



# ANNUAL REPORT 2013-14



**HAND IN HAND**  
Southern Africa

Promoting Enterprise Development as a Vehicle for Economic  
Growth, Employment and Socio-Economic Upliftment

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## ACKNOWLEDGEMENTS

Hand in Hand Southern Africa would like to thank all our partners who have made it possible for us to impact lives of the women and youth living with poverty. Through your support we are able to empower women to be agents of change in their communities.



# WHO WE ARE

Hand in Hand Southern Africa (HiH SA) was established in 2008 with a vision to contribute towards the fight to eradicate poverty through job creation. Being in the business of cultivating business opportunities, creating jobs and developing skills, in just 6 years, HiH SA has:

- Trained and supported 103 167 people through its Enterprise Development Programme.
- Established and sustained 24 999 enterprises and;
- Created 88 342 jobs

HiH SA is a regional organization with operations in South Africa, Swaziland, Zimbabwe and Lesotho. We are part of the Hand in Hand international network, which works in thirteen countries, with four operating headquarters and three supporting offices.

As a network, the organization looks at poverty differently and sees grassroots entrepreneurs and communities filled with energy and ideas that have the potential to change skills into potential jobs - helping people to discover a way up and out of poverty.

## OUR VISION

Poverty alleviation through job creation

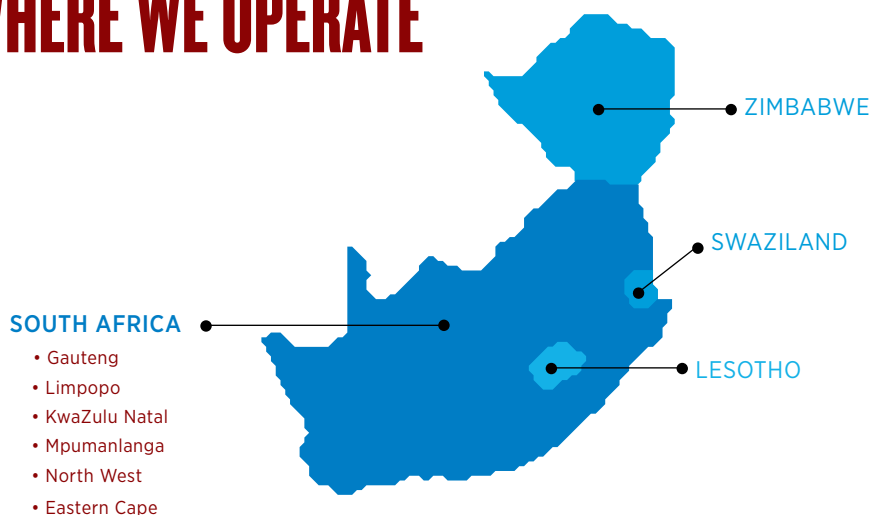
## OUR MISSION

Reduce poverty amongst the marginalized previously disadvantaged communities, through the identification of social upliftment and economic empowerment opportunities that foster enterprise development and job creation.

## OUR GOAL

To create half a million (500 000) jobs by 2020

## WHERE WE OPERATE



# OUR APPROACH



## OUR STRATEGIC PRIORITIES

### 1. We ensure excellence in programme delivery

We improve and refine the delivery and implementation of our enterprise development model to suit the needs of our target communities. We put in place an effective community response mechanism, which promotes information provision, community and stakeholder participation, accountability, complaints handling and feedback. The ultimate measure of the excellence of our delivery will be captured by changes in the lives of our entrepreneurs.

### 2. Talent retention and development of world class team of professionals

People are at the heart of our business delivery model, as such we attract, develop and retain "people fit for purpose". We will ensure we have adequate human resources that are skilled at the right level to deliver on our key programmes.

### 3. We forge strong public private partnerships

HiH SA has built a strong track record of ethical and successful programme delivery as evidenced by the successes achieved in creating jobs and being accountable

to the donors, partners and communities we work with. We consolidate and build on these gains through forging strong relations with the government, public enterprises and corporates. We want to be the "Go To" partner for job creation through micro enterprise development in Southern Africa.

### 4. We grow our capital base

Financial Sustainability of HiH SA depends on the ability of the organisation to effectively implement and report on programmes whilst also developing innovative ways of building a solid funding base. Key to this is also the ability to reduce our overhead cost ratio to below 10% by building a small team of professionals who are fit for purpose.

### 5. We increase monitoring and evaluation by developing an innovative MIS

An innovative Management Information System (MIS) supported by a robust monitoring and evaluation system will ensure our programmes are responsive to changes in the operating environment based on learning and results based reporting.

# HIGHLIGHTS OF THE YEAR

- Launch of the Youth Empowerment Programme (YEP) within HIH targeting the support and development of youth in poor marginalised communities. YEP is currently being piloted in partnership with Star for Life in Umkhanyakude district, KwaZulu Natal.
- Hand in Hand SA was awarded a contract by The Jobs Fund to create 6,000 jobs over a 3 year period. With an annual target of 2,000 jobs, HIH SA managed to create **2,153 jobs in the first year**.
- The Swaziland programme exceeded its job creation target of 4,500 jobs by creating 6,044 jobs. The Swaziland programme is funded by Sparberken Oresund Executives and ends in December 2014.
- Hand in Hand SA won the UN Women bid to implement the Coca-Cola 5by20 project in South Africa. In the first year with a target of 5,000 women trained, HIH SA trained **5,681** women by February 2014.

Training session | Diepsloot, South Africa



Oratile | Salon owner | North West, South Africa



Wlakk SHG members | Gwanda, Zimbabwe





# WORD FROM OUR CHAIRPERSON



**MASABATHA FLORENCE MTHWEU**

Since our establishment in 2008, HiH SA has developed a solid track record of empowering the most marginalized previously disadvantaged communities of Southern Africa, to become self-sufficient, which in turn has had impactful, sustainable and life changing results within those communities.

Through our secured funding of over **US\$ 6.3 million** (R63 000 000) for projects, and solidifying our focus on small enterprise development, HiH SA continues to grow from strength to strength, making remarkable progress in realizing our vision to assist in the alleviation of poverty through job creation.

Every step this year has been fuelled by the simple conviction that our efforts will transform the depth, breadth and width of poverty within communities. And through our engagements we have seen the seemingly impossible made possible, and have come to know ordinary people who've brought about extraordinary life changes.

