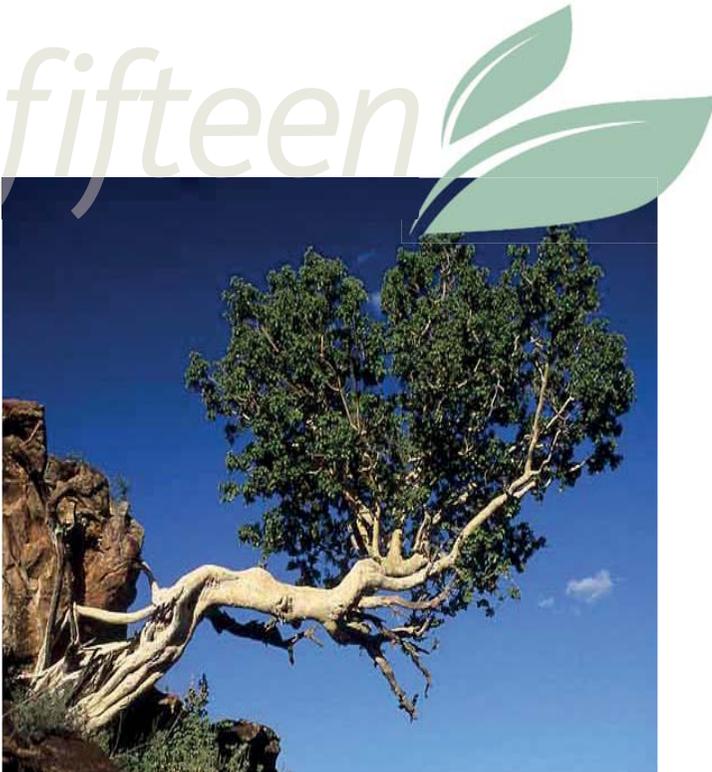




Report to Society  
2013

15 YEARS  
of leading in social investments



## *Tshikululu tree*

*Tshikululu is the Venda name for the African Rock Fig (ficus abutilifolia), a tree indigenous to South Africa's northern scrubland. The Tshikululu grows in seemingly impossible conditions: on sheer rock or on sun-baked and stony ground. It survives by seeking out scarce nutrients through a fine and robust network of roots, and produces distinctive heart-shaped leaves and a nutrient-rich fruit.*

*The NGO sector in South Africa exists in a similarly harsh environment. Despite this, and due in large part to the support of companies committed to and passionate about the future of South Africa, it thrives. Its fruits nourish our aspirant, our environment, our marginalised, our most vulnerable, and our future leaders.*

## *Scope and boundary*

Tshikululu Social Investments NPC (Tshikululu) is a registered non-profit company operating out of Parktown, Johannesburg. Our activities, and those of our clients, cover all nine provinces in South Africa.

The purpose of this report is to describe Tshikululu's financial performance, operational highlights, social position, and strategic objectives; and their consequences for stakeholders during the review period. It covers the period 1 January 2013 to 31 December 2013, while comparison is made in some instances with data from previous years.

The report should be read in conjunction with the full set of audited annual financial statements available for download, along with previous reports and financial statements, at <http://www.tshikululu.org.za/downloads>.

Our financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act, and the recommendations of King III, and have been independently audited by Deloitte and Touche.

The report is intended to be read by corporate South Africa; South African citizens; representatives of charitable, community, and black-economic empowerment trusts; South African non-profit organisations; South African civil society more broadly; international foundations and investors; and representatives of the South African Government at national, provincial and local level.

This *2013 Report to Society* also serves to celebrate Tshikululu's 15th anniversary, and 15 years of partnering with business and civil society to enable societal transformation in the country.

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## Glossary

Black economic empowerment – BEE

Broad-based black economic empowerment Codes of

Good Practice – B-BBEE CoGP

Community-based organisation – CBO

Corporate social investment – CSI

Department of Trade and Industry – dti

Early-childhood development – ECD

Enterprise development – ED

Intellectual property – IP

Monitoring and evaluation – M&E

National Development Plan – NDP

Non-governmental organisation – NGO

Non-profit company – NPC

Not-for-profit organisation – NPO

Organisation for Economic Co-operation and Development – OECD

Social Investment – SI

Socio-economic development – SED

Summarised Annual Financial Statements – SAFS

*fifteen*



## Organisation overview

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- 4 Company ethos and values
- 4 Organisational overview and strategic objectives

## Our clients

### Full-service clients



JB MARKS EDUCATION TRUST FUND



### Advisory services clients



Each fund that Tshikululu manages is done so in our client's name.

This builds the client's individual corporate identity in an informed and strategic way, through a professional and personalised approach to the challenges of social development.

We work alongside our clients to identify emerging social investment opportunities and advise them on how to plan their social investment strategy from inception.

By developing appropriate programmes, directing grants to organisations that truly make a difference, and establishing sound monitoring and evaluation procedures, our clients are confident that their contributions have the greatest possible developmental return.

## Company ethos and values



### Vision

To be the leading adviser and manager of social investments

### Mission

Working with our clients and development partners, we will implement social investment and economic development solutions that result in positive social impact.

## Organisational overview and strategic objectives

### Name

Tshikululu Social Investments NPC

### Primary activities

Management of corporate, charitable and B-BBEE trusts that are aligned to societal transformation. We also provide advisement on socio-economic development strategy, research and monitoring and evaluation.

### Registered office

Metropolitan Office Park, 8 Hillside Road, Parktown, Johannesburg, South Africa

### Nature of ownership and legal form

Non-profit company and registered PBO (PBO Income Tax Exemption No 9300369881)

### Scale

Tshikululu Social Investments NPC employed 75 staff members at the close of 2013, is operational in all provinces of South Africa, and on behalf of our clients in 2013 managed grants totalling R348 million to 754 development partners. The company had R2,1 billion of funds under advisement at the end of 2013.

### Our development experts advise our clients in the following sectors

Education	Health	Social development
<ul style="list-style-type: none"> <li>● Early-childhood development</li> <li>● Basic education</li> <li>● Maths, science and language teaching</li> <li>● Learners with special needs</li> <li>● Bursaries</li> </ul>	<ul style="list-style-type: none"> <li>● Public health strengthening</li> <li>● HIV/Aids prevention</li> <li>● Care and support</li> <li>● Hospices</li> </ul>	<ul style="list-style-type: none"> <li>● Community development</li> <li>● Gender-based violence</li> <li>● Welfare support</li> <li>● Sustainable livelihoods</li> <li>● Arts, culture and heritage</li> <li>● Environment</li> <li>● Food security and agricultural livelihoods</li> </ul>
Infrastructure/built projects		
Capacity building and community assessments		

## Our inspiration

Social investment is a complex activity. The legal, financial, governance and research structures necessary for responsible grantmaking must operate within the context of ethical and moral considerations. Social investment must be situated in an appreciation of global trends, national priorities, local realities, and individual relationships.

## Our work

Tshikululu supports and partners with businesses which invest in developmental projects that contribute towards the country's transformational goals. We provide corporates and private funders with a full suite of social investment services including trust formation, legal and compliance management, trust financial management, secretarial services, design of social investment strategies, review of projects, community engagement, monitoring and evaluation and in-depth research.

We work to ensure that every rand invested results in a positive developmental return and ultimately results in the expansion of opportunity for the maximum possible number of people. We endorse a vision of a prosperous South Africa, and one that crafts home-grown solutions to its developmental challenges. To this end we are pleased to support local investors that are strategic in their approach and that believe that the business of business is not limited to making profits.

As Tshikululu has grown we have used our position at the convergence of corporate South Africa, NGOs and civil society to extend the conversation about what it means to be an effective partner in development, and to responsibly contribute to the continued transformation of our society and economy.

## Our strategy

In 2012, Tshikululu adopted a five-year client-focused strategy that focused on increasing our influence and market share through innovation, service differentiation, and reinforcing our position as a leader in social investment management. We believed then, as we do now, that our strategic goals would only be achieved by fully putting into practice our core values of care, excellence, innovation and integrity.

## Our values

Our values act as an internal compass that guides our actions. They are not just labels, they are principles. The way our staff members have expressed them has shaped Tshikululu. The way they will express them will determine what Tshikululu can be.

