



**THE FUNDZA LITERACY TRUST
ANNUAL REPORT
2011-2012**



Popularising reading | Growing communities of readers | Developing young writers

Building for sustainable impact

The FunDza Literacy Trust
IT 814/2011 | 095-260-NPO

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Trustees: CM Hardie, S Mgabadelo (chair), L Rangaka, WAR Weeks

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“Literacy is a bridge from misery to hope. It is a tool for daily life in modern society. It is a bulwark against poverty, and a building block of development... Literacy is a platform for democratization, and a vehicle for the promotion of cultural and national identity. Especially for girls and women, it is an agent of family health and nutrition. For everyone, everywhere, literacy is, along with education in general, a basic human right... Literacy is, finally, the road to human progress and the means through which every man, woman and child can realize his or her full potential.”

- Kofi Annan

“If you want your children to be intelligent, read them stories. If you want them to be more intelligent, read them more stories.”
- Albert Einstein

CHAIRPERSON’S REPORT

The importance of literacy is hardly in doubt today. However, when the love and passion for reading is not instilled at a young age, it becomes harder to develop it later in life. Many young impoverished South Africans do not have the privilege of growing up in homes where they are read a bedtime story, have a library card; or have books at their disposal. This is why the work done by our dedicated staff, Trustees and partners at FunDza is so important. To provide the opportunity to read a full book at no cost to a young person is priceless. Even better, is when the stories that are made available to young people are relevant to them, they are stories they can relate to and identify with.

Research has shown the personal and economic empowerment that an education provides young people, especially young women, to make the right choices for their future. Reading opens up the world to a young mind that is stuck in only one reality. When I was a young girl, I travelled the American South of the late 1800's (thanks to Mark Twain's *Huckleberry Finn*). I was in a courtroom for the first time, thanks to Harper Lee's *To Kill A Mockingbird*... I am glad that in my home I could read SEK Mqhayi in my own language and that I was exposed to Zakes Mda's *The Heart of Redness* in my youth. These enriched my understanding of my life more than I could have ever have hoped for. I wish that I had been exposed to books set in 1980's South African townships, which I could identify with. This is what FunDza does well.

The use of technology such as Facebook, mobi site and Mxit to share their thoughts and interpretations of the stories in the books, gives our young readers an opportunity to communicate with their peers and analyse the books that they are reading. This technology also allows FunDza to publish young people's own writing, so developing South Africa's future writers. The inclusion of social media and technology in FunDza's programmes is significant, because we believe that we must reach young people where they are, and today that's on their mobile phones.

Giving a young person the gift of reading is, at least in my opinion, one of the most enriching things one can do.

Siki Mgabadele

MANAGING TRUSTEE'S REPORT

Cover2Cover Books founded FunDza to bring to life the social development goals of the young publisher: to get South African teens reading and loving books. FunDza's vision, mission, goals and individual programmes, have grown out of the core belief that the health, stability and prospects for the South Africa of tomorrow are entirely dependent on our ability to grow a generation empowered, educated and engaged young people today.

Many would agree that today's education system is failing our future leaders. Much has been written about the crisis. We are all well aware that our levels of literacy and numeracy are pitifully low and, without significant improvement, South Africa's future prospects are at risk. We acknowledge that there is no simple quick fix solution. However, we also believe that there is hope: specifically through the collective efforts of many organisations working together to bring about change

Literacy is a basic foundation of further education. A literate person is better positioned to educate themselves; a literate person is more confident to tackle words, text and ideas and is therefore able to become a critical and creative thinker.

FunDza's mandate is to boost the literacy levels of teens and young adults by encouraging them to read more – ultimately to make reading a daily practice. There has been a great deal of focus on literacy as part of early childhood development and primary education; but there is far less emphasis on creating lifelong readers at the teen and young adult level.

Given that our target beneficiary group is teens and young adults, most often our readers have basic literacy skills. But the majority do not have the necessary confidence to be 'empowered by literacy'. By increasing access to books and reading resources that have high popular appeal, FunDza aims to change attitudes to reading and grow a generation of readers, learners and thinkers. We realise that our aims are hugely ambitious, but we also recognise that with passionate and disciplined determination much can be achieved.

At a year and a bit, FunDza is a mere 'toddler', but it has achieved much. This is in part due to the dedication of its management team who have been able to pull together the imagination and support from other organisations and individuals.

An especial big thank you is due to our major funders, the DG Murray Trust, Claude Leon Foundation and The Learning Trust, who believed in us sufficiently to 'risk investment' in a startup nonprofit.

In addition, FunDza would be nothing without its end beneficiaries – its readers across South Africa. FunDza readers are 'book-poor' young people living in economically stressed communities – both urban and rural. From our early feedback we can see that there is demand for reading and books and there is a desire for knowledge and a hope for the future. Part of the reason for this early success lies in the content, which reflects our readers lives in an authentic way. We hear many times how profound it is for our readers to see their worlds captured in a story – to feel that their own life is worthy of a book.

We look forward to bringing our readers more stories and to growing our reading communities even further.

Mignon Hardie

*"The ability to read
awoke inside me some
long dormant craving
to be mentally alive."
– Autobiography of
Malcolm X, 1964*

BOARD OF TRUSTEES



Siki Mgabadelo (Chair)

Siki is an experienced business journalist and independent producer. She hosts SAFM's *Morning Talk* show on politics, finance and general issues affecting SA. She also has co-anchored the SABC3 show *Africa Inc* on matters relating to Black Economic Empowerment. Siki won the Telkom ICT Journalist of the Year and Sanlam Financial Journalist of the Year (TV Category) awards in 2006. Siki has a Bachelor of Journalism (Hons) from Rhodes University.



Mignon Hardie (Managing Trustee)

Mignon has been involved with the start-up and management of a number of SMMEs. She is also a director of Cover2Cover Books and a consultant for University World News Africa. She has a BA (English and Economics) from UCT and an MBA (distinction) from Stellenbosch University. She received an Old Mutual Gold Medal for exceptional performance in her MBA and was one of nine shortlist candidates for the AMBA International MBA Student of the Year award.



Lebogang Rangaka (Trustee)

Lebo has worked for various companies as a human resources practitioner specialising in organisational development. She was recently appointed Human Capital Manager at Adcock Ingram. Previously she was part of a team seeking to build a facility offering wine industry skills training for township youth limited by a lack of funds and poor school results. Lebo has a BA (Industrial Psychology and Sociology) from NMMU and an MBA from Stellenbosch University.



