

ANNUAL REPORT

APRIL 2014/MARCH 2015

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WHO WE ARE

The Topsy Foundation NPC (hereafter referred to as Topsy), is a fully registered and internationally-respected South African Non Profit Company and Public Benefit Organisation which provides relief services to some of South Africa's most under-resourced rural communities.

Topsy partners with communities based in the sub-district of Dipaleseng. Dipaleseng is located in the district of Gert Sibande in Mpumalanga.

Mission

The Topsy Foundation's mission is to ensure that severely poverty stricken children in rural communities reach their full potential.

Vision

The Topsy Foundation's future vision is to develop thriving sustainable rural communities by creating lasting transformation in individuals' lives.

Values

- Compassion
- Commitment
- Excellence
- Honesty
- Transparency

Executive Directors

Silvia de Jager, Jana Oosthuizen (as at 31 March 2015)

Non-Executive Directors

André Gilbertson (Chairperson), Sandesh Singh, Nunu Njeke, Ouma Masiteng, Dumisani Zwane, Zachariah Sethojane, Rob Seddon, Dave Heidrich, Abey Mokgwatsane (as at 31 March 2015)

EXECUTIVE DIRECTORS REPORT

We are proud to present the 2014 – 2015 Annual Report, reporting on activities that were undertaken during this period, but that will have an impact well into the future.

Most notably, following the closure of Topsy's ARV/TB Clinic at the end of March 2014, and after a great deal of shared thinking, consultation and refinement, Topsy developed a new Strategic Plan that will guide all of our work in the future.

With active community involvement, as well as the care and protection of orphaned and vulnerable children at its heart, the Plan sets ambitious development goals and defines how Topsy can best contribute to breaking the cycle of poverty in the communities of Dipaleseng.

It focuses on delivering an integrated approach of support to children from birth to 18, including medical care, psychosocial support, educational support and food security.

In addition to the support directly aimed at children, the empowerment of families and communities to support these interventions were not neglected. These programmes include the prevention of HIV and Aids through innovative medical programmes, as well as income generation to help alleviate poverty.

Orphaned and Vulnerable Children Programme

The past year has seen an enormous amount of hard work and success in meeting the needs of Dipaleseng's youngest children. We successfully partnered with 23 day care centres and 1 centre for disabled children and through a range of Early Childhood Development (ECD) programmes made a direct difference in the lives of some 1,300 children.

A Toy Library was established on the Topsy premises for use by all the centres, educational resources were provided and firm plans were put in place to facilitate both informal and formal training for all site heads and practitioners. The baseline information collated revealed that 50% of the site heads have no formal training in ECD and that the remaining 50%, with some ECD training background, do not have the basics in place. Future training will therefore focus on equipping practitioners with proper skills that will enable them to run centres that offer quality ECD in line with the Child Care Act and government regulations.

In addition, Topsy continued to assist the most vulnerable children and families with essential requirements such as food and hygiene parcels and school uniforms. An after school centre was established to support 47 children from the nearby Grootvlei community, and 20 children signed up for Topsy's tertiary education programme which aims to empower youth to follow the most appropriate career path and secure possibilities of tertiary education and future employment.

Medical Male Circumcision (MMC) Programme

MMC is a valuable HIV/ HPV prevention tool identified by the National Department of Health. MMC has been scientifically shown to be partially (at least 60%) effective at preventing HIV acquisition in males and significantly decreases the chances of women contracting HPV.

Medical circumcision is a health benefit for the entire family and therefore, a choice consistent with the masculine ideal of family protection. If a man is partially protected from HIV, he can better fulfil his role as a supportive husband or partner or father.

During April 2014, Topsy appointed the required staff for the programme and ensured that the administration, infrastructure and equipment were put in place. The required specialised training of staff took place in June 2014 and the first MMC procedures were also performed during this month.

Topsy's MMC procedures were facilitated in Mpumalanga through Right to Care and in the Free State through CHAPS, both Pefpar partners. A total number of 1,443 medical male circumcisions were performed between June 2014 and March 2015.

Cervical Cancer Screening Programme

Cancer of the cervix is the most common type of cancer amongst South Africa women. One in forty-one (1 in 41) women in South Africa will develop this cancer during her lifetime and it is a preventable disease.

Barriers to cervical cancer screening uptake in rural communities include absence of knowledge about the disease, geographic and economic inaccessibility of services and poor quality of services.

