mdda

MEDIA DEVELOPMENT & DIVERSITY AGENCY

ANNUAL REPORT

2021/2022

This annual report of the Media Development and Diversity Agency (MDDA) describes and details the activities of the Agency for the period 1 April 2021 to 31 March 2022.

This report has been prepared for submission to the Executive Authority and the Parliament of South Africa in line with the requirements of the Public Finance Management Act (No 1 of 1999) and the MDDA Act (No 14 of 2002).

The Media Development and Diversity Agency (MDDA) is a statutory development agency for promoting and ensuring media development and diversity, set up as a partnership between the South African Government and major print and broadcasting companies to assist in (amongst others) developing community and small commercial media in South Africa. It was established in 2003, in terms of the MDDA Act No. 14 of 2002 and started providing grant funding to projects on 29 January 2004.

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PART A
GENERAL INFORMATION

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1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	**Media Development and Diversity Agency**
REGISTRATION NUMBER:	PE63
PHYSICAL ADDRESS:	South Africa 5 St Davids Place Parktown Johannesburg South Africa 2193
POSTAL ADDRESS:	P.O. Box 42846 Fordsburg Johannesburg South Africa 2033
TELEPHONE NUMBER/S:	Tel: +27 (0)11 643 1100
EMAIL ADDRESS:	info@mdda.org.za
WEBSITE ADDRESS:	https://www.mdda.org.za/
EXTERNAL AUDITORS:	Auditor-General South Africa
BANKERS:	Absa Bank South African Reserve Bank
COMPANY/ BOARD SECRETARY	Yolanda Du Preez

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
SCM	Supply Chain Management
GRAP	Generally Recognised Accounting Practice
DoC	Department of Communications
GCIS	Government Communications Information Systems
MDDA	Media Development and Diversity Agency
AGSA	Auditor-General of South Africa
ARC	Audit Risk Committee
SCM	Supply Chain Management
PPE	Personal Protective Equipment
4IR	Fourth Industrial Revolution
NDP	National Development Plan
NEMISA	National Electronic Media Institute of South Africa
SEDA	Small Enterprise Development Agency
FPB	Film and Publications Board
SABDC	South African Book Development Council
MoU	Memorandum of Understanding
MICT SETA	The Media, Information, and Communication Technologies
ICASA	Independent Communications Authority of South Africa
SANEF	South African National Editors' Forum

3. MINISTER IN THE PRESIDENCY FOREWORD

It is with great pleasure as the Executive Authority that I present to you the MDDA's

Annual Report for the financial year 2021/2022.

The objective of the MDDA is to promote development and diversity in the South

African media throughout the country, consistent with the right to freedom of

expression as entrenched in section 16 (1) of the Constitution, in particular;

(a) freedom of the press and other media; and

(b) freedom to receive and impart information or ideas.

The financial year 2021/2022 was a hard year on the economic development globally, and on South Africa, due to the Covid-19 pandemic. The community media sector was also not spared the ravages of the pandemic. Amongst the myriad of challenges faced by the sector is an unceasing battle for survival, particularly those serving poor and rural communities. In these areas, the existence of a local media project is often the community's only access to the media.

After coming out of various stages of Lockdown and struggling to survive during the Covid-19 pandemic, the sector found itself dealing with an increase in obstacles to news coverage and sometimes blatant attacks on community media infrastructure.

During the period of July 2021, South Africa experienced violent protests and socio- political unrest characterised by widespread looting of shops and businesses, as well as burning and destruction of public facilities and private properties, mostly in the provinces of KwaZulu-Natal (KZN) and Gauteng.

These riots resulted in the disruption of communication services, closure of some community radio stations and vandalism of network facilities. The affected

community radio stations, whose equipment was damaged or looted included:

- Alex FM, in Alexandra, north of Johannesburg
- Mams Radio, In Mamelodi, northeast of Pretoria
- West Side FM, in Kagiso, west of Johannesburg
- Intokozo FM, in Durban

As the Presidency, we strongly condemn any attacks on the media industry. **We fought long and hard for media freedom and we will not take lightly opportunistic or targeted crime or abuse at any of our media professionals or infrastructure.**

The media is one of the pillars of our democracy and it remains an integral part of human civilization, and community media serves as a viable platform for the public to participate in the democratic process by expressing their views and opinions.

We continuously work with the MDDA to tackle the sector's growing plight in the face of advancements brought by 4IR, severe undervaluing of community media and reduction of advertising budgets across sectors.

As we journey towards the MDDA's 20-year anniversary, the Presidency fully supports the agency in its promotion of the growth of sustainable community-based media in South Africa, and a capacitated, digital responsive community-based media sector by 2024.

I hereby formally table this Annual Report to Parliament.

Mondli Gungubele (MP)

Minister in The Presidency
Executive Authority

4. DEPUTY MINISTER IN THE PRESIDENCY FOREWORD

I am pleased to present to you the MDDA's Annual Report for the financial year 2021/2022.

The MDDA continues to deliver on its mandate in developing community and small commercial media across the country. The agency provides grant funding support, research and training, as well as media education to local community operators and the public at large.

By supporting the establishment and development of community and small commercial media, both through funding and capacity building support, the agency ensures that there is sufficient dissemination of credible news to South African communities, taking indigenous languages into consideration to accommodate scores of audiences served.

In the previous fiscal year, the Presidency worked with the agency to launch 12 brand new state-of-the-art digital studios in community radio stations across all the nine provinces of South Africa. This new technology helps to elevate the quality of broadcasting and open up the airwaves for these sometimes-remote radio stations. This has led to the increase of community radio listenership. According to Radio Info Africa Community radio listenership in South Africa garners roughly 8 million people.

In pre-dominantly rural areas, the community radio stations are best placed to ensure widespread access to information and therefore, become very central to the country's nation-building process.

This Annual Report reflects the Agency's commitment to supporting the community and small commercial media sector, the societal benefit of which should not be underestimated.

Apart from keeping people informed and connected, they also provide employment and create numerous job opportunities. South Africa has a vibrant and independent media, with community print, broadcast, and online offerings.

I hereby approve and endorse this Annual Report and commit to support the MDDA in its implementation and, thereby, the delivery of its mandate to transform and diversify the South African media landscape.

Thembi Siweya (MP)
Deputy Minister in The Presidency

5. FOREWORD BY THE CHAIRPERSON

On behalf of the Board of the Media Development and Diversity Agency (MDDA), I present this Annual Report covering the MDDA activities for the financial year 1 April 2021 to 31 March 2022.

This report comes at a crucial time in the development of community media. The sector is facing significant changes, due to, amongst others, the rapid technological advances, tightening economic conditions, and the need for media to play a greater public information role, the importance of which has been highlighted by the current pandemic.

During this reporting term, the MDDA Board bid farewell to Mr Moshoeshoe Nkgakga Monare, who has served this agency diligently for the past five years. His term ended on 13th September 2021. The Board further welcomed Ms Nadia Bulbulia, on the 16th of September 2021 and Mr Hoosain Karjieker, on the 17th November 2021. Both members came with a strong set of diverse skills, reinforcing the MDDA Board's strategic leadership of the Agency in the delivery of its mandate to promote media diversity through the growth of a sustainable community-based media sector in South Africa.

In the current financial year, the Board of the MDDA successfully launched the Fundraising Strategy at the agency's last Funders Stakeholder Breakfast engagement in March 2022, which was attended by the current MDDA funders, potential funders, and other stakeholders within the mainstream and community media sector. With the Fundraising Strategy, the agency is embarking on a vigorous fundraising journey that will look beyond government and current funders' support, to ensure community media not only survives but that it is able to continue discharging its mandate of access to information in languages of choice.

The MDDA currently receives 63% of its funds from broadcast funders through Universal Service and Access Fund (USAF) levies, 33% from government grants, and 4% from interest on investment. The major mainstream printing houses have not contributed to the MDDA since 2014, therefore the agency is exploring other means of revenue such as fundraising strategy.

Despite the decreasing revenue, the MDDA annually receives many funding requests from the community media sector which far outstrip (by at least a factor of five) the MDDA's annual funding budget (currently around R50 million). In addition, the community media sector's operating costs and debt are spiralling out of control from transmission through to music rights, operational and printing costs, etc. As a result, the already fragile community media sector is facing critical sustainability challenges. Emergency situations such as the COVID-19 pandemic have sharply highlighted the need for more financial support for this sector.

On the 26th of January 2022, the Board of the MDDA met and deliberated over and approved grant and seed funding for 24 community radio stations and 10 community as well as small commercial print projects across all provinces.

These approved projects were part of the total overall number of 266 applications that responded to the 2021/22 Call for Grant Funding Applications for a six-week period, which officially opened on 05 May 2021 and closed on 02 July 2021. Of these applications, 81 were community broadcast media projects, including radio and TV and 185 were community print and digital publications, which were a combination of community print, small commercial print, and digital media projects.

The call for social cohesion and the need to address unemployment, poverty, and inequality guide the MDDA's commitment to the transformation of South Africa's media landscape. A diverse media in society reflects diverse views and opinions in a language of the citizen's choice, which we believe, promotes an informed and knowledgeable society. This, in turn, sustains and deepens a people-driven democracy.

The MDDA is now in its fourth of its five-year generation, having funded its first project in 2004. In this five-year cycle, the agency will continue to accentuate its transformation role not only by growing, maintaining, and protecting its grant and seed funding base, but also through its capacity-building efforts to assist beneficiaries by closing their skills gaps. The Board does not doubt that the agency will, in the coming years, build on its current successes to take the community media sector forward.

On the 5th of August 2021, the MDDA welcomed the Appointment of Mr Mondli Gungubele, as the Minister in the Presidency of the Republic of South Africa. The agency greatly appreciates the support, guidance, and cooperation that we have received from the Ministry, with the Deputy Minister in the Presidency, Ms Thembi Siweya, (MP) having been assigned specific responsibility for oversight of the agency. The Deputy Minister in the Presidency has shown immense commitment to the continued viability of the community media sector.

Strategic Plan 2022/23 – 2024/2025 and Annual Performance Plan 2021/2022

The Board has reviewed Management's reassessment of its work to date and believes that the redefined focus for 2022/2023 to 2024/2025 will enhance the agency's initiatives to ensure the promotion of a vibrant and diversified media in South Africa.

Management's approach provides structured and measurable targets of what and how the agency will fulfil the mandate and mission of the MDDA in pursuit of its constitutional prescripts. Further, the MDDA will continue to uphold its values of, among others, integrity, and excellence, ensuring effective, transparent communication with its stakeholders to maintain and build on their trust and confidence.

We highly value the continued support we have received from our funders, the government, and our commercial broadcast partners. The MDDA will be mobilising international donors and other private funders to raise additional funding and other non-financial support for the sector to aid the sustainability of the media sector.

Future Direction

The Executive Authority has indicated its intention to review the MDDA's founding Act, considering the radically different media landscape now facing us, and the agency is committed to supporting the review. The MDDA resolutions also require review, while the agency itself recognises that it cannot be "business as normal". On behalf of the MDDA, I commit management and the MDDA to a compact between the Ministry in the Presidency and the MDDA based on this Annual Report.

Appreciation

I am immensely grateful for the support and invaluable input I have received from the Executive Authority, my fellow MDDA Board members, and MDDA leadership and staff during the previous year. On behalf of the Board, I would like to express my full confidence in the current Board, the agency's Executive Management, and staff, and wish the whole team success in the coming years.

Dr Hlengani Mathebula
Chairperson of the Board

6. CHIEF EXECUTIVE OFFICER'S OVERVIEW

I am honoured to present this Annual Report for the Financial Year of 2021/2022 as an undertaking that was guided by the MDDA Strategic Plan for 2020/2021 - 2024/2025, which speaks directly to the national policy priorities and the Constitution Act, 1996 (Act No. 108 of 1996).

The MDDA, through the community media projects we fund, is a powerful force in giving a voice to our people, building skills, and creating employment. The community-based media sector plays a critical role in driving the transformational agenda as outlined in the National Development Plan and the Electoral Mandate. The community-based media plays an immeasurable role in fostering social cohesion and bringing communities together, which results in nation-building.

The financial year 2021/2022 was the second year of the new five-year cycle in which the MDDA strategic direction was driven by several critical inputs. These included the socio-political and economic environment prevailing in South Africa, the Government's Medium Term Strategic Framework (MTSF), the community media sector, and the broader media environment in the print, broadcast, and digital platforms. All these are guided by the relevant legislation.

The Annual Performance Plan for the 2021/22 financial year identified the Impact and Outcomes the Agency has committed to achieving over the next five years. This Annual Report, therefore, details the key performance indicators and targets that the Agency achieved in the past year as guided by the Annual Performance Plan (APP) and the Agency's strategic plan.

The Agency's core activities are underpinned by the focus area of its mandate, which entails grant funding of community and small commercial media, but with an increased emphasis on the non-financial support aspect of the mandate. Capacity Building was rightly identified as a critical component of the MDDA's mandate, in fact, it is the cornerstone on which the sustainability of the community media sector lies.

Following the findings that came from the Sustainability Conference that was held in 2020, the Agency appointed Redflank, a specialist management consultancy, to conduct research on the levels of sustainability amongst community media organisations within the community and small commercial media ("CSCM") sector. As the agency continues its work with the consultancy, the key take home points that keep on popping up are targeted training, mentoring, and other upskilling interventions.

As a result, in the 2021/2022 financial year, the MDDA put focus on the implementation of a robust capacity-building strategy that spoke directly to the skills gaps experienced by the sector, covering disciplines from financial management right through to content development. The increased focus was also placed on the research component in order to guide, not only the Agency's capacity-building initiatives, but also the grant funding decisions.

Operating Environment

The agency's work this year was fully focused on understanding the rapidly changing media landscape, the economic environment in which our beneficiaries operate in, and their potential for revenue generation. These were the benchmarks when providing focused support, whether it was financial or non-financial. We hope that our interventions do assist the sector towards self-sustaining in the medium to long-term, especially when the Community Media Sustainability Model is launched.

The COVID-19 pandemic that hit our country in 2020, continued to hamper economic prosperity for most of the 2021/22 financial year, this has severely damaged the sustainability of the already fragile community media sector. It has, however, also sharply highlighted the value of the sector. Speaking to our communities in their chosen languages, community media projects have played a significant role over the past two years, both in keeping our communities informed of the pandemic, as well as educating them on measures to take to protect themselves and their fellow citizens from the risk of this devastating virus.

Service Delivery Environment

For the past 18 years, in line with its statutory mandate, the MDDA has consistently sought to redress the exclusion and marginalisation of disadvantaged communities and persons from access to the media and media industry. As a result, the Agency has rapidly increased both the number and reach of the projects it supports.

The role of digitalisation has ushered in new online media, as well as the expectations of society for community media to adapt to this new age. Breaking news are now digital, stories are first told on social media before migrating to legacy platforms such as print, radio, and television. In addition, independent media websites are now talking about in-depth issues that are not and will not be covered by the mainstream media – often due to capacity and cost restrictions.

This means that traditional forms of community media (print and broadcast) need more support in an ever-changing landscape that includes stiff competition from online media, including social media. The consumption of media has changed dramatically, this shift requires innovative media owners who can respond to the changing media landscape to remain sustainable. Community media are no different from their mainstream colleagues, they also need business models to sustain these new forms of storytelling.

Performance

The MDDA's five-year goals include:

Building a capable, effective, and efficient organisation in support of the delivery of the MDDA mandate by 2024.

Media diversity promoted through the growth of sustainable community-based media in South Africa by 2024; and a capacitated, digital responsive community-based media sector by 2024.

In the current financial year, working closely with the Presidency, the MDDA has launched 12 brand new state-of-the-art studios. These are part of the projects that were approved in the 2020/21 financial year, which now call for grant funding applications. We hope our contribution to the new studios will strengthen the digital footprint to audiences that might not have been able to receive your broadcasts before due to technical issues.

Financial Summary

The MDDA currently receives 63% of its funds from broadcast funders through Universal Service and Access Fund (USAF) levies, 33% from government grants, and 4% from interest on investment. The agency has also launched a Fundraising strategy to tap into funding that is lawfully accruing from any other sources and foreign donors, as the entity currently does not get any funding from those two areas.

Conclusion

I would like to express my gratitude to the Board of the MDDA and the Executive Authority for their support and the trust they continue to place on me. Together with my Executive team, my immediate priority is to maintain a coherent and high performing team, equipped to provide meaningful leadership to a community media sector that is facing an exciting but also potentially disruptive environment, brought about by the onset of the Fourth Industrial Revolution (4IR).

Mzuvukile Kashe
Acting Chief Executive Officer

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by Auditor General.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.

Yours faithfully

Acting Chief Executive Officer
Mzuvukile Kashe

Chairperson of the Board
Dr. Hlengani Mathebula

8. STRATEGIC OVERVIEW

Our Vision

An accessible, developmental and diversified media.

Our Mission

To support the development of a vibrant, innovative, sustainable and people-centred community media sector through resourcing, knowledge-based research and capacity building, in order to give a voice to historically disadvantaged communities.

Our Values

- **Accountability**

  We are responsible for our actions, decisions and policies as well as reporting and communicating our outcomes.
- **Inclusivity**

  We embrace and celebrate the richness of diversity and recognise the differing skills, experiences and perspectives of each beneficiary/community.
- **Integrity**

  We are honest, transparent, reliable, fair, accountable and responsible for our actions.
- **Ubuntu**

  We are empathetic, courteous, appreciative and respectful to our staff and clients alike.
- **Professionalism**

  We are efficient, effective, service delivery orientated, punctual and performance driven, and work collectively.

MDDA Value Proposition

"Integrated development services and resources that enable media development and diversity"

Overall Objective

"To ensure that all citizens can access information in a language of their choice and to transform media access, ownership and control patterns in South Africa"

Mandate

The Media Development and Diversity Agency (MDDA) mandate is to:

- Create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans.
- Redress exclusion and marginalisation of disadvantaged communities and persons from access to the media and the media industry.
- Promote media development and diversity by providing support primarily to community and small commercial media projects.
- Encourage ownership and control of, and access to, media by historically disadvantaged communities as well as historically diminished indigenous language and cultural groups.
- Encourage the development of human resources and training, and capacity building, within the media industry, especially amongst historically disadvantaged groups.
- Encourage the channelling of resources to the community media and small commercial media sectors.
- Raise public awareness with regard to media development and diversity issues.

MDDA Staff during Eldos fm studio launch

9. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

The MDDA's mandate is intended to enable realisation of various provisions in the Constitution of South Africa.

Sections 16 (1) (a) to (c), which focus on freedom of expression, state that "everyone has the right to freedom of expression, which includes freedom of the press and other media; freedom to receive or impart information or idea; and freedom of artistic creativity'. This right is made conditional under section 16 (2) (a) to (c), which require its realisation not to extend to "propaganda for war; incitement of imminent violence; or advocacy of hatred that is based on race, ethnicity, gender or religion, and that constitutes incitement to cause harm."

Section 32 (1) (a) and (b) give further expression which relates to the MDDA, stating that "Everyone has the right of access to any information held by the state; and any information that is held by another person and that is required for the exercise or protection of any rights." Section 32 (2) further requires that "national legislation must be enacted to give effect to this right and may provide for reasonable measures to alleviate the administrative and financial burden on the state."

Section 15 (1), which focuses on freedom of religion, belief, and opinion, determines that "Everyone has the right to freedom of conscience, religion, thought, belief and opinion."

A further provision which relates to MDDA's mandate is section 6 (2): "Recognising the historically diminished use and status of the indigenous languages of our people, the state must take practical and positive measures to elevate the status and advance the use of these languages." This is amplified by section 31 (1) (a) and (b), which determine that "Persons belonging to a cultural, religious or linguistic community may not be denied the right, with other members of that community to enjoy their culture, practise their religion and use their language; and to form, join and maintain cultural, religious and linguistic associations and other organs of civil society."

Legislative Mandates

The MDDA's establishment and mandate is primarily set out through the Media Development and Diversity Act no. 14 of 2002. This legislation's purpose is "to establish the Media Development and Diversity Agency; to provide for its objective and functions; to provide for the constitution of the Board and the management of the Agency by the Board; to provide for the chief executive officer and other staff of the Agency; to provide for the finances of the Agency; and to provide for the support of projects aimed at promoting media development and diversity."

Secondarily, the MDDA must also ensure adherence to the Electronic Communication Act no. 35 of 2005, the Public Finance Management Act No.1 of 1999 (PFMA) and the Promotion of Administrative Justice Act.No.3 of 2000 (PAJA), as these concern promotion of media diversity and development, good and accountable governance and the administration of justice.

The Independent Communications Authority of South Africa Act, Act no. 13 of 2000, as amended, which gives ICASA the power to grant; renew; amend; transfer; and revoke licences, also impacts the MDDA as financial support is only granted to those broadcast projects that have acquired a licence from ICASA.

Policy Mandates

As an entity under the Ministry in the Presidency, the MDDA serves as a statutory organ established to foster the promotion of and ensuring media development and diversity in South Africa. The mandate of the Agency is therefore enshrined in law and aims to:

- Create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans.
- Redress exclusion and marginalisation of disadvantaged communities and persons from access to the media and the media industry.
- Promote media development and diversity by providing support, primarily to community and small commercial media projects.

Medium Term Strategic Framework

The National Development Plan - Vision 2030 (NDP) informed the Government's Medium Term Strategic Framework (MTSF) priorities for 2014 - 2019. The MTSF was structured around fourteen (14) priority outcomes, which covered focus areas identified in the NDP and election manifesto of the governing party.

The aim of the MTSF was to ensure policy coherence, alignment and coordination across Government's plans, including the alignment of budgeting processes. It builts on the work done between 2009 and 2014 and was also inclusive of experiences and learnings gained.

Outcomes six (6), twelve (12) and fourteen (14) of the MTSF were relevant to the MDDA:

- Outcome 6 relates to an efficient, competitive and responsive economic infrastructure network. This highlights the role of the MDDA in assisting community media to harness the power of a rapidly changing telecommunications environment.
- Outcome 12 relates to an efficient, effective and development orientated public service. This speaks to the character and nature of the MDDA as an institution and the values it should champion.
- Outcome 14 relates to nation building and social cohesion as it envisions a society where South Africans will be more conscious of what they have in common than their differences. It directs the MDDA's approach when supporting and enabling content and production elements.