Andrew Weeks (Trustee)

Andrew is an experienced commercial attorney, focusing on plain language law, consumer protection and information privacy law in an electronic environment. He is an associate at Michalsons Attorneys and also runs his own legal advisory business, Tenet Legal. Previously he's worked for top law firms Shepstone & Wylie (London office) and Bowman Gilfillan. Andrew has a BA from Stellenbosch University, an LLB from Wits University and an LLM (ICT law) from UCT.

MANAGEMENT TEAM

Apart from Managing Trustee, Mignon Hardie, the following individuals are the indispensable force of energy that keeps the organisation moving forward in innovative and exciting ways:

Dorothy Dyer (Literacy specialist)

Dorothy's background is in education. As a former English teacher, her passion for getting her students to read became the catalyst for FunDza's literacy programmes. Dorothy is also the author of many academic textbooks and teen fiction. She has run many workshops to test materials and to develop students' writing. She has a Masters in Applied Language and Literacy Studies, and is in the process of completing her Masters in Creative Writing, both through UCT.

"Working with young South Africans made me realise how few accessible and exciting stories there were for them to read and enjoy. Reading has been so much of my own education and personal development, and I wanted my students to be enriched in the same way. I knew that if I could find the right material for them to start on they would see how reading could be meaningful to their lives."



Nicci Giles (Stakeholder relations) Nicci is an experienced manager and marketing strategist. Previously she was head of Marketing for the Johannesburg region of Investec Private Bank. She was a member of the core management team in the Private Bank for 6 years; participating in strategy, budget, people development and remuneration committees. Nicci holds a BSocSc (Personnel Management and Psychology) and a Post Graduate Diploma in Organisation and Management, both from UCT.

"The idea of the impact technology can have on millions of lives excites me. We can reach so many people by turning almost any cellphone into a gateway to a whole new world, with wonderful stories and a chance to join a community of readers. FunDza is something we should all be connecting with!"



Ros Haden (Content developer)

Ros is a writer and editor. Besides her celebrated novel, *The Tin Church*, Ros has written numerous short stories, children's fiction and textbooks. In addition, she has been project manager for Education Support Services Trust and a freelance scriptwriter for *Generations*. She holds a Masters in Creative Writing from UCT (distinction) and a Diploma in Advanced Studies in Publishing from Oxford Brookes University (distinction).

"I wanted to become part of FunDza because I am passionate about literacy and getting good content/books out to teens who really need to develop a habit of reading for pleasure with all its benefits. I also, as a writer, was really interested in developing new, exciting content for teens and making it accessible via a mobi site on cellphones."



Literacy (definition)

The “ability to identify, understand, interpret, create, communicate and compute, using printed and written materials associated with varying contexts. Literacy involves a continuum of learning in enabling individuals to achieve their goals, to develop their knowledge and potential, and to participate fully in their community and wider society.”

- The Plurality of Literacy and its Implications for Policies and Programmes, UNESCO Education Sector Position Paper: 13. 2004

INTRODUCTION

Literacy is a powerful tool with lifelong benefits. Reading cannot be underestimated in influencing choices, giving value to readers’ lives, enhancing critical thinking and encouraging personal development. Literacy is a major driver of economic mobility and social upliftment.

Our mission

FunDza’s mission is to boost the literacy levels of teens and young adults in South Africa through its outreach programmes that are designed to popularise reading, grow communities of readers and develop young writing talent.

Our vision

FunDza’s vision is that its literacy development programmes contribute to the growing generations of educated, empowered and engaged young leaders and citizens of South Africa.

Our 2015 goals

- To have reached more than 100,000 young people through both its mobi network and our book distribution programmes; and, to have made reading for pleasure – with all its lifelong benefits – accessible and enjoyable.
- To have provided more than 500 aspirant young writers with a space through which they can publish their work and with the necessary support to improve and hone their writing skills.

The Need

The recent Annual National Assessments – in which Grade 3 learners scored 35% and Grade 6 learners a mere 28% for literacy – have highlighted the country’s education crisis. South Africa’s poor literacy levels are caused and exacerbated by the lack of a reading culture; the high cost of books; and, insufficient reading material that is relevant for the youth.

There are vast inequalities in our society, where the poorest have the least access to books. In addition, many organisations focus on early childhood literacy, but very little attention is given to developing and sustaining teen readers who could grow into adults who pass on a love of reading to their own children.

The benefits of reading fiction are numerous and well documented: it develops imagination, insight, empathy, critical thinking, the understanding of cause and effect and logical progression. It also develops vocabulary and a general mastery of the language. The benefits of reading for pleasure are recognised in the new National Curriculum and Policy Statement for languages, which encourages teachers and schools to guide learners to select books and texts relevant to their reading level.

There are numerous studies that have demonstrated the positive influence of reading. An international study found that having 20 books or more at home substantially boosts a child’s chance of academic success (“Family scholarly culture and educational success: Books and schooling in 27 nations” by Mariah Evans in *Research in Social Stratification and Mobility* 2010).

An Oxford University postdoctoral study found that reading for pleasure as a teenager was directly linked to the individual's performance and promotional mobility in later life. Oxford Researcher Mark Taylor emphasised the uniqueness of reading as an intervention, saying: 'The positive associations of reading for pleasure aren't replicated in any other extra-curricular activity, regardless of our expectations.' (Press release from the British Sociological Annual Conference, 2011)

Extensive reading has been linked to superior performance in general knowledge, vocabulary, spelling and verbal fluency and comprehension. According to the Scientific Learning Corporation study (2011), adding just ten minutes reading time a day for a child that currently reads less than five minutes a day, increases their word exposure by 217%.

There is a strong link between education and economic growth and performance. OECD research (2010) shows that for every year the average schooling level is raised, there is a corresponding increase of 3.7% in long-term economic growth. And, a University of Stellenbosch study (2011) found that if SA's schooling were at the standard of other countries of its economic development stage, the country's GDP would be a significant R550bn higher.

These provide compelling reasons to boost literacy levels and get South Africans reading. There are, however, significant challenges to building a culture of reading in South Africa. The biggest obstacle centres on access to books. Books are expensive and are seen as luxury purchases. Due to the high cost of books, 51% of households do not have a single book in their home. This means that reading becomes affordable only to an elite – as evidenced by the fact that just 14% of South Africans say that they are active readers and only 5% of parents read to their children (2007 survey by the SA Book Development Council).

Instead of being able to bridge the divide between the book-rich and the book-poor, education exacerbates it: just 8% of schools have a school library, according to 2010 Equal Education research.

FunDza's programmes are designed to overcome these obstacles to reading.

