

Corporate Citizenship

Accenture (South Africa) Education Trust

Annual Report for year ended 31 August, 2006

>
accenture

High performance. Delivered.

• Consulting • Technology • Outsourcing

Foreword

"In a country of great wealth and even greater poverty, and where the disparity between the "haves" and the "have-nots" continues to widen, Accenture (SA) is committed to supporting the education opportunities for those who, as a consequence of the legacies of South Africa, have been disadvantaged over many years. The Education Trust, one of the Accenture (SA)'s Corporate Citizenship initiatives, provides full scholarships for approximately 24 talented students who would not otherwise have the opportunity to further their tertiary education. The potential for South Africa to become a leading player in the world economy is limited only by the shortage of skilled professionals. Accenture (SA) is committed to the development of young, talented and entrepreneurial young people who will exercise their skills to enhance the growth of the economy and to create employment. The future of this country is in

the hands of our young people and we are dedicated to contributing to the future well-being and success of this nation."

William Mzimba

Country Managing Director of Accenture (South Africa) (Pty) Ltd

About Accenture

Accenture is a global management consulting, technology and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to assist them to become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilise the right people, skills and technologies to help clients improve their performance. With more than 152,000 people operating out of 49 countries, the company generated net revenues of US\$16.65 billion for the fiscal year ended August 31, 2006. For more information, go to www.accenture.com

History of the Trust

In 2001 Accenture (SA) established an Education Trust (the Trust) as one of its Corporate Citizenship activities in South Africa. The Trust provides a platform to assist financially disadvantaged students wishing to further their education at university.

The initial contributions to the Trust were made by the Accenture partners through their annual charitable donation plan and by the global organisation of Accenture. In 2002 the worldwide partnerships of Accenture incorporated into a single company, Accenture Ltd, which subsequently listed on the New York Stock Exchange in that same year. As part of the celebration of this milestone event, a substantial number of shares were set aside by the leadership for donation to charitable organisations around the world. The Trust was identified as a worthy recipient and received approximately

100,000 shares in early 2003. The impact of this injection of funds was to transform the Trust from a small bursary fund to a significant scholarship programme, thus enabling it to support a maximum of 24 students. Subsequent to the changes in the SA Tax Act and regulations, the trustees chose to lift all restrictions on recipients of bursaries and today all awards made by the Trust are full scholarships. Recipients are under no obligation to join Accenture (SA) after graduation, but without exception, all scholarship graduands to date have applied to join the company and most have been successful. All scholarship holders are required to undergo the same demanding interview process to which all other applicants are subjected.

Aims of the Trust

Recipients of scholarships are required to major in one of the following disciplines: Information Systems, Computer Science, Information Technology, Informatics or Electrical, Electronic or Industrial Engineering. Graduates in these disciplines are in increasingly short supply in South Africa and critical for the future economic development and growth of the country. The trustees believe that in providing scholarships for students who are not able to fund themselves, interest in these professions will be enhanced thereby strengthening the country's ability to create additional employment opportunities, to develop the infrastructure and to compete more effectively in the global marketplace.

Governance

The Trust is governed by a Board of Trustees established in accordance with a Deed of Trust and reports to the Corporate Citizenship Committee of the Board of Directors of Accenture (SA). The trustees are elected to the Board in accordance with the procedures set out in the Trust Deed. The majority of trustees, in accordance with the directives of the Tax Act and Tax Regulations, are not directly linked to Accenture. This ensures that the Board of Trustees remains independent of the Accenture Board and that the Trust retains its tax exemption status.

At the meeting of the Board in June 2006, Mr Pieter Prinsloo, one of the two founding trustees of the Education Trust, tendered his resignation following his decision earlier in the year to retire. Mr Prinsloo was instrumental in the drafting of the Trust Deed and all associated legal documentation associated with the establishment of the Trust, and in securing the registration of the Trust. He also played an active role on the Board and served on several committees associated with the interviews and selection of scholarship students. Mr Prinsloo's contribution to the Trust was greatly valued and his interest and support were much appreciated. We wish him well in his retirement.

