



Palabora Foundation

ANNUAL
REPORT

2017

WE PROVIDE THE FOUNDATION
YOU BUILD THE FUTURE



Empowering communities through development



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ACKNOWLEDGEMENTS

The Palabora Foundation (the Foundation) is a not-for-profit organisation (NPO) registered with the South African Department of Social Development and is recognised by the South African Revenue Service as a public benefit organisation (PBO). Our work is implemented by our dedicated team in collaboration with partners.

ACCOUNTING OFFICERS

Corporate governance at the Foundation is a Board of Trustees, Trustees Audit Committee, external auditors A2A Kopano inc and internal auditors Business Innovations Group (BIG).

WE ARE FORMALLY REGISTERED AS FOLLOWS

Palabora Foundation General Trust
Palabora Foundation Educational Trust

CONTENTS

From The Director	5
From The Chairperson	6
Organisational Overview	8
The Palabora Foundation At A Glance	9
Where We Work	10
Creating Value	12
Governance	14
Board Of Trustees	16
Executive Management Team	17
Our Dedicated Team	18
The Business Model	20
Article: Ethics And Impact	22
Article: Almost Full Circle	23
Enterprise And Supplier Advancement Centre	24
Article: Business Is My Business	25
Learner Support Programmes	26
Smarter Education	27
Our Programmes	28
Stories Of Impact	29
Skills Development	30
Stories Of Impact	31
Community Health	32
Article: I Am Not Afraid	34
Financial Summary	36
Contact Information	39
Glossary	39

CHANGING **LIVES**



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Our work is about supporting people's potential and developing their dreams by providing them with skills and opportunities to succeed.

If your life has been touched by the work we do, please contact us with feedback and stories to feature, profile and share.

info@pafound.co.za



FROM THE **DIRECTOR**

In my last year as the Director of the Palabora Foundation I am very proud of what we have achieved working with the Ba-Phalaborwa community to equip people with the skills, resources and opportunities to better their lives and the lives of others through our various programmes designed to support the needs of people in practical ways. As our alumni claim their places in the world of business, we see the ripple effect running through our communities.

Our funders and partners are integral to our success. As a foundation born out of the recognition that industry has an ethical and legal obligation to invest in the communities it draws on for labour, skills, land and more, we know first-hand that corporate South Africa has a huge contribution to make in improving the lives of our people.

Collaboration is key when it comes to building a common and prosperous Ba-Phalaborwa. As such, we're committed to working with our corporate citizens. They have a responsibility to address imbalances, grow people and plough profits back into Ba-Phalaborwa, because business is not just about shareholder value creation.

While we continue to face many challenges and adapt our approach to address them, we will continue to align our goals to national development imperatives. As I hand over the reins, I am confident of the future of the Foundation and in the abilities of my successor, Lerato Mphadza, to continue to guide our work as we create value in our community over the short, medium and long term.

MALESELA LETSOALO

Outgoing Director of Palabora Foundation



FROM THE CHAIRPERSON

Q&A WITH MR. ISAAC MASEKWAMENG, CHAIRPERSON OF THE PALABORA FOUNDATION BOARD

Q: HOW IS THE PALABORA FOUNDATION REMAINING RELEVANT IN SOUTH AFRICA'S DYNAMIC BUSINESS, SOCIAL AND POLITICAL ENVIRONMENT?

A: The Palabora Foundation is an affiliate of the Institute of Directors (IoD), the purpose of which is to ensure that the board continues to get the necessary updated training, assessment of its performance and alignment of its governance regime with the King Report Governance guidelines, as contained in King Reports III/IV. The business models/strategies of any business or organization from a responsibility and accountability perspective, cannot divorce or deviate from these guidelines in the process of creating value for shareholders or stakeholders (communities), without carefully balancing financial, social, political and environmental factors. The Palabora Foundation's dynamic strategy initiated in 2015, has an evolving outlook that barometrically assesses the changing aspects of business, social, environmental and political elements in order to stay relevant and deliver social value, by delivering rich and relevant community development programs.

Q: WHAT ARE THE MAIN DRIVERS OF CHANGE THAT IMPACT THE PALABORA FOUNDATION?

A: The Palabora Foundation was founded in a mining environment and context and its existence and function is tied to this history of origin (see www.pafound.org.za). The mining legislation changes requiring deployment of socio-economic, enterprise and supplier development funding is quite a significant driver of how the Foundation can remain relevant. The Foundation's relationship with the mining industry forms the bedrock of future sustainability. The need to access other sources of funding through other national and international development organization initiatives has also become one of the key drivers for the organisation. Creating an entity that can vigorously engage in activities that leverage these emerging opportunities will help make the organisation more sustainable. Partnerships with relevant government departments, in a programmatic context, will help address the challenge of sustainability while enabling government to meaningfully impact communities.

Q: WHAT ARE THE MAIN CHALLENGES THAT FACE THE PALABORA FOUNDATION?

A: The main challenge involves dwindling invested assets, and the highly reduced returns on invested assets in excess of inflation, which need to provide revenue for programme operations. Continuous risk assessment and mitigation and reduced expenditure, coupled with a drive towards changing the distribution formula to cut operational costs, without compromising programme deliverables, continues to be important. At governance level, the struggle to recruit qualified young adults from the local communities to be mentored and grow as part of the Board, to ensure continued solid governance knowledge, care and skill, is ongoing.

Q: WHAT MADE YOU PARTICULARLY PROUD OF THE PALABORA FOUNDATION'S PERFORMANCE IN 2017?

A: The successful recruitment of a young energetic member of the Board, to chair the finance and audit committee, to enhance good governance, was a highlight. Replacing the retiring director with capable internal leadership at the end of 2017 shows good succession planning. The impact of the programmes despite a turbulent finance environment and outlook, remains positive. The completion of a cycle of appointing new internal and external auditors for the Foundation, to ensure continued compliance with the Companies Act, has been successful and there has been minimal staff turnover, with little or no impact on programmes. There has also been astute fiduciary stewardship and delivery.

Q: WHAT ARE THE STAND-OUT STRATEGIES THAT WILL DRIVE THE FOUNDATION'S ACTIVITIES IN 2018?

A: Partnership opportunities with government to ensure common objectives and financial support are key. Securing relationships with two main mines, to enhance the future sustainability of the Palabora Foundation, is also going to be important, as is sorting out the historical relationship with the founding trustees, to ensure the promulgation of a much more outward looking mandate, as bastions of economic activity in the area and drivers of economic growth, and thus social and development and employment. The Foundation is a very good vehicle to assist these major players in Ba-Phalaborwa to be good corporate citizens.



**IF YOU WOULD LIKE TO WORK WITH
THE FOUNDATION AS A PARTNER
OR DONOR, PLEASE EMAIL US AT**

INFO@PAFOUND.CO.ZA

FOR THE PRODUCTION AND COMPILATION OF THIS REPORT, WE WORKED WITH WILD SHOTS OUTREACH AS PART OF OUR COMMITMENT TO DEVELOPING YOUNG PEOPLE, SKILLS AND BUSINESSES.

