

Telkom



The Telkom Foundation Annual Report.

For the year ended 31 March

2017

Tomorrow starts today

A young boy with short dark hair, wearing a white school shirt, is looking intently at a tablet computer. He is sitting on a blue cushioned bench. In the background, other people are partially visible, also sitting on similar benches. The scene appears to be an educational or community setting. The image is framed by a blue border.

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 2016 to 31 March 2017.

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 Acting Chairman



Shafika Isaacs

Shafika was appointed on the Telkom Foundation's Board of Trustees in 2015, and was appointed Acting Chairman in 2016. She is an independent international consultant who specialises in the role of digital technologies in enabling quality education for all. She is also a qualified Professional Consciousness Coach®. She has worked with a range of international and local organisations including UNICEF, UNESCO, The Commonwealth of Learning, The Bill & Melinda Gates Foundation, Cisco, Intel, Microsoft and the Department of Basic Education. She was formerly the founding Executive Director of SchoolNet Africa, Education Director at Mindset Network, Partner Development

Lead for Microsoft's Unlimited Potential Group in the Middle East and Africa, Programme Director of eLearning Africa, Senior Programme Officer for the International Development Research Centre (IDRC), and Director of the Trade Union Research Project (TURP). Currently she serves as a Trustee for The Lewis Foundation, as member of the Board of Directors of Bridge, on the Steering Committee of Online Educa Berlin and as a member of the Advisory Board of the New Media Consortium Horizon K-12 Report. She has authored a number of reports and papers related to technologies in education and human development in Africa and served as Editor for The eLearning Africa Report in 2012 and 2013.

Connectivity is Telkom's business. By providing access to a digital life, Telkom empowers businesses and individuals by connecting them to the global economy, their social ecosystem and to the future. The Telkom Foundation, as stewards of Telkom's corporate social responsibility, has a keen and active understanding of its role and responsibilities in empowering individuals and communities by forging the *connections* necessary for these individuals and communities to make a more meaningful contribution to social and economic development.

Quality education is a potent catalyst for change that reverberates from individuals to families, communities and society. Improvements in education are associated with long-term improvements in economic performance. Education, particularly higher education, improves the capabilities of the workforce. Education spurs the development of new ideas and technologies and empowers the next generation to use technology to solve economic and societal challenges. A more educated population creates a pool of skilled potential employees with a higher standard of living – the customers of tomorrow.

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.

This year, we implemented our revitalised strategy. Over the last 18 months, the Board of Trustees has applied its collective mind to refining the Telkom Foundation's strategic direction. Our Trustees are eminently qualified for the task, comprised of members who bring an exceptional depth and breadth of experience in the fields of education, social development, ICT and finance. We began this journey under the leadership of Prof Nongxa, our outgoing Chairman, who is an exemplary role model and a national asset. Prof Nongxa, has been a leader in transforming the higher education landscape in South Africa. He resigned in 2016 and I was appointed Acting Chairman, after serving on the Board of Trustees since 2015.

Our new direction

Our new strategy takes our Connected Schools Programme to the next level. Adopting a holistic approach, we have considered all the aspects that come together to influence the long-term outcome of learners' education. There are numerous internal and external factors affecting the learner's academic performance. Bridging the digital divide alone is not enough to wield significant change. Empirical evidence illustrates that 20 years of ICT sector-led education interventions have shown little impact on long-term education results.

Our strategy represents a narrow but deeper approach to changing the lives of individuals through education. We intend walking the path through high school and beyond with a small cohort of learners. The Foundation will provide ICT solutions, while consciously and deliberately focusing on

Message from the Acting Chairman continued

the learners' socio-economic and psycho-social development. In the short-term, our model focuses on improving the quality of and the outcome of education for these individuals. The programme is designed with scalability in mind and the intention of providing an incubator for innovative ideas, which will inform effective solutions. (For full details of the implementation of the programme so far see page 16.)

A key element of the programme is monitoring and evaluation. We have implemented a set of metrics that will enable the Board, the Telkom Foundation team and the recipients of the programme to monitor the performance and health of the programme.

Our new strategy prioritises strategic partnerships. These include the Department of Education, companies that complement Telkom's offering and other initiatives within Telkom such as the FutureMakers⁽¹⁾ programme as well as the schools, teachers, learners, parents and the local communities. (See Stakeholder Relations on page 13).

Appreciation

On behalf of the Board and the Telkom Foundation, I would like to thank Prof Nongxa for his extraordinary work and leadership as Chairman of the Foundation. You have left an indelible legacy.

The Board undertook considerable and considered discussion, reviewing the changes our past programmes achieved as well as reflecting on the interplay of factors that impact the outcome of any education programme. The Trustees have dedicated a substantial amount of time in this endeavour and has delivered a commendable plan. They have done so with a commitment, vigour and enthusiasm that reflects their passion for creating a sustainable education solution. The Board has been remarkable. I would like to thank each member of the Board for their valuable and diligent contribution. Vital to determining a sustainable strategy, was engagement with management and our partners. Thank you to these key stakeholders for their contribution and collaboration.

I would like to commend Sarah Mthintso on her leadership through the implementation of the new programme. Sarah and the Telkom Foundation team have worked tirelessly and their achievements are admirable.

The Foundation also continues to nurture the wonderful culture of employee volunteering at Telkom. Telkom's employees have shown enormous commitment to building a better society through giving their time and skill to support the Foundation initiatives during the year.

Shafika Isaacs

Acting Chairman Telkom Foundation

⁽¹⁾ FutureMakers: for more information, visit <https://www.telkom.co.za/todayfuturemakers/>

Report from the Head of the Foundation



Sarah Mthintso

Sarah is the Head of the Telkom Foundation, 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. In Telkom she also held a number of other roles including Head of Stakeholder Relations for the Group. She has extensive experience and passion for development. She is a Wits Alumni, with a BA Social Work (Hons), and is currently studying towards her MBA with Wits Business School.

Report from the Head of the Foundation continued

Our education system is facing immense challenges. There is a 51% attrition rate in high school – each year more than half of all school-leavers enter the labour market without a senior certificate pass. There is also a systematic decline in Maths and Science in Grades 8 and 9, which has a significant impact on the skills pool for key sectors in the South African economy.

School leavers are entering an economy with one of the highest unemployment rates in the world. According to Statistics South Africa, the Youth Unemployment Rate in the first quarter of 2017 increased to 38,6%. Telkom and the Foundation recognise the triple burden of poverty, inequality and unemployment weighing on our youth, and how critical it is to be part of addressing these challenges. Not just for the future of South Africa, but for the future of the ICT sector in South Africa and for Telkom's long-term sustainability.

The Telkom Foundation has always been driven by the belief that you can empower a child with education. Educating our children empowers communities and propels economic development in South Africa. Through almost 20 years of engaging with the education system we have developed a clear understanding of, and have experienced, the educational challenges we face in South Africa. We have specifically focused on STEM subjects, with the lion's share of our funding going towards addressing weaknesses in these areas. In the past, the Telkom Foundation harnessed technology to facilitate education and teacher development in the foundation and intermediary school phases, with the intention of building a sound base.

With a view to addressing both education and employability, our new strategy takes a longer-term view, considering the outcome for the beneficiaries post-school. We want to ensure that our contribution prepares each learner to play a more productive role in society. In the context of the digital revolution, Maths and language skills are an essential foundation for success in the economy today, and for the jobs of tomorrow. In the rapidly evolving world we live in skills required by employers are changing.

