



Charitable Registration #86418 8420 RR0001

www.thetownshipsproject.org

c/o Martha Deacon

69 Upper Prince Street

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

16 November 2015

Dear Friends:

Jayshree Padayatchey: Helps The Townships Project work towards self-sufficiency in South Africa

Thank you very much for your past support for **The Townships Project**. With your generous donations as well as the help of volunteers from coast to coast over 17 years, we have been able to fight systemic poverty in South Africa through supporting microlending and more recently microfranchising, with a lot of local South African input. We outline below our key achievements during 2015. We are asking for your continued support in 2016, as we make our way towards project self-sufficiency.



Jayshree Padayatchey completed her fifth year as our Project Director in South Africa in August 2015. Her stated objective for 2015 was to become financially independent so that all funds that **The Townships Project** sends to South Africa can be directed to supporting the development of specific microfranchises. Jayshree has achieved that goal, and will remain as our volunteer Project Director.

She has secured a contract in the development sector, supported by GIZ, a German NGO, to locate and train townships women in Diepsloot near Pretoria in basic business skills and Asset Based Community-Driven Business Development (ABCD) over the next 12 months. This process was developed by **The Townships Project** to source the businesses and empower the business owners that have benefited from the three **MicroFranchising Launches** held in 2011, 2012 and 2014. As the **Department of Small Business** rolls out its program to package 15 microfranchises in the next year, Jayshree will be ready with new candidates to feed into that pipeline of developing microfranchises, either as new micro-franchisors or as new microfranchisees. She is building a sustainable network.

Bookkeeping – The most basic need of all...

During 2015, as we began to invest in the roll-out of microfranchises, starting with **Maid4U**, we realized that even though some of the businesses had audited financial statements, they did not have the financial management skills and systems necessary for the real-time feedback required to successfully navigate their expansion plans. Our mentoring and coaching of the four winning small businesses from **MicroFranchising Launch 2014** exposed the widespread need for accurate bookkeeping, starting with consistent bank reconciliation. For our owner/operators to grow, they must understand the daily, weekly and monthly cash flow of their businesses for planning purposes. They need to know where their profit margins are and that requires sophisticated financial tools such as Sage Pastel.

We have therefore focused our efforts in 2015 on educating our business owners to this need, and to finding a cost-effective way of meeting it. Third party outsourcing has proved prohibitively expensive, so we have responded by offering training for owners and their employees on financial software programs, employing volunteer accounting assistance from Canada by Skype. This will be the focus of our efforts in 2016, so that owners are ready to roll out microfranchises during that year as government assistance becomes available.

Over the years, we have learned how to find the best businesses to micro-franchise, how to encourage ABCD and how to teach basic business skills: we believe the last essential piece to the puzzle is competent, affordable, timely bookkeeping for our microfranchisors and microfranchisees. We have found partners in government and amongst other NGOs to adopt the first parts of the puzzle as we now focus on the last. Once mastered, timely and third-party verified bookkeeping should also unlock access to commercial investment for promising microfranchises. By training those under our umbrella to deliver these services, **The Townships Project** in South Africa can offer these services and become self-sustaining.

We have initiated a pilot program whereby volunteer bookkeepers in Canada work via Skype on a weekly basis with their assigned business partners to ensure transmission of these essential bookkeeping skills.



Lindiwe Shibambo of Maid4U, South African 2014 Emerging Entrepreneur of the Year!

Last year we introduced you to Lindiwe Shibambo, creator of **Maid4U**, which recruits, trains and places domestic workers. **Lindiwe** grew up in the Township of Soshanguve and started **Maid4U** from a shack 9 years ago. She put herself through university working as a domestic. She knew there was tremendous demand for well-trained domestic workers. There was no competition from black-owned businesses in the townships, and she knew the market. Today, **Maid4U** has established its brand and is ready to launch two microfranchises as soon as its financial management systems are proven. That is our focus in assisting **Maid4U** in 2016.

During 2015, **Maid4U** used our assistance to set up its Signature Branch with proper furniture and equipment, established its brand and won the support of the Department of Labour to run Community Campaigns for recruitment. It has now placed 5000+ workers, up from 1000+ last year.

More News and Many Thanks

We have completed our first audit in South Africa. Thanks to our two South African trustees, Peter Moyanga and Kobus Oosthuizen, for facilitating that procedure and to Jayshree Padayatchey and Dewald Theron for seeing it through. Thanks to all four for their longstanding and ongoing support.

Special thanks to all our Canadian board members: McKinley Ambrose, Brian Dodd, Cynthia King, Mike King, David Martin and Jocelyn Pritchard, and to special advisor Dr. Anu Bose. Thanks also to Sheri Chislett who has volunteered her time as our bookkeeper in Charlottetown, and who, together with Carole Rowsell in Toronto, is the anchor of our voluntary bookkeeping initiative. Thanks to Carol Ouellet, who continues to write and send our receipts from Hamilton. Finally, thanks to our volunteers in Vancouver who stuff and mail this annual letter: It is an amazing effort and very much appreciated.

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
F. Martha Deacon
Founder and CEO
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YES, I WANT TO SUPPORT THE TOWNSHIPS PROJECT (www.thetownshipsproject.org)
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Please send to:
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