

# Learn**to**Earn<sup>TM</sup>



A **hand up** - not a **hand out**

## Annual Report 2006 - 2007



we seek to develop people, especially unemployed people, socially, economically, emotionally and spiritually

# MANAGEMENT REPORT

The biggest misnomer ever to be bandied around within the non profit sector or for that matter, in business as well is the idea of self-sustainability. Reliance on partners, suppliers, customers and marketers are all key aspects to a successful business or NPO. The fundamental issues should be interdependence; collaboration, networking, and a common goal of improving our society as a whole while achieving your own goals as well. The more integrated and broad your organisational base, the better. This past year has been a classic example of such integration.

## **Annual Fundraising and Marketing Events**

We would like to applaud and express our appreciation to the Friends of LtE in Ireland group which is headed up by Don and Janet Casey. Through their fundraising efforts over the past year they have raised over R 350 000. LtE was the beneficiary of a fantastically organised Quiz Night and Auction, an annual fundraiser held at the Powerscourt Golf Club. Indeed we are honoured to be the charity of choice for this event.

Viglietti Motors, official importer of Maserati, has continued to partner with LtE on our annual golf day at De Zalze, Stellenbosch. This event certainly has become a firm favourite amongst our network and is a regular calendar event for many corporates. The challenge is to grow the co-branding and marketing opportunities that have developed through this four year partnership

Our BEE partnership with Amperzand, continues to grow as we discover more opportunities to work together. At our 2006 annual dinner held at Suikerbossie Restaurant, we launched our coffee table-style book called Beginnings. Written by our former PR and Marketing Manager, Unathi Loos, it traces the life stories of fourteen of our graduates and the impact

LtE has made on the communities it serves. The book has been beautifully laid out by Amperzand staff and is dramatically enhanced by some superb photography by Ben Loos. Beginnings has been well received by all, especially by companies who have used the books as a gift for clients. Well done to staff and volunteers who assisted in these events and to the loyal supporters of our annual dinner.

To enhance our ability to effectively market and to record the changes that have taken place within our organisation, we have updated our video which comprehensively captures the essence of LtE. We have been able to make this tool accessible on our website, so do use it when introducing LtE to your friends.

Those who have been associated with LtE over the years would have witnessed the growth and development of our newsletter to a point where it is thoroughly professional and strikes a good balance between quality and appropriateness for a NPO. For this, we have to thank staff as well as Katy Macdonald, a volunteer, and Belinda Walsh from K&B Direct for their partnership. Katy has stepped down and Candice Collins (LtE PR and Marketing) continues with this project.

## **Capital and Infrastructure Development**

The need to have a focused approach to increasing our donor base has resulted in the appointment of Charles Grey to a newly created position of Donor Development Manager. This appointment will hopefully give our Capital Development campaigns, which remain our biggest challenge, some much needed impetus. The lack of suitable space has become a hindrance which is having a big impact on our efficiency. We are looking to erect buildings in Durbanville, Hermanus and Khayelitsha at a collective estimated

amount of R8 Million. To date, we have raised about R600 000 towards this total.

Partnerships with UCS Solutions and Access International have significantly assisted in standardising our software use in the organisation as well as upgrading our network, server and workstations. This, along with being one of the first organisations in Khayelitsha to get ADSL has made a huge difference to the efficacy of the organisation, making available opportunities such as the emailing of our newsletter to our network.

Due to a partnership with Graylink an employment website has been created where we can track our student information and even take it further to a level of placing employment opportunities online. This takes us a step closer to being a truly "One Stop Shop" for the unemployed person.

This year our Khayelitsha Branch gave birth to our Head Office in the Riverside Mall in Rondebosch. We sublet more than half of the floor space to Ownerships Solutions who specialise in BEE rating solutions. It is now possible for us to have a presence closer to most of our partners.

A gold award and prize money of R40 000, awarded in recognition of the efforts of the staff in developing unemployed people was received through the Impumelelo Innovations Awards Trust Program. The money is to be used in the duplication of LtE's program through our Association model. In September 2006, Learn to Earn managed a top five position in Ashoka's Citizen Based Initiative for Sustainability and Strategy competition. This has resulted in significant exposure for LtE.

