



ANNUAL REPORT 2012-13



HAND IN HAND
Southern Africa



Poverty Alleviation
Through Job Creation



HAND IN HAND SA ANNUAL REPORT 2012/13

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Special Thanks to our Partners

As Hand In Hand Southern Africa we would like to thank our Partners who through their support have made it possible for us to continue to impact the lives of families, in particular, women and children living in poverty. Through your contribution we are able to reach thousands of women and children by empowering them to be agents of positive change in their communities.

ALL 2012/13 FIGURES IN THIS REPORT ARE FROM MARCH 2012 TO FEBRUARY 2013 UNLESS SPECIFIED OTHERWISE.

Who we are

Our Vision

Hand In Hand Southern Africa's vision is poverty alleviation through job creation.

Our Mission

Our mission is to reduce poverty amongst the underprivileged. This is achieved through economic and social empowerment of the poorest and most marginalised people (mainly women), the young and those living with disabilities in rural and peri-urban areas by creating enterprises and jobs.

Our Goal

Our goal is to create half a million jobs by 2020.

Strategic Objectives

1. Empowering women through training and capacity building.
2. Supporting the creation and growth of micro and small enterprises to foster economic productivity in marginalised communities.
3. Increasing the income of the under employed and unemployed poor people.
4. Promoting job creation.
5. Facilitating access to technical skills, markets and finance for micro enterprises.

Where we are in Southern Africa



A WORD FROM OUR CHAIRPERSON



Masabatha Florence Mthwecu

2012/13 has seen the growth of HIH SA as an organisation from operating in only two countries to four countries.

A key priority in this has been and continues to be the need to align to government priorities to achieve sustainability for the jobs created in the area we operate.

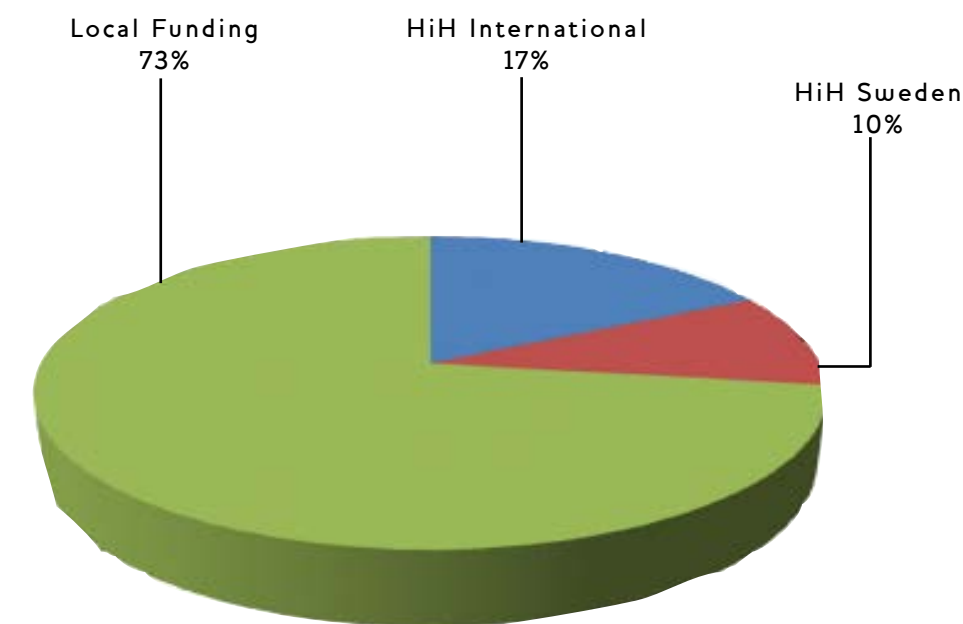
Through a solid track record and reputation of delivery in the various communities HIH SA has raised significant local funding for implementing the South African programmes. We are proud that the South African government has chosen to entrust HIH SA with some of its key programmes related to job creation such as the Community Works Programme and Jobs Fund initiative with the DBSA.

South Africa in 2011 joined the BRICS, signifying that it is now an emerging economy hence, the need to take care of its own. This is evidenced by the local funding received by HIH SA for the next 3 years.

We are proud that the South African government has chosen to entrust HIH SA with some of its key programmes related to job creation such as the Community Works Programme and the Jobs Fund initiative with the DBSA.