At the heart of our new strategy is enabling learners from disadvantaged backgrounds to access tertiary education. To achieve this goal, we believe that we need to take a long-term view, starting with Grade 8 learners who we will support comprehensively right through to matric and beyond. We have adopted a multi-faceted approach. We aim to strengthen performance in STEM subjects throughout high school by providing ICT solutions such as computers, educational resources and connectivity to the internet. We are working with teachers to build their knowledge and skills as teachers as well as developing an approach to use technology that will empower them to become leaders in this regard.

A crucial element of our strategy is to address barriers to learning that emanate from the socio-economic status and psycho-social experience of the learners that impact their ability to achieve academically and reach their full potential. We also recognise the value of developing a growth mind-set that will engender tenacity and resilience when faced with challenges. The learners will be introduced to the opportunities created by technology and primed to think differently, and to use technology as a way of solving problems in society. (For full details of the implementation of the programme so far see page 16).

The Telkom Foundation's commitment to partnering with government to resolve the challenges in the education system remains steadfast, but our strategy goes further than that. Telkom recognises its responsibility as a major player in the ICT sector. There is a considerable supply/demand skills gap in the sector. As an ICT company Telkom has a vital role to play not only in enhancing performance in the gateway STEM subjects to address the skills gap but also in inspiring youth to join the sector. ICT is an ever-widening field that now permeates almost everything in life and is an intrinsic part of the economy.

The Foundation supports Telkom in building and preserving its social and relationship capital. This is an element of the business model that impacts the company's long-term sustainability. In today's world, the role of corporates has changed fundamentally. The contribution of business to wider society is no longer optional if society is to prosper. As a business, Telkom cannot operate effectively in an environment that contains a myriad of challenges. It is a strategic imperative to contribute to addressing these risks.

Telkom and the Telkom Foundation are united in their aim to deliver positive social change, and benefiting from doing so. To support future generations, we need to interrogate the actions we are taking now and how these are impacting our people. We partner in creating shared value that is mutually beneficial to both Telkom and the communities that the Telkom Foundation serves.

The team at the Telkom Foundation have really gone the extra mile. I would like to thank each one of you for your dedication and hard work.

Sarah Mthintso

Head of Telkom Foundation

01

Telkom
Foundation
at a glance



Who we are

The Telkom Foundation is responsible for Telkom's Corporate Social Investment programme

Established in 1998 and registered as a trust in 2002, 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.



The Telkom Foundation at a glance

The Telkom Foundation has contributed to transforming disadvantaged communities for more than 20 years, primarily focusing on leveraging Telkom's core offering of ICT and connectivity to enhance education in South Africa. In 2017, the Telkom Foundation introduced a revitalised strategy. Shifting focus to improving education and employability, the Foundation is providing high school learners with the advantage of ICT, combined with holistic development opportunities.

The Telkom Foundation continues to drive employee volunteering at Telkom, creating a culture of giving to communities in need.

Our new strategy

The new strategy of the Telkom Foundation involves High School support in the form of supplementary teaching utilising an ICT-blended model with an integrated psycho-social support programme together with a teacher development programme in ICT integration as well as Maths and Science content.

Phase 1 (2017 – 2022) is implemented in five schools in Tshwane West in 2017 and will be implemented in two schools in Port Elizabeth in 2018. ICT rollout, as an integrated component that enables the Supplementary Teaching blended model, will be completed for Grade 8 in Tswane West in 2017. The strategy and programmes are in line with B-BBEE ICT Sector Code which asserts that SED initiatives must enable ICT sector socio-economic development and promote access to the economy for black people.

Phase 2 (2023 – 2026) tertiary level support programme.

Phase 3 (2026 onwards) – economic activity of beneficiaries through employment and enterprise development.

Goal

To identify, develop and support learners from Grade 8 through to employability in ICT through an ICT-focused education programme and allied support processes.

Objective

- Improve quality of matric passes in Maths, Science and English;
- Well-developed ICT skills among learners;
- Improved access of learners to post-school education and training opportunities in ICT-related fields; and
- Improved employability of learners in ICT-related fields.

Beneficiaries

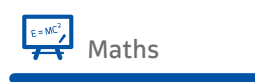
Schools in disadvantaged areas:

2017: Five schools, 934 Grade 8 learners in Gauteng

2017 to 2022: Approximately 3 000 Grade 8 to 12 learners, Gauteng and Eastern Cape

2022 – onwards Scalable education solution for national implementation

Subject focus:



Our multi-faceted approach

Providing infrastructure, support and educational material:

- Grade 8 learners are provided with laptops and bandwidth and transformed classrooms;
- Computer labs are installed for Grades 9 to 12 learners; and
- A full-time facilitator is introduced at each school.

Addressing barriers to learning:

Socio-economic and psycho-social issues are addressed, e.g. safety and security, children affected and infected with HIV/AIDS, nutrition, etc.

Developing attitudes and attributes for future success:

Through the Psycho-Social Support Programme the Telkom Foundation will address cognitive development, linguistic skills, critical thinking, problem solving and collaborative-based learning, cultivating grit and resilience, mentorship and peer support.

Adding value to teaching:

Not only are the teachers equipped with laptops and connectivity, they are also provided with in-depth change management and ICT integration training and were introduced to a consistent systematic approach.

Monitoring and evaluation:

A clear monitoring and evaluation plan guides the Foundation in the tracking of processes, outputs and progress towards achievement of intended outcomes for each of the three strategic phases.





Our stakeholders

Telkom Limited

The Telkom Foundation, the CSI arm of Telkom SA SOC Limited, is responsible for conducting initiatives that contribute to socio-economic development in South Africa. Telkom and the Telkom Foundation are mutually supportive of each organisation's strategy.

Telkom employees

The Telkom Foundation provides opportunities for Telkom employees to contribute to worthy causes. This enables the Foundation to mobilise projects that appropriately serve organisations and people in need of support.

Partners

Our partners facilitate meaningful community development programmes that will have a tangible impact on the communities. These partnerships enhance our ability to deliver on our strategy.

Government, particularly the Department of Education

The Department of Education collaborates with the private sector to improve the educational experience of learners in the schools chosen. 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 school's leadership ensures that the best interests of the learners, teachers and the school are served through the intervention of the Foundation's programmes.

Educators

Forging a collaborative partnership with the teachers at the participating schools 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.

02

Our
achievements
in FY2017



A focused approach

Next generation connected school programme

Our new strategy continues to weave the golden thread of education as a vital enabler in our society. With a more focused approach we expect to yield deeper benefits for everyone involved, and in turn through their contribution, more tangible benefits for the Telkom Group and wider South African society in the long-term.



Education

Connected Schools – Concluding our Primary School Programme

During the financial year, the Telkom Foundation completed the Connected Schools programmes that were underway in the Eastern Cape, Free State and the Western Cape. The programme engaged with primary schools for a three-year period, providing technology, laptops, internet connectivity, furniture, teacher training and educational material.

Connected Schools Programme in numbers:

Launched in 1998

Over R200 million invested

1 500 schools benefited

450 000 learners connected

18 000 teachers upskilled

Next Generation Connected Schools Programme

Our new strategy continues to weave the golden thread of education as a vital enabler in our society. With a more focused approach we expect to yield deeper benefits for everyone involved, and in turn through their contribution, more tangible benefits for the Telkom Group and wider South African society in the long-term.