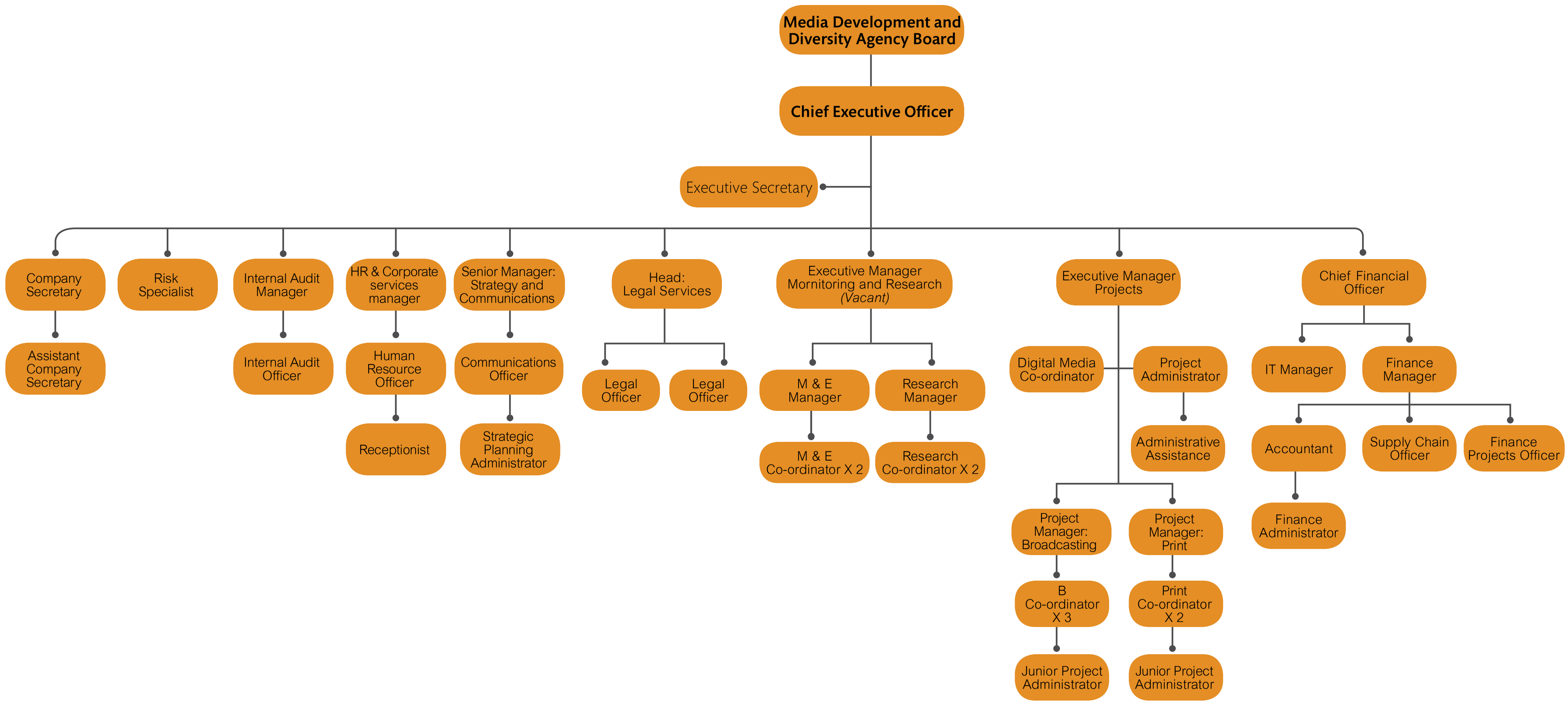
The Medium-Term Strategic Framework (MTSF) 2019-2024 is Government's second 5-year implementation plan for the NDP. This high-level strategic document identifies seven priorities for 2019-2024 to form the basis of the NDP Five Year Implementation Plan. These priorities were derived from the Electoral Mandate outlined in the State of the Nation Address (SONA) by the President of South Africa in June 2019, in order to put the country on a positive trajectory towards the achievement of the 2030 vision. The seven priorities are as follows:

- Pillar 1: A strong and inclusive economy
  - ➢ Priority 1: Economic transformation and job creation
- Pillar 2: Capabilities of South Africans
  - ➢ Priority 2: Education, skills and health
  - ➢ Priority 3: Consolidating social wage through reliable and quality basic services
  - ➢ Priority 4: Spatial integration, human settlements and local government
  - ➢ Priority 5: Social cohesion and safe communities
- Pillar 3: A capable state
  - ➢ Priority 6: A capable, ethical and developmental state
  - ➢ Priority 7: A better Africa and World

Three of the priorities have specific relevance to the MDDA, namely:

- Priority 1: Economic Transformation and Job Creation speaks to the MDDA's mandate to "Encourage ownership and control of, and access to, media by historically disadvantaged communities as well as by historically diminished indigenous language and cultural groups;" and to "Encourage the development of human resources and training, and capacity building, within the media industry, especially amongst historically disadvantaged groups".
- Priority 5: Social Cohesion and Safe Communities speaks to the role of community media in strengthening and building communities, and in social cohesion by bringing communities together. Community media is a cornerstone of public participation and active citizenship, promoting transparency, giving communities the opportunity to add their views and aspirations to the public discourse in the country. Community media's mandate is to report on stories reflecting community beliefs and concerns and aspirations of the community.
- Priority 6: A Capable, Ethical and Developmental State speaks to the values of the MDDA as a public entity in ensuring the highest levels of good governance of both the Agency and the media projects it supports. In addition, the MDDA takes a development approach to the community media sector by granting funds and building capacity in order to enhance sustainability.

10. ORGANISATIONAL STRUCTURE



MDDA BOARD OF DIRECTORS: PROFILES

Dr Hlengani Mathebula

Chairperson of the Board

Hlengani Mathebula is an accomplished business leader with some 20 years' experience in the financial services industry. Mr Mathebula's involvement in this sector includes being a Managing Executive of ABSA Private Bank and chairing the board of the Eskom Pension and Provident Fund, one of the largest self-administered retirement funds in South Africa. He has also served on the central bank's Financial Stability Committee and the Governor's Executive Committee. He served on the board of BMW SA Group.

Mr Mathebula holds a Master of Management from the University of the Witwatersrand and Bachelor of Arts (B.A.), BTH (Hons) from the University of the North and has, amongst others, completed the Senior Executive Programme at Harvard Business School.

Andiswa Ngcingwana

Resigned: 4th April 2022

(Former Board Member 01/09/2020 - 04/04/2022)

Andiswa Ngcingwana is an innovative professional with a broad background in corporate governance and compliance in the public sector. Ms Ngcingwana has 15 years' experience in the public sector, working for, amongst others, the Gauteng Provincial Legislature and Provincial Treasury, where she held several positions in the fields of financial management, strategic planning, monitoring and evaluation as well auditing. Ms Ngcingwana left full time employment in the public sector in 2016 to pursue entrepreneurship with a focus on SMME development. Whilst growing her strategic consultancy, she continued to serve the public sector in various governance structures, including several audit committees and boards. She holds a Master's degree in Business Administration (MBA).

Brenda Leonard

Brenda Leonard is a dedicated and experienced media practitioner and is currently Managing Director of Bush Radio, South Africa's oldest community radio station. Committed to using media as a tool for social change, she is a founder and member of the Mitchell's Plain Memory Project, which records stories of people's experiences of the South African struggle for democracy.

Ms Leonard has been deeply involved in the National Community Radio Forum, currently holding the position of Secretary for the Western Cape branch. She holds a BA Communication Science from UNISA.

Hoosain Karjieker

Hoosain Karjieker is the Chief Executive and part-owner of M&G Media Limited, owner and publisher of the Mail & Guardian Newspaper, and its digital platforms. He is considered an industry veteran having spent close to 30 years of his life in various roles at media organizations across the country. Karjieker originally from Cape Town, spent a few years in the Finance division at Multichoice, before his appointment as Financial Director at M&G Media in 1999. He was subsequently appointed Chief Executive in 2009.

He served 2 terms as President of the Print and Media Digital Association of South Africa (PDMSA) and was a founder trustee of Amabhungane - the Centre for Investigative Journalism, as well as Bhekisisa - the Centre for Health Journalism. Prior to this, he served as the Deputy Chairperson of the Board of the Dramatic, Artistic and Literary Rights Organisation (DALRO). He continues to serve as a trustee of the Bhekisisa and the Adamela journalism trusts, as a Councillor on the St Johns school council, and is the Acting Chairperson of the Publisher Support Services industry association.

Marina Clarke

Marina Clarke retired as a National Director for Epilepsy South Africa in April 2021, having previously worked for the South African National Council for the Blind as Head of Entrepreneurial Development. For more than three decades she worked to advance the rights of persons with disabilities, including serving as Chairperson of the South African Disability Alliance (SADA) and Vice-Chairperson of the African Chapter of the International Bureau on Epilepsy.

She holds a BA (Drama) from the University of Pretoria and is accredited with the International Labour Organisation as a Master Trainer. She currently consults on a range of projects focused on disability rights and entrepreneurial development.

Moshoeshoe Nkgakga Monare

Term expired: 17 September 2021.

(Former Board Member 28/09/2017 - 17/09/2021)

Moshoeshoe Nkgakga Monare is Deputy Managing Editor of Arena Holdings, part of the Lebashe Investment Group and Director of Publishers Support Services. He is the former Editor of The Sunday Independent, former Deputy Editor of Mail & Guardian and former Executive Editor of The Star newspaper. He was Group Political Editor for Independent Newspapers. He served on the Executive of SANEF and adjudication panel of the Press Council. He holds post graduate qualifications in journalism.

Nadia Bulbulia

Zanele Mngadi

Term expired: 15 May 2022

(Former Shareholder Representative)

Nadia Bulbulia is currently the Executive Director of the NAB (National Association of Broadcasters) an industry body for the broadcasting sector. She has contributed to the development of the communications industry over the last twenty-five years and spent a decade in broadcasting and telecoms regulation - she was a Councillor at the IBA and ICASA. She has also worked in the creative industry, education, and telecoms.

She served as a non-executive board member at the SABC, NFVF, NEMISA and MDDA. She is a Wits graduate with an Honours in Dramatic Art and her Master's degree focused on Children's Television Policy. In her youth she attended the Federated Union of Black Arts (FUBA) where she obtained her Associate and Licentiate Teacher's Diploma in Dramatic Art through Trinity College (London), she also trained in international relations and diplomatic practice in the Hague (Netherlands). Nadia is a founding member of the Children's Broadcasting Foundation for Africa, and she chaired the Soul City Institute for Social Justice. She is passionate about capacity building and the sustainability of a diverse and vibrant media sector.

Zanele Mngadi is Chief Director: Entity Oversight at the GCIS. She also served at the GCIS as Chief Director: Products and Platforms. Ms Mngadi has worked in the communication space for over 24 years and has operated at senior management level for over 18 years. Her wealth of experience includes political management, development of communication strategies; content development; public participation; media management, and brand and stakeholder management. She also worked as a journalist for Natal Witness Echo (community newspaper), Umafrika Newspaper (IsiZulu newspaper) and the Star Newspaper. She studied Public Relations Management at the University of South Africa.

MDDA Board Members

MDDA STAFF PICTURES

Zukiswa Potye
Chief Executive Officer

Noxolo Bhangaza
Executive Secretary

Kedibone Mokgalaka
Internal Audit Manager

Theebetsile Letsapa
Internal Audit Officer

Yolanda Du Preez
Company Secretary

Terrance Mbangwa
Assistant Company Secretary

Yesani Maseko
Receptionist

Rudzani Tshigemani
Senior Manager Communications & Strategy

Margaret Ndawonde
Communications Officer

Khanyisa Mahlawule
Project Officer Research, training and Development

Phathutshedzo Netshifhefhe
Strategic Planning and Administrator

Yaseen Asmal
Chief Financial Officer

Khathutshelo Maposa CA(SA)

Finance Manager

Mokgaetji Ledwaba

Finance Projects Officer

Fuzakazi Mqungwana

Finance Officer

Mashudu Mathobo CA(SA)

Accountant

Thivhusiwi Singo

Supply Chain Officer

Motsamai Tsotetsi

IT Specialist

Mzuvukile Kashe

Executive Manager: Projects

Zukiswa Mqolombo

Executive Manager: RT & ME

Boikhutso Tsikane

Project Manager Print and Digital Media

Thembelihle Sibeko

Project Manager Monitoring and Evaluation

Lethabo Dibetso

Project Manager Research, Training and Development

Siphokazi Mgudlwa

Project Manager Community Broadcast

Jimmy Ngwenya

Project Officer Print and Digital Media

Sifiso Maphanga

Project Officer Community Broadcast

Nompumelelo Maduna

Project Officer Monitoring & Evaluation

Gugulethu Bonnet

Project Officer Monitoring and Evaluation

Sediroa Sithole

Programme Administrator

Lennox Klaas

Broadcasting Contractor

Desiree Lebaea

Project Officer Research, training and Development

Mmathabo Thulo

Project Officer Print and Digital Media

Chimba Chibesa

Junior project Adminisitrator

Michael Sive

Junior Project Administrator

Ouma Moatsi

Administrative Assistant

Tinyiko Baloyi

Broadcasting Coordinator

Tabani Nkomo

Broadcasting Coordinator

David Moreroa

Head of Legal

PART B
PERFORMANCE INFORMATION

11. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 89 of the Report of the Auditors Report, published as Part F: Financial Information.

12. OVERVIEW OF PERFORMANCE

12.1. Service Delivery Environment

The Strategic Plan of the MDDA is informed by:

- The socio-political and economic environment prevailing in South Africa
- The National Development Plan (NDP) and macro environment
- The community media sector and the broader media environment in the print, broadcast, and digital platforms
- Relevant legislation: direct and indirect

Social imperatives

At the social level, South Africa continues to be plagued by issues of unemployment, poverty, and inequality, including a lack of social cohesion and increasing service delivery protests. In particular, black youth constitute the major proportion of the unemployment rate. As a result, supporting youth owned and managed community media projects is a focus area for the MDDA in the delivery of its mandate, while further focus areas must be job creation and upskilling, as positive spin-offs of the financial and non-financial support the MDDA provides to its beneficiary projects. Gender inequity also remains a reality in the workplace and in the community media sector. A Glass Ceilings study in 2018, jointly conducted by Gender Links and SANEF and supported by the MDDA, highlights the fact that, while the media industry is changing with more women in senior roles, inequality and inequity persist. While South Africa does boast notable media exceptions, it cannot be denied that women are still under-represented in the media, both at senior levels from ownership and Board level to station management and editors, and in the newsroom. Supporting women owned and/or managed community media projects must be a focus area of the MDDA in the delivery of its mandate.

Technological imperatives

COVID-19 pandemic brought digital inequality into stark relief, highlighting the urgency with which digital inequality needs to be addressed in order to improve economic participation by the majority of South Africans (especially in rural areas) and prepare the country for the next inevitable disaster or pandemic. South Africa still has an urban-rural divide on media consumption, particularly as many people remain offline due to high data costs. A current key challenge for the MDDA's community and small commercial media is therefore how to harness the advantages of both the digital era and, going forward, 4IR, and how currently to lessen the impact of the digital dividend on communities. The MDDA's role is vital before, during, and after migration to ensure that community media's interests are identified, fought for, and maintained.

Rapid technological advancements have promoted change across the globe and South Africa is not immune. The onset of digital news and social media has had a disruptive effect on the South African newsroom, and, as the power of the 'alternative' news sources in shaping public opinion grows, so does the urgent need for newsrooms to find ways to remain relevant and generate increasingly relevant content.

This means that traditional forms of community media (print and broadcast) need more support in an ever-changing landscape that includes stiff competition from online media, including social media. But online media is not the all-encompassing panacea for exclusion from the information.

Economic imperatives

In the period in review, the economic environment was characterised by low levels of GDP growth. This was further exacerbated by the COVID-19 pandemic and its devastating effect on all economic sectors. A lack of economic growth impacted the community media revenue as some of its major customers were affected by a decline in sales revenue and the need to cut costs and retrenchment a current reality.

The media operates in an economic environment that reflects Government's commitment to cost containment and spending wisely, as well as ensuring that its competing priorities are impact based. In particular, the current trend towards digital news sites has negatively impacted commercial print media who traditionally were funders of the MDDA. These financial constraints impact both the Agency itself, in terms of funders, as well as the community media who are competing with mainstream media in an ever more cost constrained environment for advertising revenue, whilst facing high operating costs. The MDDA's role is therefore to assist the community media sector in finding more affordable means of broadcasting/publishing, by, for example, moving to self-transmission or to digital platforms.

Environmental imperatives

The NDP Five Year Implementation Plan for the priorities outlined in the Electoral Mandate targets a just transition to a low carbon economy, and reducing climate change costs to the GDP to less than 5% by 2024; reduced vulnerability of key sectors to climate change; and reduction of total greenhouse gas (GHG) emissions in South Africa. The MDDA has a major role to play in promoting and supporting these global and national initiatives in its messages and technologies and those of its beneficiaries, as well as promoting recyclable and environmentally friendly technologies and discouraging unfriendly environmental practices.

Political imperatives

The current political environment suggests that the MDDA will continue to operate within the legislative and policy framework adopted by Government as reflected through the NDP 2030, MTSF, and the Medium-Term Expenditure Framework (MTEF). The new MTSF is now defined by the NDP Five Year Implementation Plan for the seven priorities presented in the Electoral Mandate, as outlined in the June 2019 SONA. There is recognition by the Government that much still needs to be done to deepen media diversification and ensure that disadvantaged communities directly partake in all aspects of media development and management. Following the National Elections of 8 May 2019, the MDDA was transferred to the Minister in the Presidency (Executive Authority). As a result, there appears to be a move to greater political stability at this level, which should in turn impact the stability of the Agency, and the MDDA Board.

Legal imperatives

The Universal Declaration of Human Rights provides a fundamental guarantee of the right to freedom of expression, which encompasses the freedom of the media, while, at the national level, the South African Constitution (1996) represents some of the most progressive modern constitutional thinking on media freedom. However, in order for a truly enabling environment to be provided in which community-based media can flourish, other statutory instruments are required. The MDDA, therefore, has a vital role to play in ensuring that such statutory instruments are passed, for example regulating the 30% advertising spend by Government on community-based media and providing input into regulations for digital radio and online media in general.

Ethical imperatives

In both its own internal processes and the behaviour of its beneficiary projects, the MDDA has a major role to play in reinforcing the Government's zero tolerance stance towards corruption in the public and private sector. The Agency's funding policy, introduced in 2019, is designed to ensure a transparent and fair method of selecting community-based media projects for funding, while more stringent monitoring and evaluation (M&E) and contracting/reporting requirements enforce compliance and good governance by MDDA beneficiaries. The preamble to the South African Press Code states: *"As journalists, we commit ourselves to the highest standards, to maintain credibility and keep the trust of the public"*. The MDDA expects its beneficiary projects to adhere to the Press Code and includes it as a focus area in its capacity building and training initiatives. The advent of social media has also brought about the threat of cyber bullying and acutely felt by women, cyber misogyny. While media literacy has been a focus area of the MDDA in the past, digital media literacy is a growing area of concern. The MDDA and the community-based media sector must play a greater role in educating and sharing knowledge with communities on the ethics of social media.

12.2. Organisational environment

The enabling legislative environment and the positioning of the MDDA in the Presidency entrenches the relevance of its value proposition. The core of the MDDA is Programme 2: Grant and Seed Funding.

In light of the changing media landscape, including the migration to digital, the structure has been reviewed to provide internal capacity that strengthens its ability to deliver on its mandate and the evolving requirements of the media landscape. Such changes will potentially elevate the accountability of various programmes as well as include expertise to guide and direct the MDDA's strategic and policy making role.

There was a total permanent staff complement of 38 at the end of the period under review, out of 43 approved positions. This equates to a vacancy rate of 7.3%. There were three terminations of permanent employees, one was dismissed, the other resigned and the last one died. The Agency appointed two managers, Executive Manager, and Senior Manager during the FY 2021/2022.

12.3. Key policy developments and legislative changes

There are no changes regarding key policy developments and legislative changes.

12.4. Progress towards achievement of institutional Impacts and Outcomes

In line with this revised framework, the entity had three outcomes and functions through five programmes: Governance and Administration; Grant and Seed Funding; Partnerships, Public Awareness and Advocacy; Capacity Building and Sector Development; and Innovation, Research, and Development.

The agency had set itself twenty-one annual targets for the 2021/22 Financial Year. Twenty of the annual targets were achieved and only one was not. The twenty targets achieved constitute 95% of the agency's annual achievement.

Programme 1- had eight annual targets which were contributing to one outcome which referred to a capable, effective and efficient organisation in support of the delivery of the MDDA mandate. The eight annual targets were all achieved.

Programme 2- **Sub-Programme 2.1** had two outcomes. The first outcome had annual targets which were contributing to one outcome which referred to being 'a diverse and sustainable community-based media' and both targets were achieved. The second outcome had an annual target which was contributing to one outcome which is being a 'digital responsive community-based media sector' by 2024, and this target was also achieved.

Programme 2- **Sub-Programme 2.2** had three annual targets which were contributing to one outcome which referred to a 'compliance and impact of MDDA grant support monitored and evaluated for effectiveness' and all three targets were achieved.

Programme 3- had three annual targets which were contributing to one outcome which referred to 'a diverse and sustainable community-based media' and all of the three targets were achieved.

Programme 4- had three annual targets which were contributing to one outcome which referred to 'capacitated, community-based media sector' by 2024 and all of the three targets were achieved.

Programme 5- had two annual targets which were contributing to one outcome which referred to 'a diverse and sustainable community-based media', only one of the two targets was achieved.

MDDA ACEO Mr Mzuvukile Kashe

13. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

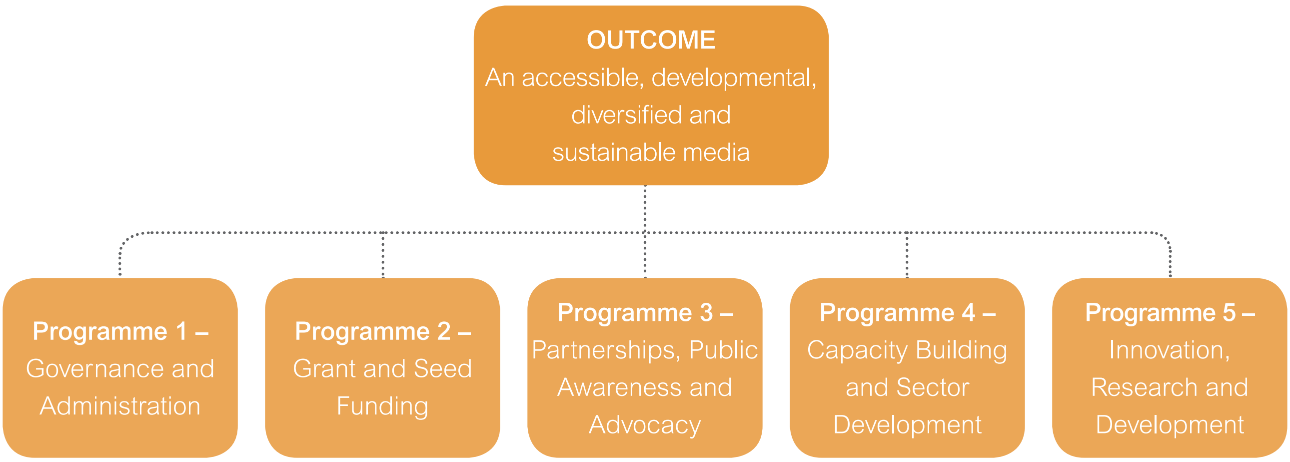
MDDA Programme Performance Information 2021-2022 Financial Year

The following pages present the Performance Information Report as is required in terms of Treasury Regulations and Section 55 (2) (a) of the PFMA. The objectives are measurable and aligned to the budget. This assists the Accounting Authority (the Board) in its additional responsibility to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the Agency.

Accordingly, this Performance Information Report is a subject matter/agenda item of every Board and Executive Management meeting in line with the regulatory requirements, good corporate governance, and proper oversight. This ensures that the Agency complies with the requirements of the Auditor General's audit findings in terms of Section 20 (2) (c) of the Public Audits Act No 25 of 2004 on the reported information relating to performance against predetermined objectives.

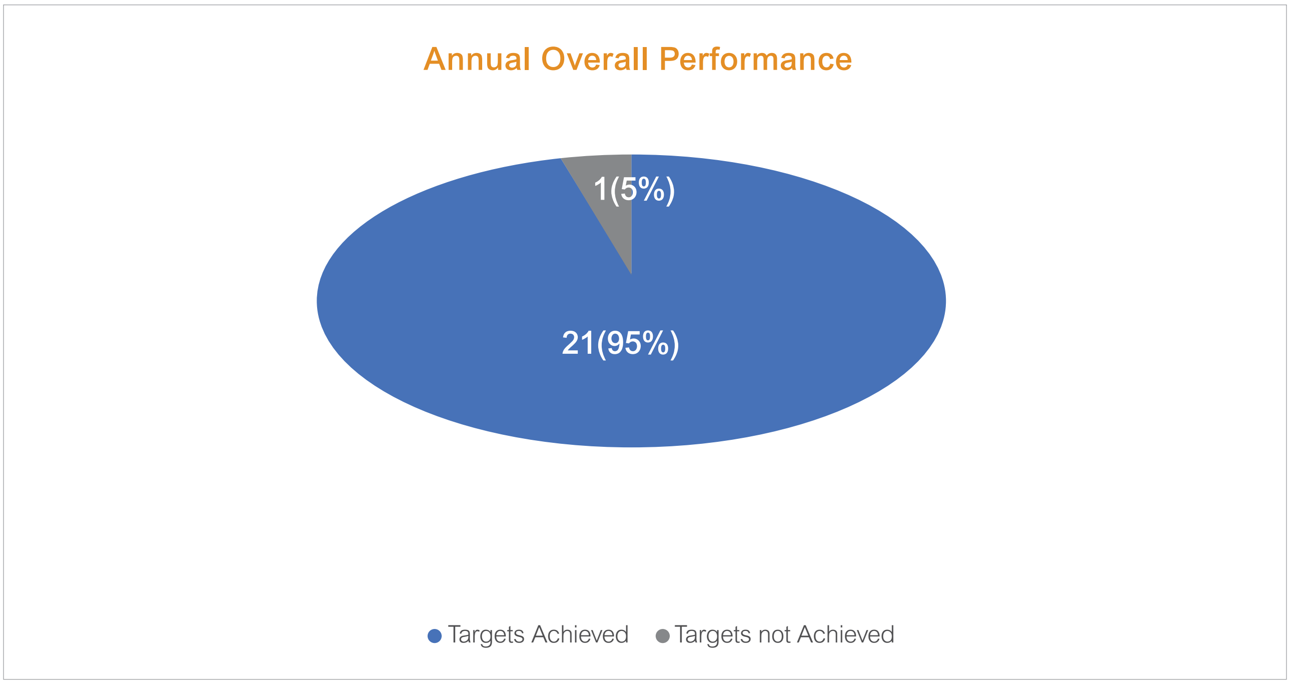
The MDDA is reporting against the Annual Performance Plan of 2021/2022 as tabled in Parliament on 24 March 2021. The Annual Performance Plan was developed to give effect to the MDDA Five-Year Strategic Plan for 2020/2021 - 2024/2025, which was tabled on 18 March 2020. Both the Strategic Plan and Annual Performance Plan have been developed in terms of the Revised Framework for Strategic Plans & Annual Performance Plans as per National Treasury Instruction No 5 of 2019/2020.