Secured Funding



Figures in the chart are as of September 2013

In the region we continue to forge key partnerships with the governments responsible for job creation and enterprise development. In Zimbabwe we have signed a Memorandum of Understanding (MOU) with the Ministry of Small and Medium Enterprises, in Swaziland we have forged a partnership with the Ministry of Finance and in Lesotho discussions are underway with the Minister of Trade and Industry. Through these partnerships we are and will achieve our mission.

We are able to make a difference in these poor communities through both our local donors and the dedicated fundraising operations in the Hand in Hand network in Sweden and the UK. It is through their dedicated fundraising efforts that we have been able to expand our programmes into Zimbabwe and Lesotho, to that we say thank you, **Kea leboha**.

I would like to thank the board for the team effort displayed through the years whose commitment has realised the growth of HIH SA. In the 2013/14 period we aim to expand the board by engaging new members who will increase the diversity of the board and undoubtedly contribute meaningfully through their expertise to the continued growth of HIH.

On behalf of the board, I extend thanks to all donors for their support and partnership in enabling HIH SA to develop the communities and change particularly the lives of poor women.

To the management team and programme implementation teams thank you for living the mission of HIH SA and continue the good work.



A WORD FROM OUR CHIEF EXECUTIVE OFFICER



Sazini Mojapelo

As we reach our fifth year in Southern Africa we celebrate the exponential growth achieved to date. By the end of this financial year (February 2013) we had created over 54,413 jobs and increased our capacity to over 200 full time employees. During this period we managed to achieve over 100% increase in our funding revenues which facilitated this growth and simultaneously a reflection of the impact and reach.

Pivotal to our growth strategy has been our expansion into two countries, namely Lesotho and Zimbabwe. In the previous year we conducted feasibility studies to inform the expansion into these two countries with a clearly defined feedback mechanism which enabled us to enter a growth phase that is focused on implementing the national programmes. With private public partnerships being our anchor, HIH SA in South Africa has managed to raise significant government funding from the Development Bank of Southern Africa, Jobs fund, Department of Cooperative Governance and Traditional Affairs as well as other funds from the UN Women and National Lottery Distribution Trust Fund (South Africa). From an international front, HIH SA continues to receive funding support from donors mainly based in Sweden.

Nonetheless it is essential to state that the sad reality in combating poverty and unemployment in Southern Africa is that most of the people we work for at the bottom of the pyramid are unemployable. A recent study revealed that the hardest hit are the youth, emphasising a great need for alternative forms of income generation programmes such as the HIH model. This model entails formation of Self Help Groups and enterprise development. Change however can only be realised if all key stakeholders work together in eliminating poverty and unemployment.

As HIH SA we recognise the importance of engaging and working in partnership with the communities and local stakeholders in the areas in which we operate.

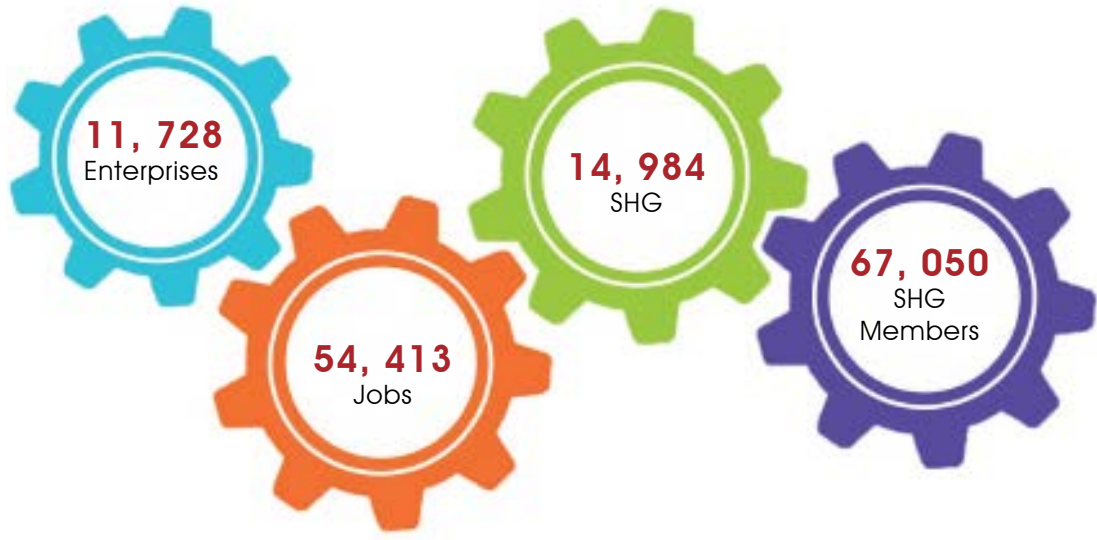
The key focus in 2012/13 financial year was forging private public partnerships for both the implementation and funding of our projects.