For the pilot project, the Telkom Foundation selected five high schools in the Tshwane West Education District, in relatively close proximity to Telkom's campus in Centurion. These include schools in Soshanguve, Winterveldt and GaRankuwa, all of which battle with the problems generally facing learners in disadvantaged schools. The schools were selected in collaboration with the provincial and district offices of the Department of Education. The provincial and district offices of the Foundation engaged with a list of schools proposed by the district. After considering the need and commitment from the schools, five schools were selected.

At each school, the Telkom Foundation is supporting the Grade 8 learners through to matric. The GDE has committed to partner with the Telkom Foundation by rolling out the programme up to Grades 11 and 12. While the programme has 934 learners in the 2017 academic year, it will reach approximately 3 000 over the five-year period. Each year the new Grade 8 class will be included, with the total number of learners amounting to 3 000 in the final year. In taking a holistic approach we are not only providing the ICT infrastructure and related support, but will focus on the psycho-social and socio-economic aspects that impact the learners' education experience. Telkom as a business has an unrivalled capacity to provide ICT solutions, but we recognise that to make a lasting difference we need to go further than that.

This year Telkom Foundation's R13 million initial investment in the programme provided hardware and software, a range of training and support for learners and teachers, educational content and improved facilities at each school.

Each Grade 8 learner received a two-in-one tablet device.



In 2017, learners attended a Learner ICT Orientation Programme at the Telkom Centre for Learning, which showed them how the ICT industry is shaping the world. The programme introduced the learners to different careers in the ICT space and demonstrated how these jobs can really make a meaningful contribution to society. We also introduced the learners to the world of gaming, giving them a picture of the reach of ICT in our world.

Schools are provided with a learner management system that enables teachers to monitor learner activities and conduct assessments. There is also interactive content which allows the learners to engage in a fun, exciting and effective way.

At each school the classrooms for Grade 8s were transformed, technologically, replacing chalkboards with smart boards and installing the latest ICT equipment, but also transformed into modern dynamic educational environments, newly painted in bright colours with modern desk orientations.

Each school now has a new computer lab to provide access to technology and educational content to the learners beyond the Grade 8 learners.

In partnership with Schoolnet SA, the school management teams (SMTs) are undergoing change leadership training to empower them to effectively lead ICT integration training. They received laptops, which they can take home to prepare their lessons. Each school has an in-school technician. The Telkom Foundation is providing work experience and training to five youth interns qualified in ICT, one for each school, to manage and support the educators. Three of the five interns are young women. All the interns were local youths, previously unemployed, who have undergone training in ICT at Telkom, including training in ICT management and the internet of things.

The new programme has a rigorous monitoring and evaluation element, aimed at shaping the programme as it progresses over the next five years and informing Telkom's future interventions.

ICT Resources

Introducing high school learners to Telkom's world

There were also other *ad hoc* initiatives undertaken during the year, such as the winter school in July 2016. 60 high school learners from DA Mokoma High School in Winterveldt and Orlando High in Soweto, attended the winter school. The programme provided supplementary Maths tuition to 2016 matric learners and introduced Grade 10 learners to coding skills, which are a critical ICT skill. The learners also visited Telkom Park where they were introduced to the world of ICT with an interactive session on the Telkom network's capabilities and went on a tour of the Customer Experience Centre. The learners were also given career guidance and were exposed to leadership, entrepreneurial skills development and critical thinking.

Providing ICT hubs in Eastern Cape schools

Telkom joined private and public partners in a commitment to providing equipment to furnish ICT labs for three Eastern Cape schools.

The Telkom Foundation participated in Eastern Cape Premier Mr Phumulo Masualle's "Back to School" campaign aimed at transforming disadvantaged schools in the province. Three schools received equipment to furnish ICT labs to provide learners access to all the educational benefits of digital integration. In addition, the Telkom Foundation provided ICT change leadership and integration training to teachers and school leadership.

Learner support

Make a Difference Leadership Foundation

The Telkom Foundation has a five-year partnership with Make a Difference Leadership Foundation. In the second year, the Foundation continued to provide financial support to 20 learners with aptitude in Maths and Science in Grade 10 and 11 in Gauteng, Mpumalanga and the Western Cape, to enrol in better resourced schools to enhance their performance.

Education continued

The Future of the African Daughter Project (FOTAD)

The Telkom Foundation in partnership with FOTAD is supporting learners in STEM subjects. The Foundation supports 40 remaining girls of the initial 60 girls in the programme, aged 12 to 19 years, from two schools in Umtata in the Eastern Cape. The project provides the girls with weekly extra lessons in Maths and Science, Computer Lessons and a holiday programme that includes work experience, career guidance and leadership camps.

During the year under review, the Telkom Foundation, extended its support of FOTAD with a R489 150 donation towards addressing two major problems affecting the female learners at these schools: gender violence and access to sanitary products.



Ikateleng – learners empowered to improve

Telkom Foundation continued to support the North West University's Ikateleng Project, investing R3,5 million in the 2017 financial year, building on an over a decade long partnership with the program. Ikateleng provides high school learners quality extra tuition that helps the learners overcome educational challenges. According to Jabu Sithole, Marketing Officer at the Vaal Triangle Campus and Ikateleng Project Coordinator, the project obtained a 100% pass rate in 2016, thus contributing towards the Gauteng province's overall pass rate of 87%. "We are proud to say for the past two consecutive years we have been able to maintain our standard of a 100% pass rate and we intend to keep it that way", he said.

Student Sponsorship Programme

Telkom is funding five beneficiaries of the Student Sponsorship Programme. The Student Sponsorship Programme assists high school learners with potential from disadvantaged backgrounds and circumstances by providing access to quality education and enrichment programmes at well-resourced schools. The matrics in the Telkom Foundation programme for 2016 all performed well, achieving six distinctions between them and with an average of 70%, all with a Bachelor degree pass. One of the learners previously supported by Telkom, Anand Hadebe, is now employed by Telkom's subsidiary, BCX.

Supporting the National Education Collaboration Trust

Telkom Foundation has supported the National Education Collaboration Trust for the past three years, contributing R1,1 million in the year under review. The National Education Collaboration Trust was formed in July 2013 to strengthen partnerships between civil society and government, to support the achievement of South Africa's national goals for basic education. The Trust supported districts, schools and learners in Limpopo, Mpumalanga, North West and Eastern Cape in the year under review.

Grade 12 Revision Programme with Primestars Educate

Telkom Foundation invested R1 million in Primestars Educate Grade 12 Maths and Science revision programme in the 2017 financial year. Primestars Educate is a Primedia CSI initiative. This medium provides learners with the opportunity to be taught in a fun and experiential manner. Topics include Career Guidance, Financial Literacy, Matric Maths and Science Revision, Leadership Development and Entrepreneurship amongst others.

Mindset Telkom Amajuba Project

The Telkom Foundation collaborated with Mindset and other stakeholders to provide 30 high schools in the Amajuba District, KwaZulu-Natal with a technology-based solution to address poor learner performance in Grades 8 and 9 Math. Mindset broadcasts educational videos by satellite, with presence across satellite platforms in South Africa.