The trustees in 2006 were:

Mr Bruce A Dickson (Chairperson)
Mr Leslie F Bergman
Professor Robert W Charlton
Mrs Fritha A Davidson
Ms Happy Masondo (from 31 July 2006)
Mr Harshad P Parbhoo
Professor Derek C Smith
Mr Pieter H Prinsloo (until 31 July 2006)

Regular meetings of the Board of Trustees were held. Selection committees, made up of trustees, conducted all interviews and were responsible for the award of scholarships for 2006. The Trust was audited by KPMG Inc and the assets of the Trust were managed by two asset managers, namely Investec Asset Management and Fifth Generation. Owing to the poor performance of Fifth Generation, the trustees resolved to move the assets managed by Fifth Generation. Several leading asset managers were interviewed by the Board and after careful consideration Cannon Asset Managers were appointed. The transfer of all the assets under the control of Fifth Generation were finalised in June 2006. In accordance with regulations, the Annual Financial Statements and Annual Report are submitted to the Receiver of Revenue. Accenture (SA) (Pty) Ltd provides administrative support for the day-to-day management of the Trust.

Award of Scholarships

There are two key criteria for qualification for a scholarship: financial disadvantage and high academic performance. Schoolleavers apply to the Trust during their matriculation year and selected students are interviewed towards the end of that year. Existing, more senior, students may also be considered for scholarships if vacancies exist in the allocation of scholarships for the year under consideration. Successful candidates are informed in December/January after the release of the matriculation or university examination results.

The scholarship provides funding for full tuition and residence fees as well as prescribed books. Students not able to find a place in a university residence are encouraged to find accommodation in one of the many private residences recognised by the university of their

choice. Second year students are provided with a laptop computer.

In 2002, three scholarships were awarded. This number was increased to seven in 2003, to 17 in 2004 and to 23 in 2005. In 2006 the number of scholarship-holders was 19 owing to a number of students withdrawing in the latter part of 2005, by which time it was too late to identify replacement candidates. The scholarship students were registered at the Universities of Cape Town, Johannesburg, KwaZulu-Natal, Pretoria and the Witwatersrand. Of the 19, 10 were male and nine were female. 14 of these students were black, one was coloured, two were Asian and two were white.

Career Opportunities

With the rapid changes in technology and the constant evolutionary change taking place in business across the global marketplace, the demand for skills, experience and business acumen is growing. The need for strong, problem-solving ability and strategic thinking are fundamental in the profile of the successful consultant.

Accenture is one of the world's leading technology companies and has made major contributions to many different industries in this country. Its consultants are highly skilled individuals who never cease learning in order to stay ahead in this highly competitive industry. Its clients rank amongst the best companies across the globe

and Accenture is involved with no less than 90 of Fortune 100's top companies. In 2006, Accenture served approximately 4,000 clients in more than 75 countries and across 30 industries. In South Africa, Accenture plays an important part in contributing to the success of many of the country's leading, listed companies as well as Government. It is into this exciting and challenging world that the successful scholarship-holders and students enter on graduating.



The Accenture Education Trust Mentoring Programme

Towards the end of 2005 the Board of the Accenture (SA) Education Trust accepted a proposal to launch a Mentorship Programme to provide additional support for the students on scholarships. Many of the scholarship students find the early years at university very challenging from an academic point of view as well as socially. Adapting to a very different and often frightening environment is not easy. Hence the idea of providing additional support from Accenture people who themselves had not been long out of university. The response to the launch of the programme was overwhelming and approximately 10% of the Consulting Workforce volunteered to become involved. As a consequence we had far more mentors than students. Nevertheless all the volunteers were trained and

two mentors were assigned to every student. In the majority of cases this arrangement worked well.

All mentors receive initial training to raise their levels of awareness of the challenges facing students, the majority of whom come from very disadvantaged and often rural backgrounds. Mentors need to be equipped to address not only academic matters, but also many other issues which young students face. These include relationships, life skills, and managing finances, achieving a healthy balance between work and recreation. The mentors also play a role in "educating" the students about Accenture, the consulting profession and the world of work. An important part of the relationship-building is the sharing of experiences and helping the student

appreciate that others have been through the same ordeals themselves – and have survived!