It is on this note that I would like to express my humble gratitude to the HiH SA Board for their dedication, hard work and the continued determination shown throughout the years of service in ensuring that HiH SA grows from strength to strength. I would also like to extend my warmest gratitude to the employees of HiH SA, who have worked extremely hard to ensure that we realize our desired objectives.

On behalf of the Board, I would also like to thank our donors for their invaluable partnership and contributions. It is your continued support that has allowed HiH SA to make an impact in the communities in which we serve, which in turn has allowed HiH SA to be recognized for its contribution in the Awards category of 'Social Entrepreneurship' by the

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“Through our engagements we have seen the seemingly impossible made possible, and have come to know ordinary people who've brought about extraordinary change. The efforts and dedication of our partners and donors has reinforced our faith in the sheer power of collective efforts and actions”

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Regional Business Women Association (BWA), for the work done in communities.

It is truly an honor for me to work with HiH SA Board members and HiH SA employees, who not only have the passion for what they do, but also the vision and drive needed to ensure the successful and impactful delivery of all HiH SA initiatives.

It is my utmost pleasure to bring this 2013 / 14 HiH SA Annual Report to you. **“Rea Leboha, Thank-you”**

On a final note, HiH SA is honoured to have Dr. Sankie Mthembi - Mahanyele as the Patron of HiH SA. Dr. Mthembi - Mahanyele is the former Minister of Housing and a recipient of a UN Award for delivering three million houses to the poor and serves as the Chair of the Central Energy Fund of South Africa.

**24999 ENTERPRISES  
MOBILISED**



# WORD FROM OUR CEO

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“It is through enterprise development that people can earn a living and rise out of poverty, and in turn over time create jobs as well as empower other individuals within the communities in which they live”

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In 2013 HiH SA maintained its focus on the promotion of enterprise development and the important role it plays within the economic growth of the countries, as an essential engine for job creation and poverty alleviation.

With job creation being central to most Government's pro-poor agenda, enterprise development is a fundamental tool in developing, empowering and uplifting the disadvantaged, enabling them to establish and grow enterprises that can ultimately create jobs and prosperity within their communities. It is HiH SA's belief that previously disadvantaged communities have the potential to work their way out of poverty through a **hand up and not a hand out**.

In this annual report we are proud to share the progress that HiH SA has made in contributing to the development of the communities for the better. Through our key partnerships with United Nations Women /Coca Cola, Development Bank of Southern Africa, National Treasury Jobs Fund, South African National Lotteries Board and the Government departments - we have been able to support and create **24 999 enterprises** with **103 167 entrepreneurs** supported and trained to date.

“What Gets Measured Gets Done”, has become the motivational foundation of the HiH SA team to ensure the effective and efficient delivery of programmes. This has also ensured that teams remain accountable and strive to not only achieve our objectives but exceed targets. This in turn has allowed us to achieve systematic sustainable impact in the lives of the families and communities we serve and support. Important to mention is the launch of the Enterprise Incubation Fund (EIF) in South Africa, which is a microloans catalytic fund developed to facilitate access to finance for our beneficiaries.



**SAZINI MOJAPELO**

I would like to acknowledge the invaluable contribution made by the enterprise development facilitators, officers and trainers who are the face of our work, living out HiH SA's mission daily. I would also like to thank the management team in all four countries who continue to show strong leadership and dedication, to not only reaching our goals but maintaining strong accountability in our day to day activities and deliverables. They truly epitomize the truism: “What gets measured gets done”.

To the HiH SA Board, our donors, the HiH network and our supporters, I would like to extend a heart-felt thank-you for supporting us and having faith and confidence in our work. We will continuously strive to uphold the highest standards of transparency and hold ourselves accountable in achieving our mission and making an impact in the lives of those we are mandated to serve.

**88342 JOBS  
CREATED**



# THE BOARD OF DIRECTORS



## MASABATHA FLORENCE MTHWECU

Chairperson

Ms. Masabatha 'Sabi' Mthwecu is a Corporate Senior Executive with extensive experience in management, both locally and internationally for the last 20 years. Her panoply of experience has been in areas such as transportation and development. She was a visiting Professor of Economics at the Ivy League College in MA, USA, a housing finance practitioner and a coordinator of Joint Initiative for Priority Skills Acquisition (JIPSA) for the Deputy President of South Africa.

Masabatha holds a Masters in Arts and Economics from the University of Cape Town (UCT) and a Masters in Business Administration from the AIC in Massachusetts. She has presented papers internationally and has authored various publications. She is the founder and Executive Chairperson of the Tshedza Community Development Trust. She sits on various Boards, including the ARUP Education Trust (as the Chairperson) and the Black Management Forum.



## MAGNUS KARLBERG

Vice Chairperson and Chair of the Operations Committee

Magnus spent more than ten years working for different companies including one of the world's leading appliance manufacturers, Electrolux. He spent time as Managing Director of Electrolux South Africa, resulting in him eventually heading Electrolux's entire International Division. Magnus has a Master of business administration from the Lund University in Sweden, postgraduate studies at Harvard Business School and holds a post-graduate certificate in coaching from Middlesex University.

His leadership experience includes past Chairman and Fiduciary of the Swedish-Vietnamese Chamber of Commerce, past Chairman of the Swedish Business Association and is a former board member of the Swedish South African Business Partnership Fund, which works to develop black entrepreneurs. Magnus participates in the Fiduciary for the Swedish South African Business Association Board, and is also a member of the Thanda Foundation and the governing body for the Star for Life AIDS prevention program, where he is a member of the Advisory Board. Finally, Magnus is also an Executive Coach with Global Coaching Partnerships Change Partners, since 2008.



## SAZINI MOJAPELO

Chief Executive Officer

Sazini is an accomplished Social Entrepreneur who is pioneering women socio economic empowerment. Sazini is passionate about changing disadvantaged women's lives for the better, and strongly believes poor people can work their way out of poverty. Sazini has over twelve years' experience in the development sector where she worked as a development consultant, and in government in the ASGISA Jobs for Growth programme. In 2008 Sazini became the founding CEO of HiH SA. Since then, she has pioneered the growth of HiH SA from only two employees to over two hundred employees in South Africa, Swaziland, Lesotho and Zimbabwe.