The Mindset Telkom Amajuba Project piloted a variation of virtual learning with live weekly lessons broadcasted to schools and tablets. Connectivity is provided to each class to enable feedback and questions via social media and Mindset Application. It also included the installation of television sets and decoders, the broadcast of video lessons, and training of teachers in the use of the technology. In the year under review, this partnership was extended to include the development of the Mindset Learn Application and related training of the teachers at the schools. The project achieved all set performance indicators. There was an additional 10% or more improvement in performance in over 50% of the learners in both grades.

NMMU supplementary teaching programme

The Touch Tutor Programme is aimed at establishing modern and innovative offline teaching and learning support platforms primarily for Maths, and then Science, in a cluster of 10 schools in the Nelson Mandela Bay Municipality in the Eastern Cape Province. Taking a holistic approach, the programme develops the professional capacity of the Maths teachers at the schools and supports Maths and Science learners in a sustainable manner.

The programme uses a unique offline techno-blended teaching and learning model that was developed by the Govan Mbeki Mathematics Development Unit at the Nelson Mandela Metropolitan University over the past five years. This model, as it applies to the Telkom project schools, involves the integrated implementation of the following projects:

- Tablet-assisted Maths and Science incubation programme on Saturdays for top learners in Grades 11 and 12 from each school;
- Tablet-assisted after school peer support programme for selected learners with potential from Grades 10 to 12 facilitated by in-house teachers at each school;
- Desktop PC-based resource centre in each school to ensure that all Maths and Science learners have access to quality curriculum aligned resources after hours; and
- A professional learning community support programme for Maths teachers that focuses on ongoing reflection and skills development linked to content gaps, classroom practice, transformative teaching strategies and ICT supported strategies for improving self-directed learning amongst learners.

The implementation of the above projects was supported by a comprehensive digital support package called TouchTutor™ which was pre-installed on each project tablet, desktop pc and laptop.

Alexandra Education Committee

The Telkom Foundation entered into a five-year partnership with the Alexandra Education Committee, investing R4,3 million over five years to support 175 learners. The partnership provides Saturday and holiday classes for Grades 8 to 12 Science, Maths and Natural Sciences as well as Life Skills training for high school learners. The project commenced at the start of the 2017 academic year. The Alexandra Education Committee identified a need for learners in Alexandra to access well-resourced and high-performing schools to improve their admission into tertiary studies.

The St Mary's Waverley Foundation

Telkom Foundation entered into a partnership with the St Mary's Foundation that will assist learners in Alexandra Township, Johannesburg and surrounding areas in improving access into tertiary education.

Telkom Foundation is investing R1,5 million per annum, R4,5 million over three years to fund the three-year programme. Started at the beginning of 2017, the programme will provide supplementary educational teaching for high ability learners from Alexandra and the surrounding communities to enable them to qualify for acceptance to tertiary education and access to employment.



Employee volunteering

Giving from the Heart

Giving from the Heart, our employee payroll volunteering initiative, reached new heights in the 2017 financial year as we broadened our base of employee volunteers by more than 30%. The enthusiastic response to our drive to increase contributors was heart-warming. The initiative gives employees the opportunity to make a difference through the voluntary deduction from their salary monthly. This is paid directly into *The Giving Organisation Trust* account, which supports some of South Africa's most reputable charities. The regular donations provide financial security that underpins the sustainability of these organisations.

The Giving Organisation charities are representative of areas in need in South Africa society. These include:

- children in distress;
- a feeding scheme for children;
- HIV prevention and treatment;
- cancer;
- intellectually disabled children and training for their care;
- preserving the natural environment and biodiversity;
- welfare of animals and wildlife;
- alleviating human suffering and disaster relief; and
- training in the formation of new NGOs.

During the year, Telkom was awarded Diamond status for their outstanding involvement and contributions to the benefiting charities of The Giving Organisation Trust.

The prestigious award makes Telkom a trailblazer, as a corporate that makes significant monetary contributions through the means of Payroll Giving. The incentive awards programme is categorised by four tier levels and is presented to participating Payroll Giving companies based on the number of employees and the size of the company. The categories include from Emerald at entry level, Ruby, Sapphire, and Diamond as the highest status

level. Telkom raised the bar by becoming the first participating company to achieve the highest status in the programme.

The Diamond status is awarded to companies that employ 1 000 employees and more and contribute more than R250 000.00 per quarter.

Adopt-a-Project

As part of the Telkom Foundation's initiatives to give back to communities, Telkom executives are given the opportunity to adopt a project or organisation that is close to their hearts. Over 30 Telkom executives select a worthy cause and the Telkom Foundation provides support and funding to the organisation.

Feeling the Value of Employee Volunteering First-Hand

Alfie Ngubo, Group Executive: Employee Relations, adopted the Luvuyo Orphanage Home in Soshanguve near Pretoria, as part of the Adopt-a-Project initiative. The home cares for 354 children who are infected and affected by , abuse, abandonment, neglect and who are vulnerable. Twenty-two children live there permanently. Some of the children living there were missing school because transport was unaffordable for their parents. Others were living in homes where their parents could not afford to feed them before school or over weekends. Luvuyo Orphanage Home provides a refuge where more than their basic needs are met. They receive emotional and psychological support and learn valuable life skills in a nurturing environment.

Explaining his choice, Alfie said protecting and nurturing the children of South Africa is a cause close to his heart as there are so many children who are vulnerable. "They are the future of South Africa, but their future lies in the hands of those that support them," he says. "When you see the dedicated women putting their hearts and souls into caring for these children, one is inspired to do what one can and I am grateful to Telkom for the opportunity to help."

Employee volunteering continued

As Group Executive: Employee Relations, Alfie understands volunteering has benefits far beyond pure community development. Employee volunteering boosts staff morale and company loyalty and helps position the company as an employer of choice.

Early Intervention Makes a Long-Term Difference

Dirk Reyneke, Head Integration: BCX, chose the Baby Therapy Centre in Pretoria as his Adopt-a-Project beneficiary. The centre assists babies and toddlers with developmental delays or special needs. It has an outreach programme that offers regular screening and therapy at local clinics and NPOs in Mamelodi West and runs a project in Salvokop near Pretoria.

Dirk explains that as a father he understands the challenges of being a parent and is pleased he can contribute to an organisation that is supporting parents, with few resources available, in addressing the challenges their children face. He recognises the far-reaching effect of the therapist's intervention at this stage of the children's lives. Developmental delays in babies have a significant impact of school performance in the long-term. Cognitive and motor skills are crucial to understanding basic concepts and are the foundation on which all later learning is built. These are developed in the first five years.

The therapists also offer teacher training to help facilitators enhance and improve their skills to offer an optimal early learning experience for each child.

Applauding Learners' Achievements

Robin Coode, Group Executive: Finance, chose to support Walter Sisulu Primary School in Olievenhoutbosch for his Adopt-a-Project with the Telkom Foundation. The initiative was conducted in partnership with the Bright Smiles Bright Future, an organisation that serves and develops impoverished communities. The aim was to inspire and motivate children at a Centurion primary school by acknowledging the top students from Grade 1 to 7 and the five best-performing teachers. While honouring the students who achieved, Robin also took the opportunity to acknowledge the personal accomplishments of each child. As he said at the prizegiving success is attainable for each child: "The real secret is to come to school, every day, ready to learn, to ask questions and to do our best. Looking at the attendance here today makes us all winners and achievers." He also reminded the learners of the importance of their education, as future leaders of our country, quoting Nelson Mandela: "Education is the most powerful weapon which you can use to change the world."