### Care

- We care deeply for the communities we serve
- We invest in the development and retention of staff
- We value diversity and are committed to transformation

### Excellence

- We are performance driven
- We deliver on our promises
- We offer excellent professional service
- We seek to be the best at what we do

### Innovation

- We courageously embrace innovation
- We constructively encourage and explore new ideas through listening, consulting and knowledge sharing
- We promote thought leadership throughout the organisation
- We contribute toward national strategic debates that promote positive results in the development sectors

### Integrity

- We believe in doing what is right
- We value transparent and robust debate
- We understand and implement our working practices, policies and procedures

## Headline indicators

	2013	2012	2011
Number of applications for funding received	2 695	3 611	3 858
Value of client grants approved	R348m	R310m	R347m
Number of NGOs supported by our clients	754	760	753
Client funds under advisement	R2,1b	R1,3b	R1,3b
Number of permanent employees	75	67	65

*fifteen*



## Operations, service offering, impact and thought leadership

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## Chairman's report

### Dear stakeholder

It is appropriate to use the opportunity of an annual report to consider a year past. This particular annual report also provides us with an opportunity to look back at Tshikululu's history: the company was formed in 1998, and this year it celebrates its 15th anniversary.

There were several significant global events which took place in 2013. The most affecting of which was the death of Nelson Mandela. We will endeavour to honour his legacy, and those of the great men and women who preceded and succeed him, through our everyday actions and words.

Against the backdrop of a sometimes tumultuous year, the daily human activities of hope, healing, teaching, and learning took place. We saw examples, great and small, of people overcoming adverse circumstances through their belief that a better future is possible, and through the support and compassion of their fellow citizens.

Tshikululu is once again proud to have been part of these transformative events.

The recent release of the World Economic Forum 2013/14 report, the diagnostic report compiled by the National Planning Commission, and Statistics South Africa's figures have once again reflected the growing levels of inequality, high levels of unemployment, and the challenges

faced by our public education and healthcare systems. That said, we have much to celebrate as we approach the 20th year of our transition to democracy. The provision of basic services has been greatly expanded, and the transformation of an unjust society has been profound and wide-ranging.

Building our economy, creating jobs, and ensuring a more equitable and stable society have proven challenging goals, but South African society has not lost its determination to achieve them.

As international aid agencies begin to scale back funding to certain parts of Africa, so we have seen an upsurge in the activities of home-grown African philanthropists. Africa is a source of great wealth and the site of great poverty, and those entrepreneurs who have found success have exhibited a keen awareness of the need to invest back into the continent. Encouragingly, this investment recognises that it is not enough to parcel out money: real development is encouraged as a result of long-term, business-minded and well-monitored initiatives. As Mo Ibrahim, mobile communications magnate and creator of his eponymous leadership prize has said, "Like business, I think philanthropy must insist on a return on investment and, where possible, measurable results ... I think it is in all of our interest to seek to create a dynamic, inclusive, and prosperous Africa".

The National Development Plan (NDP), and its associated Vision 2030, is the most comprehensive framework South Africa has yet articulated to reduce inequality and poverty, and to increase economic development and investor confidence by uniting all sectors of society. Such strategic frameworks are key to establishing a vision and an opportunity for all sectors of society to cooperate in order to tackle these overarching, systemic challenges.

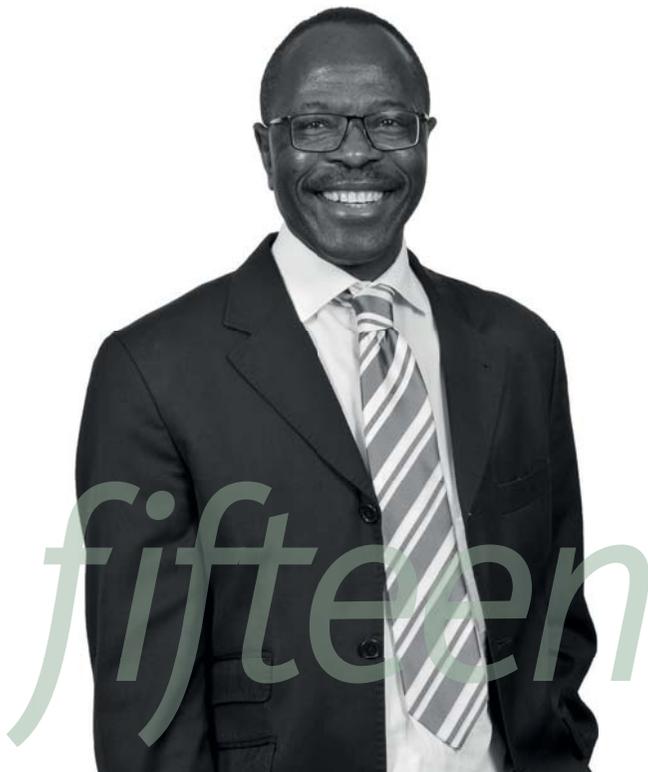
Tshikululu's approach to addressing these big issues is aligned to the social components of the NDP. There is an opportunity to initiate greater collaboration and funding partnerships and to focus more on outcomes as opposed to inputs. This is fundamental to Tshikululu's mission to lead societal change through high-impact interventions. We have demonstrated over many years that a targeted approach aligned to national imperatives can result in significant systemic change.

We are sad to report that Nosipho Gxumisa resigned at the end of December 2013 from the board after six years. We have valued her contribution and insights, and wish her the best in her future endeavours.

I would finally like to congratulate Tshikululu on the occasion of its 15th anniversary. It has been a pleasure to be associated with the organisation from 2007, and to watch its growth from a handful of staff with a vision, to its current position as a national thought leader and leading social investment adviser and manager.



Godfrey Gomwe  
Chairman



## CEO's report

Fifteen years ago, Tshikululu was established as South Africa's first professionalised outsourced corporate social investment management company. Today I am pleased to report on our work in this field and how it has evolved in response to changes in our country and the business sector. Our achievements over the past 15 years would not be possible without the support of our employees, board, and sub-committee members, who I wish to acknowledge and thank at the outset of this report. It is a privilege to work with such a highly committed and capable team.

### *The role of business in society*

Social investment is greater than simple financial contributions. If done correctly, and as a component of a company's overall business strategy, social investment can have a far-reaching impact on the capacity of civil society, contribute towards research and policy that shapes national interventions, strengthen the delivery of basic services in under-resourced communities, and support innovations that can accelerate the implementation of educational, health, and social interventions.

The recent increase in community and labour unrest has heightened public awareness of how companies interact with society, and has placed local and international companies operating in South African under greater scrutiny. The question of whether or not a company is perceived as socially responsible has never been as important as it is right now.



With this in mind, in 2013 Tshikululu set out to establish and analyse what motivates corporate social investment among South African businesses. Our research is based on the views of 41 senior business leaders representing 39 companies, the majority of whom are large and globally influential companies publicly held and traded on the Johannesburg Stock Exchange.

The research findings indicate that a significant proportion of businesses is strongly driven by a commitment to the development of South Africa. Many companies had been investing in social responsibility programmes long before industry regulations demanded it, and many business leaders said that they would continue to do so even if these regulations were no longer in force. Not because they have to, but – as many interviewees underscored – because they want to, and because they believe that business is an important and necessary stakeholder in contributing towards societal transformation.

### *The sector*

Legislative changes affecting the CSI sector, including revisions to the B-BBEE codes of good governance and BEE/employment equity considerations will be increasingly subject to debate. We are seeing a more diverse and sophisticated customer base: clients are more impact-focused, and more attention is being paid to broader activities than just CSI (CSR, ED etc). There is an increased appreciation of the role of technology in service delivery, and increased attention paid to IP. We are also enjoying more competition: from internal CSI departments, independent operations, and from direct giving to NGOs.

### *Our strategy in action*

We are in the second year of our five-year strategy. Our focus this year has been on client retention, growth, and improved operating efficiency. A number of strategic objectives were agreed for 2013 and an update is set out below.

- We employed a number of highly skilled specialists during the year to complement our already strong development, research, financial, risk and legal teams. We have continued to invest in strengthening our teams to ensure that we maintain strong partnerships with our clients. The value of these relationships is evident in the retention of our annuity clients, and the sourcing of additional work from existing clients over and above our day-to-day fund management, and from their referrals to others. Tshikululu values feedback from its clients and undertakes independent reviews on a three-year cycle. An independent external client satisfaction survey will be commissioned in 2014.

