	226
<b>Subtotal Programme expenses</b>		<b>2,230,716</b>	<b>212,652</b>	<b>129,018</b>	<b>1,473,324</b>	<b>177,048</b>	<b>115,445</b>
<b>Operating Expenses</b>	<b>11</b>	<b>188,361</b>	<b>17,956</b>	<b>10,894</b>	<b>159,183</b>	<b>19,129</b>	<b>12,473</b>
Administration	12	16,686	1,591	965	6,774	814	531
Corporate management fees	13	22,500	2,145	1,301	-	-	-
Bank Service Charges		15,994	1,525	925	11,630	1,398	911
Marketing & Fundraising		17,673	1,685	1,022	52,586	6,319	4,120
Professional Services Fee		37,319	-	-	59,007	7,091	4,624
Travel & Entertainment		7,470	712	432	688	83	54
Training		-	-	-	4,798	577	376
Volunteer Honorarium	14	70,720	6,742	4,090	23,700	2,846	1,857
<b>Non-operating Expenses</b>							
Exchange adjustment	15	245,474	23,401	2,231	-	-	-
<b>Total Costs &amp; Expenses</b>		<b>2,664,551</b>	<b>254,009</b>	<b>142,143</b>	<b>1,632,506</b>	<b>196,177</b>	<b>127,918</b>
<b>Net Surplus/Deficit</b>		<b>2,902,916</b>	<b>276,732</b>	<b>179,862</b>	<b>536,642</b>	<b>64,488</b>	<b>42,050</b>
<b>BALANCE SHEET</b>							
<b>Assets</b>		<b>ZAR</b>	<b>USD</b>	<b>GBP</b>	<b>ZAR</b>	<b>USD</b>	<b>GBP</b>
Cash in Bank		5,009,723	477,571	392,546	2,470,447	296,872	193,576
Outstanding Loans		1,086,577	103,582	85,141	788,931	94,805	61,818
VAT	16	68,467	6,527	3,365	-	-	-
<b>Total Assets</b>		<b>6,164,767</b>	<b>587,680</b>	<b>483,051</b>	<b>3,259,378</b>	<b>391,677</b>	<b>255,394</b>
<b>Liabilities</b>							
Restricted Donations		4,468,959	426,021	350,173	1,809,066	217,394	141,752
Accounts payable		2,473	236	194	-	-	-
<b>Total Liabilities</b>		<b>4,471,432</b>	<b>426,257</b>	<b>350,367</b>	<b>1,809,066</b>	<b>217,394</b>	<b>141,752</b>
<b>Equities</b>							
Retained earnings		1,450,312	138,257	113,642	1,174,566	141,147	92,035
Net Income		243,023	23,167	19,041	275,746	33,136	21,607
<b>Total Equity</b>		<b>1,693,335</b>	<b>161,424</b>	<b>132,684</b>	<b>1,450,312</b>	<b>174,283</b>	<b>113,642</b>
<b>Total Liabilities &amp; Equity</b>		<b>6,164,767</b>	<b>587,680</b>	<b>483,051</b>	<b>3,259,378</b>	<b>391,677</b>	<b>255,394</b>

# Notes to go with the numbers...

**1 Income:** all our income derives from donations and bank interest. Restricted donations are restricted by the donor for a particular use.

- Our donor sources, in order of value, are private individuals, charitable trusts, corporate entities and government funding. Our funds emanate from donors, in order of value, in USA, SA and UK.

- Income levels are up generally but in particular they are boosted by donations to the pre-school building projects.

**2 Expenses:** this section includes everything we spend.

**3 Bursaries:** although the number of bursaries have increased in 2013, expenditure has decreased as students on our older, more expensive, bursary package graduate.

**4 ECD Seedlings:** increased expenditure reflects completed and on-going pre-school building projects.

**5 Ikhaya Labantwana:** continued support for this Masicorp founding project.

**6 Ukhanyo Primary School:** includes the Science Lab, English Lab, Physical Education and Uniforms programmes.

**7 Other:** includes Independent Thinking which has been renewed and expanded.

**8 CoCT community projects:** City of Cape Town community projects funded by CoCT and facilitated by Masicorp

**9 Community Service:** includes expenditure on the park next to the Library

**10 Nondyebo Art:** Sales support programme

**11 Total operating costs:** this is 8% of our total expenditure

**12 Administration:** includes additional computers and IT support

**13 Corporate Management service fees:** Deputy CEO and other related costs.

- No salary, fee or any other benefit was paid to any other office bearer including the President/CEO.

**14 Volunteer honorariums:** honorariums were awarded to three Executive Directors and eleven members who lead and coordinate a number of our programmes and projects.

**15 Exchange rate adjustment:** the adjustment is due to the change in exchange rates from the date restricted donations (and the related cash held in overseas bank accounts) were received and the exchange rate as at the end of the financial year (31 December). This accounting treatment was adopted for the first time in 2013.

**16 VAT:** we gained registration in SA during the year which allows us to reclaim the tax on expenditure.





## About us...

**Masiphumelele Corporation [SA]** is a registered NGO in South Africa  
NPO: 040994 and PBO: 930015544  
VAT Reg: 4200263426

**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 2013:**

None

**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 2013:**

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 2013:**

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

masiphumelele  
township  
south africa

partners in education and enterprise



## 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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