Overview of operations

FunDza runs three outreach programmes:

- **Popularising reading:** a book distribution and literacy support programme that gets exciting and relevant books into the hands of teens and young adults via registered beneficiary organisations.
- **Growing communities of readers:** using the reach of mobile technology, FunDza is able to deliver reading content to teens and young adults across mobile platforms. Access to reading material thus becomes affordable and accessible.
- **Developing young writers:** readers are encouraged to develop their writing talents. FunDza provides them with a publishing platform (the FunDza mobi network) and also hosts intensive creative writing workshops.

FunDza's fourth programme – Building for Sustainable Impact – provides support for these outreach programmes. Its mandate is to build relationships, boost profile, provide operational and managerial oversight and system support, explore new forms of income-generation and secure sufficient funding for ongoing operations.

"According to our results there is something special about reading for pleasure. The positive associations of reading for pleasure aren't replicated in any other extra-curricular activity, regardless of our expectations."

- Researcher Mark Taylor, Department of Sociology, Nuffield College, Oxford University

“Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that the son of a mine worker can become the head of the mine, that a child of farmworkers can become the president of a great nation. It is what we have, not what we are given, that separates one person from another.”

– Nelson Mandela

THE FUNDZA METHOD

FunDza runs three integrated outreach programmes: Popularising Reading, Growing Communities of Readers and Developing Young Writers. These programmes are designed to create a virtuous cycle that encourages increased reading for pleasure and a lifelong love of reading.

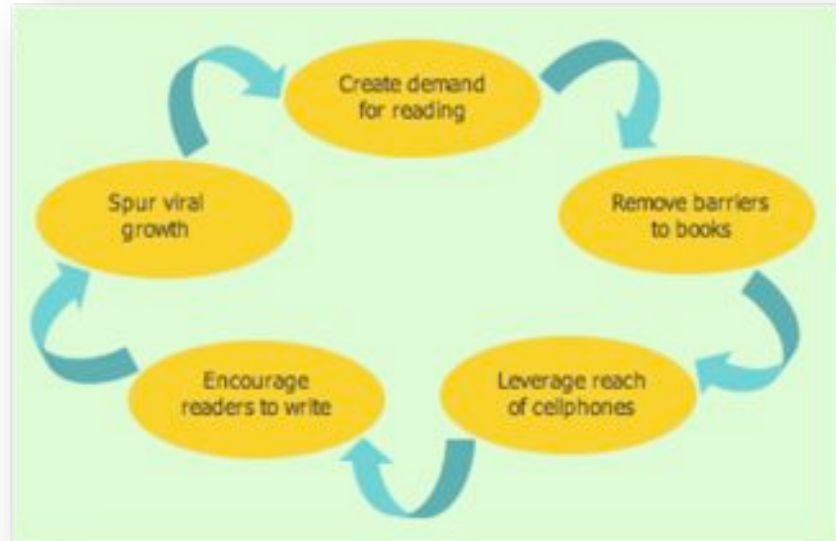


Figure 1: FunDza’s system thinking approach to encourage reading for pleasure

Create demand for reading

FunDza does this by providing the “right” content. Few publishers cater for the mass teen market, outside of the education sector. To meet this gap, FunDza commissions books and reading material that is relevant and fun for teens and young adults. Its physical books – the Harmony High series – centre on the real-life issues and choices faced by a group of teens. On the FunDza mobi network, it commissions published authors to write short stories for a teen audience. In both instances narratives are gripping and fast-paced; and, the messages positive, but not preachy. The accessible language, short chapters and exciting plots keep readers wanting more.

Remove barriers to books

Both price and traditional distribution channels represent barriers to widespread reading and buying of books among SA’s poorer communities. FunDza addresses the price barrier and distribution barriers by partnering with and providing books to registered beneficiary organisations that are already working with groups of young people.

Partnering with the right organisations is key. FunDza works closely with beneficiaries to ensure that its books are read and meet the needs of the readers that they serve. To receive books, organisations must demonstrate a commitment to improving literacy and popularising reading.

Leverage the reach of mobile technology

South Africans have a high level of access to cellphones across all communities and demographics. FunDza leverages this penetration via its mobi-network. Through the use of innovative mobile phone technologies, FunDza can interact with members and grow a community of young readers. The FunDza mobi network includes: a please-call-me facility, bulk SMS and a mobi site that feeds content to the hugely popular Mxit platform.

Via the FunDza mobi network, readers or “FunDza Fanz” can access fantastic new content that is released in serial format on a daily basis; provide feedback on the books / stories they read; and, enter regular writing competitions.

Encourage readers to become writers

FunDza encourages Fanz to develop their critical thinking and communication skills by asking them to reflect and comment on the mobi-stories; enter competitions. In addition, readers can get their own work published on FunDza, in the FunDza Fanz section of the mobi site. The interactive nature of the platform gives readers a sense of ownership of the content – they are collaborators, rather than consumers.

FunDza is also further developing young writers through its Write4Life Workshops and its planned mentorship programme.

Spur viral growth

The interactive FunDza mobi platform encourages engagement and the sharing of information. Regular readers and contributors become marketers for the platform and help to grow its influence further.

This ensures wider uptake and helps to grow new communities of young readers nationwide.

"When children read for pleasure, when they get 'hooked on books', they acquire, involuntarily and without conscious effort, nearly all of the so-called 'language skills' many people are so concerned about: they will become adequate readers, acquire a large vocabulary, develop the ability to understand and use complex grammatical constructions, develop a good writing style, and become good (but not necessarily perfect) spellers."

*- S Krashen, *The Power of Reading*, 1993*

“Literacy is crucial to the acquisition ... of essential life skills that enable (people) to address the challenges they can face in life, and (literacy) represents an essential step in basic education, which is an indispensable means for effective participation in the societies and economies of the twenty-first century.”

- United Nations,
Resolution 56/116

BUILDING FOR SUSTAINABLE IMPACT

FunDza believes it is vital to have a long-term sustainable growth path. To this end, it has prepared a 2015 Vision Document with a set of targets for deliverables in the near future. In addition, it is seeking help from experts in order to grow the strength of the organisation.

FunDza is one of Inyathelo’s clinic clients and is benefiting from the insights that the organisation can provide around its advancement strategy. Advancement centres on “building, maintaining and improving support, skills and funds for our organisation”. The clinic sessions and workshops have helped FunDza to look at issues around leadership and governance, how to build long-term stakeholder relationships and how to increase FunDza’s voice and boost its profile.

