



Thandulwazi Trust

MATHS AND SCIENCE ACADEMY

The Governors of the St Stithians Foundation have great pleasure in announcing the formation of the Thandulwazi Trust (the “Trust”).

The Trust has been formed with the primary purpose of acting as a recipient of corporate and individual donations and investments for the benefit of the teachers and learners who participate in the Thandulwazi Maths and Science Academy. The Academy focuses on the training and support of historically disadvantaged Maths and Science teachers and learners.

The Trust is an entirely separate entity from the St Stithians Foundation. A Trust Deed was lodged with the Master of the South Gauteng High Court and Letters of Authority were issued in the name of the Trustees on 1 December 2010.

The board of Trustees is appointed in terms of the Trust Deed of the Trust and comprises at least four Trustees, two of whom are independent and appointed by the St Stithians Foundation and two of whom are actively involved in the operation of the Academy or programme which falls within the object of the Trust.





The Trust presents potential donors, particularly corporate entities, with a wonderful opportunity to meet the requirements of the Broad-Based Black Economic Empowerment Codes of Good Practice (the “B-BEE Codes”) and to maximize their scorecards. More specifically, the Trust can be utilized to meet the requirements set out in terms of the Ownership, Skills Development and Socio-economic Development pillars of the scorecard.

The Trust has been issued with a BEE compliance certificate by Empowerdex, has been awarded special exemption from SARS in terms of Section 18A and is a registered Public Benefit Organisation. The Trust is also registered as an NPO (Non-Profit Organisation) with the Department of Social Development. The relevant registration numbers are listed on the letterhead below.

Potential donors are welcome to contact Ms Bev Johnson at Tel: 011-577-6193 or thandulwazi@stithian.com to obtain further information on the Trust. The Trust’s banking details are listed below.

Thandulwazi Trust: Master IT No 3025/2010

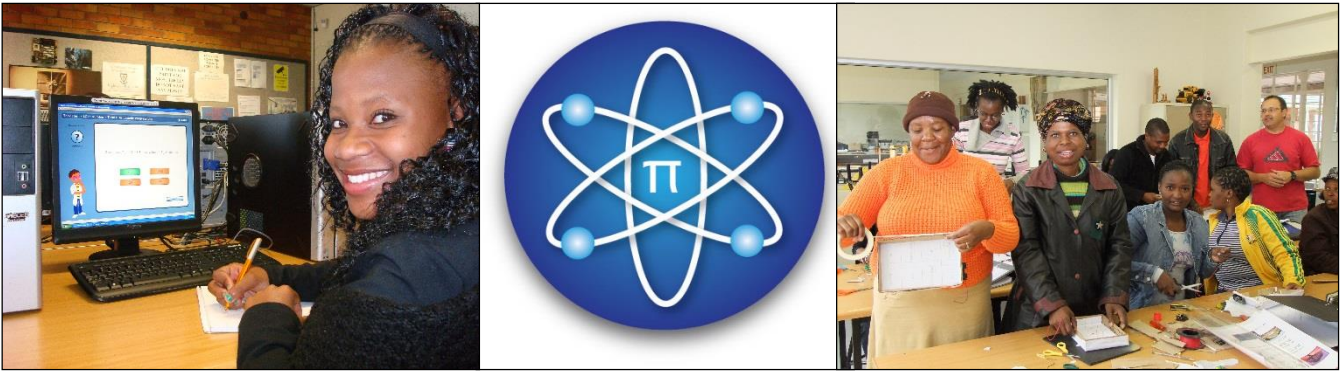
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Trust Registration No. IT No 3025/2010
PBO Number: 930037387
NPO Number: 099/707

Trustees:
L Astfalck, M Z Khoza, K Morolo &
K Naidoo

Banking details:
Thandulwazi Trust
Standard Bank of SA Limited
Account No. 221043209
Randburg Branch (Code: 018005)



THANDULWAZI MATHS & SCIENCE ACADEMY

B-BBEE AND INCOME TAX DEDUCTIONS

Broad-Based Black Economic Empowerment (B-BBEE)

In order to address the legacy of apartheid the South African Government has adopted a strategy to transform South African business (and society as a whole) for the long-term sustainable development of the country. The Government has introduced the Broad-Based Black Economic Empowerment legislation and Policies (BEE), aimed at rectifying one of the most unequal distributions of wealth in the world; gender and racial disparities in education and skills levels; the high unemployment rate and lack of access by small black-owned enterprises to the formal economic sector; and the under-development of black and rural communities. Societies characterised by entrenched gender inequality or racially/ ethnically defined wealth disparities are not likely to be socially and politically stable, particularly as economic growth can easily exacerbate these inequalities. Seen in this context, BEE is vitally important in the development of our country.

Thandulwazi is committed to the transformation of education and there is substantial alignment between the objectives of BEE and the activities undertaken by the Thandulwazi Maths & Science Academy. There seems to be no doubt at all of the vital necessity to redress the educational inequalities that arose during the apartheid era and which still visibly underpin and “haunt” today’s school (primary, secondary and tertiary) system.