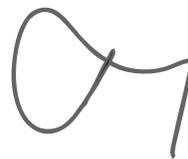
- Ensuring economies of scale and an average management fee of 12% of funds under management ensures that we can maintain our competitive advantage while adding significant value to our clients. We have invested in a time allocation system this year, which will be rolled out in 2014. This will provide valuable management data and will enhance our allocation of resources.
- The governance and risks associated with the management of social investment funds have grown in complexity in recent years, but our rigorous approach to these remains a key Tshikululu value proposition. We are proud of our track record of good governance, but continued to focus on strengthening our systems and operational processes. We conduct regular internal audits to detect any deficiencies in our systems and to put plans in place to streamline our compliance processes. To ensure that we remain at the cutting edge of risk management and compliance, we have commissioned Deloitte to embark on an internal audit of our processes and new IT grant management system, which will store, protect, organise, and facilitate the sharing of Tshikululu knowledge across all business sectors. The findings of this review, along with the findings of our own internal process reviews completed towards the end of 2013, will enable us to raise the bar in terms of our internal controls and to remain a leader in this field.
- Financial stability is a necessity for any company. Tshikululu's growth strategy focuses on growing our annuity client base, particularly in sectors in which we are not currently present, and establishing our Advisory Unit as a leader in the field of social investment advisement. The Advisory Unit has shown steady growth in fee income from R4,1 million in 2012 to R6,9 million in 2013. Financial resources have been invested to ensure that the unit is adequately resourced and that the necessary systems and processes are in place to support the growth of this unit in the years ahead.
- We believe in exploring new opportunities, challenging the status quo, and seeking to develop a deeper understanding of the challenges and opportunities in the social investment sector. In this regard, Tshikululu invests in its own research and supports its clients who commission us to undertake bespoke research on their behalf. In the coming year we will continue to invest in strengthening and expanding our research portfolio.
- We work closely with a number of key stakeholders, including civil society, government, and international funders. Government partnerships have always been important to our work to ensure that the social investment strategies of our clients are aligned to country imperatives and can be leveraged for greater impact. We have focused

on those partnerships relating to the resourcing of schools, support for National Health Insurance pilot sites, and school nutrition programmes. Civil society organisations are instrumental in supporting the implementation of a number of these initiatives. We invest a lot of time meeting with those that seek to consolidate or expand their services, test new ideas, or seek partners to collaborate with. We see this as an intrinsic part of our work and our commitment to supporting the development of a strong civil society sector in our country.

- Tshikululu continues to participate in a number of strategic thought-leadership forums and activities, and has also developed new platforms to stimulate debate. These include our annual Serious Social Investing conference, and those associated with our investment in the GIBS/Tshikululu Dialogue programme. These platforms are an important opportunity for Tshikululu to participate in robust debate and encourage collaboration and real partnerships. This will remain an important component of what we do during 2014.

### *The future*

As we celebrate 20 years of democracy it is important to reflect on what has and hasn't worked and to use these lessons to inform our work during the coming years. We will continue to invest in research and thought-leadership forums. We will continue to partner with our clients and civil society partners to contribute towards the National Development Plan's vision of reducing inequality and poverty. We will continuously strive to improve our management practices and to lead developments in the social investment sector. We will remain committed to upholding the highest ethical standards and to practice best-in-class financial, risk, governance, and compliance management. We will continue to build deeper and more meaningful partnerships with all our stakeholders who have been part of our success during the past 15 years. I thank you for your support and your commitment to transformation in South Africa.



**Tracey Henry**  
*Chief Executive Officer*

## CFO's report

The CFO's report provides an overview of the financial performance of Tshikululu Social Investments for the financial year ended 31 December 2013.

### Operating environment in 2013

We continue to maintain strong control over costs and review the operational efficiencies of our processes to better service our clients in an economical way.

The year presented numerous challenges and opportunities for the company and its clients. The global economy remained sluggish and the country grew its economy by a low 2,7% of GDP. The rand ended the year in free fall, weakening to record levels against major trading currencies, and inflation outlooks for 2014 suggesting a potential breach of the upper threshold of 6% set by the monetary authorities. Notwithstanding the very difficult financial conditions in which our clients operated, their commitment to contributing to social development remained steadfast, and we are pleased to report that grants under management have increased by 12% year on year.

### Financial overview

#### Net surplus position

	2013	2012
	R	R
Income before taxation	4 278 717	5 540 380
Taxation	(403 152)	949 382
Comprehensive income for the year	3 875 565	6 489 762



Total income was up to R56,7 million, an 11,9% increase over 2012. However, the post-tax surpluses for the year were R3,9 million, a 40% drop from the R6,4 million posted in 2012. This is a reflection of costs incurred in upscaling our advisory services business, which shows great earnings potential, invoicing R6,9 million over the year, up by 68,2% from R4,1 million in 2012. Expenses for the year totalled R52,5 million up 16,2% compared to 2012.

The surplus will be reinvested and used to fund research, dialogue programmes and future growth and working capital requirements. Tshikululu aims to maintain reserves of 40% of the company's annual operating expenditure at any given time in order to ensure sustainability. Reserves were 58,5% of 2013 operating expenditure. This is higher than our 40% target and is partly attributed to new income streams. Tshikululu will be reviewing investment in research and in support of national strategic development initiatives which in part will be funded from our reserves. The company also invests in developing its human capital and conducting research that helps to create more impactful and sustainable social investment decisions.

	2013	2012	2011
Value of Tshikululu reserves	R30,7m	R26,8m	R20,3m
Funds under advisement	2,1b	1,3b	1,3b

### Client funds under management

Client funds under advisement through the trusts and funds administered by Tshikululu totalled R348 million in 2013 compared to R310 million in 2012. This increase of 12,2% is positive, and is comparable to 2011 figures. The financial results of the funds under our advisement are not reflected in Tshikululu's financials presented in this report.

### Conclusion

Our goal is to assist our clients to maximise their return on social investment. To this end we will focus, in 2014, on the acquisition of new business revenue streams in South Africa and, potentially, in other African countries; growing the business organically from its core client base; and investing in research and thought leadership.

The economy is expected to remain sluggish in 2014, however, we are confident of growing our business through our unique delivery models and our approach to social development, which delivers impactful and sustainable solutions in the communities that we serve.

Mthandazo Ngwenya  
Chief Financial Officer

## HR report

We strive to create a positive and enabling working environment and to support the continuous education and training of our employees. Our overarching goal is to have the right number of people with the right type of skills doing the right type of work within the right structures. We have a strong culture of excellence and hold employees accountable for their actions. We value employee feedback on how we can strengthen our management practices and organisational culture, which is based on our values of care, excellence, innovation and integrity. Various platforms exist for staff to contribute towards these important discussions and to be part of shaping our future. We have commissioned Ask Afrika to undertake an independent climate survey. The results of the survey and recommendations on how we can strengthen our working environment will be released in 2014 and will be a key focus for the management team during the year.

We remain committed to creating a work environment that reflects the country's demographics. Our approach is to build a truly South African company that embraces transformation and values diversity by building internal capacity.

Our HR priority is to attract and retain the best minds in our field, and do so partly by offering competitive remuneration and incentive packages. We have used the for-profit financial services sector as a benchmark, and use remuneration-led incentives to improve long-term retention.

2013 saw the formal implementation of a Tshikululu Volunteer Programme as part of our NGO Partner Support initiative. Apart from the direct assistance to NGOs provided by the volunteers, the programme is intended to improve staff morale and contribute to team

building. On Mandela Day we provided Chris Hani Baragwanath Hospital and Sunlight Safe House with materials and human resources, and on Disability Day we put together a drive for donations of materials.

In addition, Tshikululu donated R80 000 to Community Development Resource Association to assist in the publication of their fourth *Barefoot Guide*, a handbook for NGOs. This will be available on their website ([www.cdra.org.za](http://www.cdra.org.za)) in 2014 once complete. We donated R35 000 to the Parliamentary Institute of South Africa for their symposium on the National Development Plan, and supported the Hope Factory in their efforts to create job opportunities for women. We also made our facilities available to NGOs for strategy sessions or staff training programmes.

### CEO awards

The CEO presents annual awards to those staff members who have best exemplified each of Tshikululu's values, and to the team which as a whole has performed exceptionally.

