



**AFRICA COOPERATIVES INSTITUTE
OF
SOUTH AFRICA**

AFRICA COOPERATIVES INSTITUTE OF SA 2020

An opportunity to make an investment - the cooperative way

Reg.No:2020/000091/24
(SA Institute for Community Enterprise Education - Primary Cooperative LTD)





- Is an institute, founded in 2017 aimed at providing skills and training development for cooperative enterprises and non-profit organisation in South Africa and the in continent.



The institute is referred to as ACI-SA in short

- It is the first of its kind institute in South Africa to focus on practical activities for cooperatives and non-profit sector organisations.
- The institute is setup to provide both industry accredited short learning programmes and formal programmes estimated to commence in 2022.
- The institute's establishment is an opportunity for ordinary members of the public, small enterprises and community based enterprises to own a stake in an educational cooperative in the private higher education and consulting sectors.



What is a cooperative?



- Cooperatives are people-centred enterprises which are owned, controlled and run by and for their members to realise their; aspirations, common economic, social, and cultural needs.

- Cooperatives bring people together in a democratic and equal way. Whether the members are the customers, employees, users or residents; cooperatives are democratically managed by the 'one member, one vote' rule. Members share equal voting rights, regardless of the amount of capital they put into the enterprise.

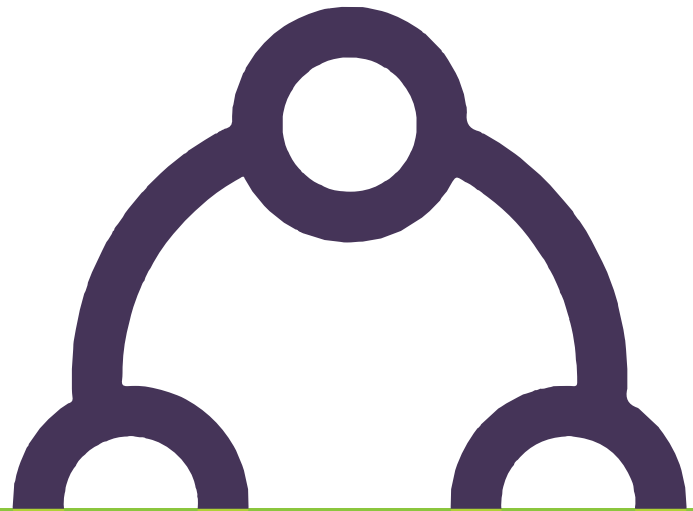


- Cooperatives allow people to take control of their economic future; because they are not owned by shareholders. The economic and social benefits of their activity stay in the communities where they are established. Profits generated are either reinvested in the enterprise or returned to members.

ACI-SA adheres to the following cooperative values



- Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. The cooperative members of ACI-SA believe in the ethical values of honesty, openness, social responsibility and caring for others.



- We seek to keep an open opportunity for members of the public (Cooperatives and Non-profit organisations) to invest in the education and the development of the community enterprise sector in South Africa and in the continent.



Why Invest in Africa Cooperatives Institute of SA?

-It is an opportunity for a fair and equitable investment. As an investor, you will have the opportunity to participate in the institute's democratic processes.

- It is one of a kind opportunity in South Africa to buy shares in an educational and consultancy cooperative.

- The institute addresses skills deficiencies in the community enterprise sector that undermines possibilities of success. When investing in ACI-SA, you are indirectly investing in the future of the community enterprise sector.



- It is a chance to deploy money through an ethical investment and earn a good return on investment.

- This is a fixed three year investment opportunity that will offer between 10% - 17% guaranteed return on investment.

- You will be investing in an institute that is led by a dedicated team; experienced in entrepreneurship development within the community enterprise sector.



How to **make an** investment?

1

- Investing in the share scheme is open to the public, cooperatives, small businesses and non-profit organisations.

- The investment scheme is structured as a One-Plus-One (1 + 1). This means the annual affiliation and membership fee of R250 is paid together with R1750 which offers 5 starting up shares.



2

- ACI-SA will issue a membership number and all share certificates will be issued with unique Identification numbers.

3

- Cooperatives, Small Businesses and Non-profit organisations also invest under the One-Plus-One arrangement with an annual affiliation and membership fee set at R1000 and 10 starting shares at a value of R3500.

4

- Cooperatives, Small businesses and Non-profit organisations investing under the One-Plus-One arrangement receive access to five workshops, business planning support and consultancy. For extended services member enterprises will be considered for discounts.



Summarised Financial Forecasts

The institute's income and expenditure projections for the term of investment 2020 - 2024 are provided in the summary below. The percentage return is between 10% -17%. The demand for reliable and quality, online and responsive cooperative education is growing faster than supply. In Africa the demand for accessible and quality higher education exceeds supply. According to the Economic publication; the current demand for higher education is causing a strain on Africa's higher education system.