This year 294 unemployed individuals completed courses at LtE and as some attended more than one course, a total of 340 is reflected to have gone through Learn to Earn. Feedback through our Business Resource Centre, confirms that 269 of our graduates were economically

active. The opportunities that have been created through the BRC range from staff uniforms for Beautiful Gate to caddy bibs for De Zalze Golf Club. The BRC has done exceptionally well in growing and developing this concept to the point of generating an income of R1193 000 which makes up 84% of its operating costs.

### **Duplication of the LtE Model**

The Learn to Earn Association works on a reactive model which is a very slow process as it depends on the queries of individuals or groups. With all the media coverage given to LtE we have been inundated with enquiries, but once these have been followed up, the process slows significantly as people realise the amount of work involved. Phambili nge Themba, which operates under the umbrella of Pinelands Methodist Church and works in Langa, has officially signed up as a member and paid their annual fees.

### **Finances**

Our funding this year has mainly been local with 60% generated from domestic sources and the balance from foreign donors. Our government funding remains relatively minuscule and the challenge remains in being able to get funding from the Departments of Economic Development or Social Development.

Our financial report gives a more detailed break down as to sources of income and expenditure. Our strategy of sustainability continues to grow through the expansion of the BRC and BEE partnerships.

### **Appreciation and Thanks**

In January 2007 we held an appreciation dinner for volunteers because the significance of our volunteers must not be underestimated. The credibility of the organisation is often gauged by those who are involved on a voluntary basis.

Staff shortages due to vacant positions as well as staff moving on to new challenges after years of service (namely Felicity Seragie and Deane Hill), has increased the workload of the remaining staff. We thank

them for assuming more responsibility in the interim. As an organisation we are grateful for the opportunity to serve God through developing and creating opportunities for unemployed people over the past year and for His provision through our partners.



Roché van Wyk  
LtE Director



Neil Macdonald  
Chairperson

## Thandolwethu Maqhina *Khayelitsha*



"I am 25 years old and graduated from LtE's Woodwork school in December 2006.

I was unemployed for 2 years before my sister who completed a sewing course at

LtE encouraged me to train at LtE.

I enjoyed my course very much and when I was placed for 2 weeks at a workshop in Steenberg, I found it tough. The placement was done to expose us to the working environment and although LtE gave us financial help with our travelling costs, it was difficult on a young man with no income. I found that the incubation was good for me because I received direction on what to do with my life once I graduated. I realised for sure that I wanted to work in a factory because I enjoy the security and certainty of a regular income.

At the end of November 2006, I was placed at Superior Doors in Stikland and I have been here ever since.

Before LtE, I did a security guard course and was supported financially by my family. My parents live in the Eastern Cape and I now support them.

I don't ask anyone else for money and I am independent. My girlfriend is pregnant and I support her too. I'm excited about the pregnancy even though it was unplanned because I shall provide for them both. I am working now, I can achieve anything I set my heart on.

My short term goal is to buy a home for my family in Khayelitsha."

## KHAYELITSHA BRANCH REPORT

In the Life Skills programme at Learn to Earn, we commence with a module called 'Who am I?' in which the student is challenged to look at their life journey and the manner in which it has shaped them. It is also good for an organisation to take this opportunity annually to consider its



The July - November Woodwork class, 6 of whom are now employed.

achievements and challenges and note how they affect the implementation of its vision and mission.

At our annual staff retreat held in October 2006,

the staff refocused on Learn to Earn's vision and mission and also on the vision that they have for their own lives. The year was characterised by an increase in network opportunities and a growing awareness of meeting the needs of students as they look to employment in the formal sector. The Sewing, Woodwork and Computer Graphic Design students all have at least one excursion during their time with us. This allows them to see skills in action in factories, offices and design studios. We are grateful to those of our partners such as Amperzand, Fountainhead, Cape



Computer Graphic Design students at work.

Saw Mills and Arc Sportswear who all allow our students to visit.

