The Telkom Foundation
ANNUAL REPORT
2018

For the year ended 31 March

Telkom

Scope and Boundary of the Report

The Telkom Foundation Trust is an autonomous legal entity of Telkom SA SOC Limited with its own Board of Trustees and Head of the Foundation. The Telkom Foundation conducts all Telkom SA SOC Limited's corporate social investment initiatives, which during the year under review spanned seven provinces (Gauteng, Western Cape, Eastern Cape, KwaZulu-Natal, Mpumalanga, Free State and North West). The Telkom Foundation was established in 1998 and registered as a trust in 2002. This Report covers the year from 1 April 2018 to 31 March 2019.

The primary objective of the Telkom Foundation is to contribute to the transformation of disadvantaged communities through sustainable development programmes. The Foundation acts in collaboration with the government, the private sector and education institutions to improve the quality of education in Science, Technology, English and Maths.

Matters considered material to stakeholders and to the Telkom Foundation are addressed throughout the Report.

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Message from the Chairman

Shafika Isaacs

In 2017, The Telkom Foundation implemented our revitalised strategy in which we took a very deliberate decision to follow a depth-approach — as opposed to a breadth-approach — in order to aggressively tackle some of the most critical educational challenges with technology. We are looking specifically at models of learning among our cohort of learners, within the South African context of marginalisation and exclusion. This is where we see ourselves contributing to the education landscape.

The Foundation's primary focus is leveraging Telkom's resources and ICT capabilities to improve education. The objective is to drive sustainable socio-economic solutions as well as underpin Telkom's long-term sustainability. This is aligned with South Africa's development goals and Telkom's corporate strategy. For nearly 20 years our Connected Schools Programme has transformed primary schools across the country, enhancing the education of thousands of children.

Creating replicable models to tackle challenges

In our initial phase we carefully identified 2700 children whom we felt would benefit from our interventions. We specifically selected schools in peri-urban Gauteng, and added Eastern Cape schools in 2018 because we recognise that so many South African children in marginalised, rural, and township communities are struggling with learning.

We then applied this depth-approach, using technology to help us gain insights into each learner Cand their progress, in order to develop sustainable, replicable models that can potentially provide solutions to address the learning challenges that our children are facing.

Bio

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Our children are missing the basic foundational skills

What we've learned — particularly over the past year — is that the vast majority of these learners who are in Grades 8 through 12, do not have the foundational literacy, linguistic and numeracy skills needed for maths. Based on our experiences of the first year, we realised that in order to re-establish these foundational capabilities, we needed to gain a deeper sense of the profile of the individual learner, and their learning difficulties.

With the assistance of our partners, we conducted several tests to understand the cognitive aspects of the learning challenges, as well as the social, emotional, and psychological challenges, which are all essential dimensions of learning in the context of our specific learners. By incorporating online tools, and data analytics we were able to analyse every learner and understand specifically where they are struggling.

One of the biggest insights to come out of our analysis is that learners are failing maths because they can't read, and in particular, they can't read in English as it is not their mother-tongue, so we are tackling this issue head on. These and other insights are enabling us to add value to the national conversation around learning challenges, and are helping us to model ways in which technology can be used to help to address those challenges.

The importance of a holistic approach

Our focus in 2018/2019 has been on the child in the system — not just the child in isolation. There are many factors that can influence how a learner performs. We have used our diagnostic tools to understand the nature of the problem, how best to engage, and how to encourage learners to attend classes by identifying and addressing the psycho-social challenges each child is facing.

We have looked at them in a more holistic manner in the system, focusing not only on the children, but also on the teachers and the principles, and the district officials, with whom we have spent a lot of time and energy, working closely with them to train and develop them. We have also worked with the Department of Education in Gauteng and the Eastern Cape to enable us to provide additional infrastructure and ICT for the schools. We are supporting the capacity development of teachers, parents / guardians, principals, and the community as a whole.

Under our revitalised strategy, and through the incorporation of technology as a means of performing diagnostics, we have now accumulated two years of data that highlights the challenges our children are facing. What we've realised that learners struggling with schoolwork and face complex social challenges, these are children — like many in South Africa — who are in living in child-headed households; some of whom have gambling addictions; or behavioural issues. When you understand that learners who are in child-headed households are not showing up for school because they are having to look after their siblings, that's when you have to re-evaluate the nature of the support you are giving.

A work in progress

Our aim is to motivate and inspire the learners we work with, so they aspire to greater things. We are addressing deep-seated learning challenges by building foundational skills of numeracy and literacy supported by technologies such as coding, as well as supplementary tuition. Thanks to these programmes and others, we know our learners have creativity and talent and can achieve when given the opportunity. We also realise that our interventions and support must continue beyond basic education so that we address and contribute to resolving the unemployment challenge faced particularly by township youth. We are also leveraging internal Telkom Programmes to look at how best we can support these learners, post schooling.

Our interventions are a work in progress, and we are taking a long-term view. We gained further data and insight during the 2018 / 2019 year, and we plan to continue following the same children in 2019/2020 and 2020/2021. This will give us the comprehensive insights we seek while continuing to support our chosen learners over the long term.

Report from the Head of the Foundation

Sarah Mthintso

Bio

Sarah is the Head of the Telkom Foundation, which is the CSI function of Telkom. Registered as a Trust, the Foundation is focused on investing in education and ICT to empower marginalised youth towards being economically active into the future. Prior to this, she has worked in other corporates, including Old Mutual as Head of Corporate Affairs, a portfolio that also looked after CSR, B-BBEE and Stakeholder Relations.

Apart from her work in corporates, Sarah has also worked in both non-governmental organisations and public services. Prior to her appointment with the Foundation, she held a number of other roles in Telkom including Head of Stakeholder Relations for the Group. She has extensive experience and a passion for development and youth. She is a Wits alumnus, with a BA Social Work (Hons) degree, and an MBA with Wits Business School.

We live in challenging times as South Africa continues to suffer from the triple burden of unemployment, poverty, and inequality, exacerbated by slow economic growth. South African youth continue to be on the receiving side of the increasing unemployment rate. Between Q4: 2017 and Q4: 2018, the percentage of young persons aged 15–24 years who were not in employment, education, or training (NEET) increased by 1,4 percentage points to 31,1 percent. The Eastern Cape had the highest rate of young people aged 15-34 years not in employment, education, or training at 46,6 percent. The rate increased by 3,1 percentage points year-on-year.

With huge knowledge and skills deficits, and an education system that is yet to focus on preparing learners for the future, the risk of youth non-participation in the economy will continue to increase. The digital divide also does not bode well, with South Africa ranked 75th out of 143 countries; and our ICT sector has a comprehensive list of scarce skills.

We have seen challenges in the learners' performance particularly when assessing maths and science results. If we subtract the number of learners in full time schooling in Grade 12 in 2018 (643 802) from the number who entered school in Grade 1 in 2007 (1 171 323), the number of 'missing' learners that are unaccounted for is 527 521 learners. This means that 45% of learners who entered Grade 1 did not make it to Grade 12. The enrolment picture, however, does not consider children who start school late, who repeat grades, or who re-enter school after a break.

The Telkom Foundation's primary objective is to contribute to the transformation of disadvantaged communities through sustainable development programmes. The Foundation acts in collaboration with the government, civil society, the private sector, and education institutions, to improve the quality of education in Science, Technology, English, and Maths and to increase their chances of accessing economic opportunities

A *holistic approach*

By investing in education in an integrated manner, with the incorporation of technology into schools, careful assessment, and course adjustments where necessary, I believe the Foundation is on the right path to making a meaningful contribution to our country.

Trying to find a solution for the problem of today does not mean we are not thinking about tomorrow's problems. It is not enough to help these learners to catch up enough to pass matric. They need more support and assistance to ensure they have the requisite skills to play a meaningful role in the economy especially given the rapid changes brought by the changing technology. Our interventions must look at solving all these issues at the same time to ensure that these learners secure a job in the rapidly changing world of work.

Our starting point was to acknowledge the systemic challenges in the education system and that children's ability to succeed is impacted by the societal system around them. That is why our intervention is not just focused on the learners' outputs. We are impacting the learner by investing in both teacher and leadership development, through the deployment and integration of ICT towards improving the quality of education, and we are exposing learners to the future of work, beyond the curriculum.

