



EMPOWER HOPE RESPONSE

phakamani | pu-gah-‘mah-née |
verb: **rise up**



2016 EXCITING INITIATIVES INCLUDE:

- Adding 7 new branches
- Testing a Phakamani for Youth Program
- Developing on individual lending model for the most successful clients
- Additional and relevant training and support to both our clients and our staff in partnership with two South African institutions



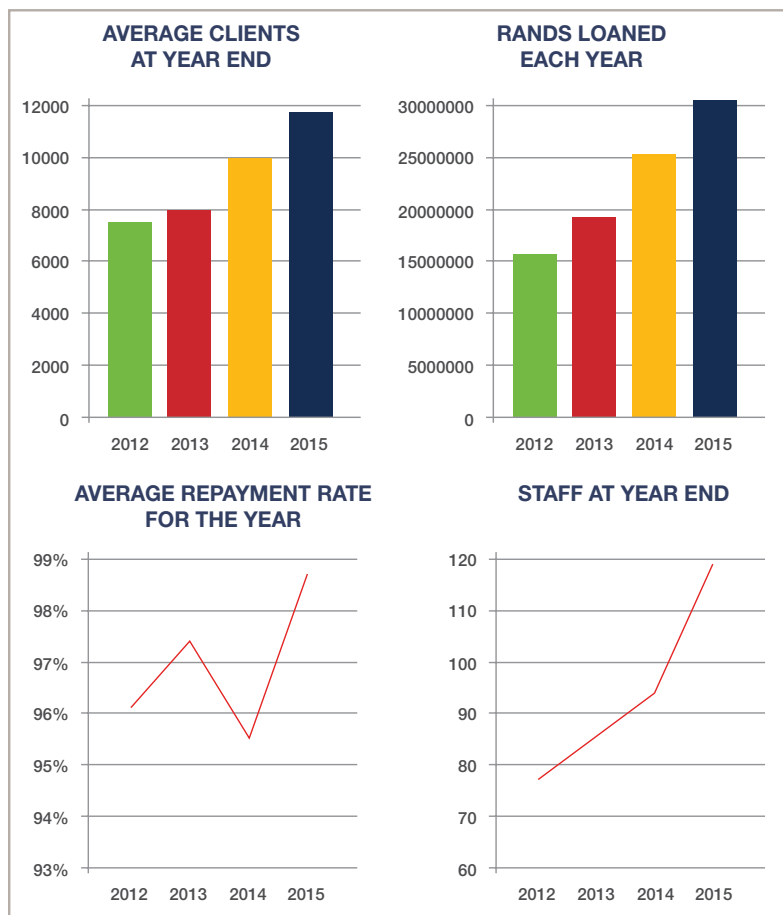
2014 and 2015 were remarkable years for Phakamani entrepreneurs. They were filled with hope, pride and empowerment. We could not have done this without God's help and you, our stakeholders. A mere 'thank you' from us and our clients never seems to be enough, but we say it with deep appreciation and gratitude.

If you have been reading the newsletters, you will know that in the past 18 months, Phakamani has created 4 new branches and disbursed more than 29 000 micro-enterprise loans to our clients. In addition, all new clients were empowered with training and ongoing support. At an average family size of 5, we calculate that since inception in 2008, more than 185 000 people have been positively affected through our program.

On behalf of the 120 staff at Phakamani and the 11 500 clients who are currently empowered through a enterprise loan and training, **THANK YOU!**

Sincerely,

Mark Tucker
Co-founder and CEO-Phakamani Foundation



BUILDING FOR A BRIGHT FUTURE

Phakamani will always remain true to our mission to empower poor individuals to succeed at micro-enterprise. As we grow we want to take advantage of the opportunity to impact our community members in other meaningful ways. One example of this is testing the Phakamani for Youth Program, which intends to set South Africa's next generation on the path towards economic success. Other training programs will provide education to clients and staff on important topics such as healthy eating, relationships and child development because once a family has a way to meet their most basic needs through meaningful work, they will be eager for other opportunities to develop.

As we continue to grow we also want to make sure we are offering services in the most relevant regions of South Africa. We strive to ensure our organization is able to provide meaningful support and resources to the Phakamani clients most willing and able to drive large scale development. The individual lending model we will develop and test in 2016 intends to meet this need.