Sazini holds Masters in Development Studies and a honours in Development Studies and Social Transformation from the University of Cape Town. She holds a Bachelor of Arts Degree in Social Sciences from Africa University. She is the Chairperson of Business Bridge, a member of the African Social Entrepreneurs Network (ASEN) and a member of the African Leadership Network (ALN). Sazini is currently the Social Entrepreneur of the year 2014 award from the Regional Business Women Association Awards, 2014.





## ADVOCATE CHARLES P. MAGAIZA

Independent Non-executive Director

Advocate Charles is an author, entrepreneur, lawyer, mentor and coach. He is the founder of The Purpose Clinic, an organization that helps people identify their purpose in life. He holds a Masters in Labour Law and a Bachelor of Law Degree (LLB) from the University of South Africa. Charles also holds a BSc Honours in Sociology from the University of Zimbabwe. Furthermore he holds a Diploma in Human Resources Management and an Advanced Leadership qualification from the Haggai Institute (Hawaii, USA).

Charles serves as a Trustee of Capernaum Trust International, which is a Christian Charity organization that works with orphans in Africa. He also serves as a Chairman of El Shaddai World Ministries, is a faculty member for Haggai Institute (USA) and a founding Chairman of Southern Africa International Business Chamber (SAIBC).



## PROFESSOR SEBASTIAN WESSELS

Independent Non-executive Director

Sebastian is a Professor and lecturer at the University of the Free State within the Psychology Department. His achievements include amongst others, being a study leader for thirty two Master's students, a promoter for seven Doctorate candidates as well as a member of various professional organizations. He is currently an Executive Director of ABZ Development Services.

Professor Wessels was previously a Director of the Mangaung University Community Partnership Programme (MUCPP) in Bloemfontein, which included health, economic development, agricultural development, sport and recreation, women development, construction and youth development. He was responsible for the roll-out of the Holistic Integrated approach, which

contributed to the development of the National ASGISA Programme which focused on training, entrepreneurship courses and the development of emerging farmers in the Free State.

Sebastian has coordinated the accreditation and development of the HiH SA training manuals in South Africa and has also customized the HiH SA training manuals to align with the South African context.



## LINDELWA JABAVU

Independent Non-executive Director and Chair of REMCO (Remunerations Committee)

Lindelwa has over twenty years' experience in the corporate affairs environment where she held senior positions influencing strategy and policy. She is currently the Chief Operations Officer (COO) at the Road Accident Fund (RAF). Prior to this she held the position of Chief Operations Officer at the Office of the Auditor General of South Africa for five years, Executive Head of Corporate Affairs at the Independent Development Trust (IDT), and Head of Support Services at NICOC (National Intelligence Coordinating Committee).

Lindelwa has vast experience as an executive within the public sector and Government agencies. She holds a Post Graduate qualification in Human Resources Management and

business administration.



## DR. BRUNNEHILDE 'NTSWAKI' MNGUNI

Independent Non-executive Director

Dr. Ntswaki Mnguni is a development practitioner with over thirteen years' of experience within the youth development and management sector. She is also an author, life coach and inspirational speaker.

She holds a Doctorate degree in Education from Northern Illinois University (USA) and specializes in Educational Psychology. Further qualifications include a Certificate in advanced Project Management from UNISA Graduate School of Business Leadership (UNISA, SBL), a Managing for Results Programme Certificate from the Gordon Institute of Business Science (GIBS), and Manage Mentor Certificate from Harvard Business (an e-learning Senior Manager and Manager

Development Programme). Prior to joining the development sector, she lectured at the University of Johannesburg (former Vista University) and at Wits University.

Dr. Mnguni is passionate about the development and economic emancipation of others and finds joy in the provision of business development support services to SMMEs.

# THE HIH DIFFERENCE

HiH SA's key objective is to empower women through capacity building, business support and the creation of micro enterprises to foster economic productivity and job creation. Enterprise development training and business support services, form part of HiH SA's key strategies for tackling poverty in our targeted communities.

Our training and support interventions recognize the importance of networking and support, hence the promotion of the Self-Help Group (SHG) Model. HiH SA's interventions are targeted predominately at economically disadvantaged women and youth, with participants trained in entrepreneurship, basic principles of money management and group dynamics. The SHG's provide a safety net and a sense of continuity and support for the development and growth of the enterprises beyond the project period.

In the financial year 2013/2014, HiH SA has trained and supported 3 698 SHG's. The training interventions are based on adult learning principles and participatory training methodologies, which recognizes that adults learn best under circumstances that allow them to drive the learning process forward.

## ENTREPRENEUR TRAINING PROGRAMMES

The Enterprise Development Programs (EDP) of HiH SA enables participating groups to understand the process of establishing an enterprise, whilst capacitating them with practical business skills training on how to start, run and grow their enterprises.

A cumulative total since inception of 24 999 enterprises have been trained and supported – through the facilitation of:

- Access to markets, which is critical for the sustainability and growth of the enterprise;
- Access to finance, which is a catalytic loan geared to support the growth of the enterprise and;
- Access to technical skills and information, which enhances product development ensuring quality assurance.



Michael Rambani training in Diepsloot, South Africa



Grow my business training at Orange Farm



## OUR TRAIN THE TRAINER PROGRAMMES

### *Unlocking Potential*

The quality and success of HiH SA's training programmes are attributed to the highly skilled and equipped training and support staff. As HiH SA, we pride ourselves in the ability to continuously incorporate emerging learnings from our participants into our training material.

HiH SA believes that participants and the facilitator are partners towards the achievement of the objectives of the programme. It is in this regard that HiH SA invests in developing the skills of its facilitators in order to ensure the provision of quality service.

## TRAINING MATERIALS AND RESOURCES

HiH SA has invested in the development of accredited training materials to support its training programmes and initiatives. The materials are written in easy to read local languages, suitable for low literacy level of enterprise owners who participate in training interventions. In addition, HiH SA trainers are equipped with a step by step facilitators' guide to ensure programme standardisation and quality control.