Adopt-a-Project recipients for 2017

Telkom Executive	Organisation	Purpose
Alphonzo Samuels	Ditshego House of Laughter	House of safety for orphaned children – provided nutritional aid, educational support and training
Alfie Ngubo	Luvuyo Orphanage Home	Cares for abandoned children with HIV and AIDS – provided food, clothing, transport and educational support
Anton Klopper	Nuwe Hoop Skool	Caters for multi-cultural learners who experience barriers to learning such as cerebral palsy, various forms of physical disabilities and special learning disabilities
Banie Van Vollenhoven	Lesedi La Batho	Early learning childhood development – provided nutritional aid and ICT exposure
Nwabisa Piki	Norwood Junior Secondary School	Primary school – provided educational support, ICT exposure and integration as well as support of the school's renovation

Telkom Executive	Organisation	Purpose
Beauty Apleni	Norwood Junior Secondary School	Primary school – provided educational support, ICT exposure and integration as well as support of the school's renovation
Dirk Reyneke	Baby Therapy Centre	Assists children with medium-to-severe disabilities with therapy and various educational needs
Ian Russel	St Vincent School For the Deaf	Facility for the deaf – provided support for technology needs such as tablets, established a training centre and provided assistive technology for the deaf as well as a full-time IT Specialist
Jacqui O'Sullivan	Kirsty Watts Foundation	Renovating children's wards and homes – contributed towards wheel chairs and raising funds for prosthetic limbs
Len De Villiers	Society Impacting Development	Offers skills development, education support, and poverty relief to disadvantaged and orphaned children
Robin Coode	Bright Smiles Bright Future	A holistic, empowering learnership programme that provides a bridge between High School and possible job opportunities
Themba Khumalo	Ntinga Music & Arts Academy	Provides musical training – provided ICT skills development and connectivity
Thokozani Mvelase	Central Gauteng Mental Health Society	Conducts and sustains protective workshops and hygienic aids
Shafika Isaacs	Olico Foundation	Provided ICT equipment for education purposes, ICT skills development and connectivity and related operational costs
Manelisa Mavuso	Uthandweni Children's Home	Independent Living Programme – provided hygienic cleaning and laundry items and supported educational and recreational activities items
Brian Amstrong	Malamulela Onward	Provides therapy for rural children disabled by cerebral palsy and training for their parents
Marna Wilden	Thembani Primary School	Primary school – contributed to laying of artificial grass for sports and tarring and upgrading recreational facilities
Siyabonga Mahlangu	Phumzile High School	ICT Equipment for teachers' basic skills development, research and to improve efficiency
Loyiso Nongxa	Mhlanga Development Trust	Purchased and converted containers for community ICT Lab
Linda Vilakazi	Oliver & Adelaide Tambo Foundation Trust	Sanitary Towels Project at Nkantolo Village

Employee volunteering continued

Telkom Executive	Organisation	Purpose
Leatitia Rispel	South African Depression & Anxiety Group (SADAG)	Supported SADAG's outreach programme, which assists high school learners and teachers with dealing with depression and reducing South Africa's high rate of teen suicide
Leatitia Rispel	The Salvation Army	The Salvation Army takes care of children between the ages of 3 and 18 years who are placed there by the Children's Court due to varying degrees of abuse, neglect, poverty and abandonment or incapacity of their caregivers
Dion Fredericks	Kleinvelei Primary School	Educational Stimulation Programmes – provided nutritional aid and transportation
Sarah Mthintso	Kgatlamping Primary School	Provided ICT equipment for teachers, training in basic skills, research and improved efficiency
Mervin Goliath	Olico Foundation NPC	Provided ICT equipment for education purposes, skills development, connectivity and related operational costs
Johan Henning	Vuyo Primary School	Provided ICT equipment for education purposes, skills development, connectivity and related operational costs
Sipho Maseko Megan Nicholas Themba Gumbi Isaack Mophatlane	Lesolang Primary School – Warm Up Ga-Rankuwa	The Telkom CEO and three of his colleagues clubbed together to support the school by providing ICT equipment for educational purposes, skills development, connectivity and related operational costs as well as security and transportation requirements

Time and Skills

67 Mins to Pack Meals

During Mandela Month, the Telkom Foundation provided Telkom employees with the opportunity to pack meals for undernourished children at a series of meal packaging events. The meals are highly nutritious and included a UNICEF-approved pack of 23 essential minerals and vitamins specifically formulated to combat malnutrition. The meal packaging event is a fun and engaging way for volunteers to be part of the drive to end child hunger. At the end of the day 120 people packed more than 18 000 meals in 67 minutes

The Telkom Foundation partnered with a development group of the National Youth Development Agency to host 47 women involved in ICT related small businesses or who offer ICT-related services. They are Internet café owners, web designers and desktop technicians from Polokwane, Secunda, Rustenburg and the outskirts of Gauteng. The women were invited to a lunch at The Innovation Hub that included a series of presentations by senior Telkom staff. The presentations covered consumer communications and marketing an introduction to Telkom's products that could make the women's personal and business lives much easier.

Telkom Knockout Empowers Youth Through “Connected Youth” Initiative

Telkom employees once again joined the Telkom Knockout in supporting the youth of Ga-Rankuwa in the Connected Youth programme. The Connected Youth programme aims to empower young people, aged 18 to 35, with ICT-related job searching skills and learning to code sessions. At an event attended by players from SuperSport United and Orlando Pirates, Telkom volunteers assisted about 300 young people with creating CVs, setting up emails, using their mobile devices to secure potential employment opportunities and job interview tips. Forty-five youths were identified by the NYDA (National Youth Development Agency) to receive ICT skills training. Nunnovation Africa Foundation, provided four hours of training in coding skills and then challenged the youths to create an app. The successful team created an app which could be used to register unemployed youth with their skills in a database that could easily be accessed by any company for future reference.

Volunteer Week

Telkom employees attended two of the five schools in Tshwane West during Volunteer Week in March 2017. At Ruabohlale Secondary School in Soshanguve which is one of the schools in the Next Generation Connected Schools Programme, employees painted the carport at the front of the school and covered more than 600 books. The carport was old and rusty and is the entrance to the school. At NM Tsuene High School in Ga Rankuwa employees painted the inside walls and window frames of one “double” class room. The efforts of the Telkom employees contributed to improving the learning environment at these schools and will ensure that the books last longer.

Rally to Read

The Telkom Foundation concluded its five-year contract with the Read Trust and Bidvest Group with the Rally to Read weekends that took place during September and October 2016. During the

rallies employees packed boxes of books and learning material to be delivered to rural schools in Eshowe, KwaZulu-Natal, the Drakensberg Golden Gate–Fouriesberg area, Free State, Malelane and Middelburg, Mpumalanga and Rustenburg, North West. Seventy-two Telkom employee volunteers attended the six rallies.



Social development

Every year the Telkom Foundation supports many organisations and initiatives that provide social services in disadvantaged communities. During the FY2107, R2,6 million was allocated to the various organisations listed below.