Work on this programme involves:

Fundraising and stakeholder relations

FunDza is broadening its funding base. Apart from the major grant from the DG Murray Trust, it has received support –financial and in kind – from foundations (Claude Leon Foundation, the Learning Trust), companies (Coronation Asset Management, Juta and Co, NoMU, SiberInk, Mxit, Eighty20, New Readers Publishers), writers (Sarah Lotz, Jenny Robson, Lutz van Dijk, Cynthia Jele) and numerous generous individuals.

Developing sustainable income flows

While fundraising is key to our endeavours – particularly in the short-term, FunDza is looking at innovative ways of broadening its funding base and developing income streams that are independent of funding. To do this FunDza is leveraging its service- and product-offering to generate future income (e-book and print anthologies sales, support material and more).

Power through partnerships

FunDza is developing partnerships to increase its impact. Partners include the beneficiary organisations, technology companies, as well as national reading initiatives such as the Nal’ibali campaign, National Book Week and reading-related festivals (Open Book Festival, Franschoek Literary Festival, and more).

Building credibility and boosting profile

Through exposure in print media, radio and social media, FunDza is building its brand and spreading information about its work. It has secured the support of opinion makers to act as ambassadors to encourage reading and has begun its “Faces of FunDza” campaign to publicise this. “Faces” include media personality Kgomotso Matsunyane, comedian Kagiso Lediga, soccer player George Maluleka and author Cynthia Jele.

Developing systems for growth

With support from Westwood and Salesforce, FunDza is installing world-class ICT systems to manage its relationships and processes effectively.

Action and delivery

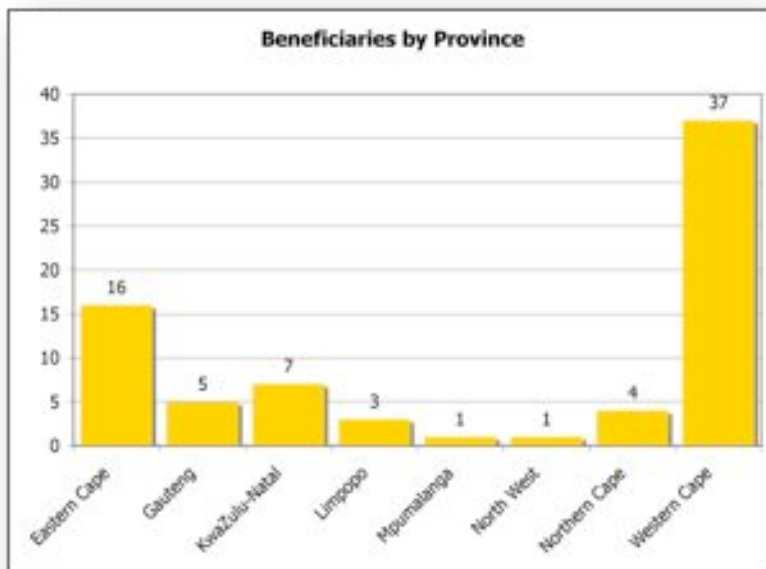
Given FunDza’s infancy, one of the key issues is showing all stakeholders that we can deliver on our promises. We are doing well at meeting all our targets and ensuring that the Trust’s beneficiaries – the youth of South Africa – receive value. Monitoring the programmes and reporting on these is thus vital for long-term growth.

POPULARISING READING

The popularising reading programme aims to create demand for reading by ensuring that we can provide content that is exciting for and relevant to our ultimate beneficiaries: black South African youth from 14-25 years. To this end FunDza is commissioning books in the Harmony High series. Thus far, three titles have been published and the fourth is on its way. Accompanying 'activity guides' provide teachers with ideas on how to use the books in a formal learning environment.

As part of the programme, FunDza works with carefully selected, registered beneficiary organisations to support their efforts to improve literacy. By the end of February 2012, a total of 74 organisations across South Africa had registered. These include: youth development groups, such as Ikamva Youth (branches nationally), the Greater Stellenbosch Development Trust, The Kusasa Project; schools, such as Masiyile High School, Matthew Goniwe High School, LEAP Science & Maths Schools, Cape Town High School; libraries with youth outreach programmes, such as those at Franschhoek, Vrygrond and Masiphumelele; reading and literacy-specific groups, such as Praesa's Vulindlela Reading Clubs and others.

As detailed in the graph below, 50% of the current beneficiaries are resident in the Western Cape. The second largest area of influence is the Eastern Cape, where 20% of the beneficiary organisations are resident.



FunDza plans to concentrate efforts on growing its area of influence in other areas of the country, apart from the Western Cape, in the next financial year. Of particular importance are the rural and poor provinces (in particular Mpumalanga and Limpopo), which are extremely 'book-poor'.

The types of beneficiary organisations include schools (government schools are the largest number), non-government organisations involved either in youth development or specific literacy programmes, libraries and Corporate CSI initiatives. The chart (overleaf) shows the spread between these different types.

"Not every reader is a leader, but every leader is a reader."

- Harry Truman

"Write to be understood, speak to be heard, read to grow..."

- Lawrence Clark Powell



Book handover at LEAP Science & Maths School, Pinelands

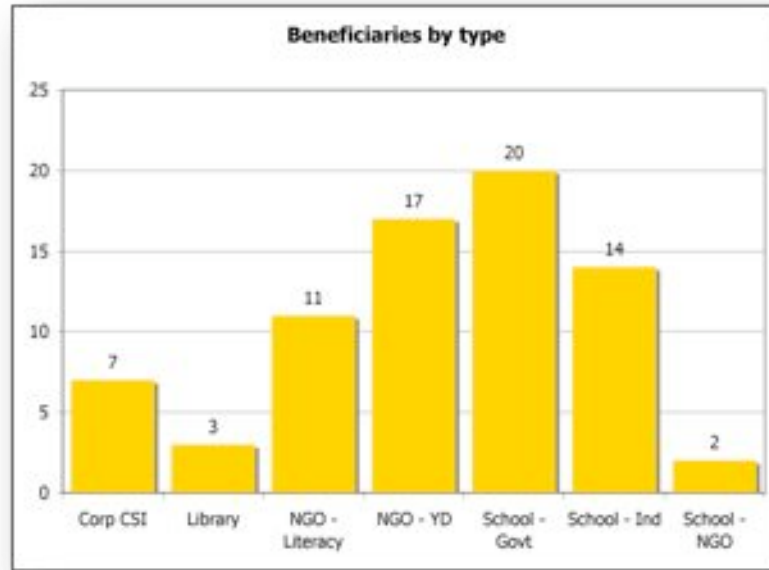


Handover at Cape Academy, Constantia



*“The more you read,
the more things you
will know. The more
that you learn, the
more places you will
go.”*

- Dr Seuss



A prerequisite of becoming a FunDza beneficiary organisation is the monitoring of the usage of the books and then providing FunDza with regular feedback. Dependent on the feedback received, FunDza then determines whether to continue supporting the organisation with more books. Of the original 74 organisations that registered, seven organisations will not continue with the programme. The reasons for this include low usage of the books, insufficient leadership to run the programme or where the books were found not to be appropriate to the end-readers.