Topsy provided assistance by offering pap smears to the local women in our communities. Women with an abnormal pap smear result were referred to Topsy's medical officer who performed colposcopic biopsies, and if necessary, referred patients for further specialised management.

This programme made a real and significant difference in women's health in identifying women early for treatment.

Enterprise Development Programme

Through this programme, Topsy aimed to strengthen the economy of families by supporting beadwork and sewing enterprises.

By giving rural women support not only guaranteed a relatively steady income, but also increased their self-confidence to take their lives into their own hands.

Topsy's staff capacity developed significantly this past year, with a large focus on training to equip staff with the necessary skills to manage a number of large-scale programmes. We congratulate and commend our colleagues on their dedication, sense of purpose and contribution to making a difference in the lives of young children and their families in our communities.

By continuing to work more closely together with the communities, donors, government departments and numerous other partner nonprofit organisations, we ensured and will continue to ensure that our efforts are aligned to have more impact.

The accompanying financial statements include the accounts and transactions of the organisation, as well as MasterProps 324 and 341 which hold the fixed property owned wholly by the Topsy Foundation during this period.

Following the re-structuring of the organisation, we are pleased to report that there has been a significant improvement in the financial position of the organisation showing a surplus of R206,866. In addition, the revenue was positively affected by the increase in donations in kind.

Topsy has had a very productive year and has remained true to pursuing its vision and continues on its path to sustainability. The next year further presents us with many opportunities to explore and develop innovative strategies to meet the current needs of all our stakeholders.

We would like to thank all our supporters, donors, partners, staff and volunteers for their contributions and for believing in the renewed vision of the organisation.



WHAT WE DO

Statistics as at end March 2015

MAIN PROGRAMMES

OVC PROGRAMME

Improved Education

- ECD practitioner training
- Provision of educational resources
- After School Programme
- On average 2,236 direct beneficiaries are reached per month
- Provision of school uniforms

Improved Health

- Home-based care
- Health screening for children

Psychosocial Support

- Paediatric Support groups
- Children Health Awareness Programmes
- Holiday and Life Skills Programme