Our difference as the Telkom Foundation is that we offer not only academic support, but also exposure to future skills. We want our youth to have, in addition to their academic qualification, certificates in skills such as coding, robotics, or data science, for example. When we achieve that, they are more likely to succeed than their peers who only have a pure matric, especially within the context of future work.

Gaining traction

Our learners are as excited to learn as we are to teach them. Interventions such as the supplementary classes take place mainly on Saturdays and during the school holidays. ICT integration takes place during school while programmes that support the learners' personal journeys, such as counselling sessions and leadership development take place as part of the overall school curriculum.

We are seeing great traction in the way our learners are progressing. We have learners that when they started had severe foundational challenges in terms of performance, whose performance is improving quite tremendously. Some grade 9 learners were operating at grade 3 or grade 4 level at the start of our interventions, and are now almost where they should be. Some of our learners who ordinarily would not have had access to a computer are currently developing apps and websites.

Our learners are hungry to learn and are excited by the opportunities offered. These learners are starting to see potential futures for themselves and it's building confidence and optimism. Our aim is to take what we are learning from these interventions and create replicable and sustainable models that can be implemented across South Africa.

An important journey

This is a journey that we have undertaken, and we are beginning to see progress. By intentional design, the impact of our education work is very long term. These initiatives are not the sort of thing that you invest in today, and then tomorrow you see an immediate impact. We were very clear from the beginning that a learner can only be assisted if they are viewed holistically.
Unless you take the view that this learner is a human being before they are a learner, that this learner is deserving of all the rights that are entrenched in the constitution including the right to access education; the right to human dignity; the right to be protected from abuse and exploitation; and all the others, then you are tempted to see them as just another CSI project and that is not what we want. As the Telkom Foundation, we are authentic in our commitment to ultimately delivering a positive, sustainable, social impact.
As we look forward to 2019/2020, we plan to increase the number of learners exposed to digital skills; and we anticipate that learners receiving remedial support from us enables them to catch up with the peers and see real results in the classroom. We trust that our investors can see the positive impact that we are already having on our journey, and that they will continue to travel alongside us.

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Telkom
Foundation
at a glance

Who we are

The Telkom Foundation is responsible for the Telkom Group's corporate social investment programme. Established in 1998, the Foundation has a proud history of contributing to the transformation of disadvantaged communities in South Africa. This is achieved by using Telkom's resources and ICT capabilities to develop and implement sustainable socio-economic solutions in the areas of education and social welfare.

We work with selected high schools in the public education system by supporting learners, parents, educators, and school management teams and principals, in efforts to contribute to improving the quality of teaching and learning in South Africa. Our learners are provided with both academic and non-academic support.

Our academic programme offers the following:

- Supplementary tuition in gateway subjects such as maths, science, technology and English, through a blended teaching approach
- Our educators are supported through our teacher development programme to use content innovatively, strengthen their pedagogical expertise and integrate ICTs to improve the teaching practise
- We use communities of practice to facilitate sharing of learnings and support principals in our participating schools

All our schools are supported with an ICT ecosystem that includes the following:

- Learner and educator devices
- Education software
- Educator support programmes
- Fast and reliable Telkom connectivity
- In school ICT support

Our non-curricular programme includes:

- Psycho-social learner support, which includes counselling services, life skills programmes, career counselling, personal change and leadership development.
- Introduction to basic ICT skills such as coding and gaming

Why we exist

The Telkom Foundation is responsible for Telkom's Corporate Social Investment programme. We have a proud history of contributing to the transformation of disadvantaged communities in South Africa. Using Telkom's resources and ICT capabilities we provide sustainable socio-economic solutions in the areas of education and social welfare.

South Africa continues to suffer from the triple burden of unemployment, poverty, and inequality, exacerbated by slow economic growth. Added to this, are system education challenges which include unequal distribution of resources in schools, low performance in maths and science. As an example, whilst the system has done well in other areas, the World Economic Forum ranks South Africa 75 out of 76 countries for maths and science. The digital divide also does not bode well, whilst in comparison other developing countries, South Africa has done well, we remain ranked 75th out of 143 countries.

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The state of South Africa's education

Apart from some of the challenges listed above, learner attrition remains one of the big challenges in the system, with 45 percent of learners who enter Grade 1 do not make it to Grade 12. Whist the enrolment picture does not consider children who start school late, who repeat grades or who re-enter school after a break, attrition remains a worrying factor. We see these changes in enrolment more clearly when plotting the above DBE enrolment data by grade for each class in full time schooling over time (Roberts 2019).
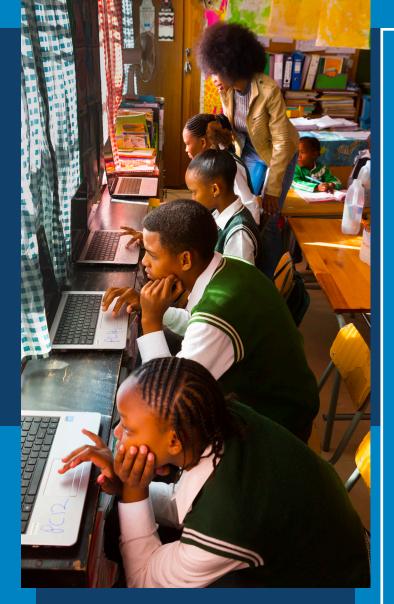
Youth unemployment

South Africa's unemployment rate for Q4 2018 sat at 27,1 percent, representing 6,1 million unemployed persons. Between Q4: 2017 and Q4: 2018, the percentage of young persons aged 15–24 years who were not in employment, education or training (NEET) increased by 1,4 percentage points to 31,1 percent
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The NEET rate was higher for females compared to that of their male counterparts in both time periods. Compared to Q4: 2017, the percentage of youth aged 15–34 years who were not in employment, education or training (NEET) increased by 0,5 of a percentage point from 38,4 percent to 38,9 percent in Q4: 2018. Four in every ten young females were not in employment, education, or training.

The Eastern Cape had the highest rate of young people aged 15-34 years not in employment, education or training at 46,6 percent. The rate increased by 3,1 percentage points year-on-year.

South African youth continue to be on the receiving side of the increasing unemployment rate. With huge knowledge and skills deficits, and an education system that is not adequately preparing them.

Our strategy

Education remains the most powerful tool through which real and meaningful societal change can occur. The unemployment rate continues to escalate, and our youth are being the hardest hit, so it is critical to prepare them, and to ensure that we take the inevitable impact of the Fourth Industrial Revolution into account in our planning.

The Foundation needs to consistently anticipate and understand the changing world of work, and the skills that will be required to thrive in it. For greater impact, we need to work collaboratively with Telkom — and other partners — and focus proactively on digital and other relevant skills.

While we consider the requirements of the future, we must be mindful of the present. Learners assessments have revealed the need to address pressing foundational gaps; to empower teachers with pedagogical, content, and ICT skills; and to strengthen leadership instructional ability. In response to these and other challenges facing South Africa's youth, the Foundation's strategy is focused on improving education, and employability. The strategy and programmes are in line with B-BBEE ICT Sector Code which asserts that socio-economic development initiatives must enable ICT sector socio-economic development and promote access to the economy for black people.

Approved by the Foundation's Board of Trustees in 2017, the comprehensive High School Support Programme (HSSP) offers learners academic support, psycho-social support, and an introduction to basic digital skills. In addition, support is offered to strengthen teaching and school leadership by leveraging technology.

The learnings and insights drawn from the execution of the programme to date, inform and enable us to constantly review and adapt the programme in order to achieve the agreed outcomes. To manage this process, we have defined and outlined metrics which will be tracked, and acted upon, on an ongoing basis.

Now in its second year of implementation the HSSP benefits approximately 2700 learners, and over 100 teachers in seven schools – five in Tshwane West, and two in Port Elizabeth, the last cohort is expected to complete matric n 2022.

Our goal

Our over-arching goal is to develop and support selected learners to improve their academic performance, strengthen character, and develop digital skills, in order to better equip them to access future economic opportunities.