Current statistics

During the financial period ending February 2012, FunDza delivered more than 2,600 books and 100 activity guides to these 74 organisations. On average FunDza provides 10 copies of a single title to a particular beneficiary organisation. This appears to be sufficient for running reading clubs or having the books in a library system. In certain very special cases, FunDza provides larger sets that can be used in a classroom setting as part of a literature study.

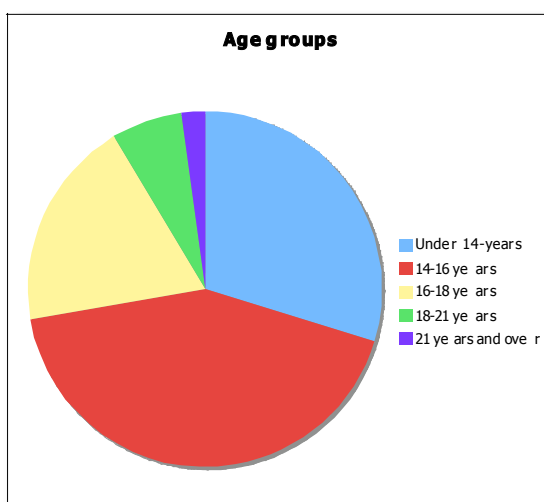
Of the remaining 67 organisations that will remain FunDza beneficiaries, 25 have completed surveys on how the books have been used and enjoyed by the readers. The survey respondents generally represent those beneficiaries that had received the books in 2011, although many only started to use the books this year. Here follows a brief analysis of the findings:

There were a total of 3761 readers of the books, which meant that each book was read by five or 6 individuals during the period under review. The following shows the breakdown of reads according to title.

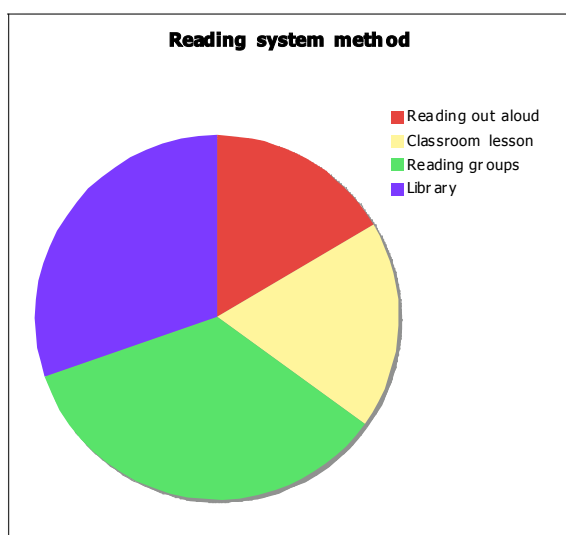
Title	Broken Promises	Sugar Daddy	Jealous in Jozi
Total readers	1498	1257	1006
Average readers per book	5.9	6.3	5.6

Responses to the books tended to be overwhelmingly positive. However some organisations noted that boys were less eager to read and finish the books than girls. This is likely due to the fact that the main protagonist in each title was a girl. The reports showed that 90% of readers rated the books “great”, 8% rated them “OK” and a mere 2% “bad”.

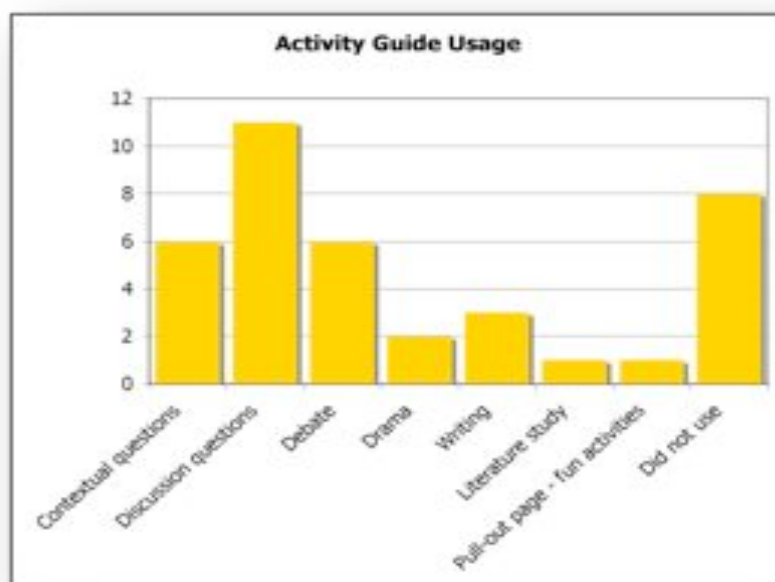
Organisations were asked to detail, which age groups used or read the books. The vast majority of organisations reported that the books were read by students aged 16 years or less.



The organisations used a variety of methods to get their group(s) reading. The spread was relatively even. FunDza plans to investigate correlations between the method followed, the age group targeted and the responses to reading the books. This data will be used to advise new beneficiaries of methods that have worked well for other groups and organisations and thereby share best practice.



FunDza distributed approximately 100 activity guides that relate to the first Harmony High title, *Broken Promises*. It asked organisations whether they used the guides and, if they did, which activities they found useful. The responses are below. This feedback will help to inform the type of support material that FunDza will continue to provide the groups.



Handover at Matthew Goniwe High School as part of the Open Book Festival



Drama group from Ikamva Youth, Masiphumelele, act out a scene from *Broken Promises* at the Matthew Goniwe celebrations

As the responses show, discussion questions, contextual questions and debating topics are the most frequently used activities. FunDza is likely to spend more time and effort on producing these activities in preference to the less popular activities.

Qualitative feedback

Open-ended responses to the programme show that the beneficiary organisations are excited and keen for more books.

“The adults are also reading them; even the grandmothers. The teens would like to get more. They are waiting for each other to finish.” – Nomvula, Family Literacy Project, KZN

“The feedback we’re getting is really, really good – people are squabbling over them now that they’re recommending them to each other.” – Angela Tuson, ITEC, Eastern Cape

“It is with great anticipation that we await *Too young to die!* I have 58 learners enquiring daily as most have read the first three. I even have boys sulking as they want more and the books are always out on loan.” – Wendy Woolf, Christel House, Western Cape

And, our end readers have said:

“I didn’t want to put it down. I wanted to know more.”