As we press ahead, on behalf of all HIH employees, I would like to thank the donors for the confidence they show for our work through their continued support. As the management and staff we are pleased to be contributing to the transformation of the lives of numerous poor people in our marginalised communities.

We also thank our Board of Directors for their unwavering support in ensuring we uphold good governance practices and efficient programme delivery.

HIGHLIGHTS OF THE YEAR

- Launch of the Enterprise Incubation Fund (EIF) in South Africa. EIF was launched in 2013. EIF is an internal micro finance programme, meant to assist HiH beneficiaries with access to finance through the use of loans.
- Development of The Southern Tribe Crafts – The Southern Tribe Craft was launched in 2013. The Southern Tribe Craft is a network of HiH SA enterprises and groups of women who specialize in the art and craft income generating activities.
- Our achievements from 2008 to 2013:



(SHG) - Self Help Group



Southern Tribe Crafts products



EIF Beneficiaries



THE SOUTHERN AFRICA BOARD



Masabatha Florence Mthwecu
Chairperson

Ms Masabatha Mthwecu is a corporate executive with extensive experience in management both locally and internationally for the last 20 years. Her panoply of experience has been in such areas as Transportation; Development; a visiting Professor in Economics at an Ivy League College in MA, USA; a Housing Finance practitioner and a Joint Initiative for Priority Skills Acquisition; JIPSA Coordinator for the Deputy President of South Africa. Masabatha holds a Master in Arts in Economics and a Master in Business Administration from the Universities of Cape Town and Massachusetts respectively. She has presented papers internationally and has authored various publications. She is a mother of two sons and is the founder and executive chairperson of the Tshedza Community Development Trust.

She participates on various Boards including the Arup Education Trust (chair).

She is able to work successfully with diverse people and goal-orientated. Masabatha is an expert in identifying the needs and aspirations of individuals and organizations; she then has the skill in clearly articulating the requisite road-map towards achieving the desired goals and objectives.



Magnus Karlberg
Vice Chairperson

Magnus spent more than 10 years working for different companies including one of the world's leading appliance manufacturers, Electrolux. This included 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 experience includes past Chairman and Fiduciary of Swedish-Vietnamese Chamber of Commerce, Past Chairman of the Swedish Business Association and has also served on the board 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, a member of the Thanda Foundation, 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 has been the Chief Executive Officer of Hand in Hand Southern Africa since 2008. She has expertise in developing and implementing poverty alleviation programmes within Southern Africa. She has a Masters in Development Studies from the University of Cape Town.

Her experience includes establishing HIH in Southern Africa and pioneering its growth in South Africa and into neighbouring countries, coordinating the Jobs for Growth programme under the ASGISA (Accelerated Shared Growth Initiative of South Africa) championed by the ex-Vice President of the Republic of South Africa. The programme, implementing the HIH SA model, was developed with the objective of creating half a million jobs by 2020, by targeting poor communities of South Africa through the following channels ; developing a poverty alleviation programme for an International Trust in Cape Town, research for the Centre for Disease Control (CDC) in poor rural communities, implementing Self Help Group model in Bafokeng, Rustenburg, growing HIH SA into Limpopo & KZN and expanding HIH SA into three other countries namely Zimbabwe, Swaziland and Lesotho.



Sven Sandstrom
Non-Executive Member of the Board

Sven spent 30 years with the World Bank, the last ten as Managing Director. He chaired the Bank's Policy and Operations Committees and the International Development Association. In the absence of the Bank's President, he served as Acting President and Chairman of the Board. Sven has also been a director and adviser at the European Commission, the African Development Bank and the International Union for the Conservation of Nature. He has chaired the funding negotiations for the African Development Bank and for the Global Fund to Fight AIDS, TB and Malaria. Since 2002 he is a Director of the AES Corporation (USA), where he serves on the Financial Audit Committee and the Nominating, Governance and Corporate Responsibility

Committee. Sven is the CEO of Hand in Hand International.