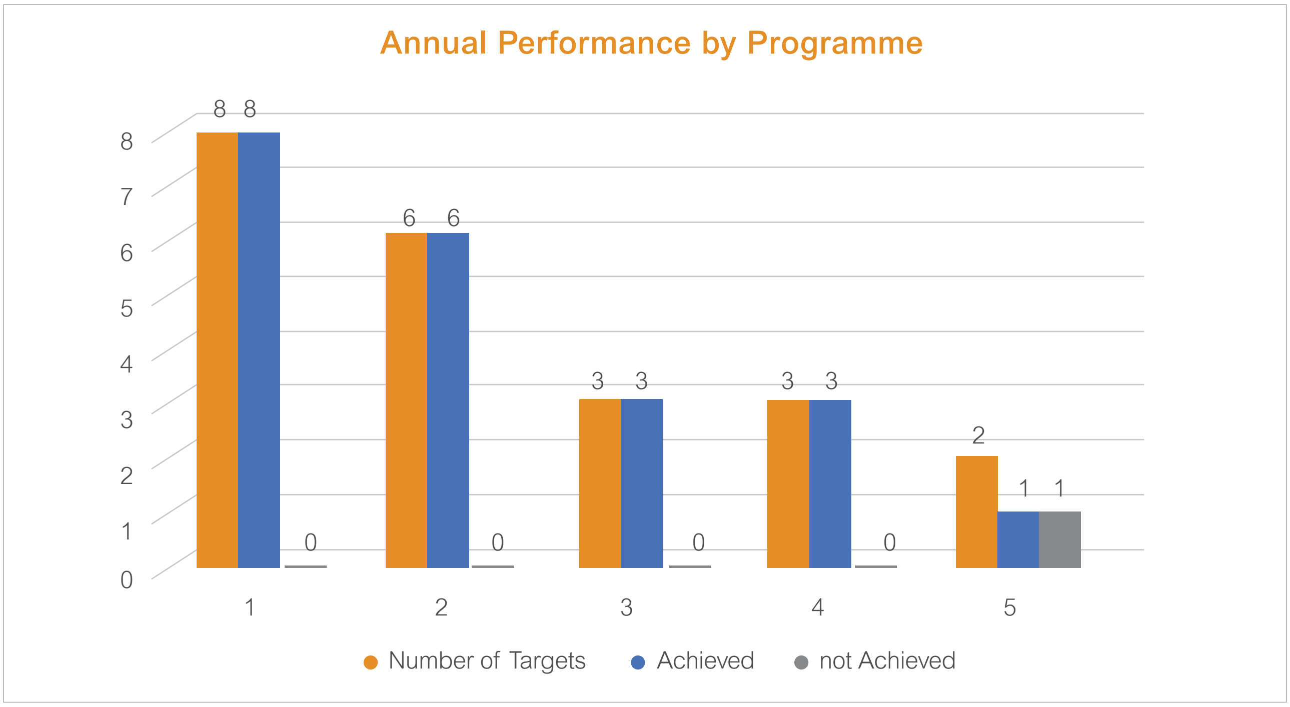
The 2021/2022 MDDA Annual Performance Plan has five programmes, with a total of twenty-two output indicators.



The MDDA achieved the targets for twenty-one (95%) of the twenty-two output indicators included in its Annual Performance Plan for 2021/2022, with one target not achieved.

The output indicator that was not achieved fell under.
Programme 5 - Innovation, Research and Development - Output indicator No 21: Number of Research projects funded on key trends/developments impacting on community media sector. There was a procurement delay which resulted in the project starting late. The unit met with Redflank on the 24th of March 2022 and thereafter, the service provider commenced with a mapping exercise and engagements with stakeholders. Currently, the service provider is preparing data collection instruments. The unit requested the service provider to expedite data collection and assign more human resources for this assignment so that the project can be completed in time. This project will be achieved during the 2022-23 financial year.





Briefing session at Tubatse fm studio launch

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

Purpose: The programme ensures effective leadership, strategic management, and operations, through continuous refinement of organisational strategy and the implementation of the appropriate legislation and best practice.

Outcome	Output	Output Indicator	Audited Actual Performance			Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
			2018/19	2019/20	2020/21				
Capable, effective, and ethical organisation in support of the delivery of the MDDA mandate by 2024	Unqualified audit with no significant findings	1. Unqualified audit with no significant findings	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	-	Target achieved
		2. Fraud prevention and risk management strategies implemented	-	-	-	Fraud prevention and risk management strategies implemented	Fraud prevention and risk management strategies implemented	-	Target achieved
	Financial Performance	3. Percentage of invoices processed for payment within 30 days	-	-	-	100%	100%	-	Target achieved
		4. Percentage of Fruitless and Wasteful Expenditure incurred	-	-	-	0%	0%	-	Target achieved
		5. Percentage of Irregular Expenditure incurred	-	-	-	0%	0%	-	Target achieved
	Business Process Automation	6. Number of Business Processes automated	-	-	-	Business Process Automation Plan developed	Business Process Automation Plan developed	-	Target achieved
	Human Resources Strategy	7. Human Resources Strategy submitted to Board for approval	-	-	-	Human Resources Strategy submitted to Board for approval	Human Resources Strategy submitted to Board for approval	-	Target achieved
	Employment Equity Plan	8. Employment Equity Plan submitted to Board for approval	-	-	-	Employment Equity Plan submitted to Board for approval	Employment Equity Plan submitted to Board for approval	-	Target achieved

PROGRAMME 2: GRANT AND SEED FUNDING

Purpose: The programme promotes media development and diversity through financial and non-financial support for community broadcasting as well as community and small commercial print projects. The programme consists of two strategic objectives, encapsulated in two sub-programmes.

Sub-Programme 2.1: Community and Small Commercial Media

Purpose: The purpose of this sub-programme is to facilitate ownership, control and access to information and content production of community and small commercial media by historically disadvantaged communities by 2024.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
A diverse and sustainable community-based media	Community broadcast projects funded	8. Number of grant funding applications for community broadcast projects approved by the Board	29	18	20	20	24	4	Increased budget from rollerover fund resulting in reaching out to more organisations. Target achieved.
	Community and Small Commercial Media digital/ print projects funded	9. Number of grant funding applications for small commercial print and digital media projects approved by the Board	12	10	8	6	10	4	Increased budget from rollerover funds. resulting in reaching out to more organisations. Target achieved.
Digital responsive community-based media sector by 2024	Community Media digital strategy implemented	10. Number of media projects provided with digital support	-	Community Media digital strategy commissioned	Community Media digital strategy and 3-year plan submitted to Board for approval	13	21	8	Overachievement was due to the high demand for digital support from our beneficiaries, intensified by COVID-19. Target achieved.

Sub-Programme 2.2: Monitoring and Evaluation

Purpose: The purpose of this sub-programme is to monitor and evaluate input, output, and compliance to MDDA grant-in-aid contracts to measure the effectiveness and efficiency of MDDA support by 2024.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
Compliance and impact of MDDA grant support monitored and evaluated for effectiveness	Annual evaluation of M&E reports	11. Annual evaluation report on funded projects identifying thematic findings from M&E reports approved by the Board	-	Final annual evaluation report submitted to Board for approval	Final annual evaluation report submitted to Board for approval	1	1	-	Target achieved.
	Monitoring andevaluation reports on compliance to MDDA grant-in-aid contracts and impact of the MDDA support	12. Number of monitoring reports on compliance to MDDA grant-in-aid contract produced	86	80	80	65	66	1	Relaxation of COVID-19 regulations enabled the Unit to cover more projects on site visits conducted. Target achieved.
	Evaluation reports	13. Number of evaluation reports produced	10	2	2	1	1	-	Target achieved.

PROGRAMME 3: PARTNERSHIPS, PUBLIC AWARENESS AND ADVOCACY

Purpose: This programme seeks to position the MDDA as a leading influencer and authoritative voice in the community and small commercial media, by playing a key role in the national dialogue on the sector, through implementation of strategic partnerships to carry out media development and diversity interventions.

Sub-programme 3.1: Strategic programmes

Purpose: The purpose of this sub-programme is to position the MDDA as an authoritative leader and voice on community and small commercial media by proactive advocacy and lobbying interventions and established stakeholder relationships by 2024.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
A diverse and sustainable community-based media	Stakeholder engagements for support of the community and small commercial media	14. Number of stakeholder engagements held	-	-	-	4	10	6	More stakeholder engagements were organised and conducted for the Deputy Minister's visits to several provinces. Target achieved.
	Media engagements to position the brand. MDDA	15. Number of media engagements held	-	-	-	12	40	28	More requests were received for interviews from various media houses. Target achieved.
	Fundraising initiatives for support of community and small commercial media	16. Number of proposals for funding and support presented to potential and existing stakeholders	-	-	-	6	6	-	Target achieved.

PROGRAMME 4: CAPACITY BUILDING AND SECTOR DEVELOPMENT

Purpose: One of the objectives of the Agency outlined in the MDDA Act of 2002 is to "encourage the development of human resources, training and capacity building within the media industry, especially amongst historically disadvantaged groups". In response to this, the Agency has developed capacity building programmers, which aim to provide community and small commercial media with necessary skills needed for effective performance in day-to-day work.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
Capacitated, community-based media sector by 2024	Training interventions aimed at capacitating the community media with skills aligned to sector specific needs	17. Number of training interventions aimed at capacitating the community media with skills aligned to the findings of the 2020/21 skills assessment	9	6	6	6	12	6	The Unit was able to overachieve on its APP targets as a result of partnerships and collaborations. These collaborations were both internally and externally. The Unit partnered with the project's unit on the implementation of content generation training for digital hubs. Target achieved.
	Media literacy workshops	18. Number of media literacy workshops conducted	1	3	3	2	3	1	The Unit partnered with the Film and Publications Board (FPB) in commemorating Child Protection Week (CPW) from 30/05/2021 to 06/06/2021. Events were held in Polokwane and the Waterberg District -Mogalakwena Municipality. The Unit was only able to partner on two events in Polokwane and Mokopane respectively. Target achieved.
	Culture of reading initiatives	19. Number of reading initiatives held	-	-	-	1	1	-	Target achieved.

PROGRAMME 5: INNOVATION, RESEARCH AND DEVELOPMENT

Purpose: The MDDA Act 14 of 2002 on Section 3 (VI) outlines the objectives of the Agency to include (amongst others) to "encourage research regarding media development and diversity". There is also a lack of research and information specific to the sectors that inform programme development and strategic focus (e.g., not much information on the number of indigenous language newspapers in SA, number of readers of such newspapers, etc.). The purpose of this programme is therefore to champion research, development, and innovation to create a media development and diversity body of knowledge by 2024.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
A diverse and sustainable community-based media	Research projects on key trends/ developments impacting on community media sector	20. Number of Research projects funded on key trends/ developments impacting on community media sector	3	1	3	2	2	-	Target achieved
	Community Media Sustainability Model	21. Community Media Sustainability Model developed	-	-	Study into development of Community Media Sustainability Model commissioned	Community Media Sustainability Model draft research report submitted by the service provider	0	Community Media Sustainability Model draft research report submitted by the service provider	Procurement delays meant that the project could not commence timeously. The unit met with Redflank (service provider) on the 24th of March 2022 and the commencement with a mapping exercise and engagements with stakeholders is underway. Currently, the service provider is preparing data collection instruments. Target not achieved.

Linking performance with budgets

Programme/activity/ objective	2021/2022 Budget	2021/2022 Actual Expenditure	2021/2022 (Over)/Under Expenditure	2020/2021 Budget	2020/2021 Actual Expenditure	2020/2021 (Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Governance and Administration	33 934 500,06	32294592,12	1 639 907,94	30 856 513,00	28 416 278,89	2 440 234,11
Grant and Seed Funding	70 552 489,62	78785502,82	-8 233 013,20	57 904 947,00	74 705 755,97	-16 800 808,97
Partnerships, public awareness and advocacy	27 219 215,00	3566261,9	23 652 953,10	1 752 592,00	1 061 522,53	691 069,47
Capacity building and sector development	2 695 000,00	3155178,44	-460 178,44	150 000,00	181 879,97	-31 879,97
Innovation, Research and Development	4 386 318,00	1025826,09	3 360 491,91	6 589 732,00	1 225 063,83	5 364 668,17
Total	**138 787 522,67**	**118 827 361,37**	**19 960 161,30**	**97 253 784,00**	**105 590 501,19**	**-8 336 717,19**

Strategy to overcome areas of underperformance

The unit requested the service provider to expedite data collection and assign more human resources for this assignment in order to complete the project timeously.

14. REVENUE COLLECTION

Sources of revenue	2021/2022 Estimate	2021/2022 Actual Amount Collected	2021/2022 (Over)/Under Collection	2020/2021 Estimate	2020/2021 Actual Amount Collected	2020/2021 (Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government grants & subsidies	60 187 627	36 175 261	24 012 366	32 659 000	41 070 373	(8 411 373)
Broadcast funders contributions	64 948 917	64 641 480	307 437	61 994 784	60 915 177	1 079 607
Interest received - investments	3 601 039	3 867 944	-266 905	3 600 000	4 050 101	(450 101)
Total	**128 737 583**	**104 684 685**	**24 052 898**	**98 253 784.00**	**106 035 651.00**	**(7 781 867.00)**

Departments budget in terms of clearly defined programmes. The following table summarises the final revenue collection. It provides an indication of the revenue by the Agency. The under collection based on the budget includes revenue from the Economic Development Fund which is recognised only when it's earned.

Budget vote activations

15. CAPITAL INVESTMENT

	2021/2022			2020/2021		
Infrastructure projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New replacement assets	370 000	660 746	(290 746)	1 000 000	832 335	167 665
Total	**370 000**	**660 746**	**(290 746)**	**1 000 000**	**832 335**	**167 665**

Departments budget in terms of clearly defined programmes. The following table summarises the final capital expenditure. It provides an indication of the amount spent on the capital assets within the Agency. The over-expenditure based on the budget was due to the procurement of new assets required due to filled vacancies and the replacement of aging assets.

SUMMARY OF PROJECTS SUPPORTED FOR THE FINANCIAL YEAR

Grant and Seed Funding

Summary of projects supported in 2021/22 financial year						
Description	Broadcast	Research	Print	COVID-19 Emergency	EDF	Total
Opening Balance	83 738 483,55	105 863,62	4 274 360,35	3384790	-	91 503 497,52
Approvals	46 716 364,81	2 976 959,00	5 819 460,00	-	13 870 009,80	69 382 793,61
Payments	-55 393 785,96	-802 446,50	-3 281 510,15	-	-2 141 623,22	-61 619 365,83
Write backs	-2 841 528,67	-	-428 717,36	-	-	-3 270 246,03
Closing Balance	72 219 533,73	2 280 376,12	6 383 592,84	3 384 790,00	11 728 386,58	95 996 679,27


Radio Ukhahlamba Community Radio


Vibe FM


DM Thembi Siweya conducting site visit at Tswane TV

Projects Funded

The MDDA mandate is to support community and small commercial media projects as well as projects targeting historically disadvantaged communities, the support was weighted heavily towards media projects in rural areas.

Project type	Project name	Amount approved current year
Community Print	Dizindaba Media	R 616,200.00
Community Print	Trust for Community Outreach and Education/TCOE	R 560,200.00
Community Print	Sivubela Intuthukho	R 580,000.00
Community Print	Balaodi Publishers	R 627,000.00
Community Print	NWT Newspapers/Kuruman Chronicle	R 569,040.00
Community Print	Close to Home/Phetoho News	R 573,000.00
Community Print	Everlasting Pastures/Masilonyana News	R 553,400.00
Community Print	Quick Acts Consultancy/Naledi Newspaper	R 582,800.00
Community Print	Yvonmod Logistics/Morongwa News	R 505,620.00
Community Print	Rise n' Shine Disability Mag	R 652,200.00
Community Broadcast Radio	Moretele CRS	R 527 000.00
Community Broadcast	Malamulele CRS	R 2 446 665.25
Community Broadcast Radio	Thabantsho CRS	R 2 518 353.30
Community Broadcast Radio	Blouberg FM	R 2 757 056.88
Community Broadcast Radio	Ikutani FM	R 250 000.00
Community Broadcast Radio	Mkhondo FM	R 966 079.00
Community Broadcast Radio	Ligwa FM	R 2 453 000.00
Community Broadcast Radio	Rise Community Radio	R 830 373.65
Community Broadcast Radio	Abusekho Ubunzima CRS	R 2 390 192.80
Community Broadcast Radio	Inanda FM	R 935 000.00
Community Broadcast Radio	North Coast CRS	R 1 926 179.12
Community Broadcast Radio	Maputaland CRS	R 2 149 545.81
Community Broadcast Radio	Umgungundlovu FM	R 2 491 983.20
Community Broadcast Radio	Link FM	R 727 117.00
Community Broadcast Radio	Ngqushwa FM	R 1 751 914.50
Community Broadcast Radio	Nkqubela CRS	R 862 954.97
Community Broadcast Radio	Sajonisi Youth Radio	R 2 762 000.00
Community Broadcast Radio	Kumkani FM	R 1 190 267.70
Community Broadcast Radio	Mafikeng FM	R 2 369 490.95
Community Broadcast Radio	Modiri FM	R 704 325.23
Community Broadcast Radio	Mmabatho FM	R 2 526 170.00
Community Broadcast Radio	CCFM	R 2 249 347.65
Community Broadcast Radio	Radio West Coast	R 2 023 000.00
Community Broadcast Radio	Heartbeat	R 2 474 868.90

The above projects were approved during the third quarter of 2021-2022 financial year, and disbursement will take place in the first quarter of the 2022-2023 financial year.

PRINT AND DIGITAL MEDIA APPROVED PROJECTS

WESTERN CAPE

Dizindaba Media

Approved for R616,200.00


Dizindaba
Iphephandaba lesiXhosa
KUTHIWA MALIBUYISWE USWAZI EZIKOLWENI
Cyberbullying

Dizindaba Newspaper was founded in 2007 as a Close Cooperation, and later re-registered in 2010 as a (Pty) Ltd. The publication is a free 12-page weekly tabloid published in IsiXhosa (95%) and English (5%). The 5% English is the sports section.

The project aims to bridge the communication and information gap that exists between the isiXhosa-speaking people of the Western Cape province, and the different spheres of government including the business community. The newspaper is specifically targeted at the isiXhosa-speaking communities largely found in the townships and informal settlements in the Western Cape (Khayelitsha, Gugulethu, Langa, etc).

Currently, prominent newspapers that are circulating in these communities are written either in English or Afrikaans, and as result, do not meet the cultural and information necessity that exists in these communities.

Trust for Community Outreach and Education/TCOE

Approved for R560 200.00


INYANDA
community news
Ukulwa indlala ngokulima

The establishment of Trust for Community Outreach and Education (TCOE) was influenced by the Ginsberg Education Foundation which was founded by the late Steve Biko who was a young activist in the late 1970s. The initial mandate of the organisation was to source funds in order to give bursaries to students who were marginalised and denied opportunities during the apartheid era. Through many difficult apartheid years, the organisation survived and continuously responded to the needs of the rural poor. Today, TCOE is a national organisation that operates mainly in the rural areas of South Africa. Its main focus in the past years has been to stimulate the building of local Organisations/ movements, and local leadership and assist these associations to access land with water, democratisation of governance, and food security (sovereignty) to improve livelihoods.

Some of the achievements of the organisation include but are not limited to:

- building of well-informed leaders who can lead local initiatives and campaigns;
- exponential growth and strengthened rural women's voice through Rural Women Assembly;
- facilitation of the establishment of a number of popular rural organisations, farm worker unions and small scale farmers associations;
- creation of strategic partnerships and alliances with organisations working on land and agrarian reform issues;
- food sovereignty - developing alternatives for food production and livelihood;
- dissemination of useful information through popular community newsletters as well as simplifying government policies in a way that ordinary women and men can engage with;
- conducting an extensive communication audit to understand the best way to communicate and distribute news to the communities;
- establishing electronic communication system that utilises the mobile phone to communicate critical information such as the establishment of an SMS helpline for victims of GBV operational in the five provinces;
- working with farmer workers in both the E.C. and the W.C.

The organisation seeks funding for its active community newsletter called Inyanda Community News. The project runs in multiple rural locations. The publication is a tabloid size black and white monthly newsletter published in 35% English, 20% Afrikaans, 25% isiXhosa, 10% Sesotho, 10% Sepedi, and Tshivenda. Inyanda Community News is 100% editorial biased towards development issues and finding innovative ways to address these. The publication is distributed to rural people, farm workers, farm dwellers and small-scale farmers, fishers, land rights movements/ associations, rural women, and youth in the following five provinces namely, Western Cape, Northern Cape, Eastern Cape, Free State, and Limpopo. Inyanda Community News is used as a vehicle for information dissemination, dialogue, awareness raising and education on policies and human rights, as well as sharing of ideas and experiences between rural communities, especially small-scale farmers, farm workers, farm dwellers, youth, and rural women.

The areas and target groups are characterised by high levels of unemployment. The first edition of what was then known as Community News was published in 1996, and to date, over 300 editions have been printed. The current print run is 3000-5000 copies per issue. These are distributed in the 5 provinces mentioned above. The distribution points are affiliated member organisations i.e., small-scale farmers, NGO, FBOs, schools, clinics, local libraries, and community groups that focus on rural issues with specific reference to human rights. The current readership is projected between 200 000 and 350 000 readers. During 2015 and prior to that, newsletters were distributed to the communities concerned.

KWAZULU-NATAL

Sivubela Intuthukho

Approved for R580 000.00

Sivubela Intuthukho Newspaper is a free monthly Small Commercial Newspaper that is published in IsiZulu.

The newspaper is used as a tool to disseminate information that serves different purposes to the community including issues such as career information, lifestyle , community health and development news whilst encouraging the culture of reading and addressing the imbalances of information flow within the iLembe Municipality where the majority of the people speaks IsiZulu.

The project also promotes and increases pride in the IsiZulu language and culture and thus restores the human values of the majority of the population in iLembe municipalities, specifically the under-resourced Maphumulo Municipality.

The content of Sivubela Intuthuko newspaper is distinctly crafted so that it serves the purpose of specifically empowering the people who are marginalised and not exposed to information from the mainstream media.

Over and above making information easily accessible to communities, Sivubela Intuthuko facilitates various community projects which stimulate the involvement of community members. A classic example is a youth-in-school project, where there is the involvement of important stakeholders such as parents/caregivers, school management, and governing bodies. In this project, we ensure that career guidance, motivation and development take place within respective schools and communities. In addition to youth-in-schools project, Sivubela Intuthuko serves women and men across all age groups, as well as People Living with HIV (PLHIV), and every other person who lives in communities that still lack in terms of development.

LIMPOPO

Balaodi Publishers

Approved for R627 000.00


Seipone
Try our credit card from R40pm

Seipone Madireng is a fortnightly newspaper that is published in Sesotho sa Leboa/Sepedi language. It started in August 2002 with seed funding from the Pan South African Language Board (PanSALB). It was one of the two pilot newspaper projects developed to establish newspapers written in all Indigenous South African languages to fulfil the aspirations of the PanSALB Act.