While the transfer of ownership and control of a portion of the economy to black people is a significant part of BEE policy, it is only one aspect of the policy. BEE is also about ensuring that the people who work in, manage and lead businesses broadly reflect the diverse profile of the South African population, requiring skills be transferred to persons previously disadvantaged by the system of apartheid. The development of black-owned enterprises and the socio-economic development of the black section of our community seek to deracialise the South African economy and fast track marginalised communities into the mainstream. Persons identified to benefit from BEE are “black” people (also commonly described as “Historically Disadvantaged South Africans” (HDSAs)). “Black” people are defined as South Africans who are “Africans, Coloureds and Indians”.

A set of generic “Codes of Good Practice” was first published in February 2007. These Codes form the basis for measuring BEE. A “scorecard” approach is used in assessing an entity’s compliance with BEE, giving points to the different aspects of BEE. The Codes provide a standard/ generic framework for the measurement of BEE across all sectors of the economy, and there are some industry-specific arrangements (charters and additional codes) that may modify the standard framework. The Generic Scorecard awards points amounting to a total of 100 (excluding bonus points) on the seven elements of: ownership (20 points), management control (10), employment equity (15), skills development (15), preferential procurement (20), enterprise development (15) and socio-economic development (5).

The measurement of the Ownership element quantifies the effective ownership of the enterprise by black people. The Socio-Economic Development element measures the extent to which enterprises carry out initiatives aimed at contributing to socio-economic development and promoting access to the economy for black people.

Ownership is measured as an entitlement to both voting rights and economic ownership. An overall target of 25 percent plus one vote by black people is set for the ownership element. The Thandulwazi Trust is able to provide full BEE benefit in terms of ownership points in that, among other ways, the Trust may act as a minority shareholder, and will use the income derived from its shareholding for the benefit of the Academy.

The Socio-Economic Development element is allocated five points on the Generic Scorecard. The target is one percent of the entity's net profit after tax, being contributions to beneficiaries where at least 75 percent of the value directly benefits black South Africans.

The Thandulwazi Maths and Science Academy beneficiaries are 100% black South Africans and therefore donations to Thandulwazi qualify fully in respect of the Socio-Economic Development element of the BEE scorecard.

In October 2013, a revised set of generic Codes of Good Practice were published by government. In terms of these revised Codes, points are awarded in terms of five elements of: ownership (25 points), management control (19), skills development (20), enterprise and supplier development (40) and socio-economic development (5), amounting to a total of 109 points (excluding bonus points). Donors may continue to utilize the Thandulwazi Trust for meeting the ownership and socio-economic development elements (in the manners described above). The revised Codes replace the Codes published in 2007 and are enforceable on all entities from 1 May 2015.

A significant change brought about by the revised Codes is that enterprises are now required to train non-employees for purposes of meeting the skills development pillar. The targets set to train non-employees are referenced against the Economically Active Population targets published by statistics South Africa from time to time. By setting the targets in this manner, government is deliberating focusing businesses' attention on education all black South Africans and not a particular sub-race group. Non-compliance with the minimum threshold for the skills development element (as with the ownership element), will lead to the enterprise being discounted one BEE level rating.

Beneficiaries of the Thandulwazi Trust comprise a mixture of Africans, Coloureds and Indians. The Trust thus provides entities with a pool of beneficiaries outside of their staff compliment to maximize their training (with regards to spend and the number of black people trained) in accordance with the Economically Active Population targets (published by Statistics South Africa from time to time) set. Due to the nature of the Academy, donors to the Trust for purposes of skills development will receive 100% recognition of the value of their contribution. Donors may also receive recognition towards their learnership and internship targets of the scorecard.



Deduction of donations for tax purposes

Section 18A of the Income Tax Act provides for the tax deductibility of donations made to approved public benefit organisations. A taxpayer making a *bona fide* donation is entitled to a deduction from his taxable income if the donation:

- is supported by the necessary receipt issued by the organization; and
- does not exceed 10% of the donor's taxable income (certain technical quantification issues in respect of individuals).

A *bona fide* donation is a gratuitous donation or gift disposed of by the donor out of liberality or generosity. It is a voluntary gift which is freely given to the donee, with no *quid pro quo*, no reciprocal obligations and no personal benefit for the donor. The donor may not impose conditions which could enable him or any connected person in relation to himself to derive some direct or indirect benefit from the application of the donation. The donation may not be revocable by the donor. The donation must actually be paid or transferred during the year of assessment.

Donations to Thandulwazi qualify for income tax deduction (subject to the 10% limit) in terms of Section 18A and a valid tax receipt will be provided to donors to evidence the donation.

Acknowledgements:

Bowman Gilfillan BEE guide

SARS - Tax Exemption Guide for Public Benefit Organisations in South Africa



Banking details

Name: Thandulwazi Trust
Bank: Standard Bank of SA Limited
Account No. 221043209
Branch: Randburg
Branch Code: 018005



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