Below are extracts from some of the student reports about the Adopt a Student programme:

"I think that the mentoring idea is a superb one. It is great to know that as a university student, especially a new one, you have an available support structure to help you deal with the immense pressures of varsity life. What helps is that there are people who have been through the same dilemmas you are going through and that these people are willing to assist you. The advice you receive is the best as this was taught to them by experience which we all know is the best teacher!"

Matsie Matsabu, 1st year BSc Fin (IT), University of Johannesburg

"I think the mentoring programme is fantastic as we are able to learn more about Accenture from our mentors. Another great advantage is that the mentors that I have are of a close age to me, so we are able to relate and communicate in a manner that I am not able to with an older or higher ranking person at Accenture."

Ashvir Harcharan, 4th year BSc(Eng) (Electrical), University of KwaZulu-Natal

"I really think the mentorship programme is adding a lot of value to me as a student. I also appreciate the fact that I get to have a direct insider's perspective about the ins and outs of Accenture. I actually feel more in touch with Accenture than ever before. So, thumbs up for mentors!"

Portia Nkehli, 3rd year BCom Information Systems, University of KwaZulu-Natal

"I think that the Adopt-a-Student Programme is very beneficial to me because it gives me extra support,

or at least a place where I think that my worries and problems about academics and general varsity issues can be aired. I think it is a brilliant idea and goes to show how much the company values its people and also how the people in the company go beyond themselves to help others."

Nokuthula Nhlapo, 2nd year BSc(Eng) (Industrial), University of the Witwatersrand

"I find the programme to be quite useful in that it has helped me get perspective on my goals and having some kind of support or someone to talk to always helps, especially when they can fully or even partially identify with your situation. The moral support is good for academic and social pressures."

Mahlatse Lekalakala, 2nd year, BSc(Eng) (Electrical), University of Cape Town

List of all past and present students

Past scholarship holders

Name	Race	University	Degree	Major
2002				
Bongi Mdluli	Black	KwaZulu-Natal	BCom(Hons)	Information Systems
Lesego Raleie*	Black	KwaZulu-Natal	BCom	Information Systems
Jasmine Thomas	Coloured	Rhodes	BSc(Hons)	Information Systems
2003				
Junaid Elias	Asian	KwaZulu-Natal	BBusSc	Information Systems
Ayesha Hassim	Coloured	Cape Town	BSc(Hons)	Information Systems
Mashudu Nefumembe	Black	Johannesburg	BSc(Hons)	Computer Science
Kubandren Reddy	Asian	KwaZulu-Natal	BCom(Hons)	Information Systems
David Stevens	White	Rhodes	BSc(Hons)	Information Systems
2004				
Adnaan Khan	Asian	Cape Town	BCom(Hons)	Information Systems
Siphamandla Kheswa*	Black	Cape Town	BSc(Eng)	Electrical
Noma Makhandla	Black	Rhodes	BSc	Information Systems
Hilda Makola*	Black	Witwatersrand	BSc(Eng)	Electrical
Mzamo Manzini*	Black	KwaZulu-Natal	BSc(Eng)	Computer
Dean McBride	White	Cape Town	BSc(Eng)	Electro-Mechanical
Ntsako Mkasi*	Black	Pretoria	BEng	Industrial
Bongi Msibi*	Black	Witwatersrand	BSc	Computer Science
Gilchrist Mushwana	Black	Cape Town	BSc(Hons)	Information Technology
Mosima Ramonyai*	Black	Cape Town	BSc	Computer Science
Nomcebo Tembe	Black	Cape Town	BCom	Information Systems

* Scholarship withdrawn before graduating.