The newspaper was established with the aim of fostering social cohesion between mainly three ethnic groupings of Basotho sa Leboa / Bapedi, VhaTsonga, and Vhavenda. Accordingly, Seipone became a trilingual newspaper that was published in Sesotho sa Leboa/Sepedi, Xitsonga, and Tshivenda since 2002 until 2007 when the newspaper switched to be written in one language – Sesotho sa Leboa/Sepedi.

The project aims to create a society of truly proud African people who can express their pride through their language of Northern Sotho (Sepedi).

From 2008 until now the newspaper has been published as a fortnightly publication in Sesotho sa Leboa / Sepedi. The newspaper has since developed its own website, which can be accessed at https://seiponemadireng.co.za.

NORTHERN CAPE

NWT Newspapers/Kuruman Chronicle

Approved for R569 040.00


NWT
KURUMAN
mdda
Tonakgolo Saul o konosetsa kgwedi eno le basha ba AFM
Petrol increases to unbelievable proportions
CRIME Indaba

Kuruman Chronicle was established in 2012, in Kuruman town, Ga-Segonyana Local Municipality within the district municipality of John Taolo Gaetsewe, from which it has been serving its targeted readership. The newspaper prints 9000 copies per month, targeting individuals from 16 to 65 years of age.

The publication's written languages are 50% Setswana and 50% in English, which part of its endeavor to give voice and information to communities. 40% of news content is dedicated to promoting the local Setswana culture and heritage. This is achieved through featuring cultural events and local sports, especially at villages' soccer tournaments.

Kuruman's surrounding villages are fortunately still deeply rooted in their culture and heritage, where practices like initiation schools, indigenous poetry, and other culture related practices are promoted. This is where the paper comes in as an alternative news medium to promote local language, cultural diversity and heritage.

This approach has given the project a competitive advantage over other newspapers, which are primarily published in Afrikaans and English.

The publication's distribution method is one other aspect that has afforded the project favour of the community. The paper is distributed for free in strategic points like taxi ranks, tribal halls, clinics libraries, schools, and local tuck-shops.

FREE STATE

Close to Home/Phethoho News

Approved for R573 000.00

Phethoho News is a bilingual Small Commercial publication, full-colour tabloid newspaper which was first published in 2008 with a content breakdown of 60% Sesotho and 40% English.


PHETHOHO NEWS

People's Voice

DCS Commemorated women's month with female inmates

GRACE T FDS BRANDING

The company has tapped into a neglected niche market Sesotho-speaking communities and turned it around for lucrative business.

The project distributes 15 000 copies per month in the Thabo Mofutsanyane District Municipality, since there are no other black-owned newspapers covering the area which is predominantly Sesotho-speaking.

The newspaper is used as a developmental tool that disseminates information that serves different purposes to communities. The publication carries news about career guidance, lifestyle, and health issues as well as encouraging a culture of reading and addressing the imbalances of information flow within the Thabo Mofutsanyane District Municipality where the majority (82%) of the community speaks Sesotho. The project also promotes pride in the Sesotho language and culture and thus, restores the human values of the population within the Municipality.

The project is in line with the Media Development and Diversity mandate which seeks to promote ownership of media by historically disadvantaged communities, as stipulated in section 3 (i) of the Media Development and Diversity Act 2002.

The project prides itself on being able to create a strategic partnership with local community radio stations, Setsoto FM, which covers Ficksburg, as well as Dihlabeng FM, and QwaQwa FM.

The strategic partnership with local community radio stations allows Phethoho News access to live slots where marketing the newspaper happens live on Radio. The newspaper then conversely offers a quarter of a page to market radio activities in every issue.

The newspaper also works with various organisations including NGOs and political parties to spread important information about events and other community activities.

Everlasting Pastures/Masilonyana News

Approved for R553 400.00

Masilonyana News is a local small commercial newspaper published by a company called Everlasting Pastures which was registered as a close corporation in 2006. This project is an initiative of two Black entrepreneurs from Theunissen, in the Free State.


Stay Safe

DISABILITY AWARENESS EVENT AT TSHEPONG-VERKEERDEVLEI

The project was started to address communication and information gaps which existed within the community. The primary objective of the organisation is to disseminate accurate information to the readers, address the issue of Indigenous language and diversify the media landscape.

Masilonyana News is a monthly tabloid newspaper with a print run of 5000 copies per month. The publication is printed in two languages, Sesotho (50%) and English (50%).

Currently, the newspaper is distributed for free in areas within Masilonyana Municipality namely: Theunissen, Brandfort, Winburg, and Verkeerdevlei, and some parts of Manguaung (Bloemfontein) and Matjhabeng (Welkom and Virgina).

The newspaper is usually distributed at populated areas like government buildings, malls, local businesses, schools, and places where people can access easily it..

NORTH WEST

Quick Acts Consultancy/Naledi Newspaper

Approved for R582 800.00

Quick Acts Consultancy Services is a media and marketing company based in Rustenburg in the North West Province. The company runs three media projects - Naledi Newspaper which is distributed in the local municipalities of Bojanala District. North West News Online - online news provider for local media and the community in the North West.


NALEDI NEWS

mdda

War on potholes!

Will North West win a war on potholes?

Dewdropspa at KEDAR

071 793 4760

The blog is updated every day with breaking news and community updates. Nu Inferno tv - an App TV that broadcast live streaming of various events. It is available 24 hours and can be downloaded on Google Play.

However, the main focus is on Naledi, a newspaper that is produced in Setswana, a local language that is mainly spoken in the area. The publications are distributed weekly in two versions - printed copy and digital.

The publication is distributed in rural villages of the Bojanala District Municipality with the aim of providing news and opportunities within reach of the community and the unemployed youth who may be struggling to access the newspapers in town.

Naledi is a bi-monthly newspaper published in English language (80%) and Setswana (20%).

Yvonmod Logistics/Morongwa News

Approved for R505 620.00

Morongwa Newspaper is published by Yvonmod Logistics (Pty) Ltd, which was founded in 2014. The idea of starting a newspaper came about after the realisation that there was a need for a platform that will address the needs of the previously disadvantaged communities of Vryburg and Huhudi as well as and surrounding areas of the Ruth Mompati District Municipality.


Morongwa

BO MME LE BASA BA SOKETSE DIROPE MO GO KGABO

SPECIALS

The project was initiated to close the gap and establish proper communication channels between the community and various stakeholders that include – local government, provincial government, local businesspeople, and non-governmental organisations.

The company prints and distribute 5 000 copies monthly. The newspaper is published in Setswana 80%, English10%, and 10% Afrikaans. The paper is distributed in Huhudi township in Vryburg and other surrounding areas under the Dr Ruth Segomotsi Mompati District Municipality.

The District Municipality consists of townships, villages, and farms and the majority of its people speak Setswana.

EASTERN CAPE

Rise n' Shine Disability Mag

Approved for R652 200.00

Rise 'n Shine Disability Magazine is a Non-Profit Organisation that was established in 2010. The organisation is a brainchild of disabled activists from Mdantsane township in East London in the Eastern Cape.


Morongwa
SPECIALS

The project was established by nine disabled activists (six females and three males).Three of the individuals have since passed on, and the other two people lost interest in the project. Only four female members reined and are involved in the operations of the project. The project was initiated as a result of the plights by people with disabilities who were of the view that their voices were neither heard nor taken seriously by the government and the community at large.

The primary objective of the organisation is to create awareness about disability issues in South Africa. Also, to:

- Ensure that state and community ensure that disability is taken into account in all sectors, legislation, reforms, and activities.
- Seeks to ensure people with disability can fully participate in and have equal access to, for example, health, education, employment, and social services.
- Ensure that people with disabilities rights are protected and enabled.
- Seeks to ensure people with disabilities are meaningfully involved and represented in all stages of development program cycles.

The main reason for the formation of the magazine was to lessen our reliance on Government Grants.

Currently, the project is printing 10 000 copies of a 28 pages magazine. The magazine will be published in two languages, namely, English (60%) and IsiXhosa (40%). Currently, Rise 'N Shine Magazine is free, and is distributed throughout all nine provinces of the country. All members are part of the Disabled People South Africa (DPSA) which is helping the organisation with the distribution.

The magazine is distributed to each DPSA office in all five provinces. The organisation has also forged a relationship with a number of stakeholders. The various distribution mechanisms will be employed to ensure that disabled people can easily access copies of the magazine.

COMMUNITY BROADCAST APPROVED PROJECTS

GAUTENG

Moretele Community Radio

Approved for R 527 000.00

Moretele Community Radio is situated in Hammanskraal, Gauteng. The main objective of the radio station is to educate, inform and entertain.

The station's Broadcast Format is 18 hours per day. The broadcast languages are Setswana, English, IsiNdebele & Xitsonga. Local News and Information will take up 65 minutes per day and,South African Music Content is at 70% with a total of 18 broadcasting hours.

- The main focus is to address unemployment and drug abuse among the youth.

LIMPOPO

Malamulele CRS aka Mala FM 101

Approved for R2 446 665.25

Mala FM is a community radio station broadcasting in Tsonga, Venda, English, and other languages. Mala was established back in 2002 and began broadcasting in 2013. It is located in Limpopo Province in the Vhembe District.

The station's Broadcast Format is 60% Talk and 40% Music. The broadcast languages are Xitsonga 54.2%, Venda 20.8%, English 16.7%, and Other 8.3%. Local News and Information is 60%. South African Music Content is 40%. Broadcasting is carried out 24 hours a day and 7 days a week.

The primary aims and objectives of the station are:

- To develop and educate the community
- To empower the youth and women
- To promote the culture and tradition of African languages
- To uplift the marginalised youth and community
- To create a career paths

Thabantsho CRS

Approved for R2 518 353.30

Thabantshu Community Radio Station was registered under DSD in 2007 as an NPO after the Tribal Council of the Bakgakga BagaKopa saw the need for children to grow up learning their own languages. The station was came into operation in 2017 after it received a donation for studio equipment from a local businessperson in Tafelkop.

The Geographic Licence area is Sekhukhune District Municipality in Limpopo Province. The station's Broadcast Format is 45% Talk and 55% Music. Broadcast languages are Se Kopa 60%, Sepedi 15%, English 10%, and IsiNdebele 15%. Local News and Information is 60%. South African Music Content is 70%. broadcasting is carried out 24 hours a day and7days a week.

The primary aims and objectives of the station are:

- To Provide and distribute programmes for local youth development
- Raise community awareness

Blouberg FM

Approved for R2 757 056.88

Blouberg Local Municipality is comprised of small towns, villages, farming and mining communities. The area has a uniquely diverse community with a a wide array of different demographic groups that which all share a common appreciation of the area's natural beauty, agricultural heritage, and rich mining fields.

Blouberg Community Radio station is a community-owned and operated radio station that will play a vital role in the ongoing development of Blouberg Local Municipality and its surrounding areas by enabling members of all the various communities to learn from eachother.

Blouberg Community Radio Station aims to promote social interrelation in the targeted communities by facilitating dialogue between different sections of the community.

The station aims to give a voice to the community and provide a means whereby that voice can be heard. We aim to deliver social gain by providing training for people so that they can become involved in producing radio shows for the station. This training will be open to all members of the community. local community groups will have the opportunity to announce their own planned activities on the station. We believe that the community should be included in the in decisions that affect them.

The station also aims to address other local challenges that are not being covered by the existing commercial and public radio stations because of their size and their larger target audiences, other stations are unable to cater to the people of Blouberg Local Municipality and its surrounding areas which cover an area of around 60-75 km.

Blouberg FM Geographic Licence area is Capricorn district in Polokwane.

The station's Broadcast Format is 60% Talk and 40% Music. The Broadcast languages are Sepedi 60%, IsiNdebele 10%, and Hawana 30%. Local News and Information are 60% local news, 10% national, 25% regional and 5% international. South African Music Content is 85%. Blouberg FM Frequency is 95.0 Mhz. Broadcast is carried out 24 hours a day and 7 days a week.

The primary aims and objectives of the station are:

- To provide a full and unrivalled local radio service for the country town 24 hours a day.
- To be a local community radio station that offers a range of diverse range of programming. the radio station for the local communities through its diverse and unique range of the programme.
- To provide a platform for local charitable organisations, community, and volunteer groups.
- To support local businesses through affordable and cost-effective advertising via all platforms
- To promote local music alongside a diverse range of specialist programming.
- To provide a full service of local news and information including accurate travel & tourism news, sports, traffic, and weather updates.
- To promote works of local artists and communities by broadcasting programs that deal with local issues, events, culture, and other related activities

MPUMALANGA

Ikutani FM

Approved for R250 000.00

Ikutani community radio station is an initiative of Christian individuals from the Thembisile Hani Municipality with the help of Dunamis Altar International. Ikutani FM is a Non-Profit Organization registered under the Non-Profit Organization Act of 1997 on 24 January 2014.

The Radio station is situated at Kwaggafontein. Pastor M. Dlamini and his Ministry (Dunamis Altar International) made a pledge to fund all start-up costs towards Ikutani FM. The agreement was that when the radio station is up and running it will then repay the church loan. The ministry saw it fit to avail its resources and loan to Ikutani FM, to ensure that the vision of an alternative local Christian community Radio station is realized.

Ikutani FM Geographic Licence area is Thembisile Hani Municipality and surrounding areas. The station's Broadcast Format is 60% talk & 40% Music. Ikutani FM Broadcast languages are 40% IsiNdebele, 25% English, 15% IsiZulu, 10% Northern Sotho, and 10% SiSwati. Local News and Information are 75 minutes of news per day, of which 60% shall be local, 30% national, and 10% international news. South African Music Content is 80%. Ikutani FM Frequency is 107.9 FM. It is broadcast 24 hours a day.

The primary aims and objectives of the station are:

- To educate blind persons on the use of braille
- Empower youth, elderly, and disadvantaged blind persons with information
- Empower blind persons with reading skills.

Mkhondo FM

Approved for R966 079.00

Mkhondo Community Radio is a community radio based in the town of Mkhondo (Piet Retief) in Mpumalanga. The station was established by the local youth with the aim of making a positive contribution to the area. Mkhondo Community Radio was first licensed in July 2010 and has been on air constantly since 2011. The station broadcasts quality content in the following languages, 97% isiZulu, 1.18% IsiSwati, 1.18% English and 0,68% Afrikaans. The coverage area is Mkhondo Local Municipality and near lying areas in KwaZulu Natal and Mpumalanga.

The station's Broadcast formats are 60% talk and 40% music. Local News and Information are 40 minutes of news per weekday of which 80% shall be local, 15% national, and 5% international. South African Music Content is 65%. The station Frequency is 98.6 FM. roadcast is 24 hours a day.

The primary aims and objectives of the station are:

- To disseminate local news and empower the community
- Develop and support local talent
- Promote education through radio
- Promote heritage, art, and culture.

Ligwa FM

Approved for R2 453 000.00

Ligwa Community Radio was licensed in 2018 to cover the entire District Municipality of Gert Sibande. The station broadcasts in the following languages, Swati 20%, Ndebele 20%, Zulu 20%, Sotho 15%, English 15%, and Afrikaans 10%. The main aim is to empower the community and develop the area by offering quality content that is relevant and family friendly.

Ligwa FM Broadcast formats are 60% talk and 40% music. The Local News and Information are 26% local news, 26 minutes national and 13 minutes international. South African Music Content is 80%. Ligwa FM Frequency is 101.3 FM. broadcast is 24 hours a day.

The primary aims and objectives of the station are:

- To disseminate relevant information to the community
- To stimulate business in the area
- To develop a well-informed and participatory community.

KWAZULU NATAL

Rise Community Radio

Approved for R830 373.65

Rise Community Radio is a radio station based in Mtubatuba in the Umkhanyakude District in KZN. Rise CR obtained its first licence from ICASA in 2015 and went on air in the same year. The station caters to IsiZulu speaking members of the community. It covers the whole area of Umkhanyakude & neighboring districts of Zululand & King Cetshwayo.

Rise Community Radio was Lisenced on 17 July 2019, its Broadcast Format is 60% Talk & 40% Music. Broadcast languages are 80% IsiZulu and 20% English. Local News and Information are 70% Local News, 20% National news & 10% International News. South African Music Content is 70%. Rise Community Radio Frequency is 87.9 FM. Broadcast is 24 Hours a day.

The primary aims and objectives of the station are:

- To provide information that deals with crime, teenage pregnancy, etc
- To raise awareness about COVID-19
- To provide job opportunities or create jobs for the youth in the community.

Abusekho Ubunzima CRS AUR 100.3 FM

Approved for R2 390 192.80

Abusekho Ubunzima Community Radio is a Christian-aligned community radio station that was established in 2015 by ICASA to serve the area of Newcastle and surrounding areas. The radio station's broadcast languages are 70% Zulu and 30% English. Its first broadcast was on the 5th of May 2017.

AUR 100.3 FM Licence was reissued on 23 October 2020. The Geographic Licence area is Amajuba District Municipality. Its Broadcast Format is 60% talk and 40% music. Broadcast languages are 70% Zulu and 30% English. Local News and Information are 35 minutes of news per day of which 20 minutes is local, 10 minutes national and 5 minutes international. South African Music Content is 80%. AUR FM Frequency is 101.3 FM. Broadcasting is 24 hours a day.

The primary aims and objectives of the station are:

- To provide radio programming that publicises and promote the gospel of Christ in Northern KZN.
- To educate, uplift, and entertain the community in and around Northern KwaZulu Natal and surrounding areas.
- To promote local Christian music talent by providing a platform where their skills are showcased
- To equip members of the community with skills relevant to running and operating a radio station
- To promote non-sexist, non-racial programming that caters for all age groups and social statutes.

Inanda FM

Approved for R935 000.00

Inanda, translated in isiZulu, means Pleasant Place – is a township in KwaZulu-Natal that is situated 30 km north-west of the Durban CBD, it forms part of eThekwini, the Greater Durban Metropolitan Municipality.

Populated primarily by Zulu-speaking Black Africans, Inanda Township is the home of John Langalibalele Dube, the first president of the African National Congress (ANC). Nearby communities in the province of KwaZulu-Natal, in addition to the major city of Durban, include KwaMashu and Ntuzuma. Inanda township occupies an extensive area and is subdivided into multi-sections. These sections are primarily not in the form of letters (like in neighboring Kwamashu), but rather in actual names. There are also multiple recreational infrastructures such as Sporting fields with the Dr JL Dube Stadium as the biggest one, Children's Parks, and Fitness parks which are provided by the eThekwini Metropolitan Municipality.

Inanda FM was Licenced on 24 October 2018. . Broadcast languages are IsiZulu 60%, English 40%. The Local News and Information are 80% Local news,15% national news, and 5% international news. South African Music Content is 60%. Inanda FM Frequency is 88.4 Mhz. Broadcasting is 24 hours 7 days a week.

The primary aims and objectives of the project are:

- To promote effective community participation through strong links with community organisations, women.
- To provide the community with the opportunity to be involved in every area of the radio station, focusing primarily on the the disadvantaged.
- To support local business through affordable and cost-effective advertising and promote local music of all genres on ourdiverse range of specialist programming.
- To ensure development in effective communication and participation in the INK area and surrounding communities.
- To raise social awareness and to act as a link between the private sector, government structures, and the community by exposing them to Information, developmental structures, and other available services.

DM Ms Thembi Siweya and MDDA Board chairperson Dr Hlengani Mathebula at Radio Turf studio launch

North Coast CRS

Approved for R1 926 179.12

North Coast Radio is a community radio station based in the King Cetshwayo district in Richards Bay in the North of Kwazulu Natal. North Coast Radio first went on air in 2008 and it covers the areas of the King Cetshwayo district as set out in its broadcasting lisence. The station aims to promote equal rights, encourage youth development & promote access to locally spoken languages as well as promote a local culture of the community.

North Coast CRS was Lisenced on 16 March 2021, its Broadcast Format is 40% talk & 60% Music. Broadcast languages are 70% IsiZulu & 30% English. Local News and Information are 70% Local News, 20% National news & 10% International News. South African Music Content is 80% Local Music & 20% International Music. North Coast radio Frequency is 104.0. Broadcast is 24 hours a day.

The primary aims and objectives of the Station are:

- Promote equal rights, participation, and opportunities for women.
- Promote local culture andnational patriotism
- Promote access to locally spoken language
- Promote educational broadcasting

Maputaland CRS

Approved for R2 149 545.81

Maputaland CR was initiated by 3 community members under the auspices of an NGO called Maputaland Youth Development Agency. This was after realising the communication gaps & related challenges in the areas of North-eastern parts of KZN in 1996. Amongst these challenges were poor road infrastructure, poor telecommunications services, and poor cellular network services.

The other core reason why the radio station was established was due to a lack of print media circulation in the area and in addition, the low literacy rate would be another challenging factor. The lack of media platforms was another pressing issue. The concept was well accepted by 14 Amakhosi of the coverage jurisdiction. The IBA assisted the project to engage the communities about the concept. This resulted in the Open Society Foundation of SA investing seed funding towards the erection of a project to the tune of R16 820.00, to help in conducting the groundwork. IBA granted a trial one-month broadcast lisence in December 2000 which was successfully run thus enabling IBA to issue a long-term licence enabling the radio to go on-air successfully. This eventually convinced IBA to grant a 4-year licence that enabled the station to go on-air from 15 June 2002 to date without breaks caused by either governance or management challenges.

Maputaland CRS was issued a Lisence date on 20 December 2017. The Geographic Licence area is Ubombo and Ingwavuma. The Broadcast formats are 50% Talk & 50% Music. Broadcast languages are75% IsiZulu, 20% English, 3% IsiSwati and 2% Xitsonga. The Local News and Information are 30 minutes of news per day. This includes news from the community produced by the station on issues affecting the identified community. South African Music Content is 50%. The frequency is 107.6 FM. roadcast is 24 hours a day.

The primary aims and objectives of the station are:

- To provide a platform for public participation at a local level.
- To provide a platform that enables the robust debates that will promote nation building
- To train, educate & entertain the society
- To promote social cohesion within the community

uMgungundlovu FM

Approved for R2 491 983.20

uMgungundlovu Community radio station is located at Msunduzi Local Tourism Hub in the city of Pietermaritzburg in the uMgungundlovu District municipality of the province of KwaZulu Natal, the station has committed itself to the development of society, it believes in an open democratic society and commits to enhance its principles of non-racism, non -sexism, transparency, and consultation.

The station was established in 2006 as a voluntary association, and in 2008 it was registered as an NPO. The station was licensed by ICASA and was allocated a frequency modulation of 107.6 MHz

The station was conceived as a result of a need to address various avenues of development within the uMgungundlovu community and surrounding areas.

The station was Licenced on 22 July 2019. The Geographic Lisence area is uMgungundlovu District. Broadcast formats are 40% talk and 60% Music. Broadcast languages are IsiZulu 81%, English 16%, other languages 2%, and Afrikaans 1 %. Local News and Information are 70% Local News, 20% national, and 10% International. South African Music Content is 40% Talk and 60% Music. Its Frequency is 107.6 Mhz. Broadcasting is 24 hours 7 days a week.

The primary aims and objectives of the station are:

- To broadcast, serve and be the voice of local communities of uMgungundlovu
- To be the primary medium of communication for the people at grassroots level and an effective participatory vehicle to identify and prioritize developmental needs. Also to facilitate development through exposure, pressure discussion, and debate
- To bring information, education, entertainment, and progress, especially where the level of illiteracy is very High
- To promote local talent
- To bridge the digital divide and be the instrument of socio-economic and cultural advancement in the region.

EASTERN CAPE

Link FM

Approved for R727 117.00

Link FM has been on air since 1997 and was the first community broadcaster in the Buffalo City Metropolitan.

Link FM was Lisenced from the 24 October 2018 – to 23 October 2023. The Geographic Lisence area is East London, Komga & Mdantsane. The Broadcast Format is 30% talk & 70% music. Broadcast languages are English 50%, isiXhosa 40% and Afrikaans 10%. Local News and Information are 40 minutes per day. Link FM Frequencies are 97.1 FM & 92.1 FM. Broadcast is 24 hours a day.

The station's primary aim is to:

- Broadcast quality programming utilising only the best technology.
- Continuously conduct in-house presenting training, equipping the next generation of broadcasters.
- Engage with community forums of Buffalo City Metropolitan on matters which affect them at grassroots level.