- ACI-SA will serve the growing market of young people who want to access quality higher education founded on the principles of accessibility and rigour.



- ACI-SA will provide both contact lessons blended with distance learning opportunities and internet mediated contact.



- ACI-SA provides a unique opportunity to invest in good returns governed under a cooperative system.



- ACI-SA's investment opportunity will offer share certificate holders an opportunity to monitor the performance of their investment and offers them a chance to invest in Africa's education.



- ACI-SA as a massive project supporting grass-root non-profit organisations and cooperatives in Africa with skills, and that talent will secure donor confidence and ensure impact achieved with the available talent.

Summarised Breakdown of Financial Forecasts

	2020	2021	2022	2023	2024
Balance Carried Forward	-	3 310 000	4 600 000	7 740 000	6 343 120
Revenue Total	4 650 000	3 300 000	6 160 000	12 274 000	26 634 312
Total Funds Available	4 650 000	6 610 000	10 760 000	20 014 000	32 977 432
Investments / Interest Received	3 500 000	331 000	460 000	774 000	634 312
Courses (SLP/Formal)	100 000	1 000 000	3 000 000	6 500 000	12 000 000
Training Contracts	300 000	1 500 000	1 800 000	3 000 000	8 000 000
Grant Funding	250 000	800 000	900 000	2 000 000	6 000 000
Expenses Total	(1 340 000)	(2 010 000)	(3 020 000)	(6 950 000)	(18 800 000)
IT Resources	80 000	90 000	120 000	250 000	1 000 000
Operational	60 000	120 000	200 000	300 000	2 000 000
Building/Land	1 000 000	1 000 000	1 200 000	3 000 000	3 800 000
Salaries/ Honoraria	200 000	800 000	1 500 000	3 500 000	12 000 000
Profit/Loss	3 310 000	4 600 000	7 740 000	13 064 000	14 177 432
Return on Investment Paid out to ACI-SA/Cooperative Members (17%) [Profit Share]	-	-	-	(2 220 880)	-
Original Investment Payback				(3 500 000)	-
Member Bonus Returns				(1 000 000)	(3 500 000)
Surplus/Deficit				6 343 120	10 677 432

Notes

- (1) Revenue total: refers to the total of the year's income received from investments, course payments received, training contracts and grant funding.
- (2) Expenses total: refers to all year's expenses combined.
- (3) Profit or Loss: refers to funds left after all expenses and taxes had been paid. Tax exemptions will apply to ACI-SA as a player in the developing grassroot enterprises, and as a 100% black owned cooperative.
- (4) Return on investment (17%): The payout of interest for the R3.5 million investment will take place at the end of the 2023 financial year.
- (5) Original investment: will be paid back to investors and an option to reinvest will be offered.
- (6) Surplus/ Deficit: shows funds available after the payback season by which members of the share scheme will receive their returns on investment and their initial investments.



Investment categories and participation in institutional governance

1

- Category 1: Enterprise Investments

This category is ideal for cooperatives, small businesses and non-profit organisations that make investments of R70 000 (@200 shares) or above. These enterprises get to be eligible for representation in the institute's governing board and contribute to strategic decision making processes of ACI-SA.

2

- Category 2: Professionals Interested in Social Enterprises (also internal ACI-SA fellows)