*“Hand in Hand training is about influencing positive attitude change and application of new concepts helping our entrepreneurs to improve on their profitability”*  
says Mrs Sibongile Sibanda- Training Manager, HIH SA



Post training support in Mpumalanga, South Africa



Tinyinko Masengi training in Orange Farm, South Africa

Hand in Hand SA Training manuals





# KEY PROGRAMMES



SOUTHERN TRIBE CRAFTS

## SOUTHERN TRIBE CRAFTS

*'Making Creativity Financially Viable'*

The Southern Tribe Crafts is a network of HiH SA enterprises and groups of women who specialize in Arts and Crafts income generating activities. The objective of this marketing project is to enhance the Arts and Crafts sector through facilitation of access to local, regional and international markets. HiH SA realizes that women are not only making good quality crafts for local markets, but can also attract foreign buyers in international markets as well.



## ENTERPRISE INCUBATION FUND (EIF)

*'Facilitating access to finance for enterprise development'*

The Enterprise Incubation Fund (EIF) is a catalytic Microfinance Fund developed to operationalize HiH SA's key elements - facilitating access to finance through provision of micro loans to enterprises that have been and are being supported by HiH SA. Access to funding is one of the critical areas in the HiH SA road map and provides catalytic loans needed to grow and support enterprises.



## YOUTH EMPOWERMENT PROGRAMME (YEP)

*'Securing tomorrows future today'*

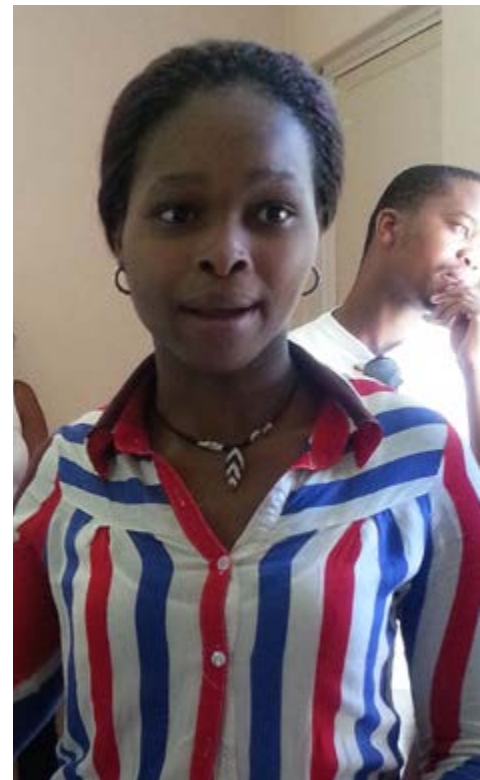
HiH SA has developed a programme specifically geared towards supporting and empowering young people for a better tomorrow. With HiH SA specializing in entrepreneurial skills, and micro and small enterprise development - the aim of this special project is to empower the youth of Southern Africa to use their skills to generate income and contribute to their communities. The project was launched during Mandela Day in Hlabisa Municipality Kwa Zulu Natal in July 2014

# YEP

## *“WHY WE ARE SECURING TOMMOROWS FUTURE TODAY”*

- South Africa has the third highest unemployment rate for young people between the ages of 15-24 in the world with Swaziland and Lesotho and Zimbabwe also ranking in the top 10;
- In developing countries an estimated two thirds of the youth are not fulfilling their economic development potential ;
- About 25% (300 million) young people do not have productive work.

Kwa-Dyna's Laundry Dry Clean with CEO | Ulundi, South Africa



Youth Empowerment Programme(YEP) Launch at Hlabisa, South Africa





# PARTNER: THE JOBS FUND

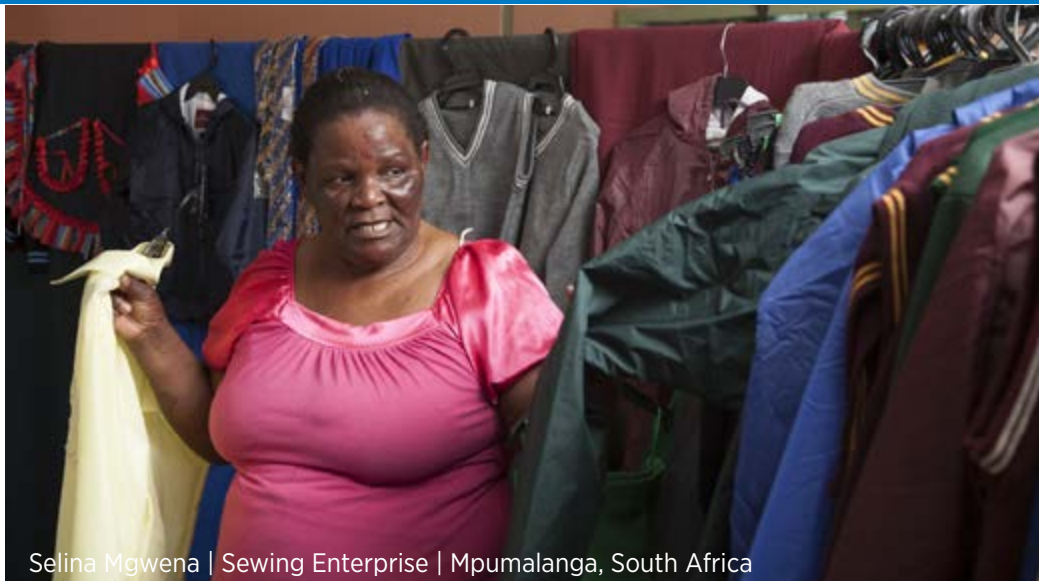


South Africa Siyasebenza

## THE DBSA JOBS FUND

The Development Bank of South Africa Jobs Fund (National Treasury) is a challenge fund that supports innovative approaches to job creation in all sectors in South Africa. In 2013 HiH SA started the implementation of a programme called 'Job Creation through Enterprise Development'. The project seeks to support the creation of 6 000 jobs in the informal economy over three years in North West, Kwa-Zulu Natal, Limpopo and Mpumalanga provinces and has created 2153 jobs in the first year.

**2153 JOBS  
CREATED**



Selina Mgwena | Sewing Enterprise | Mpumalanga, South Africa

## PHULAVUSIWANA SEWING ENTERPRISE

### CREATING A VIABLE FUTURE THROUGH NEEDLE AND THREAD

Selina Mgwena is a 64 year old mother of four from Thulamahashe, Mpumalanga. She is the owner of Phulavusiwana Sewing Enterprise, an enterprise that specializes in school uniform embroidery. Selina realised her talent of sewing in 1994 and as a result started using it to make money. However, she faced some challenges almost closing down due to her lack of business skills.