The South African government informed us that, while they will continue to provide loans for Phakamani clients, they will not be providing any operational grants to us in 2016. That said we have never had to beg for support. What we have needed has always been supplied and found available. We will continue to work hard at this and trust God to provide us with the opportunities we need.

In this spirit, we continue to strive to be good stewards of what we are given. In 2015 less than 18% of the annual budget was spent on administrative costs. No funds were spent for fundraising efforts. This is possible because of our remarkable partners and our trust in God.

THE NUMBERS

	2013	2014***	2015
Assets			
Non current assets	R287,204	R274,562	R327,891
Trade and other receivables	R5,925,549	R7,390,042	R8,532,942
Cash and cash equivalents	R10,274,984	R22,865,414	R15,735,457
Total Assets	R16,487,737	R30,530,018	R24,596,290
Equity and Liabilities			
Retained surplus + capital reserve	R2,942,205	R5,269,307	R10,110,133
Loans from institutions	R13,082,562	R24,645,577	R13,771,657
Trade and other payables	R462,970	R615,134	R714,500
Total Equity and Liabilities	R16,487,737	R30,530,018	R24,596,290

	2013	2014	2015****
Income and Expenses			
Income	R5,332,774	R3,093,250	R8,315,369
Operating Expenses	R10,234,527	R5,200,533	R12,695,973
Operating Deficit	-R4,901,753	-R2,107,283	-R4,380,604
Donations and Grants	R4,199,789	R4,434,385	R9,221,430
Total Deficit/Surplus	-R701,964	R2,327,102	R4,840,826

*Full audited financials available. Auditor: PBS chartered Acch, Nelspruit, SA

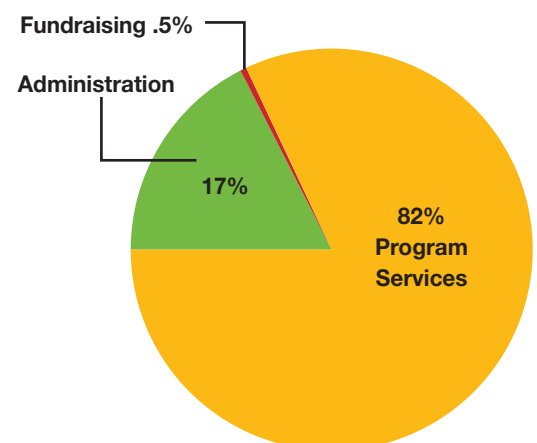
**Average exchange rate ZAR for USD during 2015 was approximately R15 to \$1

***Fiscal year end was changed from December to June in 2014 2014, so 2014 is for a six month period

**** A R2.4 million donation is from the South African Jobs Fund and is a three year grant



2015 EXPENSES



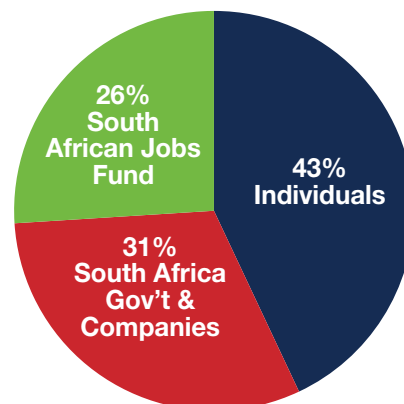
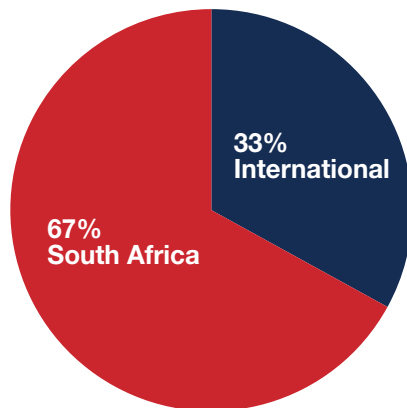
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Phakamani gratefully acknowledges all donors and supporters in South Africa and abroad. Your gifts and volunteer efforts are helping to change lives, one woman and one family at a time.



2015 FORMS OF SUPPORT



Phakamani Foundation NPC is an independent organisation registered as a not-for-profit company (Reg. 2007/034748/08) and Public Benefit Organisation (No. 930034465) under South African law.

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 *a hand up, not a hand out*
PHAKAMANI
foundation

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