Lifeline and Childline

The Telkom Foundation continued to sponsor infrastructure for the 24-hour national telephonic counselling helplines for Lifeline and Childline. These services assist traumatised children, youth and adults by providing counselling, emotional support and immediate crisis management.

WEP@WORK

In Gauteng, we continued to fund the successful WEP@WORK programme, at Forest Town School for physically and cognitively challenged learners. A select few learners from disadvantaged backgrounds have been skilled and trained in Computer Hardware Awareness. For some of the beneficiaries, the training received at WEP@WORK has enabled them to live independently first time. The repaired computers can be sold and there is potential for the programme to make a profit and become self-sustainable. The Telkom Foundation has enlisted the help of FutureMakers, Telkom's enterprise and supplier development programme, to develop this as a business.

Connecting the Aged to their Families

In KwaZulu-Natal, the Telkom Foundation has partnered with The Association for the Aged in bringing connectivity to a home for the aged. Many of the residents are lonely and only see their families infrequently. The Telkom Foundation has changed that by introducing Skype as a means of keeping in touch. We provided the hardware and software as well as training and support to ensure that these senior citizens can regularly contact their families and be part of their lives.

Thapelo Community Centre

The Thapelo Community in Soweto started a singing group, but has brought more than entertainment to their community. It has grown into a key support system with a crèche and homework centre and an extensive vegetable garden. The homework centre provides local learners with a place to study that has electricity and connectivity. The Telkom Foundation provided computers and training for 30 youth members in basic IT skills. The Thapelo Community Centre provides training to more than 100 students for internships and see to placement of these students, 50 entrepreneurship trainees and over 200 youth in end-user computing skills per year.

Ditshego Home of Laughter

The Telkom Foundation supported the Ditshego Home of Laughter with a R50 000 sponsorship that contributed to an event aimed at raising awareness and further funding for the NGO as well as marketing the services of the home within the community.

FAMSA

Telkom Foundation partnered with FAMSA to provide psycho-social services to 10 high schools in the Port Elizabeth/Uitenhage district which the Foundation supported with the tablet-based Maths and Science programme in partnership with the Nelson Mandela University. FAMSA provides counselling, training, mentorship and family-orientated programmes aimed at supporting individuals, families, communities and society to build, restore and sustain functional relationships. The Foundation donated R433 200 towards a school intervention programme that addresses drug abuse, child headed households, teenage pregnancies, poverty, malnutrition, bullying, gender violence, gangsterism and chronic illnesses.

Kidz Clinic

Telkom Foundation donated four laptops with MiFi, each with data, to the social workers from the Kidz Clinic to enable them to attend to their work while waiting for their cases to appear in court. The Kidz Clinic provides free medical care, therapeutic intervention and treatment services to abused children. The project is run by Women & Men Against Child Abuse, a non-profit child protection organisation committed to fighting for the rights of children and to end the abuse of children in South Africa.

Limpopo Entertainment Group

The Limpopo Entertainment Group is a drop-off centre, where approximately 150 children can do their homework. Telkom Foundation donated three laptops with data to assist with the administration of the project and for the children's use for homework and research. In addition, the Foundation provided a financial donation for garden tools and seeds for a vegetable garden, money to upgrade the kitchen and to pay a stipend to three volunteers.

LoveLife Y-Centres

Telkom Foundation donated R1,5 million for renovations and to provide connectivity to LoveLife Y-Centres in five provinces. The youth centres are strategically set up in resources poor areas with a high HIV prevalence. The centers provide a range of exciting and innovative activities and initiatives aimed at the prevention of HIV and holistic youth development. Young people are able to benefit from these programmes and partake in sports and arts and culture activities. With connectivity the high school learners of the community can now attend the Y-centres and attend computer training and will soon be introduced to coding programmes.

Hospital Support

The Foundation donated toys and therapeutic equipment to psychiatric hospitals run by Gauteng Mental Health in Cullinan, Wes Koppies and Sterkfontein. This supports the occupational therapy at the hospitals by providing materials for craft activities. The donation included sports equipment and board games as well as other games that are used to assess communication, participation, memory, interpersonal skills and interaction.

The Telkom Foundation funded the painting of the outpatients' department and the purchase of a new dental chair for the Van Velden Hospital, a provincial hospital, providing comprehensive health care services in Limpopo.

Mom Connect

Telkom Foundation funds a discounted SMS rate to the users of the MomConnect Service for expecting mothers in South Africa. MomConnect is a National Department of Health initiative, using mobile technology to register all pregnancies across South Africa. The objective is to educate pregnant women and encourage regular clinic visits. In the three years since its inception 830 000 women have registered, 150 000 have rated the service, 40 million messages have been sent and 290 000 messages have been received by the help desk.

Vastfontein Community Transformation

Vastfontein Community Transformation is an NGO that focuses on the development and social upliftment of the communities near Hammanskraal and Soshanguve. Vastfontein Community Transformation runs the Batho Pele Christian School and a digital hub and ICT skills development training centre. The Telkom Foundation provided ICT equipment for all the school's classrooms and the training centre as well as providing new equipment to the management of the team. This will benefit the 300 primary school children that attend the school, the youth that receive training (45 students twice a year) and more than 10 staff members.

03

Governance



Experience and Diversity

Good governance and ethical behaviour underlie all the Telkom Foundations activities

The Telkom Foundation Board of Trustees plays an important role in setting the vision purpose and strategies of the Foundation.



Governance

Good governance and ethical behaviour underlie all the Telkom Foundation's 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

The Telkom Foundation has a unitary Board consisting of three Telkom Executives and four Non-Executive Trustees. The role of the Chairman and 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.

Members of the Board of Trustees at 31 March 2017:

Chairperson	Public Trustees	Telkom Trustees
Shafika Isaacs Prof Loyiso Nongxa (resigned October 2016)	Linda Vilakazi Rakesh Garach Prof Laetitia Rispel Shafika Isaacs	Gladys Machinjike Ian Russell Alphonzo Samuels Nwabisa Piki (1 October 2016)

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

Members

Public Trustees:

Rakesh Garach

Prof Laetitia Rispel

Telkom Trustees:

Gladys Machinjike (Chair)

Mr A Samuels

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.

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.

The committee meets 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.

Exco

Members

Public Trustees:

Shafika Isaacs

Linda Vilakazi

Telkom Trustees:

Ian Russell (Chair)

Nwabisa Piki (appointed 1 October 2016)

Responsibilities:

- Reviewing the operations of the Foundation
- Reviewing the Foundation's financial performance

The committee meets at least four times a year and more frequently if necessary.