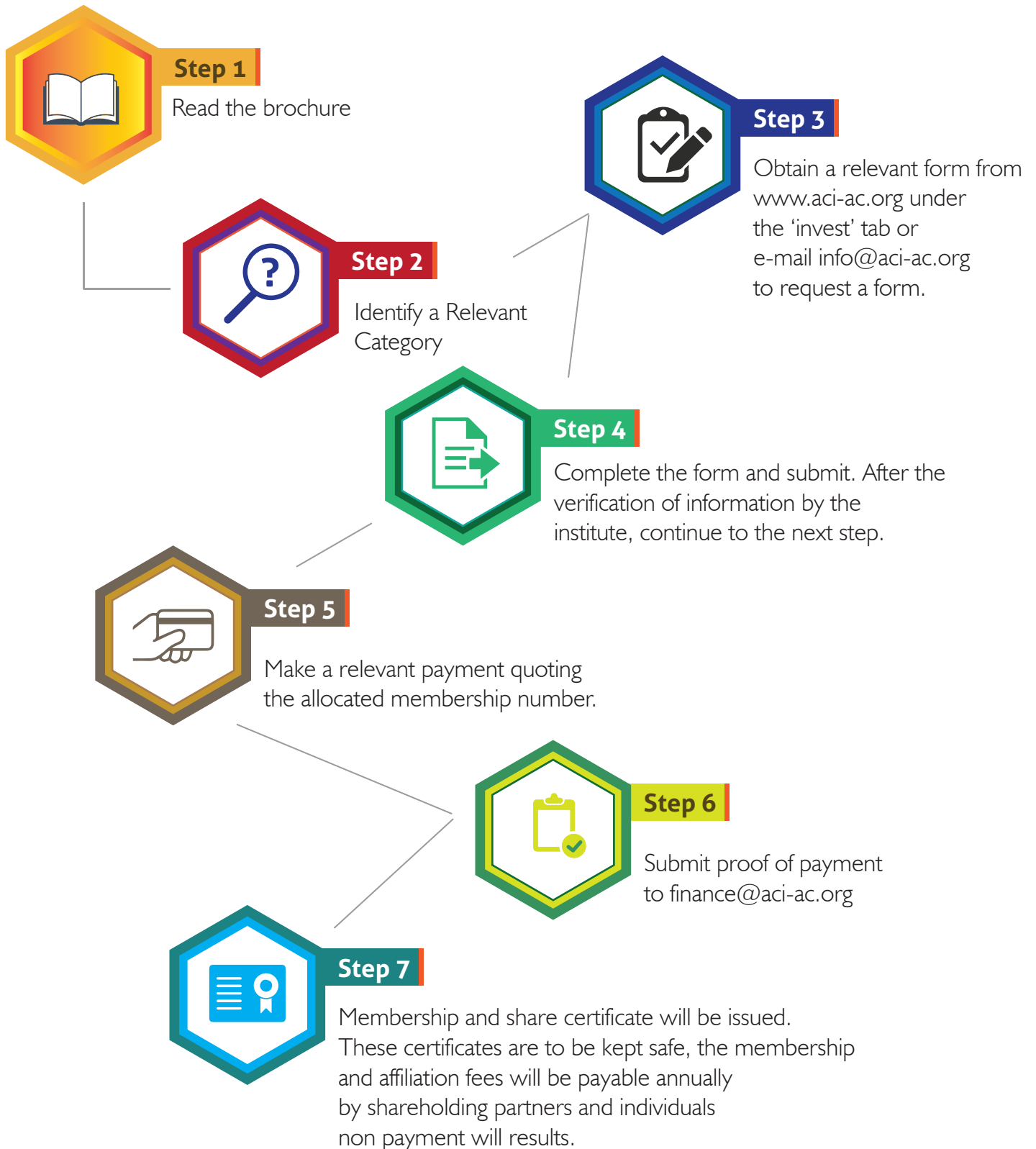
This category is ideal for people in professional careers who have vested interest in the development of the social enterprise sector. This category provides an opportunity to invest in 100 shares at a value of R35 000 or above. People interested in this category can begin with a simple One-Plus-One, and make further deposits to meet the 100 shares target fee for as long as the investment opportunity is open.

3

- Category 3: Open to the Public

This category is a share scheme open to the general public. Members in this category need to meet the share scheme's minimum requirements of the One-Plus-One arrangement. In this category members pay an annual membership fee of R250 and a take out of a minimum of 5 shares @R350 amounting to R1750. An amount of R2000 is payable to invest in the institute as a member under category one. On this category members can buy shares on an arranged basis until the closing date of the share scheme.

The process of investing



Banking Details:

SA Institute for Community Enterprise Education Cooperative Limited

Bank Name:

First National Bank

Account Number:

628 452 1162

Branch Code:

258623

Swift Code:

FIRNZAJJ

FAQ - Frequently Asked Questions

Dates?

- The investment opportunity opens from the 1st of April 2020 and will close for investment on the 31st of December 2020.

Percentage Return on Investment (ROI)?

- The estimated ROI is between 10% - 17% for a three year term of investment.

Who?

- This opportunity is great for community based enterprises and individuals seeking to put money away for the future.

Can I withdraw from my investment?

-Requests for withdrawals will be considered by the finance committee of the cooperative and decisions made. A member-investor wishing to make a withdrawal can make a written request to the institute's finance committee. This excludes category three member-investors. The committee's decisions are final.

What is the business I am investing in?

- Africa Cooperatives Institute of S.A. is a cooperatively owned education and consultancy enterprise. The institute generates its revenues from courses it offers both online and in person to a wide variety of groups running cooperatives and non-profit organisations or those interested in working for the sector. Formal qualifications will be introduced in 2022 as part of the offering. The institute generates other income from consultancy contracts, business plan development and from research activities.

How is the institute structured?

- The institute has three entities, namely the (1) founding Non-Profit Company responsible for the mission of establishing the institute, (2) The NPO is an entity that supports activities of academics involved in insitutional research and teaching (3) the cooperative with which the investments are directed to.

What is the vision of the institute?

- To become the leading cooperatively owned brand in training and development of relevant community enterprise leaders in Africa.

What is the targeted amount of capital the institute intends to raise from the scheme?

R3.5 million

How do I contact the institute about the share scheme?

Send an e-mail to info@aci-ac.org



WWW.ACI-AC.ORG



INFO@ACI-AC.ORG



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