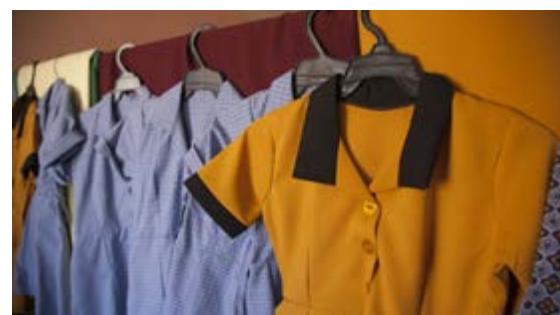
Selina started working with HiH SA in 2013 and has received business training and support. HiH has linked Selina to different schools in the Thulamahashe area, where Selina sells her uniforms to learners. She has a signed contract to supply Erick Nxumalo High School, Orovelani High School, Mafemana High School and Mahlamba Ndlovu Primary School with tunics, skirts and shirts. She has also been funded by the EIF with a loan of US\$250 (R2500), which has enabled her business to create the capacity to meet the needs of the market.

Selina has employed one person and pays her US\$70 (R700) monthly and pays herself US\$300 (R3 000) monthly. She opened a bank account with FNB and now is able to save US\$150

(R1 500) monthly.

Selina has also installed a new gate for her family, painted her shop and diversified to sell socks and jerseys.

*“I thank HiH SA for the support and assistance they have given me to help my business grow” says Selina.*





# CASE STUDIES

## ZACK SITH CHEMICALS

### *LEVERAGING BUSINESSES OPPORTUNITIES THROUGH THE POWER OF A GROUP'*

Zakhele Sith is a family owned business which was established in 2012 as a detergent manufacturer based in Kwa Teba, Ulundi, KwaZulu Natal. It is run by Zakhele Sithole and his wife Nqobile Sithole. The company manufactures cleaning products such as dish washing liquid and foam bath. Zack Sith signed up with Hand in Hand in 2013 and has received training on the importance of keeping records, managing personal finance and costing and pricing.

The enterprise has employed six people, four females and two males. They make an income of US\$1000 (R10 000) a month. Through Hand in Hand support, Zack Sith was linked to the Ethekewini Municipality and received training on detergents manufacturing. He was offered a one month position to train other enterprises and cooperatives in Durban because of his extensive experience in chemicals and detergents manufacturing.

*“We are grateful for the training we received from Hand in Hand SA, it has helped us to financially transform our business” Says Zakhele Sithole*



The group manufacturing detergents, Ulundi, KwaZulu Natal

# PARTNER: SPARBANKEN ORESUND EXECUTIVES



## SPARBANKEN ORESUND EXECUTIVES

The programme in Swaziland was funded by a group of executives from a Swedish Bank called Sparbanken Oresund. The three year Sweden Sparbanken Oresund Executives Programme, which started in October 2011, ends in December 2014 in Swaziland. This programme achieved its project objectives ahead of schedule and exceeded its target of 4500 to achieve 6044 jobs created. Implemented in three regions in Swaziland, this project continues to forge strong private public partnerships in an impactful way.

**6,044 JOBS CREATED**




Members of Ngabini Block Enterprise, Swaziland

## NGABINI BLOCK ENTERPRISE

### BUILDING A BETTER TOMORROW

**N**gabini Block Enterprise, based in Nkwenene Ngabini, Swaziland, was formed in 2012 with support from HIH SA. The enterprise which consists of a group of eight members comprising of six women and two men manufacture and sells brick blocks.

The Ngabini Block Enterprise is doing very well, making a monthly profit of US\$370 (R3 700), with profits steadily increasing because of the demand for their products within the community.

As a result they have employed two additional people to assist the members who also work at the enterprise.

In January 2013, members of the enterprise started saving, with each member contributing US\$15 (R150) and US\$10 (R100) towards the enterprises 'savings programme' and US\$5 (R50) is utilised for petty cash for the day-to-day running of the Enterprise.

*“We highly appreciate all the support given to us by HIH SA. Their training programmes gave us the tools and knowledge we needed to establish the Ngabini Block Enterprise. Before HiH SA’s mobilization we were just a group of idling people”, says Phindile Shabangu – a member of Ngabini Block Enterprise.*





# CASE STUDIES

## SHISELWENI PIGGERY FARMERS ASSOCIATION

### CREATING SUSTAINABLE ECONOMIC INCLUSION THROUGH PIGGERY

Sanele Dlamini is a 37-year old mother of two from kaDlovunga in Shiselweni Region, Swaziland. Three years ago Sanele started a piggery enterprise, Shiselweni Piggery Farmers Association with a loan of US\$1415 (R14 150) from Inhlanyelo Fund, HiH SA's microfinance partner.

Sanele also received training in enterprise development, record keeping and piggery production skills, through the Department of Agriculture supported by the Micro-finance unit.

Sanele has now built a structure for her pigs and has nineteen piglets, five sows and one boar.

She sells her pigs at Shambrock butchery and Nhlanguano Spar at US\$3 (R30) per kilogram and makes US\$113 (R1 130) per pig, selling ten pigs every second month. She is also extending her structure and has started an indigenous chicken enterprise. She has employed one woman who helps to take care of the pigs on a part time basis and pays her US\$50.00 (R500) per month.

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*“I'm very happy for the support that I received from HiH SA, which empowered me and members of my community”*

*says Sanele Dlamini*

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Sanele Dlamini | Piggery Farmer | Shiselweni, Swaziland



# PARTNER: UN WOMEN



## UN WOMEN

HiH SA was selected as the main implementing partner in a major job creation program funded by UN Women in South Africa. The program is part of a global partnership between UN Women and Coca Cola's 5 BY 20 initiative. The program aims to mobilize 25,000 women around our job creation model by the end of 2015. This programme achieved its project objectives ahead of schedule and exceeded its year 1 target of 5000 to achieve 5681 jobs.