Sven holds a BA in Computer Sciences from the University of Stockholm, an MBA from the Stockholm School of Economics, and a Dr. Sc. from the Royal Institute of Technology in Stockholm.



Advocate Charles P Magaiza
Independent non-executive Member of the Board

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 and pursue it. He holds a BSC Honours in Sociology from the University of South Africa, a Bachelor of Laws Degree (LLB) and is currently studying for his Masters in Labour Law with the same university. All this is complemented by a Diploma in Human Resources Management and an Advanced Leadership qualification from the Haggai Institute (Hawaii,USA).

His experience includes Human Resources Executive for a top African telecoms company. Charles also is 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, a faculty member for Haggai Institute (USA) and a founding Chairman of Southern Africa International Business Chamber (SAIBC).



Professor Sebastian Wessels
Independent non-executive Member of the Board

Sebastian is a professor at the University of Free State in South Africa. As lecturer at University of the Free State in the Psychology Department his achievements include being study leader for thirty –two Master's students and promoter for seven doctorate candidates as well as a member of various professional organisations. He is currently an executive director of ABZ Development Services.

He was previously a Director of the Mangaung University of the Free State Community Partnership Programme in Mangaung NPC which included health, economic development, agricultural development, sport and recreation, woman development, construction and youth. He was responsible for the roll-out of the Holistic Integrated Approach which is a National ASGISA Programme involved in training, entrepreneurship courses and development of emerging farmers in the Free State. Sebastiaan has coordinated the accreditation and development of the HIH SA training manuals in South Africa under the Jobs for Growth Programme. He has also customised the HIH SA training manuals to align to the South African context.

OPERATIONAL HIGHLIGHTS

SOUTH AFRICA

South Africa is the economic hub for Southern Africa. It is here where the head office is based, responsible for the growth of the organisation. In South Africa, we are operational in five provinces, namely North West, Limpopo, Kwa Zulu Natal, Gauteng and Mpumalanga.

In South Africa, our main donor partners are NORAD who predominantly support projects in Limpopo and Kwa-Zulu Natal, National Lottery Distribution Trust Fund (NLDTF - SA) supporting projects in North West, Kwa-Zulu Natal and Limpopo, and also Development Bank of South Africa Jobs Fund supporting projects in Limpopo, Kwa-Zulu Natal, Mpumalanga and North West and the UN Women supporting projects in Gauteng and North West.

Through these partners, we have made significant positive impact in the lives of women in rural and poor townships of South Africa. Our plan in the next two years is to expand to the rest of South Africa.

In 2010, HIH started a NORAD funded project in the Greater Tzaneen and Maruleng Local Municipalities in Limpopo. Through this project, HIH SA laid a foundation for growth into other local municipalities funded by other donors including NLDTF and DBSA Jobs Fund. To date in this province over 2403 jobs have been created through our programmes.

The Medicine Woman

Matsheremane Enterprise project is based in Maruleng municipality in a village called Balloon and owned by a woman – Mrs Annah Selane. After losing her job as a domestic worker Annah looked for opportunities to generate income. Through this, she discovered her entrepreneurial spirit and started her business of selling tomatoes, cabbages and then transitioned to selling Moringa. Moringa is a wild plant that is a very popular traditional medicinal herb with well-known and demonstrated qualities to heal minor ailments.

In 2012, she approached HIH SA to assist her to formally establish her Moringa business and grow it. Annah then received enterprise development support on how to grow her business. When she joined HIH SA, the business was not officially registered and she was making a net profit of US\$50 per month. Annah did not have business skills, business plan, business bank account or any savings. She then received training on business planning, records keeping and financial management as well

as coaching and mentoring. HIH SA supported her in registering her business and actively facilitated access to local and international markets. Annah's income has increased from US\$50 per month to US\$277.



Annah Selane

The inspiring chicken and egg story

North West is where the first project for HIH SA was started in South Africa. Through a partnership with the Impala Bafokeng Trust we established an office in the Bojanala District to date we have created 1460 jobs through our programmes. Currently NLDTF - SA, DBSA Jobs Fund and UN Women fund this region.

“Nkaloseng (HiH SA Enterprise Development Facilitator) has assisted us a lot in managing our business. We would not be where we are today” says Mrs Kedibone

and are saving their profits to build a third chicken house so as to meet the demand for their eggs.