In 2013 the CEO award recipients were as follows:

**Excellence award:** Judy Mgobhozi (CSI Practitioner)

**Care award:** Khensani Khoza (Facilities Manager)

**Integrity award:** Elinor Kern (CSI Specialist)

**Innovation award:** Amira Elibiary (M&E Specialist) and

Davidson Munonyara (Manager: Cost Accounting)

**Team award:** Epoch and Optima (Joyce Wanjogu; Dolly Lebakeng; Phumla Hobe; and Amira Elibiary)



Lynn Pretorius

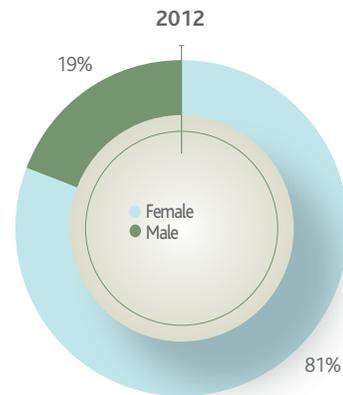
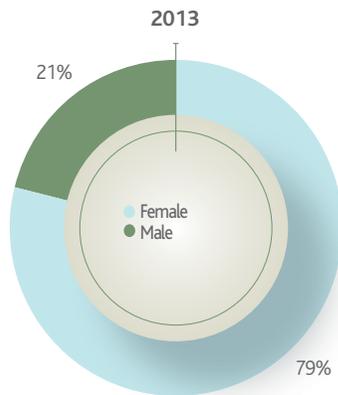
Corporate Services Executive



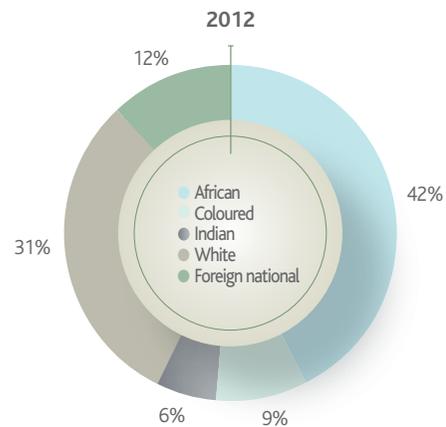
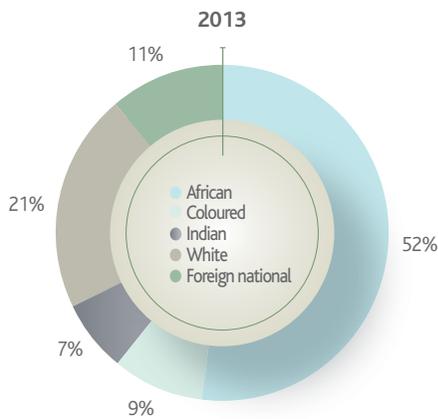
## HR report continued

### 75 staff as at December 2013

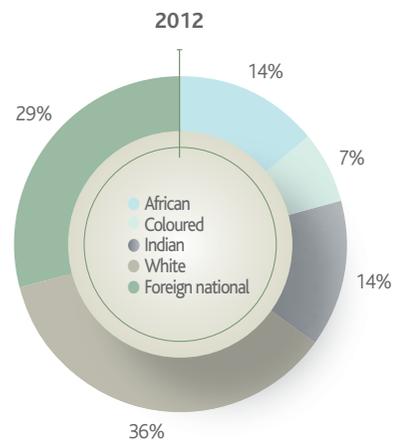
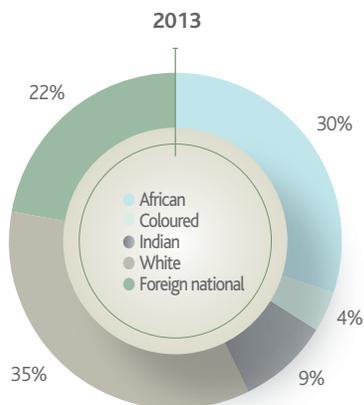
Gender profile of staff



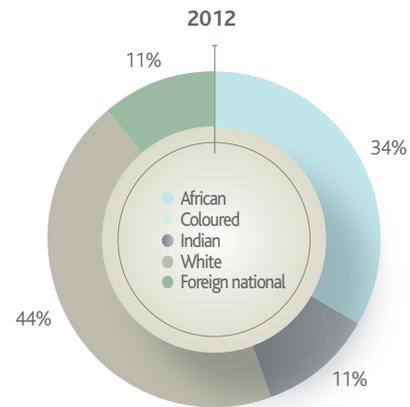
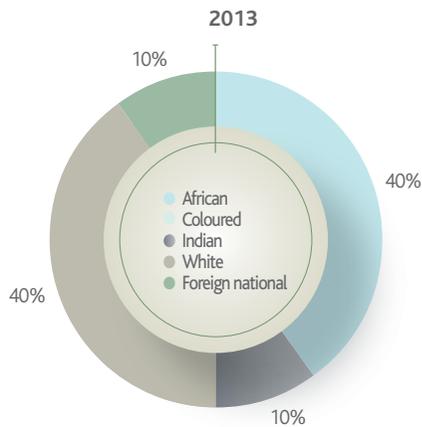
Demographic profile of staff



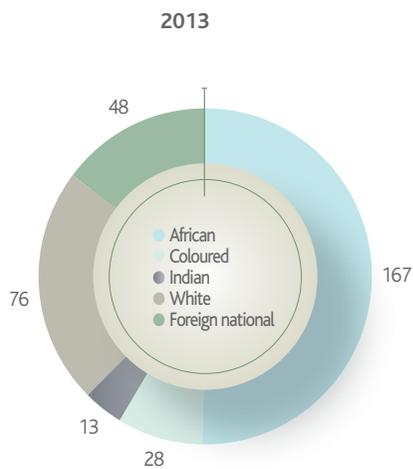
Demographic profile of managers



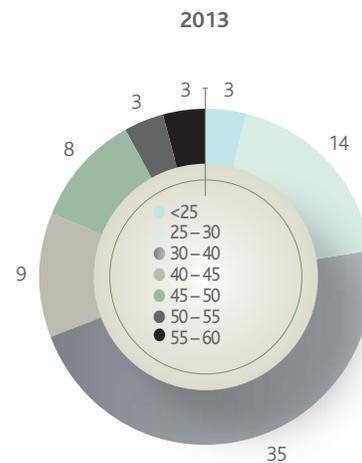
### Demographic profile of board, board committees and executive committee