Ngqushwa FM

Approved for R1 751 914.50

Ngqushwa CRS registered with the Department of Social Development NPO Directorate as Noponi Rural Development was established in 2012 and went live in 2017. The station caters for all age groups in its programming with a radio format of 60% talk and 40% music.

Nqgushwa FM was Licenced on 20 March 2019 - to 19 March 2024. The Geographic Licence area is Ngqushwa Local Municipality. Broadcast languages are Afrikaans 00.03%, English 00.07%, and isiXhosa 99%. Local News and Information are 64 minutes of news per day of which 60% shall be local, 28% national, and 20% international news. South African Music Content is 80% local music. The station Frequency is 99.5. Broadcast are 24 hours a day and7 days a week.

The primary aims and objectives of the station are:

- Health awareness, business development, educational content, information dissemination, community engagement, empowerment, environmental awareness, and giving back to the community of Ngqushwa.

Nkqubela CRS

Approved for R862 954.97

NKQUBELA Community Radio is based in the Eastern Cape Province. It is operating in Port Elizabeth in KwaDwesi township which is central to most townships of Nelson Mandela Bay Municipality. Nkqubela Community Radio station was established in 2004 by the working class of Nelson Mandela Bay who identified the need to address issues of exploitation, nepotism, racism, abuse, and harassment in the workplace by employers.

The station was Lisenced in May 2018. The Geographic Lisence area is Nkqubela and surrounding areas. Broadcast Format is 70% talk & 30% Music. Broadcast languages are 60% IsiXhosa, 30% English, and 10% Afrikaans. Local News and Information are 75 minutes of news per day, of which 60% shall be local, 30% national, and 10% international news. South African Music Content is 70%. The station Frequency is 97.0 FM.Broadcasting is 24 hours a day.

The primary aims and objectives of the station are:

- To promote social cohesion in our communities
- To address issues of social unequalities
- To educate workers about labour issues
- To educate the community about mental issues
- To prevent crime in our communities

Sajonisi Youth Radio

Approved for R2 762 000.00

Sajonisi Youth Radio is incorporated as a Non-Profitable Organization based in the Eastern Cape. Its main activity is to educate and disseminate information to the community of Port St Johns in the OR Tambo District in Pondoland of the former Transkei. The station develops the skills of local people in the telecommunication industry. It gives a voice to the voiceless people in the area. Sajonisi Youth Radio has reached about 400 000 listeners. The Broadcasting research council statistics reflects that it is the only fastest growing youth driven radio station in the Eastern Cape Province.

The station was Lisenced on 20 March 2018. The Geographic Lisence area is in Port St Johns within OR Tambo. Broadcast Format is 60% talk and 40% Music. Broadcast languages are 70% IsiMpondo, 20% IsiXhosa, and 10% English. Local News and Information are 75 minutes of news per day, of which 60% shall be local, 30% national, and 10% international news. South African Music Content is 60%. The station Frequency is 88.5 FM. Broadcasting is 24 hours a day.

The station's primary objectives are to address:

- Poverty
- Youth unemployment
- Teenage pregnancy
- Alcohol and substance abuse
- Youth school truants
- Crime
- Underdevelopment
- Gender-based violence

Kumkani FM

Approved for R1 190 267.70

Kumkani FM was Lisenced on 12/07/2012. The Broadcast languages are English; Xhosaand Afrikaans.

NORTHWEST

Mahikeng FM

Approved for R2 369 490.95

The station has been fully functional since 2008 using a makeshift studio. Mahikeng FM has grown to be the number one community radio station in the Northwest with its frequencies reaching the entire population of Ngaka Modiri Molema District Municipality and also international listeners via audio streaming.

The station was Lisenced on 8 December 2018 (Renewal). The Geographic Lisence area is Mafikeng and surrounding areas in the North West. the Broadcast Format is 60% talk and 40% music, including popular music, the classics, or traditional music. The Broadcast languages are Setswana 75%, English 20%, and Afrikaans 5%. Local News and Information are 75% local, 20% national, and 5% international. South African Music Content is 70%. The station Frequency is 96.7 FM. Hours of broadcast are 24 hours, 7 days a week.

The primary aims and objectives of the station are:

- To provide a platform for information, skills development, and capacity enhancement in the community
- To promote values consistent with the constitution of South Africa
- To promote diverse cultural, social, and religious persuasions while promoting unity and tolerance
- To mirror events and practices of society without fear, prejudice, or favour
- To maintain independence in the media, especially in the community radio sector, and remain free of political influence.

Modiri FM

Approved for R704 325.23

The radio station was established in 2014 and is broadcasting from a rural village called Atamelang, Northwest province. The village is faced with challenges such as unemployment, crime, teenage pregnancy, Gender Based Violence, and lack of infrastructure such as proper roads, sports fields, and houses. The community survives makes a living through small-scale agricultural projects. The project was funded by the MDDA in 2014, that was the first time it received assistance from the entity .

The station was Lisenced on 2016 August 2004. The Geographic Lisence area is Ngaka Modiri Molema. The Broadcast formats are 60% talk and 40% music. Broadcast languages are 80% Setswana, 10% IsiXhosa, 5% English, 5% Afrikaans. South African Music Content is 70% local, 20% nationally, and 10% international. The station Frequency is 91,7 FM. Broadcasting is 24 hoursand 7 days a week.

The primary aims and objectives of the station are:

- To maximize income generation for the radio station with the intention to sustain it financially
- To make the organization an interactive radio station thus adhering to the principle of community broadcasting as stipulated in our lisense
- To announce government functions, corporate functions, special events such as NGOs and CBOs, Individual functions, tribal events and so forth

Mmabatho FM

Approved for R2 526 170.00

Mmabatho FM has been broadcasting in the rural areas of the Northwest since 18 April 2014. The project is mainly a Gospel-based radio station, broadcasting in the following languages: Setswana, English, isiXhosa, and Afrikaans. The station has a strong news desk that is targeted at communicating mostly with rural area listeners and small towns such as Itsoseng, Kraiipan, Zeerust, Venterdorp, Mahikeng, Madibogo, and Disaneng. The dedicated team of reporters is forever present in each of the mentioned locations to keep up to date with current affairs.

The station was Lisenced on 18 September 2018. Its Geographic Licence area is Ngaka Modiri Molema. Broadcast formats are 60% talk and 40% music. Broadcast languages are 75% Setswana, 15% isiXhosa, 5% English, and 5% Afrikaans. Local News and Information is 75%. The station Frequency is 107.7 FM. roadcasting is 24 Hours, 7 days a week.

The primary aims and objectives of the station are:

- To promote, uphold, and defend Christian family values.
- To address moral regeneration and youth unemployment.
- To address substance abuse, domestic violence, teenage pregnancy, and crime.

WESTERN CAPE

CCFM

Approved for R2 249 347.65

CCFM is a 24-hour non-profit community radio station serving the people of Cape Town. CCFM has been on the air for 26 years, starting as Radio Fish Hoek in 1993. The station currently broadcasts from Muizenberg on 107.5 in Greater Cape Town.

CCFM was Lisenced on 23 October 2023. The Geographic Lisence area is Greater Cape Town. Broadcast formats are 50% talk and 50% music. Broadcast languages are English 80%, Afrikaans 10% & IsiXhosa 10%. South African Music Content is 70%. The station Frequency is 107.5 FM. Broadcasting is 24 hours a day.

Radio CCFM is committed to serving our community with important and relevant news and information. The mission of CCFM has always been to strive to bringi a life-changing message of hope and love through Jesus Christ. The majority of the Western Cape identify as being Christian. However, our intention is to appeal to a wider audience which share the same values and ethics as us. In 2019, the organization underwent a governance structure change. Prior to this, the structure consisted of a Board of Trustees who delegated authority to a Board of Management, who in turn delegated authority to the General Manager of the station. The affected change has collapsed the governance structure into a Board of Trustees and a Management team.

Radio West Coast

Approved for R2 023 000.00

Radio West Coast was established in 1997 in order to help promote a more equal dispensation for people who live in the district. The station targets persons of all ethnic groups and persons aged between 19 and 85, offering programmes that speak to the needs and challenges faced by the community.

Radio West Coast was Licenced on the 24 July 2019. Its Geographic Lisence area is West Coast, Swartland, Sanveld, Cedar Mountains, and Olifants River Valley in the West Coast District Municipality in the Western Cape Province. The Broadcast Format is 60% Talk and 40% Music. Broadcast languages are Afrikaans 91%, English 5%, and IsiXhosa 4%. The Local News and Information is 60%. South African Music Content is 70%. Radio West Coast Frequency is 92.3. Broadcasting is 24 hours ba day an 7 days a week.

The primary aims and objectives of the station are:

- To increase community participation in the sourcing of content
- Provide editorial content and music selections for all communities
- Provide training opportunities to the immediate community

Heartbeat

Approved for R2 474 868.90

On 29 May 2014, Heartbeat 103.9 FM hit the airways from our George studio using Christian-based programs that have been successfully introduced to the Community in the Southern Cape. In 2018 we launched our Klein Karoo frequency, 107.4 FM. From our Oudtshoorn studio, we broadcast to the Greater Oudtshoorn and Kannaland Municipal areas. Combined, these two frequencies set Heartbeat FM's listenership to more than 170 000 making, it one of the largest Christian Community Radio Stations in South Africa.

It has programming geared atto providing a platform for community discussions, debates, community-building, and public interactions. Heartbeat FM was founded by Avril Ahrends who also serves as the Managing director.

The organisation structure comprises a board of directors with 6 members, management staff, volunteers, and freelancers.

Heartbeat was lienced on 2018/06/15, The Geographic Lisence area is Eden Municipal District. Broadcast Format is 60% talk and 40% music. The Broadcast languages are 60% Afrikaans, 20% isiXhosa, and 20% English.Local News and Information are 450 minutes of news on weekdays,

- 90 minutes of news per day and
- 30 minutes of current affairs

South African Music Content is 70% Local music. The heartbeat Frequency is 103.9 FM. BroadcastING is 24 hours a day and 7 days a week.

The primary aims and objectives of the project are:

- To inform the community about the remarkable life-changing events which are happening in the area amongst its citizens and to bring a message of hope and positive thinking. We will be the radio station which seeks to serve as a tool for the Christian Community of believers and churches in our area in sharing a message of Christianity, hope, faith, and love.

The station addresses community social ills, such as drugs and alcohol abuse, Awareness of GBV Unemployment, Teenage Pregnancy, Family Matters and relationships

FUNDING OF TRANSMISSION FEES AND DEBT

The community broadcast sector's spiralling debt with Sentech has been an ongoing challenge, with community broadcast stations having either been shut down or about to be shut down. While the MDDA, with its stakeholders, is urgently seeking a long-term resolution to unaffordable transmission costs, the MDDA assisted in 2021/2022 in approving signal distribution for beneficiaries including self-transmission. The Media Development and Diversity Agency (MDDA) issued a call for community broadcast projects across South Africa, holding a valid ICASA lisence and with outstanding transmission fees, to apply for funding for the payment of such fees. Self-transmitting community broadcast projects with a valid lisence were also invited to apply. In January 2022, the Board of Directors approved the requisition to write off a total of R 8 974 435,11 to fund the transmission fees to some of the beneficiaries that made requisitions. 19 beneficiaries were approved.

RESEARCH, TRAINING, AND DEVELOPMENT-2021/22FY

CAPACITY BUILDING

One of the objectives of the Agency outlined in the MDDA Act of 2002 is to "encourage the development of human resources, training, and capacity building within the media industry, especially amongst historically disadvantaged groups". The Agency has implemented the following capacity-building programmes, with the aim of providing the community and small commercial media practitioners with the necessary skills needed for effective performance in day-to-day work.

Governance and Compliance Workshops

The Agency hosted online (Zoom) Governance and Compliance training with the intention of increasing the Agency's focus on capacitating the sector in governance and compliance. The key subjects covered were governance principles, compliance with state regulations and tax obligations, and necessary issues to be considered when preparing for annual statements and grant applications (or any grant compliance requirements). This training was conducted on 31 August to 2 September 2021.

Grantee Orientation Workshop

This workshop is designed for all new grantees with the purpose of training them on Management (finance, project, and business), Corporate Governance, and Compliance. These grantees are projects that were approved for funding by the Board at its March 2021 meeting. The aim was to broaden their understanding of the functions of the MDDA, processes, and procedures that may impact their funding, and generally comply with MDDA support requirements. The workshop was implemented from 29 to 30 April 2021.

Local Government Elections Training Workshop

The Agency hosted the Local Government Elections Training Workshop and Fact Checking Training from 11 to 12 October 2021. The training was aimed at providing MDDA beneficiaries with an understanding of the Local Government Electoral systems in preparation for the 2021 Local Government Elections. The training provided an overview of how elections work in South Africa, the role of Community Media in covering Elections, the Safety of journalists, Misinformation / Disinformation, Municipal finance, and tools to enhance reporting. In order to maximise reach and impact, the delivery of the training took a hybrid format i.e. face-to-face and Livestream through the Agency's social media platforms.

Interactive Media Workshop

The Agency hosted an Interactive Media Training workshop from 22 to 23 November 2021, in Johannesburg. This is an accredited course equivalent to NQF level 5 (130 credits). The training was aimed at equipping media practitioners to be able to plan and create websites. This included authoring /compiling / putting together components for user interface design for communication, entertainment, and information devices. Participants learnt to compile interactive presentations, graphics, photographic elements, or visual content for marketing purposes. The key subjects covered were design and developing creative elements for interactive media solutions, and gathering interactive media content and information.

Media Literacy Programmes

Section 3(v) of the Media Development and Diversity Act No.14 of 2002, states that the Agency must support initiatives which promote literacy and a culture of reading. These interventions are aimed at youth, children, adults, and community media projects. In partnership with Film and Publications Board (FPB) and The South African Centre for Digital Language Resources (SADiLaR), the Agency implemented an online seminar titled "Book To The Future" on the 7th of September 2021. The session explored various topics that contributed to promoting a culture of reading reminding the public of the importance of literacy as a matter of dignity and human rights and to advance the literacy agenda toward a more literate and sustainable society.

Through this partnership, the Agency also implemented two media literacy interventions in Limpopo Waterberg District -Mogalakwena Municipality. The interventions were in commemoration of Child Protection Week (CPW) from 30 May to 06 June 2021.

Future Proofing Community Media

The Agency partnered with NEMISA in hosting Future Proofing Community Radio Workshop. The workshop was aimed at assisting community radio to unpack current and future challenges facing the sector. These include issues such as digital disruption, technology convergence, and the impact of new content platforms. The workshop was held in Gauteng from 8 to 10 March 2022 and in Western Cape from 15 to 17 March 2022.

Other Capacity Building Initiatives

The Agency also implemented two non-accredited short course training at Brandvlei Correctional Services Centre (BCS), from 2 to 4 June 2021. The main subjects included newspaper creation, content generation and research for print, electronic and digital and radio production programmes (Newsroom skills).

The Agency also partnered with the FPB on a Women's month event in Clarens, Free State. The event took place from 27 to 29 August 2021. Twenty girls comprising of Grade 10 to 11 and Tertiary level from various educational institutions and NGO's in the area attended this session. The programme included training in the digital space, discussion on the impact of Gender-Based Violence on young women in South Africa, debate amongst the girls, and the influence of media on perceptions of Gender.

On 26 November 2021, the Agency implemented a Digital Hubs programme with Whale Coast FM, Cape Town. The aim of this program is to decentralise broadcasting by moving away from having one central studio to having content creators across different towns feedings into the main studio. The station staff was provided with the necessary production kits. The station aims to serve more communities in the region and be more inclusive of historically disadvantaged communities.

RESEARCH AND DEVELOPMENT

Impact of Covid-19 on Community and Small Commercial Media Sector

The Agency appointed Maphela Consulting to assess the impact of Covid-19 on Community Media sector operations and how the sector adapted coping strategies to survive. The commissioned study focused on organisations supported and not supported by the MDDA in an attempt to provide a more accurate indication of the state of the sector. Triangulation was used to gather data, where face-to-face interviews, an online survey, and focus group discussions formed part of the methodology.

The study revealed that the COVID-19 outbreak in South Africa affected the CSCM sector's operations, strategy, content development, and journalists' routines, which altered the audience volume and habits. The results also indicate that COVID-19 was not the only source of strain in the fraternity of community media, though it came a disruption to normal activities. The media community experienced reduced revenues with some opting to cease operations, some were forced to dip into existing business reserves to finance their business operations, reduced advertising fees to retain/attract clients, and reduced labour force. However, the sector ultimately managed to stay afloat despite its challenges, aided by the MDDA COVID-19 Relief Funds issued during the pandemic. The sector also managed to cope by adapting to innovative and technological ways of conducting business. Like any other historical crisis, COVID-19 highlighted the prominence of the media in public life.

Local Government Elections Monitoring

MDDA has conducted a capacity-building workshop to equip community media journalists on elections reporting in preparation for the 2021 Local Government Elections (LGE). The Agency appointed Moonraises Strategic Solutions to conduct research as a baseline study that primarily sought to monitor the coverage of LGE by the community media and assess the extent to which the training was beneficial. Media houses submitted portfolios of evidence (POEs) for their coverage activities during the 2021 LGE. Interviews were also conducted as a supplementary approach to strengthen the outcomes.

The study indicated that the elections were conducted under COVID-19 restrictions which affected both the voter behaviour and media practices in generating content. It shows that print media has severe resource constraints that compel them to publish only once a month even during events of critical national importance such as elections. Despite the challenges, the study revealed that election reporting was ethical, fair, and professional. Furthermore, both print and broadcast media used their prime slot to cover elections-related matters.

Community Media Sustainability Model

As the MDDA approaches its 20th anniversary in 2023, the agency appointed Redflank Solutions Pty (Ltd) to conduct a comprehensive study and develop a community media sustainability model. The objective was to determine the levels of sustainability within the community media sector using UNESCO defined Media Viability Indicators, understand the factors contributing to sustainability or lack thereof, and ultimately develop sustainability strategies.

The study revealed that on average, the sector is partially sustainable (74%). It reports that this is mainly due to a lack of adequate funding and financial resources or support, high transmission and printing fees, poor marketing skills, poor local economic conditions, high staff turnover,lack of proper governance structures and clear roles inaccurate audience data from data providers etc. In order to improve sustainability, the study recommends well-structured provincial hubs and cooperatives, monetize digital media platforms, increasing funding from government and donors, implementing 30% government advertising spending, equipping the sector with relevant skills, etc.

PART C
GOVERNANCE AND LEGAL

16. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive, and the Accounting Authority of the public entity are responsible for corporate governance.

17. PORTFOLIO COMMITTEE

The entity was invited to participate in Parliamentary Portfolio Committee meetings on the 18th October 2021, 9th November 2021 and 8th March 2022.

These meetings allowed the Portfolio Committee to consider the performance of the entity in terms of the approved Annual Performance Plan.

The Portfolio Committee utilized the meetings as a tool to exercise its oversight over the MDDA and to receive assurance on the performance of the organisation.

18. EXECUTIVE AUTHORITY

MDDA Submitted quarterly performance information and financial information reports to the Executive Authority on the following days;

Quarter 1- 30th July 2021

Quarter 2- 29th October 2021

Quarter 3- 31st of January 2022

Quarter 4- 30th April 2022

19. THE ACCOUNTING AUTHORITY / BOARD

Introduction

The MDDA Act stipulates that the Board ought to consist of nine members; six members are appointed on the recommendation of Parliament, after a public nomination process which is open, transparent, and with a publication of a shortlist of candidates for appointment. Three members are appointed by the President, taking into consideration the funding of the Agency, of whom one is from the commercial print media and another one from the commercial broadcast media. The President of the Republic of South Africa appoints one of the members as Chairperson of the Board. Members are appointed on a non-executive basis and are required to commit to fairness, freedom of expression, openness, and accountability. Members take an oath or affirmation before performing duties, committing themselves to upholding and protecting the Constitution and the other laws of the Republic.

The role of the Board is as follows:

The Board acts as an Accounting Authority and appoints the Chief Executive Officer in terms of Section 13 of the MDDA Act, to act as an Accounting Officer.

The Agency acts only through the Board, which is required by law to be independent; impartial; and to exercise its powers and perform its duties without fear, favour or prejudice; and without any political or commercial interference.

Further, the Act provides for the Agency not to interfere in the editorial content of the media.

Board Charter

The MDDA Board has approved a Board Charter, which is reviewed annually. The purpose of this Charter is to set out the Board's role and responsibilities, its authority, composition, functioning and other related matters. It serves as a source of reference for existing and new directors, and all directors of the Board are familiar with the contents of the Charter. Board meetings and administration have been implemented in respect of the Board Charter which serves as a guide on all Board activities.

Composition of the Board

2020/2021 MDDA Board and Committees

In line with Section 4 of the MDDA Act, the President of the Republic appointed Dr Hlengani Mathebula as the MDDA Board of Directors' Chairperson, effective from the 8th June 2021, for a period of five years. Dr Mathebula, replaced Mr Munzhelele, as the Board Chairperson who resigned effective from 17th May 2021. Ms Nadia Bulbulia, and Mr Hoosain Karjieker, were also appointed to the Board on the 10th of September 2021 and 17th of November 2021, respectively. These Board members joined, Ms Brenda Leonard, Ms Andiswa Ngcingwana, Ms Marina Clarke and Ms Zanele Mngadi (the shareholder representative), as Board members. Ms Bulbulia and Mr Karjieker replaced Mr Norman Munzhelele, who had resigned with effect from the 17th of May 2021 and Mr Moshoeshoe Monare, whose term of office had come to an end on the 13th September 2021. Ms Bulbulia, was nominated to office as the representative for the commercial broadcast media, whilst Mr Karjieker, was nominated as the representative of the commercial print media. Upon appointment and after taking an oath of office, members were inducted through provision of relevant documentation. This process was aimed at equipping directors with sufficient knowledge and understanding of the operations of the MDDA, the opportunities and challenges facing the Agency, including the key risks, which would enable them to effectively contribute to strategic deliberations and exercise their duty of oversight over the Agency. The Board therefore consisted of seven members during the period under review.

The Agency has continued to enjoy sustained support from the Executive Authority which has provided guidance in terms of national policy priorities. The bilateral meeting between the Agency and the Ministry occurred on the 19th November 2021. The engagement assisted both the shareholder and the Agency in maintaining alignment of the strategic direction of the Agency and that of national government. The Board of Directors met for four ordinary Board meetings and seven special Board meetings during 2021/2022 in order to process the statutory, strategic and policy requirements of the organisation and to provide guidance to Executive Management. These meetings also ensured that the disbursement of funds to community broadcast and print media were approved, and such disbursements closely monitored.

The Board held a Strategic Planning Session which took place on the 21st of October 2021 and finalised its strategic planning processes on the 25th of November 2021. These fruitful sessions drew attention to strategic areas of focus for the Board as detailed in the 2022/23 Annual Performance Plan.

The MDDA Funders Breakfast is an annual event held with current and prospective funders to report on MDDA's key interventions, demonstrate how funds were utilised in the previous financial year and how future funding will be channelled to advance the mandate of providing an environment for community development and diversity. The annual Funder's Breakfast was held on the morning of the 11th of March 2022 and Dr Hlengani Mathebula, Ms Marina Clarke and Ms Brenda Leonard, attended the engagement as representatives of the MDDA Board.

Members of the Board also attended various studio launches of community broadcasters during the year.

The appointment of Board members has translated to an improvement in the structuring of the governance committees of the MDDA. With additional members serving on the Board, the organisation has been able to better utilise its already established committees to improve decision making by the Board of Directors.

The Committees have provided the Board with recommendations and reports which ensure transparency and full disclosure of the Committees' activities. An independent Non - Executive Director serves as a Chairperson in each Committee.

The MDDA Board consisted of four Committees during 2021/2022: Audit and Risk Committee; Projects Oversight Committee; Research, Capacity Building, Monitoring and Evaluation Committee and the Corporate Affairs Committee.

The Audit and Risk Committee members consisted of Mr Fortune Mkhabela, Ms Margaret Phiri and Ms Matseliso Shongwe, who were appointed as of the 1st April 2021 and have served the Committee diligently. It should also be noted that the Shareholder Representative, Mr Simon Mankgaba served on the Audit and Risk Committee, together with the Board Representative, Ms Andiswa Ngcingwana. Ms Brenda Leonard served as an alternate Board representative when Ms Ngcingwana was unable to attend Audit and Risk Committee meetings.