Otshepeng is a Farming Cooperative is run by six women and three men. Based in Manamakgoteng village, the cooperative started in 2008 with initial support from the Department of Social Development by building the chicken house. HIH SA's initial interaction with the Cooperative was in 2011 when they were mobilised in the Enterprise Development Programme funded by HIH Sweden.

Through this programme, members received training on methods of establishing and growing their business. This training enabled the group to learn how to maintain books of accounts, which then led to them winning a prize of US\$2,000 for good record keeping,

by the local municipality. Through our technical skills training, the group has increased its egg production from 14 to 28 trays a day which have been absorbed by the market daily since 2012.

Mrs Kedibone Moemi, the chairperson of the enterprise was quoted as saying, “Nkaloseng (HiH SA Enterprise Development Facilitator) has assisted us a lot in managing our business, we would not be where we are today” says the 49 year old Kedibone.

Now the group has over US\$8,000 in savings and are paying themselves an allowance of US\$55 per month



Margaret Kaise



Mrs Kedibone(second from left) and the group



SWAZILAND

Swaziland is a developing country in Sub-Saharan Africa with 74% poor, where approximately 79% poor people live in rural areas. Unemployment is also very high at 47% where many young people between of 23-35 years are unemployed.

HIH SA started working in Swaziland in 2010 in Shiselweni.

Through funding from Sparbanken Oresund Executives from Sweden, HIH has been able to expand this programme to four regions in Swaziland.

Raising income to raise her family.....

Joyce is a 47-year-old married woman in Mkhwenyana sub-area within the Nkwene constituency. Her husband is unemployed and she single-handedly raises seven children with five of them still at school.

Joyce Vilakazi, a small scale farmer growing vegetables, is one of the participants who has benefited from HIH SA programme.

HIH SA has trained Joyce in enterprise development and facilitated technical training skills for her from the Department of Agriculture. She then diversified her produce by growing maize, tomatoes, beans and sweet potatoes in her garden.



Through HIH market linkages she supplies 20 trays of tomatoes to Mahlanya Main Market at US\$9 per tray thereby making US\$178 per month. She has approximately made overall sales of US\$2,667. Through this Joyce has been able to support her 3 children.



Joyce Vilakazi and her children in Mkhwenyana, Nkwene Constituency, Swaziland, selling maize and other vegetables

"If HiH came in to our community more than 10 years back we would be far ahead with life by now, but we thank God for HIH because our lives will never be the same again" says Joyce

The Working Lady

Thulile Ngcamphalala, 46 is a married woman who lives in the Maphilingo chiefdom in the Siphofaneni Constituency in Swaziland.

Her husband is unemployed and they have six children who all attend the local schools. HIH SA started working with Thulile in 2012 when she was identified to take part in a project funded by Sparbanken Oresund by Executives from Sweden. Through HIH SA, she received training in enterprise development and horticulture. Through this training, she has acquired land where she has started growing vegetables to sell to the local community. Thulile grows cabbages, spinach, lettuce, beetroot and tomatoes. HIH SA has also linked her with a market in a local supermarket where she supplies vegetables once a week. With very low capital costs, she makes an income of US\$200 per month from an expenditure of less than US\$20 that she uses to send her children to school as well as household expenditure such as buying food.

Thulile is evidence of the change that HIH SA is bringing to the communities. In addition, she has also received training on record keeping and technical training on prospective crops, vegetables and fruits production. Since there is a water source close to her homestead, she does not need to travel long distances to get water to grow her vegetables.

"My ultimate goal is to see my children finish school as well as to build a proper home for them to live in" says Thulile



Thulile Ngcamphalala with her children, Maphilingo chiefdom, Siphofaneni, Swaziland, growing and selling vegetables



ZIMBABWE

Zimbabwe has been experiencing high unemployment caused by the severe economic down-turn in the past decade. Through funding from the Sweden Postcode lottery raised by HiH Sweden, HIH SA has embarked on a project in Zimbabwe to create 75,000 jobs in 8 rural districts. To date 50,800 entrepreneurs have been supported of which 75% are women.



The Golden Girls Self Help Group



Christina Shurugwi

A uniform sells for US\$10.00 therefore their income every month is over US\$500 which they use part of the income to buy materials for the business and share the balance to meet their household needs. Through HIH SA support the group wants to supply more schools with uniforms. They have also started making wedding dresses and church uniforms in which they have a potential to make an additional US\$180 a month.

The Golden Girls group is made up of middle-aged and elderly women in a Shurugwi village. These women are driven by a common desire to take care of their families and generate income. Realising their commitment, HIH SA started supporting Golden Girls in May 2012.