The Foundation has learned — and continues to learn — that the education context by itself is very complex, and requires continuous monitoring, and understanding, to deliver real results. It has become clear in this journey, that the education landscape changes rapidly, and requires agility and responsiveness. We aim to achieve this goal by successfully implementing our strategy and focusing on our objectives, while integrating our learnings to ensure that the programme is relevant and beneficial.

Strategy goals and objectives

1. To provide supplementary tuition in maths, science, and literacy to strengthen and improve learner academic performance
2. To contribute towards strengthening instructional leadership capacity in our partner schools
3. To contribute to strengthening teacher pedagogical, and content knowledge and effectively integrating ICT to improve teaching and learning
4. To contribute to learner psychosocial wellness, build their resilience and grit, and guide future career choices
5. To offer learners access to digital skills in order to prepare them for the future world of work

Objective 1: To provide supplementary tuition in mainly maths, science, and literacy so as to strengthen, and improve learner academic performance.

The initial supplementary model was designed to provide grade-specific academic support to just under 2700 learners in the areas of maths, science, and English, on Saturdays and during school holidays. To strengthen delivery this year, the programme was modified to focus primarily on remedial academic intervention to address identified foundational gaps, especially in maths. A new pool of knowledgeable and passionate tutors was brought into the programme to strengthen teaching in the supplementary programme.

Objective 2: To contribute towards strengthening instructional leadership capacity in our partner schools

Principals are burdened with compliance responsibilities, which often hinder innovation and creativity. Most of them lack the instructional leadership capability and the ability to use technology as an enabler. This makes it difficult to hold other school stakeholders to account for improving ICT use at school level. As a result, the data management systems and tools deployed by the Department of Basic Education, such as the Driven Districts Dashboards (DDD), are not optimally used to extract insights and inform the teaching and learning in schools. If the DDD were used more effectively they would be able to better manage issues of learner and educator absenteeism, learner performance analysis by subject, and remediation.

Objective 3: To develop and support teachers in improving their pedagogical, content and ICT skills towards improved teaching and learning

Teachers are critical in enabling the effective integration and adoption of ICT in schools. It is therefore important to prepare, develop, and support them to effectively utilise ICT to transform the teaching and learning process. We have worked with the teachers to strengthen their pedagogical and content knowledge, whilst assisting them to leverage technology as an enabler.

Objective 4: To contribute to learner psychosocial wellness, build their resilience and grit and guide future career choices

Given the political, economic and social context within which partner schools exist, there are a myriad of psycho-social challenges such as poverty, unemployment, substance abuse, domestic violence and teenage pregnancy that are likely to impede learner progress and quality teaching. Recognising this, the Foundation has partnered with non-profit organisations to provide psycho-social relief to vulnerable learners, their families and work with teachers in this regard. To ensure continuity, this support will be extended to teachers and parents.

Objective 5: To offer learners access to digital skills in order to prepare them for the future world of work

"Many of the jobs people work in today "simply won't exist in the next decade". All careers, and consequently all school graduates, will require digital skills." - Predictions by both PricewaterhouseCoopers, and Deloitte Access Economics

The Fourth Industrial Revolution ushers in a new era where new industries take the spotlight and drive economic and commercial growth while de-prioritising other industries that can be automated, thereby causing some jobs to disappear.

The Fourth Industrial Revolution is disrupting industries, mainly through the fusion of technology and critical "soft" skills. The demand for digital skills has as a result increased rapidly and will continue to do so into the future.

Our current schooling system is not tailored to meet these skills demands. Whilst government has committed itself to driving the transition in education from the old to the new, most public schools still have a long way to go to prepare for the future. In designing the digital skills programme the Foundation will need to ensure that this is not a standalone but rather a key contributor to the broader Telkom digital skills strategy. The ultimate aim of creating a pool of young talent with relevant basic digital skills for Telkom, its subsidiaries, partners and the industry to recruit from.

Beneficiaries

Schools in disadvantaged areas

2017

Approximately 3 000 Grade 8 to 12 learners, Gauteng and Eastern Cape

2018 to 2022

Approximately 3 000 Grade 8 to 12 learners, Gauteng and Eastern Cape

2022

Scalable education solution for onwards national implementation

Stakeholders

Telkom Limited

Telkom SA SOC Limited is the sole funder, and supports the broader national socio-economic development through the Foundation and other entities. In so doing we interact with a range of stakeholders who have a common vision on building a cadre of youth who are empowered to participate in future economic activity.

Telkom employees

Telkom believes that its employees are an extension of the broader society within which we do business, and therefore creates opportunities for employees to contribute to worthy causes. Employees are able to participate in structured volunteerism projects aimed at supporting community causes

Partners

Our partners facilitate meaningful community development programmes that will have a tangible impact on the communities. These partnerships enhance our ability to deliver, and include the private sector organisations, and civil society contributing towards improving the quality of education. Telkom Foundation's new strategy programmes could provide scalable long-term solutions for the challenges in South Africa's education arena.

School leadership

Relationships with the participating schools' leadership ensures that the best interests of the learners, teachers and the school are served through the intervention of the Foundation's programmes. Leaders are supported to improve on their instructional leadership.

Educators

Forging a collaborative partnership with the teachers is essential for the success of the programme.

Learners

The Telkom Foundation offers learners the opportunity to improve their education and employability. The programme also exposes the learners to ICT as a tool for learning and inspires a future ICT workforce.

Parents

The parents of the participants play a role in supporting the learners in the programme and fostering a sense of responsibility in their children regarding the equipment and taking advantage of the opportunity afforded to them.

Communities

The Telkom Foundation must undertake responsible social investment that empowers local communities and demonstrates respect for the communities and community leaders.
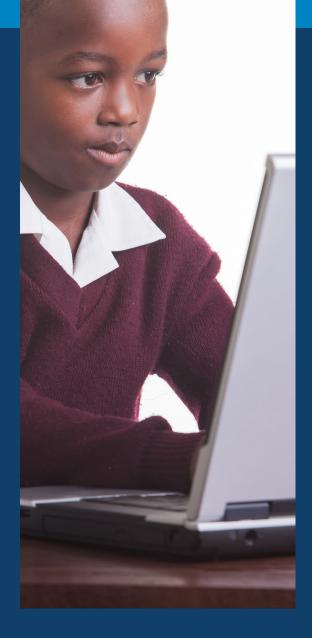
Regulatory organizations

We influence and comply with related legislation such as the NPO Act, BBBEE Act and other legislation regulating areas of our programmes

02

Our achievements in FY2018

ICT Integration

ICT integration into teaching and learning is a hallmark of the Supplementary Teaching programme, and also enables the schools to build teacher ICT skills and improves exposure of learners to ICT.

The Foundation has committed to leveraging Telkom's ICT capability to strengthen the quality of education in schools. The ICT Integration programme helps realise our ambitions of technology blended education and is in line with the ICT Codes (BBBEE) which dictate that all socio-economic programmes must seek to integrate ICT as a way of improving the lives of the disadvantaged.

During the 2016/17 financial year, five Tshwane schools received ICT equipment, software and connectivity for Grade 8 teachers and learners. The 2017/18 financial year covered the rollout for Grade 9 in Tshwane West schools and PE schools. In the 2018/19 financial year, the rollout will cover Grade 10 in Tshwane and Grade 9 in PE. Going into 2019/20, the rollout will only be in PE for Grade 10 and in Tshwane the Gauteng Department of Education would have covered Grade 11 and 12. A similar arrangement will be pursued during 2018/19 with Eastern Cape Department of Education.

Teacher ICT Progress

Teachers are trained on ICT integration and support to enable them to incorporate it into their teaching and learning. The aim is to shift teachers' pedagogy from being consumers of content, to becoming generators of content and technology. To date 90 percent of Grade 8 and Grade 9 teachers in our pilot schools have been trained.