**5,681 PEOPLE TRAINED**



Naomi Masilo | Tuck shop owner | Soweto, South Africa

## NAOMI'S TUCK SHOP

### RESTORING HOPE AND DIGINITY

Naomi Masilo is a 33 year old woman with two children from Meadowlands, Soweto, Gauteng where she rents a small room. Naomi started her tuck shop in 2010 and before she joined HiH SA, she made US\$200 (R2000) a month.

After HiH training and support, her income has increased to US\$300 (R3000) a month. From her monthly income, she pays rent of US\$60 (R600), pays herself a salary of US\$80 (R800) and buys stock for US\$120 (R1200). Her future plans are to expand her shop and sell more products.

The Self Help Group has helped Naomi to effectively save money by buying in bulk. Her future plans are to expand her shop and sell more products.

*"I did not know anything about marketing before joining HiH SA. Now I am a member of Amalgamated Beverage Industries Coca Cola and receive specials, which allows me to have promotions at my shop"* says Naomi.

Through HiH SA's support, Naomi received training on record keeping, business management and financial management. HiH supported her to join a SHG in her area.



# CASE STUDIES

## MAMPHO'S FAST FOOD

### FOOD FOR THE SOUL

Ngoetsana 'Mampho' Sehlabo is a 36 year old from Orange Farm, Extension 4 in Gauteng. She is widowed and lives with her three children who are all still in school. Mampho is the owner of Mampho's Fast Food, which she started in 2012 and sells sandwiches, juice and snacks.

Mampho joined the Empowerment of Women Entrepreneurs Programme (EWEP) in 2013 and attended trainings on record keeping, income and expenses, daily inventory and quality management and customer care services.

HiH also assisted Mampho to receive marketing material and signage from Coca-Cola South Africa which increased her visibility and sales.

Before HiH SA's intervention, Ngoetsana made US\$175 (R1750) per month, but now she makes US\$360 (R3 600) per month.

Mampho is now able to take her children to school, pay rent on time and see her business grow even further as she has introduced soft drinks to her menu.

*“Since I started working with HiH SA I can now easily track how much I make per day, week and month. I'm grateful to HiH SA for encouraging me to do my daily records” says Ngoetsana Sehlabo.*



Mampho with her daughter | Orange Farm, South Africa



Mampho Sehlabo | spaza shop owner | Orange Farm, South Africa



# PARTNER: NLDTF



## NATIONAL LOTTERY DISTRIBUTION TRUST FUND

HiH SA was awarded funding from the NLDTF (National Lottery Distribution Trust Fund) Miscellaneous Fund. This three year project started in earnest during the first half of 2013. The project is expected to run until the end of 2015, with a target of creating and supporting 10 000 entrepreneurs in the North West, Limpopo and KZN provinces. This programme achieved 4,547 jobs from the target of ten thousand jobs.

**4,547 JOBS  
CREATED**

Martha Phiri | Dress maker | North West, South Africa



## BAKUBUNG TRADITIONAL DRESSMAKING SHOP

### A FAMILY THAT SEWS TOGETHER – GROWS TOGETHER

Martha Phiri is a 57 year old single mother who owns Bakubung Traditional Dressmaking shop situated in Ledig Village in the North West Province. HiH SA has supported this enterprise from 2013 with the purpose of growing Martha's business, and increasing her income for the business. Working with her son, Martha focuses on sewing and design whilst her son focuses on unlocking new and bigger markets.

Although Martha's tailored products were of good quality, she had little knowledge on how to grow her business and generate an income that will sustain her household. Through HiH SA support, Martha received training in financial record keeping, managing income and expenses and marketing. She also benefited from a HiH's Enterprise Incubation Fund (EIF) loan of US\$472 (R4 720) for stock acquisition.

HiH SA support to Bakubung Traditional dressmaking has produced positive results. Martha has signed contracts with a local primary school and pre-school to supply with school uniforms for 150 children. Martha now makes an income of US\$684 (R6 840), with an expenditure of US\$283 (R2 830) and a profit of US\$401 (R4010) a month. She saves US\$94 (R940) monthly, enabling her to grow her business even further.



*“HiH has helped me a lot. Before I couldn't see any growth in my business, but now I supply uniforms to Ramotho Primary for about a hundred and fifty pupils from Grade R to Grade 7 ”, says Martha.*



# EAST STUDIES

## MAELEOLE VEGETABLE FARM

### IN THE RUNNING FOR FEMALE FARMER OF THE YEAR AWARD

**M**aeleole Vegetable Farm, based in the Oaks Village in Maruleng Municipality, Limpopo. Has been working with HiH SA for over two years. It is a family enterprise with four employees.

Through HiH SA's support, the farmers have received training and benefited from a HiH EIF loan of US\$ 768.10 (R7681) to purchase a petrol pump for irrigation purposes. The enterprise has also been linked to LDA-

Maruleng to access technical support, trainings, production input support, and financial support through Kodumela's Area Development Program (ADP).

Maeleole Vegetable Farm sells over five hundred cabbages per week to bakkie traders at US\$0.75 (R7.50) per cabbage and to the local community at US\$1 (R10) each. The farmers also grow green beans, tomatoes, onions, beetroot and spinach.

*“Since HiH came into our lives, our enterprise has changed for the better. We are now running for the 2014 Female Farmer of the Year Award with the Limpopo Department of Agriculture (LDA). We have also made it through to the Maruleng Municipality competitions and have qualified for the Mopani District level competition”*  
*,says Sarah Mahabe.*



Sarah Mahabe | Maeleole Vegetable Farmer | Limpopo, South Africa




# ZIMBABWE



## HAND IN HAND SWEDEN

HiH SA implemented a programme in Zimbabwe in partnership with We Effect, which was funded by the Swedish Post Code Lottery and facilitated by HiH Sweden. The project ended in December 2013 and was implemented in eight districts, namely Bulilima, Chikomba, Chiredzi, Gwanda, Lupane, Hurungwe, Mwenezi and Shurugwi with the target of creating 75 000 jobs. The overarching goals of the programme was the promotion of economic empowerment for sustainable livelihoods of women and some vulnerable groups in selected communities in the eight districts of Zimbabwe. This programme achieved 58,063 jobs from the target of sixty thousand jobs.