The group was initially focused on gardening activities through growing vegetables for food security. Unfortunately the scarcity of water due to drought made vegetation a challenge. It is from this challenge that they started a sewing enterprise. From their savings they purchased 8 sewing machines. Through HIH SA support and training they have started making uniforms for a primary school where they sell an average of 60 uniforms a month.



Golden group members preparing to sew school uniforms

Women Entrepreneurs defying all odds



Pauline Ndlovu (on the right) and group member of Khulumausenza selling eggs

Based in the Bulilima district in Zimbabwe, Pauline Ndlovu is a 56 year old widow with six children under her care. She is a member of the Khulumausenza SHG consisting of 6 women which was started in 2010. When HIH SA started working with them they were saving and lending money within the group as well as growing and selling vegetables in the community. Through training, they realised that they could grow their business.

From these savings, they started a micro-enterprise selling chickens. From 2012 to date the group has sold a total of 500 chickens to the local community and a local boarding school at US\$6 each, making US\$3,000 from the sales. After receiving enterprise development training from HIH SA, they have improved their business skills as demonstrated by their record keeping and have started realising profits.

To date the group has sold 500 chickens, which they sell to the local community and schools at US\$6 each, making US\$3,000 per month.

Partnerships with the Ministry of Women Affairs Gender and Community Development (MWAGCD) and Ministry of Small and Medium Enterprises and Cooperatives Development have proven vital for their business growth. The group made an income of US\$1,330 in 2012.

They then accessed a loan of US\$3,000 from Ministry of Women Affairs Gender and Community Development under the Women Development Fund and bought a grinding mill costing US\$4,125. The group makes a gross income of US\$30 per day from the grinding mill which means they make US\$720 per month.

"We wanted to eradicate poverty. In our SHG we encourage each other to save and start businesses. We were not able to pay school fees for our children and they would be sent home from school. Now we are able to pay their school fees and can also cater for other needs for our households" says Pauline.



Pauline Ndlovu with group members, Khulumausenza-Zimbabwe



LESOTHO

Lesotho is a small country in Southern Africa and one of the poorest in the continent with 37% of the population living on less than \$1 a day. Poverty in Lesotho is deeply entrenched in the rural areas, where more than 70% of the people inhabit. In 2012, through funding from HIH International, HIH SA started implementing a project aimed at empowering women in five districts namely Maseru, Mafeteng, Berea, Leribe and Quthing.

Leribe Youth in potato farming

Thala-boliba is an enterprise of 8 members that are running poultry and agricultural enterprise in Likhethlane Village in Leribe. The enterprise was started in 2012 and registered in November 2012 as a cooperative through HIH SA facilitation. Mrs Matente Makuoe is a member of Thala-boliba group and takes care of her three children. "HIH taught us how to save, and now we have managed to buy chickens and seeds for growing potatoes", says Mrs Makuoe.

The group sells potatoes, poultry and maize to the Ministry of Trade and Industry, Cooperatives and Marketing who are their largest customer. Through HIH SA's intervention, the group is able to achieve sales of approximately US\$8,200 per season.

HIH SA has trained them on how to maintain accurate records and facilitated technical training for the group on how to breed their chickens to ensure they achieve good quality. Through further training on the Self Help Group (SHG) module by Hand in Hand, the group has managed to resolve all outstanding contentious matters. HIH SA has further assisted them to open a bank account.

HIH SA has engaged with the Ministry of Agriculture and Food Security to facilitate further technical training on quality assurance on potato production.



Matente Makuoe, Likhethlane Leribe, Member of Thalaboliba group, selling potatoes

"HIH taught us how to save, and now we have managed to buy chickens and seeds for growing potatoes".

Thahasello Boitjarong Group

Mathabo Kotlolo a 45 year old woman, staying at Teyateyaneng in Berea district in Lesotho. She is a member of Thahasello Boitjarong Group, a group that consists of 8 women and 2 men.

The group members work independently from each other and each run their own projects at their own homes. However, they meet once every month for the SHG meetings and during trainings provided by HIH SA. They also assist one another with the market as they sell their produce amongst the members.