In support of full integration, we focused on the following areas:

1. Identifying — through a procurement process — a partner for pedagogical and content knowledge in maths and science
2. Strengthening connectivity capacity
3. In classroom support, mentorship and coaching sessions for teachers
4. Training of learners on the use of computers
5. Continuous change management, which will include supporting school and district leadership in driving the integration of ICT
6. Increasing and maintaining the use of BCX Learn, to support learning outcomes, whilst continuously working towards improving the platform to deliver greater value - https://www.bcxlearn.com

Whilst there is visible progress in ICT introduction, our future focus is to drive the interaction between ICT, pedagogy and content as integral facets of improved teaching and learning

Tshwane Progress

Port Elizabeth Progress

With exposure to ICT having commenced in 2018, we have seen great progress in the integration and adoption of ICT

- A total of 17 percent of teachers fall into the Advanced category, using tech in new, exciting ways (vlogs, blogs) and collaborative projects with peers
- A total of 48 percent of teachers fall into the 'Intermediate' category, using electronics lesson plans, using technology to teach, and including multimedia content
- A total of 35 percent of teachers fall into the 'Beginner' category using tech for basic administrative tasks and instant messaging

- A total of 11.5 percent of teachers fall into the Advanced category, using tech in new, exciting ways (vlogs, blogs) and collaborative projects with peers
- A total of 34 percent of teachers fall into the 'Intermediate' category, using electronics lesson plans, using technology to teach, and including multimedia content
- A total of 54.5 percent of teachers fall into the 'Beginner' category using tech for basic administrative tasks and instant messaging

Supplementary teaching programmes

The Supplementary Teaching programme is in line with the articulated goals and objectives of the new strategy, and seeks to improve learner performance in maths, science, technology and English. During the 2017 academic year, the programme focused on helping learners to plug content gaps. In 2018, the programme was augmented with additional technology-driven tuition, thereby creating an enhanced, blended model.

To drive ownership and sustainability, the programme has been proactive in stakeholder engagement, and has also brought in subject-matter experts from the districts in both provinces, in the design and implementation of the programme. As such, there are three project streams made up of the partners, and the district representatives looking after maths, science and literacy.

The partnership with an education non-profit organisation called BRIDGE has been extended to not only cover seven schools, but to include eight other schools previously funded by the Foundation as part of the community of practice.

The Foundation also has a partnership with education non-profit St Mary's Foundation, and school support programme Alexandra Education Committee (AEC), which will run until 2019 and 2021, respectively. St Mary's Foundation supports Grades 10-12 and AEC supports Grades 8-12. The Foundation works with these programmes to support in areas such as maths and science and introduction to digital skills such as coding.

Mathematics

PROTEC Partnership

PROTEC is an education non-profit which the Telkom Foundation has partnered with. In 2018, the programme supported approximately 2700learners, broken down as follows:

1. **Tshwane West 5 high schools** – total of 1 941 learners
   - 1 010 Grade 8 learners who were new to the programme
   - 931 Grade 9 learners made up of learners that benefited from the 2017 Grade 8 programme; Grade 9 repeaters; and new learners from other schools
2. **Port Elizabeth 2 high schools** – a total of 626 learners
   - 712 Grade 8 learners who are all in their first year of the programme

The programme has completed recruitment with the above learners who make up the cohort for phase one, who will be supported until Grade 12.
To advance learner performance in maths, science and English, the Supplementary Teaching programme provides extra classes. In order to measure progress, both school-based and programme assessments are used for baseline measurements and reporting.

Learner diagnostics in mathematics in partnership with Reflective Learning

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Of 2141 Grade 8 and 9 learners who were assessed at the beginning of 2019:

- Around 5 percent of the learners had a conceptual understanding and application of mathematics at Grade 3 level
- Around 64 percent of learners had a conceptual understanding and application of mathematics below Grade 6, but higher than Grade 3 (basic)
- Around 30 percent of learners had a conceptual understanding and application of maths below Grade 9, but higher than Grade 6 (intermediate)
- Less than 1 percent of learners demonstrated grade appropriate conceptual understanding and application of maths at or above Grade 9 (advanced)

These were indicative of the following underlying issues:

Learners struggled with core foundational concepts such as numbering, measurements, and shapes etc. These outcomes shaped how we redesigned the programme to tailor it to focus on remedial and address identified gaps.

The following approach was taken to deliver the math remedial programme

1. Customised learner booklets to address their individual foundational gaps
2. Learner-directed study where workbooks are completed on a weekly basis
3. Tutor and teacher support in class
4. Post-diagnostic assessment will be done to assess whether this intervention is yielding results

To supplement these efforts, world class content was provided through Telkom's education zero rated platform, where multimedia content such as videos, audio etc are available for use by both learners and teachers. To mitigate the language barrier, the Khan Academy math videos are now available in Zulu and Xhosa, and currently completing the Sotho translation. Beyond the online platform, the programme is constantly exploring the use of technology to enable the learners to learn at pace and access even a variety of content to reinforce learning.
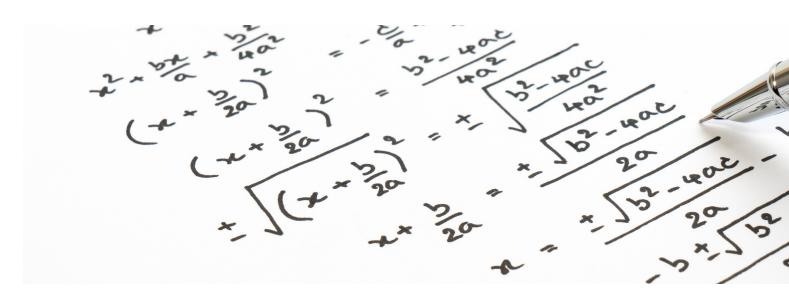
The programme is looking to strengthen its diagnostics in other areas such as Natural Science, Physical science and English
With regards to English and literacy skills, the focus is not only to drive curriculum, but to also encourage and promote the culture of reading, especially reading for pleasure, writing for expression, and literacy for life.
 The Foundation partnered with Fundza and Reading to learn to support both learners and teachers in improving the quality of teaching and learning .

1. Reading to Learn: to strengthen teachers' capacities to deliver lessons that develop reading with understanding among learners
2. Fundza: to support the English efforts, and to encourage the culture of reading the Telkom education zero rated platform. In addition, the platform has been configured to also include other valuable resources such as Nalibali, African stories to promote the culture of reading amongst learners. All these are provided at no cost to the learner on the Telkom network.

Both these have also integrated technology enabling learners to access content on.

Science

With Science, Teachink is our preferred partner. In our diagnostics, what was pleasing was that the baseline data results for science was not as low as it was in maths. Learners continue to display gradual performance in this area. Teachink, a provider of online support for education, leverages technology to provide learner and teacher support in this discipline.

Learner Performance

Overall, we have seen an improvement in learner performance, teacher development and instructional leadership and the integration and adoption of technology.

Maths continues to be a challenge with significant learner gaps, however, learners are progressing and reducing the gap by at least a grade or two. There is an increasing appetite in maths as a subject, and an increasing number of learners taking math core, though only marginally. Learning behaviours in Math in particular have improved, for example, improved pace, precision, motivation, and metacognition, which are critical foundations to them doing well, especially in Grade 12.

Language is showing significant improvement and maybe include a percentage here, and Science as well.

Leadership and Teacher Development

Our Communities of Practise approach has been instrumental in supporting the principals in delivering on their leadership mandate. This platform also allows for collaboration and sharing of best practise amongst school leaders. Regular interactions are encouraged to include curriculum teams so as to achieve better integration.

Support in this area also extends to ensuring that leaders understand the value of technology and leverages existing systems to gather learner data and insights to influence key decisions such as identifying where most support is needed, fostering collaboration and allocating time and resources in areas where they are needed the most.

Learnings

Whilst we still have a long way to go with learner performance, it is pleasing to see the improvement that we are seeing. Our work will continue to focus on closing these foundational gaps, which eventually will prepare this cohort to do better in matric and beyond.

Going forward we will:

1. Strengthen support based on insights that we continue to extract from our engagement with learners
2. Ensure that our partners are agile enough to respond to this dynamic landscape and rapidly changing context.
3. Synergise seamlessly efforts in psycho-social, ICT, and academics to the benefit of the learner.

The programme will continue to support the school leaders to ensure the following:
1. **Digital and ICT integration support** – focused on both teachers and school management teams. This area be done in the form of training and mentorship to progress the integration of ICT in teaching and learning.
2. **Maths and science content training** – this component will focus on improving teacher content knowledge. and ensuring seamless integration with technology and pedagogy.
3. **Communities of practice** – To widen the support by including the broader School Management Teams, to share ideas on how best to deal with school challenges such as learner performance, and teacher development to enable learner performance improvement.