Increased Food Security

- Individual and Communal vegetable gardens
- Food and Hygiene Parcels

MEDICAL PROGRAMMES

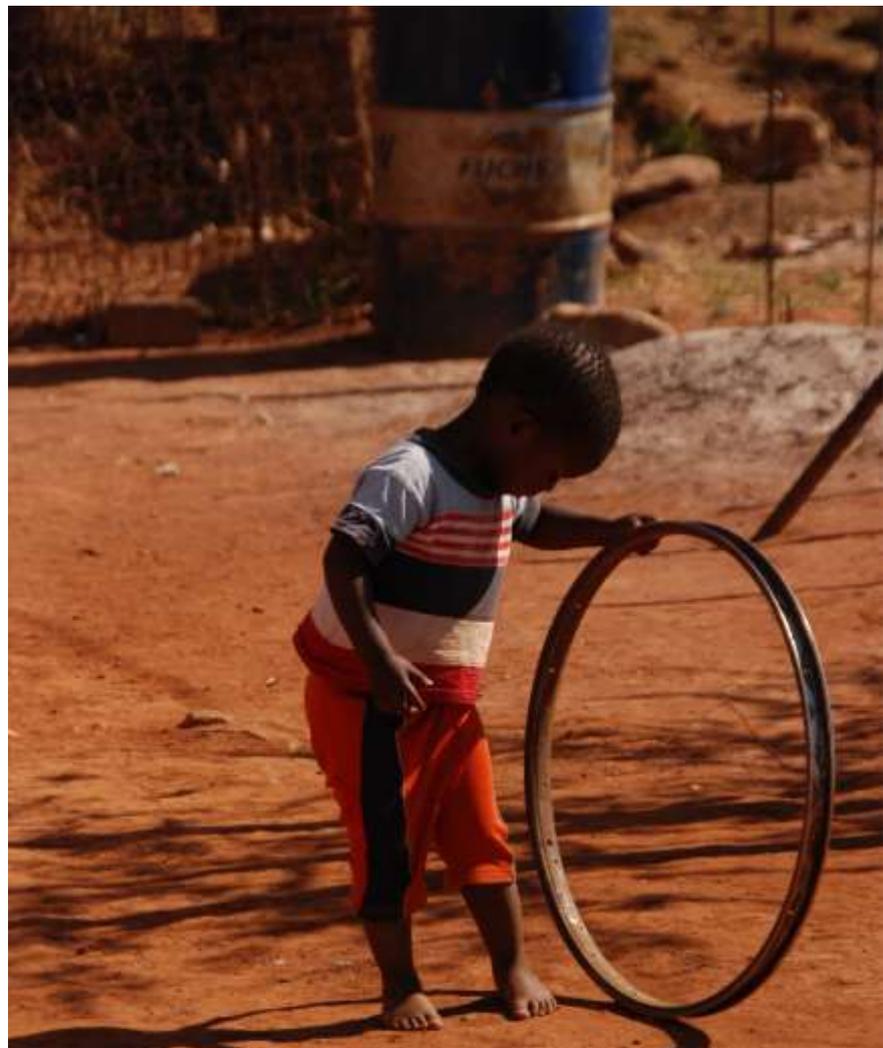
Cervical Cancer Screening

Medical Male Circumcision

X-ray and Pharmacy facilities

ENTERPRISE DEVELOPMENT

Beadwork and Sewing Projects



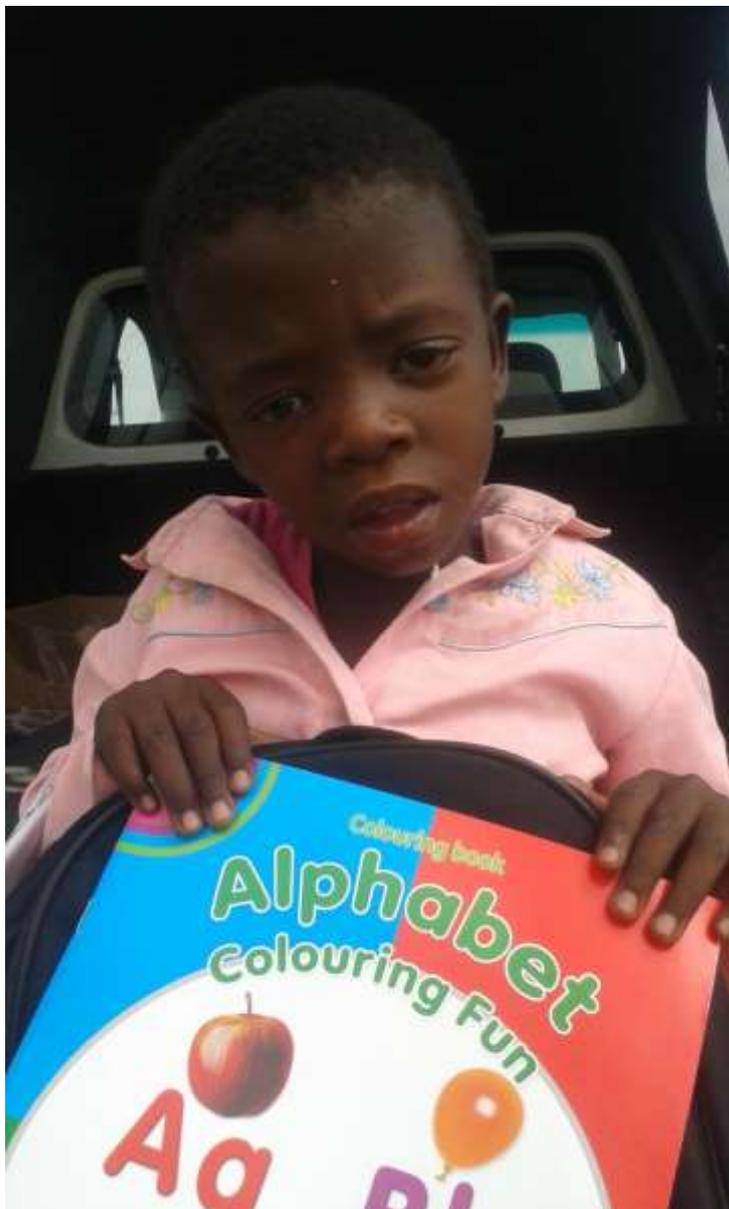
PERSONAL STORY

Below is Naledi and she is 7 years old. Her grandfather, Simon, looks after her and has taken care of her since birth, they really have a special bond. She is in a farm school on the Villiers -Vereeniging road. Her grandfather loves her dearly. He stopped me on my way back home and asked for help with Naledi's school uniform (he said he would give me money because he is 78 years old and didn't know what to buy). He is also very worried because she is sick, itching and high fever.