The group members enterprise in poultry, piggery and vegetables. HIH SA started working with Mathabo and the other members in December 2012 through the workshop that was held by the District councillor in Berea. Through HIH SA, she received training in savings and lending, how to keep records, how to manage their enterprises and conflict resolution. Through these trainings, the group had started practising internal savings and lending. Since January 2013, each member contributed R5 each month and R100 membership fee. They then lend the savings to members and the money is paid back with interest of 10% and is paid within 3 months.

Each member now keeps their records and knows if they are making profit or loss. They also manage their business well. "Ever since HIH SA, I am very motivated and my business is growing" says Mathabo. Mathabo rears chickens and sells vegetables. In summer, she makes a profit of over US\$200.00 per month selling vegetables and over US\$100.00 with chickens..

"Re bona tsela jwale esale Hand in Hand e fihla" (We now have clear direction ever since we met with HIH SA), says the members of the group."



Mathabo Kotlolo and other members of the Thahasello group



HIH SA SPECIAL PROJECTS



SOUTHERN TRIBE CRAFTS

The Southern Tribe Crafts is a network of HIH SA enterprises and groups of women who specialise in the arts and crafts income generating activities.

The objective of this special project is to enhance the arts and crafts sector through facilitation of access to markets within HIH SA. HIH SA realises that women are not only making good quality crafts for local market, but can attract foreign markets as well. The project was launched during the Social Entrepreneurship Programme (SEP) held in Rustenburg Northwest in August 2013.



Hand-made products



CELEBRATING NELSON MANDELA DAY

HIH SA does not only align itself to national poverty reduction strategies, but also recognises important events and celebrations in all countries it operates in. Nelson Mandela International Day is an annual international day in honour of Nelson Mandela and is celebrated each 18th July of every year. HIH SA has also taken part in celebration of this important day.

In the Northwest province, HIH SA took an initiative to assist 8 disadvantaged groups and families by providing them with school uniforms, shoes and food.

Tsholofelo Support Group is one of the beneficiaries in HIH SA database. They take care of people with disabilities and are assisted by the Department of Social Development. HIH SA decided to assist them with food parcels that will last them the rest of the year.

On this day, HIH SA team arrived at Silverkraans to offer groceries to the group. Hellen (HIH SA EDF) formally presented the parcels; that were at the value of US\$500.



Tsholofelo Support Group receiving groceries



In Limpopo, HIH SA firstly assisted Mpai Sekwai Day Centre by facilitating the registration process with the department of Social Development. The Centre's physical structure was not in a good condition to cater for children as it was only one room. It served as a learning centre, kitchen as well as store room where firewood is kept. During bad weather, learning became impossible because the children could not be sent out to play in the rain, so that their meals could be prepared.



Mpai day Care centre kids with the teacher

During Mandela Day, HIH SA built an extra room for the children, fixed the roof of the old structure, bought educational toys and teaching aid materials. On the day the team was joined by Community Work Programme volunteers in Makgaung village who assisted with the building of the additional room for the children.



Construction taking place at Mpai day care Centre



HIH staff assisted by members of CWP



FINANCIAL OVERVIEW

During the 2012/13 financial year, HIH SA managed to raised significant funding to the tune of R50 million for the next 3 years. Funders including the NLDTF-SA, CWP, Jobs Fund and UN Women where secured during the financial year. In regard to the regional funding status, the South Africa programme is in a positive position with fundraising efforts being stepped up to expand the funding portfolio for Zimbabwe, Swaziland and Lesotho. Significant progress has been achieved in strengthening the organisations financial systems in preparation for the exponential growth.

Key Highlights in the audited financial statements are as follows:

- 123% (R16.5 million) increase in received funds compared to R7.4 million (2011/12)
- There was a 75% increase in direct field costs which has a correlation to the extensive increase in the programme work.
- Increase in fixed assets up R1.5million from R424,000 in the 2011/12 financial year.

Note from our Board of Directors

The reports and statements set out comprise the summarised financial statements presented to the Board of Directors, Independent Auditors’ report, Statement of Financial Position, Statement of Comprehensive Income and the Statement of Cash Flow.

The summarised financial statements, which have been prepared on the going concern basis, were approved by the board on 19 June 2013 and were signed off on its behalf by:

Masabatha Mthwecu (Chairperson)

Note from our Auditors

We have audited the financial statements of Hand in Hand Development (Association incorporated under section 21), which comprise the statement of Financial Position as at 28 February 2013, the statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the 12 months that ended, and the summary of significant accounting policies and other explanatory notes from which the summarised statements were derived in accordance with international standards on auditing.