With respect to the Professional Development Framework for Digital Learning and how that has been applied in this programme, our classroom observations show that most teachers are augmenting their current practices with digital resources such as videos, images, and audio. The Gauteng schools continue to vary with readiness in this regard, with Seageng and Winterveldt High Schools with more teachers augmenting their lesson plans, while NM Tsuene has the lowest among Tshwane High schools still lagging behind.

Both Ndzondelelo, and Khwezilomso High Schools in Port Elizabeth, seem to show more progress in classroom practice, with teachers using the technology in structured ways.

Challenges

With matric as a success-measure of the education system, focus tends to skew towards Grade 12, evidenced by districts directing more support towards this grade. This sometimes leads to movement of best teachers to Grade 12, and new teachers joining junior grades mid-way interrupting the process of learning.

Attendance of training sessions is another ongoing challenge which — if not managed — could impact in-classroom integration of technology. Whilst we have seen significant improvement in the adoption of technology in the classroom, teachers need to be encouraged to attend training to further advance themselves in this area.

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Community of Practice meetings

With conflicting priorities that principals are having to manage, they do not often make time for Community of Practise sessions, leading to them sometimes missing out on useful discussions. In these sessions, Principals are assisted in resolving challenges with the Data Driven Dashboard that they are implementing. All five schools are supported in Tshwane, while ten schools are supported in Port Elizabeth.

Training on the District's Data Driven Dashboard was provided to enable better data-driven management. Focus was on learner performance in key areas in Port Elizabeth. Seven schools implemented maths and language intervention strategies. Principals are now able to reflect on practice, and find it easier to seek advice, and assistance, where there are perceived shortcomings. There is now a higher level of engagement with collaboration and sharing of knowledge.

To assist principals with planning, sessions were held were they were assisted with diary management and recommitting to attending CoP meetings, with progress showing in this regard. Port Elizabeth seems to show better improvement in comparison.

Youth Leadership Development: The Columba Leadership programme

Telkom and culture-change organisation, Columba Leadership, partnered to provide the learners and schools with leadership training. Columba's programme aims to shift the culture of schools over two years through the implementation of a values-based leadership programme that introduces the concept of youth and adult partnerships to address challenges facing schools and communities.

Selected Grade 10 learners, three educators, and the principal will be chosen per school, who will be trained to drive a wide-scale change programme aimed developing a values-driven culture, focused on improving ethics in the school, and developing and improving learner behaviour.

This programme will be critical to building the foundation for character and grit. A structured approach centred around adult/youth partnerships and peer-to-peer engagement supported by the creation of leadership opportunities will be adopted to drive change. To ensure scale, a multiplier effect will be used, where trained learners will be used as champions to train and support others.

Through the programme, learners, with adult support, form teams to take on projects to tackle the biggest challenges confronting the school, such as violence and bullying; sanitation and toilets; sex education; drug abuse; teen pregnancy; lack of discipline; and attendance. In these real-life action learning projects, they will learn to work in teams, solve problems and communicate. The programme will contribute to building learner skills in leadership, collaboration, and problem solving, while being a driver for instilling positive values in schools and the community.

ICT Digital Skills Programme

Coding

The Foundation provides training to learners and youth on basic coding skills. Coding has been chosen as the starting point for building learner digital skills because it is the basis for developing other digital skills such as data science. Additionally, the coding learning journey develops soft skills such as collaboration, critical thinking and problem solving among learners.

A total of 1077 youth and learners were reached through our partnership with Nunnovation Africa Foundation. Events included:

- **Code Nation (December 2018):** One thousand learners were targeted; 900 learners attended the coding introductory week-long boot camp. Monthly sessions planned for 2019 to entrench their skills. First session completed for Rustenburg, Port Elizabeth, and Tshwane schools. Two learners who attended the Code Nation camp, Nkosivumile and Zandile, have since gone on to successfully run their own business in web development.
- **Coding through gaming:** 35 Deaf unemployed youth were trained in coding through gaming.
- **Coding for Primary Schools:** 62 primary school learners in Soweto, Garankuwa and Tembisa were given exposure to robotics and coding through age appropriate training materials.

ICT youth upskilling partnership with the National Libraries SA (NLSA)

The Foundation partnered with the National Libraries SA (NLSA) to upskill 100 unemployed youth across the country with ICT skills to improve their chances of future employability. The programme offers selected youth skills and practical training leading to an accredited qualification at an NQF level 4 or 5. Our selection of learners also ensured that priority is given to female youth with a ratio of 70/ 30.

The Foundation primarily funds the skills programme, whilst the NLSA contributes and offers learnership opportunities for purposes of practical learning. Once these youth are trained, the NLSA creates opportunities for possible absorption as part of their overall digitisation of libraries across the country. To drive ownership and sustainability, the NLSA works with local and provincial government as they are responsible for the management of the libraries.

To prepare them for the world of work, a number of learners were taken through a four-month course in either:

1. Information Technology (NQF4)- 80 learners
2. Systems Technical Support (NQF5) 20 learners

Twenty learners completed all six modules of the NQF Level 5 National Certificate: Systems Technical Support, while 80 learners completed all four modules of the NQF Level 4: Further Education and Training Certificate: Information Technology. Three learners dropped out after four months citing better employment opportunities three new learners were recruited to close the gap.

With increased stipend, augmented by the NLSA, learner attendance increased in second month and was retained throughout the programme at 98 percent. This cohort is expected to graduate in April 2020. These young people are also provided with training in other areas such as financial literacy, entrepreneurship and work readiness to prepare them for the world of work.

Psycho-Social Support

Our Non-Academic Support programme provides psycho-social support including counselling, training, and appropriate referrals, for Grades 8-12 learners, teachers, parents and the school community in order to improve educational outcomes.

The support programme has identified particular issues that impede learner performance:

- Drug and alcohol abuse
- Behaviour and discipline issues
- Child-headed families
- Teenage pregnancies
- Bullying and gambling
- Building of ICT skills
- Exposure to careers

To contribute to learner self-awareness and resilience, assessments of learner modalities have been conducted and teachers are being assisted to tailor their classroom practices to take account of assessments. Feedback workshops were conducted with learners to give them insight on their learning modalities and personalities for future career choices.

Participating learners also have access to individual counselling services and peer group sessions. Group work with learners is run by social-work auxiliaries after learners have been screened by social workers. During the report period, 600 learners were referred for and received counselling. Misbehaviour was the key reason for referrals to counselling. This is also evident in some schools and is being addressed in the Principals' community of practice sessions. Challenging family dynamics and substance abuse were the second most prevalent reasons for referral, and counsellors are attending to these issues, including via family visits. Most learners who received counselling are showing improved behaviour.

> Learners benefit from well-developed confidence and self-awareness. To help them achieve this we ran quarterly awareness campaigns on teenage pregnancy, HIV/AIDS, bullying, and gambling and substance abuse, in conjunction with our partners Lifeline and FAMSA.

Community engagement sessions have included parenting skills presentations, gender-based violence workshops for learners, gender awareness workshops for parents, as well as cyber safety training.

Post-school access initiatives were aimed at ensuring that learners are aware and better prepared for their future careers. Activities included career expos focused on ICT and world of work sessions.

To ensure that learners have adequate skills in ICT applications and cyber safety, we hosted cyber safety training and sessions in coding, robotics and IoT.

We have seen positive results from the psycho-social interventions. In Tshwane for example, the number of referred discipline cases decreased by 78 percent, down from 1,432 in 2017, to 301 in 2018. Referred substance abuse cases also decreased by 39 percent, down from 160 in 2017, to 110 in 2018.

Learner attendance and attrition are tracked given linkages with learner performance, psychosocial support levels, welfare and parental involvement. Learner attendance was stable for the five Tshwane schools during the regular school classes, and we saw almost double overall attendance for the Supplementary Tuition programme.

Other Youth Development Initiatives

With the rising youth unemployment rate coupled with huge knowledge and skills deficits, and an education system that is not adequately preparing them for today, never mind the future, the risk of youth non-participation in the economy will continue to increase.