“

It was a fantastic opportunity working with the Palabora Foundation. The three Wild Shots Outreach students gained valuable work experience shooting the images for the Foundation. They are so proud of the end results, and of course delighted to have been paid for this work. It is so important that young people in our local communities have the chance to undertake meaningful work experience – helping to further build their employment skills, their networks and self-esteem. Thank you for this exciting opportunity. – **Mike Kendrick, Founder, Wild Shots Outreach**

Being part of Wild Shots Outreach, showed me the importance of a photograph. Before, I thought photos were for just interest. Now I know where I'm going in life because of Wild Shots Outreach. – **Rifumo Mathebula, Wild Shots Outreach**

I have a lot to say but I would like to thank and appreciate The Palabora Foundation for giving us this opportunity and I'm glad and blessed to have mentors. Wild Shots Outreach has made me proud of my work and talent. – **Wisani Ngwenya, Wild Shots Outreach**

This was my first big assignment. It was a great privilege and honour to do a task for the Palabora Foundation. The task was challenging, but in the end, things went smoothly and according to the plan. – **Vusi Mathe, Wild Shots Outreach**



ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT



THE PALABORA FOUNDATION

AT A GLANCE

The Palabora Foundation has done pioneering work to ensure corporate citizens exercise their duty of care – and their legal and ethical obligations - rooted in the needs and potential of the people of Ba-Phalaborwa. It has taken the term ‘corporate social investment’ and given it shape and meaning through practical interventions to improve people’s lives. We accomplish this through four core programmes:



..... **ENTERPRISE AND SUPPLIER ADVANCEMENT**



..... **SKILLS DEVELOPMENT**



..... **EDUCATION**



..... **COMMUNITY HEALTH**

We firmly believe that long-term investments in these core areas are the key to creating long-term value and ensuring the prosperity of the Ba-Phalaborwa community. We believe passionately in the potential of the people of Ba-Phalaborwa to uplift themselves and their communities if they are given opportunities and support. At the same time, the Foundation creates value for corporates and investors through supply chain and enterprise development and as a service provider for entities looking to improve on their scorecard contribution. We also realise our alumni have significant value to add both materially and in various mentorship roles and are pursuing avenues to harness this. Our track record of being an ethical operator and good corporate citizen supports the growth of the business into new markets and is based on a belief that doing good is more than a requirement, it is about creating shared value.

STRATEGY AND RESOURCE ALLOCATION

The organisation’s positive impact on people’s lives is indisputable, but to be sustainable, the organisation needs alternate revenue streams. The strategy going forward seeks to align operations with this imperative, looking at the registration of a profit-making entity with the Foundation as the main shareholder, alternate donor funding, and revenue generating opportunities.

PERFORMANCE

In the reporting period, the Foundation began making changes to align operations to its strategic objectives. Business units operations largely met their deliverables in terms of programme output, with revenue generation remaining a challenge for all.

BASIS OF PRESENTATION

While the reporting period can be seen as a period of reorientation for the Foundation, work continued and both qualitative and quantitative achievements have been included in the report. Improved monitoring and evaluation of impact is being considered in addition to stories of impact. Stories of impact however are a good way of illustrating value at an individual level, given that developing people remains at the core of what we do.

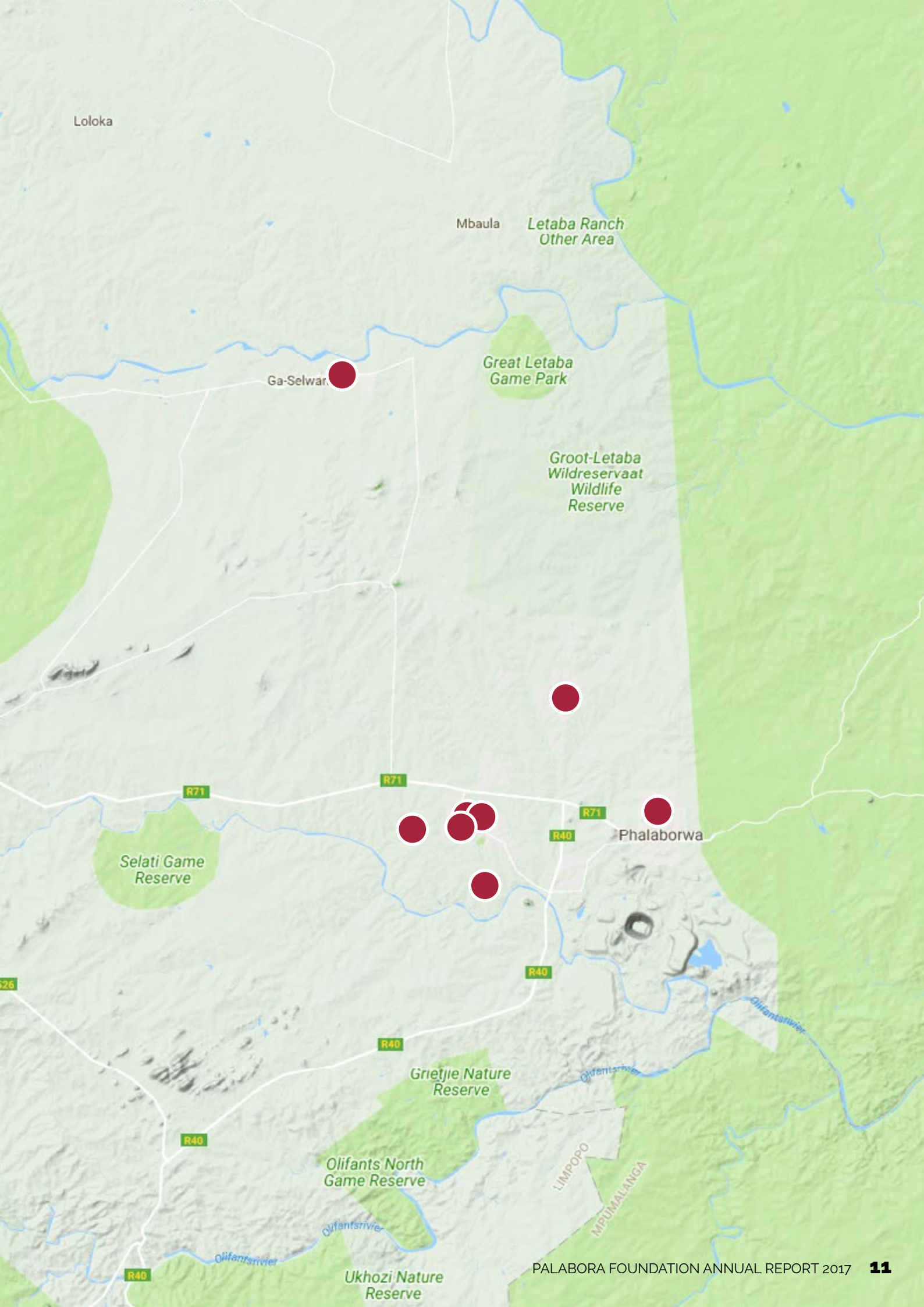
WHERE WE WORK



The people we serve live in a 50 kilometre radius of Ba-Phalaborwa in Namakgale and Lulekani townships, including the rural areas of Makhushane, Maseke, Mashishimale, Selwana and Majeje. Ba-Phalaborwa is situated in the Mopani District Municipality, Limpopo Province, South Africa. This area is located near the confluence of the Ga-Selati River and the Olifants, halfway up along the western border of the Kruger National Park in the Lowveld. Unemployment in the area is high, with mining and tourism providing most jobs in the area.