### Number of days spent on learning and development per race



### Age profile



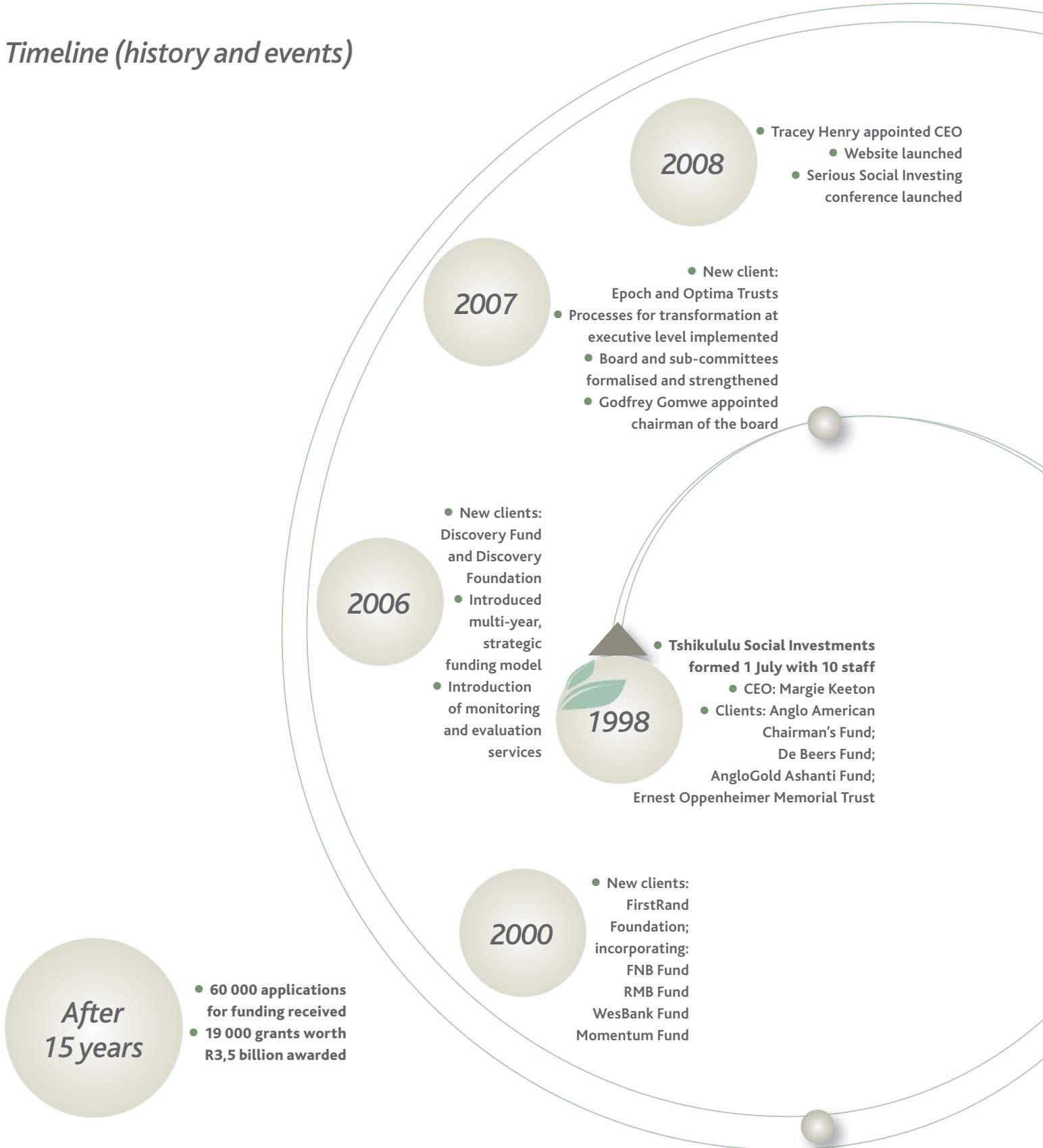
### Direct training costs

Total costs: R862 400

### Indirect training costs

Total costs: R591 543

## Timeline (history and events)





*fifteen*

2013...

2010

- New clients:  
UET Trust;  
ApexHi Charitable Trust;  
JB Marks Educational Trust

2011

- New clients:  
1st for women;  
HMMET
- Design of new database  
management system

2012

- Advisory Services  
unit established
- GIBS/Tshikululu  
Leadership Dialogue  
Programme established

2013

- 75 employees
- 14 full-service clients
- R348 million in funds managed
- Advisory Services manages  
17 projects valued at R7 million

## Service offering

With 15 years' experience in serving our corporate clients, including BEE and charitable trusts, Tshikululu is uniquely positioned to offer developmentally sound solutions at an impeccable level of service and quality.

Tshikululu takes pride in the value we offer to our clients, and in doing so without compromising on our commitment to putting development first. To this end, we offer:

**A comprehensive service:** Our end-to-end solutions make social investment efficient, thereby enabling clients to focus on what they do best. We guide them from trust formation and administration to the monitoring and evaluation of a successfully implemented project. Strategy formulation ensures that client goals inform the process up until their achievement.

**Development knowledge and expertise:** Clients are assured that their social investment will have a meaningful and sustainable impact on the socio-economic livelihoods of its beneficiaries. After more than a decade managing corporate social investment portfolios, Tshikululu has become a thought and practice leader in South African development, buoyed by the expertise of its staff, which includes sector area practitioners, global development professionals and experienced programme managers.

**Governance and financial management:** Our professional standards give clients peace of mind and mitigate risk. Under Tshikululu management, all client trust accounts and finances, as well as our own, are audited annually by Deloitte, and all financial controls are administered in accordance with International Financial Reporting Standards (IFRS). Our customised grant management software stores records of over 30 000 NGOs and associated grants.

**Value derived through experience:** We shorten our clients' social investment learning curve, and provide access to proven, effective organisations and opportunities for collaboration. Importantly, as a not-for-profit, Tshikululu is focused on creating value both for South Africa and for our clients. By helping our clients have a greater impact on society, we also encourage their investments to add greater value to their businesses.

## Advisory Services

Client needs determine which of our full-service areas of expertise will be of most value when putting together an advisory services package. These service components include:

**Social investment strategy design:** Tshikululu designs tailored social investment strategies that align our clients' objectives, values, brands, and geographic presence with the needs and expectations of their stakeholders and target beneficiaries.

**Trust administration and governance:** Tshikululu offers a comprehensive trust formation service, working with clients to define the purposes and objects of their social investment vehicles, drafting the trust deeds, identifying and training independent and expert trustees, offering specialist tax review, and managing the strictures of registration. We are able to align clients' BEE strategy with their business objectives, and ensure that their BEE initiatives are adding value and transforming their business.

**Monitoring and evaluation:** At Tshikululu, evaluation begins and ends with a programme's strategy and objectives. Our approach to M&E is to identify the key metrics that illustrate the effectiveness of a programme relative to its stated benchmarks and then establish a sustainable framework of monitoring, evaluating and reporting the results.

**Community assessment:** Tshikululu conducts deep socio-economic development assessments that profile target communities, identify potential developmental assets, evaluate community needs, understand existing developmental initiatives and offer preliminary engagement with key community stakeholders. This results in cost-effective development interventions, with high social returns and targeted sector partnerships.

**'Shared value' consultation:** Tshikululu works with clients to understand and appraise the internal value proposition of effective social investment, and design internal management strategies, systems, structures and reporting procedures that speak to both internal and social imperatives. We help our clients positively impact the communities around them, and in ways which create and reinforce value for their business and brand.

## Stakeholder engagement

Stakeholder engagement is an integral component of Tshikululu's operations, strategy and governance, particularly given our position at the convergence of South African corporations, civil society, citizens and government. The way we approach and conduct these engagements is a rigorous test of our values.

### Stakeholder responsibility

Tshikululu has defined its stakeholders as entities and individuals that are significantly affected by its activities and those who have the potential to impact Tshikululu's ability to effectively implement strategies and achieve objectives. In performing its duties and overseeing the performance of its committees, Tshikululu's board of directors takes account of the reasonable interests and expectations of identified stakeholders. The directors are committed to the preservation and protection of the environment for future generations by playing a leading role in sustainable development initiatives. The directors subscribe to the national development agenda, and will ensure the company plays its part as a good corporate citizen in meeting the challenges of unemployment, poverty and inequality facing South Africa.

### Tshikululu governance structure and stakeholder groups

Ultimate responsibility for stakeholder engagement rests with the board of directors, while engagement mechanisms are addressed by the board committee dealing most directly with the particular stakeholder group. Business units are empowered to manage stakeholder relations in accordance with the particular needs of their operations and those of their stakeholders.

Tshikululu's stakeholder engagement follows three principles described in the AA1000 stakeholder engagement standard 2011, namely:

- **Inclusivity** – participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.
- **Materiality** – the materiality process determines the most relevant and significant issues for an organisation and its stakeholders.
- **Responsiveness** – includes the decisions, actions, performance and communications related to the material issues.

We enter into stakeholder engagements with the intention that they:

- enable better management of risk and reputation;
- enable learning, resulting in product and process improvement;
- enable an understanding of the complex operating environments, including market developments and cultural dynamics;
- inform, educate and influence stakeholders to improve their decisions and actions that will have an impact on us and on society; and
- emphasise and result in the establishment of trust-based and transparent relationships.

## Risk

### Risk management

Tshikululu's risk management policy is designed to identify, assess, manage and control actual and potential situations to provide reasonable assurance regarding the achievement and integrity of our objectives. We recognise that risks are inevitable, and that we have a moral and legal obligation to attend to the safety and wellbeing of our employees, and others who are affected by our operations.

A monthly risk report is prepared by management and discussed by the Exco. In addition, Tshikululu has an audit, risk and compliance committee which meets at least twice a year. The committee reviews the risks associated with our business and the mitigating measures in place. Where necessary, further policies and procedures are developed.