An ad-hoc Board committee was formed, which considered the draft Media Development and Diversity Amendment Bill, its report was submitted to the Board for further consideration and resulted in a process of internal and external stakeholder consultation and analysis of the draft Media Development and Diversity Amendment Bill as conceptualised by the GCIS. The aim of this process is to define the MDDA Board's input on the draft Media Development and Diversity Amendment Bill and to provide such input and perspective to the GCIS for consideration.

Below are the meetings held by the Board of Directors and its Committees during the 2021/22 financial year.

2021/2022 MDDA Board of Directors Meetings (includes special meetings)

28 April 2021	Board Meeting
20 May 2021	Board Meeting
26 May 2021	Board Meeting
4 June 2021	Board Meeting
28 July 2021	Board Meeting
8 October 2021	Board Meeting
27 October 2021	Board Meeting
4 November 2021	Board Meeting
26 January 2022	Board Meeting
23 February 2022	Board Meeting
15 March 2022	Board meeting

2021/2022 MDDA Audit and Risk Committee meetings (including special meetings and continuations)

19 April 2021	Audit and Risk Committee meeting
6 May 2021	Audit and Risk Committee meeting
11 May 2021	Audit and Risk Committee meeting
17 May 2021	Audit and Risk Committee meeting
19 July 2021	Audit and Risk Committee meeting
18 October 2021	Audit and Risk Committee meeting
17 January 2022	Audit and Risk Committee meeting
17 March 2022	Audit and Risk Committee meeting
31 March 2022	Audit and Risk Committee meeting

2021/2022 MDDA Projects Oversight Committee meetings (including special meetings)

14 April 2021	Projects Oversight Committee meeting
21 July 2021	Projects Oversight Committee meeting
21 September 2021	Projects Oversight Committee meeting
13 October 2021	Projects Oversight Committee meeting
14 January 2022	Projects Oversight Committee meeting

2021/2022 MDDA Corporate Affairs Committee meetings (including special meetings)

12 April 2021	Corporate Affairs Committee meetings
21 May 2021	Corporate Affairs Committee meetings
20 July 2021	Corporate Affairs Committee meetings
26 July 2021	Corporate Affairs Committee meetings
11 October 2021	Corporate Affairs Committee meetings
10 January 2022	Corporate Affairs Committee meetings
15 February 2022	Corporate Affairs Committee meetings

2021/2022 MDDA Research, Monitoring & Evaluation and Capacity Building Committee

13 April 2021	Research, M & E and Capacity Building Committee meeting
13 July 2021	Research, M & E and Capacity Building Committee meeting
12 October 2021	Research, M & E and Capacity Building Committee meeting
11 January 2022	Research, M & E and Capacity Building Committee meeting

2021/2022 Meeting Attendance of MDDA Board and ARC Members

NAMES	NUMBER OF BOARD MEETINGS ATTENDED (INCLUDING SPECIAL MEETINGS) (11)	BOARD OF DIRECTORS STRATEGIC PLANNING) (2)	AUDIT & RISK COMMITTEE MEETINGS ATTENDED (9)	PROJECTS OVERSIGHT COMMITTEE MEETINGS ATTENDED (5)	CORPORATE AFFAIRS COMMITTEE MEETINGS ATTENDED (7)	RESEARCH, CAPACITY BUILDING, MONITORING AND EVALUATION COMMITTEE ATTENDED (4)
Ndivhuho Norman Munzhelele (Chairperson resigned effective 17 May 2022)	1/1	-	-	-	-	-
Hlengani Mathebula (Appointed as Board Chairperson: 8 June 2021 to 7 June 2026)	11/11	2/2	-	1/1	-	1/1
Moshoeshoe Nkgakga Monare (Appointed 14 September 2018 to 13 September 2021)	5/5	-	-	2/2	4/4	
Marina Clarke (Appointed 1 September 2020 to 31 August 2023)	11/11	2/2	-	4/4	7/7	4/4
Andiswa Ngcingwana (Appointed 1 September 2020 to 31 August 2023 Resigned on 4 April 2022)	7/11	1/2	5/9	5/5	-	-
Brenda Leonard (Appointed 1 September 2020 to 31 August 2023)	11/11	2/2	4/4	-	7/7	4/4
Zanele Mngadi (Appointed 19 May 2020 to 15 May 2022)	9/11	2/2	-	-	-	2/3
Nadia Bulbulia (Appointed 10 September 2021 to 9 September 2024)	5/6	2/2	-	2/2	3/3	-
Hoosain Karjieker (Appointed 17 November 2021 to 16 November 2024)	3/3	-	-	-	-	-
Fortune Mkhabela (ARC Chairperson Appointed 1 April 2021 to 31 March 2024)	2/4	1/1	7/9	-	-	-
Margret Phiri (Appointed 1 April 2021 to 31 March 2024)	-	-	9/9	-	-	-
Matseliso Shongwe (Appointed 1 April 2021 to 31 March 2024)	1/1	-	8/9	-	-	-
Simon Mankgaba (Appointed 16 July 2020 to 15 July 2023)	1/1	1/1	9/9	-	-	-

*Other meetings including various stakeholder engagements such as radio interviews, events and meetings with entities and Parliament's Portfolio Committee as well as meetings to make inquiries into whistle-blower reports received.

BOARD AND COMMITTEE REMUNERATION

The Board was remunerated, in accordance with National Treasury Regulations. The Board's remuneration for 2021/22 until 31 March 2022 was as follows:

No	Name	Amount
1	Dr H Mathebula	183 356.00
2	Mr N Munzhelele	15 038.00
3	Mr M Monare	45 829.74
4	Ms M Clarke	227 934.00
5	Ms B Leonard	227 439.76
6	Ms A Ngcingwana	32 562.00
7	Ms M. Phiri	27 035.00
8	Mr P. Phukubje	1 236.00
9	Ms M. Shongwe	26 378.00
10	Ms N. Bulbulia	90 396.00
11	Mr H. Karjieker	28 188.00
Total		905 392.50

Code of Conduct

The Board is committed to a code of conduct, which it reviews and adopts on an annual basis. This code of conduct ensures that each member acts with integrity when performing his or her responsibilities on behalf of the MDDA. The Code outlines the Board's fiduciary duties and defines its responsibilities towards stakeholders, staff members, and government.

All members of the Board have also taken an oath or affirmation committing them to the principles of fairness; freedom of expression; openness; accountability; and upholding and protecting the Constitution and other laws of the Republic of South Africa.

At least four ordinary Board meetings and no more than eight special Board meetings are held annually in accordance with Section 10 of the MDDA Act.

20. RISK MANAGEMENT

The MDDA approach to Enterprise Risk Management (ERM) is aimed at evaluating, managing and optimising the opportunities, threats and uncertainties that the MDDA may encounter in its efforts to maximise sustainable shareholder value. Risk management is supported by the Audit and Risk Committee (ARC) and assured by external audits and the Internal Audit function.

ERM is designed to identify potential events that may affect the organisation, manage risks within its risk appetite and ultimately provide reasonable assurance that the MDDA will achieve its objectives. ERM is applied throughout the organisation and the process is supplemented by the MDDA Risk Management Framework and a comprehensive set of risk policies and limits.

Embedding risk management techniques in day-to-day operations equips the MDDA to identify events that affect its objectives and manage risk in a manner consistent with the corporate strategy. Within this context, all risk to the Agency, including those associated with sustainability, are managed according to the 'three lines of defence' governance model, as outlined above.

The MDDA's ERM framework is based on the principles embodied in the Public Finance Management Act (PFMA), 1 of 1999, Public Sector Risk Management Framework, published by National Treasury; Enterprise Risk Management Framework, published by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission; International Guideline on Risk Management (ISO 31000); King Code on Governance Principles (King IV) and Batho Pele principles. The principles outlined in the framework are incorporated in risk management-related policies and procedures that support the Agency's ERM framework.

The objectives of this framework are to embed a uniform approach to ERM at the MDDA and identify and assess all the risks that could affect the achievement of the Agency's objectives, its people, reputation, business processes and systems, as well as its financial and environmental performance. It also serves to ensure that these risks are dealt with at an acceptable level.

MDDA undertakes a risk assessment annually, in compliance with PFMA conditions and aligned with the King III and Public Sector Risk Management Framework recommendations. The purpose of this process is to identify, measure and manage potential critical risks (Strategic, financial, governance, operational and IT governance) for the Agency to formulate appropriate risk strategies and action plans.

The entity's risk assessment was conducted and monitored every quarter. The management processes have focused on identifying, assessing, managing, and monitoring all significant risk across all operations in line with the risk management policy.

21. INTERNAL CONTROL UNIT

The internal controls unit was to be satisfied that the internal audit unit function is operating effectively and that the audit plan was executed effectively based on a risk-based approach. Detailed work performed is illustrated below under the heading audit engagement performed for the period 2021/22.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations thereof. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management and monthly/ quarterly reports were submitted in terms of the PFMA and the Division of Revenue Act.

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the entity during the year under review.

Evaluation of financial statements

The audit committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor-General.
- reviewed the Auditor-General of South Africa's management report and management's response thereto.
- reviewed changes in accounting policies and practices.
- reviewed the entities compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report on the financial statements and are of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

22. INTERNAL AUDIT AND AUDIT COMMITTEES

The key activities and objectives of internal audit is to keep stringent control over activities of the organisation. Management need assurance of the authenticity of financial records and efficiency of the operation of the organisation.

Audit engagement performed for the period 2021/22

- Annual Financial Statement 2020/21.
- Audit of Performance Audit-(all quarters) (Q1, Q2, Q3 and Q4).
- HR Performance agreement and appraisal.
- POPI Act.
- Financial Management-Review of Tender Procurement process.
- Audit Improvement plan 2020/21 and internal audits follow up (all quarters) (Q1, Q2, Q3 and Q4).
- Grant and seeding audits.
- APP review 1st draft 2022/23.

Key activities and objectives of the audit committee

- To provide oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.
- To reviews the results of an audit with management and external auditors, including matters required to be communicated to the committee under generally accepted auditing standards.
- The audit committee is satisfied that the internal audit function is operating effectively and that the audit plan was risk based.

The audit committee reports that it has complied with its responsibilities arising from section 51 (1) of the PFMA and Treasury Regulation 27.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, and has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

Attendance of audit committee meetings by audit committee members (Tabular form);

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Fortune Mkhabela	Bachelor of Commerce Honours (Auditing) Institute of the Internal Auditors South Africa (IIASA)| Certification in Control Self-Assessment (CCSA) Institute of the Internal Auditors South Africa (IIA SA) | Certified Internal Auditor (CIA) Bachelor of Commerce Specialisation in Accounting	External	N/A	1 April 2021	Not applicable	7/9
Margret Phiri	Bcom. Accounting Degree CTA/Bcompt honours Qualified CA(SA)	External	N/A	1 April 2021	Not applicable	8/9
Matseliso Shongwe	Bachelor of Accounting (Wits University) Qualified CA(SA)	External	N/A	1 April 2021	Not applicable	
Simon Mankgaba	ND Internal Auditing Dip. Criminal Justice and Forensic Investigation B-Tech Internal Auditing Postgraduate Diploma -Internal Auditing	External	N/A	16 July 2020	Not Applicable	9/9
Andiswa Ngcingwana	National Diploma in Commercial Practice Master of Business Administration (MBA)	External	N/A	19 October 2020	4 April 2022	5/9
Brenda Leonard	BA Communication Science	External	N/A	28 July 2021	Not Applicable	4/4

23. COMPLIANCE WITH LAWS AND REGULATIONS

The MDDA Code of Conduct states that all employees and stakeholders must comply with all laws and regulations which relate to their activities for and on behalf of the employer. The Employer will not condone violation of the law or unethical business dealings, at any level of the Agency. All employees and stakeholders are therefore expected to ensure that their conduct cannot be misinterpreted as being in contravention of this requirement.

In order to maintain oversight over the entity's statutory obligations in terms of legislative parameters, the Audit and Risk Committee has considered a quarterly report on the MDDA's compliance with statutory obligations and has provided guidance and counsel to the Executive Management Team to ensure that the entity is able to meet its various statutory obligations. The Audit and Risk Committee has also reported the level of compliance and improvements on the entity's statutory compliance, to the MDDA Board on a quarterly basis.

24. FRAUD AND CORRUPTION

The MDDA does not tolerate any form of fraud or corruption either internal or from project partners, stakeholders and suppliers. These principles are echoed in policies and documents of the MDDA including the Code of Ethics for the Board, the Code of Practice for all staff, and the Disciplinary Code.

An annual strategic risk assessment was conducted in 2021/2022 with the intention of identifying unwanted events (with negative impact on MDDA). Specific control measures were identified in order to reduce the likelihood and impact of the identified risks. The Risk Management process is a continuous process, and the risks and controls will be frequently revisited to improve the effectiveness of the control environment to enable achievement of company objectives.

A fraud and corruption prevention and awareness plan is in place, emphasising the importance of understanding how to identify, prevent and report fraud at the MDDA. A Fraud Hotline which is managed independently was also implemented in order to provide a mechanism for the reporting of complaints by both internal and external stakeholders.

In terms of these policies, any employee involved in fraud or corruption will be summarily dismissed. Any person found guilty of such charges will further be reported on as required by the Public Finance Management Act, (No.1 of 1999), have criminal charges laid against them and face legal action to recover the amounts involved.

25. MINIMISING CONFLICT OF INTEREST

In terms of the Board's Code of conduct, each member of the Board must make an annual declaration of interests, in order to ensure decisions are fair and to protect the Agency against perceptions of bias or conflict of interest. The declaration of interest forms are updated diligently by members where applicable and such forms promptly lodged with the Company Secretary. Verbal declarations of interest are also noted and processed at every Board and Committee meeting. Any apprehension of conflict of interest by Board Members is promptly considered by the MDDA Board in terms of Section 11 of the MDDA Act.

In addition, all employees of the MDDA are required to make a declaration of interests on joining the MDDA and annually while in the employ of the Agency. The Agency is implementing a Conflict-of-Interest Policy to assist MDDA employees and directors make sound decisions when confronted with a potential conflict of interest situation by providing specific guidelines, in accordance with the MDDA Code of Ethics and its guidelines. The policy states that the responsibility for evaluating, declaring and managing potential conflicts of interest lies with the employee or a director at the MDDA. The Agency expects all its stakeholders, which includes directors, grantees and employees, to actively demonstrate the moral obligation to do the right for the reasons.

Going forward, the MDDA is implementing a Protection of Personal Information (PPI) policy in line with legislation, which dictates how, and for what personal information can be used. It also dictates how data must be stored securely, and forces companies to inform people if their information has been breached.

26. CODE OF CONDUCT

The MDDA's Code of Conduct and Ethics Policy commits the Agency, its external partners and its employees to the highest standards of ethical conduct. The Ethics Policy comprises a short, aspirational summary outlining the Agency's core ethical values, ideals, and principles. The Code of Conduct, on the other hand, is more directional in nature in that it is very specific in describing or forbidding specific behaviour. In essence, the Ethics Policy is value based, whereas the Code of Conduct is rules-based.

The MDDA combines the Ethics Policy and Code of Conduct for the Agency, thereby providing guidelines for all employees to do the right thing and behave at high standards at all times. It also provides employees with concrete ideas about what is right and what is not accepted in the workplace, without the need for constant management presence to supervise them.

27. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The MDDA strives to foster and maintain a stable, healthy, safe and productive working environment and implements a wellness scheme, with frequent desktop wellness awareness information, that is available for all employees. The Agency has a policy which does not unfairly discriminate against persons who choose to smoke. However, all general work areas have been designated as "smoke-free".

Membership of the Discovery Medical Aid Scheme is compulsory for all employees, with the exception of those employees who are, and wish to remain members of an alternative scheme of which their spouses or partners is already a members.

In accordance with Agency's corporate responsibility to comply with Laws and Regulations, and its intent to provide its employees with a safe and secure working environment, the Agency nominated and trained Occupational Health and Safety committee. It takes all reasonable steps to provide secure premises and safe equipment. The controlled access to the Agency's work areas and general premises is maintained in accordance with relevant security and safety procedures to protect property, possessions and persons.

Environmental Responsibility

In terms of the Agency's public responsibility and its commitment to conserving resources used in its business operations, all stakeholders are expected to apply their best efforts to make efficient and safe use of supplies and materials at their disposal. In the interests of the public, the community and preserving the environment, the management of any impact on the environment by business operations is integrated into all operating procedures.

28. COMPANY /BOARD SECRETARY

The Company Secretary provides a central source of guidance and support to the Board on matters of good governance and legislation. The Board is aware of the duties of the Company Secretary and empowers her to fulfil those duties. As gatekeeper of good governance, the Company Secretary maintains an arm's length relationship with the Board and its Directors as well as Management as far as is reasonably possible.

In ensuring that the Board is equipped with required skills and knowledge to execute their tasks, the Company Secretariat Office embarked on a training program for directors. This ongoing training includes development of corporate governance best practice, finance, ethics, risk management, and updates on implementation of strategy (amongst others). A board evaluation will be facilitated by the Company Secretary's Office to ascertain areas of improvement and to ensure that the Board is functioning effectively. The findings from the board evaluation will be utilised to enhance the training program so that it is able to enrich the directors' skills and knowledge.

The Secretariat also reviews the compliance environment of the organisation and details this data in the Compliance Matrix report which is presented to the Audit and Risk Committee on a quarterly basis and assists the Audit and Risk Committee to maintain oversight of the entity's compliance with statutory obligations.

29. SOCIAL RESPONSIBILITY

The mandate of the MDDA, as set out in the MDDA Act No. 14 of 2002, defines the core of the Agency's responsibility regarding social and economic transformation and community upliftment helping to create an enabling environment for media development and diversity that is conducive to public discourse and which reflects the needs and aspirations of all South Africans.

MDDA Empowerment Strategy

The MDDA is committed to support objectives and initiatives as captured in concepts such as BEE and employment equity. Objectives of the MDDA empowerment strategy are to

- Accelerate empowerment of BEE, HDI and SMME for:
  - Employment creation
  - Economic development
  - Wealth creation and
  - Poverty reduction.

30. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section (enter section number) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. Changes in accounting policies and practices have not reviewed.

The Effectiveness of Internal Control

Our review of findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

The following internal audit work was completed during the year under review:

- Annual Financial Statement 2020/21.
- Audit of Performance Audit (all quarters) (Q1, Q2, Q3 and Q4).
- HR Performance agreement and appraisal.
- POPI Act.
- Financial Management Review of Tender Procurement process.
- Audit Improvement plan 2020/21 and internal audits follow up (all quarters) (Q1, Q2, Q3 and Q4).
- Grant and seeding audits.
- APP review 1st draft 2022/23.

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor except pending the finalisation of the accounting treatment pertaining to the administrative fee for the EDF Fund by the external auditors.

Mr Fortunate Mkhabela
Chairperson of the Audit and Risk Committee
MDDA
Date: 30 August 2022

31. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	MDDA does not issue out licenses
Developing and implementing a preferential procurement policy?	Yes	MDDA has developed a SCM policy that is in line with the PFMA and National Treasury Regulations.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not Applicable
Developing criteria for entering into partnerships with the private sector?	No	Not Applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	MDDA has both enterprise and supplier development programmes to assist in the improvement of the small enterprises.

IFM Studio Launch

PART D
HUMAN RESOURCE MANAGEMENT

mdda

32. INTRODUCTION

The key thrust of the MDDA Human Resources Management strategic imperative is to continue to build capacity and create the environment that enables the MDDA to achieve its mandate as specified in the MDDA Act of 2002. MDDA's Human Resources Department functions as a crucial business partner within the company, maximizing its contribution to and alignment with the company's strategic goals. To ensure the efficient and successful management of MDDA's personnel difficulties, the department provides a spectrum of professional services, expertise, and guidance, all of which are underpinned by sound risk management and statutory compliance.

An amended organogram, based on the 2020/2021 – 2024/2025 organisational strategy, was approved by the MDDA Board to bolster capacity in under-resourced areas, such as the Legal Services Unit and two new positions created namely, Legal Officer (junior attorneys) led by Head of Legal Services. The staff complement on the new structure consists of 43 funded positions.

Virtuous progress was recorded when the MDDA filled all its strategic positions namely, Executive Manager-Research, Training, Monitoring & Evaluation; and Senior Manager- Communications & Strategy during the financial year under review.

Performance Management: Moving towards a performance management culture is a strategic objective and tool of the organisation and is aimed at identifying talented employees and encouraging a culture of learning.

Ultimately giving rise to an effective and efficient organisation the MDDA completed its performance contracting process for the new financial year 2021/22. The Board approved a new performance management policy in April 2020, paving the way for a policy that encourages good performance, as opposed to the old policy where performance incentives were paid to all staff across the board, no matter the circumstances. The HR department embarked on ensuring that all annual assessments, moderation of performance assessments as well as possible awarding of performance rewards will be finalised at the end of the performance management cycle for 2020/21.

Wellness & Health: Staff wellness is a critical element in the MDDA's holistic approach in providing its employees with a supportive and caring environment. The MDDA, through the appointed employee wellness service provider ICAS, continued ensuring that there was awareness of the services through newsletters, EAP support, counselling services, and other relevant interventions and initiatives.

With the South African Government's move from Level 4 at the beginning of the financial year to level 1 of a national lockdown, MDDA ensured compliance with the National Disaster Plan in response to the COVID-19 pandemic. The executive management made a decision to reduce the number of staff accessing the office and the executive encouraged unit managers to allow the staff members to work from home as much as possible. The plan was drawn up strictly in line with Government regulations on minimising possible exposure to SARS-CoV-2 during 2020, the virus responsible for COVID-19. The South African Government's move to Level 1, in compliance with the National Disaster Plan in response to the COVID-19 pandemic, The Board decided that staff should return to the office full-time from 01 February 2022 and for unvaccinated staff to vaccinate by 31 March 2021. Traveling staff were allowed three days to monitor their symptoms before they go back to the office. On the 23rd of March 2022, the State President announced a raft of changes to SA's lockdown restrictions after 2 years of battling the deadly pandemic.

OUR STRATEGIC THRUSTS

The Human Resources Department's primary responsibility in delivering operational excellence is to assist the organization in achieving the HR-specific objectives specified in MDDA's Strategic Plan 2020 -2024 by planning, executing, and reviewing Human Resources projects. MDDA has six strategic thrusts to build organisational competencies and leadership capacity for long-term growth:

- ✓ Organisational Culture, and Change Management
- ✓ Recruitment, retention, and succession planning
- ✓ Employment Equity – transformation and inclusivity
- ✓ Training and development
- ✓ Performance Management
- ✓ Health and wellness

33. HUMAN RESOURCE OVERSIGHT STATISTICS

There was a total permanent staff complement of 38 at the end of the period under review, out of 43 approved positions. This equates to a vacancy rate of 7.3%. There were three terminations of permanent employees, one was dismissed, one resigned and the other official passed away. The Agency appointed two managers, one Executive Manager, and one Senior Manager during the FY 2021/2022.

33.1 Personnel related expenditure

Personnel Cost by programme/ activity/ objective

Employees are remunerated on a Total Cost to Company Annual pay to facilitate greater salary package flexibility and competitiveness in the market, as well as paying at an equitable rate for services rendered. The principle applied is equal pay for work of equal value.

The MDDA offers fringe benefits such as a provident fund administered by Liberty and, medical aid administered by Discovery included in the total cost to the company. In addition to this, a cell phone allowance and study assistance are also offered to the employees. In this regard and in order to ensure that employees enjoy the full benefits of the service, it is compulsory for employees at the MDDA to join both the medical aid scheme and provident fund.