We were able to offer a number of courses off-site in the past year. The most exciting opportunity during

this period was the award of two training courses by the Department of Labour (with whom we are registered both nationally and regionally as a skills provider). These courses were held at Pollsmoor Prison. Loretta Pietersen, our Sewing School Manager offered a 30 day course on Clothing Manufacture to a group of 12 inmates and Welile Mbang, our Business Skills trainer offered a 12 day Entrepreneurship course also to 12 inmates. We received positive feedback from inmates and staff alike which indicated to us that that the students benefited not only from the training but also from the way in which Loretta and Welile treated them. We know that attitudes and minds were changed for the better.

In addition to the off-site training, we were able to offer training at Khayelitsha for two community organisations which sent students to join our regular training – Abigail Women’s Movement and Lisakhanya Community Project. We also joined up with Snowflake Bake for Profit to run their Baking courses at Khayelitsha and were excited to see all you four of our June 2006 class graduate with merit.

We were without a Computer Skills trainer until mid-July when Julia Baker joined us. I trained several groups so that we would not fall too far behind on our commitments to the NMCF. Julia is a trained Graphic Designer and has brought her own creative flair to the training department. Alison Prest has joined on a contract basis as Life Skills trainer and, as an experienced entrepreneur, is

able to bring valuable life lessons to the students.

We are grateful to the Lord for the opportunities this year to ‘lengthen our cords and strengthen our stakes’ (Isaiah 54:2).

*Susan Wishart*  
General Manager

STUDENT NUMBERS 2006-2007	
Bake for Profit	9
Basic Computer Skills	46
Business Skills	33
Business Skills (external - Pollsmoor)	12
Computer Graphics	50
Sewing	66
Sewing (external - Pollsmoor)	12
Woodwork	22
Crocheting Workshop	4
SHAWCO Workshop	7
Kayamandi High School Workshop	6
<b>TOTAL</b>	<b>267</b>

## HERMANUS BRANCH REPORT

The work of LtE reminds one of “a tiny mustard seed planted in a garden; soon it grows into a tall bush and the birds live among its branches” (Luke 13:19). With the grace of God we have witnessed the small mustard seeds growing into trees and bearing fruit.

### SKILLS DEVELOPMENT

During the past year we were fortunate to see the first **Snowflake Bake for Profit Course** added to our training program. It was successful with most graduates starting small baking businesses. We are very grateful to Premier Foods for their sponsorship of this course.

The **Sewing Course** does not seem to attract many unemployed people from the area and we struggle to fill these classes. We have lowered the course fees to see if this will have a more positive impact on the student numbers in the future. LtE Hermanus has trained 13 sewing students, 5 of whom are now economically active. During this period, seven LtE graduates started their own sewing businesses and 3 were placed with sewing companies in the area. (This includes graduates from previous periods). I am grateful to Nomfuzo Gawulekapa, the sewing instructor who trains these students with love and patience. It is very rewarding to see their skills develop, confidence grow and how grateful they are for the learning opportunities.

LtE also provided Life Skills training to its students. Nolubabalo Gumbi has been contracted as an independent trainer for this course. Her excellent facilitation skills and the fact that she is Xhosa-speaking contributes to the quality of the course.

LtE Hermanus offered various other **Skills Workshops** for unemployed people. During the past year abalone, knitting, embroidery, book binding and home décor workshops were offered to 33 people. Subsequently 50% of the trained students immediately became economically active.



Graduate doing beautiful embroidery at Ilembu Creations.

### SPIRITUAL DEVELOPMENT

Being a Christian ministry, one of our main focus areas is to develop our students and graduates spiritually. Fifteen students completed the Discipleship Course led by Mteto Mbuli, a humble and committed spiritual leader studying to be a pastor.

### JOB CREATION PROJECTS

The **Abalone** farming industry in Hermanus provides ongoing job opportunities to unemployed graduates.

This job creation project has proved to be sustainable in this area and has grown tremendously since its inception. The feedback from the farms on the quality of LtE's products has been positive. The total turnover for the year was R 393 862.

In partnership with a company called Fynbos Creations, a new job creation project began this year. A group of 8 unemployed women have been trained to manufacture **home décor items** for retail shops like Mr Price Home.

LtE Hermanus sincerely appreciates the partnership of companies who provide employment opportunities to our graduates. They are Thoughtfully Yours, Fynbos Creations, Cotton Stories, Ilembu Creations, HIK Abalone and Aquafarm Development.