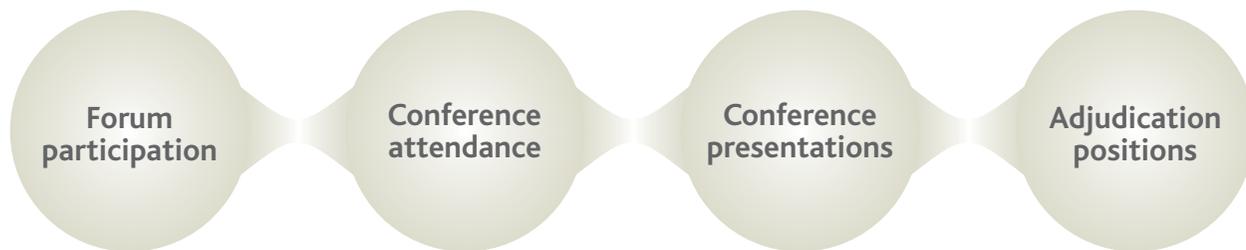
In addition to the short-term insurance cover Tshikululu has in place with regard to its movable assets, we are also insured in respect of professional indemnity. Insurance cover is reviewed on an annual basis.

### Risk appetite

Tshikululu has a very conservative risk appetite due to the fiduciary duties we owe our clients and stakeholders, and to our position in the CSI industry.

## Thought leadership

*Our staff of experts seeks to further debate and discuss issues of development, social investment, and the challenges and opportunities with which South Africa is presented. By bringing together and encouraging dialogue among stakeholders we aim to ensure that developmental return is maximised. To this end, investing, coordinating, and taking part in thought leadership activities is a critical component of our strategy.*

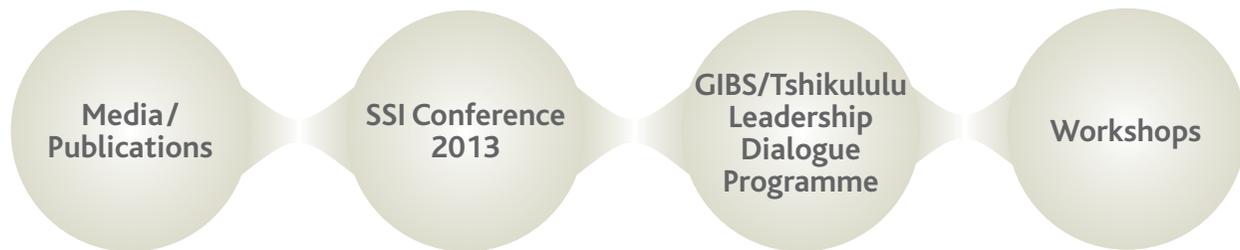


- Hosted the Asset-Based Community Development Forum.
- Participated in the Bridge Tertiary Access Forum and the CDE Private Sector Forum on Maths and Science.
- The AACF, FNB Fund, and ApexHi Trust were represented on the ECD Donor Forum and the Bridge ECD Community of Practice.
- Participated in the COSATU Joint Programme Action on Gender-Based Violence.
- Participated at the Institute of Security Studies' forum on Revisiting South African's National Development Plan 2030.
- Attended the Activate Exchange programme to brainstorm how young people can become agents of change within their communities.
- Represented on the National Education Collaboration Trust Council.

- Attended the Ntataise Annual ECD Conference.
- Attended the National Association for Child Care Worker's 19th Biennial Conference.
- Attended the FirstRand Beyond Painting Classrooms Employee Volunteering Conference.

- Presented an ECD evaluation report at the Training and Resources in Early Education (TREE) ECD symposium.
- Presented on "Corporate Social Investment in South Africa" at the PROTEC Strategic Planning Session.
- Presented on "M&E trends in the South African private sector" at the 4th Biennial South African Conference on Monitoring and Evaluation.
- Presented on "Corporate Social Investment in South Africa" at the Youth Employability and Entrepreneurship in Africa Ideas4Work conference in Dakar, Senegal.
- On behalf of the Friedrich Naumann Foundation for Freedom, presented a strategy and fundraising workshop to the Southern African Legal Assistance Network (SALAN).
- Participated in the UNICEF Private Partnership Collaboration workshop held in Nairobi.

- Participated on the judging panel of the enke: Igniter Skills Enrichment and Social Innovation Challenge.
- Participated on the judging panel of the FNB Bursars Workshop business innovation presentations.
- Participated on the judging panel for the social project module of The Anglo American Achievers Programme for developing young leaders within the company.
- Part of the adjudication panel for the *Mail & Guardian* Investing in the Future and Drivers of Change awards.



### Media/ Publications

- Tshikululu executives were interviewed on *Radio 2000*; *Power FM*; *Channel Africa*; *Kaya FM*; *Classic FM*; *CNBC Africa* and *CNBC Africa Online*.
- Interviews also appeared in *Ventures Africa*; *Business Report*; *Business Times*; *Devex*; *Mining Weekly*; *IOL News*; and *Business Day*.
- Tshikululu had editorial input in the CSI Perspectives and Human Face of Business publications, distributed nationally.

### SSI Conference 2013

- Speakers at the two-day workshop included Sizwe Nxasana; Dr Ian Goldman; Godwin Khoza; Mark Heywood; Setlogane Manchidi; Yvette Nowell; Deepa Patel; and Kamilla Gumedede.

### GIBS/Tshikululu Leadership Dialogue Programme

- A two-day dialogue with REOS
- An evening dialogue on women and child abuse
- An evening dialogue with Jay Naidoo on the future of NGOs
- A one-day dialogue with Heartlines on reconciliation
- An evening dialogue with BASA on art in business
- A national dialogue on NDP implementation
- Next generation dinners hosted by Robbie Brozin; Thandi Orleyn; Sisa Ntshona; and Adrian Saville
- Six Dean's dinners hosted by Mark Heywood; Mark Lamberti; Godfrey Gomwe; Jacko Maree; Nick Binedell; and Jay Naidoo

### Workshops

- We commissioned four regional workshops on behalf of the Wesbank Fund which served as mini-communities of practice for its 20 programme partner organisations.
- We co-chaired a workshop session on "Integrating palliative care into public health facilities, NGO services and with extension to special needs populations" at the African Palliative Care Association's triennial Conference.
- We presented to the GIBS Board Leadership programme.
- We attended the Inyathelo Leadership Retreat for Vice-Chancellors held in Cape Town.

*Tshikululu Social Investments NPC views rigorous corporate governance as a necessary component of the process of achieving its vision of being the leading independent social investment management company in South Africa, and as an integral part of corporate identity.*

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## Governance

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## Governance and risk management

The governance model determines the way in which Tshikululu does business and interacts with all its stakeholders, both locally and internationally.

We maintain robust financial controls and governance procedures over the funds under our management. Each entity is subjected to an annual audit by Deloitte, and Tshikululu's risk, audit and compliance committee of the board maintains oversight of this process. Tshikululu acts as company secretary and public officer for all funds and trusts under management.

### *Tshikululu governance model*

Tshikululu's financial and non-financial performance objectives are overseen by the board of directors and its committees. Tshikululu's board is the focal point of corporate governance for the company. In addition to the executive committee (Exco), board committees have been appointed to deal with human resources and remuneration and audit, risk and compliance. These committees have formal charters and report on their activities at each board meeting. With the exception of Exco, all committees are chaired by non-executive directors.

### *The Companies Act No 71 of 2008 (as amended) and the King III code*

Our board of directors – both executives and non-executives – carry full fiduciary responsibility and owe a duty of care and skill to Tshikululu and its stakeholders in terms of the Companies Act No 71 of 2008 (as amended), South African common law, and Tshikululu's code of ethics. The directors recognise and subscribe to the four principles of good corporate governance: good faith, care, skill and diligence.

Good corporate governance practice is embedded in the company's operations. The directors subscribe to the recommendations. The directors review the recommendations of the 2009 King Code of Governance Principles (King III code) on an annual basis and are satisfied that Tshikululu's governance structures have accommodated them where applicable.

### *Directors' responsibility statement*

The directors of Tshikululu Social Investments NPC are required by the Companies Act to maintain adequate accounting records and to prepare financial statements for each financial year that fairly present the state of affairs of the company at the end of the financial year, and of the results and cash flows for the year. In preparing the accompanying financial statements, International Financial Reporting Standards have been followed, suitable accounting policies have been applied, and reasonable estimates have been made. The board approves significant

changes to accounting policies and the effects of these are fully explained in the annual financial statements. The financial statements incorporate full and responsible disclosure in line with the company's philosophy on corporate governance.