**58 063 JOBS  
CREATED**



Members of Batanai SHG in their chicken farm, Zimbabwe



## BATANAI SELF-HELP GROUP

### MAKING A SUSTAINABLE LIVING THROUGH THE POULTRY ENTERPRISE

The Batanai Self-Help Group is a poultry production group run by thirteen members, of which ten are women and three are men. In 2013 when the group started, there was a feasibility study conducted for three different projects, namely horticulture, dairy and broiler production. Based on the profit level and demand, the group was motivated to do poultry production.

Each member started with one hundred chickens, which they sell at US\$7.00 (R70) each and receives a total cash of US\$700.00 (R7 000) with operational expenses of US\$420 (R4 200), thus realising profits of US\$280 (R2 800) after six weeks of maturity.

This has encouraged and motivated the members to expand their businesses, modify their homes and buy livestock with the profits made.



*“We’re very grateful for the HIH SA support and we look forward to formally registering the group”*  
says Fombo Shumba member of Batanai Self Help Group.



# CASE STUDIES

## WLAKK SELF-HELP GROUP

### FARMING FOR SUCCESS

Mervis Sibanda is a 34 year old wife and mother who lives in Gwanda, Zimbabwe in a family of nine. Mervis used to rely on her husband's income and sold vegetables from their small seasonal garden to make ends meet. In 2012 Mervis and her husband joined the WLAKK Self-Help Group and now the group also uses Mervis's homestead for the poultry broiler chickens project.

Gwanda district being a drought prone area continued to experience extremely dry weather conditions that affected most agricultural enterprises in 2013, with Mervis's horticulture garden unfortunately not spared.

However, through an internal loan from the group, she decided to dig a

household well in order to improve water supply to her garden project. Mervis' household well punched an underground stream of water at a depth of 6 meters that was enough to irrigate a 1 hectare garden.

Through HiH SA, Mervis received training and has been linked to a number of financial service organizations for possible financing. Eventually her enterprise grew and from her profits she managed to purchase a submersible pump and a gasoline powered generator for pumping water from the well.




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*“I never thought that I could do such a big project without the assistance of a donor. HiH SA really assisted me to realize my potential” says Mervis Sibanda, member of WLAKK SHG*

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Wlakk members showcasing their products in, Gwanda, Zimbabwe



# LESOTHO



HAND IN HAND  
International

## HAND IN HAND INTERNATIONAL

The Lesotho three year programme, which was started in 2012 is funded by HiH International. The objective of this programme is to create ten thousand jobs by 2015 with the project being implemented in five districts, namely, Maseru, Leribe, Berea, Mafeteng and Quthing. The project targets 10 000 jobs in 3 years and to date has achieved 4 600.

**4,600 JOBS  
CREATED**




Maletsoaka Sekonyela | Chicken Farmer | Leribe, Lesotho

## KHOTHALANG LINARE FARMERS ASSOCIATION

### GENERATING HEALTHY PROFITS THROUGH SOUND BUSINESS MANAGEMENT SKILLS

**M**aletsoaka Sekonyela, a 66 year old woman from Khanyane in the Leribe district. She is a member of Khotlang Linare Farmers Association. They are twenty five member composed of twenty women and five men. The association engages in piggery, poultry, cattle, sheep and goats.

With the enterprise development and business management skills training assistance that 'Maletsoaka and Khotlang Linare Farmers Association members received through HIH SA Lesotho, members are now more informed about their business and act more proactively. With the assistance and support of HIH SA Lesotho, the association also has a registered constitution.

'Maletsoaka's business continues to thrive, with five hundred egg layers. She collects 480 eggs every day. Her total income per month is US\$1, 321 (R13 210) yielding a profit of US\$472 (R4 720), part of which goes to savings..

*“Before HiH's training on business Management and record keeping, I didn't care much about receipts. As a result, for a long time I was not able to tell whether I was making a profit or not. I only knew that I was making money.”* says Maletsoaka Sekonyela, a member of Khotlang Linare Farmers Association, who also runs her own poultry enterprise.





# CASE STUDIES

## TUTUBOLOHANG MULTI-PURPOSE SELF-HELP GROUP

### GROUP SAVINGS FOR INVESTMENT IN INDIVIDUAL ENTERPRISES

Tutubolohang Multi-purpose is a legally registered DHG based in Ha Mabote in the Maseru district. It was formed in November 2012 and started operations with ten members but later two more joined to make twelve. The group comprise eleven and one. The members of the SHG are enterprising both as a group and as individuals, predominately engaging in piggery and poultry.

To generate capital for their businesses, each member contributes equivalence of US\$19 (R190) for membership fees and US\$2 (R20) for monthly contributions to group savings. They also practice savings and lending whereby individual members borrowed

the savings in turns to either start or strengthen their individual enterprises.

In the process HIH SA Lesotho provided training on savings and lending and facilitated market linkages. To illustrate, Tutubolohang Multi-purpose now sells chickens at Biggy Chesa Nyama and Lejone Chesa Nyama in Maseru for equivalence of US\$4 (R40) per chicken. The group has gained experience and confidence in enterprise development and has diversified into sourcing of chicks and sawdust to sell to other members of the community. The group has opened a banking account with Post Ban and deposit a minimum of US\$19 (R190) per monthly



*“We are grateful to HiH, for the encouragement and assistance they gave us to form the group as well as to grow our individual enterprises. We now have regular income to pay for our children’s school fees. Before our interaction with HiH, we were just idling at home wondering who would give us jobs, but now we have created employment for ourselves”, says Marelebohile Ntseno*



The tutubolohang SHG with HiH Lesotho officers

# FINANCIAL OVERVIEW

## OVERVIEW

During the financial year ended 28 February 2014, HiH SA received **R 29, 4 million** in programme funding, up 78% from R 16, 5 million received the previous financial year. The organisation's balance sheet remains strong.

Fundraising initiatives are ongoing, with a view to expand the programme's reach into other provinces in the four countries. Focus is also on ensuring that we manage our costs whilst increasing efficiency in programming.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required in terms of the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organization and that the end of the financial year results and cash flows for the period ended conforms to the International Financial Reporting Standards for Small and Medium Enterprises. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium Enterprises and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organization and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework and the effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organization and all employees are required to maintain the highest ethical standards in ensuring the organization's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organization is on identifying, assessing, managing and monitoring all known forms of risk across the organization. While operating risk cannot be fully eliminated, the organization endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviours are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the

financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the organization's cash flow forecast for the year to 28 February 2015, and in the light of this review and the current financial position, they are satisfied that the organization has access to adequate resources to continue operations in the foreseeable future.