### GRADUATE PLACEMENTS

LtE Hermanus was privileged to place 3 sewing students, 1 abalone and 2 workshop graduates into permanent positions.

### NEW BUILDING

LtE Hermanus has need for new training premises and this has become more evident as we try to expand on our programs. We thank the **Hermanus Support Group** for being loyal and committed toward raising awareness and funds for this cause. During the past year they have organized a street collection, a dinner and various stalls selling LtE products.

### GRATEFUL

I extend my sincere thanks and appreciation to all our volunteers, staff, board members and all the companies who have partnered with us. Most of all I am grateful to God for the privilege of sowing mustard seeds that have, through His mercy, provision and blessings, grown and impacted people's lives this past year.

*Rina Maree*

*Hermanus Branch Manager*



Abalone cage being made up.

STUDENT NUMBERS 2006-2007	
Sewing	13
Bake for Profit	9
Life Skills	16
Discipleship	2
Short courses & workshops	33
<b>TOTAL</b>	<b>73</b>

## BUSINESS RESOURCE CENTRE REPORT

This last financial year was another year of growth for the BRC, building on the good foundation that has been established over the past few years. We generated more than R1 million in orders, a milestone that we were eagerly anticipating.

One of the BRC goals was to be self funding and unfortunately we still fell short of this goal. The reality was and will always be that we are balancing the development of people with running a business, a reality that may mean that the BRC will struggle to be 100% self sufficient. It is encouraging; however, to look at our other KPI's and see the year on year improvement on these figures. We were 84% self sufficient and helped 269 people to become economically active.

Economically Active graduates 2006-2007	Entrepreneurs	Placed in employment	Zakhele	Totals
From all branches and courses	17	59	111	187
Non-graduates given economic opportunities			60	60
Previously trained students placed in this period		22		22
Total (2006-2007)				269
Total (2005-2006)				127

This year Learn to Earn also won a Gold Impumelelo Award and the BRC is proud of the role we played in completing the circle in terms of finding job opportunities for graduates. The vision of many years ago has now been established and has made Learn to Earn a model worth replicating.

I chose to leave the Learn to Earn BRC at the end of March 2007 and to re-enter the engineering field before I got too rusty. When I reflect on the past 3 years that the BRC has been running, I am very proud of the team who have taken it so far and who continue to take it further. I will miss the dedicated team who worked so hard to make the BRC successful – well done for achieving the R1 million milestone!



Chris Hani School's tracksuit order.

The vision to create a vehicle in which to help people enter the working environment has been firmly established. Funding for a BRC building will enable the expansion of the Zakhele project into the other areas of training, ensuring that even more opportunities for previously unemployed people will arise.

*Deane Hill  
BRC Manager*



Beadwork in Zakhele.

## Nontembeko Mtendeni *Harare, Khayelitsha*



"I am 26 years old and I graduated from a sewing course at LtE in June 2005.

I worked in the retail industry at the Mitchells Plain Plaza but earned

so little that I couldn't even assist my younger siblings adequately. I decided to resign from the job to complete a sewing course in the hope of gaining a valuable skill so as to open my own business.

After graduating, I joined the Zakhele program to begin working on their contracts to earn an income. Unfortunately, one month later I broke my leg in an accident and was unable to work on a sewing machine. I left Zakhele and sat at home without an income for about 10 months. My younger sister found employment and began supporting me financially. Babs, from the BRC called me up in May 2006 to say that I could work on contracts that required hand stitching and beading. I was so happy and relieved.

I am working hard to save enough money to open my own Design business. I have purchased an overlocking machine and am contributing toward my family and the household. At LtE, I feel like a well-loved child. Being an orphan, this means so much to me. I still am unable to work on an industrial sewing machine and my leg sometimes aches but I am praying for a full recovery."

## FINANCIAL REPORT

The figures presented in this report are based on our audited annual financial statements, as at 31st March of each year. These statements are available on request.

### Financial Year 2007

The table below shows that income increased by 63% over the 2006 period and expenditure by 22%, resulting in a healthy surplus of R 825,772 for the year. The higher income was largely due to foreign donations, which increased from R 420,000 in 2006 to R 1,300,000 this year, as well as local support, which was up by R 654,000. BRC (Trading) expenditure of R 1,418,000 was well above the budgeted figure of R 1,100,000 as was income at R 1,193,000 vs. the budget of R 742,000. This reflects an increase in the number and value of contracts concluded. The Trading unit covered 84% of its costs this year, compared to 70% and 30% for 2006 and 2005 respectively.