I brought her to Topsy where Sr Joan gave her medical assistance . After that we went to the school on the farm to double check what uniform she needs. We then travelled to Villiers to buy what is needed. When we started to pack the clothes Simon asked us not to take so many things because he only brought R200 which was his pension. It was the best moment when we told him to put his money away and buy something for their home because Topsy would pay for the school uniform. He was blown away. He could not believe what he was hearing.

Grateful is not the word.....it was all in his face and in that moment.

- Heleen Venter (Topsy Foundation Social Worker)



FINANCIAL RESULTS

The accompanying financial statements include the accounts and transactions of The Topsy Foundation NPC (Group), and the combined accounts and transactions of The Topsy Foundation NPC and Masterprops 324 Proprietary Limited and Masterprops 341 Proprietary Limited (Group). Masterprops 324 Proprietary Limited and Masterprops 341 Proprietary Limited hold the fixed property used by The Topsy Foundation NPC. The aforesaid subsidiaries are wholly owned by The Topsy Foundation NPC.

From 1 April 2015, The Topsy Foundation NPC (Topsy) continued with four major programmes, namely the Orphaned and Vulnerable Children Programme (incorporating early childhood development, home-based care and vegetable gardens), Medical Male Circumcision Programme, Cervical Cancer Screening Programme and the Enterprise Development Programme (incorporating beadwork and sewing).

All costs not identifiable with a single project but indispensable to the conduct of such projects and activities and the Foundation's existence are included as "Administration" expenses. Expenses that benefit more than one project of the Foundation are allocated proportionately between the programmes based generally on the amount of time spent by the employees, and the cost in question. If a substantial percentage of the costs are relevant to one programme, the expense is allocated to that project.

In the previous financial year, the discontinued operation of the ARV/TB Clinic was reflected separately, and therefore the comparison of the 2014 and 2015 years would account for any large variation in figures reflected.

Following the re-structuring of the organisation, we are pleased to report that there has been a significant improvement in the financial position of the organisation showing a surplus of R206,866. In addition, the revenue was positively affected by the increase in donations in kind.

The Topsy Foundation NPC has a public interest score of 53.

The Topsy Foundation NPC and its subsidiaries (Registration number 2000/027675/08) Financial Statements for the year ended 31 March 2015

Statements of Financial Position

	Notes	2014 R	2015 R
Assets			
Current Assets			
Loans to group companies	4	-	-
Trade and other receivable	5	258,445	461,394
Cash and cash equivalents	6	<u>2,749,653</u>	<u>2,901,157</u>
		<u>3,008,098</u>	<u>5,242,598</u>
Non-Current Assets			
Property, plant and equipment	7	2,689,394	2,599,779
Investments in subsidiaries	8	-	-
		<u>2,689,394</u>	<u>2,599,779</u>
Total Assets		<u>5,697,492</u>	<u>5,962,330</u>

Equity and Liabilities

Liabilities

Current Liabilities

Loans from group companies	4	-	-
Other payables	9	<u>152,200</u>	<u>210,173</u>
		<u>152,200</u>	<u>210,173</u>

Equity

Accumulated funds		<u>5,545,292</u>	<u>5,752,157</u>
Total Equity and Liabilities		<u>5,697,492</u>	<u>5,962,330</u>

The Topsy Foundation NPC and its subsidiaries (Registration number 2000/027675/08) Financial Statements for the year ended 31 March 2015

Statements of Comprehensive Income

	Notes	2014 R	2015 R
Revenue	10	5,248,339	10,112,203
Other income		200,000	12,692
Administration expenses	11	(2,134,958)	(1,879,340)
Beadwork	11	(741,240)	-
Cervical Cancer Screening	11	-	(105,783)
Enterprise Development	11	-	(1,392,636)
Home based care	11	(979,070)	-
Medical Male Circumcision	11	-	(1,523,235)
Orphaned and Vulnerable Children	11	(1,523,970)	(5,107,740)
Sewing	11	(726,516)	-
Vegetable garden	11	<u>(252,880)</u>	<u>-</u>
Operating surplus (deficit)		<u>(910,295)</u>	<u>116,161</u>
Finance income	13	115,670	94,757
Finance costs	14	<u>(8,544)</u>	<u>(4,053)</u>
Surplus (deficit) for the year from continuing operations		<u>(803,169)</u>	<u>206,865</u>
Discontinued operations			
Deficit from discontinued operations	15	<u>(380,963)</u>	<u>-</u>
Surplus (deficit) for the year		<u>(1,184,132)</u>	<u>206,865</u>
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		<u>(1,184,132)</u>	<u>206,865</u>