Scholarship holders in 2006

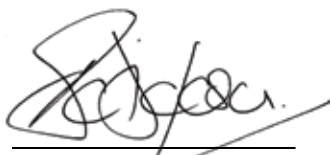
Name	Race	University	Degree	Major
2004				
Ferowza Bowren	Coloured	Cape Town	BCom	Information Systems
Mahlitse Lekalakala	Black	Cape Town	BSc(Eng)	Electrical
Ntsako Manyike	Black	Witwatersrand	BSc(Eng)	Electrical
Yoliswa Matu	Black	Johannesburg	BSc	Computer Science
Hashendrie Nadar	Asian	Pretoria	BIT	Information Technology
Ntathakusa Nkehli	Black	KwaZulu-Natal	BCom	Information Systems
Khetha Tlou	Black	Pretoria	BEng	Computer
2005				
Ashvir Harcharan	Asian	KwaZulu-Natal	BSc(Eng)	Electrical
Thembeke Mbatha	Black	Cape Town	BSc	Information Technology
Kenneth Matlhole	Black	Witwatersrand	BSc(Eng)	Electrical
Nokuthula Nhlapo	Black	Witwatersrand	BSc(Eng)	Industrial
Mbulelo Ntlangu	Black	Cape Town	BSc(Eng)	Electrical
Nelisa Zulu	Black	KwaZulu-Natal	BCom	Information Systems
2006				
Sibusiso Khoza	Black	Witwatersrand	BSc	Computer Science
Matsie Matsabu	Black	Johannesburg	BSc(Fin)	Information Technology
Fhumulani Mphadzha	Black	Witwatersrand	BSc(Eng)	Industrial
Eloise Riekert	White	Cape Town	BBusSc(Hons)	Information Systems
Vusi Tshabalala	Black	Witwatersrand	BSc(Eng)	Electrical
David Wilson	White	Cape Town	BBusSc(Hons)	Information Systems

Annual financial statements for the year ended 31 August 2006

Contents	Page
Report of the independent auditors	12
Balance sheet	13
Income statement	14
Statement of changes in equity	15
Cash flow statement	16
Notes to the financial statements	17 - 19

Approval of the Trustees

The annual financial statements which appear on pages 13 to 19 are presented in accordance with the requirements of the Trust Deed and were approved by the Trustees on 4 April 2007 and signed on their behalf by:



Trustee



Trustee

Independent Auditor's Report to the Trustees of Accenture (South Africa) Education Trust

Report on the Financial Statements

We have audited the financial statements of Accenture (South Africa) Education Trust, which comprise the balance sheet at 31 August 2006, and the income statement, the statement of changes in equity and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 13 to 19.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Accenture (South Africa) Education Trust at 31 August 2006, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

KPMG Inc.



Per Jan Vliegenthart
Chartered Accountant (SA)
Registered Auditor
Director
4 April 2007



Balance sheet at 31 August 2006

		2006	2005
	Note	R	R
Assets			
Current assets		21 628 232	19 023 196
Investments	2	21 483 316	18 558 154
Cash and cash equivalents		131 551	426 058
Accounts receivable	3	13 365	38 984
Total assets		21 628 232	19 023 196
Equity and liabilities			
Capital and reserves			
Accumulated reserve		21 607 424	18 303 088
Current liabilities			
Accounts payable		20 808	720 108
Total equity and liabilities		21 628 232	19 023 196

Income statement for the year ended 31 August 2006

	2006	2005
	R	R
Income	4 503 514	2 999 397
Donations received	200 000	174 068
Dividends received	204 667	387 014
Interest received - investments	385 133	93 163
Interest received - bank account	68 455	-
Fair value adjustment of investments	3 645 259	2 344 702
Sundry income	-	450
Expenses	1 199 178	1 280 146
Sundry expenses	856	677
Investment fees	292 818	182 910
Audit fees	3 615	1 000
Study expenses	900 803	1 091 793
Legal fees	1 086	3 766
Surplus for the year	3 304 336	1 719 251

Statement of changes in equity for the year ended 31 August 2006

	Accumulated reserve R
Balance at 1 September 2004	16 583 837
Surplus from operations	1 719 251
Balance at 31 August 2005	<u>18 303 088</u>
Balance as at 1 September 2005	18 303 088
Surplus from operations	3 304 336
Balance as at 31 August 2006	<u>21 607 424</u>