The directors have reviewed the company's budget and cash flow of funds forecast for the year ending 31 December 2014. On the basis of this review, and in the light of the current financial position, the directors have no reason to believe that Tshikululu will not be a going concern for the foreseeable future. The going-concern basis has therefore been adopted in preparing the financial statements. The company's independent auditors, Deloitte, have audited the financial statements and their unqualified report appears below.

## Independent auditors' report

# Deloitte.

We have audited the financial statements of Tshikululu Social Investments NPC (Registration number: 1998/010772/08) for the year ended 31 December 2013, from which the abridged financial statements were derived, in accordance with International Standards of Auditing. In our report dated 26 March, we expressed an unmodified opinion on the annual financial statements from which the abridged financial statements (pages 28 to 31) were derived.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the financial statements from which they are derived and in accordance with the measurement and recognition requirements of International Financial Reporting Standards.

For a better understanding of the company's financial position and the results of its operations for the period and of the scope of our audit, the abridged financial statements should be read in conjunction with the financial statements from which the abridged financial statements were derived and our audit report thereon.

Deloitte & Touche



Per: S Tyrans  
Authorised Auditing Body  
26 March 2014

## Tshikululu's board of directors

*Tshikululu insists on rigorous corporate governance standards. Our values of care, excellence, innovation and integrity govern the way we operate and interact with our stakeholders.*



### Directors

The directors have a duty to act in good faith, with due diligence and care in the best interests of the company, clients and all stakeholders. The directors are responsible for assessing organisational risks, and have sub-committees for audit, risk and compliance and human resources.

They are the guardians of Tshikululu's values and ethics.

### Composition

We have a representative, unitary board of directors as required by the Companies Act, No 71 of 2008, and the King III code on good governance. Five of the company's seven directors are non-executive.

The chairman is non-executive and the roles of the chairman and chief executive officer are separate. This ensures a balance of authority and precludes any one director from exercising unfettered powers of decision-making. There is a clear policy in place for appointments to the board of directors. Prior to appointment, directors are screened to ensure that they are fit and proper.

### Role and function of the board

The directors have a fiduciary duty to act in good faith, with due diligence and care, and in the best interests of the company and all stakeholders. They are the guardians of the values and ethics of the company. The fundamental responsibility of the board is to make a positive difference in South African society, which it does by improving the economic sustainability of the company, over which it has full and effective control, in the interests of all of its stakeholders.

The board's duties performed during the year under review include the following:

- Approving strategy, major plans of action, and policies and procedures
- Monitoring operational performance
- Identifying risks that impact on the company's sustainability
- Ensuring structures are in place to monitor and manage these risks and related internal controls
- Ensuring structures are in place to maintain effective corporate governance
- Establishing key performance indicators in terms of the company's business plans (including non-financial indicators) and annual budgets
- Approving major capital expenditure
- Any other matters that are defined as material.

The roles of the board and its committees are clearly set out in its charters, which are continuously updated to keep abreast of best practice, Tshikululu's needs, and the legitimate interests and expectations of our stakeholders.

### Company secretary

William Somerville, of Corporate Statutory Services (Pty) Limited, provides company secretarial and corporate governance advisory services to Tshikululu. The company is suitably qualified and sufficiently empowered and resourced to fulfil the obligations required by the role.

*Signed on behalf of the board*

**GG Gomwe**  
Chairman

### Attendance matrix

	7 March	25 June	20 September	22 November
A Arnott (Board member)	Y	Y	Y	Y
W Somerville (Company secretary)	Y	Y	Y	Y
M Diaho (Lead independent director)	Y	Y	Y	N
G Gomwe (Chairman)	Y	Y	Y	N
N Gxumisa (Board member)	N	Y	N	Y
P Rungasamy (Board member)	Y	Y	Y	Y
T Henry (CEO)	Y	Y	Y	Y
M Ngwenya (Board member)	Y	Y	Y	Y
M Makgalo (In attendance)	N/A*	N	Y	Y
N Griffiths (In attendance)	N	N	Y	Y
L Pretorius (In attendance)	N	Y	Y	Y

\* Not employed at time of meeting.

## Board portraits



**1**  
**Godfrey Gomwe**

**Non-executive, chairman (58)**  
Godfrey is CEO of Anglo American Thermal Coal. He was previously executive director of Anglo American South Africa. He is chairman of Anglo American Zimele, Anglo American Zimbabwe, and a member of the Chamber of Mines. He holds a master's degree in business leadership (MBL) from the University of South Africa, and is a chartered accountant (Zimbabwe).



**2**  
**Adrian Arnott**

**Non-executive (67)**  
Adrian is a chartered accountant who studied at Rhodes University and the University of the Witwatersrand. Adrian worked in various capacities within the financial services arm of the Anglo American Corporation, and was company secretary of FirstRand Limited, from which position he has since retired. Prior to the formation of the FirstRand Group in 1998, he was an executive director at Southern Life.



**3**  
**Mothomang Diaho**

**Lead independent director (54)**  
Mothomang is a medical doctor and the former head of the Nelson Mandela Foundation dialogue programme, a position she was appointed to in 2006. Mothomang is one of the founder members of TEACH South Africa, serves on the boards and committees of various educational and development-related organisations and programmes, and has edited or published numerous booklets and papers on matters of leadership, dialogue and health.



**4**  
**Nosipho Gxumisa**

**Non-executive (48)**  
Nosipho is the executive in charge of strategy at Barloworld Logistics and was formerly Head of Supply Chain Services at De Beers Consolidated Mines. Nosipho read a BEng (Hons) at Salford University in Manchester. In 2010 Nosipho read for an MBA full-time at the Wits Business School. While studying there, she was awarded a scholarship to complete her MBA at the Rotterdam School of Management. She has also received British Council and Fulbright scholarships.



**5**  
**Tracey Henry**

**Chief executive officer (44)**  
Tracey completed an MA (SocSc) in clinical social work at Rand Afrikaans University, before joining the Chamber of Mines in 1991. She moved to the Anglo American Chairman's Fund in 1995 and helped establish Tshikululu in 1998. Tracey was appointed CEO of Tshikululu in 2008. She serves on the governing body of the African Children's Feeding Scheme, is a member of the adjudication panel of the *Mail & Guardian's* Investing in the Future Award, a council member of the National Education Collaboration Trust and presents to the GIBS Board Leadership Programme.



**6**  
**Mthandazo Ngwenya**

**Chief financial officer (39)**  
Mthandazo is a fellow member of CIS South Africa, FCIS (SA), and a Fellow of the Chartered Institute of Business Management. He graduated in 2006 with a postgraduate diploma in business management, an MBA and MSc (Finance) from the Edinburgh School of Business, and a master's in law (LLM) from the University of London in 2011. He is a member of the Institute of Directors and a member of the Company Secretaries Interest Group.



**7**  
**Pre Rungasamy**

**Non-executive (61)**  
Pre is a retired head of transformation at Anglo American South Africa. He completed his master's in psychology at Trinity College, Dublin, before joining Telkom and later MTN International in various senior HR capacities. He joined Anglo American in 2004. He is a registered counselling psychologist, and a member of the Black Management Forum and the Institute of Personnel Management, and the chairman of Tshikululu's human resources committee.



**8**  
**William Somerville**

**Company secretary (57)**  
William holds an ACIS, an ACMA, and a diploma in corporate law from Rand Afrikaans University. William was group company secretary of ABSA for 12 years. He is a member of the Institute of Directors and serves on its board evaluation panel.

## Committee reports

### Executive committee

#### Composition

The executive committee (Exco) is chaired by Tshikululu's chief executive officer. The board of directors approves appointments to the Exco of Tshikululu. Exco comprises the heads of the major business units, including the:

- Chief executive officer, Tracey Henry
- Chief financial officer, Mthandazo Ngwenya
- Operations executive, Nikki Griffiths
- Corporate affairs executive, Mpadi Makgalo
- Corporate services executive, Lynn Pretorius

#### Role

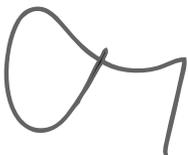
Exco is responsible for developing and implementing the strategies approved by the board of directors, and for managing the affairs of the company, and is empowered to do so.

The Exco charter encompasses strategy and responsibility for disseminating the company's value system, creating an enabling environment within which business units can grow and prosper.