The Topsy Foundation NPC and its subsidiaries
(Registration number 2000/027675/08)
Financial Statements for the year ended 31 March 2015

Statement of Cash Flows

	Notes	2014 R	2015 R
Cash flows from operating activities			
Cash used in operations	17	(1,281,613)	167,937
Interest income	13	115,670	94,757
Finance costs	14	<u>(8,544)</u>	<u>(4,053)</u>
Net cash from operating activities		(1,174,487)	258,641
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(19,823)	(107,137)
Disposal of property, plant and equipment		<u>200,000</u>	<u>-</u>
Net cash from investing activities		180,177	(107,136)
Net decrease in cash and cash equivalents for the year		(994,310)	151,504
Cash and cash equivalents at the beginning of the year		<u>3,743,963</u>	<u>2,749,653</u>
Cash and cash equivalents at end of the year	6	2,749,653	2,901,157

The Topsy Foundation NPC and its subsidiaries
(Registration number 2000/027675/08)
Financial Statements for the year ended 31 March 2015

Notes to the Financial Statements

	2014 R	2015 R
4. Loans to (from) group companies		
Subsidiaries		
Masterprops 341 Proprietary Limited	-	-
Masterprops 324 Proprietary Limited	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
The amounts owing by subsidiaries are unsecured, interest free, and have no fixed repayment terms. The Topsy Foundation NPC has undertaken to support Masterprops 341 Proprietary Limited and has subordinated the loan in favour of other creditors until such time as the assets, fairly valued, exceed the liabilities.		
Current assets	-	-
Current liabilities	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

5. Trade and other receivables

Trade receivables	135,174	319,865
Other receivables	<u>123,271</u>	<u>141,529</u>
	<u>258,445</u>	<u>461,394</u>

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6,465	11,572
Bank balances	<u>2,743,188</u>	<u>2,889,585</u>
	<u>2,749,653</u>	<u>2,901,157</u>

In terms of the Nedbank Limited facility, the following suretyships have been provided in favour of the company:

Masterprops 324 Proprietary Limited	1,000,000	1,000,000
Masterprops 341 Proprietary Limited	1,500,000	1,500,000

The Foundation has a facility available with Nedbank Limited of R200,000.

7. Property, plant and equipment

	2014			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and buildings	2,166,413	-	2,166,413	2,166,413	-	2,166,413
Medical equipment	308,116	(150,794)	157,322	390,115	(186,927)	203,188
Furniture and fittings	311,171	(154,486)	156,685	321,646	(186,477)	135,169
Motor vehicles	747,831	(562,665)	185,166	747,831	(675,222)	72,609
Computer equipment	137,888	(114,080)	23,808	152,551	(130,151)	22,400
TOTAL	3,671,419	(982,025)	2,689,394	3,778,556	(1,178,777)	2,599,779

Reconciliation of property, plant and equipment – 2014

	Opening balance	Additions	Depreciation	Closing Balance
Land and buildings	2,166,413	-	-	2,166,413
Medical Equipment	188,133	-	(30,811)	157,322
Furniture and fittings	185,125	-	(28,440)	156,685
Motor vehicles	307,080	-	(121,914)	185,166
Computer equipment	27,772	19,823	(23,787)	23,808
	2,874,523	19,823	(204,952)	2,689,394

Reconciliation of property, plant and equipment – 2015

	Opening balance	Additions	Depreciation	Closing Balance
Land and buildings	2,166,413	-	-	2,166,413
Medical Equipment	157,322	81,999	(36,133)	203,188
Furniture and fittings	156,685	10,475	(31,991)	135,169
Motor vehicles	185,166	-	(112,557)	72,609
Computer equipment	23,808	14,663	(16,071)	22,400

2,689,394	107,137	(196,752)	2,599,779
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Land and buildings comprise:

Portion 128 and portion 169 of the Farm Grootvlei 453 , Registration Division L.R., the Province of Mpumalanga, with buildings thereon.

Details of properties

Land and buildings comprise:

	2014	2015
Land – at cost	310,026	310,026
Improvements – at cost	<u>1,856,387</u>	<u>1,856,387</u>
	<u>2,166,413</u>	<u>2,166,413</u>

8. Investments in subsidiaries

	%	%	Carrying	Carrying
	holding	holding	amount 2014	amount 2015
	2014	2013		
Masterprops 324 Proprietary Limited	100.00%	100.00%	600	600
Masterprops 341 Proprietary Limited	100.00%	100.00%	<u>600</u>	<u>600</u>
			<u>1,200</u>	<u>1,200</u>

All the entities are incorporated in South Africa and share the same year end as the company.