Telkom and its partners have worked with a number of learners to ensure that they are better prepared for the world of work. Through guidance, mentoring, and theoretical and learnerships, we're working towards a practical solution to youth unemployment. These initiatives form part of phase 2 and phase 3 of our HSSP strategy roll-out, which will include tertiary level support programmes, and placement of candidates into economically productive roles (employment and or enterprise development).
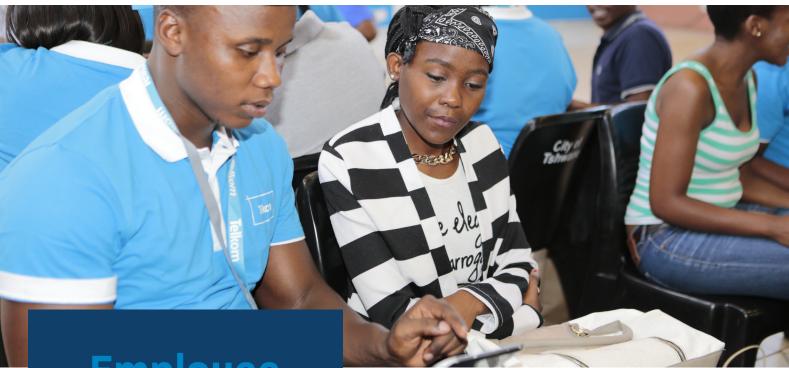
Township Salesforce Programme

In partnership with youth development organisation LoveLife and digital inclusion programme Lefa Co-Op, the Foundation supports entrepreneurial opportunities for young people. These youth are trained and supported to serve as distributors of telecommunications products. This is part of the Telkom Consumer growth strategy aimed at offering customers a wider choice of offerings in underserved markets such as townships.

In 2018, Telkom Foundation provided financial support towards stipend costs for a total of 280 youth for a 12-month period.

The Telkom Foundation allocated R6.8m to the upskilling of 100 youth in accredited ICT qualifications. Mpumalanga Province allocated R2.3m to the programme and have guaranteed the absorption of 20 learners.

Engagements with three of the provinces are underway to ensure that they also offer additional funding to support their learners.

Employee volunteering

Integrated Employee Volunteering

We recognise the value that Telkom Group employees contribute to society and the potential value that they could contribute to fulfilling the new strategy. In 2017/18, this programme was aligned to support the psycho-social aspects of the strategy. In 2018/19, the Foundation continued with an integrated approach within the following sub-programmes:

Adopt-a-Project programme

While this programme had been running for more than a decade, the board approved its transformation in 2017/18 from purely supporting projects selected by Telkom Group senior executives to a broad-based programme that gave opportunities to all Telkom Group employees working in groups. The uptake was positive with 1 employee projects approved, and 13 executives' projects approved.

The following organisations were beneficiaries of this programme:

- Afrika Code Kids
- Baby Theraphy Centre
- Ebotse Development and Training Centre
- Father Mkhatwsa Secondary School
- Girl Guides South Africa
- Lesolang Primary School
- Lesolang Primary School- Warm Up Garankuwa
- Masifundisane Youth - ICT training for Khwezi & Ndzondelelo grade 11&12
- Monde Primary School
- Nunnovation Africa Foundation
- Nunovation ICT CODING Camp-kgatlamping
- Play Africa Group
- Sindizana Foundation
- Walter Sisulu Primary (Bright Smiles)
- Walter Sisulu Primary School
- Zifundiseni ICT Foundation

Payroll Giving programme

The programme facilitates employee financial contributions towards community development areas of their choice.

Funds collected from Telkom employees are matched by the Foundation on a rand-for-rand basis and distributed quarterly to ten non-profit organisations through the Giving Organisation Trust, at no distribution costs to the Foundation.

The following non-profit organisations are beneficiaries of the funds and allocated to areas chosen by Telkom employees:

- The South African Red Cross contributes towards prevention and alleviation of human suffering and to foster human dignity largely in poor and vulnerable populations
- The Ithemba Trust supports projects that aid intellectually challenged and physically disabled children. The Trust assist with the funding of therapeutic and play equipment at special needs centres around South Africa.
- Cotlands is a non-profit early childhood development organisation focussing on addressing the education and social crisis by establishing early learning playgroups and toy libraries in under resourced communities.
- Africa Foundation is a non-profit organisation in South Africa whose purpose is to uplift, upskill and empower identified rural communities near core conservation areas.
- CANSA offers a range of services to cancer patients and their families.
- The Desmond Tutu HIV Foundation pursues excellence in research in the prevention and treatment of HIV, TB HIV and related infections and provides distance training for health professionals.
- CHOC Childhood Cancer Foundation SA is the only organisation in South Africa that provides comprehensive countrywide support for children with cancer and other life-threatening blood disorders as well as support for their families
- WESSA works with educators and learners throughout South Africa to support and enrich the school curriculum with environmental content.
- The National Council of SPCA (NSPCA) is the umbrella body for 97 societies situated throughout South Africa. They deal with national issues and have four operational units, Farm Animals, Society Liaison, Special Projects, and Wildlife.

A total of R791 160 was contributed by Telkom employees during the 2019/20 financial year. Based on the budget that the Foundation had allocated to the programme, an amount of R1 577 916 was distributed, including the Foundation's matching funds, to the ten benefiting organisations, Approximately 450 employees contributing to the Giving from the Heart programme, an updated report is being finalised detailing the breakdown of the number of contributing employees per level and the average monthly contribution in each level.

Employee Volunteering: Time and Skill

This programme facilitates the involvement of Telkom Group employees in community development programmes offering their time and skills. The programme will be largely geared towards supporting strategy outcomes within the selected Foundation schools in Tshwane and PE. It will include projects to commemorate national days such as Youth Month, Mandela Month, Women's Month and other ICT and literacy related national and international days.

A total of 242 employees volunteered their time and skill to assist a total of 2662 beneficiaries, at five events across the country in 2018. During Youth Month, 25 volunteers gave of their time to address 900 young people at a career day in Tshwane West. During Mandela month, 140 volunteers helped at the Stop Hunger Food Packaging initiative held in Gauteng, Kwa-Zulu/Natal, and the Eastern and Western Cape which helped 100 beneficiaries. Eleven volunteers assisted with Mother and Girls Cyber Safety Awareness in Tshwane West, addressing 220 beneficiaries on Women's Day.

Summer Coding Camp proved a popular event with 46 volunteers assisting Code Nation in Gauteng, the Eastern Cape, and the North West province. A total of 843 learners benefited from this programme. Nineteen volunteers assisted during the Alexandra fire disaster which helped 600 people who lost everything in this tragedy.

03

Governance

Good governance and ethical behaviour underlie all the Telkom Foundations activities. The Board of Trustees, and the Telkom Foundation's employees, subscribe to a high level of professionalism and integrity in conducting its business, and dealing with all its stakeholders and beneficiaries. The Board of Trustees plays an important role in setting the vision purpose and strategies of the Foundation.

The **Board** of Trustees

The Telkom Foundation has a unitary Board consisting of three Telkom Executives and four Non-Executive Trustees. The role of the Chairman, and the Head of the Telkom Foundation, is separated and a Non-Executive Trustee chairs the Board. The Executive Trustees are not appointed under service contracts and their remuneration is not tied to Telkom's financial performance.

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 Telkom Foundation Board of Trustees plays an important role in setting the vision, purpose and strategies of the Foundation. The Board is also responsible for risk management, corporate governance and ensuring a sound system of internal control. The Board is expected to always act in the best interests of the Telkom Foundation and is responsible for timely and transparent reporting.

The Board sits at least four times a year and more frequently if necessary. Some Board members resigned while others were renewed as follows Board members were renewed.

Members of the Board of Trustees at 31 March 2018:

TRUSTEE	PUBLIC OR TELKOM	DATE APPOINTED	STATUS
Mr. R Garach	Public	12 March 2013 (1st term) 1 April 2016 (2nd term)	Current
Prof L Rispel	Public	1 July 2015	Current
Ms L Vilakazi	Public	1 July 2015	Current
Ms S Isaacs	Public	1 July 2015	Current As chair 30 September 2018
Mr. A Samuels	Telkom	1 April 2015	Current
Mr. I Russell	Telkom	1 April 2015	Current
Ms G Machinjike	Telkom	30 June 2015	Resigned 30 September 2017
Ms N Piki	Telkom	1 October 2016	Resigned 31 March 2017
Ms M Lekota	Telkom	1 April 2017	Current
Mr Z Vilakazi	Telkom	1 October 2017	Current
Ms B Apleni	Telkom	1 October 2017	Current

Board Committees

The Board has established two committees to assist it in discharging its duties. A combined financial, audit and risk committee (FARMC) and an executive committee (Exco).