Attendance at meetings

BOARD	Attended	Apology	Other
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27 May 2016

Prof GL Nongxa	✓		
Mr RS Garach	✓		
Mr A Samuels	✓		
Mr E Scarcella	✓		
Mr I Russell	✓		
Mrs G Machinjike	✓		
Ms S Isaacs		✓	
Ms L Vilakazi	✓		
Prof L Rispel		✓	

13 September 2016

Mr GL Nongxa		✓	
Mr RS Garach	✓		
Mr A Samuels	✓		
Mr I Russell	✓		
Mrs G Machinjike	✓		
Ms S Isaacs	✓		
Ms L Vilakazi	✓		
Prof L Rispel	✓		

SPECIAL BOARD	Attended	Apology	Other
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28 November 2016

Mr RS Garach	✓		
Mr A Samuels		✓	
Mr E Scarcella	✓		
Mr I Russell	✓		
Mrs G Machinjike	✓		
Ms S Isaacs		✓	
Ms L Vilakazi	✓		
Prof L Rispel		✓	
Mr GL Nongxa		✓	

BOARD	Attended	Apology	Other
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30 November 2016

Mr GL Nongxa			✓
Mr RS Garach	✓		
Mr A Samuels			✓
Mr I Russell	✓		
Mrs G Machinjike	✓		
Ms S Isaacs	✓		
Ms L Vilakazi	✓		
Prof L Rispel	✓		
Ms N Piki	✓		

2 March 2017

Mr RS Garach	✓		
Mr A Samuels	✓		
Mr I Russell	✓		
Mrs G Machinjike	✓		
Ms S Isaacs	✓		
Prof L Rispel	✓		
Ms L Vilakazi	✓		
Ms N Piki	✓		

Governance continued

EXCO	Attended	Apology	Other	FARMC	Attended	Apology	Other
6 May 2016				11 May 2016			
Mr I Russell	✓			Mrs G Machinjike	✓		
Mr E Scarcella	✓			Mr RS Garach	✓		
S Isaacs	✓			Mr A Samuels			✓
L Vilakazi	✓			Prof L Rispel	✓		
4 August 2016				12 August 2016			
Mr I Russell			✓	Mrs G Machinjike	✓		
Mr E Scarcella	✓			Mr RS Garach	✓		
S Isaacs	✓			Mr A Samuels			✓
L Vilakazi	✓			Prof L Rispel	✓		
3 November 2016				18 November 2016			
Mr I Russell	✓			Mrs G Machinjike	✓		
Ms S Isaacs	✓			Mr RS Garach	✓		
Ms L Vilakazi			✓	Mr A Samuels			✓
Ms N Piki	✓			Prof L Rispel	✓		
10 February 2017				17 February 2017			
Mr I Russell			✓	Mrs G Machinjike	✓		
Ms S Isaacs	✓			Mr RS Garach	✓		
Ms L Vilakazi			✓	Mr A Samuels			✓
Ms N Piki	✓			Prof L Rispel	✓		



Our Board

Non-Executive Trustees

Shafika Isaacs

Acting Chairman



Refer to page 2 for full CV

Rakesh Garach

BCom, Postgrad
DipAcc, CA(SA)



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

Linda Vilakazi is an educationist 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.

Executive Trustees

Gladys Machinjike

BCom, Certificate of Theory in Accountancy, CA(SA), Certified Internal Auditor (CIA)



Gladys Machinjike is an Executive at Telkom responsible for Financial Accounting and Reporting (Group Finance). She also serves as a Trustee on the Telkom Retirement Fund, where she is a member of the Investment and Audit committees.

Ian Russell
BSC (Hons), MBA



Ian Russell is currently Chief Administration Officer for Telkom. Ian is British, and has lived in South Africa since 2005. Previous South African roles have included Head of Procurement for South African Breweries (SAB) Limited, Group Integration Director, Chief Administration Officer and Chief Procurement Officer for the Absa Group. Ian holds a BSc (Hons) in Economics from the University of Wales and an MBA (Distinction) in Strategic Procurement from Birmingham University, and is a Fellow of the Chartered Institute of Purchasing and Supply (CIPS). Amongst other activities, Ian has set up the Telkom FutureMakers enterprise development programme, aimed at stimulating the sustainable development of small businesses in the technology sector.

Alphonzo Neville Samuels

B Tech, NatTech Dip (Telecoms) NatTech (HR), numerous Executive Leadership Programmes



Alphonzo has been at Telkom for 31 years in various positions in the organisation. He was appointed as Chief Technology Officer in February 2014. Prior to this, he served as Managing Executive: Network Infrastructure Provisioning from July 2010 and as Group Executive: Wholesale and Marketing Operations from November 2007 until June 2010. He has held various senior management positions in numerous divisions during his tenure at Telkom, including Broadband Technology, Planning, Engineering, Operations, Capital Project Management and Human Resources. He also completed a nine-month assignment with SB C (AT&T) in 1998.

Our team

Sarah Mthintso

Head of Foundation: Overall leadership and management of the Foundation



Monese Waga Puso

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



Nathi Kunene

Senior Manager: Responsible for overall operational matters



Jeanette Mtshaki

Operations Specialist: CSI Identifying, co-ordinating and monitoring social development projects



Marcia Selebano
*Administrator
providing overall
administrative support*



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



Alet Steenkamp
*Specialist: CSI
responsible for employee
volunteering, social
development and
external reporting*



06

**Financial
Statements**

**The Telkom Foundation Trust
Registration No. IT5262/02
Financial Statements
for the year ended
31 March 2017**

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Administration

Founder

Telkom SA SOC Limited

Trustee	Date appointed
Mr R Garach	Appointed 12 March 2013
Prof L Rispel	Appointed 1 July 2015
Ms L Vilakazi	Appointed 1 July 2015
Ms S Isaacs (Acting Chairman)	Appointed 1 July 2015
Mr A Samuels*	Appointed 1 April 2015
Mr IM Russell*	Appointed 1 April 2015
Ms G Machinjike*	Appointed 30 June 2015
Ms N Piki*	Appointed 1 October 2016 & Resigned 31 March 2017
Prof L Nongxa (Chairman until 15 Oct 2016)	End of tenure 15 October 2016
Mr E Scarcella*	End of tenure 31 August 2016

**Telkom Employee*

Head of the Foundation

ST Mthintso

Nature of Business

Charitable Trust

Secretary

GE Prinsloo

Auditors

Nkonki Inc.

Bankers

ABSA Bank Limited

Trust Registration Number

IT5262/02

Non-Profit Organisation

Registration Number

029-558-NPO

Registered Office

Telkom Mobile Building
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 statements.

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 be not a going concern in the year ahead.

The annual financial statements for the year ended 31 March 2017 set out on pages 45 to 51 were approved by the trustees on the 11 June 2017 and are signed on their behalf by:

S Isaacs

Acting Chairman of the Foundation

G Machinjike

Chairperson of the FARMC

Independent Auditor's Report

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE TELKOM FOUNDATION TRUST

We have audited the annual financial statements of the Telkom Foundation Trust, which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, the statement of changes in funds and reserves and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 45 to 51.

Trustees' Responsibility for the Financial Statements

The Trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Telkom Foundation Trust as of 31 March 2017, and of the financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Nkonki Incorporated
Registered Auditor
Brian Mungofa CA(SA)
Audit Partner

3 August 2017

Report of the Trustees

For the year ended 31 March 2017

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.

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.

Trust Funding

The Trust has no share capital. The operations of Telkom Foundation Trust are largely financed by Telkom SA SOC Limited, through donations to the Trust.

Trustees and Secretary

Particulars of the present trustees and secretary are given on page 40.

In terms of the Trust Deed, the Board of Trustees consists of four Telkom SA SOC Limited employees and five public trustees.

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.

Going Concern

The Trust's ability to continue as a going concern is dependent on the continued support from Telkom SA SOC Limited. Telkom SA SOC Limited agreed to continue to support the Trust for the next 12 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.

Events after the Reporting Period

There were no significant events after the reporting period.