Programme/activity /objective	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Office of the CEO	4 034 481	12%	3	1 344 827
Projects	9 271 067	28%	14	662 219
Research, Training, Monitoring and Evaluations	5 908 292	18%	7	844 042
Company Secretary	2 017 459	6%	2	1 008 730
Internal Audit	1 794 852	5%	2	897 426
Communications and Strategy	2 183 923	7%	4	545 981
HR and Corporate Services	1 330 442	4%	3	443 481
Finance	6 768 928	20%	7	966 990
Total Expenditure	**33 309 445**	**100%**	**42**	

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	7 504 089	23%	4	1 876 022,34
Senior Management	9 730 334	29%	10	973 033,36
Professional qualified	3 312 717	10%	4	828 179,14
Skilled Technical	12 512 627	38%	23	544 027,28
Semi-skilled	249 678	1%	1	249 678,18
TOTAL	**33 309 445**	**100%**	**42**	

Performance rewards

To encourage good performance, the Agency granted the following performance awards during the year under review:

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	7 504 089	380 975,47	5%
Senior Management	9 730 334	444 539,16	5%
Professional qualified	3 312 717	207 523,62	6%
Skilled	12 512 627	705 447,08	6%
Semi-skilled	249 678	16 162,67	6%
TOTAL	**33 309 445**	**1 754 648**	

Training costs

The MDDA believes that learning and development are essential elements to encourage and assist all employees to acquire the knowledge and skills required to maximise their performance. Through the Annual Training Plan for the 2021/22 financial year, numerous training initiatives were identified from staff's development plans, training identified varies from soft skills to hard skills.

The agency is making progress capacitating the employees, thus embarked on the skills audit project. The report identifies developmental learning areas for each staff member. These will be prioritised in each staff member's development plan starting in the 2022/23 cycle. Bursaries for Employees acquiring undergraduate and postgraduate qualifications were approved for fourteen staff members. Employees on bursaries continued with their 2021 studies.

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Bursary	R0,00	R498 655,00	25%	14	R35 618,21
Training Delivery	R0,00	R321 695,00			

Employment and vacancies

The Agency had successfully filled one top management position and one senior manager position during the period under review.

Programme/activity/objective	2021/2022 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% of vacancies
Top Management	4	4	4	0	0
Senior Management	8	10	8	2	17%
Professional qualified	18	21	18	3	13%
Skilled	7	7	7	0	0
Semi-skilled	1	1	1	0	0
Unskilled	0	0	0	0	0
TOTAL	38	43	38	5	0

Employment changes

The following tables provide a summary of turnover rates by salary band and by critical occupations, as well as reasons why staff are leaving the Agency.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	1	0	4
Senior Management	9	1	2	8
Professional qualified	19	0	1	18
Skilled	7	0	0	7
Semi-skilled	1	0	0	1
Unskilled	0	0	0	0
Total	39	2	3	38

Reasons for staff leaving

Three employees were terminated during the period under review for various reasons ranging from death, resignation, and dismissal as depicted on the table below. The recruitment process to fill these critical positions commenced and will be filled in the next financial year.

Reason	Number	% of total no. of staff leaving
Death	1	3%
Resignation	1	3%
Dismissal	1	3%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	3	7%

Labour Relations: Misconduct and disciplinary action

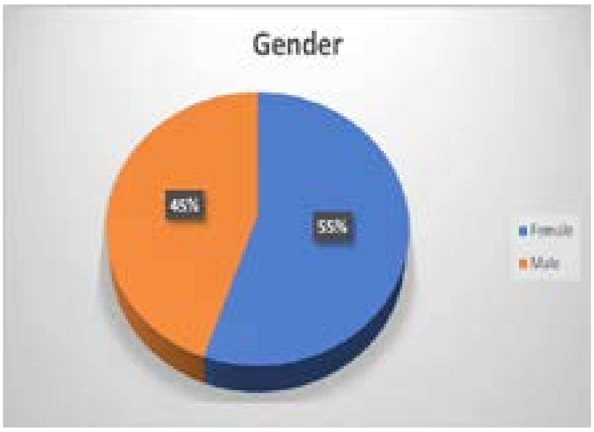
MDDA management continued to engage employees largely through internal communications and staff meetings as a positive way of communication improvement within the organisation. Only one disciplinary hearing resulted in the dismissal of one of the employees. There were no grievances lodged during 2021/22.

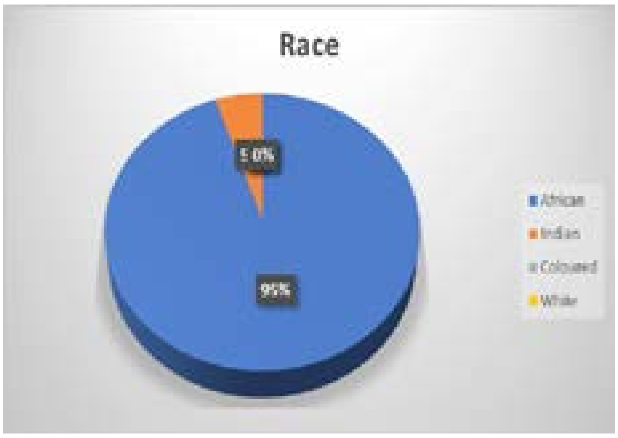
Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	1

EMPLOYMENT EQUITY

Equity Target and Employment Equity Status

As per the Employment Equity Act (EEA) 1998 (No 55 of 1988), the organisation submits its Employment Equity Plan on a three year basis to the Board, and its Employment Equity Report to the Department of Labour every year. The 2021/24 EE plan was approved by the Board as recommended by the Corporate Affairs Committee (CAC). This marks the first year of the three-year employment equity plan for the Agency. The current workforce is diverse, ranging in race and gender. During the reporting period, 100% of our permanent employees were black (African, Indian, and coloured), and 55% were women.





Levels	MALE								
	African		Coloured		Indian		White		Total
	Current	Target	Current	Target	Current	Target	Current	Target	
Top Management	1	1	0	0	1	1	0	0	2
Senior Management	4	4	0	0	0	0	0	0	4
Professional qualified	8	8	0	0	0	0	0	0	8
Skilled	3	3	0	0	0	0	0	0	3
Semi-skilled	0	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0	0
TOTAL	16	16	0	0	1	1	0	0	17

Levels	FEMALE								
	AFRICAN		COLOURED		INDIAN		WHITE		Total
	Current	Target	Current	Target	Current	Target	Current	Target	
Top Management	2	2	0	0	0	0	0	0	2
Senior Management	3	3	0	0	1	1	0	0	4
Professional qualified	10	10	0	0	0	0	0	0	10
Skilled	4	4	0	0	0	0	0	0	4
Semi-skilled	1	1	0	0	0	0	0	0	1
Unskilled	0	0	0	0	0	0	0	0	0
TOTAL	20	20	0	0	1	1	0	0	21

The Agency set a three-year target to achieve 7% of employees with disability by 2024. The Agency achieved its 2021/22 target of 2% of the total workforce of employees living with disabilities.

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	1	1	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	1	1	0	0

Motheo fm studio launch

PART E
ENVIRONMENTAL LANDSCAPE AND FUNDING

@MDDA @MDDA_Media @MDDA_Media

34. GROWTH AND DEVELOPMENT OF LOCAL MEDIA

The MDDA Act No. 14 of 2002 established the MDDA to help create an enabling environment for media development and diversity that is conducive to public discourse and which reflects the needs and aspirations of all South Africans.

Despite the fact that transformation of the media remains a challenge for South African democracy, the media landscape has changed considerably since 2004, with the MDDA being the largest contributor to enabling access to, control of, and management of the sector by historically disadvantaged individuals.

More than ever before, all the languages of South Africa are being actively used to communicate and engage with communities, with the community broadcast sector far outstripping their mainstream counterparts in this regard.

The MDDA has invested significantly in the purchase of world-class radio equipment, and to further enable quality productions, has commenced from 2019/2020, including an allocation for content production in the grant funding package.

Similarly, the community and small commercial print sector has grown significantly in recent years with South Africa now boasting more than 200 small publishers.

35. SOCIO-ECONOMIC IMPACT AND RETURN ON INVESTMENT

Item	Number (Cumulative to date)
Number of people trained	871

36. FUNDING OF THE AGENCY

Section 15 of the MDDA Act provides for funding of the Agency consisting of:

- Money appropriated by Parliament;
- Money received in terms of agreements contemplated in section 21;
- Domestic and foreign grants;
- Interest derived from any investments; or
- Money lawfully accruing from any other source.

The money referred to above must be utilised to:

- Fund projects and activities connected therewith, including project evaluation, feasibility studies, needs analyses, research, and training; and
- Defray expenses, including expenses regarding remuneration, allowances, pensions, and other service benefits referred to in section 12 (6) of the Act, incurred by the Agency in the performance of its functions under the Act as long as such expenses do not exceed the prescribed percentage of the funds referred to above.

Funding of the Agency

Description	2015/2016 R	2016/2017 R	2017/2018 R	2018/2019 R	2019/2020 R	2020/2021 R	2021/2022 R
Total budget from DoC/GCIS	22 615 000	23 814 000	30 005 000	30 669 000	31 795 000	32 279 000	60 187 627
Broadcast Income	34 387 098	43 661 000	48 256 912	51 743 849	56 313 833	60 915 177	64 948 917
TOTAL	57 002 098	67 475 000	78 261 912	82 412 849	88 108 833	93 194 177	125 136 544

The Economic Development Fund (EDF) - conditional grant anticipated to be transferred to revenue in the 2021/22 financial year has caused a significant increase in grant revenue in the 2021/22 financial year. The EDF programmes have been initiated in the 2021/22 financial year and a total of R38 645 889 conditional grants is anticipated to be transferred to revenue over the MTEF.

Broadcast funders - MDDA is funded through the USAF levies paid by broadcasters and is categorised as revenue. The broadcaster contribution is projected to increase by 2% over MTEF as a reflection of expected industry growth based on historical trends.

Grants income – MDDA receives an unconditional grant allocation through Government Communications Systems (GCIS), the grant is used to fund operational expenditure. National Treasury has introduced spending curtailing measures and reduced MDDA allocations. Government Grants will only increase by an average of 5% over the MTEF, the increase is below the inflation levels which warranted a reduction on expenditure. An additional R3 million was advanced to MDDA's initial allocation and this resulted in an increase in grant income that would increase allocation for print projects funding.

37. BROADCAST PARTNERS

- Radio Heart 104.9 FM
- Algoa FM
- Radio Igagasi
- Kagiso Media (Jacaranda Fm and East Coast Radio)
- Multichoice Contribution
- YFM
- eTV
- Vuma 103 FM
- SABC
- Kaya FM
- Capricorn FM
- LM Radio
- Cape Town Radio Pty Ltd
- PRIMEDIA Broadcasting (Highveld Stereo 94.7, Radio 702 and KFM, Cape Talk)

38. FOREIGN GRANTS

No foreign grants were received in the year under review.

39. ROLLOVER

For the period under review, the MDDA has requested **R10 419 000** rollover of funds in respect of committed funds to be disbursed to project beneficiaries and services providers at a future date.

40. FUNDING CYCLES

The MDDA was funded by Government through the Department of Communications up to 2019 and now through the GCIS which will report to the Presidency. The Agency is also funded by broadcast media companies as per funding agreements signed between the MDDA and these partners. The funding cycle from Government is in line with the Agency's financial year, which is April to March. However, the funding cycles for broadcast funds is November to November. Due to the different cycles of funding, the MDDA will always, at the financial year end, reflect funds from broadcast funders that still need to be approved.

41. REGULATORY AND CONTRACTUAL REQUIREMENTS

MDDA regulations state that:

- At least 60% of grant funds should go to community media projects
- At least 25% to small commercial projects
- 5% to research projects

Eastwave FM Studio Launch

PART F
FINANCIAL INFORMATION

mdda

Report of the auditor-general to Parliament on Media Development and Diversity Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Media Development and Diversity Agency set out on pages 92 to 141 which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Media Development and Diversity Agency as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards) (IESBA code)* as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code. .
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in notes 9 and 14 financial statements, *namely Unspent conditional grants and Revenue from non-exchange,* respectively, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2022.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022.

Programmes	Pages in the annual performance report
Programme 3 – Partnerships, public awareness and advocacy	36

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not not identify any material findings on the usefulness and reliability of the reported performance information for this:

    - Programme 3 – Partnerships, public awareness and advocacy.

Other matter

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on page 36 for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

20. The material findings on compliance with specific matters in key legislation are as follows.

Annual financial statements and annual report

21. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of current liabilities and revenue from non-exchange identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the board chairperson's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

25. I did not receive the other information prior to the date of this auditor's report, when I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issues an emended report as appropriate, However, if it is corrected this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

27. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.

28. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Pretoria

31 July 2022

Annexure – Auditor-General’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the public entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

   - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control

   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors which constitutes the accounting authority.

   - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Media Development and Diversity Agency to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern

   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Media Development and Diversity Agency
(Registration number PE63)
Audited Annual Financial Statements
for the year ended 31 March 2022

ANNUAL FINANCIAL STATEMENTS

General Information

Country of incorporation and domicile South Africa

Nature of business and principal activities The Media Development and Diversity Agency (MDDA) is a statutorydevelopment agency for promoting and ensuring media development and diversity in South Africa, set up as a partnership between the South African Government and major print and broadcasting companies to assist in (amongst others) developing community and small commercial media in South Africa. It was established in 2003, in terms of the MDDA Act No. 14 of 2002 and started providing grant funding to projects on 29 January 2004.

Directors
Andiswa Ngcingwana
Brenda Leonard
Hlengani Mathebula
Hoosain Karjieker
Marina Clarke
Nadia Bulbulia
Zanele Mngadi

Registered office
5 St Davis Place
Parktown
Johannesburg
South Africa
2193

Bankers
Absa Bank
South African Reserve Bank

Auditors Auditor-General South Africa

Secretary Yolanda Du Preez

Index

The reports and statements set out below comprise the audited annual financial statements presented to the parliament:

Abbreviations used:

CFO	Chief Financial Officer
CEO	Chief Executive Officer
DoC	Department of Communications
EDF	Economic Develoment Fund
GCIS	Government Communications Information Systems
GRAP	Generally Recognised Accounting Practice
PFMA	Public Finance Management Ac No.1 of 1999
M&E	Monitoring and Evaluation

Directors’ Responsibilities and Approval

The directors are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the quarterly financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the entity’s cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the GCIS for continued funding of operations. The audited annual financial statements are prepared on the basis that the entity is a going concern and that the GCIS has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Directors are primarily responsible for the financial affairs of the entity, they are supported by the entity’s external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity’s audited annual financial statements. The annual financial statements have been examined by the entity’s external auditors and their report is presented on pages 88 to 91.

The annual financial statements set out on pages 92 to 141, which have been prepared on the going concern basis, will be approved by the on 27 July 2022 and were signed on its behalf by:

Dr Hlengani Mathebula
Board Chairperson

Audit and Risk Committee (ARC) Report

We are pleased to present our report for the financial year ended 31 March 2022.

Audit and Risk Committee members and attendance

The audit committee consists of the members listed hereunder and should meet six times per annum as per its approved terms of reference. During the current year six meetings were held.

Name of member	Number of meetings attended
Fortune Mkhabela - Chairperson (01 April 2021 – 31 March 2024)	4/6
Margaret Phiri (01 April 2021 – 31 March 2024)	6/6
Matseliso Shongwe (01 April 2021 – 31 March 2024)	6/6
Simon Mankgaba (16 July 2020 – 15 July 2023)	6/6
Andiswa Ngcingwana (Board representative)	3/5
Brenda Leonard (Alternate Board representative)	2/2

Audit and Risk Committee(ARC) responsibility

The audit committee reports that it has complied with its responsibilities arising from section 55(1)(a) of the PFMA and Treasury Regulation 27.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the audited annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management quarterly reports submitted in terms of the PFMA.

The audit committee is satisfied with the content and quality of quarterly reports prepared and issued by the management of the entity during the year under review.

Evaluation of audited annual financial statements

The audit committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General report ;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

Audit and Risk Committee (ARC) Report

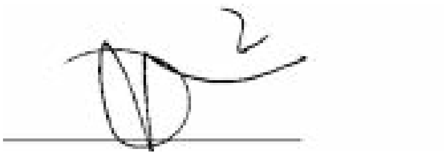
The audit committee concur with and accept the Auditor-General of South Africa's report the audited annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Chairperson of Audit Committee
Mr Fortunate Mkhabela
Date: 30 August 2022

Board's Report

The members submit their report for the year ended 31 March 2022.

1. INCORPORATION

The entity was incorporated on 01 April 2003 and obtained its certificate to commence business on the same day.

2. GOING CONCERN

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of R 94 145 110 and that the entity's total assets exceed its liabilities by R94 145 110.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on a number of factors. This bases presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and committments will occur in the ordinary course of business.

Covid-19 Pandemic and impact on entity's going concern

In November 2019, the first cases of a new disease, later named COVID-19 by the World Health Organization (WHO), were reported by healthcare workers from Wuhan, China. In January 2020 the WHO declared COVID-19, as a public health emergency of international concern.

MDDA has implemented a pandemic management plan. MDDA offices have been open and staff worked on a rotation bases. During rotational work cycle, preventative measures were observed such as: Deep cleaning and disinfection of the offices and equipment, pre-screening of workers before entering the facility, provision of personal protective essentials, provision of sanitizers, maintaining of social distancing.

3. BOARD MEMBERS CHANGES

Changes to the members of Board during the financial year were as follows:

- Norman Munzhelele - Resigned: 08 June 2021
- Nadia Bulbulia - Appointed: 10 September 2021
- Moshoeshoe Monare - Term expired: 17 September 2021
- Hoosain Karjieker - Appointed: 17 November 2021

4. CORPORATE GOVERNANCE GENERAL

The directors are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the directors supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2019. The directors discuss the responsibilities of management in this respect, at Board meetings and monitor the entity's compliance with the code on a three monthly basis.

Board's Report

Corporate governance (continued)

Board of directors

The salient features of the entity's adoption of the Code is outlined below:

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
  - non-executive directors, all of whom are independent directors as defined in the Code;
- has established a Board directorship continuity programme.

Chairperson and chief executive

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

5. AUDITORS

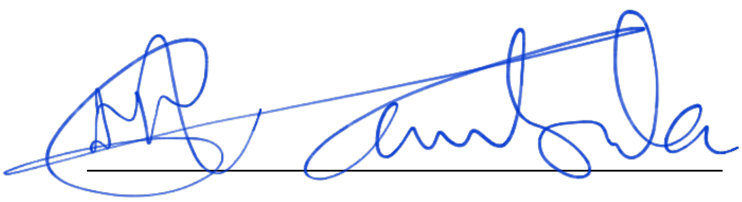
Auditor-General South Africa will continue in office for the next financial period.

6. BOARD MEETINGS

Non-executive directors attended meetings as follows during 2021-22 financial year:

- Andiswa Ngcingwana (7/11)
- Brenda Leonard (11/11)
- Dr Hlengani Mathebula (11/11)
- Hoosain Karjieker (3/3)
- Marina Clarke (11/11)
- Moshoeshoe Monare (5/5)
- Nadia Bulbulia (5/6)
- Norman Munzhelele (1/1)
- Zanele Mngadi (9/11)

The audited annual financial statements set out on pages 92 to 141, which have been prepared on the going concern basis, were approved by the board on 27 May 2022 and were signed on its behalf by:



Dr Hlengani Mathebula
Board Chairperson

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	6	2 351 922	1 940 179
Receivables from non-exchange transactions	7	89 161	36 006
Cash and cash equivalents	8	133 761 191	141 617 016
		136 202 274	**143 593 201**
Non-Current Assets			
Property, plant and equipment	4	1 941 067	1 666 201
Total Assets		**138 143 341**	**145 259 402**
Liabilities			
Current Liabilities			
Deferred lease liability	5	316 970	261 526
Payables from exchange transactions	11	3 572 101	3 276 601
Unspent conditional grants and receipts	9	38 238 376	31 865 860
Provisions	10	1 852 408	1 560 947
Other current liabilities	8	18 378	12 182
		43 998 233	**36 977 116**
Total Liabilities		**43 998 233**	**36 977 116**
Net Assets		**94 145 108**	**108 282 286**
Accumulated surplus		94 145 110	108 282 286
Total Net Assets		**94 145 110**	**108 282 286**

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Other income	16	5 500	2 061
Interest income	15	3 867 944	4 050 101
Total revenue from exchange transactions		**3 873 444**	**4 052 162**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	14	36 175 261	41 070 373
Broadcast funders contributions	13	64 641 480	60 915 177
Total revenue from non-exchange transactions		**100 816 741**	**101 985 550**
Total revenue	12	**104 690 185**	**106 037 712**
Expenditure			
Employee related costs	18	(33 309 445)	(31 146 269)
Depreciation		(367 671)	(324 995)
Impairment loss /Reversal of impairments	20	(18 209)	(32 173)
Grant cost expenditure	17	(72 282 609)	(65 153 588)
Administration expenses	19	(12 849 427)	(8 933 476)
Total expenditure		**(118 827 361)**	**(105 590 501)**
(Deficit) surplus for the year		**(14 137 176)**	**447 211**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported Adjustments	105 956 788	105 956 788
Prior year adjustments 29	1 878 287	1 878 287
Balance at 01 April 2020 as restated*	**107 835 075**	**107 835 075**
Changes in net assets Surplus for the year	447 211	447 211
Total changes	447 211	447 211
Restated* Balance at 01 April 2021	**108 282 286**	**108 282 286**
Changes in net assets Surplus for the year	(14 137 176)	(14 137 176)
Total changes	(14 137 176)	(14 137 176)
Balance at 31 March 2022	**94 145 110**	**94 145 110**

Note(s)

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Grants		42 547 777	44 988 374
Interest income		3 867 944	4 050 101
Broadcasters contribution		64 641 480	60 915 177
Other income		5 500	2 061
		111 062 701	109 955 713
Payments			
Employee costs		(33 071 139)	(30 661 563)
Suppliers		(12 539 226)	(7 500 314)
Grant cost expenditure		(72 653 609)	(61 126 649)
		(118 263 974)	(99 288 526)
Net cash flows from operating activities	21	**(7 201 273)**	**10 667 187**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(660 747)	(832 335)
Net increase/(decrease) in cash and cash equivalents		**(7 862 020)**	**9 834 852**
Cash and cash equivalents at the beginning of the year		141 604 834	131 769 982
Cash and cash equivalents at the end of the year	8	**133 742 814**	**141 604 834**

The accounting policies on pages 13 to 33 and the notes on pages 34 to 49 form an integral part of the audited annual financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	-	-	-	5 500	**5 500**	
Interest received - investments	4 231 701	(630 662)	**3 601 039**	3 867 944	**266 905**	
Total revenue from exchange transactions	**4 231 701**	**(630 662)**	**3 601 039**	**3 873 444**	**272 405**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	32 968 412	27 219 215	**60 187 627**	36 175 261	**(24 012 366)**	
Broadcast funders contributions	56 135 835	8 813 082	**64 948 917**	64 641 480	**(307 437)**	
Total revenue from non- exchange transactions	**89 104 247**	**36 032 297**	**125 136 544**	**100 816 741**	**(24 319 803)**	
Total revenue	**93 335 948**	**35 401 635**	**128 737 583**	**104 690 185**	**(24 047 398)**	
Expenditure						
Employee related cost	(35 571 190)	369 694	**(35 201 496)**	(33 309 445)	**1 892 051**	
Depreciation and amortisation	-	-	**-**	(367 671)	**(367 671)**	
Impairment loss/ Reversal of impairments	-	-	**-**	(18 209)	**(18 209)**	
Grant Expenditure	(47 201 371)	(42 318 627)	**(89 519 998)**	(72 282 609)	**17 237 389**	
Administration expenses	(10 363 387)	(3 702 642)	**(14 066 029)**	(12 849 427)	**1 216 602**	
Total expenditure	**(93 135 948)**	**(45 651 575)**	**(138 787 523)**	**(118 827 361)**	**19 960 162**	
Deficit before taxation	**200 000**	**(10 249 940)**	**(10 049 940)**	**(14 137 176)**	**(4 087 236)**	
Deficit for the year from continuing operations	**200 000**	**(10 249 940)**	**(10 049 940)**	**(14 137 176)**	**(4 087 236)**	
Capital expenditure	(200 000)	(170 000)	**(370 000)**	(660 746)	**(290 746)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**(10 419 940)**	**(10 419 940)**	**(14 797 922)**	**(4 377 982)**	
Reconciliation						

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Givernment grants and subsidies

The budgeted EDF conditional grant relating to start-ups and sustainability funding has not fully met the conditions as anticipated. Revenue will only be recognised when the conditions are met after disbursement of funds have been made to the beneficiaries.