“I loved the book... It was written in South Africa... It wasn’t something about the suburbs. It was local - about black people in the townships.”

“It was about us teenagers in high school, about the choices we make, about how the decisions we make change our lives.”

The future

In the 2012/13 financial year, FunDza aims to have grown the number of beneficiary organisations it supports to 200 nationwide. It is trying to grow the number of organisations strategically, by selecting schools or groups that are already receiving some support as these tend to be better able to administer, monitor and provide regular feedback. New key partners include: Penreach, which operates with schools in Mpumalanga; Umlambo Foundation, which provides support to more than 20 high schools nationwide; as well as organisations such as iSchoolAfrica and Shanduka Foundation, amongst others.

GROWING COMMUNITIES OF READERS

Individuals may read alone but readers are sustained through identification with a like-minded community. FunDza aims to grow this reading community where the youth already spend their time: on their mobile phones. The vast reach of mobile phones means that teens and young adults have relatively cheap and easy access to this community. This means that FunDza's efforts in this space are scalable and can have significant impact.

FunDza is building a mobi network that uses as a back-end its mobi site – fundza.co.za/mobi – which feeds content through to a Mxit portal. The mobi site contains a growing number of books, short stories, articles and interviews.

In addition, FunDza keeps in touch with its book readers and members of the reading community that register via the free please-call-me number by sending them weekly SMSes to let them know of new content available. The please-call-me number is advertised on the inside back cover of all the Harmony High books as well as on the mobi site. Currently FunDza receives between three and four new registrants each day.

FunDza had also started a system of commissioning a new short story each week from a published author. The short stories are released in serialised format over the course of a week, which is successful in getting readers to visit the network frequently.

The stories have proved popular and are a great way for authors to test their work on a responsive audience. Readers are encouraged to post comments about the stories and let the author and FunDza know how they enjoyed the story. The immediacy of the feedback is rewarding and also enlightening. This feedback helps to inform future content development and ensure that the stories do have popular appeal and will draw readers in.

Through the 2Teach section of the mobi site, FunDza is also generating learning resources so that the material can be used in a classroom or learning environment. Types of activities include, vocabulary exercises, language exercises, writing exercises, contextual and discussion questions.

Statistics – Mobi Community

By the end of February 2012, the mobi network was reaching more than 11,000 end readers via the different channels.

The mobi site alone had more than 2,000 visitors, 1,200 of which were unique visitors, who viewed a total of 9,000 pages on the site. Statistics show that there is increasing usage of the mobi site since January 2012.

Mxit is the most popular means for readers to access FunDa's mobi network. FunDza's Mxit portal went live at the end of November and has grown in leaps and bounds since then. This is partly due to the cheap end-user access to Mxit as well as the added benefits of being a Mxit user (such as the free chatting capabilities and other desirable content). Using Mxit to access FunDza's content is cheaper to the end user – and it is accessible via many feature phones as well as smartphones – than accessing FunDza's mobi site using an Internet-enabled handset. Mxit is thus an ideal platform through which we can deliver content and reach our audience.

At the end of February 2012, the FunDza portal had 10,831 active users. Of these 47% were female and 53% were male. For both genders, 90% of



The cellphone – a learning and connecting tool!



these fell within FunDza's beneficiary target range of youth aged from 14 to 25 years.

The Gauteng province dominates as the most active geographic group with more than 50% of the users residing there. This is followed by the Western Cape (12%) and KwaZulu-Natal (8%).

By the end of February 2012, the number of registrants to the please-call-me facility had grown to just under 700. New users were registering at a rate of 2.2 per day since inception.

Statistics – Content Development

Getting the right content on the mobi network, is key to FunDza growing its reading communities. As engagement with our readers grows, so we are becoming more adept at anticipating what type of genre, storyline and characters will prove popular with readers.

By February 2012, the "Mo-Books" section of the mobi network boasted seven full-length fiction books; eight non-fiction books (or extracts of books); as well as thirteen short stories.

Much of the content had been donated by publishers and writers, including:

New Readers Publishers, which provided FunDza with several books aimed at ABET readers, many of which were in indigenous languages. Jane Notten, who provided extracts from her book *My Success, Your Success*, containing interviews with top SA women entrepreneurs. Townsend Press, a US publisher that provided FunDza with access to their book *Brother to Brother*, a series of life stories from 10 American black men.

In addition, FunDza purchased the electronic rights to publish on its mobi network *Broken Promises*, the first book in the Harmony High series; and, *Nobody will ever kill me*, an inspirational autobiography by young Masiphumelele writer Mbu Maloni. The latter had a significant impact on readers who could relate strongly to his story of courage and determination.

Since early February, FunDza has been commissioning top South and Southern African authors to write short stories for its mobi network. The first three included Tracey Farren, Epiphane Mukasano and Lauri Kubuitsile. These seven-chapter stories are released in serial format and appear to be getting teens and young adults to visit frequently to read the next instalment. This is helping to make reading a daily pleasure activity.

The more that reading can become a habit, the more likely it is that the individual will develop a lifelong love of reading and a deep relationship with books and text. This relationship can have a profound impact on people's lives, their choices and their expectations of and prospects for the future.

Qualitative feedback

FunDza Fanz from the mobi network have commented (in their original SMS-speak):

"FunDza stories are great like the subject i enjoy at school."

"Wonderful dis book is 1 of d bst books. It is real, fun at d sym tym n teachin. Tx FunDza we realy as teens nid mre books lyk dis 2 read. Gud wrk keep it up guys."

"Wow i realy lov fundza i'v found ma bst novel in ma fone:)"

"Wow! Wow! Wow! It's the best story I've ever read. I must refer FunDza to all of my friends, they wud love it..."

"i think im addicted to fundza"

The future

In the forthcoming financial year, FunDza aims to build a solid network of writers that can commit to producing content on a regular basis and who will be able to develop talented emerging writers as part of a mentorship programme. Emerging writers will be partnered with an experienced published author to collaborate on creating a 7-chapter short story for FunDza's network. This will result in skills transfer, writer development and creative problem-solving. It will also produce true-to-life and exciting local stories that are told with a new voice. Should FunDza secure sufficient funding, it would hope to be able to mentor at least six emerging writers in an annual period.