Overall, average monthly expenditure has grown by 22% because of the higher level of Trading activity and increased staff costs. The staff complement increased to 19, from 17 the previous year. This figure includes the new position of donor development manager and the computer/graphic design trainer position, which was vacant at the 2006 year end.

Our capital commitment of R 50,000 for property being acquired in Durbanville remains. Funding for the Durbanville development and for the building projects planned for Khayelitsha and Hermanus is being raised from specific fundraising activities for capital projects. Plans for the Hermanus project have been submitted to the Council.

The bar charts show prior year income and expenditure by division, as well as projections for the 2008 financial year.

## Expenditure Analysis

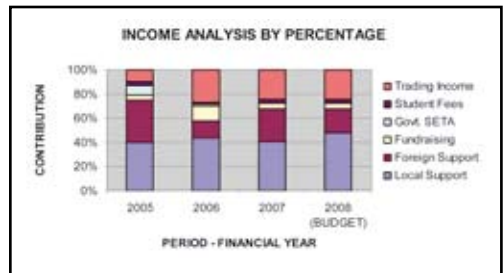
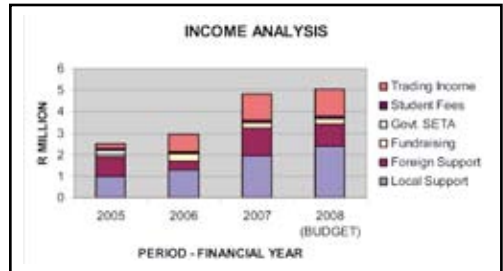
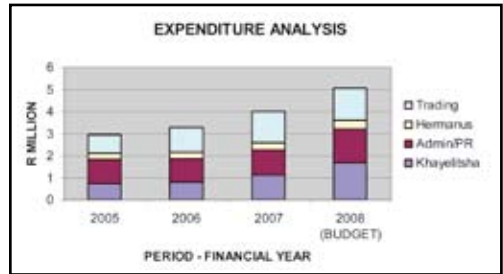
The 2008 expenditure projections show a 27% increase over the 2007 costs, giving a planned average monthly expenditure of R 422,100. This increase is due to:

- staff costs-new position & budget for full complement whereas two positions were vacant for portion of 2007
- budget for software (Creative Suite) for the computer school
- inclusion of an external training budget under Khayelitsha branch
- head office costs, incurred from December 2006, now budgeted for the full year
- the Trading budget, which has been increased by 4% to R 1,479,000. However, this does allow for an expected increase in the volume of Abalone contracts, but this is offset by a decrease in office costs.

## Income Analysis

In this section, the sources of financial support and income are shown by category. Support received in kind, such as materials, equipment and assistance from volunteers is not quantified here, but is integral to the operation of LtE.

*Brian Low*  
Finance Manager



Description	2007	2006	2005
Total Income	R 4,818,476	R 2,946,289	R 2,544,102
Total Expenditure	R 3,992,704	R 3,268,482	R 3,005,772
Net (Deficit) / Surplus	R 825,772	(R 322,193)	(R 461,670)
Average Monthly Expenditure	R 332,725	R 272,374	R 250,480
Cash and Bank Balances	R 1,183,387	R 375,968	R 675,604
Monthly Cover	3,6 months	1,4 months	2,7 months
Staff Compliment at year end	19	17	18