Cash flow statement for the year ended 31 August 2006

		2006	2005
	Note	R	R
Cash utilised in operations	4	(1 366 923)	(225 989)
Interest received		<u>68 455</u>	<u>-</u>
Net cash outflow from operating activities		<u>(1 298 468)</u>	<u>(225 989)</u>
Cash flows from investing activities			
Proceeds from disposal of investments		<u>1 003 961</u>	<u>600 000</u>
Net cash inflow from investing activities		<u>1 003 961</u>	<u>600 000</u>
Net increase/(decrease) in cash and cash equivalents		(294 507)	374 011
Cash and cash equivalents at the beginning of the year		<u>426 058</u>	<u>52 047</u>
Cash and cash equivalents at the end of the year		<u><u>131 551</u></u>	<u><u>426 058</u></u>

Notes to the financial statements for the year ended 31 August 2006

1. Accounting policies

The principal accounting policies of the Trust and the disclosures made in the annual financial statements conform with South African Statements of Generally Accepted Accounting Practice and are consistent with those applied in the previous year.

1.1 Comparative figures

Comparative figures have been reclassified where necessary.

1.2 Financial instruments

Measurement

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Investments

Listed investment classified as available-for sale assets are carried at fair value, which is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Unlisted investments are shown at the fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses.

Investments that meet the criteria for classification as held-to maturity financial assets are carried at amortised cost.

Trade and other receivables

Trade and other receivables originated by the Trust are stated at cost less impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

Derivative instruments

Derivative instruments are measured at fair value.

Notes to the financial statements for the year ended 31 August 2006

Gains and losses on subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship is recognised as follows:

- a) A gain or loss on a financial asset or liability classified as at fair value through profit or loss are recognised in profit or loss.
- b) A gain or loss on an available-for sale financial asset is recognised directly in equity through the statement of changes in equity except for:
 - i) impairment losses
 - ii) foreign exchange gains and losses

Gains and losses from measuring the hedging instruments relating to a fair value hedge at fair value are recognised immediately in net profit or loss.

Gains and losses from remeasuring the hedging instruments relating to a cash flow hedge to fair value are initially recognised directly in equity. If the hedged firm commitment or forecast transaction results in the recognition of an asset or a liability, the cumulative amount recognised in equity up to the transaction date is adjusted against the initial measurement of the asset or liability. For other cash flow hedges, the cumulative amount recognised in equity is included in net profit or loss in the period when the commitment or forecast transaction affects profit or loss.

Where the hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no

longer expected to occur, the cumulative unrealised gain or loss is recognised in the income statement immediately.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the company both currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

1.3 Investment income

Interest income is recognised as it accrues, using the effective interest rate method.

Dividends are recognised in profit or loss when the right to receive payment is established.

Notes to the financial statements for the year ended 31 August 2006

	2006	2005
	R	R
2. Investments		
Investments comprise		
Investments with Asset Managers – cost	15 493 355	16 213 452
Fair value adjustment	5 989 961	2 344 702
	<u>21 483 316</u>	<u>18 558 154</u>
3. Accounts receivable		
Other receivables	13 365	38 984
	<u>13 365</u>	<u>38 984</u>
4. Cash utilised in operations		
Net surplus before interest	3 235 881	1 719 251
Adjusted for non-cash items:		
Investment income	(589 800)	(480 177)
Investment fees	292 818	182 910
Net fair value adjustment of available-for-sale financial asset	(3 645 259)	(2 344 702)
Operating deficit before working capital changes	(706 360)	(922 718)
Decrease/(increase) in accounts receivable	38 737	(8 636)
(Decrease)/increase in accounts payable	(699 300)	705 365
	<u>(1 366 923)</u>	<u>(225 989)</u>

Copyright © 2007 Accenture
All rights reserved.

Accenture, its logo, and
High Performance Delivered
are trademarks of Accenture.



Printed on recycled paper