In addition, FunDza is keen to expand the number of stories available on its mobi network in all South Africa's official languages. It is budgeting for the translation of short stories currently written in English and for the commissioning of new content in African languages. The plan would be to release at least one story each month that is in an indigenous language.

FunDza also plans to generate income from its fabulous teen content through selling the stories as part of print anthologies (aimed at the education market), e-book anthologies (some versions with teacher resources) and via a Paperight licence scheme.

FunDza is constantly monitoring technology developments, investigating the latest mobile apps and seeking new opportunities to engage with its target audience. It plans to increase the numbers of portals through which its material is available to readers, initially this will include Bozza.mobi and PEtxt channels. The more opportunities there are for reading and engagement, the faster that FunDza's communities of readers will grow and the greater FunDza's potential impact on literacy levels and attitudes to reading.



FunDza is growing its mobi communities.



Mbu Maloni and Sonwabiso Ngcowa, two young writers from Masiphumelele.

DEVELOPING YOUNG WRITERS

FunDza aims to help grow creative and critical young thinkers who can communicate their thoughts and ideas with confidence. Learning to write for an audience is key to this type of skill development.

FunDza is encouraging readers to develop their writing skills through the 'FunDza Fanz' section of the mobi network, which is dedicated to showcasing young people's writing. It is hugely validating for our readers to test their creative voice and get acknowledgement from an audience. As such, there is growing demand for young aspirant writers to publish their work on FunDza's network.

FunDza invites beneficiaries of its Popularising Reading programme to send it the writing of individual's within their groups. A growing number of its mobi network community are also getting writing and sending FunDza their work for publication.

In addition, FunDza is formalising its young writer development efforts by hosting two-day Write4Life workshops. The first was hosted in March 2012 and allowed 18 young writers from three different beneficiary groups to practice their creative writing and learn new skills.

Statistics

This programme only started in earnest in December 2011. By the end of February 2012, FunDza had published more than 40 individual pieces of writing (short stories, essays or poems). The March Write4Life Workshop significantly boosted the number of individual pieces of writing published.

In terms of the original writers, these came from more than 30 individual young writers countrywide. Beneficiary groups that provided FunDza with their students writing included: Masiyile High School (Khayelitsha), LEAP Science and Maths School (Pinelands), Upstart (Grahamstown), Ikamva Youth (Masiphumelele), Fezeka Secondary School (Gugulethu) as well as work submitted by individual mobi site readers.

The future

FunDza plans on hosting at least five Write4Life creative writing workshops in the coming financial period. The first one hosted at the beginning of March was a huge success, drawing together 18 students from three different beneficiary organisations in Cape Town. The course material developed helped students to delve into autobiographical writing in different forms. The feedback received showed how significant and valuable the course had been for the participants.

In addition, FunDza plans to increase the publication of young writers' work on its mobi site. It is heartening to see how well many young people do write and it is very meaningful for them to know that their stories hold value. From the encouraging comments readers leave on the writing, we can see how important the publication of young peoples' work is – to both the writer and the reader.

FINANCIAL STATEMENTS

The trustees have pleasure in submitting their report together with the annual financial statements for the eleven month period ended 29 February 2012.

General review

The FunDza Literacy Trust is a community-based trust and registered non-profit organisation (095-260-NPO) as well as a Public Benefit Organisation (PBO number 930039651). The main purpose of this Trust is to provide resources and materials to enrich learning and promote literacy to black South African youth, specifically the poor and needy based in historically disadvantaged areas, and all related or ancillary activities.

Statements of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.

The Trustees are also responsible for the Trust's system of internal financial controls. The controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the Trust has access to adequate resources to continue in operation for the foreseeable future..

Financial results

The financial results reflect funding receipts of R 1,532,877 and a net surplus of R 780,050 for the period under review. Full details of the financial results are set out on pages 4-10.

Trustees

The trustees of the Trust during the accounting period and up to the date of this report were as follows:

Ms CM Hardie
Ms S Mgabadeli
Ms L Rangaka
Mr A Weeks

Physical and postal address
23 Cromer Road, Muizenberg, 7945

Beneficiaries

The beneficiaries of the Trust are black South African youth or organisations that benefit them.

Auditors

John Lightfoot CA (SA) RA will continue in office.

THE FUNDZA LITERACY TRUST (NON-PROFIT ORGANISATION)

BALANCE SHEET AT 29 FEBRUARY 2012

	Notes	2012 R
ASSETS		
Current assets		
Cash & cash equivalents	6.2	1 110 441
Total assets		1 110 441
FUNDS & LIABILITIES		
Capital and reserves		
Capital funds	2	500
Accumulated funds		780 050
Non-current liabilities		
Long-term loan	4	249 366
Current liabilities		
Provision	5	80 525
Total funds and liabilities		1 110 441

DETAILED INCOME STATEMENT FOR THE ELEVEN MONTH PERIOD ENDED 29 FEBRUARY 2012

	Notes	2012 R
Donations	3	1 532 877
Less direct costs		
Gross surplus		1 532 877
Total expenses		752 827
Expenses – Sustainable organisation		213 928
Bank charges		511
General – Miscellaneous		801
Marketing & promotions		2 086
Office expenses – Miscellaneous		1 816
Salaries		198 430
Travel		10 284
Expenses – Popularising Reading		157 218
Book purchases		93 674
Delivery charges		3 114
Salaries		63 240
Expenses – Building communities		131 915
Network costs		19 675
Network content costs		49 000
Salaries		63 240
Expenses - General		249 766
Network costs		11 155
Printing & stationery		2 163
Salaries		232 200
Set-up costs		3 385
Staff welfare		563
Travel costs		300
Net surplus for the period		780 050

STATEMENT OF CHANGES IN CAPITAL FUNDS FOR THE ELEVEN MONTH PERIOD ENDED 29 FEBRUARY 2012

	Capital funds	Surplus (deficit) funds	Total
	R	R	R
Balance at 6 April 2011	-	-	-
Initial capital donation	500		500
Net surplus (deficit) for the period		780 050	780 050
Balance at 29 February 2012	500	780 050	780 550

CASH FLOW STATEMENT FOR THE ELEVEN MONTH PERIOD ENDED 29 FEBRUARY 2012

	Notes	2012 R
Cash flows from operating activities		
Cash generated from operations	6.1	860 575
Net cash inflow from operating activities		860 575
Financing activities		
Advancements from loan account		249 366
Initial founding donation		500
Net cash inflow from financing activities		249 866
Net increase in cash and cash equivalents		1 110 441
Cash and cash equivalents at beginning of the year		-
Cash and cash equivalents at end of the year	6.2	1 110 441

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE ELEVEN MONTH PERIOD ENDED 29 FEBRUARY 2012

1 Accounting policies

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sizes Entities and incorporate the following principal accounting policies which have been consistently applied in all material respects.