There is ongoing pressure to create jobs and regular flare ups of tension around employment issues. The juxtaposition of the poor and wealthy is extreme and leads to a sense of inequitable access and social segregation.

Health issues such as HIV, malaria, TB and lack of hospitals concern many residents. There are large disparities in income and high levels of unemployment, and attendant levels of poverty in the former homeland areas in particular. International economics link to mining affect local communities in Ba-Phalaborwa in ways that leave them feeling disempowered and reliant on forces outside of their control. Informal and entrepreneurial economic activities have a stabilising role to play in supporting sustainable livelihoods.



CREATING **VALUE**



OUR MISSION

The Palabora Foundation is the enabler of economic and community development to facilitate prosperity within the areas it operates.



OUR VISION

To be the preferred provider of innovative and dynamic solutions of economic development.



OUR GOALS



- ✓ **UNLOCK AND SUSTAIN WINNING PARTNERSHIPS**
- ✓ **ENSURE THE FOUNDATION'S LONGEVITY**
- ✓ **DELIVER VIBRANT, VISIBLE AND EFFECTIVE PROGRAMMES**
- ✓ **NURTURE, GROW AND PROTECT OUR BRAND**
- ✓ **CREATE PASSIONATE, PERFORMANCE DRIVEN TEAMS**

UBUNTU

I am because you are, you are because we are.

Recognize our commonality.

Show humanity, compassion and tolerance.

Recognize that others deserve the same respect and care that you want accorded to yourself.

INTEGRITY

Performing in a trusting and trustworthy way.

Be who you say you are. Be honest.

Doing the right things at all times and in all circumstances.

INNOVATION

Work style that encourages creative thinking and action.

COURAGE

Choosing to confront fear, risk and uncertainty.

Doing the right thing when everyone else is afraid.

COMMITMENT

Working towards a common goal.

Assume responsibility for actions, decisions and outcome.

Dedication to long term course of action, engagement and involvement.

TRANSPARENCY

Be open about how we work.

Ensure open communication - top down and bottom up.

OUR VALUES

OUR VALUES ARE LIVED VALUES, REFLECTED IN THE SUCCESSES WE CELEBRATE WITH THE PEOPLE OF BA-PHALABORWA.



GOVERNANCE



The Palabora Foundation's governance structure supports its ability to create value in the short, medium and long term. Over reliance on returns from invested assets is a significant risk linked to prevailing economic conditions, as is community volatility and a changing context of need. The biggest opportunity for the Foundation is as a catalyst of change, a driver of social entrepreneurship and as a service provider for corporates looking to improve their score cards.

ORGANISATIONAL STRUCTURE

The day-to-day management of the Palabora Foundation is carried out by the Foundation's director, assisted by the management team and their staff. Corporate governance at the Foundation is a Board of Trustees, Trustees Audit Committee, external auditors A2A Kopano inc and internal auditors Business Innovations Group (BIG). As part of an ongoing process of strategic stakeholder engagement, the Foundation participates in local government Integrated Development Planning (IDP) forums, and interacts with, and reports to community structures, on its current development programmes, to ensure continued relevance. The Ba-Phalaborwa community has five Traditional Royal Councils and the Foundation is a member of a community development forum where local Magoshi can receive and report feedback on community development programmes, and the sharing of any mutual developmental challenges in their respective communities. This engagement ensures that the Foundation is up to speed with local needs, as articulated by people on the ground, through their respective leaders.

ACCOUNTABILITY HIERARCHY

**COMMUNITY
STAKEHOLDERS**

BOARD OF TRUSTEES

EMPLOYEES





KEY STAKEHOLDERS

- ▶ Employees
- ▶ Traditional Royal Councils (Magoshi)
- ▶ Mining companies (Foskor & Palabora Copper)
- ▶ **Government:**
 - Department of Health
 - Department of Social Development
 - Local Government
 - Department of Education
- ▶ Organised labour
- ▶ **Community formations:**
 - Ba-phalaborwa Community Forum
 - Leolo Community Trust
- ▶ Programme volunteers
- ▶ Programme beneficiaries
- ▶ Associations and councils in town



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Never underestimate the power of dreams and the influence of the human spirit.

We are all the same in this notion:
The potential for greatness lives within each of us.

Wilma Rudolph



BOARD OF **TRUSTEES**



ISAAC MASEKWAMENG
Chairperson and Businessman



SENDZANI FAITH MUDAU
Director SFM Chartered
Accountant



BUSISIWE MASETE
Chief Community Liaison Officer,
Primary Health Care
(End Date 27/11/17)



MATTHEW T MHLONGO
General Manager, Limpopo
Department of Education



MABOKO MAHLAOLE
General Manager Human
Resources, Palabora Copper



MALESELA LETSOALO
Director of the Palabora Foundation
(End Date 27/11/17)



MARTHA SHOKANE
Traditional Royal Council representative
(End Date 27/11/17)



KEITH MATHOLE
General Manager: Marketing,
Sales, Logistics & External Affairs,
Palabora Copper



EXECUTIVE **MANAGEMENT TEAM**



MALESELA LETSOALO
Director of the Palabora Foundation



LERATO MPHADZA
Superintendent Finance &
Administration



ZULA TLHOLOE
Superintendent Enterprise,
Supplier development and Socio
Economic Development



DINAH MKHABELA
Superintendent Community
Health



SAM SHILUBANE
Superintendent Human
Resources



JACK MASETA
Superintendent Skills
Development



PHILLIP MUTSHENA
Superintendent for Learner
Support



OUR DEDICATED TEAM

For all positions we prioritise locals. We have a work environment and culture which makes staff members want to stay, a trend that was again confirmed in the reporting period January to December 2017.