FARMC Responsibilities:
· 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.
· 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 Meetings.

Exco Responsibilities:
· Reviewing the operations of the Foundation
· Reviewing the Foundation's financial performance

The committees meet at least four times a year, or more frequently if necessary. The company secretary attends the meetings. The external and internal auditors are permanent invitees and have unrestricted access to the committee and its chairperson.

NAME	COMMITTEE
Mr. R Garach	FARMC & BOARD
Prof L Rispel	FARMC & BOARD
Ms L Vilakazi	EXCO & BOARD
Ms S Isaacs (Chairman of the Board)	EXCO & BOARD
Mr. A Samuels	BOARD
Ms M Lekota (Chairman EXCO)	EXCO & BOARD
Mr. IM Russell	EXCO & BOARD
Ms B Apleni	EXCO & BOARD
Mr ZS Vilakazi (Chairman – FARMC from October 2017)	FARMC & BOARD

The attendance of meetings:

	BOARD	EXCO	FARMC/RISK
Ms S Isaacs	4/4	4/4	N/A
Mr. R Garach	4/4	N/A	4/4
Prof L Rispel	1/1	N/A	1/1
Ms L Vilakazi	4/4	3/4	N/A
Mr. A Samuels *	3/4	N/A	N/A
Ms. M Lekota*	2/4	4/4	N/A
Ms B Apleni*	3/4	3/4	N/A
Mr. ZS Vilakazi*	3/4	N/A	4/4

*Telkom Employee

Non-Executive Trustees

SHAFIKA ISAACS	REFER TO PAGE 3 FOR FULL CV
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.
Linda Vilakazi	Linda Vilakazi is an educator involved in numerous educational programmes. She is a Visiting Associate at the Wits School of Education where she co-founded the Executive School Leadership Programme. A teacher by profession, she has over the years broadened her skill and knowledge into various fields. Her work profile includes teaching, holding senior positions at the Centre for Scientific and Industrial Research (CSIR), Thebe Investment, The African Leadership Group, City of Johannesburg, Bridge and others. Linda is a Non-Executive Director on various boards and currently chairs both the Thebe Foundation Trust and the JMBusha Investment Board. She is a UNIFEM award winner, an ALI Fellow, an ENSP graduate, and past President of the Rotary Club of Johannesburg. Her world view is driven by the need to provide social justice for all.
Laetitia Rispel **PhD (Wits University)**	Laetitia Rispel is Professor and Head of the Wits School of Public Health and also Scientific Director of the Medical Research Council Health Policy Research Group in the Centre for Health Policy. She has published on different aspects of health policy and health systems research central to many of the issues involved in restructuring and transformation of the South African health system in the post-apartheid period. On 2 September 2015, she was awarded one of 42 new DST/NRF SARChI chairs for South African women. Laetitia is a member of the editorial board of the international Journal of Public Health Policy. She serves on the governing council of the World Federation of Public Health Associations since May 2011. In January 2014, Laetitia was appointed as the vice-chair of the Board of the Office of Health Standards Compliance, a regulatory authority that will oversee and monitor quality of healthcare in South Africa. In October 2014, she received the Wits University vice-chancellor's academic citizenship award for her contribution to the development and growth of the Public Health Association of South Africa and to the growth of the discipline of public health both nationally and internationally. She was appointed on the Board of the Telkom Foundation in July 2015. (Resigned as Trustee 1 July 2018)

Non-Executive Trustees

Our team

Sarah Mthintso

Head of Foundation: Overall leadership and management of the Foundation

Nathi Kunene

Senior Manager: Responsible for overall operational matters

Monese Waga Puso

Specialist: CSI responsible for Connected Schools and Adopt-a-Project programmes

Jeanette Mtshaki

Operations Specialist: CSI Co-ordinating and monitoring psycho-social projects

Marcia Selebano

Administrator providing overall administrative support

Gallant Roberts

Operations Specialist: CSI identifying, co-ordinating and monitoring teacher and learner support projects

04

Financial Statements

The Telkom Foundation Trust
Registration No. IT5262/02
Financial Statements
 for the year ended
31 March 2019

Contents

Administration

Founder
Telkom SA SOC Limited

TRUSTEE	DATE APPOINTED
Mr. R Garach	Appointed 12 March 2013
Prof L Rispel	Current
Ms L Vilakazi	Appointed 1 July 2015
Ms S Isaacs (Chairperson)	Appointed 30 September 2018 as Acting Chairperson
Mr. A Samuels *	Appointed 1 April 2015
Mr. IM Russell *	Current
Ms M Lekota *	Appointed 1 April 2017
Mr. ZS Vilakazi *	Appointed 1 October 2017
Ms B Apleni *	Appointed 1 October 2017

*Telkom Employee

Head of the Foundation	ST Mthintso
Nature of Business	Charitable Trust
Secretary	GE Prinsloo
Auditors	PricewaterhouseCoopers
Financial Officer	Maggie Joubert
Bankers	ABSA Bank Limited
Trust Registration Number	IT5262/02
Non-profit Organisation	130004216
Registration Number	029-558-NPO
Registered Office	The Hub 61 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 statement.

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 not be a going concern in the year ahead.

The external auditors are responsible for independently auditing and reporting on the financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on pages 7 to 9.

The Operational expenses are 10.2% and projects 89.8% of the overall expenses for the Financial Year 2019.
The annual financial statements for the year ended 31 March 2019 set out on pages 10 to 20 were approved by the trustees on the and are signed on their behalf by:

_____
S Isaacs
Chairperson of the
Foundation

_____
ZS Vilakazi
Chairperson of the FARMC

Report of the Trustees

For the year ended 31 March 2019

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.

Business and Operations

The principal activity of the Telkom Foundation Trust is a non-profit making organisation contributing to the upliftment of disadvantaged communities in the Republic of South Africa through sustainable development programmes.

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 employees and five public trustees.
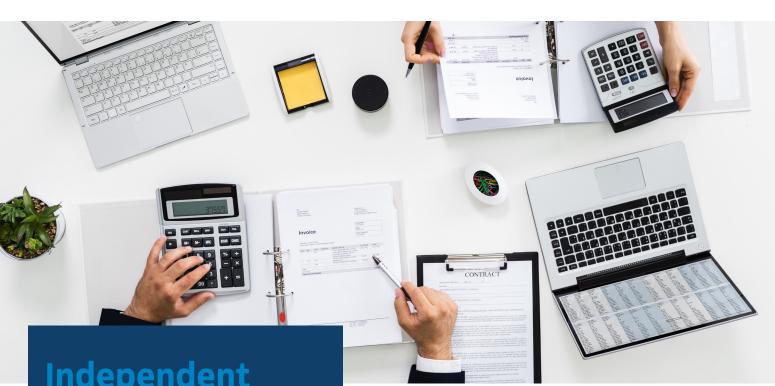
Going Concern

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.

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.

Events after the Reporting Period

There were no significant events after the reporting period.