In our report dated 19 June 2013, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

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

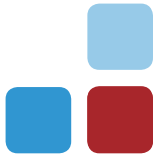
WKH Landgrebe & Co
Chartered Accountants
Registered Auditors



SUMMARISED FINANCIAL STATEMENTS

Statement of Financial position as at 28 February 2013

	2013 R	2012 R
Assets		
Fixed assets	1 548 254	424 835
Current assets		
Trade and other receivables	388 823	146 739
Cash and Cash equivalent	877 146	472 703
	1 265 969	619 442
Total Assets	2 814 223	1 044 277
Equity and Liabilities		
Equity		
Retained surplus	2 257 845	680 443
Liabilities		
Trade of other payables	556 378	363 834
Total Equity and Liabilities	2 814 223	1 044 277



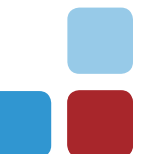
STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	2013 R	2012 R
Funds received	16 548 398	7 423 522
Direct costs	(10 306 668)	(5 905 915)
Gross surplus	6 241 730	1 517 607
Interest received	146 604	23 326
Operating expenses	(4 810 605)	(3 194 419)
Operating surplus/(deficit)	1 578 830	(1 653 486)
Finance costs	(1 427)	-
Surplus/(deficit) for the year	1 577 403	(1 653 486)
Other comprehensive income	-	-
Total comprehensive income (loss)	1 577 403	(1 653 486)
Total comprehensive income (loss) attributable to: profit company retained		
Non profit company retained surplus	1 577 403	(1 653 486)



STATEMENT OF CASHFLOWS

Figures in Rand	2013 R	2012 R
Cash flows from operating activities		
Cash generated from operations	1 971 670	(1 660 739)
Finance costs	(1 427)	-
Net cash from operating activities	1 970 243	(1 660 739)
Cash flows from investing activities		
Purchase of fixed assets	1 565 803	(220 420)
Net cash from investing activities	1 565 803	(220 420)
	-	-
Total cash movement for the year	40 4440	(1 881 159)
Cash at the beginning of the year	472 703	2 353 862
Total cash at end of the year	877 143	472 703



BENEFITS OF PARTNERING WITH HAND IN HAND SOUTHERN AFRICA

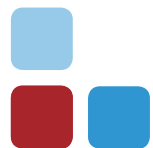
“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.”

Quoted by Nelson Mandela on the 90th birthday celebration of Walter Sisulu at the Walter Sisulu Hall, Johannesburg, 18th May 2002.

- Hand in Hand Southern Africa has a Public Benefit Organization (PBO) status in South Africa, meaning that any donation or funds received are tax exempt.
- As we work with mainly poor black women in the rural and peri-urban areas, our projects can contribute to your BBBEE points under Enterprise Development Points and Social Economic Development Points.
- Our training programme is accredited with the Services SETA and is thus of significant benefit towards the skills development levy.

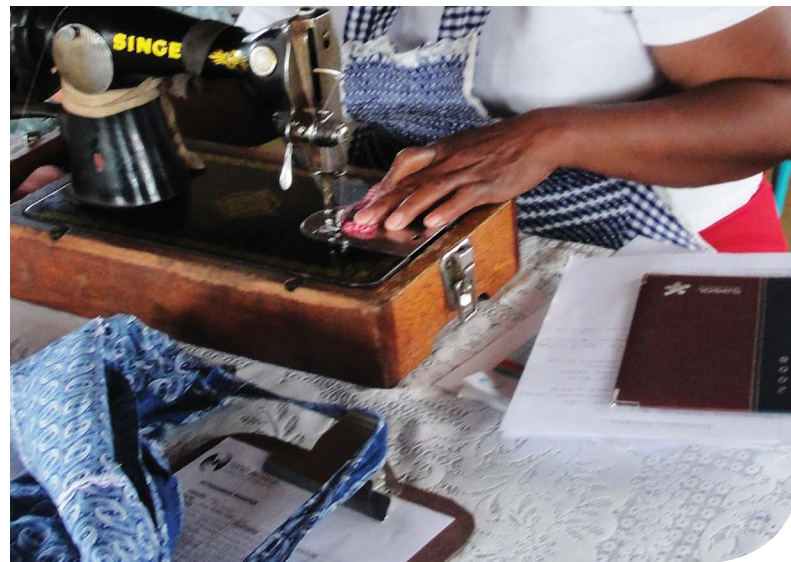


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