Employee cost

Lower than budget spending on employee cost is as a result of vacant positions.

Grant cost expenditure

2021-22 financial year projects have been approved in the last quarter of the financial year and will only be disbursed in the 2022-23 financial year.

Administrative expenditure

Impementation of cost containment measures combined with reduced spenditng on operational cost as a result of Covid-19 pandemic resulted in lower than budgeted administrative expenses.

Accounting Policies

Budget on Cash Basis			
Figures in Rand	Notes(s)	2022	2021

1. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

Accounting Policies

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Figures in Rand	Approved budget	Adjustments
Furniture and fixtures	Straight-line	10 - 20 years
Office equipment	Straight-line	5-10years
IT equipment	Straight-line	3-8years
Leasehold improvements	Straight-line	3-8years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Accounting Policies

1.4 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

Accounting Policies

1.5 Financial instruments (continued)

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Accounting Policies

1.5 Financial instruments (continued)

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Accounting Policies

1.5 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and Cash Equivalent	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Accounting Policies

1.5 Financial instruments (continued)

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Accounting Policies

1.5 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

- The entity derecognises a financial asset only when:
- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to

the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Accounting Policies

1.5 Financial instruments (continued)

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.6 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

Accounting Policies

1.6 Statutory receivables (continued)

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in “Accrued interest” above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.

Accounting Policies

1.6 Statutory receivables (continued)

- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

Accounting Policies

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability(Deferered lease asset / Deferred lease liability).

1.8 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.9 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Accounting Policies

1.9 Employee benefits (continued)

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post- employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Accounting Policies

1.9 Employee benefits (continued)

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and

Accounting Policies

1.10 Provisions and contingencies (continued)

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 33.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.11 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

GRAP 17 requires disclosure of Property, plant and equipment related commitments. MDDA discloses commitments in relation to the grant expenditure even though they do not meet GRAP 17 disclosure requirement. The disclosure is for the purposes of attaining fair presentation since grant expenditure is the most significant part of MDDA operations and the commitment disclosure will give more insight to the users of the financial statements.

1.12 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;

Accounting Policies

1.12 Revenue from exchange transactions (continued)

- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.13 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another

entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Taxes

The entity recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the entity controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The entity analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer. The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transfers that are subject to conditions are recognised as unspeng grants upon receipt. Revenue is only recognised when the conditions are met.

Transferred assets are measured at their fair value as at the date of acquisition

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.14 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

Accounting Policies

1.15 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal- agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

Accounting Policies

1.16 Grant cost expenditure

Grant cost expenditure relates to grants disbursed to grant beneficiaries

Ependiture is only recognised when the beneficiary has met all the contractual disbursement requirements

1.17 Administration expenses

Administration expenses relate to all the expenditure incured on a day to day running of the entity exept:

- Employee cost
- Depreciaition and impairment
- Grant cost expenditure

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Accounting Policies

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The audited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the audited annual financial statements as the recommended disclosure when the audited annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

Accounting Policies

1.22 Related parties (continued)

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its audited annual financial statements.

1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.24 Prior period errors and adjustments

Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from failure to use/misuse of reliable information that:

- Was available when the financial statements for that period were issued
- Could have been reasonably expected to be taken into account in those financial statements.

A prior period error is corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may be the current period)

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity restate the comparative information to correct the error prospectively from the earliest date practicable.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

2. CHANGES IN ACCOUNTING POLICY

The audited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

3. NEW STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact

Media Development and Diversity Agency

(Registration number PE63)

Audited Annual Financial Statements for the year ended 31 March 2022

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

4. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 347 760	(668 182)	679 578	1 347 760	(611 537)	736 223
Office equipment	77 452	(65 770)	11 682	77 452	(58 521)	18 931
IT equipment	2 115 845	(988 779)	1 127 066	1 539 559	(719 986)	819 573
Leasehold improvements	1 527 715	(1 404 974)	122 741	1 471 491	(1 380 017)	91 474
Total	**5 068 772**	**(3 127 705)**	**1 941 067**	**4 436 262**	**(2 770 061)**	**1 666 201**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Impairment loss	Total
Furniture and fixtures	736 223	-	(56 645)	-	679 578
Office equipment	18 931	-	(7 249)	-	11 682
IT equipment	819 573	604 523	(278 821)	(18 209)	1 127 066
Leasehold improvements	91 474	56 224	(24 957)	-	122 741
	1 666 201	**660 747**	**(367 672)**	**(18 209)**	**1 941 067**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Impairment loss	Total
Furniture and fixtures	489 536	315 050	(58 208)	(10 155)	736 223
Office equipment	34 422	-	(15 491)	-	18 931
IT equipment	552 238	517 285	(227 933)	(22 017)	819 573
Leasehold improvements	114 839	-	(23 365)	-	91 474
	1 191 035	**832 335**	**(324 997)**	**(32 172)**	**1 666 201**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

	2022	2021
Current liabilities	4 765	8 857

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

5. DEFERRED LEASE LIABILITY

Current liabilities	(316 970)	(261 526)

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Deposits	665 890	665 890
Prepaid expenses	1 098 000	727 000
Other receivables	588 032	547 289
	2 351 922	**1 940 179**

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Deposits relates to the deposit paid on occupation of the leased building

Prepaid expenses relates to advance payments made to service providers / service not rendered at year end. Other receivables relates to double payment made to the service provider in the prior financial years.

7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Staff debtors	89 161	36 006

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Staff debtors relates to recoverable relocation costs paid to a former staff member who did not serve the minimum employment period as required by the MDDA human resources policy, cash advances advanced to MDDA staff members for travelling costs. Salaries overpayments are also categorised under the staff debtors

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	-	1 001
Bank balances	42 998 151	29 444 776
Short-term deposits	90 763 040	112 171 239
Credit card	(18 378)	(12 182)
	133 742 813	**141 604 834**
Current assets	133 761 191	141 617 016
Current liabilities	(18 378)	(12 182)
	133 742 813	**141 604 834**

Short-term deposits are the surplus funds deposited on the South African Reserve bank call account. Funds are immediately available for withdrawal.

The cash and cash equivalents balance includes R95 996 679.27 (2021 - R91 503 498) funds committed for the approved grant beneficiaries, refer to note No. 22 for commitment disclosure.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

8. CASH AND CASH EQUIVALENTS (CONTINUED)

Other current liabilities (Corporate credit card)	(18 378)	(12 182)

Other current liabilities relates to the balance on the corporate credit card. The balance is paid through a debit order on the 6th of each month.

9. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

DoC - Programme production	5 802 470	5 802 470
Competition commission (EDF)	32 435 906	26 063 390
	38 238 376	**31 865 860**

Movement during the year

Balance at the beginning of the year	31 865 860	27 947 858
Additions during the year	9 460 155	12 686 668
Income recognition during the year	(3 087 639)	(8 768 666)
	38 238 376	**31 865 860**

Programme Production

During the 2008/09 financial year, MDDA entered into MoU with the Department of Communications for Programme Production support for broadcast projects for an amount of R20 million. The remainder of R5.8 million will be realised as revenue as spending occurs.

Competition Commission

The Competition commission fined different role players within the media industry for uncompetitive behaviour and requested MDDA to manage the Economic Development Fund and implement remedial projects on its behalf. The remainder of the R32.4 (2021: R26.0 million) will be realised as revenue as spending occurs..

10. PROVISIONS

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Employee costs - provisions	1 560 947	1 754 648	(1 463 187)	1 852 408

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Employee costs - provisions	1 083 525	1 560 947	(1 083 525)	1 560 947

The provisions relates to the provision for staff performance bonuses. Bonuses are provided based on the projected staff performance.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

11. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	2 006 812	773 928
Employee related - PAYE, UIF, SDL, Medical, Provident fund	220 331	1 386 818
Employee related - Leave accrual	1 156 370	1 115 855
Other accrued expenses	188 588	-
	3 572 101	**3 276 601**

12. REVENUE

Other income	5 500	2 061
Interest received - investment	3 867 944	4 050 101
Government Grants	36 175 261	41 070 373
Broadcast funders contributions	64 641 480	60 915 177
	104 690 185	**106 037 712**

The amount included in revenue arising from exchanges of goods or services are as follows:

Other income	5 500	2 061
Interest received - investment	3 867 944	4 050 101
	3 873 444	**4 052 162**

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

Government grants & subsidies	36 175 261	41 070 373
Broadcast funders contributions	64 641 480	60 915 177
	100 816 741	**101 985 550**

13. BROADCAST FUNDERS CONTRIBUTIONS

Broadcasters Contribution	64 641 480	60 915 177

Broadcast media entities are required to pay Universal Service and Access Fund (USAF) Levy in terms of paragraph 3 of the Electronic Communications Act (Act 36 of 2005) USAF Regulations.

License holders have an option of paying USAF levy to ICASA or broadcasters contributions to MDDA.

License holders who have contributed to MDDA are exempted for USAF levy's portion equal to the amount paid to MDDA as broacast contributions.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

14. GOVERNMENT GRANTS & SUBSIDIES

Operating grants		
GCIS - Unconditional	33 026 000	32 279 000
MICT : SETA Grant - Unconditional	61 622	22 706
Competition Commission	3 087 639	1 268 667
	36 175 261	**33 570 373**
Capital grants		
DoC : Broadcast Equipment - Conditional	-	7 500 000
	36 175 261	**41 070 373**

15. INTEREST INCOME

Interest income		
Bank	3 867 944	4 050 101

The amount included in Interest income arising from exchange transactions amounted to R 3 867 944(2021: R4 050 101).

16. OTHER REVENUE

Other income	5 500	2 061

Other income relates to insurance compensations.

17. GRANT COST EXPENDITURE

Operational grants		
Grant disbursement	63 683 621	63 803 002
Projects systems expenses	629 075	252 310
Training, workshop, and other administration costs	7 969 913	1 098 276
	72 282 609	**65 153 588**

Grant disbursements relate to the funds paid to beneficiaries.

Projects systems expenses relates to the projects management systems costs.

Workshop and travelling costs incurred by the projects managing, research and monitoring units are classified as workshop and travelling costs.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021
18. EMPLOYEE RELATED COSTS		
Basic	25 203 473	23 054 443
Bonus	1 679 014	1 560 947
Medical aid - company contributions	1 254 910	1 074 676
UIF	74 297	65 242
SDL	300 310	190 513
Leave pay provision charge	158 799	723 573
Cell phone allowance	648 154	613 500
Provident Fund	2 743 539	2 485 515
Travel, motor car, accommodation, subsistence and other allowances	285 340	70 998
Overtime payments	34 076	-
Acting allowances	927 533	1 104 156
Staff Gratuity & Settlements	-	202 706
	33 309 445	**31 146 269**
Remuneration of CEO: Ms Z Potye (From 23 April 2018)		
Basic salary	2 063 156	2 042 452
Performance Bonuses	115 663	105 827
Subsistence and travelling	1 566	6 582
Other allowances	322 748	388 472
	2 503 133	**2 543 333**
Remuneration of CFO: Mr Y Asmal (From 17 Sept 2018)		
Basic salary	1 765 740	1 765 572
Performance Bonuses	90 593	99 468
Subsistence and travelling	1 828	1 720
Other allowances	105 508	174 862
	1 963 669	**2 041 622**
Remuneration of acting director M&E: Ms CA Langbrige (From 01 Oct 2018 to 28 Feb 2021)		
Basic salary	-	808 385
Acting allowance	-	352 320
Performance Bonuses	-	71 010
Subsistence and travelling	-	7 777
Other allowances	-	335 307
	-	**1 574 799**
Remuneration of Executive Manager: Projects Mr. M Kashe (From 17 Feb 2020)		
Basic salary	1 293 435	1 293 315
Performance Bonuses	88 200	14 775
Acting allowance	40 713	-
Subsistence and travelling	17 648	5 627
Other allowances	230 706	280 456
	1 670 702	**1 594 173**
Remuneration of Executive Manager: Research, Monitoring and Evaluation: Ms Z Mqolomba (From 14 June 2021)		
Basic salary	1 061 008	-
Subsistance and travelling	9 172	-
Other allowances	181 392	-

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

18. EMPLOYEE RELATED COSTS (CONTINUED)

	1 251 572	**-**

19. ADMINISTRATION EXPENSES

Internal audit	59 800	229 040
External audit	1 350 887	1 285 210
Professional services	1 359 768	77 949
Licenses	340 264	257 085
Telecommunication costs	447 912	323 653
Staff training and study assistance	952 904	330 776
Travel - local and foreign	549 052	189 246
Board administration cost	472 425	299 237
Non-executive directors emoluments	925 037	954 293
Communications	411 643	546 962
Legal fees	2 817 039	508 830
Rental, water, electricity and other property expenses	2 447 249	3 179 783
Other administrative expenses	715 447	751 412
	12 849 427	**8 933 476**

20. IMPAIRMENT LOSS

Impairments		
Property, plant and equipment	18 209	32 173

Assets condition assessment was conducted at year end and items of property plant and equipment were found not to be in usable condition / lost. Impairment expenditure was recognised on the carrying value of impaired assets.

21. CASH (USED IN) GENERATED FROM OPERATIONS

(Deficit) surplus	(14 137 176)	447 211
Adjustments for:		
Depreciation and amortisation	367 671	324 995
Impairments	18 209	32 173
Movements in operating lease assets and accruals	55 444	244 393
Movements in provisions	291 461	477 422
Changes in working capital:		
Receivables from exchange transactions	(411 743)	4 025 612
Receivables from non-exchange transactions	(53 155)	7 284
Payables from exchange transactions	295 500	1 190 096
Unspent conditional grants and receipts	6 372 516	3 918 001
	(7 201 273)	**10 667 187**

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

22. COMMITMENTS

Operational commitments Grant commitments

Grant commitments		
• Opening balance of commitments	91 503 498	102 094 768
• Projects approved	69 382 794	55 524 254
• Disbursement to projects	(61 619 366)	(57 878 641)
• Write-backs	(3 270 246)	(8 236 883)
	(7 201 273)	**10 667 187**

Projects commitments	95 996 680	91 503 498

The entity has entered into contracts to fund community radio, TV, print, digital projects, media and advertising bursaries commitments regarding the projects are shown above (All funding agreements are for periods up to 18 months for the projects and 36 months for media and advertising students bursaries).

Other operational commitments

Open orders	185 555	541 928
Long term contracts	2 312 622	991 583
	2 498 177	**1 533 511**

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	1 429 737	1 326 567
- in second to fifth year inclusive	2 983 530	4 376 324
	4 413 267	**5 702 891**

Printing machines

MDDA leases printing machines from Iteck Tiyende Pty Ltd for a period of 24 month. There is no annual escalation nor contingent rental on the lease.

Office building

MDDA office space is leased from Growthpoint. The lease agreement is for a period of 60 months. The lease has an annual escalation of 8%. There are no provision for contingent rental.

23. RELATED PARTIES

Relationships

Directors	Refer to members' report
Controlling entity	Department of Communications (Up to 2020
Shareholder with significant influence	Government Communication Information Systems
Members of key management	Refer to note No. 18

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

23. RELATED PARTIES (CONTINUED)

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

	2022	2021
GCIS - Receivables	348 000	727 000
DoC - Conditional grants	(5 802 470)	(5 802 470)

Government Communications Information Systems

MDDA has received grants to the value of R33 026 000 from GCIS in the 2021-22 financial year (2021 - R32 279 000). MDDA has participated in community media airtime buying through GCIS during the financial year. The total transactions amounted to R76 000 (2021 - R83 580). The advance payments that were not yet utilised at year amounted to R348 000 (2021 - R727 000)

Department of Communications

The R5 802 470 relates to a conditional grant received in relation to programme production.

24. DIRECTORS EMOLUMENTS

Non-executive

2022

	Members' fees	Total
Andiswa Ngcingwana	32 562	32 562
Brenda Leonard	227 440	227 440
Hlengani Mathebula	183 356	183 356
Hoosain Karjieker	28 188	28 188
Marina Clarke	227 934	227 934
Moshoeshoe Monare	80 190	80 190
Nadia Bulbulia	90 396	90 396
Ndivhuho Norman Munzhelele	15 038	15 038
	885 104	**885 104**

2021

	Members' fees	Total
Andiswa Ngcingwana	123 476	123 476
Brenda Leonard	97 740	97 740
Hlengani Mathebula	117 554	117 554
Marina Clarke	93 740	93 740
Martina Della-Togna	131 079	131 079
Moshoeshoe Monare	96 091	96 091
Ndivhuho Norman Munzhelele	75 038	75 038
Patience Nombeko Mbava	80 190	80 190
	814 908	**814 908**

** The following individual served as MDDA board members, however they were not remunerated because they work for other organs of state. They were entitled to reimbursement of their travel and data expenditure.

- Zanele Mngadi

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

24. DIRECTORS EMOLUMENTS (CONTINUED)

Audit and Risk Committee (ARC)

2022

	Emoluments	Total
Phuti Phukubje (Former chairperson)	1 236	1 236
Margaret Phiri	27 035	27 035
Matseliso Shongwe	26 378	26 378
	54 649	**54 649**

2021

	Emoluments	Total
Phuti Phukubje (Chairperson)	88 737	88 737
Mfanufikile Daza	43 572	43 572
	132 309	**132 309**

** The following individuals served as MDDA ARC members, however they were not remunerated because they work for other organs of state. They were entitled to reimbursement of their travel and data expenditure.

- Simon Makgaba
- Fortune Mkhabela

25. IRREGULAR EXPENDITURE

	2022	2021
Opening balance as previously reported	49 055 159	49 055 159
Opening balance as restated	**49 055 159**	**49 055 159**
Add: Irregular Expenditure - current	-	-
Less: Amount recoverable - current	-	-
Less: Amount written off - current	(49 055 159)	-
Closing balance	**-**	**49 055 159**

R9 929 000 relates to irregular expenditure discovered by the Auditor-General during the audit process in the 2017/18 and prior financial year. The transactions were declared irregular expenditure as a result of procurement which did not follow the Supply Chain Management legislation. Forensic investigations have been conducted, disciplinary hearings were conducted on officials that caused the expenditure. Processes are underway to attain condonation from the National Treasury.

R39 126 159 relates to the irregular expenditure discovered internally on the broadcast centralisation tender where the tender processes were conducted in contravention of the Supply Chain Management legislation. An internal investigation was conducted through the Internal Audit office. Value for money has been achieved since the equipment has been delivered and installed. Processes are underway to attain condonation from the National Treasury.

MDDA irregular expenditure in the amount of R49 055 159 has not been condoned by the National Treasury as submitted by the previous MDDA Board, however Nationinal Treasury adviced the board to follow paragraphs 57, 58, and 59 of the Irregular Expenditure Framework issued in terms of National Treasury Instruction 02 of 2019/2020 . MDDA Board written off R49 055 159 irregular expenditure in accordance with provisions of paragraphs 57, 58, and 59 of the Irregular Expenditure Framework issued in terms of National Treasury Instruction 02 of 2019/2020.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

26. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance as previously reported	52 484	52 484
Add: Fruitless and wasteful expenditure identified - current	-	-
Less: Amount recovered - current	-	-
Less: Amount written off - current	-	-
Closing balance	**52 484**	**52 484**

2019/20 financial year

Fruitless and wasteful expenditure has been incurred on the Workmen's Compensation account. This was as result of interest and penalties levied on incorrect return of earnings filed in prior financial years.

Prior years

Prior years fruitless and wasteful expenditure has been investigated and processes are underway to attain condonement from the National Treasury. The recovery process is also on-going on recoverable portion.

27. CHANGE IN ESTIMATE PROPERTY, PLANT AND EQUIPMENT

The useful life of fuurniture and fixures was estimated to be between 10 to 15 years. In the current period management have revised their estimate to be between 10 and 20 years.

The useful life of ICT equipment was estimated to be between 3 to 5 years. In the current period management have revised their estimate to be between 3 and 8 years.

The useful life of some compontents of IOffice equipmentt was estimated to be between 3 to 5 years. In the current period management have revised their estimate to be between 5 and 8 years.

The effect of this revision will result in a decrease in current financial year depreciation by R45 155 and an increse in fututure financial years depreciation by R45 155.

28. RECLASSIFICATION GRANT COST EXPENDITURE

- Projects systems expenses disclosed on note No.17, were renamed from "Projects tracking expenses". This will enable users to understand the nature of expenditure disclosed.

29. PRIOR-YEAR ADJUSTMENTS

Sentech advance payment

Grant beneficiaries were approved for Sentech fees between October 2016 and October 2018. MDDA paid Sentech fees directly to Sentech on behalf of the beneficiaries. Sentech could not allocate the paid fees due to accounts closure and fully paid accounts. MDDA Sentech account was left with an advance payment of R505 712.36

The advance payment of R505 712.36 was erroneously ommitted and not recorded on MDDA Fincnail Statements Prior period opening balances have been adjusted to correct the error.:

Ommitted tax liability

In July 2014, an employee was paid a CCMA settlement lumpsum award. MDDA did not declare and pay the corresponding income tax deducted from the employee's lumpsum.

The error was detected during 2021-22 financial year, declaration and payment of R254 690.25 income tax was made to SARS.

Incorrect accounting of commission from unspent grants

MDDA has received conditional grant on an annual bases from 2017. MDDA is entitled to recognise 10% of received funds as its revenue. Revenue from received funds has erroneously not been recognised since the inception of the grant.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

29. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

Prior period opening balances have been adjusted to correct the error

Correction of error will have the following effect on prior period balances:

Statement of financial position

2021

	Note	As previously reported	Correction of error	Restated
Increase in receivables from exchange transactions		1 434 467	505 712	1 940 179
Increase in payables from exchange transactions		(3 021 911)	(254 690)	(3 276 601)
Reduction in unspent grant		(34 761 792)	2 895 932	(31 865 860)
Increase in accummulated surplus		(105 956 788)	(1 878 287)	(107 835 075)

Statement of financial performance

	Note	As previously reported	Correction of error	Restated
Government grants & subsidies		(39 801 706)	(1 268 667)	(41 070 373)

30. EVENTS AFTER THE REPORTING DATE

MDDA operates from a leased building at No. 5 ST David Park, Parktown, Johannesburg.

On 14 April 2022 MDDA has received an intention by the land to terminate the lease agreement since they intend to utilisee the building for different purpose. On 30 May 2022, MDDA has received a three months building lease termination notice from the new landlord for the cancelation of building lease.

An estiname of the financial effect on lease termination will be as follows:

- Leasehold improvements will be impaired By R122 741.90 .
- Defred lease liability will be reduced by R316 970 to R0.
- Operating lease commitments disclosure of minimum payments within one year will be reduced from R1 429 737 to R613 430.37.
- Operating lease commitments disclosure of minimum payments for secnd to fifth year will be reduced from R2 983 530 to R0.

31. GOING CONCERN

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of 94 145 110 and that the entity's total assets exceed its liabilities by 94 145 110.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Covid-19 Pandemic and impact on entity's going concern

In November 2019, the first cases of a new disease, later named COVID-19 by the World Health Organization (WHO), were reported by healthcare workers from Wuhan, China. In January 2020 the WHO declared COVID-19, as a public health emergency of international concern.

MDDA has implemented a pandemic management plan. MDDA offices have been open and staff worked on a rotation bases. During rotational work cycle, preventative measures were observed such as: Deep cleaning and disinfection of the offices and equipment, pre-screening of workers before entering the facility, provision of personal protective essentials, provision of sanitizers, maintaining of social distancing.

Notes to the Audited Annual Financial Statements

Figures in Rand	2022	2021

32. RISK MANAGEMENT

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2022	Less than 1 year	Between 1 and 5 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	3 572 101	-	-	-
• Provision	1 852 408	-	-	-
• Deferred lease liability	316 970	-	-	-

At 31 March 2022	Less than 1 year	Between 1 and 5 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	3 276 601	-	-	-
• Provisions	1 560 947	-	-	-
• Deferred lease liability	261 526	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Interest rate risk

As the entity only hasshort term deposits as a significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Cash flow interest rate risk

Short-term deposits	4.40 %	90 763 040	-	-	-

33. CONTINGENCIES

The entity is a party to three disputed employees appointments and unfair labour practice claims which are before the disciplinary hearing and CCMA. The probabilities of the entity's chances of winning or losing the cases are remote.

The higher financial impication should the entity lose the case is R1 085 654.08.

Notes

Notes

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