Independent auditor's report

To the Trustees of Telkom Foundation Trust

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Telkom Foundation Trust (the Trust) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Telkom Foundation Trust's financial statements set out on pages 10 to 20 comprise:
• the statement of financial position as at 31 March 2019;
• the statement of comprehensive income for the year then ended;
• the statement of changes in equity for the year then ended;
• the statement of cash flows for the year then ended; and
• the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Financial Statements". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Inc.
Director: KJ Dikana
Registered Auditor
Johannesburg
[Date]

Statement of Comprehensive Income for the year ended
31 March 2019

	Notes	2019 R	2018 R
REVENUE		66 505 955	94 887 379
Donations received	1.2	63 710 563	94 468 510
Interest Received	1.2	2 795 392	418 869

	Notes	2019 R	2018 R
EXPENSES		78 380 794	57 677 286
Donations received	1.2	63 710 563	94 468 510
Interest Received	1.2	2 795 392	418 869
Office and Administration Expenses	1.11	2 720 780	2 640 192
Total surplus in the current year		**(11 874 839)**	**37 210 093**

Statement of Financial Position as at 31 March 2019

	Notes	2019 R	2018 R
ASSETS			
Current assets			
Cash and cash equivalents	1.5	17 952 561	43 737 161
Donations received	1.2	63 710 563	94 468 510
Interest Received	1.2	2 795 392	418 869
Total Assets		**33 469 942**	**44 432 150**
EQUITY			
Funds and reserves			
Funds and reserves		32 470 236	44 345 075
Total Equity		**32 470 236**	**44 345 075**
Other payables		999 706	87 075
Total Current Liabilities		**999 706**	**87 075**
Total Equity and Liabilities		**33 469 942**	**44 432 150**

Statement of Cash Flows for the Year Ended 31 March 2019

	Notes	2019 R	2018 R
Cash flows from operating activities		(25 784 600)	37 901 378
Cash generated by operations	1.7	(28 579 992)	37 482 509
Interest received		2 795 392	418 869
Net increase/(decrease) in cash and cash equivalents		(25 784 600)	37 901 378
Cash and cash equivalents at beginning of period		43 737 161	5 835 783
Total Assets		**17 952 561**	**43 737 161**

Statement of Changes in Funds & Reserves as at **31 March 2019**

	Programme Funds R
Balance at 31 March 2017	**7 134 983**
Surplus for the year	37 210 092
Balance at 31 March 2018	**44 345 075**
Deficit for the year	(11 874 839)
Balance at 31 March 2019	**32 470 236**

Notes to the Annual Financial Statements

1.1. Accounting Policies

The principal accounting policies which have been applied in preparing the Foundation's annual financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of Preparation

The financial statements of the Foundation have been prepared in accordance with the International Financial Reporting ("IFRS") as issued by the International Accounting Standard Board ("IASB"). The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, as modified for revelation of land and buildings, the available-for-sale financial assets, other financial assets and financial liabilities (including derivative instruments) shown at fair value.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies at the Foundation.

1.1.1. Income

Income from donations is recognised as the cash received or receivable.

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, therefore income received is 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 IFRS9.

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.

1.1.3. Employee Benefits

The cost of short-term employee benefits (payments within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognized as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.1.4. Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) If not they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

1.1.5. New Standards and interpretations

In the current period, the Foundation has adopted the following standards and interpretations that are effective for the period ended 31 March 2019 and that are relevant to its operations:

International Financial Reporting Standards and amendments issued and effective for 31 March 2019 year-end			
Name of Standard	Effective date	Brief Narration of Standard	Impact
IFRS 9 – Financial instruments (2009 & 2010) -Financial Liabilities De-recognition of financial instruments -Financial assets General hedge accounting	1 January 2018	This IFRS is part of the IASB's project to replace IAS39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measured models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The IASB has updated IFRS9, "Financial instruments" to include guidance on financial liabilities and de-recognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, "Financial instruments: Recognition and measurement", without change, except for financial liabilities that are designated at fair value through profit or loss.	It is unlikely that the amendment will have a material impact on the Trust's annual financial statements

International Financial Reporting Standards and amendments issued but not effective for 31 March 2019 year-end			
Name of Standard	Effective date	Brief Narration of Standard	Impact
IFRS 16 - Leases	1 January 2019	Lessor accounting has been substantially changed in the new standard. The models reflect that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognize assets and liabilities for short term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture).	It is unlikely that the amendment will have a material impact on the Trust's annual financial statements

1.2. Donations Received

All cash & non-cash donations in the current period, were received from Telkom SA SOC Ltd

	2019 R	2018 R
Current assets	**63 710 563**	**94 468 510**
Donations received from Telkom SA SOC Ltd	57 828 268	53 610 729
BCX	0	34 770 000
Other Donations received	568 143	287 638
In kind		
- Services paid by Telkom SA SOC Ltd	5 266 252	5 754 783
- Use of Telkom SA SOC Ltd facilities office space	47 900	45 360

1.3. Interest received

Interest received from ABSA bank	2 795 392	418 869

1.4. Staff expenses

The Trust does not employ staff in its own capacity. Staff costs represent the cost of employment of Telkom SA SOC Ltd staff dedicated to the activities of the Trust. All benefits are provided by Telkom SA SOC Ltd and are regarded as donations in kind, R5 266 252 for the current financial year and R5 754 783 for the prior (2018) year.

	2019 R	2018 R
Salaries	3 414 562	3 820 240
Allowances	1 181 432	1 299 349
Bonuses	72 143	42 759
Company Contribution	454 264	509 232
Other Benefits	117 301	29 313
Training Cost	26 550	53 290
****	**5 266 252**	**5 754 783**

1.5. Cash and cash equivalents

	2019 R	2018 R
Foundation current Account	1 485 939	37 804 360
Money Market Call Deposits	16 466 622	5 932 801
****	**17 952 561**	**43 737 161**

The Money Market call deposits are funds invested on behalf of Telkom Foundation by Telkom SOC Ltd treasury. The interest rate for April 2018 to end of March 2019 was 6.5%.

1.6. Accounts Receivable

	2019	2018
	R	R
Donations receivable Telkom SA SOC Ltd	13 572 821	480 922
VAT Receivable	16 466 622	5 932 801
	17 952 561	**43 737 161**

The donations received represents amounts committed to projects that are included in receivables and revenue respectively.

1.7. Cash generated from operations

	2019	2018
	R	R
Surplus for the year	(11 874 839)	37 210 093
Adjustment for items that must appear on the cash flow		
Interest received	(2 795 392)	(418 869)
Adjustment for non-cash items:		
Non – cash donation received	5 314 152	(5 800 143)
Non-cash operating expenses	(5 314 152)	5 800 143
Working capital (accounts receivable)	(13 909 761)	691 286
	17 952 561	**43 737 161**

1.8. Related Parties

A related party relationship exists between the Telkom Foundation Trust and Telkom SA SOC Ltd. Through representation on the Board of Trustees, Telkom SA SOC Ltd can 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 SA 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 and BCX through donations to the Trust. BCX is a wholly owned subsidiary of Telkom.

1.9. Taxation

No provision has been made for taxation as the Foundation has been approved as a Public Benefit Organization in terms of Section 30 of the Income Tax Act, and the receipts and accruals are exempted from Income tax in terms of Section 10(1) (cn) of the Act.

1.10. Trustees' Remuneration

These amounts have been included in office and administration expenses.
Telkom SA SOC Limited employees appointed as trustees of the Telkom Foundation Trust do not receive remuneration.

	2019 R	2018 R
Ms Isaacs (Acting chairman)	105 000	75 000
Mr. R Garach	75 000	52 500
Ms L Vilakazi	52 500	52 500
Prof L Rispel	15 000	37 500
Total	**247 500**	**217 500**

1.11. Office and Administration fees

	2019 R	2018 R
External audit fees ended 31 March 2019	115 000	85 075
Trustees fees	247 500	217 500
Brochure & Printing	462 426	359 237
Consulting fees	1 653 210	1 296 838
Other Expenses	242 644	681 542
	2 720 780	**2 640 192**

1.12. Programme Expenses

Focus Area	YTD spend as at 31 March 2019 (R)
New Strategy Education Programme	50 350 966
Transition (Legacy) Education Programme	2 146 026
Other Education Programmes	17 896 770
	70 393 762

1.13. Going Concern

These amounts have been included in office and administration expenses.
Telkom SA SOC Limited employees appointed as trustees of the Telkom Foundation Trust do not receive remuneration.

1.14. Subsequent Events

There were no significant events after the reporting period.

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

HIV/AIDS - Human Immunodeficiency Virus/Acquired immune deficiency syndrome

IAS - International Accounting Standards

ICT - Information Communication Technology

KZN - KwaZulu-Natal

MAD - Making A Difference

NGO - Non-Government Organisation

NPO - Non-Profit Organisation

NYDA - National Youth Development Agency

SA - South Africa

SOC - State-Owned Corporation

STEM - Science, Technology, English and Mathematics

Telkom Foundation

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