Sub-committees

Telkom Foundation Board has two sub-committees, namely the Finance, Audit and Risk Management Committee (FARMC) and Executive Committee (EXCO).

Report of the Trustees (continued)

for the year ended 31 March 2017

Name	Committee
Prof L Nongxa (Chairman – BOARD until 15 Oct 2016)	BOARD
Mr R Garach	FARMC & BOARD
Prof L Rispel	FARMC & BOARD
Ms L Vilakazi	EXCO & BOARD
Ms S Isaacs (Acting Chairman)	EXCO & BOARD
Mr.A Samuels*#	FARMC & BOARD
Mr E Scarcella*	EXCO & BOARD
Mr IM Russell* (Chairman – EXCO)	EXCO & BOARD
Ms G Machinjike* (Chairperson – FARMC from Dec 2015)	FARMC & BOARD
Ms N Piki*	EXCO & BOARD

*Telkom Employee

Resigned as FARMC member 12 June 2017

The attendance of meetings:

	BOARD	Special BOARD	EXCO	FARMC
Prof L Nongxa	1/4	1/1	n/a	n/a
Mr R Garach	4/4	1/1	n/a	4/4
Prof L Rispel	3/4	0/1	n/a	4/4
Ms L Vilakazi	4/4	0/1	2/4	n/a
Ms S Isaacs	3/4	1/1	4/4	n/a
Mr A Samuels*	3/4	0/1	n/a	0/4
Mr E Scarcella*	1/4	1/1	2/4	n/a
Mr IM Russell*	4/4	0/1	2/4	n/a
Ms G Machinjike*	3/4	1/1	n/a	4/4
Ms N Piki*	3/4	n/a	2/4	n/a

Statement of comprehensive income

for the year ended 31 March 2017

		2017	2016
	Note	R	R
REVENUE			
Donations received/pledged	1.2	50 782 223	44 531 652
Interest received		365 136	268 600
		51 147 359	44 800 252
EXPENSES			
Donations		44 204 113	40 884 451
Staff expenditure	1.3	6 015 645	5 291 500
Office and administration expenses		1 841 701	1 407 993
Total (deficit)/surplus for the period		(914 100)	(2 783 692)

Statement of financial position

as at 31 March 2017

		2017	2016
	Note	R	R
ASSETS			
Current assets			
Cash and cash equivalents	1.4	5 835 783	5 029 177
Accounts receivable	1.5	1 299 200	3 019 906
Total assets		7 134 983	8 049 082
		2017	2016
		R	R
EQUITY			
Funds and reserves			
Funds and reserves		7 134 983	8 049 082
Total equity		7 134 983	8 049 082

Statement of cash flows

for the year ended 31 March 2017

		2017	2016
	Note	R	R
Cash flows from operating activities			
Cash generated by operations	1.6	441 469	248 107
Interest received		365 136	268 600
Net increase in cash and cash equivalents		806 605	516 707
Cash and cash equivalents at beginning of period		5 029 178	4 512 471
Cash and cash equivalents at end of period		5 835 783	5 029 178

Statement of changes in funds and reserves

as at 31 March 2017

	Programme funds
Balance at 31 March 2013	14 033 653
Deficit for the year	(3 629 518)
Balance at 31 March 2014	10 404 135
Surplus for the year	428 639
Balance at 31 March 2015	10 832 774
Deficit for the year	(2 783 692)
Balance at 31 March 2016	8 049 082
Deficit for the year	(914 100)
Balance at 31 March 2017	7 134 983

Notes to the annual financial statements

1.1 Accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards on the historical cost basis and incorporate the following principal accounting policies.

1.1.1 Revenue

Revenue from donations is recognised at the cash value.

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 and therefore income received from Telkom SA SOC Limited was recorded exclusive of VAT (where applicable).

1.1.2 Financial instruments

Financial instruments are initially recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value.

Financial assets, or a portion of financial assets, are derecognised when the Trust loses control of the contractual rights that comprise the financial asset. The Trust loses such control if it realises 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 recognised in accordance with IAS 39.

Subsequent measurement of financial instruments carried on the statement of financial position is on the following basis:

1.1.3 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 amortised 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.

1.2 Donations received

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

	2017	2016
	R	R
DONATIONS	50 782 223	44 531 652
Donations from Telkom SA SOC Limited	44 723 378	39 196 952
In kind		
– Services provided by Telkom SA SOC Limited	6 015 645	5 291 500
– Use of Telkom SA SOC Limited facilities office space	43 200	43 200

Notes to the annual financial statements (continued)

1.3 Staff expenses

The Trust does not employ staff in its own capacity. Staff costs represent the cost of employment of Telkom SA SOC Limited staff dedicated to the activities of the Trust. All benefits are provided by Telkom SA SOC Limited and are regarded as donations in kind.

1.4 Cash and cash equivalents

	2017	2016
	R	R
Foundation current account	279 460	35 874
Money market call deposits	5 556 322	4 993 303
	5 835 783	5 029 177

The Money Market call deposits are funds invested on behalf of Telkom Foundation by Telkom SA SOC Limited Treasury. The interest rate on the call account increased from 5,35% to 5,60%, thereafter increased to 6,5% on 1 February 2016 and from 18 March 2017 it increased to 6,75% as a result of the change in repo rate.

1.5 Accounts receivable

	2017	2016
	R	R
Donations pledged by Telkom SA SOC Limited	1 244 245	2 941 039
VAT Receivable	54 955	78 867
	1 299 200	3 019 905

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

1.6 Cash generated from operations

	2017	2016
	R	R
(Deficit)/Surplus for the year	(914 100)	(2 783 692)
<i>Adjustment for items that must appear on the cash flow</i>		
Interest received	(365 136)	(268 600)
<i>Adjustment for non-cash items:</i>		
Non-cash donation received	(6 058 845)	(5 334 700)
Non-cash operating expenses	6 058 845	5 334 700
Working capital (accounts receivable)	1 720 705	3 300 399
Cash generated from operations	441 469	248 107

1.7 Related parties

A related party relationship exists between the Telkom Foundation Trust and Telkom SA SOC Limited. Through representation on the Board of Trustees, Telkom SA SOC Limited is able to 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 Limited trustees and three public trustees.

Related party transactions:

Most of the operations of Telkom Foundation Trust are financed by Telkom SA SOC Limited through donations to the Trust.

1.8 Taxation

The Trust is a registered Public Benefit Organisation and is exempt from the provisions of the Income Tax Act, as per section 30 and as approved by the South African Revenue Services. No income taxation has been provided for.

The Telkom Foundation is registered for VAT (Value Added Tax) as a welfare organisation.

1.9 Trustees' remuneration

These amounts have been included in office and administration expenses.

	2017	2016
	R	R
Prof L Nongxa (Chairman)	45 000	105 000
Dr K Jantjie		67 500
Mr R Garach	75 000	90 000
Ms L Vilakazi	45 000	52 500
Prof L Rispel	52 500	37 500
Ms S Isaacs	60 000	37 500
Total	277 500	390 000

Telkom SA SOC Limited employees appointed as trustees of the Telkom Foundation Trust do not receive remuneration.

1.10 Audit fees

	2017	2016
	R	R
External audit fees, included in the operating expenses for the year ended 31 March 2017	81 024	76 900

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
FOTAD	Future of the African Daughter
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 Corporative
STEM	Science, Technology, English and Mathematics

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