



Charitable Registration #86418 8420 RR0001

www.thetownshipsproject.org

c/o Martha Deacon

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Charlottetown, PE C1A 4S6 Canada

South Africa: The Townships Project Trust

SARS s.18 Ref. #930040127

c/o Jayshree Padayatchey

339 Emerald Street

Laudium 0037, South Africa

30 November 2013

Dear Friends:

A Good Idea with Legs: MicroFranchising Develops in South Africa

Thank you for your past support for **The Townships Project**. I am writing to report on our key achievements during 2013 and to ask for your continued support in 2014.

- **Department of Trade and Industry in South Africa has agreed to cover venue and catering** for our ABCD and MicroFranchising workshops, and to approach local corporations to pay for the balance of expenses;
- **South African Revenue Services (SARS) has granted us a s. 18 Certificate** so that South Africans that support our work can now receive tax relief;
- **Canadian Board of Advisors** has been greatly strengthened with the addition of Dr. Anu Bose, Neville Kirchmann, Lorraine Kirchmann and Mike King under the leadership of Janne Duncan;
- **26 Canadian Foundations which have supported similar charities** have been identified by our volunteer student intern, and approaches will be made in 2014

Measuring Results: Key to Foundation and Corporate Support

During 2013, we continued to work with the businesses featured at **MicroFranchising Launch: Trade Show and Workshops** in 2011 and 2012. They are reporting increases in turnover and net profits and many have added employees. Going forward, we are developing a system for recording these results in a consistently measurable way, to provide a solid case for funding our work in future. We have started a trend! Support from the Department of Trade and Industry in South Africa now equals or exceeds the amount of money that we have invested from Canada in MicroFranchising. This support should grow in the future as return on investment is quantified.

Section 18 Certificate: Key to Getting Corporate Support in South Africa

On September 18, 2013, The Townships Project Trust in South Africa received its s. 18 Certificate from South African Revenue Services. South Africans that support our work can now receive tax relief, which should make it a lot easier to raise corporate support in South Africa. We are grateful for past support, even in the absence of our s. 18 Certificate, from Standard Bank, Legalwise, Randwater and Scorpion Insurance.

ABCD – ‘Asset-Based Community-Driven Development’ Workshops and Small Business

We are using the ABCD method to locate the best entrepreneurs in communities through giving workshops for micro-business owners. These workshops ask first: “What do we have?” in a way that uncovers all the assets available to business owners within their community. The second question: “What do we earn?” leads to a much deeper understanding of the resources within the community that can contribute to the growth of the business. The final question: “Where do we spend it?” leads to developing businesses that keep as many resources as possible within the community. Participants are amazed at how much more they have to work with than they thought. Following the May 2012 workshop, the informal businesses we featured at MicroFranchising Launch (traders with no bank accounts, no business registration) self-reported increases in turnover and net profit averaging about 50% in the following 6 months. During 2014, we are providing ABCD Workshops to micro-borrowers and we will be measuring improvements in turnover, net profits and employment systematically at this very basic level.

MicroFranchising Launch: Trade Show and Workshops - Businesses available from \$1500!

MicroFranchising Launch uses the world’s most successful business system, franchising, to solve the world’s most intractable problem, systemic poverty. Ideally a microfranchise offers better products or services cheaper than those currently available in a community, through a local business, thus providing a chance to “buy a job” for \$1500 - \$15,000. New technologies provide affordable housing, health care, early childhood education, reading and math solutions, pure water, cheap energy, effective sanitation, but lack a broad-based grassroots distribution system. **MicroFranchising Launch** offers a distribution model that is scaleable in a forum that provides social entrepreneurs wanting distribution the opportunity to meet with investors eager to develop new markets, with communities that are desperate for what they are offering and have a supply of eager workers. **MicroFranchising Launch** aims to be the world’s forum for the development of sustainable microfranchises in all areas of business. The next event is planned for May 2014 in the Vaal, southwest of Johannesburg, sponsored again by The Townships Project, Vaal University of Technology and the Department of Trade and Industry.

Together with the Board, I am always working to ensure that every \$50 you donate changes someone’s life for the better. **Volunteers from coast to coast over 15 years** have helped us to contain costs and raise funds. Special thanks to all those who held Lend to End parties in 2013, to volunteers in Vancouver for mailing this annual letter for 12 years, to Carol Ouellet In Hamilton for recording donations and mailing receipts for more than 5 years, and to CHF Investor Relations in Toronto for providing bookkeeping, banking and photocopying services for about 8 years. On July 1st, I moved to Charlottetown with my 95-year-old Mum. Volunteers here have now taken over the banking duties as our long-time auditor is also here.

With many thanks for your help and involvement and all best wishes for a safe, happy and fulfilling holiday season and New Year! You can donate securely at www.thetownshipsproject.org, or by mail using the tear-off section attached to this letter.

Sincerely,
Martha

Cathy

F. Martha Deacon
Founder and CEO
marthadeacon@thetownshipsproject.org

with support from

Cathy Hume
Chair
cathy@chfir.com

YES, I WANT TO SUPPORT THE TOWNSHIPS PROJECT (www.thetownshipsproject.org)

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Here is my donation

\$50 _____ \$100 _____ \$250 _____ \$500 _____ Other _____

Name: _____

Address: _____

Postal Code: _____ Phone (____) _____ Email _____

Please send to:

The Townships Project, c/o Martha Deacon, 69 Upper Prince Street, Charlottetown, PE C1A 4S6