INTEGRITY

INNOVATION

TRANSPARENCY

HUMAN CAPITAL

In April 2017, the Master Maths Coordinator, Eric Mamba went on retirement after 19 years of service. In February 2017, the Sewing Training Operator, Jane Rampyapedi, went on retirement after 24 years of service. In December 2017, the Director, Mr Malesela Letsoalo also went on retirement, after 10 years of service. The Hospitality Training Officer, Ms Pheladi Tshetlha resigned after 13 years of service, to go and start her own business. In September, the Confidential Secretary, Ms Zanele Mathebula resigned after 4 years of service. In December 2017 the Enterprise Development Superintendent, Mr Zula Tlholoe left the employ of Palabora Foundation after 4 years of service.

As was the case in the previous year, cost saving was a key driver for Foundation in the reporting period. As a result certain positions that became vacant were not filled. The Sewing Training Operator position became redundant. The position of Master Maths Coordinator was also not filled; instead its responsibilities were added to the Laboratory and Internet Operator, Satisfied Chabalala, as he has the necessary qualifications to do the job. The position of Enterprise Development Superintendent was also made redundant. Its responsibilities were added to the

Superintendent Finance & Enterprise Advancement Centre's portfolio of Mr Zwannda Mukwevho.

In line with the strategy adopted in the previous year, the Food Preparation section had to be capacitated to start offering City & Guilds training, however the Hospitality Training Officer resigned in March 2017. Her position is being filled by a fixed term contractor.

EMPLOYMENT EQUITY

In 2017 out of 56 employees, 51 were designated or historically disadvantaged South Africans.

RACE	FEMALE	MALE	TOTAL
African	25	26	51
Coloured	0	0	0
Indian	0	0	0
White	4	1	5
TOTALS	29	27	56

THE BUSINESS MODEL

The Palabora Foundation's business model is its system of transforming inputs, through its activities, into outputs and outcomes that aim to fulfil the organisation's strategic purposes and create value over the short, medium and long term. Primarily, it has done this by working with people through business development, skills development, education and community health programmes. In doing so, we fulfill our strategic purpose to enable economic and community development and create value and prosperity within the areas we operate by developing human capital.

1. FINANCIAL CAPITAL

The pool of funds that is available for use in the provision of services remains primarily the return on invested assets. Our value added statement gives further details on the use of our financial capital.

2. MANUFACTURED CAPITAL

Our campus and associated facilities remain available to the organization for use in the production provision of services.

3. INTELLECTUAL CAPITAL

We have extensive, knowledge-based intangibles based on a 30 year track record of working in Ba-Phalaborwa.

4. HUMAN CAPITAL

People's competencies, capabilities and experience, and their motivations to innovate remain a strength given our high staff retention and commitment to staff development.

5. SOCIAL AND RELATIONSHIP CAPITAL

The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being, is paramount to our success. We actively manage the stakeholder relationships on which our business depends, including with communities, business partners, governments and other NPOs.

6. NATURAL CAPITAL

Renewable and nonrenewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of the foundation include mineral resources, ecosystem services and protected areas. These provide the markets for the skills we develop and the industries for the suppliers we support.



**OUR
CAPITAL**

Long-term value generation, or true prosperity as articulated in our mission, requires a market for the skills provided. As a result, we continue to shy away from addressing classically perceived business and community needs to delivering relevant, demand-based programmes, cognisant of the social and business environment we operate in, and linked to national imperatives.

In addition, to continue to fulfil our mission, we realise the strategic imperative towards sustainability means changing how we enable economic and community development. It also means registering a profit-making business to sustain the Foundation's work and decrease our reliance on returns from invested assets in order to keep serving our community.

STRATEGY AND RESOURCE ALLOCATION

The biggest driver at the Foundation over the reporting period has been sustainability. This is to ensure that the Foundation does not compromise the opportunities of future generations while meeting current needs in a financially challenging environment. This involves restructuring or closing operations in sections that do not add value as the organisation continues to implement its new strategy and build on the work done in the previous reporting period.

Our challenge for the reporting period was to align strategy with operations. This means increasing the organisation's revenue generating base by raising funds while initiating income generation projects, and restructuring or closing operations in sections that would not add value or impact on sustainability.

In formulating our strategy and determining our strategic priorities, we considered the full range of issues that influence the sustainability of our business and the social, economic and physical environments in which we operate and which, in turn, have a direct impact on our future viability. This includes the mining and tourism industries, which are major role players in terms of providing markets for the skills we develop.

MATERIAL ISSUES

Implementing changes in processes and procedures, and the underlying systems we have relied on for decades, affects our customer and employee relationships. All of these factors have material cost implications that also affect our financial performance. We define an issue as material when it impacts our ability to remain commercially viable and socially relevant to the societies in which we operate. In particular, material issues are those that have a strong bearing on our stakeholders' assessments and decisions about our long-term sustainability and our commitment to their needs. We also take into consideration those factors that affect the financial stability and growth of economies and, in turn, our business. Effectively managing our material issues is critical for the Foundation's sustainability.

SUSTAINABILITY

The biggest driver at the Foundation over 2017/2018 has been sustainability.

We have to ensure that the Foundation does not compromise the opportunities of future generations while meeting the needs of the current one. In a nutshell, we are looking at ways to increase the organisation's revenue generating base by raising funds while initiating income generating projects.

This involves work to restructure or close operations in sections that do not add value or may negatively impact our sustainability as a Foundation. Change is never easy but over 2016/2017, good work has been done to ensure that the organisation's internal roadmap is in good shape as we transition to the Foundation of the future.

TOP CHALLENGES

- ▶ Funding for students and bursaries for tertiary students in particular.
- ▶ Adequate experiential training for students.
- ▶ Not having enough classrooms to accommodate the students who want to be part of our programmes.
- ▶ Encouraging donors to fund activities in our programmes.
- ▶ Generating income through other activities.

TOP RISKS

- ▶ Lack of funds to support programme activities.
- ▶ Learners unable to pay university fees.
- ▶ Graduates unable to get on the job training.
- ▶ Poor performance of the Foundation's endowment.

TOP MITIGATING MEASURES

- ▶ Fundraising.
- ▶ Assist learners to apply for bursaries and pay their registration fees.
- ▶ MOU with The South African Agency for Science and Technology Advancement (SAASTA) to deploy graduates to us.

ETHICS AND IMPACT

The Palabora Foundation's incoming Director doesn't like to be in the spotlight; but it's firmly on her as she takes over from outgoing Director Malesela Letsoalo.

Growing up as the daughter of two teachers, Lerato's values were instilled at an early age. "Rules and ethics were always a part of my life and they have become my anchor," she says. Although initially interested in a career in medicine, she fell in love with accounting and its promise of order and structure. "I have evolved though, because as a leader you can't just be one way, you have to be able to understand, empathise and resonate with all kinds of different people," she says.



Learning to let people be who they are while doing their job well is something that defines my leadership style. I know what needs to be done, but people can bring their own flavour into the how. it's this kind of diversity that makes the Palabora Foundation a rewarding place to work.

Having had a varied career with a stint in the South African Prison Service, it was time for a change, and in 2009 she started work at the Palabora Foundation. "Before I got here I didn't understand how much good people can do. I soon fell in love with what the Foundation does," she explains.