The carrying amounts of subsidiaries are shown gross of impairment losses.

9. Trade and other payables

Other accruals	10,269	-	10,269	-
Payroll accruals	<u>199,904</u>	<u>152,200</u>	<u>199,904</u>	<u>152,200</u>
	<u>210,173</u>	<u>152,200</u>	<u>210,173</u>	<u>152,200</u>

10. Revenue

Donations in kind

-Royale International (Couriers)	33,831	30,308
-Ogilvy South Africa Proprietary Limited	849,116	1,191,090
-Crossroads Church	355,641	1,106,251
-PricewaterhouseCoopers Inc.	219,420	232,585
-Department of Health	-	R257,035
	<u>1,458,008</u>	<u>2,817,269</u>

Cash donations

-Absa Bank Limited	9,052	10,800
-Amrod Group	79,018	65,840
-Anglo American Chairman's Trust	-	450,000
-Crossroads Church	973,419	2,060,636

-Dischem	80,000	120,000
-Domain Name Services	-	50,000
-Givengain	-	53,640
-HCI Foundation	-	40,000
-Hermann Olthaver Trust	-	30,000
-IQRAA	91,667	-
-Jacaranda Stichting	206,447	-
-LP Architects	-	15,000
-Medical Male Circumcision	-	1,023,750
-N3TC	-	R225,000
-NLDTF	-	743,569
-Ogilvy and Mather South Africa Proprietary Limited	251,865	216,432
-Other	363,228	85,990
-RB Hagart Trust	-	200,000
-Right to Care	-	383,119
-Roses and Rosemary	102,488	103,740
-Sasol Social and Community Foundation	180,000	-
-S Reddy	-	1,100
-Strate	100,000	110,000
-Topsy United Kingdom	278,760	255,406
-Phil Collins Warner Music	197,954	219,125
-Value Logistics	50,000	40,000
-Veolia Water	150,000	112,000
-Zingaro	-	22,000
-Enterprise Development Revenue	676,434	645,335
	<u>3,790,331</u>	<u>7,294,934</u>
	<u>5,248,339</u>	<u>10,112,203</u>

11. Expenses by nature

In kind

Audit fees	219,420	232,585
Advertising	96,356	338,532
Computer expenses	96,000	101,760
Courier and postage	33,831	37,508
Medication	-	257,035
Patient Food	355,641	1,106,251
Rental	505,560	591,258
Stationery	86,400	72,600
Telephone	26,880	28,560
Water and Electricity	37,920	51,180
	<u>1,458,008</u>	<u>2,817,269</u>

Operating

Accounting fees	19,231	80,031
Bank charges	20,936	26,869
Community Projects	78,905	155,267
Computer expenses	10,715	47,001
Consulting fees	23,913	-
Contractors costs	393,226	329,641
Courier and Postage	11,018	1,403
Depreciation	204,952	196,752
Employee benefit expenses	2,646,608	4,134,139
Fundraising expenses	236,848	211,503

Handling fees	307,655	406,216
Insurance	34,449	89,956
Material purchases	149,818	106,988
Medication (for opportunistic infections)	20,796	83,799
Motor vehicle expenses	38,557	193,604
Other	63,782	158,796
Food and Housekeeping	366,367	299,618
Patient transport	135,180	213,345
Printing and Stationery	42,660	102,471
Rental	17,816	7,500
Repairs and Maintenance	5,952	92,245
Telephone	24,357	92,555
Training	6,096	26,179
Water and Electricity	40,789	133,587
	<u>4,900,626</u>	<u>7,191,465</u>
Total expenses	<u>6,358,634</u>	<u>10,008,734</u>

13. Finance income

Interest revenue

Bank	<u>115,757</u>	<u>94,757</u>
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14. Finance costs

Right to Care	<u>8,544</u>	<u>4,053</u>
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17. Cash used in operations

(Loss) profit from continued operations	(803,169)	206,865
(Loss) from discontinued operations	(380,963)	-

Adjustments for:

Depreciation	204,952	196,752
Profit on sale of property, plant and Equipment	(200,000)	-
Interest received	(115,670)	(94,757)
Finance costs	8,544	4,053

Changes in working capital:

Trade and other receivables	(1,501)	(202,949)
Other payables	<u>6,194</u>	<u>57,973</u>
	<u>(1,281,613)</u>	<u>167,937</u>

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