# LEARN TO EARN STAFF - MARCH 2007



Roché van Wyk  
LtE Director



Charles Grey  
Donor Development Manager



Brian Low  
Finance Manager



Welile Mbanga  
Business Skills Instructor



Babalwa Madikane  
P.A. to BRC Manager



Zodwa Ndlovu  
Zakhele Supervisor  
Khayelitsha



Normfanelo Mgutyana  
Sewing Instructor  
Khayelitsha



Loretta Pietersen  
Sewing Manager  
Khayelitsha



Nobom Ntsuntswana  
Baking Instructor  
Khayelitsha



Babalwe Madikane  
Receptionist  
Khayelitsha



Rina Maree  
Hermanus  
Branch Manager



Susan Wishart  
LtE General Manager



Vanessa Masencamp  
Sewing Zakhele Manager



Candice Collins  
PR, Marketing &  
Communications Manager



Nomfuzo Gawulekapa  
Sewing Instructor  
Hermanus



Leslie Grimwood  
Woodwork Instructor  
Khayelitsha



Julia Baker  
Computer Skills  
Instructor

thank you for your contribution  
towards developing unemployed people

# SPONSORS 2006 - 2007

The Following Trusts, Foundations, Companies, Schools and Churches supported Learn to Earn during the year under review. We have also had significant donations from our SA, USA and UK individual supporters.

## More than R100, 000

- FirstRand Foundation
- IPIC Group
- Nelson Mandela Children's Fund
- UCS Solutions (Pty) Ltd

## R21,000 - R100,000

- Amperzand Advertising
- Brynild Gruppen AS - Norway
- Commercial Cold Storage
- De Beers Foundation
- Impumelelo Innovations Awards Trust
- Models for Africa
- Stratex

## R1 - R20, 000

- Ackerman Family Foundation
- BOE Trust (Hermanus)
- CBS Property
- Christ Church
- Church of the Holy Spirit (CHS)
- Diocesan College Council
- Ellerines Holdings
- Exim International
- Fifth Quadrant
- GreaterGood SA
- Idwala
- Khayelitsha Cookies
- Meadowridge Baptist Church
- Mellows & Associates
- Old Mutual Staff
- PA Don Charitable Trust
- Rabcav Joint Ventures
- Rex Trueform Clothing
- Rosewood Trust
- Rotary Club of Newlands
- Rotary Club of Wynberg
- SASOL - Give As you Earn
- Siyakhula Trust
- Smith Tabata Buchanan Boyes
- St Peter's Ladies Guild
- U-Care
- United Church Hermanus
- United Church Women's Union
- Viglietti Motors
- Western Cape Cultural Commission
- Western Province Baptist Association
- Woodside Village Prayer Group
- Telkom SA Limited

## Non-Financial

- Cape Saw Mills
- Foschini Group
- Off Cuts Galore
- Old Mutual
- Young Presidents Organisation - Barclays Bank
- Rutherfords
- Metropolitan
- Class Mates
- Mycra Trimmings
- Catidel
- Crest IT
- ARC Sportswear

## Financial Donations from Individuals through: (+R450 000.00)

- African Leadership
- Direct Debits SA
- Special Gifts - Anonymous
- Stewardship Services
- The people of Ireland

## EVENTS

### Learn to Earn Golf Day at De Zalze

Fifth Quadrant, Nedbank, Sanlam, Grapevine Interactive, Standard Bank, KPMG, ABSA, Atty Technology, Baxter Theater, Birkenhead Estate, Brandhouse Beverages, Canal Walk Centre Management, Cape Storm, Cellucity Canal Walk, Cottong Stories, Exim Spice, Famous Grouse, Golfer's Club Kenilworth, Idwala, Just Chocs, McGregor Winery, Mount Nelson Hotel, Moyo at Spier, Rose Foundation, RSA Leisurewear, SA Rugby, Seidelberg Wine Estate, Theatre@ Pavilion, Vergelegen and Vodacom Golf Village.

### Learn to Earn Dinner

Kaapzicht Wines, Pick 'n Pay Family Store Plumstead, Pick 'n Pay Constantia, Quality Beverages, Appletizer, Avondvrede Wine Estate, Suikerbossie Restaurant, Amperzand Advertising, Ben & Unathi Loos, Jenny Dry, Soanesbury.

We are indebted to our numerous individual donors. It is always humbling to see who God raises up to support the ministry of LfE. Often it is people who have comparatively little who are giving much. We thank all our partners and assure you that we value each one of you. With our status under the new Non Profit Legislation we are able to continue issuing individuals and companies with tax-deductible receipts. This is of great benefit to LfE and our partners.

## Learn to Earn Contact Details

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V.A.T. Registration Number: 4910227430

[www.learntoearn.org.za](http://www.learntoearn.org.za)