For Lerato, value is about having a positive impact on people's lives. She's excited by the fact that communities have found their voice. "They know what they want and need, and that makes for a lot of stakeholder engagement," she says, as the Palabora Foundation negotiates its role. "We need to adjust and modify what we do to make sure it's relevant. For me, listening to our stakeholders is a key driver for our long-term success. We also need to be profit making, and have some innovative strategies in place to allow us to become more agile, and less affected by the impacts of current affairs," she notes.

She hopes to be able to report on the success of a number of these strategies and market their work more widely. "I'm excited. I want to help people to grow, have a say and be accountable. This team can do a lot"

LERATO MPHADZHA

Outgoing Superintendent Finance and Administration

Incoming Director



ALMOST **FULL CIRCLE**



ONE OF THE SUCCESSES OF THE FOUNDATION IS OUR ABILITY TO RETAIN STAFF. MOST OF THE EMPLOYEES IN THE FOUNDATION WORK HERE UNTIL RETIREMENT.

Ivy started her journey with the Palabora Foundation as a seamstress in 1992. She was one of three women, working on commission only, from the Rixile Education Centre in Lulekani. Her role became more permanent when she joined the staff as a cleaner at the Foundation's offices in Phalaborwa town, where she worked many years before moving to the Namakgale offices in the same position. In 2013, Ivy completed the Level 4 Adult Basic Education Training in English at the Foundation and with that a new door opened as she could apply for a receptionist position in the company. She became the now familiar face and voice of welcome at the Foundation head office in Namakgale and will retire at the end of next year.

IVY GUMEDE

Receptionist



ENTERPRISE AND SUPPLIER ADVANCEMENT CENTRE

In 2017 the only activities in this portfolio were support for the Educare Center launch and Palabora Copper Soccer Tournament which enables Enterprise and Supplier Advancement as follows:

1

MAYTEDDY LIMPOPO

For the supply of furniture for the Educare Centre.

2

LUMIBLADE REFRIGERATION

For the supply of air-conditioners for the Educare Centre.

3

MEDICARE HOSPITAL

For the acquisition of equipment for the Marula Med 24-hour Medical centre.

4

DORISIGN

For acquisition of soccer equipment and accessories for the Palabora Copper Soccer Tournament held in October 2017.

5

MMAKO GROUP

For the management of professional soccer players for the Palabora Copper Soccer Tournament held in October 2017.



BUSINESS IS MY BUSINESS

Rachel was born to be in business. As project administrator at the Palabora Foundation's Business Development Section, she knows the ins and outs of her clients' paperwork, but helping them succeed is what makes her job so rewarding. She loves it when clients visit 'sis' Rachel to share their progress or achievements. "It is exciting to see someone grow, often from having so little, to then having a sustainable business" For the last 10 years, Rachel has worked through two supplier development programmes at the Foundation, helping 75 enterprises to prepare for their respective business environments. Starting as an administration clerk in 2007, she was promoted to project administrator in 2014 and has solidified her own business skill set with the numerous workshops, courses and trainees she has taken under her wing.

RACHEL MABUZA

Project Administrator



Going forward, in 2018, a new funding cycle was confirmed for Palabora Foundation to be the implementing agency for the Enterprise and Supplier Development programme for Palabora Copper and we have reshaped the business unit under a new name and slogan that supports our mission and vision including the new strategy for Palabora Foundation that says:

“

Empowering small businesses to start, grow, prosper, be competitive and sustainable as the economic life-blood of the

WHO WE WORKED WITH

- ▶ Small Enterprise Development Agency (SEDA)
- ▶ National Youth Development Agency (NYDA)
- ▶ Palabora Copper (Palabora Copper)
- ▶ Foskor
- ▶ Ba-Phalaborwa Municipality
- ▶ **Local Economic Development Funding institutions:**
 - Industrial Development Corporation (IDC)
 - Small Enterprise Funding Agency (SEFA)
 - Limpopo Economic Development Agency (LEDA)
- ▶ Contractors

IMPORTANT STAKEHOLDERS

- ▶ Ba-Phalaborwa Municipality
- ▶ Royal Councils
- ▶ Local Business formations
- ▶ Limpopo Department of Economic Development, Environment and Tourism (LEDET)
- ▶ Department of Small Business
- ▶ Small Enterprise Development Agency
- ▶ National Youth Development Agency
- ▶ South Africa Receiver of Revenue (SARS)
- ▶ Foskor
- ▶ Palabora Copper

Local enterprises that have continued to benefit from business directly as a result of our Enterprise and Supplier Development initiatives:

- ▶ Kapela Business Enterprise (Pty) Ltd
- ▶ Makasela Air cc
- ▶ Laelo Construction and Projects cc
- ▶ Sicom



LEARNER SUPPORT PROGRAMMES

For the reporting period, the activities in this portfolio continued to achieve a number of gains against strategy through the provision of support lessons Monday to Friday at both Leboneng and Rixile education centres, with additional centres in the three villages; Mashimale (Maphokwane High), Maseke (Matome-Malatji High) and Selwane (Makikele High).



We believe in touching lives forever and preparing students for success in a changing world and this vision continues to guide us.

HIGHLIGHTS FOR 2017

- ▶ Grade 12 learner Mmutlane Mahlatse Justice, a learner we supported, scored 100% in Physical Sciences and 97% in Mathematics. He received a bursary from the Limpopo Department of Education. He was in a group of learners who were acknowledged by the Limpopo Department of Education during the Provincial matric results announcement.
- ▶ Maphokwane centre (Mashishimale Village) had a learner we supported, Seemela Lebogang Jethro, who scored 92% in Physical Sciences and 80% in Mathematics.
- ▶ Learners in our programme produced a 80% Bachelor pass rate.
- ▶ Grade 12 learners could for the first time write national benchmark tests in Phalaborwa.



SMARTer EDUCATION

At the age of 26, a bright and dedicated scientist, with a profound love for pure science, is ensuring the Foundation continues to be a leading light in SMART education. Satisfied obtained a BSc in Physics and Chemistry at the University of Venda. On completion of his Honours Degree in Chemistry he joined the Palabora Foundation as a volunteer from the South African Agency for Science and Technology Advancement (SAASTA) in 2015. The Foundation appointed Satisfied as a Lab and Internet Operator in May 2016, based at the Rixile Centre in Lulekani. Here, his career plans are taking an exciting turn, partly because he cannot let go of an innate drive to study, and also because he is seeing the impact of the Foundation's work.

In his experience children are often scared of science, or believe it is just for the 'smarter' children. Most of the time their first contact with science is at school and then those who do want to learn further, often choose an applied science like engineering or a medical profession. In time, Satisfied plans to do a masters degree in education, that, together with his increasing experience and insight, will allow him to give back; both to the children and to science.