1.2 Financial instruments

Initial recognition

The entity classifies financial instruments, or their component parts, on initial recognition, as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity becomes party to the contractual provisions of the instrument.

Loans payable / receivable

Loans payable / receivable are recognised initially at the transaction price including direct transaction costs, unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the entity measures the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Loans payable / receivable are subsequently measured at amortised cost using the effective interest method. Loans that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Trade receivables

Trade receivables are carried at the transaction price including direct transaction costs. An allowance for estimated irrecoverable amounts is recognised in the income statement when there is objective evidence that the asset is impaired.

Trade payables

Trade payables are carried at the transaction price including direct transaction costs.

Cash & cash equivalents

Cash & cash equivalents comprise cash at bank and cash on hand. Cash & cash equivalents are short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Revenue

Revenue, comprising of donation and project funding from various donors, is measured at the fair value of the consideration received or receivable exclusive of Value-Added Tax. Revenue is recognised as it accrues to the entity in the normal course of business.

Interest revenue is recognised at fair value using the effective interest method.

1.4 Comparative figures

No comparative figures are reflected in these financial statements on the basis that this is the first financial reporting period of the Trust.

2 Capital Funds

Capital funds were received in the form of a founding donation from the following settler in the year under review:

Opening balance	-
Initial founding donation – Cover2Cover Books (Pty) Ltd	500
Closing balance	500

3 Surplus from operations

The surplus/ (deficit) from operations is arrived at after taking into account the following:

Funding from:

Donations	1 532 877
Sustainable organisations	653 320
Popularising reading	512 457
Building communities	367 100

4 Long-term loan

Cover2Cover Books (Pty) Ltd 249 366

The above loan is unsecured, bears no interest and has no fixed terms of repayment. The loan was incurred in the ordinary course of business and the terms are equivalent to those that prevail in arms length transactions.

5 Accounts payable

Provision for employees taxes 80 525

At 29 February 2012 the Trust had not been registered for PAYE. The estimated tax liability, at year end, amounts to R80,525. The Trust has subsequently registered for payroll taxes and the outstanding liability was settled subsequent to year end.

6 Notes to the cash flow statement

6.1 Reconciliation of net surplus to cash flows from operations

Net surplus for the period	780 050
Operating surplus before working capital changes	<u>780 050</u>
Increase in accounts payable	80 525
Cash generated from operations	<u>860 575</u>

6.2 Cash & cash equivalents

Cash & cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

First National Bank – Cheque account 1 110 441

7 Taxation

The entity is registered as a Non-Profit Organisation (095-260-NPO) and Public Benefit Organisation (PBO number 930039651). The entity is exempt from the payment of income tax in terms of Section 18A of the Income Tax Act. In addition, the entity is exempt from the payment of income tax on any investment income up to a maximum of R 50,000 per annum per section 10(1)(e) of the Income Tax Act and, furthermore, section 10 (1)(cN) exempts receipts and accruals derived from unrelated business undertakings and trading activities to the greater 5% of total receipts and accruals, or R 200,000, during the relevant year of assessment.

8 Related parties

During the course of business, the Trust enters into various transactions with related parties. These transactions are under terms which are no less favourable than would be arranged with third parties.

Related party

Cover2Cover Books (Pty) Ltd

Relationships

Common director / Trustee

Related party transactions

Cover2Cover Books (Pty) Ltd 249 366

9 Contingent liabilities

No contingent liabilities or commitments satisfying the criteria required in Section 21 of the International Financial Reporting Standards for Small and Medium-Sized Entities have been identified.

FUNDZA SUPPORTERS

FundZa thanks all of its supporters for giving the organisation the opportunity to grow and develop its programmes for the benefit of South Africa's black youth. Addressing the inequalities of South Africa's past is imperative. Improving literacy – and thereby impacting on the educational prospects and the economic mobility of young people – lies at the heart of this challenge.

Major grants

DG Murray Trust
Claude Leon Foundation
The Learning Trust

Seed funding (long-term loan)

Cover2Cover Books

Popularising Reading programme support

SiberInk
Rotary Club of Newlands
Coronation Asset Management
Ben and Shirley Rabinowitz
Craig Mason-Jones
Ute Kuhlmann
Sverre Jor
Vanessa Andreou
Ant Rissik
Kim de Bruin
Gina Ziervogel
Pamela Neethling
Adv Peter Hazell
Elizabeth Rowan
Desiree Halse
Judy Norton
Angela Pearson
Anne Dearnaley
Elizabeth Lynn Giles
Karen Boden
Cathy Lincoln

And, many other individuals who bought copies of the Harmony High books for use in this programme.

Donations in kind

Mxit (technology support and advertising)
Juta and Company (workshop hosting and refreshments)
NoMU (gift packs, foodstuffs and marketing support)
New Readers Publishers (reading content)
Townsend Press (reading content)
Jane Notten (reading content)
Epiphanie Mukasano (reading content)
Eighty20 (market intelligence report)



Together we have impact
and turn an idea into a
movement for change.

FUNDZA'S 2013 GOALS

FunDza aims to achieve the following by the end of February 2013:

POPULARISING READING	
Books distributed to literacy organisations	16 000
Activity guides distributed to literacy organisations	2 000
Reading groups supported	200
Number of readers per title (eight titles planned)	10 000
Number of total reads of all distributed books	90 000
Number of readers of at least one book title	25 000
GROWING A COMMUNITY OF READERS	
Mobi-stories published	90
Bulk SMSes to members	50 000
Writing competitions hosted	10
Registered FunDza mobi network members	20 000
DEVELOPING YOUNG WRITERS	
Number of young writers works published on FunDza	200
Number of writing workshops	5
Number of young writers developed	100
Number of emerging writers mentored	4
INTANGIBLE CIRCLE OF BENEFITS	
Reading becomes an accessible, popular and valued activity among South Africa youth.	

In these uncertain times in South Africa, there is one fact on which many find consensus: without vast improvement in literacy there is little or no hope for a prosperous, employed future for the majority of our youth.

Reading is the fundamental pillar of education. Education is the foundation of a stable society. The FunDza Literacy Trust is committed to improving literacy and, through this, contributing to nation-building and social upliftment. In the words of Nelson Mandela:

“We must use the time wisely and remember that the time is always ripe to do right.”

Should you wish to become part of FunDza's journey, please contact us to find out how your contribution can count and change lives today and into the future.

www.fundza.co.za