The Board of directors are responsible for the financial affairs of the organization. The external auditors are responsible for independently reviewing and reporting on the organization's annual financial statements. The annual financial statements have been examined by the organization's external auditors and a summary of their report is presented below.

The organization's audited financial statements were authorized for issue by the Board of directors on 4 July 2014.

**Masabatha Mthwecu**  
Chairperson

## NOTE FROM OUR INDEPENDENT AUDITORS

We have audited the annual financial statements of Hand in Hand Development NPC's, which comprises of the statement of financial position as at 28 February 2014, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended. The summary of significant accounting policies, summarized statements and other explanatory notes were derived in accordance with International Standards on Auditing.

In our report dated 4 July 2014, we expressed our opinion on Hand in Hand Development NPC's financial statements, from which the attached summarized financial statements were derived from and our audit report based on.

**W.K.H Landgrebe – Partner**  
**W.K.H Landgrebe & Co Inc.**  
Chartered Accountants  
Registered Auditors  
04 July 2014



# STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2014

Figures in Rand	2014 R	2013 R
<b>Assets</b>		
Fixed Assets	2,189,018	1,548,254
<b>Current assets</b>		
Trade and other receivables	787,673	388,823
Cash and cash equivalents	4,817,997	877,146
	<b>5,605,670</b>	<b>1,265,969</b>
<b>Total assets</b>	<b>7,794,688</b>	<b>2,814,223</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Accumulated surplus	1,598,469	2,257,845
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Other financial liabilities	512,699	-
Deferred income	4,790,552	-
	<b>5,303,251</b>	<b>-</b>
<b>Current liabilities</b>		
Trade and other payables	892,968	556,378
<b>Total liabilities</b>	<b>6,196,219</b>	<b>556,378</b>
<b>Total liabilities and equity</b>	<b>7,794,688</b>	<b>2,814,223</b>

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2014

Figures in Rand	2014 R	2013 R
<b>Assets</b>		
Net Funds received	29,477,930	16,548,398
<b>Direct costs</b>	(24,601,368)	(10,372,883)
<b>Gross Surplus</b>	<b>4,876,562</b>	<b>6,175,515</b>
Other income	116,272	146,604
Operating expenses	(5,638,008)	(4,743,288)
<b>Operating (deficit) surplus</b>	<b>(645,174)</b>	<b>1,578,831</b>
Finance costs	(14,202)	(1,427)
<b>(Deficit) surplus for the year</b>	<b>(659,376)</b>	<b>1,577,404</b>
<b>Total comprehensive (loss) income for the year</b>	<b>(659,376)</b>	<b>1,577,404</b>



# STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 28 FEBRUARY 2014

Figures in Rand	2014 R	2013 R
<b>Cash flows from operating activities</b>		
Cash generated from operations	4,766,619	1,971,670
Finance costs	(14,202)	(1,427)
<b>Net cash from operations</b>	<b>4,752,417</b>	<b>1,970,243</b>
<b>Cash flows used in investing activities</b>		
Purchase of plant and equipment	(1,414,817)	(1,565,803)
Sale of plant and equipment	90,552	-
<b>Net cash used in investing activities</b>	<b>(1,324,265)</b>	<b>(1,565,803)</b>
<b>Cash flows from financing activities</b>		
Loans received	512,699	-
<b>Net cash from financing activities</b>	<b>512,699</b>	<b>-</b>
<b>Total cash movement for the year</b>	<b>3,940,851</b>	<b>404,440</b>
Cash at the beginning of the year	877,146	472,706
<b>Total cash at end of the year</b>	<b>4,817,997</b>	<b>877,146</b>

# WHY WE EXIST

*Jobs creation is the foundation of economic opportunity and is an important driver of financial inclusion in any society. Employment provides consistent income and skills training for those seeking to move into the formal economy, making the promotion of entrepreneurship and development of small business enterprises an important priority in the development of any country's economy.*

Small businesses are vital contributors to the health of the economy and to the diversity of opportunity in our society. Small businesses boost productivity, increase competition and innovation; create employment and prosperity, and revitalizes communities.

With large enterprises having restructured and downsized, SMMEs have come to play an increasingly important role in South Africa's economy and development. According to the Department of Trade and Industry (Dti), small businesses represent 98% of the total number of firms and employ 55% of the country's labour force, contributing approximately 24% of the total wage-bill. Small firms account for 35% of GDP overall (SEAF 2009).

As a result, the development of small and medium scale enterprises (SMEs) must be seen as a key strategy for economic growth, employment and poverty alleviation. Because of their economic supremacy, SMEs have a crucial role to play in stimulating growth, generating employment, and contributing to poverty alleviation. SMEs represent over

90% of private business within the continent and contribute to more than 50% of the employment and of gross domestic product in most African countries. Therefore the promotion of small businesses or enterprises should not only be seen as an engine for growth but more importantly as the key to job creation and poverty alleviation.

Enterprise Development is an inexpensive way to implement broad based black economic empowerment, but is not often seen as an option as many companies are not sure how to integrate enterprise development into their transformation strategy. According to Empowerdex, this is a pity, because developing black-owned and black-run businesses can be an inexpensive way for any company to implement an aspect of its transformation agenda.

It is within this context that moving forward, HiH SA has focused on developing strategic partnerships with organizations who share business support mandates and who would like to contribute to the achievement of their own strategic objectives.

## How to get involved:

- Partner with HiH SA to ensure robust and effective delivery of your company's strategic CSI objectives
- Add HiH SA to your foundation or charity to create real change in a community;
- Become an individual donor as you will profoundly alter someone's life;
- Support the Enterprise Incubation Fund.





# GALLERY

Thandi | Orange Farm | South Africa



Lydia Ndzabukelwako | Farmer | Swaziland



Ngabini Block Enterprise | Swaziland



Somju Take Away | Orange Farm | South Africa



Joyce Mulimo & Moses Ndlovu | Chicken farm | Mpumalanga





“THERE IS NO TOOL FOR DEVELOPMENT MORE EFFECTIVE THAN THE EMPOWERMENT OF WOMEN”  
KOFI ANNAN



**HAND IN HAND**  
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