SCIENCE SHOWS

Satisfied started science shows for higher grade primary school pupils, focusing on subject matter they are familiar with. The whole idea is to have experiments that are interesting, fun and trigger the children's 'wow' buttons. He uses everyday objects from balloons, household detergent and candles to water and soap to bring the experiments and science closer to home. "I love doing the shows, especially when I see amazement and wonder on the faces of learners. When we discuss the experiments I can gauge their level of understanding of the process," he reports. Sometimes the children think it's magic and Satisfied's joy peaks when he sees the moments of insight emerging from the discussions they have after each experiment.

SATISFIED CHABALALA

Lab and Internet Operator



2017 MATRIC RESULTS ANALYSIS

An analysis of matric results from 2008 to 2017 shows that more than an average of 95% of the participants in our programmes passed matric.

WHO WE WORKED WITH

- ▶ FOSKOR (Pty) Ltd
- ▶ SAASTA
- ▶ Department of Science and Technology
- ▶ Eskom Expo For Young Scientist
- ▶ Palabora Copper
- ▶ Dust-A-Side

OUR GOALS FOR 2018

- ▶ Accreditation of our science centre by the Department of Science and Technology through the South African Agency for Science and Technology Advancement (SAASTA).
- ▶ Introducing a mobile laboratory to reach more learners in our district.
- ▶ Fundraising.
- ▶ Conducting science experiments for high school learners in our district.
- ▶ Adding science exhibits to attract interest in science, technology, engineering, mathematics and innovation.
- ▶ Increasing the number of participants and schools in the science expo.

SCHOOLS WE WORK WITH

SCHOOL	TYPE	LOCATION
All Saints college	Combined	Makhushane camp
Meridian college	Combined	Phalaborwa
King Fisher	Combined	Phalaborwa
Majeje	High	Lulekani
Nkateko	High	Lulekani
Ntshuxeko	High	Majeje
Lepato	High	Makhushane
Matome-Malatji	High	Makhushane
Lebeko	High	Mashishimale
Maphokwane	High	Mashishimale
Baranuka	High	Matiko-Xikaya
Relebogile	High	Namakgale
Sebalamakgolo	High	Namakgale
Vuxeni	High	Namakgale
Frans Du Toit	High	Phalaborwa
Makikele	High	Selwana

ESKOM EXPO FOR YOUNG SCIENTISTS 2017

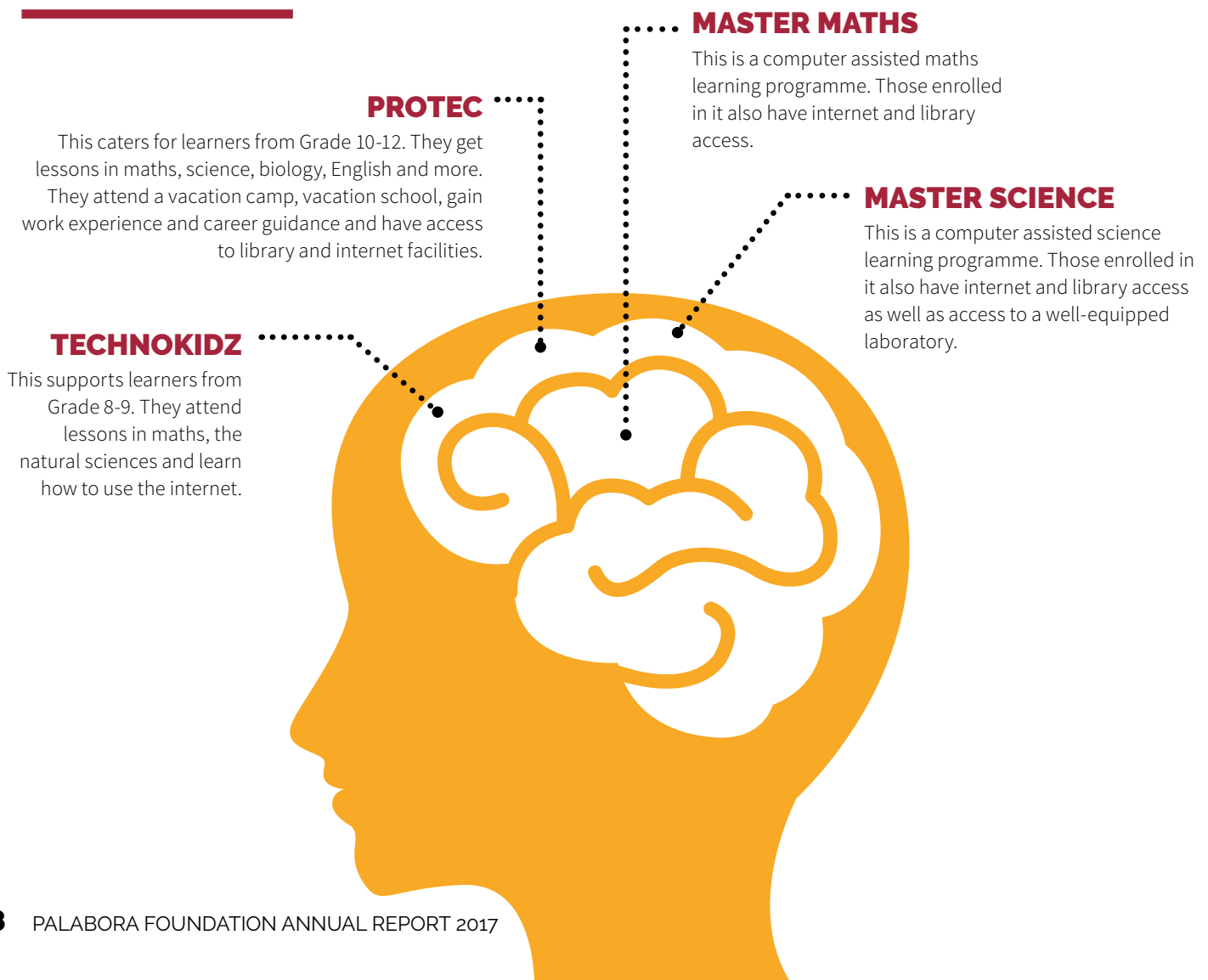
Eskom Expo for Young Scientists is South Africa's primary and only existing science fair for school learners, where they have an opportunity to exhibit their own scientific investigations and engineering projects. As part of our efforts to maximise the number of learners following careers in science, technology, engineering, mathematics and innovation (SMART), we support the expo and encourage learners in Mopani District to participate. We again partnered with Eskom and organise the district and the Mopani regional expo.

A total of 14 projects represented Mopani at this event in 2017, which was held in Boksburg where our learners competed with learners from all of South Africa's nine provinces, and abroad.