Other responsibilities include:

- Acting as custodian of Tshikululu's brand and managing the company's image and reputation
- The review and recommendation of the annual budget
- The establishment of best management practices and functional standards
- Monitoring the performance of management in line with targets set by the board of directors
- Engaging stakeholders
- Creatively enabling working environment
- Identifying and managing risks
- Ongoing review of strategy
- Reviewing operational efficiencies
- Restructuring key departments (in 2013; Corporate Affairs and specific roles in Finance)
- Reviewing and strengthening existing client relationships.

*Signed on behalf of the committee*



**TW Henry**  
Chief Executive Officer

### Audit, risk, and compliance committee

#### Composition

This committee comprises a non-executive director, Mr Adrian Arnott, and an independent non-executive member, Mr Clive Beaver. The external auditors attend all meetings as invitees, as do the CEO, CFO, the financial manager, and the manager for risk and legal services.

#### Role

Tshikululu's audit, risk and compliance committee is appointed by the board and has a formally approved charter. The committee's principal regulatory duties are to oversee the integrity of Tshikululu's internal control environment and to ensure that financial statements are appropriate and comply with relevant accounting standards. The committee also provides independent oversight over the risk and compliance activities undertaken within the company. This includes ensuring that an effective policy and plan for risk management exists and has been implemented in line with the company's objectives and that the company's disclosures are timely, sufficiently detailed and relevant to stakeholders.

During the reporting period, the committee performed the following duties:

#### Audit

- Recommended the appointment of the external auditors to the board
- Reviewed the annual financial statements
- Recommended annual financial statements to the board for approval
- Monitored and managed the quality of internal controls and the implementation of corrective actions.

#### Risk

- Reviewed and approved risk management policies, standards and processes, comprising the risk management framework and the day-to-day management of risk
- Monitored the assessment of risk and the implementation of corrective actions
- Monitored the effectiveness of corrective action.

#### Compliance

- Reviewed the compliance plan
- Considered the principles underpinning the management of regulatory risk and oversaw the implementation thereof
- Monitored and managed the quality of internal controls and the implementation of corrective actions.

### Key risks monitored and managed

The key risks monitored and managed by the committee include liquidity risk, operational risk, regulatory risk (compliance), reputational risk, strategic risk, client concentration risk, human resources risk and information technology risk.

### Auditors

The annual financial statements have been audited by the independent auditors, Deloitte. Tshikululu believes that the auditors have observed the highest level of business and professional ethics. The committee is satisfied that the auditors have, at all times, acted with unimpaired independence.

*Signed on behalf of the committee*



**AH Arnott**  
Chairman

### Attendance matrix

	1 March	12 June	14 November
A Arnott (Chairman)	Y	Y	Y
C Beaver (Committee member)	Y	Y	Y
T Da Silva (In attendance)	Y	N	Y
M Dzivhani (In attendance)	N/A	Y	Y
A Fouché (In attendance)	Y	Y	Y
T Henry (In attendance)	Y	Y	Y
K Kruger (In attendance)	Y	N/A*	N/A*
L Letwaba (In attendance)	Y	Y	Y
M Ngwenya (In attendance)	Y	Y	Y
W Somerville (In attendance)	Y	N	Y
S Tyranes (In attendance)	Y	Y	Y

\* Not employed at time of meeting.

### Human resources committee

#### Composition

This independent committee comprises the chairman, Mr Pre Rungasamy, the corporate services executive and an independent committee member, Ms Anusuya Govender. The CEO is an invitee. There is an associated but independent staff employment equity committee.

#### Role

The responsibilities of the committee include:

- Reviewing the process for approval of annual salary increases
- Recommending remuneration packages for the Exco
- Reviewing company policies insofar as they relate to HR
- Overseeing the establishment and application of Tshikululu's code of ethics, which sets out the ethical principles, values, and practices that Tshikululu's employees and directors are expected to uphold.

#### Ethics

Every year, all employees and directors sign Tshikululu's code of ethics, and recommit to the principles and practices that it describes. During the year, no issues of impropriety or unethical behaviour on the part of any of the directors or employees were drawn to the attention of the committee.

*Signed on behalf of the committee*



**P Rungasamy**  
Chairman

### Attendance matrix

	25 February	16 September	7 November
P Rungasamy (Chairman)	Y	Y	Y
A Govender (Independent committee member)	Y	Y	Y
L Pretorius (Executive committee member)	Y	Y	Y
T Henry (In attendance)	Y	Y	Y
William Somerville (Company secretary)	Y	Y	Y

## Statement of directors' responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditor is responsible for reporting on the fair presentation of the annual financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The directors are also responsible for the company's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the company's assets and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The annual financial statements have been prepared on the going-concern basis since the directors believe that the company has adequate resources in place to continue in operation for the foreseeable future and that the assets will be realised and the liabilities settled in the normal course of business.

The summarised annual financial statements that are set out on pages 28 to 31 were approved by the directors on 26 March 2014 and are signed on their behalf by:



**AH Arnott**

*Chairman of audit, risk, and compliance committee*



**P Rungasamy**

*Chairman of the HR committee*

26 March 2014

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## Financial review

28 Summarised annual financial statements

For our full audited financial statements, please see [www.tshikululu.org.za/downloads](http://www.tshikululu.org.za/downloads)

## *Statement of comprehensive income*

for the year ended 31 December 2013

	2013 R	2012 R
Fee income	54 903 350	48 734 043
Other income	349 605	556 725
Interest received	1 479 347	1 377 055
<b>Total income</b>	<b>56 732 302</b>	50 667 823
Interest paid	(461)	(1 448)
Operating expenditure	(52 453 124)	(45 125 995)
<b>Income before taxation</b>	<b>4 278 717</b>	5 540 380
Taxation	(403 152)	949 382
<b>Total comprehensive income for the year</b>	<b>3 875 565</b>	6 489 762

## Statement of financial position

as at 31 December 2013

	2013 R	2012 R
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	3 568 128	4 123 799
Deferred taxation asset	896 458	1 299 610
<b>Total non-current assets</b>	<b>4 464 586</b>	<b>5 423 409</b>
<b>Current assets</b>		
Trade and other receivables	4 765 898	4 918 630
Cash and cash equivalents	30 992 328	25 088 160
<b>Total current assets</b>	<b>35 758 226</b>	<b>30 006 790</b>
<b>Total assets</b>	<b>40 222 812</b>	<b>35 430 199</b>
<b>Equity and liabilities</b>		
<b>Funds and reserves</b>		
Accumulated funds and reserves	30 689 572	26 814 007
<b>Total funds and reserves</b>	<b>30 689 572</b>	<b>26 814 007</b>
<b>Non-current liabilities</b>		
Long-term incentive liability	738 695	495 780
	<b>738 695</b>	<b>495 780</b>
<b>Current liabilities</b>		
Trade and other payables	3 188 257	3 881 579
Short-term incentive liability	787 607	339 000
Provisions	4 818 681	3 893 915
Taxation payable	–	5 918
<b>Total current liabilities</b>	<b>8 794 545</b>	<b>8 120 412</b>
<b>Total equity and liabilities</b>	<b>40 222 812</b>	<b>35 430 199</b>

## *Statement of changes in reserves*

for the year ended 31 December 2013

	Accumulated funds R	Total R
<b>Balance at 1 January 2011</b>	20 324 245	20 324 245
Total comprehensive income for the year	6 489 762	6 489 762
<b>Balance at 31 December 2012</b>	26 814 007	26 814 007
Total comprehensive income for the year	3 875 565	3 875 565
<b>Balance at 31 December 2013</b>	<b>30 689 572</b>	<b>30 689 572</b>

## Statement of cash flows

for the year ended 31 December 2013

	2013 R	2012 R
<b>Cash flows from operating activities</b>		
Cash generated from operations	5 436 328	5 498 425
Interest paid	(461)	(1 448)
Interest received	1 479 347	1 377 055
Taxation paid	(5 918)	–
Net cash generated from operating activities	6 909 296	6 874 032
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(1 005 329)	(1 959 691)
Proceeds on disposal of plant and equipment	201	28 916
Net cash used in investing activities	(1 005 128)	(1 930 775)
<b>Net increase in cash and cash equivalents</b>	5 904 168	4 943 257
Cash and cash equivalents at the beginning of the year	25 088 160	20 144 903
<b>Cash and cash equivalents at the end of the year</b>	30 992 328	25 088 160

## Contact details

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