AWARDS RECEIVED FOR PALABORA FOUNDATION

NAME OF ORGANISATION	TYPE OF AWARD	WINNER
Siemens	1 x Laptop and 1 x Science kit for the school	Desmond Kutullo Mmola & Temogelo Thami Mokgotho
Siemens	Two Engineering Bursaries to the value of R120 000 each over 4 years.	Harrel Mdaka & Joas Paradis Shilowa
South African Environmental observation network (SAEON)	Binoculars, Framed Certificate and a book to the value of R1700	Joas Paradis Shilowa

OUR PROGRAMMES



“

I am one of the students that has been given a chance to further my studies by Foskop through a bursary that covers my tuition, registration and prescribed study materials. A lot of students compete for the same opportunity and there is no way to guarantee that you will get selected, but I worked hard at school and applied early. I am studying Geological Science at the University of the Witwatersrand. I am interested in the processes that shape the earth and also the origin and development of our landscape. I was supported and encouraged by the Foundation as I completed my matric at Maphokwane High School which is in the village of Mashishimale. I had joined Technokidz while in primary school. This program was very helpful to me academically and improved my confidence. Five years from now I would love to have completed my honors degree and one day I would like to earn a PhD.

KGADI PEARL MALESA

Foskop bursary: Geological Science

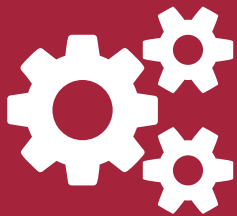
“

I am one of the students awarded a Foskop bursary. This bursary covers registration fees, tuition fees and prescribed material. During my high school years at Maphokwane High I attended the Foundation's Learner Support programme at Leboneng education centre in Namakgale. It really helped me and challenged me to do better in school. I studied hard and made sure that I got good marks during my matric year. I am now enrolled for a Bachelor of Accounting Sciences at the University of Witwatersrand.

KGAUGELO DESTINY MALESA

Foskop bursary: Accounting Sciences

**this testimonial has been edited.*



SKILLS DEVELOPMENT

In the reporting period, 236 people were trained through this portfolio, with the challenge of balancing supply and demand, ongoing.

This portfolio is directly affected by the transition from the old strategy to the new strategy i.e. from providing skills development to providing demand based skills development. Some of the changes over the reporting period have been:

- ▶ Closure of clothing production (sewing) section in 2017.
- ▶ Introduction of City&Guilds Syllabus in food preparation and cooking. This was necessitated by the high success rate in terms of employment after the completion of the chef course.
100% job placement is almost guaranteed as per the high demand for qualified chefs.
The training officers are being re-skilled in training the new syllabus.
- ▶ Community Adult Education and Training
Adult Education and Training (AET) was offered to Palabora Foundation employees. The high demand by the community to be registered for AET encouraged the Palabora Foundation to consider expanding it. The community AET learners registered are supported by the Mining Qualification Authority through Palabora Copper. Palabora Foundation can only register 10% of the total number of employees registered for AET at Palabora Copper. Learners passing numeracy and literacy subjects get incentivized for each subject level passed. In 2017 learners qualified for R2500 for each literacy or numeracy subject and level passed.
- ▶ Building of the plumbing and electrical skills training workshop
The new workshop was completed in 2017 to cater for most of the trades that may be in demand in future.



NUMBER OF TRAINEES FOR THE PAST FIVE YEARS (2013–2017)

YEAR	CLOTHING PRODUCTION	FOOD PREPARATION & COOKING	CONSTRUCTION MASONRY	CONSTRUCTION CARPENTRY	AET
2013	39	87	44	106	38
2014	62	89	30	93	38
2015	54	85	24	47	41
2016	62	50	25	53	45
2017	27	77	18	56	58
TOTALS	244	388	141	355	220



SUCCESS STORIES

FROM THE **HEART**

Tselani completed Level 2 English and Mathematics in 2017 through the Foundation's AET programme and hopes to do Level 3 in 2018. Although she dropped out of school when she was younger, the Foundation has given her a second chance. She registered to do matric this year, noticing she needs the qualification from her job hunting on the internet. "The nice thing is that nobody made me register. I did it from my heart, because I knew I had to do it. Things become so much easier when it is your own decision," she notes. Gloria Khoza, head of the AET section, has been a big support to Tselani on her journey with the Foundation. "She is a pillar. Since my parents are far away, I can say she is like my mother. She encourages and advises us and we can discuss anything with her. She is my role-model."

TSELANI MUSEHANI

Adult Education Training



A DATE WITH **DESTINY**

Marupeng was almost finished with school when his mother died. His childhood dream had always been to build – especially to build houses. It was finally realised in December 2016 when, with the support of his grandmother, he was able to enroll at the Foundation. Marupeng was awarded a trophy as the best student when he finished the masonry course. "My grandmother was so proud! And every time I see that trophy in my room it motivates me," he says. Marupeng loves his work. He dreams of growing his business and helping others create better lives for themselves.

MARUPENG MOHALE

Best learner Construction Masonry First Course 2017



COMMUNITY HEALTH

Top achievements for this portfolio for the reporting period include:

- ▶ A user friendly HIV/TB manual was designed, printed and used during youth dialogues.
- ▶ 81 clients were initiated on ARVs.
- ▶ Viral suppression rate of 88,5% for clients that are on ARVs.
- ▶ 17 Adherence Clubs for clients complying to treatment were formed with the assistance of CaSIPO (Care and Support for Improved Patient Outcomes).
- ▶ 100% cure rate of clients who were on TB treatment.
- ▶ 1316 females accessed reproductive health services.
- ▶ 684 homes were visited by the monitoring team.

TOP CHALLENGES

- ▶ 12 out of 32 children on ARVs have unsuppressed viral load, mainly because of lack or poor supervision by caregivers.
- ▶ There is a gradual increase of clients on the second treatment regimen (48 clients). This number is quite alarming because the intention is for clients to remain on the first regimen which is easily managed and also cost effective.

OUTREACH SERVICES

We continue to conduct outreach services for clients that struggle to access basic health services due to work constraints or due to distance. A total of 4050 clients were reached at the following areas:

- ▶ 16 different workplaces
- ▶ Four high schools
- ▶ Two TVET colleges
- ▶ Eight drop in centres





OUR MAIN STAKEHOLDERS

- ▶ Department of Health
- ▶ Department of Education
- ▶ Foskop
- ▶ PEPFAR
- ▶ ANOVA Health Institute
- ▶ Hlokomela
- ▶ Ba-Phalaborwa Municipality
- ▶ Phalaborwa FM

CHALLENGES

TVET colleges Full time registered nurses were employed on site. This led to failure to conduct the planned number of dialogues because the nurses had their own programmes and schedules of activities that they were expected to conduct. Protests and unrest by the students was another factor that hindered the provision of services as planned.

Drop in centres Four drop in centres shut down because of lack of funds.

CONDOM DISTRIBUTION

There is a marked increase in condom distribution, especially amongst the youth, mainly because the condoms come in different fruit flavours (grape, strawberry and banana flavour) which has elicited a lot of interest.

A total of 2 946 000 male condoms and 72 000 femdoms were distributed to the following areas:

- ▶ Local hospital and clinics
- ▶ Palabora Copper
- ▶ Foskop
- ▶ TVET colleges
- ▶ Taverns
- ▶ Other workplaces

YOUTH DIALOGUES

We received one year funding from PEPFAR (the US President's Emergency Plan for AIDS Relief) to conduct youth dialogues on TB, HIV and STIs at four High Schools and two TVET colleges. With the funds received, we procured the services of a professional designer to design and print user-friendly and age appropriate booklets for the students.

HOUSEHOLD MONITORING VISITS

Monitoring visits are conducted for two main reasons namely:

- ▶ Follow up of clients that are newly initiated on ARVs
- ▶ Tracing of clients that have missed their appointments for treatment collection for more than two months.

A total of 687 households were visited. This number is mainly from lists that were submitted to our facility by the local clinics. Unfortunately 12 of these clients were reported to have passed away. 17 of them were recorded as self-deregistered, meaning that they declined to continue with treatment citing reasons like "I was not ready to take ARVs" to "I just don't want the ARVs anymore".

EVENTS

- ▶ Career Expo for Grade 12 learners. We were given a slot to present "Surviving campus life – from a health perspective" on 25 March 2017
- ▶ Candlelight Memorial on 18 May 2017 with the theme: "Ending HIV & TB together".
- ▶ World AIDS Day for SANParks on 4 December 2017 and for Ba-Phalaborwa communities on 7 December 2017 with the theme: "It is my right to know my status. Prevention is my responsibility".



I AM NOT AFRAID

Elsie is HIV+ and is not afraid. She is not ashamed to disclose her status, she is not scared of the disease, nor hesitant to talk to others on the same journey about their struggles and challenges. With the support of the Foundation, she has become an inspiration to many and has made it her life's work to help others to live a healthy, full life no matter what their status. As a volunteer at the Palabora Foundation's Community Health Services Section, Elsie visits HIV+ and Tuberculosis patients in the Ba-Phalaborwa area who seem to be lapsing in their treatment. The Foundation keeps track of chronic patients' treatment and rely on volunteers like Elsie to visit patients. These visits usually occur from Monday to Thursday when Elsie will assess the patients' situations and even do counselling where needed. Fridays are usually set aside for reconciling information and planning the week ahead.

Elsie, being on treatment herself, relates to patients and their difficulties. She is also a huge inspiration when she confidently and astutely talks about living with HIV and AIDS. While the stigma around HIV and Aids is not as evident as in the early 2000s, there are new challenges. One of these is enabled by technology, where young people, born with HIV, now google the history at the time of their birth (many around 2004/5/6) and find that pregnant women at the time were obliged to be tested for HIV so that they could opt for Prevention of Mother to Child Transmission (Palabora CopperT) treatment. They become angry and stubborn, sometime confronting their parents with accusations about how the disease was passed on or indulging in risky behaviour. In other cases, teenagers who start experimenting with sex and are HIV+ do not want to disclose their status or use protection for fear of their peers' reactions.

Whatever the challenge, by working at grassroots level, Elsie and her peers at the Foundation keep their fingers on the pulse of the community and ensure real and emerging needs are met.

FINANCIAL SUMMARY

The Palabora Foundation's primary investment portfolio is with Allan Gray Ltd. It performed to reasonable expectations during 2017. The market value of the Palabora investment fund is R163 million, with a book value of R145 million, as at 31 December 2017.

Our average annual expenditure is currently R 38m of which most of the funds to operate are currently derived from this investment portfolio. Other income is informed by donations received from corporate sponsors, as well as nominal student fees received from the programmes offered by the Palabora Foundation.

The investment returns have recently declined due to market circumstances and hence more sustainability initiatives have been recommended as part of the new strategy of the organisation. These initiatives are driven by three primary objectives:

- ▶ Creating more income generating activities which are aligned with our core purpose,
- ▶ Diversifying our donor base by implementing structures such as a fund-raising committee, and
- ▶ Investing or re-investing our capital assets wisely, prudently and appropriately given our non-profit mandate.

Financial statements are presented to the Board of Trustees on a quarterly basis and to the Executive Management Committee monthly. These statements are also presented to the Trustees Audit Committee.

INVESTMENT FUND OR ENDOWMENT FUND	2016	2017
Market value	R 179 865 506.43	R 162 519 511.23
Book value	R 122 628 713.74	R 145 169 188.94





We are particularly proud of our record of good governance, accountability and transparency. The team has been working hard to ensure that we start the next 30 years on a firm business and ethical setting, with stronger branding, better programmes and even more of a commitment to excellence.

INCOME

2016			2017		
PORTION	TYPE	AMOUNT	PORTION	TYPE	AMOUNT
6%	Donations	R 1 160 006	7%	Donations	R 1 524 635
12%	Other	R 2 321 174	6%	Other	R 1 252 256
82%	Investment Income	R 15 352 302	86%	Investment Income	R 17 654 005
Total Income		R 18 833 482	Total Income		R 20 430 896

EXPENDITURE

2016			2017		
PORTION	TYPE	AMOUNT	PORTION	TYPE	AMOUNT
10%	Enterprise Development	R 3 726 285	10%	Enterprise Development	R 3 951 939
13%	Health	R 5 015 258	12%	Health	R 4 704 854
26%	Admin	R 9 631 418	25%	Admin	R 9 558 518
51%	Education & Skills	R 19 369 761	53%	Education & Skills	R 20 158 236
Total Expenditure		R 37 742 722	Total Expenditure		R 38 373 547



PROUDLY
SOUTH AFRICAN



CONTACT INFO

PO BOX 1263
PHALABORWA, 1390
LIMPOPO, SOUTH AFRICA

NON-PROFIT ORG. REG. NO.
NPO 003-920



015 7695000



015 769 5032



INFO@PAFOUND.CO.ZA



WWW.PAFOUND.ORG



WWW.FACEBOOK.COM/THEPALABORAFoundation



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PALABORAFoundation

GLOSSARY

NPO Not-for-profit Organisation

PBO Public benefit organisation

PMC Palabora Copper

SAASTA South African Agency for Science and Technology Advancement

LEDET Limpopo Department of Economic Development, Environment and Tourism

CETA Construction Education and Training Authority

MQA Mining Qualifications Authority

IED Independent Examination Board

SETA Sector Education Training Authorities

AET Adult Education and Training

BCF Ba-Phalaborwa Community Forum



PALABORA FOUNDATION ADMINISTRATION OFFICES

CORNER OF CALVIN NGOBENI AND TAMBO STREETS,
NAMAKGALÉ, 1391

PO BOX 1263, PHALABORWA, 1390
SOUTH AFRICA

CONTACT

TEL 015 769 5000

FAX 015 769 5032

WWW.PAFOUND.ORG